City of Poulsbo, Washington
2011 Budget

Mayor Rebecca Erickson

Council Members

Linda Berry-Maraist • Jim Henry • Jeff Bauman
Connie Lord • Jeff McGinty • David Musgrove • Ed Stern

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 2011 BUDGET

For Fiscal Year January 1, 2011 to December 31, 2011

Adopted by
Poulsbo City Council
December 15, 2010

Ordinance No. 2010-28

Document prepared by:
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CITY OF POULSBO
OFFICIALS

MAYOR
Rebecca Erickson

CITY COUNCIL

Linda Berry-Maraist
Jim Henry
Jeff Bauman
Connie Lord
Jeff McGinty
David Musgrove
Ed Stern

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 3:00 PM***	
Member	***Term Expires***
Ardis Morrow	2012
Kent Lord	2014
Vacant	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
Vacant	2014
Vacant	2012
Mark Kluth	2013
Vacant	2014

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

Parks & Recreation Commission ***Meets: 4th Monday 7:00 PM***	
Member	***Term Expires***
Mary Carter	2013
David Wymore	2013
Harold Benny	2011
Becky Lorber	2012
Karen Rutledge	2013
Stephen Calhoun	2011
Aaron Murphy	2011

Planning Commission ***Meets: 2nd & 4th Tuesdays 7:00PM***	
Member	***Term Expires***
Stephanie Wells	2011
Jim Thayer	2012
Kate Nunes	2015
Ray Stevens	2016
Gordon Hanson	2016
James Coleman, Sr.	2014
Bob Nordnes	2013

Tree Board ***Meets: 2n Monday 7:00 PM***	
Member	***Term Expires***
Janet Brown	2012
Bess Bronstein	2012
Vacant	2012
Joan Hett	2013
Gayle Larson	2013
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 the Human Resources Manager.

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 drug and crime prevention programs. The Police 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.

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.

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.

TABLE OF CONTENTS

(To view a particular section, simply click on the text below)

PREFACE	SECTION/PAGE #
City Officials	ii
Boards & Commissions	iii
Table of Contents	v
The City's Vision	viii
How to Use This Document	xiv
Distinguished Budget Award	xvi
SECTION 1 - INTRODUCTION	
Mayor's Transmittal Message	1-1
City Profile	1-13
Budget Process	1-23
Purpose	1-23
Process	1-23
Computerized Budget & Accounting System	1-24
Preliminary Budget	1-24
Budget Ordinance	1-24
Final Budget	1-24
Components of the Budget	1-24
Implementation, Monitoring and Amendment	1-24
Budget Policies	1-25
Legal Structure	1-26
Basis of Accounting & Budgeting	1-26
Budget Structure	1-26
Performance Measures	1-27
Changes for 2010 Budget	1-27
Budget Calendar	1-30
SECTION 2 - FINANCIAL PLAN	
Financial Plan	2-1
Organization of the City	2-2
Organization of Budgeted Funds	2-3
Council Goals	2-4
Council Priorities	2-6
Departmental Goals and Performance Measures	2-7
Analysis of Revenues by Fund and Source	2-29
Analysis of Expenditures by Fund and Type	2-31
How Does City Use It's Resources	2-33
All Funds – Summary of Estimated Financial Revenue/Sources and Exp/Uses	2-34
Governmental Funds – Summary of Estimated Financial Sources and Uses	2-36
Working Capital	2-38
Enterprise & Internal Service Funds – Summary of Estimated Revenues, Expenses And Changes in Fund Equity	2-40
Summary of Fund Activity and Changes in Fund Balance	2-44
Staffing Summary	2-46
Capital Improvement Summary	2-48
Long Term Debt Obligations and Capacity	2-55
SECTION 3 - GENERAL FUND (001)	
General Fund Revenue Analysis	3-2
General Fund Revenue Detail	3-13
Baseline Budget	3-16
General Fund Organizational Chart	3-17
General Fund Expenditure Analysis	3-19

General Fund Department Budgets
Legislative and Executive 3-21
Administrative Services 3-27
Personnel 3-29
Information Services 3-33
Municipal Court 3-37
Finance Department 3-41
City Clerk Department 3-47
Central Services 3-51
Police 3-57
Engineering 3-63
Parks & Cemetery 3-69
Planning 3-73
Parks & Recreation 3-79
Non-Departmental 3-87
Audit & Risk Management 3-88
Legal 3-88
Employee Benefit Program (Wellness) 3-88
Other General Government 3-89
Fire Control 3-89
Detention or Correction 3-89
Employment Administration 3-89
Emergency Services 3-90
Communications 3-90
Natural Resources 3-90
Excise Taxes 3-90
Mental Health 3-91
Animal Control 3-91
Substance Abuse 3-91
Library 3-91
Urban Forestry 3-92
Other Governmental Services 3-92
Operating Transfers 3-93
Fund Balance & Reserves 3-96
General Fund Summary 3-96
General Fund Grand Total 3-96

SECTION 4 - SPECIAL REVENUE FUNDS (100's) **4-1**
Special Revenue Funds Program Descriptions and Summary 4-2
101 City Streets 4-4
121 Capital Improvement 4-8
123 Cumulative Reserve 4-10
131 Historic Downtown Poulsbo Association (HDPA) 4-11
161 Paths and Trails 4-14
171 Drug Enforcement 4-15
181 Transient Occupancy Tax 4-17
191 Police Restricted Funds 4-20

SECTION 5 - DEBT SERVICE FUNDS (200's) **5-1**
Debt Service Funds Program Descriptions and Summary 5-2
201 Miscellaneous Governmental Debt 5-5
204 Non-Voted General Obligation Debt 5-6

SECTION 6 - CAPITAL PROJECT FUNDS (300's) **6-1**
Capital Project Funds Program Descriptions and Summary 6-2
301 Equipment Acquisition 6-4
302 Park Reserve 6-6
311 Street Reserve 6-9

312 Park Acquisition **6-11**
314 Cemetery Reserve **6-13**
321 City Street Equipment Reserve **6-14**
331 Facilities **6-15**

SECTION 7 - PROPRIETARY FUNDS (400 – 500's) **7-1**
Proprietary Funds Program Descriptions and Summary **7-2**
Public Works Organizational Chart **7-4**
Public Works Staffing Chart **7-5**
ENTERPRISE FUNDS
401 Water **7-6**
403 Sewer **7-12**
404 Solid Waste **7-16**
410 Storm Drain **7-21**

INTERNAL SERVICE FUND
501 General Facilities Fund **7-25**
502 Public Works Administration **7-28**

SECTION 8 – BASELINE ADJUSTMENT REQUESTS and NEW PROGRAM REQUESTS
Baseline Adjustment Request Summary **8-1**
New Program Improvement Requests Summary **8-9**

SECTION 9 – CITY IMPROVEMENT PLAN
City Improvement Plan **9-1**
General Purpose Program **9-11**
Transportation Program **9-21**
Enterprise Program **9-35**
Capital Improvement Policy **9-74**
Debt Management Policy **9-76**

SECTION 10 - APPENDIX
Final Budget Ordinance **10-1**
Employee Salary, Wage, & Benefit Information **10-6**
Salary & Wage Resolution **10-9**
Tax Ordinance **10-14**
Financial Policies & Procedures
Financial Management Policies **10-18**
Accounting, Financial Reporting, & Auditing **10-23**
Cash & Investment Management **10-24**
Enterprise Funds **10-25**
Operating Budgets **10-26**
Performance Measures **10-28**
Investment Policy **10-30**
Debt Management Policies **10-45**
Capital Improvement Policy **10-52**

SECTION 11 - GLOSSARY
Glossary of Terms **11-1**

CONTACT INFORMATION **BACK COVER**

THE CITY'S VISION

VISION	
FOR THE ENVIRONMENT, OPEN SPACE	***HOW ARE WE DOING?***
Restore water quality in Liberty Bay to acceptable standards	*Fully Implemented requirement of NPDES Phase II Storm water Permit* *Encourage the use of Low Impact Development throughout all residential and commercial development* *Partnered with Kitsap County Health District in the Storm Water Management Implementation Grant for Kitsap Regional Illicit Discharge Detection and Elimination Clean Runoff Project* *Completed Construction projects on Mesford St. and Viking Avenue with LID features including pervious asphalt, pervious sidewalks, and bio-swales* *Received LID Grants to install LID features on 6th Avenue and Anderson*
Encourage conservation of trees and open space during the development process	*Participation in "Tree City USA" program – 14th year* *Continued citizen participation in the Urban & Community Forestry Program* *Development of landscaping standards* *Completed 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* *Acquire contiguous properties to enhance the nature park experience and protect the estuary* *Continue developing Centennial Park* *Final approval of the trails master plan and investigate different trail connections* *Drafted updated Park Impact Fee Structure to be adopted in 2011* *Updated Capital Improvement Plan*
Preserve open space on Liberty Bay	*Continue development of 21 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*

THE CITY'S VISION

****FOR THE ENVIRONMENT, OPEN SPACE****	***HOW ARE WE DOING?***
Preserve and enhance public access to the waterfront	*Public walk in boat launch at City's Oyster Bay Park* *Access from City's waterfront boardwalk to Liberty Bay* *Continue the Liberty Bay Waterfront trail around the north end of the bay*
Encourage the creation of a continuous trail around Liberty Bay, and trails throughout the community	*Final approval of 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 around the north end of the bay*
****FOR THE QUALITY OF LIFE****	***HOW ARE WE DOING?***
Lower the crime rate	*Police Bike patrol* *Police Marine Unit* *COPPS Program – Community Oriented Policing and Problem Solving* *Crime Prevention Program* *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* *Student Police Advisory Board* *Community Police Advisory Board* *Volunteers in Police Service (VIPS)* *Neighborhood Block Watch Program* *Chaplain Program* *County wide criminal justice computer data base*

THE CITY'S VISION

FOR THE QUALITY OF LIFE	*HOW ARE WE DOING?*
Strive for continued improvement in educational facilities and achievement	*Seek legislative support for "University Center" to pursue additional 4-year baccalaureate programs at OC Poulsbo* *Parks & Recreation classes for adults and children* *Worked with Public Facility Development for the upgrade of local school athletic fields. Continue to work with partners on Phase 2* *The City purchased the Recreation Center in February 2010 and have made needed improvements* *Continue to expand after school program opportunities at the elementary and middle schools*
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* *Provided ability for citizen's to pay by credit card through City website*

THE CITY'S VISION

FOR THE QUALITY OF LIFE	*HOW ARE WE DOING?*
Use electronic technology and other means as appropriate to increase citizen awareness of community issues, and their involvements in finding solutions	*Development of City Web Pages* *Linking Poulsbo's web page to Federal passport web page so forms can be downloaded* *Offering forms on City's website* *Poulsbo Municipal Code on City's Website* *Providing council meeting minutes on the City website* *Providing Council Committee meeting agendas with all attachments on the website* *Council meetings televised through local cable programming* *Provided ability for customers to pay City bills through City website by credit card*
FOR RESINDENTIAL 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* *Creation of the Office Commercial Industrial zoning code*
Maintain the character of existing neighborhoods	*City Council adopted an extended update to the Comprehensive plan in 2009*

THE CITY'S VISION

FOR COMMERCIAL DEVELOPMENT	*HOW ARE WE DOING?*
Preserve and enhance the historic downtown	*Developed plan to demolish old City Hall for redevelopment* *Continued support and participation in the local business improvement area association, Historic Downtown Poulsbo Association* *Support of Poulsbo's Historical Society including negotiating an agreement to allow them space in the new City Hall* *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	*Member of EDC Telecommunication Group* *Active participation in the Kitsap Economic Development Alliance* *Established an Economic Development Committee*
Preserve the Scandinavian identity	*Downtown core design standards*
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 recommended actions* *Citizen Volunteers assist with handicap parking enforcement* *Installed new marked street parking on Front and Jensen Streets* *Created one-way traffic on 3rd Avenue to improve traffic* *Completed new City Hall with public parking* *Acquired grant to install LID features and improve traffic flow and parking in Anderson Parkway* *Plan to redevelop existing City Hall Property to encourage additional parking solution*

THE CITY'S VISION

FOR TRAFFIC CIRCULATION	*HOW ARE WE DOING?*
Create a pedestrian-friendly environment	*Completed Traffic Demand Management (TDM) Study and implemented Phase I actions* *Constructed a pedestrian/bicycle trail along Fjord Drive* *Completed improvement to Viking Way to include bike paths and sidewalks on both sides* *Installed shared use path on Mesford Street* *Acquired grants to install sidewalks and shared use paths on Noll Road and Hostmark Street* *Completed Improvements on Viking Way to include bike paths and sidewalks and trail connection to Fish Park*
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* *Completed Improvements on Viking Way to include bike path and sidewalks and trail connection to Fish Park* *Lead partner in award winning "State Telework" Pilot Project*
Improve traffic flow throughout the City	*Completed Traffic Demand Management (TDM) Study and implemented recommended actions* *Use of radar reader board* *Installation of drive up payment drop box at new City Hall* *Worked with Department of Transportation for widening of Highway 305* *Completed Viking Avenue Improvements*

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 2011. 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 11 should be read first. It provides an overview of accomplishments for fiscal year 2010 and policy decisions made during the budget preparation process that influenced the 2011 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 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 2011 budget process, each Department was held to its 2010 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 2010 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 2011 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, Administrative Assistant, or any other staff members. Their names and phone numbers are listed on the back cover.

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, 2010.

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 Rebecca Erickson

December 31, 2010

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

To quote Henry Ford:

> *"Obstacles are those frightful things you see when you take your eyes off your goal."*

Although 2010 continued to present challenges due to the global economic downturn, Poulsbo is entering 2011 prepared with a conservative budget, strong reserve policies and a scaled back list of projects and programs. We will continue to be proactive in promoting economic development within the City's vision, working collaboratively towards our goals, and to adjust expenditures in anticipation of changes in the community and economy.

2010 proved to be an exciting year as the city moved into our new City Hall. This modern building not only serves the purposes of local government, but also as a gathering spot for our community. The City continues to explore the facility to make the most of convenient consolidated services. I am also very excited the City was able to offer a portion of the building to Poulsbo's Historical Society for the location of their museum. The Society has gathered information and artifacts for years, but never had a proper home for display. All are excited for their much loved displays to be open for public viewing in 2011.

Citizen participation is a key factor for successful government leadership. Educating and informing via this budget document demonstrates our commitment for a "partnership" with our citizens. 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 2011 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 2011 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

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mission of the City. These principles encompass many functions of the governmental organization and reflect development of a budget as a political and managerial process which includes financial intentions. The four principles of the budget process include:

- **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 forward thinking community with a reputation for providing excellent local service, effective management, and credible performance in regional issues. I like to think of Poulsbo as progressive and reflective of our cultural traditions. Our goal is to continually improve upon these favorable attributes.

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 2011 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 consistent with the City's 20 year Comprehensive Plan. This budget responds, in a positive manner, to the many and varied objectives and projects planned for 2011 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 2011 submissions.

2010 IN REVIEW

For the City, the year 2010 had many changes and challenges. The national economic downturn continued to challenge many government agencies. Although Poulsbo was not exempt from these challenges, we were able to fare better than many due to our strong financial

policies and reserve balances. Although at a slower pace, construction continued for commercial, residential and City projects.

The City's population continues to grow, increasing 65 people over the prior year. In the past five years the City has approved many annexations, 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 was one annexation approved in 2010, at least one more is in process for 2011.

Commercial construction has again slowly picked up in the College Market Place development. In 2010 construction began for a bottle distribution company, medical center and a Jack in the Box. All are anticipated to be complete and open for business in 2011.

The City continues to look for ways to enhance customer service and maintain fiscal responsibility with the City's funds. In 2010 the City began accepting credit cards on-line by creating a link directly from the City's webpage. The City also made a change in the way they accessed their financial software. The software is now set up with an Application Service Provider (ASP), which means a vendor provides the server in a remote location and is accessed via the internet. This allows for emergency back-up and accessibility, and will also allow the City to begin implementing the web applications of the software without the necessity of an in-house web server. This will decrease the amount of internal Information Technology support and provide better customer service to City employees and citizens.

2010 was a year to mark in history as the much anticipated opening and move into the new City Hall took place in November. A building several years and administrations in the making was finally ready for occupancy and the ability to offer the citizens a central location for most City services. The building provides additional parking for the downtown corridor and has several rooms available for public use, offering modern technology options and central heating and cooling for comfort. Office furniture has also been purchased anticipating heavy use with optimum functionality. The building was designed with additional space and growth possibilities for many years. As an added bonus, the City and Poulsbo's Historical Society were able to strike an agreement for the Society to purchase a portion of the building to house their long lived museum dream. In 2011 the Society will open their inaugural museum and display the many treasures which have been collected or donated over many years.

The City continues to maintain a rating of 'AA" from Standard and Poor's for both their general obligation and revenue bonds. The reasoning behind the ratings include very strong operating and reserve balances, location in Kitsap County (within commuting distance to Seattle), strong military presence, large retail base with a very strong per capita retail sales and a moderate carrying charge, combined with the fact that all of the City Services had just updated their functional plans and are increasing rates consistent with the long term financial strategies included in the plan.

In 2009 the major Comprehensive Plan update was completed. Following many public meetings, revisions, staff and citizen input, the City's updated 20 year Comprehensive Plan was adopted. The update was a two year process involving input from many, staff, consultants, council members, mayor and citizens. Functional Plans for transportation, parks, water, sewer and storm drain have been simultaneously updated. Unfortunately, the plan was immediately appealed with hearings occurring in 2010. The decision was issued in favor of the City on every point of contention.

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 2010 included:

1. **Viking Avenue:** Preliminary design work started in 2007 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. North Viking was completed at the the beginning of 2010 and South Viking will be completed in 2011. The plan is to widen the road, provide sidewalks, bike lanes and improve the drainage. Federal and state 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 has been an ongoing project continuing to develop with the assistance of many volunteers and donations. In conjunction with the City, volunteers have helped with construction of the public access trails, viewing platforms, interpretive signs, pedestrian bridges, and restoration plantings. The park boasts a landmarked entrance of a fish carved into a large boulder, public access into wildlife areas with viewing platforms, and information boards along the walking paths.

3. **Centennial Park:** A park located in the central portion of Poulsbo with a natural stream meandering the property. The park continues to be improved with minimal City funding and large donations of service by citizens and local service groups.

4. **City Hall:** A new City Hall, after several years of location and design changes, was completed occupied in 2010 The new City Hall will provide updated work spaces, meeting rooms and a safe environment for the employees and the public. The new building has also carved out an agreement for the Poulsbo Historical Society to purchase and locate a long awaited museum for the public and visitors to experience some of Poulsbo's heritage.

5. **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. In 2009 the City purchased the building from the Housing Authority for the remaining amount of debt. The City will be leasing a portion of the building to help fund the debt payments and additional operational costs. Improvements were made in 2010 to the roof, painted the interior and replacing a very worn floor. A new sign design, which will be standard in all City Parks, made its debut at the new Park and Rec Building in 2010. Continued improvements to the roof and parking areas will be completed in phases over the next several years.

6. **Review and Assess Contractual Relationships:** In 2010, we reviewed and revised many of our contractual relationships with other juridisdictions and organizations. Negotiations were completed with the Port of Poulsbo for the land lease along Anderson Parkway. Our contract with the Kitsap Public Library was reviewed and revised to more accurately reflect current service levels. Additionally a contract was establish with Windermere Real Estate to list various city properties for sale as part of the funding package for the City Hall. The contract with the Poulsbo Fire Department was reviewed and fire marshall services internalized within the City.

Several planning initiatives began and were completed in 2010. They include the completion of the Dog Fish Creek Study, Urban Trails of Poulsbo, and a council led Parking Committee for downtown Poulsbo that forwarded many recommendations to be reviewed and implemented in 2011

BUDGET DIRECTIVES

Property Tax Revenue Distribution

The City's property tax levy rate is slightly higher 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 2011, the City levied $1.61 for its regular property tax levy which is estimated to generate approximately $2 million in revenue. The rate is slightly higher than the statutory limit due to the other jurisdictions not being able to assess their maximum rate due to the other legally limiting factor of 1% above the highest allowable levy.

In 2011 the City Council reduced transfers by 50% to street and park reserves by delaying or reducing the construction of some projects. This allows the funds to remain in the General Fund for operations. The following distributions of the property tax revenue are as follows:

- 2.15% of the property tax revenue will be transferred to the Parks Reserve Fund. These funds are used to fund portions of capital park projects.

- 2.15% of the property tax revenue will be transferred to the Streets Reserve Fund. These funds are used to fund portions of capital transportation projects.

- 7% of the property tax revenue will be transferred to the Streets Reserve Fund to fund pavement restoration in lieu of new development throughout the City.

- 31% of property tax revenue will be transferred into the City Streets Fund for maintenance and operations of the City's streets.

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 continuing struggling economy, the sales tax projection will remain flat, the same as 2010. This is consistent with the actual amount collected in 2010 and Council's unwritten policy of not projecting more than what was received in the prior year. This amount still remains less than the 2008 levels. For 2011, 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 2011 will be:

- There will be no transfer for Capital Replacement as the City will now be purchasing the small tools items (i.e. computers, printers) which were previously purchased from the Capital Acquisition Fund in the General Fund (001). These are not classified as capital but as operational so will be accounted for in the General Operating Fund.
- $31,500 is allocated for new capital requests
- 1.5% ($42,000) of sales tax transfer to Revenue Stabilization Reserves in the General Fund
- The balance of sales tax revenue remains in the General Fund to provide funding for various departments and services.

Other Budget Directives

It was apparent entering into the 2011 budget process; the City would need to reduce expenditures as the economic recovery is now predicted to be a longer process than originally thought. With the assistance of the Human Resources Manager, Finance Director and City Council, we were able to develop and offer a Voluntary Separation in Lieu of Layoff Program. This allowed employees who were anticipating life and career changes the opportunity to leave with monetary incentives for making the choice sooner rather than later. The program was very successful, receiving thirteen applications and accepting nine. With this program the City reduced their workforce about 10% and provided a stronger position when developing the 2011 budget.

All departments were directed to submit budgets at the 2010 level with the exception of salaries & wages and benefits. 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

STATE INITIATIVES

There were several ballot issues in 2010 regarding funding which could impact Cities. There were two measures regarding liquor profits and sales. The measures called for all state operated liquor stores to be closed and retail establishments the ability to apply for a liquor license to sell liquor from their establishment. Both initiatives would eliminate the state shared Liquor Board profits revenue. The City prepared their budget without making adjustments for the impact. The impact to the City would not be substantial and hopefully offset by retail sales tax. If passed the measure would not be implemented until June 2011. At the time of publishing, both measures had failed, but the thought was to continue to keep this in the horizon as the measure would most likely be put forward again on a future ballot.

The City's budget was prepared with projections of large increases to both the State Retirement rates and Labor & Industry rates. Reducing the City's work force will continue to help in addressing these anticipated increases over the next several years.

A ballot measure was introduced to allow permitting of private insurers to provide industrial insurance and authorize employers to purchase state mandated industrial insurance coverage through one of these providers. The anticipation is rates will substantially increase, whether the initiative passes or not. The system has been running at a deficit for many years and there will need to be rate increases to minimize this deficiency.

The State Office of Financial Management (OFM) has recommended large increases to the retirement system rates. The rates had been reduced in years past to help the state and other agencies balance their budgets. It was anticipated the economy would recover sooner, allowing the plans to grow out of the projected long term deficiency. As the economy is recovering much slower than anticipated, OFM has recommended an almost 60% increases to the rates to adjust for the prior year's reduced funding and build balances to have a fully funded plan. The rates are still to be set by the legislature as their fiscal year begins July 1. The City's budget has been prepared anticipating these large increases.

Another ballot measure is to reverse certain 2010 amendments and end the sales tax on candy and some bottled water. The City never increased their sales tax projections to reflect the change, so no reduction has been implemented to account for this measure.

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.

2011 BUDGET SUMMARY

The 2011 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 funds. The City has prepared their budget in accordance with the City's 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. It was discussed during the 2011 budget process the policy was to be amended in early 2011 to reflect a minimum 12% fund balance and two months operating cash. This is in accordance with GFOA's recommended practices and is more consistent between the two amounts and what the City is maintaining in their reserves. A quarterly report is presented to the City Council measuring both cash and projected fund balance level to assure funds are in compliance with the policy. In 2010, the quarterly report showed all the reserve fund balances were well within compliance, but the cash was slightly less than three months but far exceeding the two months operating levels. The City Council continues to be reassured that due to proactive planning and good management in a conservative but productive manner, reserve funds maintain appropriate levels. This provides insurance against unexpected needs, allows for unanticipated opportunities such as grant matching, and positive ratings from the rating agencies for debt issues.

A new GASB pronouncement was implemented in the 2011 Budget. This required some of the City's Special Revenue Funds to be rolled into the General Operating Fund. This also prompted the City to close funds which had minimal activity and balances. The two largest funds impacted were to roll both the Park and Recreation and Revenue Stabilization Funds into the General Fund. Fund Balances are detailed per the new pronouncement and will be displayed as per legal or council delegation.

The 2011 budget for the City of Poulsbo totals $23,028,471. This does not include a projected ending fund balance of approximately $10.6 million. This represents a decrease of $14.5 million in total expenditure budget, or a 38.68% decrease over the 2010 expenditure budget. The majority of the decrease is due to fewer anticipated capital projects for 2011, the completion of the City Hall project and staffing level reductions. Another reason for the decrease is due to a reduction in transfers. Since the Revenue Stabilization Funds are now being accounted for in the General fund there is not a necessity to transfer funds, but simply reduce the projected fund balance. 2010 anticipated a large transfer in the amount of approximately $400,000 to balance the General Fund and another $85,000 to fund the early separation agreements. Going forward all reduction in the reserves to fund expenditures will continue to require a super majority approval from the City Council. This helps to promote fiscal responsibility.

The General Fund budget, providing the basic complement of municipal services, totals $9,097,319. This is a decrease of $157,370 over 2010 or a 1.7% decrease, which is primarily due to the staffing level reductions. The City employs 80.69 full-time equivalents (FTE's). The detail of FTE's is in the Financial Plan on page 2-39.

Expenditures	2010 Budget (Final)	2011 Budget (Final)	Increase/ (Decrease)	% of Variance Inc/(Dec)
General Fund	9,254,689	9,097,319	(157,370)	-1.70%
Special Revenue Funds	3,185,352	1,626,431	(1,558,921.)	-48.94%
Debt Service Funds	1,111,758	1,173,433	61,675.	5.55%
Capital Project Funds	12,896,291	1,164,402	(11,731,889)	-90.97%
Enterprise Funds	9,667,308	8,666,180	(1,001,128)	-10.36%
Internal Service Funds	1,440,624	1,300,706	(139,918)	-9.71%
Totals	$37,556,022.	$23,028,471.	($14,527,551)	-38.68%

SUMMARY ANALYSIS OF FUND TYPES

A comprehensive overview/summary of each of the major budgets and a brief narrative that compares the 2010 and 2011 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, parks and recreation 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 $83,212 from $8,798,546 to $8,715,334. The decrease in revenue is primarily due to reduced investment earnings and fees related to building and development. These are all reflective of the current economic conditions.

The decrease in General Fund expenditures (exclusive of transfers) is primarily due to decrease in staffing levels and other contractual and miscellaneous reductions. All departments were asked to review expenditures and contracts for possible reductions. There were reductions made to the Fire Department contracted services, the prosecutor's contract amount was reduced after going through an RFP process and evaluating the services, and in the amount of support paid to local agencies. 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 continue to be allocated against these revenues in the Special Revenue Funds.

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, with the exception of the Police Officers since a settlement of the Bargaining Unit Agreement is still pending. The agreement should have been effective January 1, 2010, so actual carryover dollars will be slightly higher and need to be earmarked for the anticipated retroactive pay. The decision will now be made by binding arbitration.

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 new reporting requirements issued by GASB. This resulted in the Parks and Recreation Fund and the Revenue Stabilization Fund being incorporated into the General Fund. Numbers in the fund spreadsheets have been updated to move the prior year history for a better historical comparison.

Real Estate Excise Tax which is received in the Capital Improvement (Fund 121) still continues to be at a reduced amount compared to 2009. Projections for 2011 have not been increased. This results in less funds being available to transfer and support the transportation program as well as the City Hall debt payment. Reserves have been used for a portion of the City Hall debt payment with the remainder absorbed in the General Fund.

Debt Service Funds

The Debt Service funds provide budget capacity for the principal and interest payments scheduled to be paid during 2011. 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 for 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 2011 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 2011 can also be found in the Financial Plan Section 2.

1. **Poulsbo Park and Recreation Building:** The city purchased the building from the Kitsap County Consolidated Housing Authority and will continue to make necessary repairs to the building. Several years of improvements to the roof, heating system, parking lot and interior of the building are planned. Vacant space in the building will be leased to help fund the improvements, debt service costs and additional operating expenditures.

2. **Public Works Complex Relocation:** A large parcel of land was purchased on the west end of Poulsbo for the future site of a new Public Works facility. This will allow the City vehicles to be parked in a central location without impacting nearby streams or providing unsightly landscape to Central Poulsbo. Planning and design is being incorporated with the immediate plans to locate a Solid Waste transfer station and construction is anticipated to begin 2013.

3. **Poulsbo Fish Park Restoration:** This project will continue in 2011 including infrastructures, plantings, and trail development.

4. **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 2011.

5. **Liberty Bay Waterfront Trail:** A trail designed to link City parks and boardwalk around Liberty Bay. This will provide pedestrian waterfront access around Liberty Bay.

6. **Noll Road:** Design work was 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. Grants have been secured for the construction of the road.

7. **3rd Avenue Construction:** Much needed improvements for both vehicle and pedestrian safety will be made to 3rd Avenue.

8. **6th Avenue Traffic Improvements:** In 2011 the project will be completed in two phases; Phase I: will update the 5-way intersection and Phase II will construct traffic calming devices along 6th Avenue.

9. **Emergency Fjord Drive Bank Repair:** A recent landslide caused a portion of the road to be unstable and resulted in partial closure. The project will be combined with necessary utility improvements and stabilizing the bank to open the entire road again to two way access.

Enterprise Funds

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.

The significant changes in the City's 2011 Enterprise Fund budgets are related to capital projects. The proprietary funds account for both operating and capital budgets which will fluctuate greatly depending on the nature of the projects. Major Capital Projects scheduled in the enterprise Funds for 2011 include:

1. **Pump Station Upgrades:** Improvements to the 6th & 9th Avenue pump station is planned for 2011.

2. **Harrison Forcemain Replacement:** Design is anticipated to be complete in 2011 with construction occurring in 2012. The existing infrastructure is aged and the pump stations are at capacity. Upgrade of the pump stations are required in order to ensure reliability and replace aged infrastructure and appurtenances. Additionally, this project replaces the existing force mains serving the 6th Ave & 9th Ave pump station. The existing mains have operational issues.

3. **Big Valley – Little Valley Transmission Main:** Design is anticipated to be complete in 2011 with construction occurring in 2012 The transmission main between Big Valley Road/Bond Road and the Big Valley wells will be replaced. The existing water main is a critical link between the Big Valley Wells and the city center.

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 two 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 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. Because of past and current conservative practices by the Council, Poulsbo is well prepared to successfully move forward and end these tough times with strong policies and reserve balances. We will continue to look for cost savings where available, grant opportunities and sharing of local resources to minimize the impacts to the citizens but still provide optimum customer service to our citizens.

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 ever changing 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 2011 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

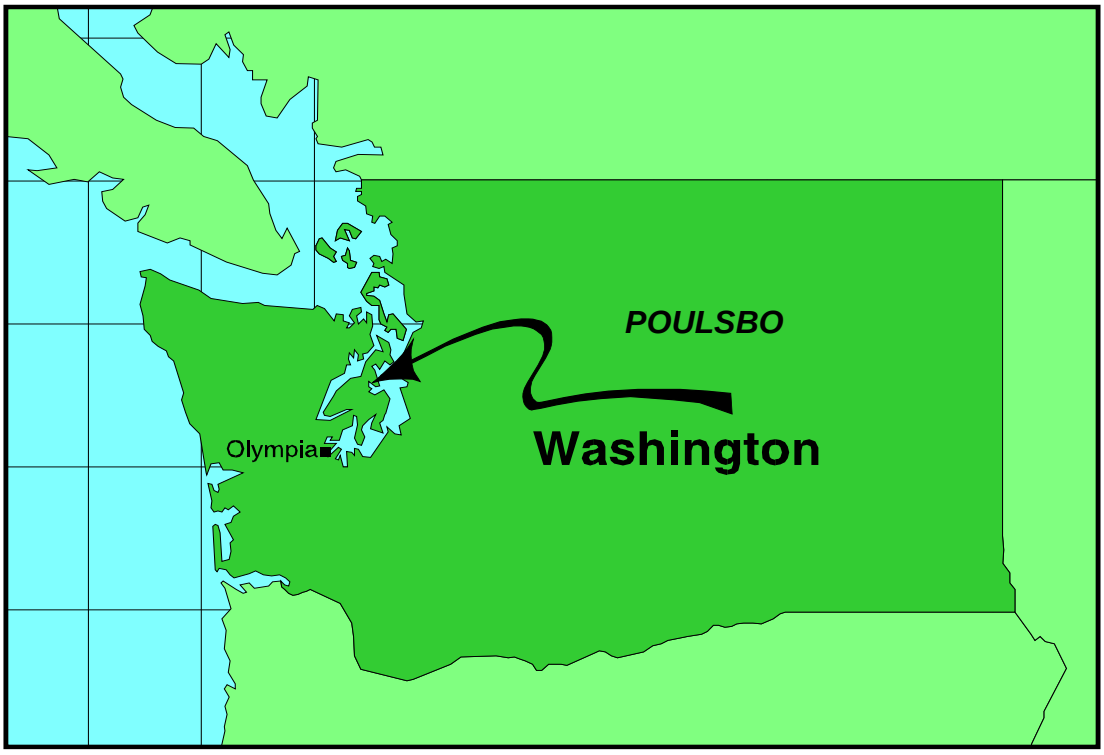
The Mayor's Office and the Finance Department sincerely appreciate the cooperation and assistance of the City Council and City staff in addressing the financial requirements of fiscal year 2011. Many people throughout the organization have put a great deal of effort and skill into the production of this document.

The City will continue to work with the community in 2011 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 2011 Budget document. After serving on the Poulsbo City Council for 2 years and my first year as your Mayor, I believe the City of Poulsbo is progressing and growing in the right direction. It has been a busy year moving into our new City Hall and leading the City through some tough economic times, all while learning and exploring my new role as Mayor. I am excited to move forward, share our new facility with the community and continue to keep Poulsbo moving forward in a thoughtful and planned direction. I want to continue to honor our founding ancestors, but be reflective of the new generations hoping to raise their families and mark their time in our small progressive City.

Sincerely,

Rebecca Erickson
Mayor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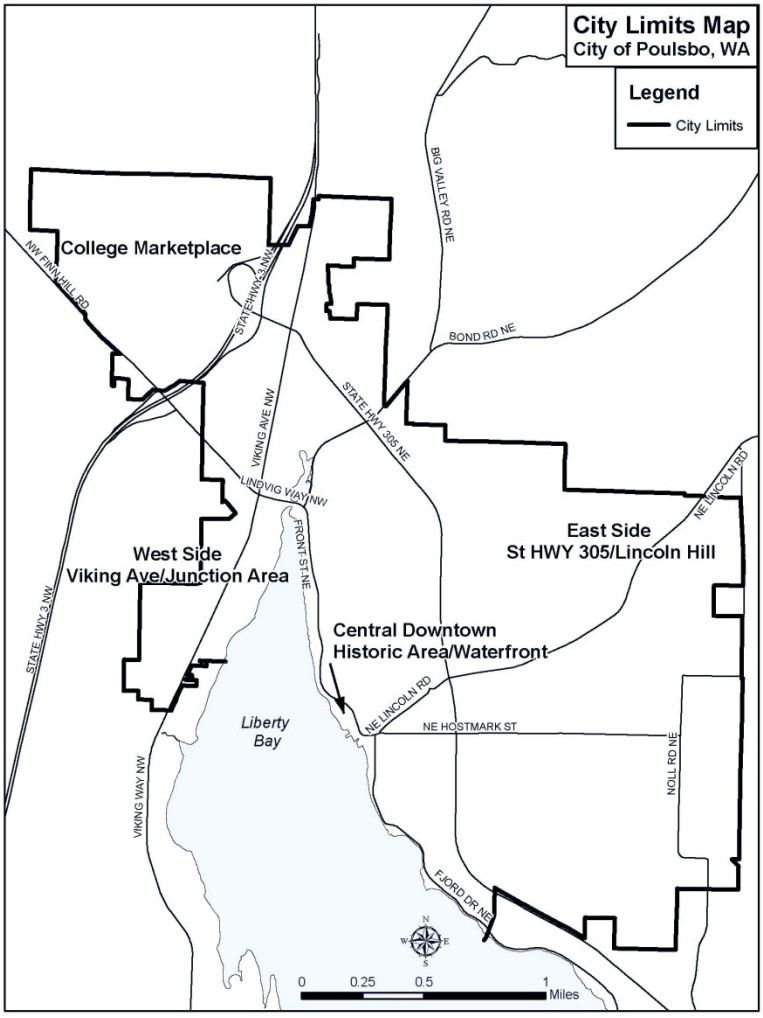
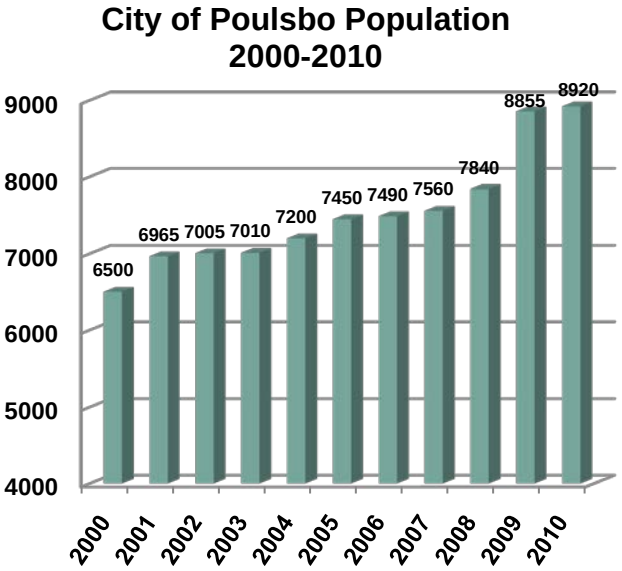

City Limits Map
City of Poulsbo, WA
Legend
City Limits
College Marketplace
NW FINN HILL RD
STATE HWY 3 NW
BIG VALLEY RD NE
BOND RD NE
STATE HWY 305 NE
VIKING AVE NW
LINDVIG WAY NW
FRONT ST NE
NE LINCOLN RD
West Side
Viking Ave/Junction Area
East Side
St HWY 305/Lincoln Hill
Central Downtown
Historic Area/Waterfront
STATE HWY 3 NW
Liberty
Bay
NE HOSTMARK ST
NOLL RD NE
VIKING WAY NW
FJORD DR NE
0 0.25 0.5 1 Miles

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 8,920 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 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.



Most future growth will occur in the designated urban growth areas for which cities are the primary service providers. Poulsbo's population is expected to increase by more than 6,000 to have a population over 14,000 by 2020. A large population increase was recognized in 2009 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 based on these figures.

Since 2003 the City has approved 16 annexations, totaling a little less than 850 acres. Through the annexation process the City has annexed more than 65% of its Urban Growth Area. This represents more than a 38% expansion in the City's acreage over the last several years.

- **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 called the "Historic Downtown Poulsbo Association" (HDPA). Assessments to each of the businesses in the HDPA area 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, light standards, and festive banners are included in the Association's beautification program. HDPA continues to organize and/or work with other organizations to promote events being conducted in the downtown area.

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, Community Trick or Treat in October, Girls Night Out Events, 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. 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.

Poulsbo Marina at Night

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 is a short walk on the boardwalk, Net Shed Park, Lion’s Park, and Oyster Plant Park. The Waterfront Park contains sidewalks circling a gazebo which is used for hosting many private and community events. The sidewalks link 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.

Located at the east end of 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. Beginning in 2011, the City’s General Fund will absorb the costs associated with the Marine Science Center. Discussions are being held to amend the current agreement with the Marine Science Society to help supplement these costs.

Marine Science Center

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 the convenience of being within walking distance of the downtown amenities.

In 1988 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 Builders Association including “Community of the Year” and “Best Community Land Use”. The approved master plan calls for a residential

Poulsbo Place Businesses

village that complements and enhances the downtown district. The first phase of 164 residential units included 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 slowed for a time due to the national decline in the housing market. In 2010 and continuing into 2011 development has picked up and continues at a steady pace.

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 were completed in 2010 with repairs and improvements scheduled to begin in 2011.

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 also encouraged plays geared towards younger children and local comedy improv presentations. 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.

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 was completed in 2010. The City moved into the new City Hall and opened to the public on November 15, 2010. The building is 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 provides additional parking and state of the art meeting rooms available for the public. The new building provides for City services with a welcoming environment and better technology for more efficient services.

Reconstruction and design work of 3rd Avenue began in 2010. The project will be completed in two phases, the first phase is intended to be from Moe to Iverson and includes reconstruction of 3rd Avenue with new pavement, curb, gutter and sidewalks, it is expected to be complete in 2011. The second phase from Moe to Hostmark includes full reconstruction of the road, a new curb, gutter and sidewalks. The planning of phase two will be completed in 2011.

Poulsbo City Hall

WEST SIDE - Junction Area/Viking Ave Corridor

North Viking Avenue

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 still contributes to the City's healthy sales tax revenue.

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 allowed 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 Avenue continuing with sidewalks, a center turn lane and traffic calming devices. Due to the competitive bid climate construction bids were much lower than Engineering estimates, resulting in enough remaining funds to continue with the improvements at the south end of Viking. In 2010 south end improvements began using additional funds secured through a state grant. Utility infrastructure improvements were also made in conjunction with the project. The project is expected to be complete in early 2011.

A destination for many city residents is the 10-plex-movie theater. Stadium seating, digital sound, 3D capabilities, new releases on multiple screens, and catered parties draw patrons from all over Kitsap County.

In 1998, the City approved a master plan for what has now become “Nelson Park”. The project began in 2003 with volunteer groups pledging labor towards the cleanup of the park and the restoration of the old farmhouse into a caretaker’s residence. The park contains a fairly new picnic shelter, 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. 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.

Martinson House Museum at Nelson Park

State and federal grants funded construction of a 60-foot replacement bridge over Dogfish Creek. 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

Local volunteers planting trees on annual Arbor Day

bridges, one footbridge, approximately one 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 donated by a local artist. The park continues 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 the land, which was previously a dairy farm.

Widening of a 1.2-mile stretch of SR 305 located within the City limits was completed in 2008. 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 final phase of the 7th Avenue extension 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. A business park campus located on Lincoln Hill, east of State Highway 305 changed an old gravel pit into a contemporary business park with a spectacular view of the Olympic Mountains. The campus continues to expand and attract new business and professional services to our area. These companies are able to provide family wage earning jobs for professionals who prefer not to commute to the Seattle area.

View of Liberty Bay and Olympic Mountains from Lincoln Hill

Poulsbo is served by the North Kitsap School District. The Lincoln Hill area includes the North Kitsap Senior High, Poulsbo Middle School, 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

Centennial Park Sculptures

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 middle school 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.

In 2010 improvements were made to Mesford Avenue which is adjacent to Caldart Avenue and fronts the School District's athletic fields and residential developments. The improvements included widening, pavement overlay, drainage and sidewalks. The project also increased pervious surface to help water run-off to promote environmentally friendly roads. These improvements will be a great contributor to pedestrian safety for those travelling to school or simply walking the neighborhood. The project was funded through a federal grant, school district contributions and City funds.

Design work for Noll Road improvements were completed in 2010 and construction will begin in 2011. 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 City worked closely with the local schools to address the safety concerns for pedestrian and vehicles traveling to Poulsbo Elementary School. The District is very supportive since presently there are no sidewalks or turn-lanes for the busy traffic flow. The project will be funded with Traffic Impact Fees and Street Reserve funds.

The 6th Avenue traffic calming and stormwater retrofit project is anticipated to begin in 2011. The project will include traffic calming features such as curb bulb-outs and median islands. Low Impact Development stormwater techniques will also be used. This project is dependent upon anticipated grant funding.

The Poulsbo Farmer's Market, which is located at 7th Avenue and Iverson near Poulsbo Village, continues to operate on Saturdays during the months of April through October. Since the markets inception a little more than 5 years ago more vendors and customers are making the market an increasingly popular event. The market emphasizes environmentally friendly products and allows local farmers a place to sell their goods.

Mesford Avenue

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.

Poulsbo Farmer's Market

NORTHWEST CORNER – College Market Place

In 1994, 215 acres of undeveloped property known as the "Olhava Property" was annexed into the City and City Council approved the adequacy of the environmental impact statement (EIS) and the master plan in 1998. The Olhava Master Plan continues to 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. 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 college has become so popular there are preliminary discussions of expansion. The development now carries the name, "College Market Place." Two anchor stores, Wal-Mart and Home Depot opened their doors in 2006. The Wal-Mart store was the biggest in Washington at that time and the first "super-store" that was built from the ground-up. Several businesses are located in adjacent strip malls. The area continues to develop with First Security Bank and Office Maxx opening in 2008, Petco opening their doors in early 2009, Big 5 Sporting Goods in 2010, and a Jack-in-the-Box is under construction and planning to open in 2011. This project is a huge investment of private dollars into the community and continues to support Poulsbo's strong Retail Sales Tax base.

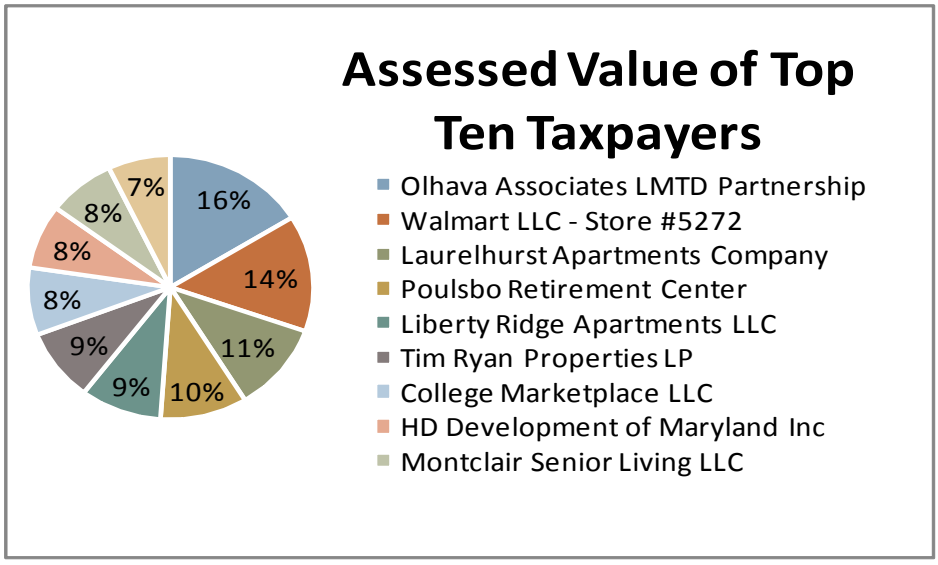
Olympic College Campus - Poulsbo

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. Poulsbo has many times been termed "small but sophisticated". Dedicated citizens, elected officials and staff continue to promote Poulsbo as a premier place to live and work.

PRINCIPAL TAXPAYERS

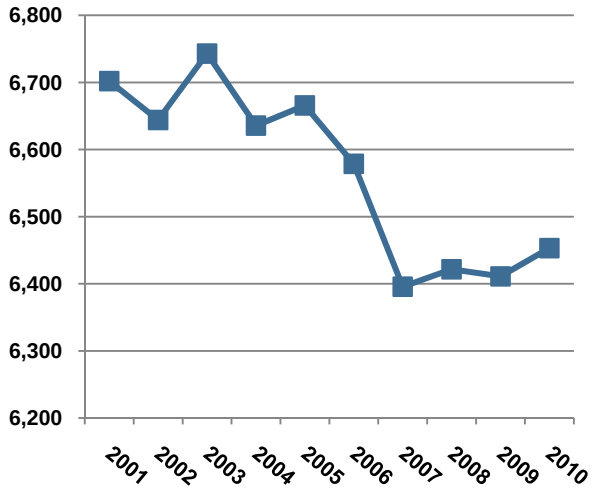
Taxpayer	2009 Assessed Valuation	Rank	% of Total Assessed Valuation
	2009		
Olhava Associates LMTD Partnership	$ 22,872,270	1	1.75%
Walmart LLC - Store #5272	20,133,500	2	1.54%
Laurelhurst Apartments Company	15,375,950	3	1.17%
Poulsbo Retirement Center	13,961,330	4	1.07%
Liberty Ridge Apartments LLC	13,079,210	5	1.00%
Tim Ryan Properties LP	12,455,170	6	0.95%
College Marketplace LLC	11,696,550	7	0.89%
HD Development of Maryland Inc	11,065,000	8	0.84%
Montclair Senior Living LLC	10,893,110	9	0.83%
John & Terri Hern	10,014,680	10	0.76%
TOTALS:	**$141,546,770**		**10.80%**

Source: Kitsap County Assessor's Office

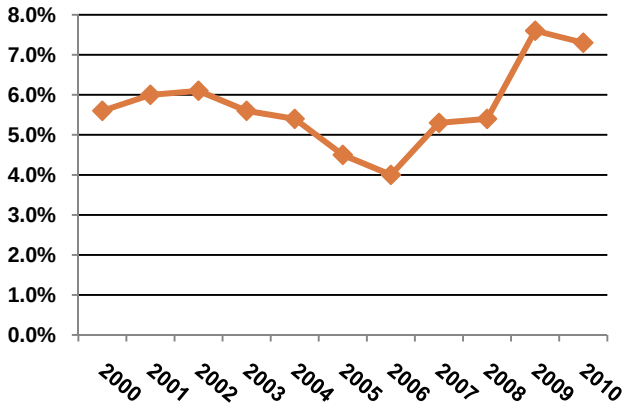


KITSAP COUNTY'S TOP TEN EMPLOYERS	
Naval Base Kitsap	26,400
Harrison Memorial Hospital	2,716
Central Kitsap School District	1,284
Kitsap County	1,179
South Kitsap School District	1,011
North Kitsap School District	1,000
Wal-Mart	850
Port Madison Enterprises	756
Bremerton School District	690
Olympic College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

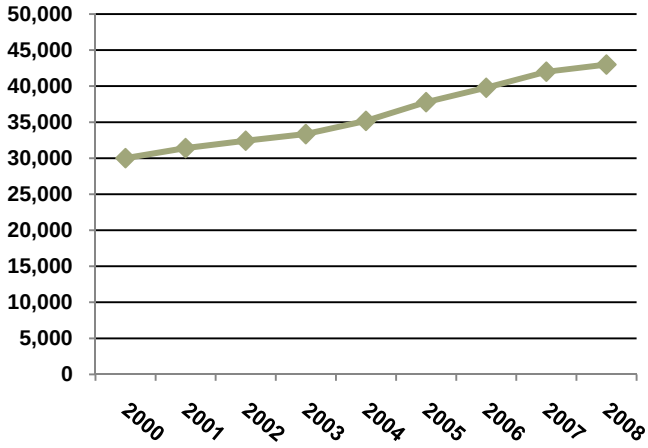
North Kitsap School District Enrollment 2001 - 2010



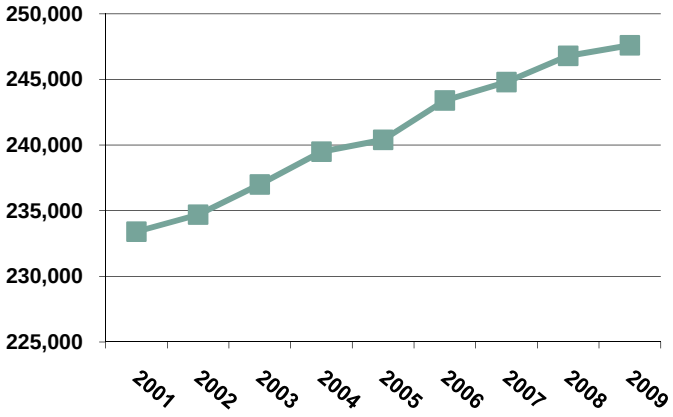
Kitsap County Unemployment Rate 2000 - 2010



Kitsap County Per Capita Personal Income 2000-2008



Kitsap County Population 2001 - 2009



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

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.

Budget planning starts early in the year and is prepared as follows:

- In the first quarter of the year a Council retreat is held to discuss goals for the upcoming budget season. The goals are distributed to each department to use during their budget planning.
- In May the Capital Improvement Team meets to begin updating the City Improvement Plan.
- In July Council recommendations for the upcoming budget are approved and distributed to departments as a basis for them to develop their budget.
- In late summer, each department develops its budget and work plans for the following fiscal year.
- Departments enter their 2011 projections directly into the software and run system reports. Historic and current budget data is included in the accounting software system in an integrated budgeting module.
- 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's 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 2011 budget, 2010 budget and actual expenditures for 2009 and 2008.

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 2010 the format presentation was changed to display all goals in the Financial Plan instead of each departmental section. For 2011 the departments continue to set goals in the following format:

Goal *Council Goal to which the Goal Responds*		
Objective	**Measurement**	**Progress**

M. AWARD

The City's 2010 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 eleventh 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 2011 BUDGET

The 2011 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 2010 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. It also became evident the economic downturn was going to be a longer process and a long term solution was necessary. In conjunction with the Mayor, the council decided to develop and offer

a voluntary separation in lieu of layoffs to employees. The program was successful, in that there were enough employees to apply for the program, no additional layoffs are necessary at this time. The number of FTE's decreased more than 10%, which created a substantial reduction to expenditures.

Since government is primarily a service agency and much of the cost for providing the services is personnel, there also will be service level impacts. Response times and availability at counters will be less, communication to the public will be reduced, the K-9 program was discontinued, SWAT team participation was eliminated and a School Resource Officer (SRO) was moved to patrol. The SRO elimination was also due to the budget challenges faced by the local school district who eliminated the funding which supplemented the program.

In 2011 departments continue to submit their departmental goals in the same format as established by policy. The presentation continues to be 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.

A large change for 2011 was the elimination of some Special Revenue Funds to be in compliance with a new GASB pronouncement for implementation year ending 12/31/2011, In order to be accounted for in a Special Revenue fund there needs to have a funding source, at minimum, 20% restricted revenues. In 2011 the Parks and Recreation Fund and Revenue Stabilization Fund have been included in the General Fund. Prior year's figures have been updated with these assumptions to better reflect the trending and history information. Fund balances will now be detailed consistent with the new pronouncement and Council's direction for specific action or purpose. The City also took the opportunity to do some clean up and eliminate several additional funds which had minimal balances.

Due to tough economic conditions, the City continues to experience declining revenues. The sales tax projection remains the same as 2010, which is at levels comparable to 2006. Real Estate Excise Tax continues to see much lower revenues and anticipates 2011 to be at these reduced levels. The council's policy is to never anticipate more revenue than actually received the prior year, but the City is starting to see movement in both construction and new retail development. The City has continued to forecast at the conservative levels, but the hope is the revenues will surpass the projections.

All costs associated with outside agencies continue to be evaluated and negotiated for the level of service provided. The City Council continued the reduction to the allocation of lodging tax dollars to two outside agencies and will use the funds to support security provided for 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 are maintained at the reduced 2010 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 headed for arbitration in early 2011.

The General Fund will continue making the transfer for the entire 2003 Transportation GO Bonds payment.

The City had a Bond issue in 2009 for a new City Hall. The construction was completed in 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 been built into the indirect allocation formula.

The Mayor and City Council recommended the following transfers of property taxes based on a 1% increase over the highest allowable levy. Several of the transfers were reduced by 50% to leave more operating dollars available in the General Fund.

Property Tax

- 4.3% transfer to Street Reserve Fund for transportation capital projects (311) –reduced by 50% to 2.15%.
- 14% transfer to Street Reserve Fund (311) for ongoing capital street maintenance program – reduced by 50% to 7%
- 4.3% transfer to Park Reserve Fund (302) – reduced by 50% to 2.15%
- 31% transfer to Street Fund (101)

- Remainder of tax to stay in General Fund (001)

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 2011 will be very close to the actual amount received in 2010. This amount brings the revenue projection to a level established prior to 2006.

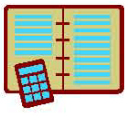
The following transfers of Sales Tax have been reduced and/or changed for 2011. This allows more tax dollars to remain in the General Fund (001) to help reduce the amount necessary from reserves to balance the fund.

- 5% transfer to Equipment Acquisition Fund (301) for equipment replacement has been reduced. Purchases previously classified as equipment replacement now does not meet the asset threshold amount. The purchases will be made from the General Fund, which reduces the transfer to zero and creates a transfer back to the General Fund using reserves for these items.
- 2% transfer to Equipment Acquisition Fund (301) for new equipment has been reduced to $31,500
- 3% transfer to Revenue Stabilization reserves in the General Fund (001)
- Remaining funds to be used in General Fund operations

2011 BUDGET CALENDAR

DATE	STAFF	ACTION
May-10	Dept Heads/Council	City Improvement Team begins preparing 2011 CIP update
		All new City Improvement Projects to be submitted to the Planning Department
06/21/10		CIP forms due to Project Accountant
07/10/10		Council Retreat to Review Goals and Objectives
07/21/10	Finance	Budget kickoff. First budget presentation to City Council (goals, priorities, proposed revenue, Finance Committee Recommendations)
07/30/10		Make available electronically, the Budget Instruction Manual to Department Heads. All forms and worksheets are provided electronically.
08/01/10 to 08/31/10	Finance	Complete revenue forecast for all funds. Complete 2011 personnel summaries. Complete debt service worksheets for all funds.
		Complete interfund allocations, insurance and all non-departmental budgets.
08/01/10 to 08/31/10	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
08/13/10	Dept Heads	Submit all Capital Replacement and New Capital Forms to Tim Treacher, Information Technology Manager, to be considered in 2011
08/31/10	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, and Capital Outlay.
09/01/10 to 09/24/10	Finance	Review submitted 2011 Budget figures. Verify 2011 estimates, and recap supplemental requests. Prepare Proposed Preliminary Budget
09/08/10	Finance	Set public hearing for 2011 revenue sources
09/24/10		Present revenue and expenditures to the Mayor for modification and review
09/08/10	Finance/Mayor	Review 2010 revenues and expenditures with City Council
09/30/10		Distribute Proposed Preliminary budget to council in packets
10/06/10	Finance	Review 2011 revenue sources with City Council
10/06/10		Public Hearing for 2011 revenue sources

2011 BUDGET CALENDAR

DATE	STAFF	ACTION
10/01/10 to 10/29/10	Finance 	Prepare 2011 Preliminary Budget document
10/06/10		Set public hearing for final 2011 Budget
10/29/10		Present Preliminary Budget to Council in packets
10/29/10	Finance	Make copies of Preliminary Budget document available to the public
11/01/10	City Clerk	Publish notice of filing of Preliminary budget and notice of public hearing on Final Budget
11/03/10	Finance	Set 2010 Property Tax Levy
		Open public hearing. Continue public hearing to November 17, 2010
11/03/10		Present City Improvement Plan
11/10/10	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
11/17/10	Finance	Continue Public hearing from November 3, 2010
		Close public hearing
		Review Baseline Adjustment and New Program Requests
12/08/10	Finance	Final review and approval of 2011 Budget
12/15/10	Finance	Ordinance adoption of the Final 2011Budget

CITY OF POULSBO
VIKING
CITY

Section 2

FINANCIAL PLAN

CITY OF POULSBO
THE BUDGET AS A FINANCIAL PLAN

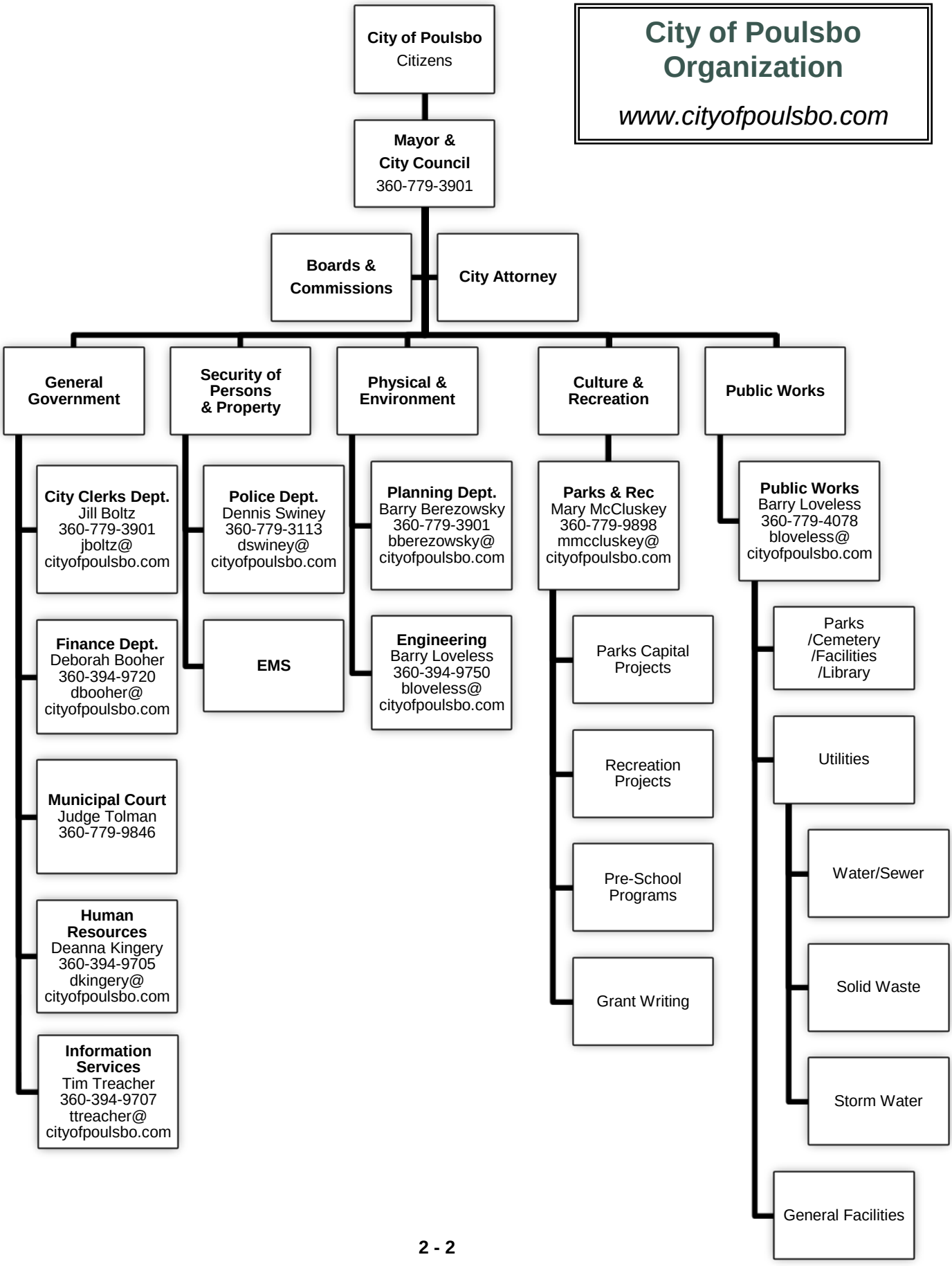
A budget is a plan that allocates the available financial resources to meet community needs. This allocation is made on the basis of policies, goals and objectives addressing how those needs are intended to be met. By doing so, the budget sets forth the scope of activity the City will undertake during 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 2011 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 majority of the 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

www.cityofpoulsbo.com



FUNCTIONS

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.
Security of Persons & 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 & Recreation	• Class of servies to provide community education, leisure and sports activites and to recognize historic and festive occasions.
Transportion	• Class of services to provide safe and adequate flow of vehicles and pedestrians.
Public Works	• Combines several classes of services, which provide for maintenance of city-owned facilities and vehicles; and operations and maintenance of city water, sewer, solid waste, and storm drain utilties.

Organization of Funds

Color indicates primary Government Function of the fund. If fund has no color, there are several functions accounted for in the fund.

General Fund 001
- General Fund

Special Revenue Funds 100's
- Street Maint & Operation
- Capital Improvements
- Cumulaive Reserve
- Hisoric Downtown Poulsbo Association
- Paths & Trails
- Drug Enforcement
- Transient Occupancy Tax
- Police Retricted

Debt Service Funds 200's
- Misc Governmental Debt
- Non-Voted Debt

Capital Project Funds 300's
- Equipment Acquisition
- Park Reserve
- Street Reserve
- Park Acquisition
- Cemetery Reserve
- Street Equipment Reserve
- Facilities

Proprietary Funds 400's & 500's
- Water
- Sewer
- Solid Waste
- Storm Drain
- General Facilities
- PW Administration

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

2011 Goals and Performance Measures

Legislative Goals

Goal – Implement best use and maximize value for old City Hall, Klingle and Jensen Way/Museum properties

Objective	*Measurement*	*Progress*
➢ Analyze reuse of old City Hall property in conjunction with King Olav parking for best use and benefit to the City.	➢ Task force to establish value of the properties. ➢ Reconfiguration of properties for marketability.	➢ Real Estate Agent selected. ➢ City Hall appraised. ➢ Jensen Way/Museum property appraised.

Goal – Establish a community vision for Town Centers including Downtown, Poulsbo Place and The Village

Objective	*Measurement*	*Progress*
➢ Redevelopment in partnership/cooperation with private sector business ➢ Increase parking ➢ Anderson Parkway redevelopment plan ➢ Establish overlay	➢ Policies and objectives to define and guide redevelopment of the Town Centers, including urban design standards	➢ Installation of stop signs ➢ 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	*Measurement*	*Progress*
➢ Implement city/regional trails ➢ Adopt and implement next step for Regional Event Center ➢ Partner with Kitsap Transit	➢ Secure partnership opportunities ➢ Improved safety and connectivity of pedestrians to schools and transit	➢

Goal – Implement best use and maximize value Public Works Properties including administration building, maintenance building and Lincoln triangle

Objective	*Measurement*	*Progress*
➢ Phased plans to relocate facility at new site ➢ Evaluate existing Public Works facility reuse ➢ Preservation of South Fork of Dogfish Creek ➢ Work with county to develop consolidation of service plans	➢ Task Force Creation ➢ Consolidation of Recycling Center with Kitsap County	➢ Public Works Property Purchased ➢ Began Transfer Station site work

Legislative Goals (continued)

Goal – Viking Avenue Revitalization

Objective	*Measurement*	*Progress*
➢ Establish partnership/cooperation with private sector business ➢ Lindvig Bridge beautification to link West Poulsbo with Historic Downtown Poulsbo	➢ Viking Avenue Business Interest Group Involvement in Economic Development Committee ➢ Master Plan Developed ➢ Increased Community & Business Interest	➢ EDC meetings with Viking Avenue Business Group ➢ Council Liaison appointed ➢ Viking Avenue Infrastructure Improvements

Executive Department Goals

Goal - Financial Sustainability: balancing revenues with expenses while retaining levels of service for the community. Secure, involved business management of the City.

Objective	*Measurement*	*Progress*
➢ Evaluate government as an entrepreneur ➢ Staff reorganization and support ➢ Financial controls maintained and reviewed for policy compliance ➢ Asset examination ➢ Core services identified ➢ Funding sources explored to match revenues to defined outcomes ➢ Achieve efficiencies in business processes ➢ Personnel policies reviewed and updated ➢ Avoid litigation by proactively seeking solutions for contentious issues ➢ Review what we own (land, buildings and equipment and asset list) with recommended collaboration with timelines and utilize assets fully ➢ Analysis of how core services are provided: can we do things more efficiently? Create measurement tools and substantiate work plans with timelines completed for departments	➢ Staff levels reduced to meet financial constraints while maintaining city services ➢ Reposition staff to further enhance city functionality and revise job descriptions ➢ Can technology improvement drive down costs of service delivery? Implement GIS, web form development, data mining ➢ Implement bill payment, application processes on-line ➢ Ensure accurate and timely employee evaluations occur ➢ Grant increases through seizing opportunities	➢ Voluntary Separation Agreement created ➢ 9.5 FTE's reduced ➢ Reorganization of staff positions ➢ Ongoing labor relation negotiations ➢ Move staff from the Public Works building to new City Hall ➢ Review the use of King Olaf parking lot for parking ➢ Rental agreements for Parks and Recreation building signed ➢ Listing for sale the old City Hall Pad and the Klingle Property ➢ Museum agreement reached for the new City Hall ➢ Increased grant funding achieved

Executive Department Goals (continued)

Goal – Poulsbo's continuing planning challenges: Continue to thrive while we retain our heritage and quality of life.

Objective	*Measurement*	*Progress*
➢ Continue to implement the Comprehensive Plan ➢ Create the Shoreline Management Plan ➢ Vision development for our downtown core and West Poulsbo ➢ Encourage low impact development for storm water mitigation ➢ Ensure environmental regard as new code implementation occurs	➢ Identification of key code changes necessary for implementation ➢ Workshop established for downtown and West Poulsbo visioning process ➢ Revisit flex lot development, grading ordinance and tree retention during development ➢ Revisit our zoning map and validate our land use decision for each zone: do we have the right balance ➢ Revisit our building guidelines to incentivize the use of low impact development ➢ Create active working group to implement Dog Fish Creek Study	➢ Code Changes identified and work has begun ➢ Private partnership working for West Poulsbo visioning ➢ Shoreline Management Plan in draft form

Goal – Economic growth through business attraction and support of existing businesses within our community

Objective	*Measurement*	*Progress*
➢ Bring new business into Poulsbo to enhance goods and services for our citizens ➢ Understand each business district as a distinct area and address their specific needs ➢ Target businesses for specific business districts: what would work in West Poulsbo, Downtown, Highway 305 and the Village and 10th Avenue? ➢ Understand restrictions to business locations: what impedes businesses from locating in Poulsbo? ➢ Work with business organizations to provide on-going support for existing businesses within our community	➢ Increase in tax revenue created as businesses grow ➢ Increase in business licenses as more business locate within Poulsbo ➢ Increase in employment ➢ Attraction of businesses that work with one another and are symbiotic in nature ➢ Find and document goods and services holes: what don't we have and what do we need? ➢ Parking in the downtown core. Complete the parking study and implement results ➢ Work with the Chamber of Commerce, Historic Downtown Poulsbo Association, Viking Fest Corporation and the Kitsap Visitor Bureau to continued success	➢ Several new business located within Poulsbo ➢ Demographic analysis begun to identify business needs ➢ Market analysis begun to understand business location desires ➢ Marketing coalition renewed and supported ➢ Promote and endorse community festivals

Executive Department Goals (continued)

Goal – Continue updating citizens with current information and awareness of social needs

Objective	*Measurement*	*Progress*
➢ Maintain open door policy for public involvement and knowledge ➢ Enhance the communication to the Citizen by improved web development ➢ Continue involvement with service organizations to recruit volunteer services ➢ Work with Fishline, Kitsap Community Resources and faith based institutions to provided needed social safety net	➢ Saturday with the Mayor: how many people come to visit ➢ Newsletter continuation: how many new subscribers ➢ Community Calendar developed on City Website ➢ Increased grant revenue to service organizations	➢ Saturday open door meetings ongoing ➢ Community Calendar established: maintenance ongoing ➢ Fishline grant achieved

Goal- Regional presence: Poulsbo, by its geography is the center of North Kitsap County. Provide regional services and find regional revenues to support these services

Objective	*Measurement*	*Progress*
➢ Work with other jurisdictions to establish sharing of both responsibilities and resources ➢ Find revenue sources to offset those regional services that we provide ➢ Acknowledge transportation challenges due to our centralized location ➢ Work with regional organizations to establish goals and policies that support sustainable practices	➢ Policies established toward resource sharing and co-locations between jurisdictions ➢ Document economies of scale by sharing between jurisdictions ➢ Document common needs between jurisdictions and identify them ➢ Document necessary management steps with regional organizations to promote long term stability ➢ Document key transportation challenges and organize them into working goals for funding (Transit and WSDOT project list re-defined and prioritized) ➢ Legislative initiatives developed for support fees for services	➢ Parks and Recreations department pricing for non-resident use of facility ➢ Co-location of recycle facility with the County: talks begun ➢ Signing of Port of Poulsbo land use agreement ➢ Work with Housing Kitsap to restructure debt due in April of 2011 and secure long term obligations ➢ Work with Kitsap Transit to identify transit oriented development within Kitsap County ➢ Work with PSRC to development Financial Management Policy review for transportation projects regionally ➢ Business license fees explored to support KEDA and Park Benefit District legislation defined

Personnel Department Goals

Goal – Union contract negotiations
Responds to Council Goal: #4 – Revenues and Financial Stability

Objective	*Measurement*	*Progress*
➢ Complete 2010 Teamsters and Poulsbo Police Officers Association contracts	➢ Union contract negotiations completed ➢ Mediation completed ➢ Arbitration completed	➢ New Teamsters contract in place January 1, 2010 ➢ Poulsbo Police Officers Association contract mediation completed, going to arbitration in 2011

Goal – Exempt Positions Classification and Salary Placement
Responds to Council Goal: #4 – Revenues and Financial Stability

Objective	*Measurement*	*Progress*
➢ Review existing legislative policy; compile salary information; provide comprehensive review to Committee and Council	➢ Review completed ➢ Updated Salary Schedule implemented	➢ Preliminary review completed and submitted to Mayor

Goal – Complete update of Personnel Handbook
Responds to Council Goal: #8 – Enhanced Communication and Participation

Objective	*Measurement*	*Progress*
➢ Review and revise personnel handbook	➢ Updated Personnel manual reviewed and approved by Mayor, management, unions and Committee	➢ Completed negations with both Unions

Goal – Reduce number of Labor and Industries claims per year.
Responds to Council Goal: #8 – Enhanced Communication and Participation

Objective	*Measurement*	*Progress*
➢ Immediately investigate all reported accidents ➢ Provide more safety training	➢ Reduced number of approved Labor and Industry claims	➢

Information Services Department Goals

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	*Measurement*	*Progress*
➢ Update our website to integrate with the new financial software for citizen online use.	➢ Online utility account/ payment options to be available for citizens to use.	➢ The City has contracted with SunGard as an ASP for the financial software. ➢ Online bill paying has been developed and is working. ➢ In 2011 we will implement many of the web services available through the SunGard applications. In part because of the ASP agreement.

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	*Measurement*	*Progress*
➢ 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.	➢ Development and Implementation of new Policies and Procedures	➢ 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 2011.

Information Services Department Goals (continued)

Goal – City Hall (VoIP phone system)
Responds to Council Goals: #2 – Economic Developments, #6 – Public Works, #7 – Customer Service, #8 – Enhanced Communication and Participation

Objective	*Measurement*	*Progress*
➢ 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".	➢ 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.	➢ City Hall has been built infrastructure installed ➢ New Cisco Network and VoIP phone equipment purchased, programmed, and soon to be installed and tested. ➢ The support of the New City Hall will be an ongoing goal in 2011. As the year progresses new functions in the VoIP phone system will be turned on, made functional, and staff trained on its use.

Municipal Court Goals

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	*Measurement*	*Progress*
➢ Coordination of work space and court calendars with Kitsap County District Court.	➢ Move into new city hall ➢ Coordination of court functions	➢ Completed move into new city hall

Goal – Provide updated informational brochures for the public
Responds to Council Goals:#7 – Customer Service

Objective	*Measurement*	*Progress*
➢ Update informational brochures.	➢ Completed brochures	➢

Finance Department Goals - Accounting

Goal – Produce award winning CAFR
Responds to Council Goal: #3 – Revenues and Financial Stability

Objective	*Measurement*	*Progress*
➢ Completed CAFR within 6 months of new fiscal year	➢ Submit CAFR within time limit requirement of GFOA ➢ Receive letter from State Auditor to include with CAFR ➢ Completed Audit ➢ Prepared statements within 3 months of new fiscal year	➢ Award Received: o 2006 – Yes o 2007 – Yes o 2008 – Yes o 2009 – Yes

Finance Department Goals – Accounting (continued)

Goal – Produce a Debt Policy for Certification
Responds to Council Goals: #4 – Revenues and Financial Stability

Objective	*Measurement*	*Progress*
➢ 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)	➢ Completed and approved Debt Policy ➢ Certification received	➢ Other entity examples collected ➢ Policy completed and submitted for certification

Goal –Implementation Web applications of computer software.
Responds to Council Goals: #4 – Revenues and Financial Stability, #7 – Customer Service, #8 – Enhanced Communication and Participation,

Objective	*Measurement*	*Progress*
➢ Determine best technology resource ➢ Attend Training ➢ Conversion of program to existing database	➢ New software live ➢ City staff and customers using new software	➢ Waiting for technology resource to be determined in 2010-2011 upon moving to new City Hall ➢ Signed Application Server Provider (ASP) Contract

Goal – Review fees billed to HDPA for services provided.
Responds to Council Goals: : #4 – Revenues and Financial Stability, #7 – Customer Service

Objective	*Measurement*	*Progress*
➢ To recalculate the charges that the City bills HDPA for services provided by the Finance Department.	➢ Spreadsheet with hours allocations completed	➢ Spreadsheet completed ➢ Presented to Finance/Admin Committee

Goal –Update Credit Card Use Policy.
Responds to Council Goals: #4 – Revenues and Financial Stability, #7 – Customer Service

Objective	*Measurement*	*Progress*
➢ Clear and effective guidelines for City staff to follow ➢ Ensure compliance with federal and state established guidelines ➢ Reduce number of individual vendor checks by utilizing credit cards.	➢ Train City staff on new policy and proper submittal of receipts.	➢ First Draft – to be submitted to Finance Committee in late 2010 *See page 3-43 for workload measure showing the number of checks issued or the number of checks reduced

Finance Department Goals – Accounting (continued)

Goal –To meet training requirements of the City Identity Theft Prevention Program.
Responds to Council Goals: #4 – Revenues and Financial Stability, #7 – Customer Service

Objective	*Measurement*	*Progress*
➢ Staff members who come into contact with receivables and cash obtain cash handling and credit card fraud training.	➢ FACTA Red Flag training provided to all necessary staff yearly.	➢ Training completed on July 22, 2010 with 90% attendance.

Goal – To reduce the number of physical accounts payable checks processed and to reduce the possibility of "lost" checks and time and money used to re-issue those checks.
Responds to Council Goals: #4 – Revenues and Financial Stability, #7 – Customer Service

Objective	*Measurement*	*Progress*
➢ Research potential implementation of processing vendor payments via ACH. ➢ Training on system ➢ Setting up system software ➢ Work with vendors to access	➢ Review process with our software company (SunGard) ➢ Interview another entity that is using same software and is currently processing via ACH to discuss their successes an challenges ➢ Review process with our bank (Key Bank) ➢ Determine feasibility of progression ➢ Construct timeline of events for implementation	➢ *See page 3-43 for workload measure showing the number of checks issued or the number of checks reduced and the number of checks reissued.

Goal – Update Surplus process by 2011.
Responds to Council Goals: #4 – Revenues and Financial Stability, #7 – Customer Service

Objective	*Measurement*	*Progress*
➢ Research RCW's and City Ordinance, other agency's processes to update surplus desk guide.	➢ Completed desk guide.	➢

Goal – Improve process of collecting on delinquent accounts.
Responds to Council Goals: #4 – Revenues and Financial Stability, #7 – Customer Service

Objective	*Measurement*	*Progress*
➢ Increase contact prior to sending accounts to collections ➢ Update customer contact information	➢ Fewer accounts being forwarded to collection agency.	➢

Finance Department Goals – Accounting (continued)

Goal –Review relationship with collection agency and possibly issue RFP for services.
Responds to Council Goals: #4 – Revenues and Financial Stability, #7 – Customer Service

Objective	*Measurement*	*Progress*
➢ Review agency's performance level ➢ Meet collection agency ➢ Review collection services agreement	➢ RFP issued for collection agency. ➢ New contract with collection agency issued.	➢

Finance Department Goals – Budgeting

Goal – Produce award winning budget.
Responds to Council Goals: #4 – Revenues and Financial Stability, #8 – Enhanced Communication and Participation

Objective	*Measurement*	*Progress*
➢ Complete budget document and submit to Government Finance Officers' Association (GFOA) within 90 days of adoption for consideration of GFOA Distinguished Budget Award	➢ Receipt of GFOA Budget Award and/or increase in number of proficient and/or outstanding ratings over previous year	➢ 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 o 2010 – Yes/No **See chart on pg. 3-43 for detailed performance measurement.*

Goal – Improve City's financial forecasting ability
Responds to Council Goals: #1 – Growth, #4 – Revenues and Financial Stability

Objective	*Measurement*	*Progress*
➢ Develop revenue-forecasting spreadsheet for five-year period ➢ Collect samples from other entities	➢ Completed spreadsheet with forecasts	➢ Collected samples ➢ Draft in 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	*Measurement*	*Progress*
➢ Continue to increase the information shared on the City's network and website. ➢ Increase electronic submission of forms and internal processes.	➢ 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.	➢ Organized Library Drive for consistent management of public documents

Goal – Improve document management handling and processes.
Responds to Council Goal: #7 – Customer Service

Objective	*Measurement*	*Progress*
➢ Update and improve current systems for archiving and retrieval. ➢ Update Records Management Policy	➢ Decrease in paper document storage and space requirements for paper document storage.	➢ Purchased e-records management system

Goal – Create information brochure for Council Committee meetings.
Responds to Council Goal: #8 – Enhanced Communication and Participation

Objective	*Measurement*	*Progress*
➢ Create a brochure for the public that provides information on the responsibilities and activities of the various Council committees.	➢ Completed Council Committee brochure.	➢

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	*Measurement*	*Progress*
➢ Review, update and/or modify current policies and processes for providing efficient and effective customer service.	➢ Review of PMC ➢ Implementation of new policies and procedures	➢ Began identifying PMC chapters in need of updating

Police Department Goals

Goal – Implement Accreditation Standard
Responds to Council Goal: #3 – Public Safety

Objective	*Measurement*	*Progress*
➢ Work with Accreditation Board ➢ Continue to review internal policies with standards ➢ Set milestones for phases to be implemented	➢ Complete Significant Milestones of Accreditation Standard During 2011	➢ Progress is dependent upon completed adoption of a new Department Policy Manual.

Goal – Increase Police Officer Training Standards
Responds to Council Goal: #3 – Public Safety

Objective	*Measurement*	*Progress*
➢ Compare Standards with Association of Washington Cities Standards and through the Washington Association of Sheriffs and Police Chiefs ➢ Continue to review legal training requirements ➢ Work with officers to schedule and review they are current with legal requirements ➢ Provide Necessary Training	➢ Training records in personnel files	➢ Washington Criminal Justice Training Standards have been researched and applied. Officers' annual training hours have been increased keeping with Accreditation mandates.

Goal – Maintain a Current Modernized Policy Manual
Responds to Council Goal: #3 – Public Safety

Objective	*Measurement*	*Progress*
➢ Review for compliance with Federal and State Laws ➢ Make necessary adjustments	➢ Completed and updated Policy Manual	➢ A highly reputable Law Enforcement Policy provider has been engaged to insure our Policy Manual meets standards.

Police Department Goals (continued)

Goal – Implementation of a Community Oriented Policing and Problem Solving Program (COPPS)
Responds to Council Goal: #3 – Public Safety

Objective	*Measurement*	*Progress*
➢ Develop closer ties with the Community by: • Block watch programs • Community meetings and events ➢ Break City into sectors assigning personnel to sectors for consistency	➢ Defined sectors with personnel assigned ➢ Emails, written correspondences, phone logs ➢ Increased written and verbal communication between police and community ➢ Meetings held ➢ Community events held	➢ 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. ➢

Goal – In Car Video System Program in All Police Vehicles
Responds to Council Goal: #3 – Public Safety

Objective	*Measurement*	*Progress*
➢ Obtaining grants for funding ➢ Research best industry equipment to fit needs ➢ Install in Vehicles ➢ Provide training to officers for operating	➢ Complete purchase, training and installation of In Car Video systems in all police patrol cars in 2011	➢ Several In Car Camera Video Systems have been purchased ➢ Received two grants for funding purchase of cameras

Public Works Department Goals

Goal – Ensure a consistent level of service on City-owned streets
Responds to Council Goals: #6 – Public Works

Objective	*Measurement*	*Progress*
➢ 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.	➢ 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	➢ Consultant work in progress.

Goal – Improve pedestrian safety in the City.
Responds to Council Goals: #3 – Public Safety

Objective	*Measurement*	*Progress*
➢ Initiate a city wide traffic calming program.	➢ Program presented to Public Works Committee and to City Council for consideration.	➢ Program has been presented to Public Works Committee

Public Works Department Goals (continued)

Goal – Improve the condition of the City street system.
Responds to Council Goals: #4 – Revenues & Financial Stability, and #6 – Public Works

Objective	*Measurement*	*Progress*
➢ Develop a strategy for recurring and dedicated funding to maintain the City's streets to an acceptable level.	➢ Funding strategy adopted in future budget cycle.	➢ Program presented to Public Works and Finance Committees, Transportation Benefit District also under consideration.

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	*Measurement*	*Progress*
➢ Complete storm system GIS mapping. ➢ Fully implement IDDE program; filed assessments, inspections, procedures, and outreach.	➢ Storm system GIS maps complete. ➢ Program fully implemented and reported to DOE.	➢ In progress. ➢ In progress.

Goal – Provide sufficient water supply sources to meet the requirements of the Comprehensive Plan.
Responds to Council Goal: #6 – Public Works

Objective	*Measurement*	*Progress*
➢ 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.	➢ Agreement finalized between City and KPUD. ➢ Water conservation program implemented.	➢ 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	*Measurement*	*Progress*
➢ Compliance with regulatory requirements	➢ Number of non-compliant orders.	➢ In Compliance

Public Works Department Goals (continued)

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	*Measurement*	*Progress*
➢ Continue delivery of service.	➢ System Failures.	➢ In 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	*Measurement*	*Progress*
➢ Implement a cost-effective local transfer station in Poulsbo to eliminate the long haul distance for local collection trucks.	➢ Transfer station constructed.	➢ Site plan approval in progress
➢ Partner with other local municipalities to complete the Comprehensive Solid Waste Management.	➢ Comprehensive Solid Waste Management Plan completed.	➢ Plan in progress.

Goal – Improve Current Planning
Responds to Council Goal:#7 – Customer Service

Objective	*Measurement*	*Progress*
➢ Continue to provide courteous and professional service to customers and quick turnaround of applications and permits	➢ Completed time lines.	➢ In progress

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	*Measurement*	*Progress*
➢ 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.	➢ Complete the master list and cost estimates.	➢ 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 ➢ 3rd Reconstruction – Design & Construction Phase ➢ Fjord Drive Bank Repair ➢ 6th Ave. Traffic Safety Improvements Design ➢ 6th and 9th Ave. Pump Station Upgrades ➢ Anderson Parkway LID Retrofit Design	➢ Completed project phases on time and within budget	➢ Design in progress. ➢ Not started ➢ Design In progress; complete Oct. 2011 ➢ In design ➢ In design ➢ In design

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	*Measurement*	*Progress*
➢ Evaluate land use permits in terms of permitting turn-around and number of appeals and decisions.	➢ Continue to meet statutory requirements regarding permit turn-around. ➢ Evaluation of all permits appealed and the final decision made.	➢ On-going: All permits reviewed and approved within 120-day statutory timeframe. ➢ One SEPA appeal in 2010 related to the City's Transfer Station (new Public Works facility). ➢ The City is on notice that it may face at least two LUPA/SEPA appeals in 2011. ➢ If realized, these appeals will negatively impact the Department's reduced staff resources and lead to a reduced LOA in regards to other work related duties. ➢ A lower LOS should be expected in regards to turn-around time leading to possible increases in permit appeals.

Planning Department Goals (continued)

Goal – Continue to implement the City of Poulsbo Comprehensive Plan
Responds to Council Goals: #1 – Growth

Objective	*Measurement*	*Progress*
➢ Implement the City's Comprehensive Land Use Plan to help the City attain the vision articulated in the plan ➢ Ensure that development within the urban growth area and the city proper is consistent with the City Comprehensive Plan and development regulations	➢ Development within Urban Growth Area is consistent with City Comp Plan and regulations	➢ On-going: All projects continue to meet City's minimum density and bulk and dimensional standards.

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	*Measurement*	*Progress*
➢ 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	➢ Adoption of updated comprehensive plan.	➢ City adopted a revised Comprehensive Land use Plan in December, 2009. ➢ The Plan was appealed on February 8th, 2010 by four non-residents who alleged the City failed to comply with the Growth Management Act on 38 issues. ➢ The City successfully defended the Comprehensive Plan– CPSGMHB issued decision in City's favor on August 9th, 2010.

Goal – Revise the City's Zoning Code to implement newly adopted Comprehensive Plan
Responds to Council Goals: #1 – Growth

Objective	*Measurement*	*Progress*
➢ 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	➢ Adoption of new zoning ordinance; subdivision ordinance; clearing and grading ordinance and procedural/process ordinance.	➢ First phase of amendments in progress and expect City Council review prior to end of 2010. ➢ Phase 2 and 3 expected to be undertaken in 2011 if consulting services are continued to be funded by City Council.

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	*Measurement*	*Progress*
➢ Fully implement the new LIS and maintain development review performance timelines ➢ Implement "over the counter" building permit process for simple building permit applications	➢ Statistical evaluation of time lines for all permits from date of application to decision ➢ Maintained development review performance timelines	➢ On-going: All projects approved within the required 120 day time-limit. Still working with HTE system to provide "statistical" analysis

Goal – Update the City's Shoreline Master Program
Responds to Council Goals: #1 – Growth

Objective	*Measurement*	*Progress*
➢ Amend the City's Shoreline Master Program to comply with changes to the State's Shoreline Management Act	➢ Prepare a draft Shoreline Master Program, including existing conditions report and shoreline restoration plan.	➢ Work initiated in 2010. ➢ Expect adoption of new Shoreline Master Program in 2011

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	*Measurement*	*Progress*
➢ 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	➢ Produce a program brochure filled with a variety of programs at least two times a year, and take registrations from participants.	➢ Two brochures per year mailed to North Kitsap residents (24,000). About 6600 registrations taken in 2010; 62% success rate for programs.

Goal – Prompt processing of park and sign permits.
Responds to Council Goals: #5 – Parks & Recreation; #7 Customer Service

Objective	*Measurement*	*Progress*
➢ Process park permits within two weeks ➢ Process sign permits within one week ➢ Develop system to track permit process	➢ Charts showing number of permits and times to process	➢ Successfully process all permits within the time-goal.

Parks and Recreation Department Goals (continued)

Goal – To provide after school programs in some of the schools
Responds to Council Goals:#4 – Revenues & Financial Stability, #5 – Parks & Recreation

Objective	*Measurement*	*Progress*
➢ Work with the middle school and elementary school principals ➢ Work with the principals and PTSA's on providing after school programs	➢ 3-6 programs for middle school children per year ➢ 3-6 programs for elementary school children per year.	➢ 6 middle school classes offered; 33% successful. ➢ 12 elementary programs offered fall 2010.

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	*Measurement*	*Progress*
➢ 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	➢ Continue to make needed improvements to the existing center to make it a productive community gathering place. ➢ Produce and distribute a written plan for the future building of a Recreation Center	➢ The city purchased the existing recreation center in 2010. Planning for future needs is ongoing.

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	*Measurement*	*Progress*
➢ Work 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.	➢ Decision whether to go ahead with a ballot question on a park district ➢ Ballot question	➢ No progress – likely due to tough economic times.

Parks Projects and Goals

Goal – Improve the paths in American Legion Park
Responds to Council Goals: #5-Parks & Recreation; #7 Customer Service

Objective	*Measurement*	*Progress*
➢ Improve approximately 1 mile of pedestrian trails for safety and enjoyment ➢ Order materials and create a timeline for the project	➢ Completed phase 1 of the project that began in 2011	➢ Some initial planning has begun.

Goal – Continue restoration of Poulsbo's Fish Park Phase 1 & 2
Responds to Council Goals: #1-Growth, #5-Parks & Recreation, #9 Environment

Objective	*Measurement*	*Progress*
➢ Apply for additional grant money through various sources ➢ Continue forming partnerships with organizations for restoration work.	➢ Schedule of volunteer work parties to work on the site, and begin restoring the property to its natural setting ➢ Schedule ongoing development of phase two of the park including planting, trail building and north road improvements	➢ Phase 2 work began in August 2009 and continues ➢ Acquire the Lord property on the east side of the estuary

Goal – Make major maintenance to the Skate Park at Raab Park
Responds to Council Goals: #1 – Growth, #3 – Public Safety, #4 – Revenues and Financial Stability, #5 – Parks & Recreation

Objective	*Measurement*	*Progress*
➢ Develop a plan for ramp replacements. ➢ Work with a local fundraising organization for additional funding. ➢ Make improvements that will allow safer use of the ramps.	➢ Complete improvements to 4-8 ramps by December 2011	➢ Initial estimates have been positive. The product is available.

Goal – Begin to replace the park signs using the city's new sign design.
Responds to Council Goals: #1 – Growth, #3 – Public Safety, #4 – Revenues and Financial Stability, #5 – Parks & Recreation

Objective	*Measurement*	*Progress*
➢ Design a sign standard ➢ Go out for bid for the signs ➢ Develop a list of parks needing signs	➢ Complete the replacement of the main signs at Liberty Bay Waterfront Park and Raab Park. ➢ Public Works to install the new signs by June 2011.	➢ Design is complete

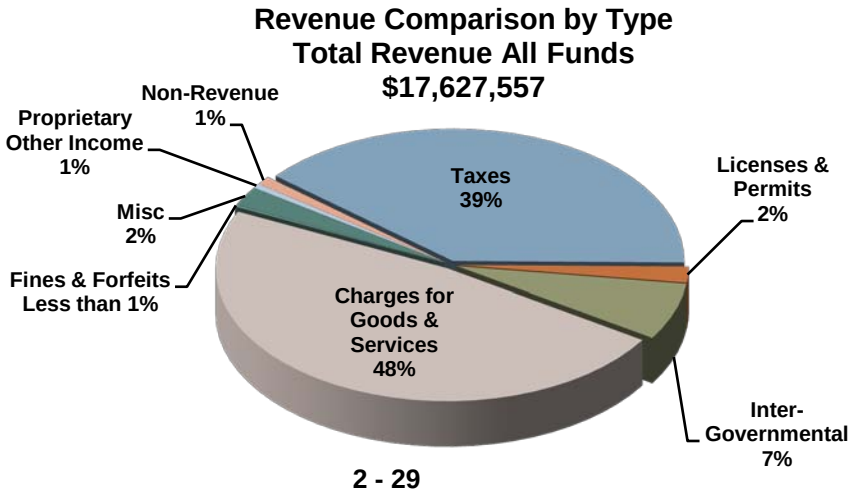
Parks Projects and Goals (continued)		
Goal – Complete the Park Impact Fees ordinance *Responds to Council Goals:#4 – Revenues & Financial Stability, #5 – Parks & Recreation*		
Objective ➢ Hold a public workshop with interested parties. ➢ Hold a public hearing in front of the City Council	*Measurement* ➢ Completion of the ordinance by June 2011	*Progress* ➢
Fund 103 Grant Management Goals		
Goal – 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 2011, including two in park development, one in urban forestry, one in recreation and one in art	*Progress* ➢

View of Poulsbo Waterfront

ANALYSIS OF 2011 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 2011. 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 2011 the largest source of revenue is "C*harges for goods and services*" provided City wide (48%), of which most of this revenue (83%) is associated with the services in the City's utilities.
- The next largest category is "*Taxes*" (39%), with the majority being received in the General Fund. Most tax revenue projections have remained flat without an increase, but utility tax projections have slightly increased due to the City Council adopting an ordinance to increase the City Utility taxes by 2% for 2011. This tax will be analyzed for the 2012 budget with the intent of decreasing the tax and growth of other tax revenues supplementing these dollars. With the exception of utility taxes most taxes had seen a decrease or very minimal increase in 2010 and have been conservatively projected without any growth for 2011. This is consistent with the Council's unwritten policy of conservatively predicting no more revenue than what was received the prior year.
- *"Intergovernmental revenues"* makes up 7% of total revenue and consists primarily of grants reimbursed by government agencies. The City continues to be successful in the grant process and is the recipient of several grants to fund road and park improvements. More specifically improvements will be made to Noll Road a busy road serving a local elementary school and several residential neighborhoods, repairs to Fjord Drive which is a scenic drive along the Poulsbo waterfront and funding to design development of waterfront trails.
- *"Licenses & Permits"* makes up about 2% of the City's revenue. Included in this category are business license and development permits. These have continued to see a decline consistent with the national economic recession.
- 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

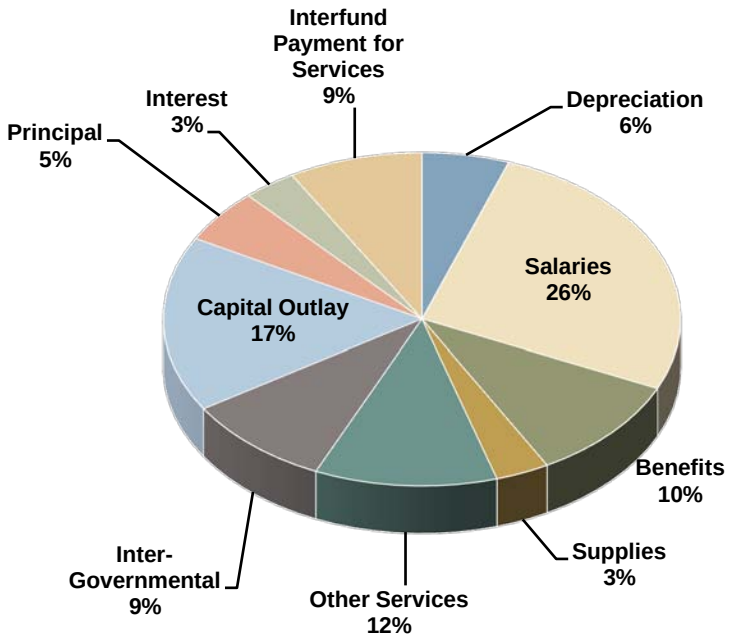
Fund	Taxes	Licenses/ Permits	Inter-Gov	Charges for Services	Fines Forfeitures	Misc.	Proprietary Other Income	Non-Revenue	Other Sources (Transfers)	Total
General Fund										
001 General	6,425,137	340,475	112,432	1,456,776	67,183	148,601		174,730	38,820	8,764,154
Special Revenue Funds										
101 Street Fund		3,000	191,245						747,255	941,500
121 Capital Improvement	276,000					400				276,400
123 Cumulative Reserve						400				400
131 Historic DT Poulsbo						47,750				47,750
161 Paths & Trail Reserve									956	956
171 Drug Enforcement						50				50
181 Transient Occupancy	90,000									90,000
191 Police Restricted	85,000		16,325			400				101,725
Debt Service Funds										
Misc Government										
201 Debt									98,650	98,650
204 Non-Voted Debt						85,635			932,744	1,018,379
Captial Project Funds										
Equipment										
301 Acquisition									31,500	31,500
302 Park Reserve			45,000						68,922	113,922
311 Street Reserve			850,000						310,964	1,160,964
312 Park Acquisition										-
314 Cemetery Reserve				1,000						1,000
321 Street Equip Reserve						500				500
331 Facilities Funds						200				200
Proprietary Funds										
401 Water				1,351,000		87,750	50,000		121,771	1,610,521
403 Sewer				2,401,000		18,000	50,000		441,794	2,910,794
404 Solid Waste				1,250,000		16,000				1,266,000
410 Storm Drain				725,000						725,000
501 General Facilities				185,000						185,000
502 Public Works Admin				1,075,568						1,075,568
TOTAL	6,876,137	343,475	1,215,002	8,445,344	67,183	405,686	100,000	174,730	2,793,376	20,420,933

ANALYSIS OF 2011 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 2011 is "salaries" and when combined with "benefits" accounts for 36% of the operating budgets. Government is a service agency which is consistent with wages and benefits being the largest piece of the pie.
- The next largest category is "capital outlay". There are several transportation and park projects planned for 2011 due to the success of the City receiving grants. Improvements to Noll Road, a busy road serving a local elementary school and several residential neighborhoods, and Fjord Drive a heavily used road for vehicles, bicycles and pedestrians travelling along the shoreline.
- "Other services" (or professional services) make up 12% of the expenditure budget.
- "Inter-Governmental" is about 9% of the expenditure budget with the largest expenditures in this category being the contractual costs with the County for sewage and solid waste disposal.
- "Interfund Payment for Services" (9%) accounts for allocations to other funds to pay for services provided.

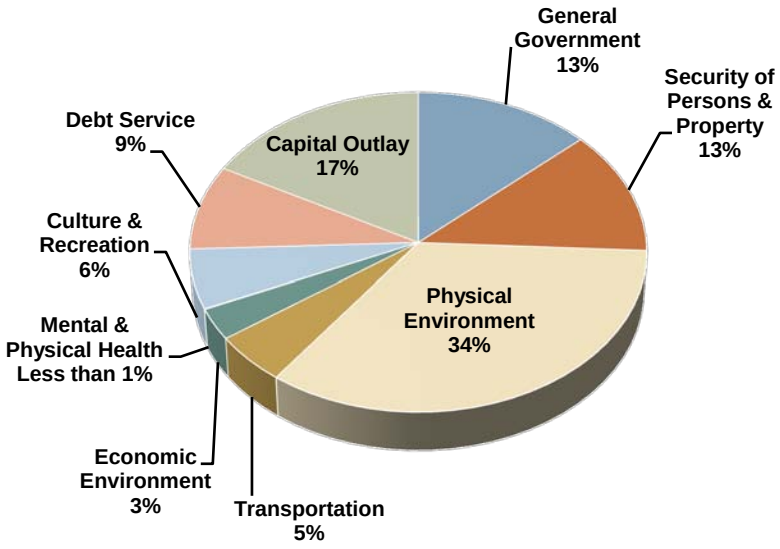
Expenditure Comparison by Type
Total Expenditures All Funds
$20,235,096



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		3,966,930	1,459,323	314,422	1,341,500	346,613				112,686	7,541,474
Special Revenue Funds											
101 Street Fund		226,726	98,224	65,485	233,478	15,000				183,349	822,262
121 Capital Improvement											-
123 Cumulative Reserve											-
131 Historic DT Poulsbo				11,000	31,800					3,000	45,800
161 Paths & Trail Reserve											-
171 Drug Enforcement			375	5,600	5						5,980
181 Transient Occupancy		15,720	4,780		69,500						90,000
191 Police Restricted			10,000	16,693	16,723		59,329				102,745
Debt Service Funds											
Misc Government											
201 Debt								74,368	22,311		96,679
204 Non-Voted Debt								560,000	516,754		1,076,754
Captial Project Funds											
Equipment											
301 Acquisition							49,582				49,582
302 Park Reserve					19,500		120,000				139,500
311 Street Reserve							861,000				861,000
312 Park Acquisition											-
314 Cemetery Reserve											-
321 Street Equip Reserve											-
331 Facilities Funds											-
Proprietary Funds											
401 Water	320,000	201,366	86,996	90,100	154,078	177,002	473,500	92,421	29,350	185,900	1,810,713
403 Sewer	460,000	194,858	81,896	19,500	89,749	845,259	1,301,500	336,427	105,367	168,362	3,602,918
404 Solid Waste	30,000	181,248	80,536	68,250	200,145	418,585	125,000			202,322	1,306,086
410 Storm Drain	290,000	206,691	93,409	18,600	99,837	68,984	441,000			164,376	1,382,897
501 General Facilities		60,112	26,394	35,800	12,102					63,455	197,863
502 Public Works Admin	1,700	285,046	110,120	33,100	38,136		19,920			614,821	1,102,843
TOTAL	1,101,700	5,338,697	2,052,053	678,550	2,306,553	1,871,443	3,450,831	1,063,216	673,782	1,698,271	20,235,096

How Does the City Use It's Resources?
Expenditures by Type of Government
(excludes Transfers & Fund Balances)
$20,235,096



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.

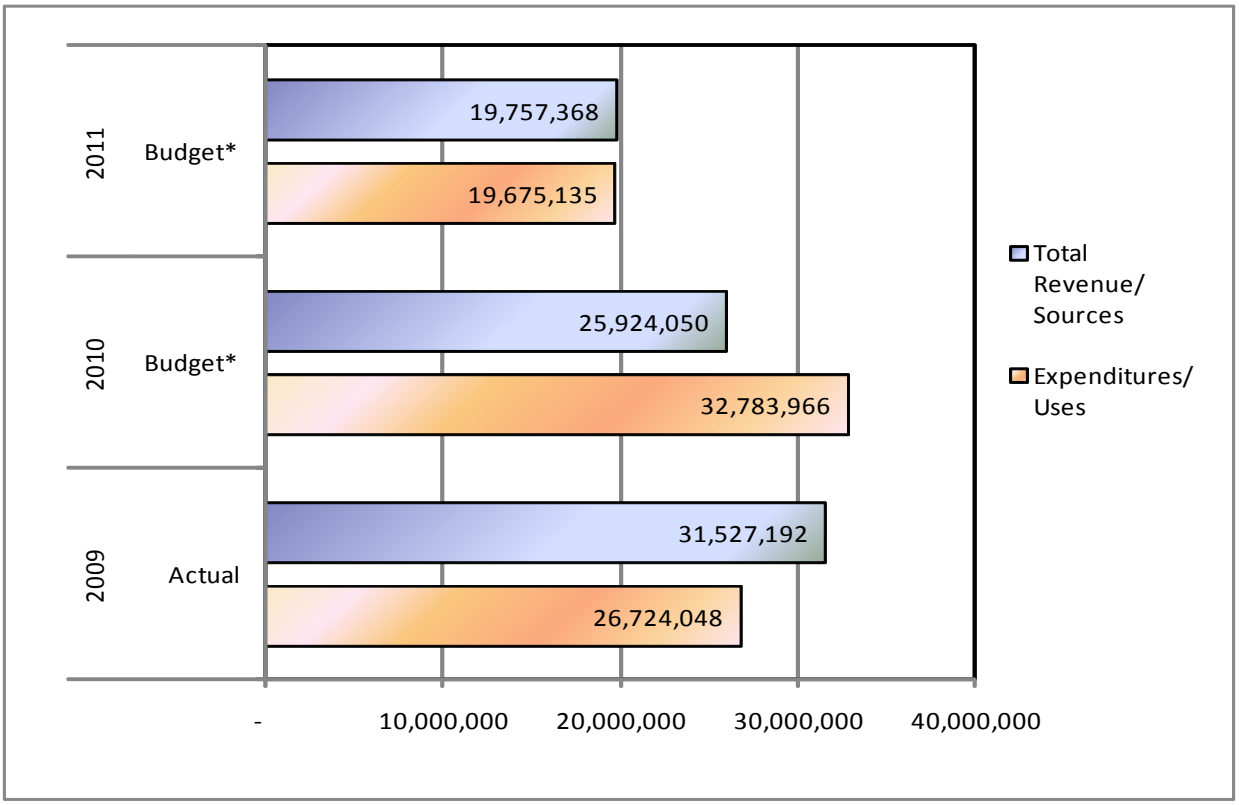
Culture and Recreation: Class of services to provide community education, leisure and sports activities, and to recognize historic and festive occasions.

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

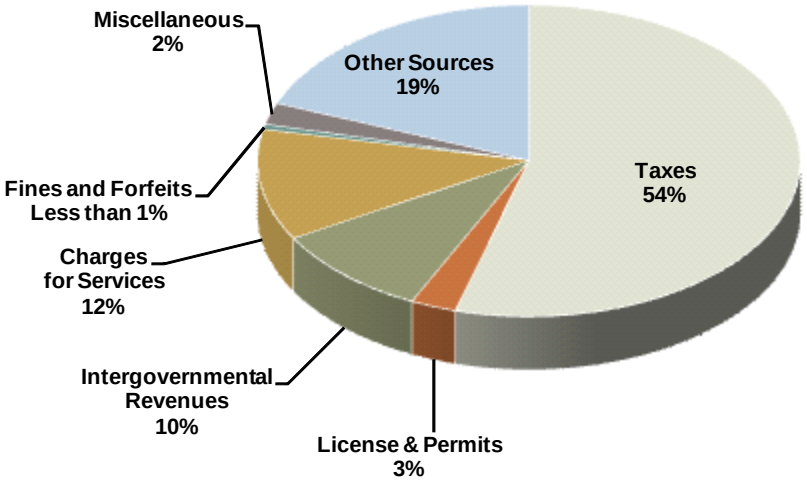
Capital Outlay: Expenditures/expenses associated with the acquisition of assets over $5,000 in value.

TOTAL ALL FUNDS

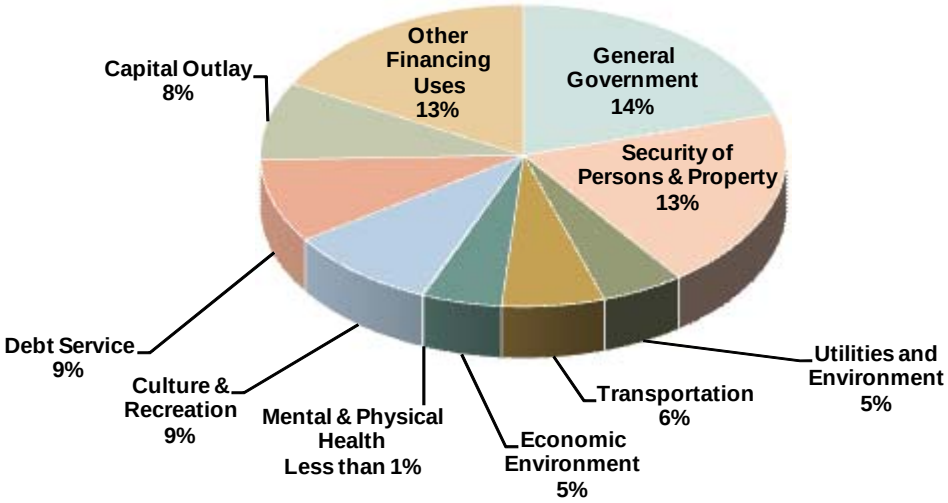
	2009 Actual	2010 Budget*	2011 Budget*
Governmental Revenues	$ 24,306,949	$ 18,682,804	$ 12,648,050
Proprietary Revenues	7,220,243	7,241,246	7,109,318
Total Revenue/ Sources	31,527,192	25,924,050	19,757,368
Governmental Expenditures	20,766,908	26,230,722	13,061,585
Proprietary Expenses	5,957,140	6,553,244	6,613,551
Expenditures/ Uses	26,724,048	32,783,966	19,675,135
Net Increase (Decrease)	4,803,144	(6,859,916)	82,233
Fund Balance/Equity - Beginning	52,712,424	59,617,423	53,752,045
Increase in Contributed Capital	3,180,783	225,000	100,000
Prior Period Adjustments	(990,883)	-	-
Fund Balance/Equity - Ending	$ 59,705,468	$ 52,982,507	$ 53,934,278



2011 Estimated Financial Sources - Governmental Funds



2011 Estimated Uses - Governmental Funds



Governmental Funds

2009-2011 Summary of Estimated Financial Sources and Uses

(For Budgetary Purposes Only)

	General Fund			Special Revenue Funds		
	2009 Actual	2010 Budget*	2011 Budget*	2009 Actual	2010 Budget*	2011 Budget*
Financial Sources:						
Taxes	$6,178,975	$6,303,063	$6,425,137	$ 578,407	$ 547,000	$ 451,000
License & Permits	452,621	413,780	340,475	7,700	3,000	3,000
Intergovernmental Revenu	153,782	202,570	112,432	187,896	222,403	207,570
Charges for Services	1,087,549	1,026,995	1,456,776	504,465	-	-
Fines and Forfeits	88,709	84,600	67,183	673	-	-
Miscellaneous	130,682	250,501	148,601	120,386	73,050	49,000
Other Sources	64,482	626,599	213,550	995,412	805,978	748,211
Total Financial Sources	8,156,800	8,908,108	8,764,154	2,394,939	1,651,431	1,458,781
Expenditures:						
General Government	2,541,540	2,750,641	2,680,394			
Security of Persons & Pro	2,528,125	2,787,047	2,488,450	13,672	50,633	49,396
Utilities and Environment	461,287	537,581	663,512	-		
Transportation				837,427	926,952	822,261
Economic Environment	845,073	869,578	636,766			
Mental & Physical Health	14,213	14,083	13,977			
Culture & Recreation	388,372	1,464,324	1,052,474	828,281	213,376	135,800
Debt Service					-	-
Capital Outlay				122,073	64,389	59,329
Other Financing Uses	1,907,031	1,896,212	1,561,746	1,134,497	742,270	559,645
Total Use of Resources	8,685,641	10,319,466	9,097,319	2,935,950	1,997,620	1,626,431
Net Increase (Decrease) in Fund Balance	(528,841)	(1,411,358)	(333,165)	(541,011)	(346,189)	(167,650)
Fund Balance - Beginning	988,024	2,161,312	1,453,305	3,233,954	981,502	701,250
Prior Year Adjustment				-		
Fund Balance -Ending	$ 459,183	$ 749,954	$1,120,140	$2,692,943	$ 635,313	$ 533,600

* Adjustements have been made to reflect Fund changes due to new GASB regulations

Debt Service Funds			Capital funds			Total Governmental Funds		
2009 Actual	2010 Budget	2011 Budget	2009 Actual	2010 Budget	2011 Budget	2009 Actual	2010 Budget	2011 Budget
$ 371	$ -	$ -	$ -	$ -	$ -	$ 6,757,753	$ 6,850,063	$ 6,876,137
						460,321	416,780	343,475
			2,551,642	2,654,664	895,000	2,893,320	3,079,637	1,215,002
10,635			8,800	1,000	1,000	1,611,449	1,027,995	1,457,776
						89,382	84,600	67,183
2,135	10,635	85,635	46,978	1,247,224	700	300,181	1,581,410	283,936
1,152,747	1,071,713	1,031,394	9,981,902	3,138,029	411,386	12,194,543	5,642,319	2,404,541
1,165,888	1,082,348	1,117,029	12,589,322	7,040,917	1,308,086	24,306,949	18,682,804	12,648,050
-			15,804			2,557,344	2,750,641	2,680,394
			2,318			2,544,115	2,837,680	2,537,846
			13,363			474,650	537,581	663,512
						837,427	926,952	822,261
					-	845,073	869,578	636,766
						14,213	14,083	13,977
			1,906	5,300	19,500	1,218,559	1,683,000	1,207,774
704,323	1,111,758	1,173,433				704,323	1,111,758	1,173,433
			7,666,860	12,661,638	1,030,582	7,788,933	12,726,027	1,089,911
430,172	-	-	310,571	134,940	114,320	3,782,271	2,773,422	2,235,711
1,134,495	1,111,758	1,173,433	8,010,822	12,801,878	1,164,402	20,766,908	26,230,722	13,061,585
31,393	(29,410)	(56,404)	4,578,500	(5,760,961)	143,684	3,540,041	(7,547,918)	(413,535)
68,865	97,579	68,931	2,809,418	7,380,498	1,601,386	7,100,261	10,620,891	3,824,872
(2,184)						(2,184)		
$ 98,074	$ 68,169	$ 12,527	$7,387,918	$ 1,619,537	$ 1,745,070	$10,638,118	$ 3,072,973	$ 3,411,337

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. It is also necessary to build capital reserves to fund necessary capital improvements to support the programs. These balances create 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 expenses are less than revenues.

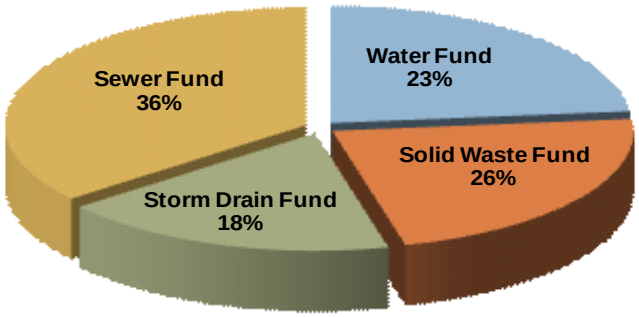
Unlike private sector enterprises, a city cannot make a profit. Therefore working capital should not grow or decline and expenses and revenues should balance, however, working capital should accumulate to a level sufficient for at least three purposes:

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

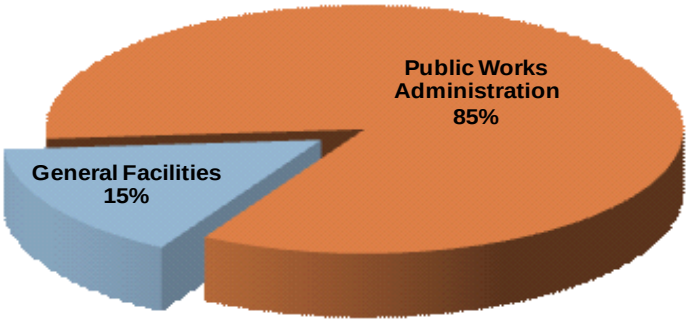
2. Provide adequate security for long-term debt, and

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

2011 Estimated Operating Expenses - Enterprise Funds



2011 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		
	2009 Actual	2010 Budget	2011 Budget	2009 Actual	2010 Budget	2011 Budget
Operating Revenues						
Charges for Services	$ 1,344,268	$ 1,313,500	$ 1,351,000	$ 2,357,232	$ 2,477,402	$ 2,401,000
Other Operating Revenue	92,369	85,500	87,750	30,215	18,000	18,000
Total Operating Revenues	1,436,637	1,399,000	1,438,750	2,387,447	2,495,402	2,419,000
Operating Expenses						
Administrative and General	394,726	431,193	422,866	441,248	482,550	500,570
Depreciation	314,611	315,000	320,000	330,519	465,000	460,000
Maintenance	39,877	50,500	50,500	9,876	12,950	12,950
Contracted Processing and Operations				557,995	580,000	555,000
Customer Service	310	1,450	1,450		800	800
Operating	323,571	375,542	420,625	245,365	325,735	330,304
Total Operating Expenses	1,073,095	1,173,685	1,215,441	1,585,003	1,867,035	1,859,624
Operating Income (Loss)	363,542	225,315	223,309	802,444	628,368	559,376
Non- Operating Sources and (Uses)						
Interest Earnings	31,426	15,000		28,840	32,500	
Interest Expenses	(36,122)	(31,090)	(29,350)	(131,607)	(111,667)	(105,367)
Other Nonoperating Revenues (Expenses)				847		
Total Non-Operating Sources and (Uses)	(4,696)	(16,090)	(29,350)	(101,920)	(79,167)	(105,367)
Net Increase (Decrease)	358,846	209,225	193,959	700,524	549,201	454,009
Fund Equity - Beginning	14,310,020	14,975,949	15,235,174	17,093,985	20,487,114	21,211,315
Increase in Contributed Capital	123,644	50,000	50,000	3,108,664	175,000	50,000
Prior Year Adjustment	183,439			(416,059)		
Retained Earnings - Ending	$14,975,949	$ 15,235,174	$15,479,133	$20,487,114	$21,211,315	$21,715,324

Solid Waste Fund			Storm Drain Fund			Total Enterprise Funds		
2009 Actual	2010 Budget	2011 Budget	2009 Actual	2010 Budget	2011 Budget	2009 Actual	2010 Budget	2011 Budget
$1,248,228	$1,255,000	$1,250,000	$ 724,525	$ 722,000	$ 725,000	$ 5,674,253	$ 5,767,902	$ 5,727,000
14,683	16,000	16,000	60,768	7,000		198,035	126,500	121,750
1,262,911	1,271,000	1,266,000	785,293	729,000	725,000	5,872,288	5,894,402	5,848,750
225,317	261,927	357,227	305,626	346,961	327,497	1,366,917	1,522,631	1,608,160
22,590	31,200	30,000	292,187	294,000	290,000	959,907	1,105,200	1,100,000
70,251	65,475	61,475	14,981	16,294	13,794	134,985	145,219	138,719
398,407	412,000	402,600				956,402	992,000	957,600
				500	500	310	2,750	2,750
283,261	295,435	329,783	268,621	325,572	310,107	1,120,818	1,322,284	1,390,818
999,826	1,066,037	1,181,085	881,415	983,327	941,898	4,539,339	5,090,084	5,198,047
263,085	204,963	84,915	(96,122)	(254,327)	(216,898)	1,332,949	804,319	650,703
12,526	21,000		14,244			87,036	68,500	-
						(167,729)	(142,757)	(134,717)
						847	-	-
12,526	29,000	21,000	14,244	-	-	(79,846)	(74,257)	(134,717)
275,611	233,963	105,915	(81,878)	(254,327)	(216,898)	1,253,103	730,062	515,986
1,597,529	1,997,656	2,231,619	11,337,294	11,373,297	11,118,970	44,338,828	48,834,016	49,797,078
			(51,525)			3,180,783	225,000	100,000
124,516			169,406			61,302	-	-
$1,997,656	$2,231,619	$2,337,534	$11,373,297	$11,118,970	$10,902,072	$48,834,016	$49,789,078	$50,413,063

Internal Service Funds

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

(For Budgetary Purposes Only)

	General Facilities			Public Works Administration		
	2009 Actual	2010 Budget	2011 Budget	2009 Actual	2010 Budget	2011 Budget
Operating Revenues						
Charges for Services	$ 179,129	$ 154,000	$ 185,000	$1,079,732	$ 1,123,344	$ 1,075,568
Other Operating Revenue						
Total Operating Revenues	179,129	154,000	185,000	1,079,732	1,123,344	1,075,568
Operating Expenses						
Administrative and General	55,838	55,229	74,557	1,078,248	1,150,444	1,081,223
Depreciation				1,621	1,700	1,700
Operations	114,365	113,031	123,306			
Total Operating Expenses	170,203	168,260	197,863	1,079,869	1,152,144	1,082,923
Operating Income (Loss)	8,926	(14,260)	(12,863)	(137)	(28,800)	(7,355)
Non- Operating Sources and (Uses)						
Interest Earnings	304			907	1,000	
Gain (loss) on sale of fixed assets						
Other Non-Operating Expenses						
Other Revenue						
Total Non-Operating Sources and (Uses)	304	-	-	907	1,000	-
Net Increase (Decrease)	9,230	(14,260)	(12,863)	770	(27,800)	(7,355)
Fund Equity - Beginning	49,450	58,680	44,420	1,223,885	103,836	85,675
Prior Year Adjustment				(1,050,001)		
Retained Earnings - Ending	$ 58,680	$ 44,420	$ 31,557	$ 174,654	$ 76,036	$ 78,320

Total Internal Service Funds		
2009 Actual	**2010 Budget**	**2011 Budget**
1,258,861	1,277,344	1,260,568
-	-	-
1,258,861	1,277,344	1,260,568
1,134,086	1,205,673	1,155,780
1,621	1,700	1,700
114,365	113,031	123,306
1,250,072	1,320,403	1,280,786
8,789	(43,059)	(20,218)
1,211	1,000	-
-	-	-
-	-	-
-	-	-
1,211	1,000	-
10,000	(42,059)	(20,218)
1,273,335	162,516	130,095
(1,050,001)	-	-
$ 233,334	$ 120,457	$ 109,877

CITY OF POULSBO
2011 BUDGET
SUMMARY OF FUND ACTIVITY AND
CHANGES IN FUND BALANCE

FUND	TOTAL RESOURCES			TOTAL APPROPRIATIONS			CHANGE	
	2011 Estimated Beginning Fund Balance	2011 Estimated Revenue/ Other Financing Sources	2011 Estimated Total Resources	2011 Projected Expenditures/ Expenses/ Other Financing Uses	2011 Projected Ending Fund Balance	2011 Total Projected Appropri-ations	Change in Fund Balance Inc (Dec)	% of change
001 General Fund	1,453,305	8,764,154	10,217,459	9,097,319	1,120,140	10,217,459	(333,165)	-23%
Total Current Expense Fund	***1,453,305***	***8,764,154***	***10,217,459***	***9,097,319***	***1,120,140***	***10,217,459***	***(333,165)***	***-23%***
101 City Streets	295,752	941,500	1,237,252	995,906	241,346	1,237,252	(54,406)	-18%
121 Capital Improvement	33,178	276,400	309,578	308,000	1,578	309,578	(31,600)	-95%
123 Cum Reserve	64,837	400	65,237	50,000	15,237	65,237	(49,600)	-76%
131 Historic Dwntn Poulsbo	37,274	47,750	85,024	45,800	39,224	85,024	1,950	5%
161 Path and Trail Reserve	9,633	956	10,589	0	10,589	10,589	956	10%
171 Drug Enforcement	21,800	50	21,850	5,980	15,870	21,850	(5,930)	-27%
181 Transient Occup Tax	20,133	90,000	110,133	90,000	20,133	110,133	0	0%
191 Police Restricted Funds	218,643	101,725	320,368	130,745	189,623	320,368	(29,020)	-13%
Total Special Revenue Funds	***701,250***	***1,458,781***	***2,160,031***	***1,626,431***	***533,600***	***2,160,031***	***(167,650)***	***-24%***
201 Misc Govt Debt	1,156	98,650	99,806	96,679	3,127	99,806	1,971	171%
204 Non-Voted Gen Oblig	67,775	1,018,379	1,086,154	1,076,754	9,400	1,086,154	(58,375)	-86%
Total Debt Service Funds	***68,931***	***1,117,029***	***1,185,960***	***1,173,433***	***12,527***	***1,185,960***	***(56,404)***	***-82%***
301 Equipment Acquisition	227,954	31,500	259,454	91,902	167,552	259,454	(60,402)	-26%
302 Park Reserve	127,225	113,922	241,147	139,500	101,647	241,147	(25,578)	-20%
311 Street Reserve	679,468	1,160,964	1,840,432	861,000	979,432	1,840,432	299,964	44%
312 Park Acquisition	71,528	0	71,528	25,000	46,528	71,528	(25,000)	-35%
314 Cemetery Reserve	57,194	1,000	58,194	0	58,194	58,194	1,000	2%
321 City Streets Equip Res.	240,005	500	240,505	0	240,505	240,505	500	0%
331 Facilities Fund	198,012	200	198,212	47,000	151,212	198,212	(46,800)	-24%
Total Capital Project Funds	***1,601,386***	***1,308,086***	***2,909,472***	***1,164,402***	***1,745,070***	***2,909,472***	***143,684***	***9%***
401 Water System	2,847,383	1,610,521	4,457,904	1,932,484	2,525,420	4,457,904	(321,963)	-11%
403 Sewer System	3,106,977	2,910,794	6,017,771	4,044,712	1,973,059	6,017,771	(1,133,918)	-36%
404 Solid Waste System	1,675,750	1,266,000	2,941,750	1,306,086	1,635,664	2,941,750	(40,086)	-2%
410 Storm Drain System	1,606,348	725,000	2,331,348	1,382,898	948,450	2,331,348	(657,898)	-41%
Total Enterprise Funds	***9,236,458***	***6,512,315***	***15,748,773***	***8,666,180***	***7,082,593***	***15,748,773***	***(2,153,865)***	***-23%***
501 General Facilities	66,374	185,000	251,374	197,863	53,511	251,374	(12,863)	-19%
502 Public Works Admin	85,675	1,075,568	1,161,243	1,102,843	58,400	1,161,243	(27,275)	-32%
Total Internal Service Funds	***152,049***	***1,260,568***	***1,412,617***	***1,300,706***	***111,911***	***1,412,617***	***(40,138)***	***-26%***
TOTALS	***13,213,379***	***20,420,933***	***33,634,312***	***23,028,471***	***10,605,841***	***33,634,312***	***(2,607,538)***	***-20%***

Changes in Fund Balance more than 10% are detailed below.

General Fund – It is anticipated to use reserves in 2011 to offset the decline in revenues. There have been several expenditure reductions in 2011, but it was not enough to offset the revenue decline which is consistent with the national economic downturn. The projected fund balance is consistent with the Financial Management Policy.

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.
- ***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 to fund a portion of a debt payment for capital improvements. The debt obligation will need to use a portion of the reserves decreasing the balance.
- ***Cumulative Reserve (123) –*** These are funds generated from traffic impact fees. It is anticipated in 2011 to use these funds for Street Projects
- ***Drug Enforcement (171) –*** Funds have been allocated from the reserves towards drug enforcement. Revenues are not protected in this fund as they are sporadic and issue based.
- ***Police Restricted Funds (191) –*** It is anticipated to use reserve dollars specifically designated for Domestic Violence as a onetime contribution to a local organization in support of this function.

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

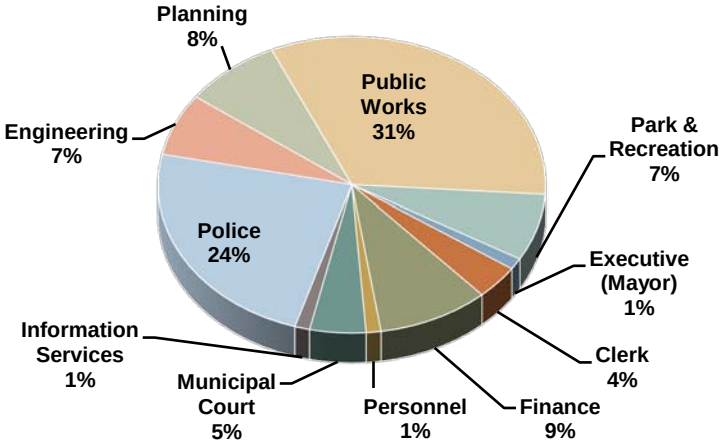
Capital Project Funds – These funds are used for capital projects so will consistently vary depending on projected capital projects.

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 2011.

Internal Service Funds – These funds are set up to account for services provided to City functions. A large reserve balance would mean the operating funds are over expending in order to maintain a large carrying balance.

A significant part, 36% 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.

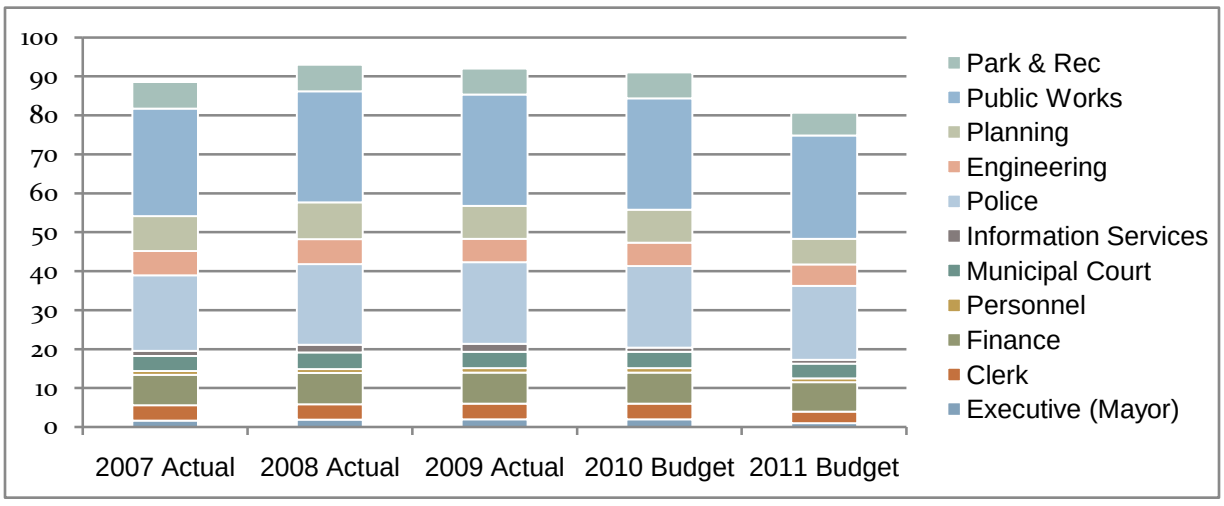
2011 Staffing by Department



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

DEPARTMENT STAFFING SUMMARY
IN FULL TIME EQUIVALENTS

DEPARTMENTS	*2007 Actual*	*2008 Actual*	*2009 Actual*	*2010 Budget*	*2011 Budget*
Executive (Mayor)	1.63	1.88	2	2	1
Clerk	4	4	4	4	3
Finance	7.75	8	8	8	7.5
Personnel	1	1	1.15	1.15	1
Municipal Court	3.89	4.26	4.2	4.2	3.77
Information Services	1.33	2	2	1	1
Police	19.33	20.66	21	21	19
Engineering	6.27	6.45	5.95	5.95	5.5
Planning	8.92	9.45	8.45	8.45	6.55
Public Works	27.6	28.43	28.6	28.6	26.5
Park & Rec	6.84	6.82	6.67	6.62	5.87
Total FTE's	***88.56***	***92.95***	***92.02***	***90.97***	***80.69***



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 presented.

Building the budget for 2011 proved to be a challenging year. Economist predicted the economy to be growing back in 2010, but as time passed, it has found to be a much slower recovery than projected. The City took a pro-active decision and offered a Voluntary Separation in lieu of layoffs to employees. Reduction by furloughs was explored but the Council felt making staffing level reductions by positions was a better long term solution instead of the temporary reduction by furloughs.

Several City employees applied and were granted the option. This allowed the City in the fortunate position of avoiding layoffs. With the reduction of more than 10 fte's many positions have been re-aligned for downsizing and functionality. This is also in line with moving most City Departments to a New City Hall which opened in November offering most City services in one location. Below are the detailed changes:

- The Executive Assistant to the Mayor was eliminated. With the election of a new Mayor it was determined the need was no longer essential
- The Office Clerk 1 was eliminated from the Clerk's Department reducing the support in the reception area
- Finance Department reduced by .5 fte with the department absorbing the Fixed Asset Accounting functions
- Municipal Court reduced a .45 fte Judicial Clerk, absorbing the duties among the current staff. A Senior Judicial Specialist was also eliminated and replaced with a Judicial Specialist allowing the Senior Judicial Clerk to move into that position.
- The Police Department reduced their department by one Police Clerk and one Patrol Officer. In order to allow more patrol officers on the streets, and due to the reduction of one patrol officer, some programs were eliminated; such as the Westnet Detective for a County wide drug task force, the K-9 program and in combination with a lack of funding from the school district the School Resource Officer was eliminated.
- Engineering reduced administrative support by .45 fte
- Planning eliminated administrative support by a .9 fte and a Senior Planner. This allowed for some reorganization. An Associate Planner was able to move into the Public Works Department filling a vacant Senior Engineering Tech position allowing the Senior Planner to move into the Associate Planner position.
- Public Works eliminated the Civil Engineering position and did not fill a vacant Maintenance Tech position supporting the street maintenance program
- The Park and Recreation reduced the receptionist position by .7 fte. They have reduced their operating hours to accommodate the reduction. The Pre-school teacher reduced their position by .05 fte which better suited the functions of the program and associated hours of the program.

Capital Improvement Summary for Projects planned in 2011

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 2011. 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

Park & Recreation Building

Funds are being appropriated in 2011 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	$	20,000
Total 2011 Costs	$	20,000

Funding Source:
City 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.

Public Works Complex Relocation

Funds are being appropriated in 2011 to upgrade the Public Works facilities and relocate Public Works operations to an area where there is less conflict with nearby public uses.

Facilities Fund (331)

Construction	$	100,000
Total 2011 Costs	$	100,000

Funding Source:
City Reserves

Impact on Operating Budget:
There will be additional impact on future operating budget beginning 2014 for the debt payment and increased operating expenses.

Park Projects

American Legion Park

Funds are being appropriated in 2011 to replace the American Legion Park trail with new asphalt or extend the boardwalk into the park.

Park Reserves Fund (302)

Construction	$	20,000
Total 2011 Costs	$	20,000

Funding Source:
Park Reserves

Impact on Operating Budget:
Beginning 2011, this project is projected to increase operating expenses by $500 per year to support ongoing maintenance costs
.

Poulsbo's Fish Park Restoration

Funds are being appropriated in 2011 for the continued restoration efforts of Fish Park. The purchases of the land and master plan design have been expended in prior years.

Park Reserves (Fund 302)

Construction	$	20,000
Management	$	5,000
Total 2011 Costs	$	25.000

Funding Source:
Park Reserves

Impact on Operating Budget:
This park is all natural so there will be limited maintenance impact on future operating budgets.

Liberty Bay Waterfront Trail

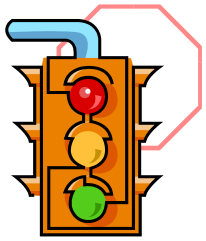
Funds are being appropriated in 2011 to develop a one mile continuous trail along the waterfront from Liberty Bay Park to the south city limits of Viking Avenue.

Park Reserves (Fund 302)

Planning & Design		65,000
Total 2011 Costs	$	65,000

Funding Source:
Federal Grants, City Reserves & Donations

Impact on Operating Budget:
Beginning 2015, this project is projected to increase operating budgets by $5,000 annually to support ongoing maintenance costs.



Transportation Projects

Noll Road Improvements

Funds are being appropriated in 2011 for Phase I of the project which includes the construction of pedestrian and bicycle improvements between Poulsbo Middle School and Poulsbo Elementary School.

Street Reserves (Fund 311)

Construction	$	50,000
Management		50,000
Total 2011 Costs	$	100,000

Funding Source:
City Street Reserves, City Impact Fees

Impact on Operating Budget:
There will be no additional impact on the 2011 operating budget.

3rd Ave Reconstruction – Moe to Iverson

Funds are being appropriated in 2011 for the construction related to sidewalk, curb, pavement repairs, overlay and striping.

Street Reserves (Fund 311)

Construction	$	280,000
Management		20,000
Total 2011 Costs	$	300,000

Funding Source:
City Street Reserves

Impact on Operating Budget:
There will be no additional impact on the 2011 operating budget.

3rd Ave Reconstruction – Moe to Hostmark

Funds are being appropriated in 2011 to begin planning and design related to sidewalk and curb installation, pavement repairs, pavement overlay, parking and striping.

Street Reserves (Fund 311)

Planning & Design	$	30,000
Total 2011 Costs	$	30,000

Funding Source:
City Reserves

Impact on Operating Budget:
There will be no additional impact on the 2011 operating budget.

6th Ave Traffic Safety Improvements

Funds are being appropriated in 2011 for the design and construction of traffic calming devices.

Street Reserves (Fund 311)

Planning & Design	$	20,000
Construction		260,000
Management		20,000
Total 2011 Costs	$	300,000

Funding Source:
State Grants, City Reserves

Impact on Operating Budget:
There will be no additional impact on the 2011 operating budget.

Hostmark Sidewalk/Bike Lane

Funds are being appropriated in 2011 to construct a five foot wide sidewalk and five foot wide bike lane along the south side from SR 305 to Hostmark.

Street Reserves (Fund 311)

Planning & Design	$	30,000
Total 2011 Costs	$	30,000

Funding Source:
City Reserves

Impact on Operating Budget:
There will be no additional impact on the 2011 operating budget.

Liberty Bay Waterfront Trail

Funds are being appropriated in 2011 to construct a pedestrian/bicycle trail from Legion Park to Liberty Bay Auto dealership.

Street Reserves (Fund 311)

Planning & Design	$	95,000
Total 2011 Costs	$	95,000

Funding Source:
Federal Grants, City Reserves

Impact on Operating Budget:
There will be no additional impact on the 2011 operating budget.

Emergency Fjord Drive Bank Repair

Funds are being appropriated in 2011 to stabilize the bank. The project is combining street, water, sewer and storm drain repairs. This funding represents the street contribution to the Fjord Drive Bank repair project.

Street Reserves (Fund 311)

Construction	$	425,000
Management		50,000
Total 2011 Costs	$	475,000

Funding Source:
Federal Grants

Impact on Operating Budget:
There will be no additional impact on the 2011 operating budget.

Sewer Projects

Annual Inflow Reduction Program

Funds are being appropriated in 2011 to implement an inflow reduction program consisting of identifying and repairing inflow sources.

Sewer Fund (403)

Construction	$	20,000
Total 2011 Costs	$	20,000

Funding Source:
Sewer Reserves

Impact on Operating Budget:
There will be no additional impact on the 2011 operating budget.

6th & 9th Avenue Pump Station Upgrade

Funds are being appropriated in 2011 to 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 2011 Costs	$	600,000

Funding Source:
Sewer Reserves

Impact on Operating Budget:
There will be no additional impact on the 2011 operating budget.

Tollefson Forcemain Upgrade

Funds are being appropriated in 2011 to increase capacity of the Tollefson manhole where SR 305 Forcemain discharges sewer into the gravity system.

Sewer Fund (403)

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

Funding Source:
Sewer Reserves

Impact on Operating Budget:
There will be no additional impact on the 2011 operating budget.

Harrison Forcemain Replacement

Funds are being appropriated in 2011 to replace the Forcemain from the Marine Science Center pump and install a new main along Fjord Drive and tie it to the existing main at Harrison Street.

Street Reserves (Fund 311)

Planning & Design	$	40,000
Total 2011 Costs	$	40,000

Funding Source:
Sewer Reserves

Impact on Operating Budget:
There will be no additional impact on the 2011 operating budget.

Emergency Fjord Drive Bank Repair
Funds are being appropriated in 2011 to stabilize the bank. The project is combining street, water, sewer and storm drain repairs. This funding represents the sewer utility contribution to the Fjord Drive Bank repair project.

Sewer Fund (Fund 403)

Construction	$	25,000
Management		5,000
Total 2011 Costs	$	30,000

Funding Source:
Sewer Reserves

Impact on Operating Budget:
There will be no additional impact on the 2011 operating budget.

Water Projects

West Side Well Treatment for Manganese
Funds are being appropriated in 2011 to install a treatment facility at the existing Westside Well site.

Water Fund (401)

Construction	$	100,000
Total 2011 Costs	$	100,000

Funding Source:
Water Reserves

Impact on Operating Budget:
Beginning in 2011, this project is projected to increase operating budgets by $5,000 annually.

Intrusion Alarms
Funds are being appropriated in 2011 to install intrusion alarms at several facility sites.

Water Fund (401)

Construction	$	22,000
Total 2011 Costs	$	22,000

Funding Source:
Water Reserves

Impact on Operating Budget:
There will be no additional impact on the 2011 operating budget.

Big Valley Well Piping Improvements
Funds are being appropriated in 2011 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)

Planning & Design	$	15,000
Total 2011 Costs	$	15,000

Funding Source:
Water Reserves

Impact on Operating Budget:
There will be no additional impact on the 2011 operating budget.

Pugh Well/Lincoln Treatment for Manganese
Funds are being appropriated in 2011 to install a treatment facility at the new well (Pugh/Lincoln #2).

Water Fund (401)

Construction	$	100,000
Total 2011 Costs	$	100,000

Funding Source:
Water Reserves

Impact on Operating Budget:
Beginning in 2012, this project is projected to increase operating budgets by $5,000 annually.
.

Big Valley – Little Valley Transmission Line
Funds are being appropriated in 2011 to replace the transmission main between Big Valley Road/Bond Road and the Big Valley wells.

Water Fund (Fund 401)

Planning & Design	$	200,000
Total 2011 Costs	$	200,000

Funding Source:
Water Reserves

Impact on Operating Budget:
There will be no additional impact on the 2011 operating budget.

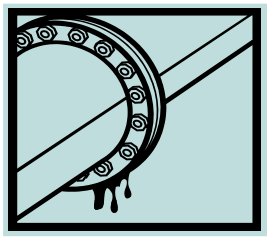
Emergency Fjord Drive Bank Repair
Funds are being appropriated in 2011 to stabilize the bank. This funding represents the water utility contribution to the Fjord Drive Bank repair project.

Water Fund (Fund 401)

Construction	$	25,000
Management		5,000
Total 2011 Costs	$	30,000

Funding Source:
Water Reserves

Impact on Operating Budget:
There will be no additional impact on the 2011 operating budget.



Storm Drain Projects

Dogfish Creek Restoration
Funds are being appropriated in 2011 to begin projects identified in the Master plan designed to restore Dogfish Creek.

Storm Drain Fund (410)

Planning & Design	$	50,000
Total 2011 Costs	$	50,000

Funding Source:
Storm Drain Reserves

Impact on Operating Budget:
There will be no additional impact on the 2011 operating budget.

Anderson Parkway LID Retrofit
Funds are being appropriated in 2011 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.

Storm Drain Fund (410)

Planning & Design	$	311,000
Management		10,000
Total 2011 Costs	$	321,000

Funding Source:
Storm Drain Reserves

Impact on Operating Budget:
Beginning in 2012, this project is projected to increase operating expenses by $2,000 per year.

Replace Storm Drains in Ridgewood

Funds are being appropriated in 2011 to identify the necessary improvements to bring the existing stormwater system into compliance with Department of Ecology.

Storm Drain (410)		
Planning & Design	$	40,000
Total 2011 Costs	$	40,000

Funding Source:
Storm Drain Reserves

Impact on Operating Budget:
There will be no additional impact on the 2011 operating budget.

Emergency Fjord Drive Bank Repair

Funds are being appropriated in 2011 to stabilize the bank. The project is combining street, water, sewer and storm drain repairs. This funding represents the storm drain utility contribution to the Fjord Drive Bank repair project.

Storm Drain Fund (Fund 410)		
Construction	$	25,000
Management		5,000
Total 2011 Costs	$	30,000

Funding Source:
Storm Drain Reserves

Impact on Operating Budget:
There will be no additional impact on the 2011 operating budget.

Solid Waste Projects

Solid Waste Transfer Station

Funds are being appropriated in 2011 to install a ramp and associated improvements to the Solid Waste Transfer station.

Solid Waste Fund (404)		
Construction	$	125,000
Total 2011 Costs	$	125,000

Funding Source:
Solid Waste Reserves

Impact on Operating Budget:

There will be no additional impact on the 2011 operating budget.

LONG-TERM DEBT OBLIGATIONS AND DEBT CAPACITY

The 2011 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 and type of debt. While the City has various forms of debt, $12,425,000 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 2011, the City of Poulsbo's limit is $19,234,177 of which the City has incurred $12,425,000.

2. The second statutory limit is the amount of general obligation debt a City may incur for the 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 $32,056,962, less any amount issued of non-voted debt.

3. The third limit allows a City of 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	$ 810,000
Marine Science Center	Non Voted	2005 - 2011	3.0% - 4.8%	415,000	55,000
City Hall 2005	Non Voted	2005 - 2025	3.0% - 4.8%	5,185,000	4,215,000
City Hall 2009	Non Voted	2009 - 2033	1.4% - 3.75%	6,015,000	5,620,000
Parks & Rec LOCAL	Non Voted	2009 - 2033	4.10%	310,000	310,000
City Hall Line of Credit	Non Voted	2010 - 2011	2.06%	2,000,000	2,000,000
				$ 16,430,000	13,010,000

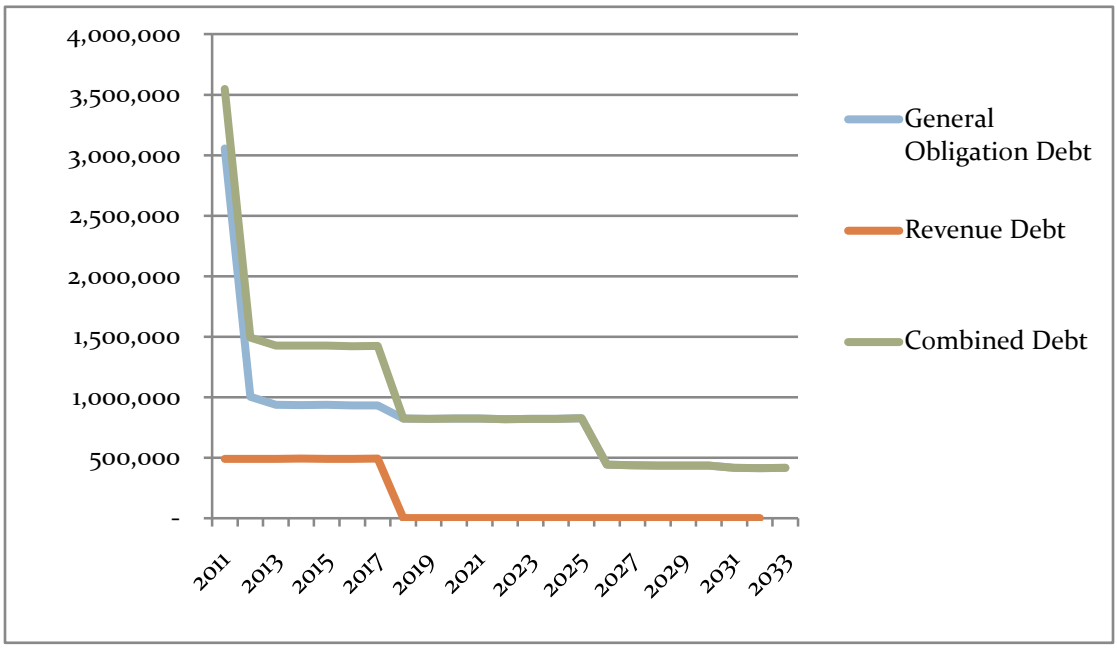
This Debt is controlled by assessed Valuation Debt Limits

2011 Assessed Valuation $ 1,280,709,278

X 0.025	=	$ 32,017,732	Limited for Combined Debt	Balance Available	$ 19,007,732
X 0.015	=	$ 19,210,639	Limited for Non-Voted Debt	Balance Available	$ 6,200,639
			Balance Available for Voted Debt	$ 12,807,093	

BOND DEBT TO MATURITY						
	General Obligation (GO)			Revenue Bonds		
Year	Principal	Interest	Total	Principal	Interest	Total
	-	-	-	-	-	-
2011	2,585,000	482,863	3,067,863	383,000	107,969	490,969
2012	550,000	453,123	1,003,123	396,000	92,546	488,546
2013	500,000	435,765	935,765	414,000	76,521	490,521
2014	515,000	419,365	934,365	429,000	62,238	491,238
2015	535,000	401,110	936,110	443,000	47,438	490,438
2016	550,000	381,505	931,505	457,000	32,154	489,154
2017	570,000	360,943	930,943	475,000	16,388	491,388
2018	485,000	338,828	823,828	-	-	-
2019	500,000	319,626	819,626	-	-	-
2020	525,000	298,850	823,850	-	-	-
2021	545,000	276,860	821,860	-	-	-
2022	565,000	253,856	818,856	-	-	-
2023	590,000	229,963	819,963	-	-	-
2024	615,000	204,990	819,990	-	-	-
2025	650,000	176,275	826,275	-	-	-
2026	295,000	146,015	441,015	-	-	-
2027	305,000	130,870	435,870	-	-	-
2028	320,000	115,188	435,188	-	-	-
2029	335,000	98,700	433,700	-	-	-
2030	355,000	80,475	435,475	-	-	-
2031	355,000	61,600	416,600	-	-	-
2032	370,000	42,075	412,075	-	-	-
2033	395,000	21,725	416,725			
TOTAL	13,010,000	5,730,570	18,740,570	2,997,000	435,253	3,432,253

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

GENERAL FUND REVENUE (001)

The largest operating fund in the City is the General Fund. It provides the majority of City services, including police, parks and recreation, planning, engineering, executive, legislative 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 2011 the General Fund Revenue operating budget, exclusive of beginning balance, is projected to be $8,764,154; this is a decrease from the 2010 operating budget by approximately $84,000. The variance is primarily due to:

- Decrease in the amount of projected investment earnings due to lower interest rates and less cash available to invest
- Decrease in the amount of revenue related to development including planning and engineering fees
- A grant in 2010 for development of a shoreline master plan
- Elimination of funding from the local school district supporting a school resource officer

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

- Increase in City Utility Tax rate of 2% for City Utilities.
- Increase in the amount allocated to non-revenue for the purpose of projecting amounts of wages to be charged directly against City projects

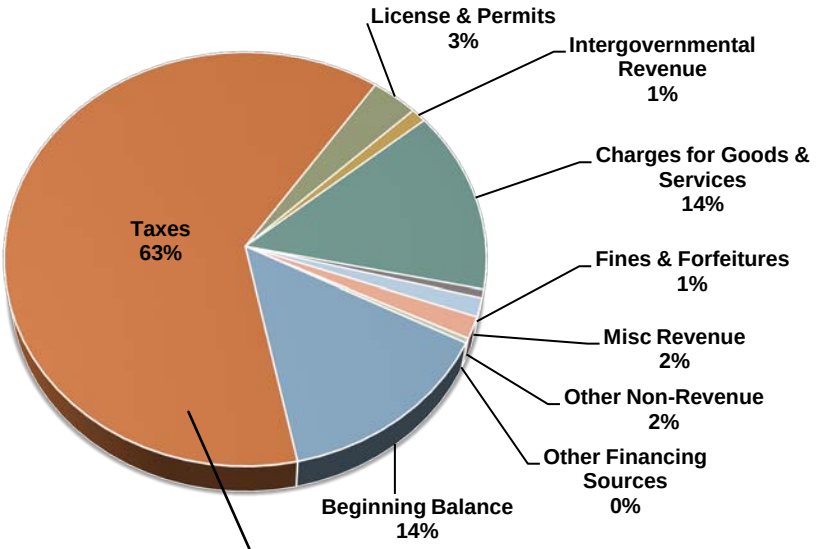
There are many changes for the 2011 Budget and how the City accounts for different funds. Due to new reporting standards issued by the Governmental Accounting Standards Board (GASB), there have been several funds moved to the General Fund. The Revenue Stabilization Reserves will no longer be accounted for in a separate fund but has been included in the General Fund. The beginning balances and fund balances have also been detailed to be in compliance with the new standards. The balances will be broken out per Council policies. Another large fund to combine with the General Fund is the Park & Recreation activity. All prior years' data have been adjusted to allow for meaningful data comparisons.

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.

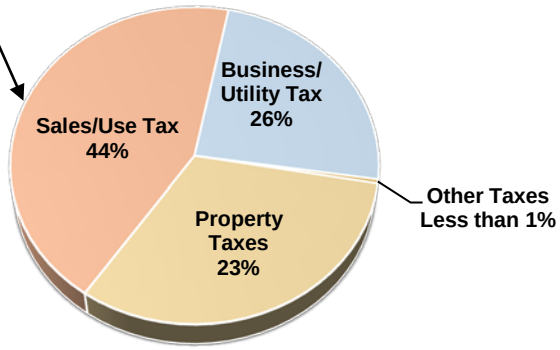
GENERAL FUND REVENUE ANALYSIS

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 2011.

2011 General Fund Resources
$10,217,459



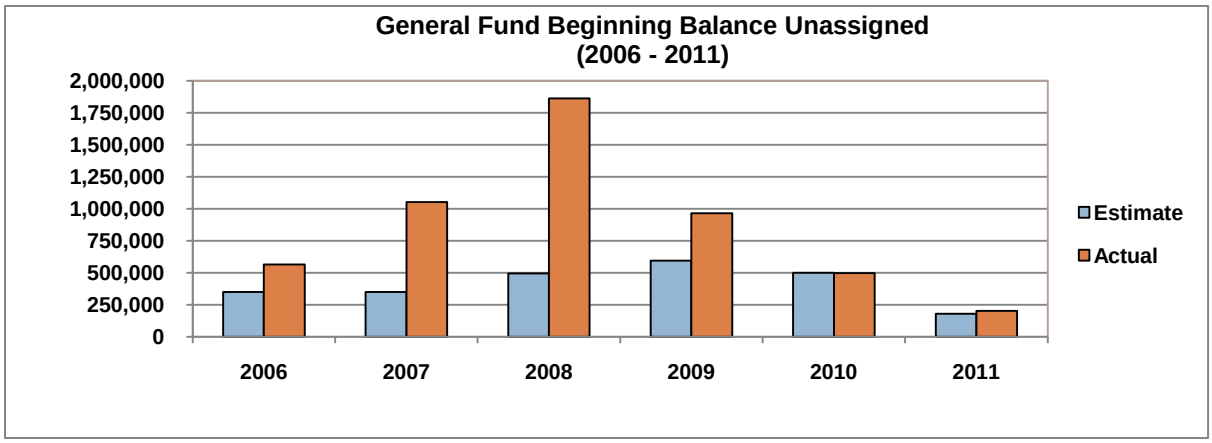
2011 General Fund Tax Revenue
$6,425,137



BEGINNING BALANCE:

The beginning balance represents funds reserved per Council direction for legal reserves and in compliance with the Financial Management Policy, and 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, decline in revenues and, reserving dollars for future capital projects, this has not always been possible.

Prior to 2011 general reserves had been accounted for in a Special Revenue Stabilization Fund. Because of new accounting standards, the funds will now be accounted and detailed in the General Fund. Data has been adjusted to allow for meaningful comparisons in prior years. The chart below represents Beginning Balance Unassigned. The carryover dollars were primarily generated from expenditures being less than projected.



TAX REVENUE:

Taxes account for the largest revenue category in the general fund, generating 63% of General Fund's total revenue and 74% of the operating revenue. Because of this, the category receives the majority of attention during the budget process.

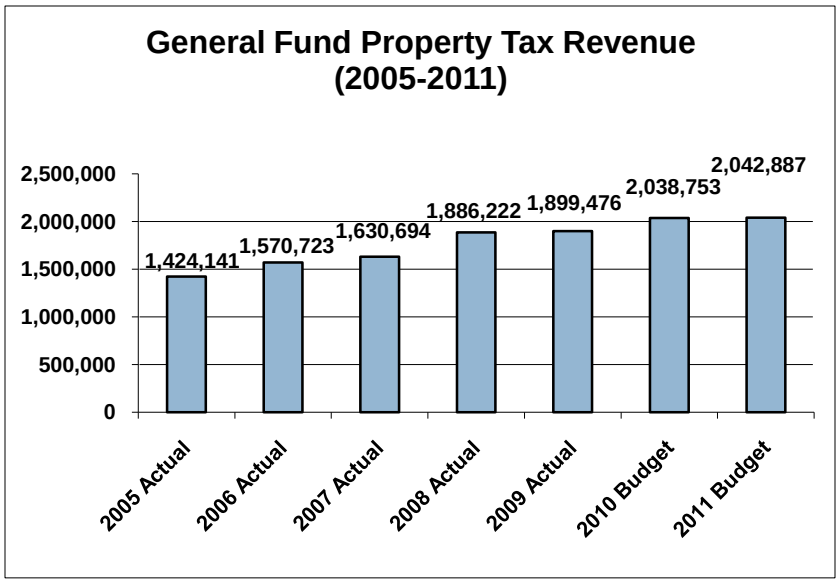
PROPERTY TAXES:

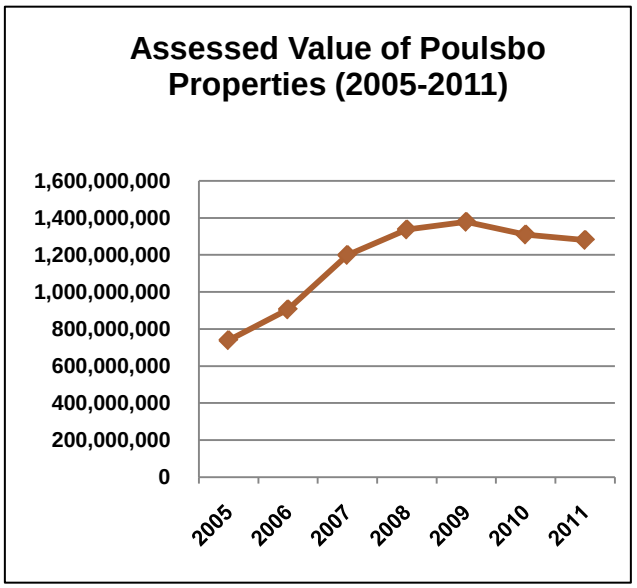
For 2011, the City has levied $2,042,887. This is a 1% increase over the highest allowable levy.

The assessed value for 2011 reflects a decrease for the second consecutive year; 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 continued at a reduced, but slow and continuous pace. 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 an effort to reduce the General Fund variance in 2011, the normal transfers to Street Reserves (Fund 311) and Park Reserves (Fund 302) were reduced by 50%. This will allow the funds to remain in the General Fund. The reduction equates to approximately $231,000 remaining in General Fund to support government operations. The transfers based on Property Tax revenue will be:

- 2.15% of property tax revenue to Street Reserves (Fund 311) for capital street projects
- 2.15% of property tax revenue into the Park Reserve Fund (302) for capital park projects
- 7% of property tax revenue to Street Reserves (Fund 311) for capital restoration street projects
- 31% to City Street Fund (101) for street maintenance.

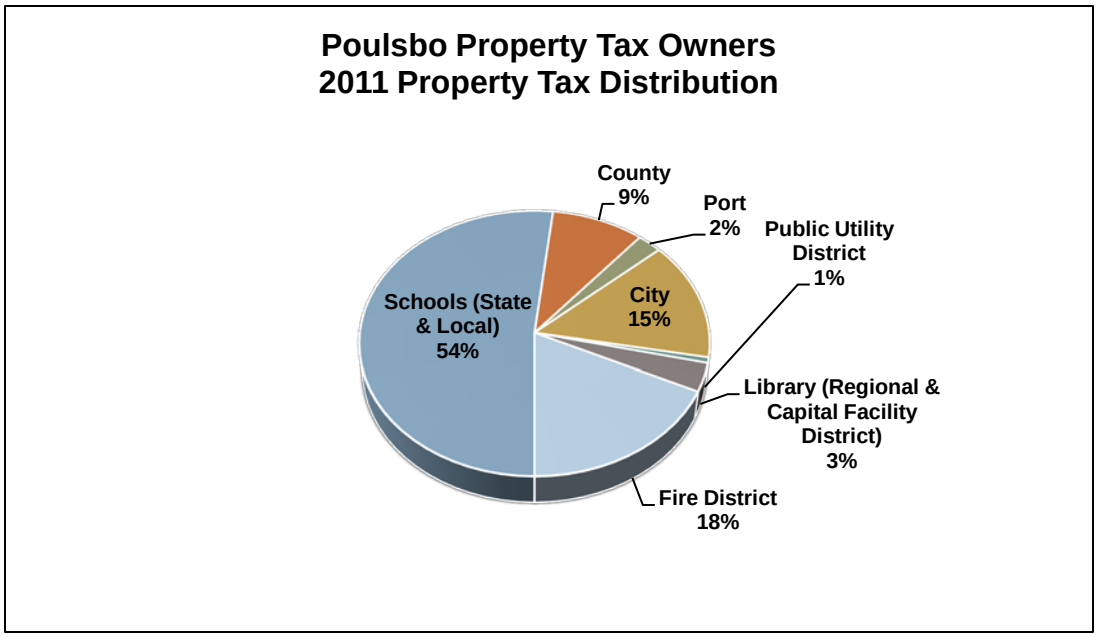




Year	Property Taxes*	Assessed Value	Rate
2005	1,426,749	739,142,516	1.9303
2006	1,541,219	905,352,282	1.7122
2007	1,698,656	1,199,593,462	1.4160
2008	1,925,683	1,337,337,310	1.4400
2009	1,976,950	1,378,218,255	1.4343
2010	2,047,161	1,310,033,708	1.5627
**2011	2,067,897	1,280,709,278	1.61465

*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' 2011 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)	5.777873	1,733.36
COUNTY	1.025061	307.52
PORT	.272314	81.69
CITY *	1.61465	484.40
PUD	.073755	22.13
LIBRARY (Regional)	.347255	104.18
FIRE DISTRICT #18 & EMS Levy	2.00000	600.00
LIBRARY (Capital Facility District)	.036156	10.85
TOTAL	11.147064	$3,344.13

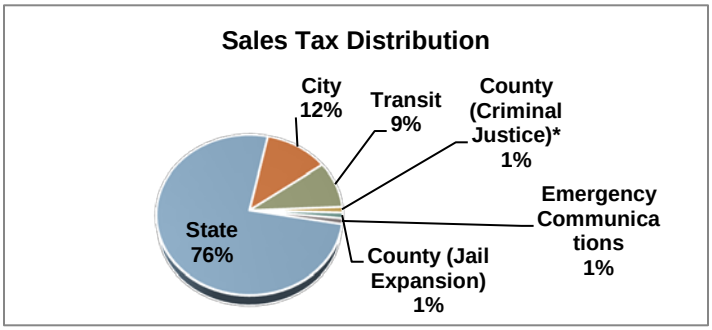
SALES TAXES:

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 2008 the City had experienced a continual increase in sales tax. It has been a goal of the City to estimate sales tax revenue no greater than what was actually received the previous year. Revenue projected for 2011 remains flat, the same as 2010, and is consistent with the actual dollars received in 2009 and 2010. Although the revenue has shown a decline for the past several years, 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).*

With the current national economic environment affecting fuel prices, vehicle sales, construction, home sells, 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. Although some longtime City businesses closed and/or consolidated their operations in Poulsbo, there is still growth happening in Poulsbo. In the College Market Place development, several new business are under construction and anticipated to be complete and open their doors for business in 2011, including a health care facility, warehouse distribution center, and fast food restaurant, In 2011 the projection for sales tax revenue is $2,800,000 and does not reflect any increase, but consistent with the actual dollars received.

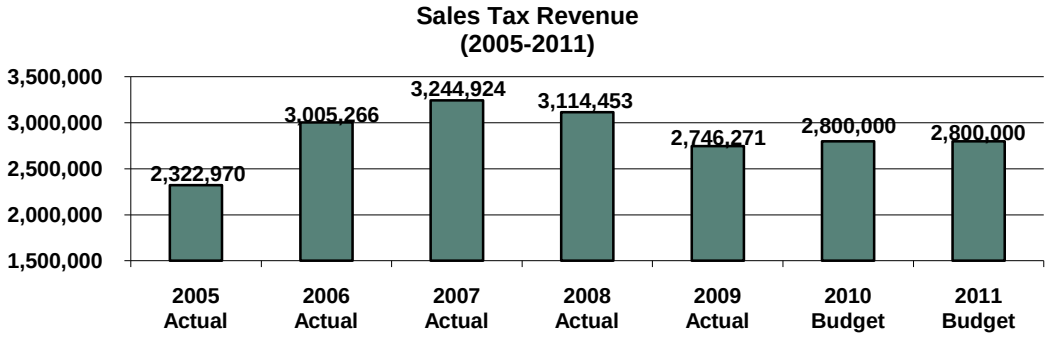
In past years sales tax revenue is collected and is used in the City's General Fund with the exception of three amounts.

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

As we have seen a change in the economy that was not foreseen or experienced for more than a decade, in 2011 the transfers were reduced to lessen the General Fund Variance. The transfer to the Capital Acquisition Fund (301) was reduced to cover only the current year's projections.

With the capital threshold at $5,000, what was previously purchased from the Capital Replacement dollars and expended the capital fund will now be purchased using General Fund dollars. The items are small tool items, such as desktop computers and printers, which departments in the past have not absorbed in their operating budget. A portion of the 5% transfer will remain in the General Fund providing funding for these types of items.

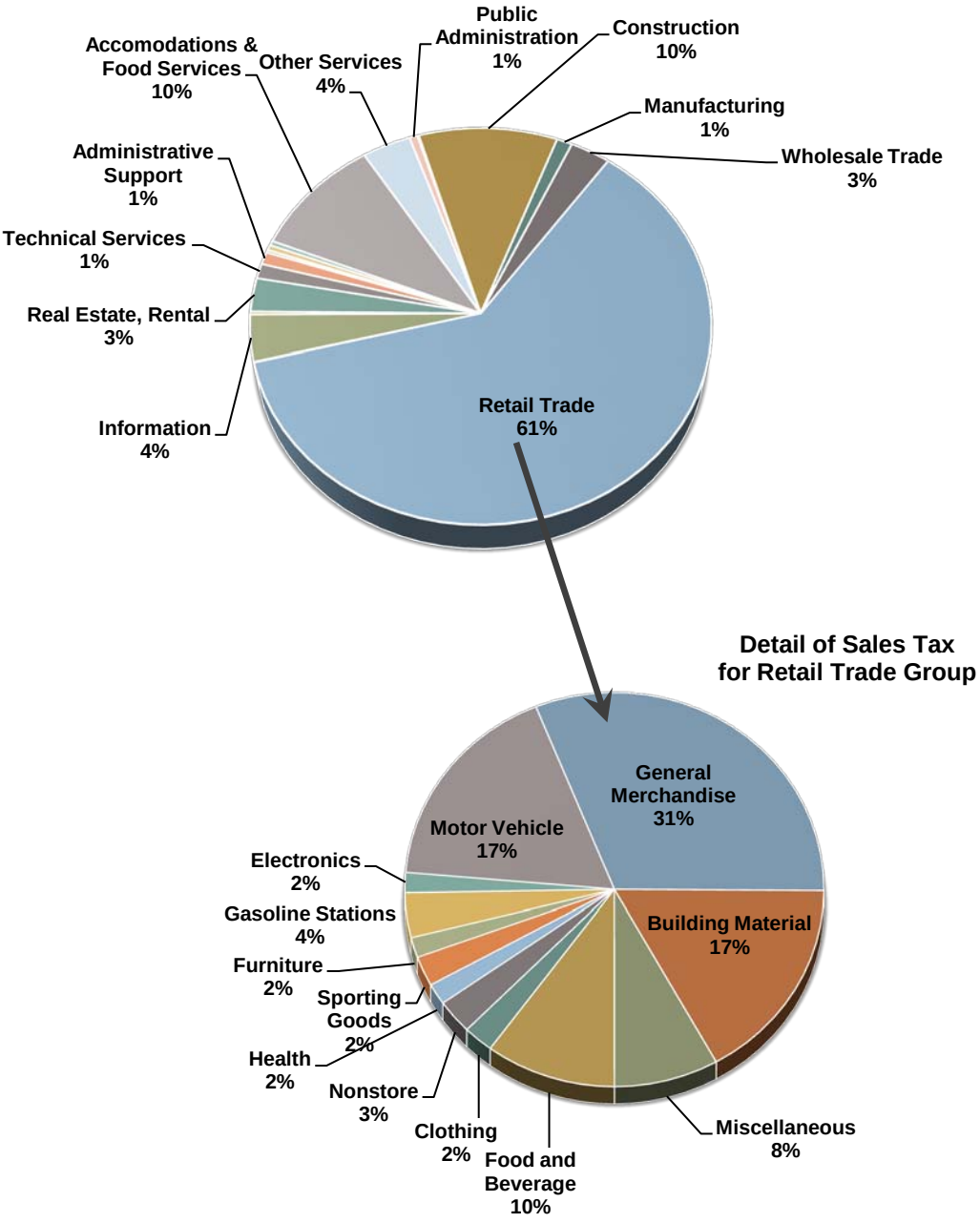
The amount allocated to increase the General Fund Revenue Stabilization Fund Balance will be 1.5% for 2011 instead of the 3%.



SALES TAX GROUP COMPARISONS BY SIC CODE					
TAX GROUP	**2006**	**2007**	**2008**	**2009**	**2010**
Agriculture, Forestry	324	590	797	587	518
Mining	312	245	100	220	405
Utilities	1,461	2,065	2,507	2,804	2,050
Construction	497,820	475,735	456,590	290,129	292,472
Manufacturing	25,869	40,332	39,213	29,272	32,743
Wholesale Trade	132,646	146,558	150,671	91,784	84,988
Retail Trade	1,687,872	1,869,839	1,790,533	1,698,095	1,732,054
Trans & Warehousing	2,096	1,737	1,051	1,077	1,566
Information	101,422	112,868	104,434	100,879	106,792
Finance & Insurance	18,680	19,986	17,366	7,065	6,839
Real Estate, Rental	69,774	68,432	60,642	51,598	77,313
Technical Services	35,868	40,021	41,917	42,193	33,962
Company Management	37	94	68	41	17
Administrative Support	37,200	44,803	40,178	29,065	28,536
Educational Services	4,156	6,463	6,444	6,501	6,375
Health Care Assistance	6,051	12,828	11,683	10,566	12,106
Arts, Entertain, Rec	11,064	12,884	13,924	10,145	10,558
Accommodations & Food Services	255,481	246,819	248,051	271,295	281,036
Other Services	92,030	113,603	101,212	84,851	102,468
Public Administration	25,113	29,018	27,043	18,105	17,096
TOTALS	3,005,276	3,244,920	3,114,424	2,746,272	2,829,894

The majority of sales tax revenue (61%) is from Retail Trade. The next largest sales tax category is Construction, accounting for 10% 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 conservatively estimated.

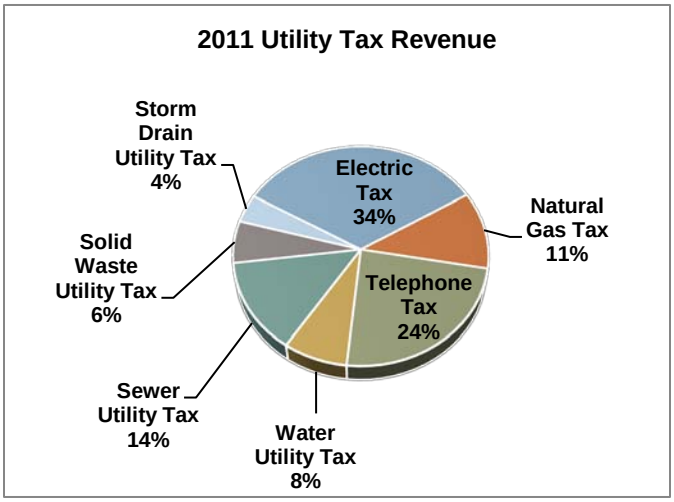
2011 Sales/Use Tax Revenue
By Standard Industrial Code (SIC)

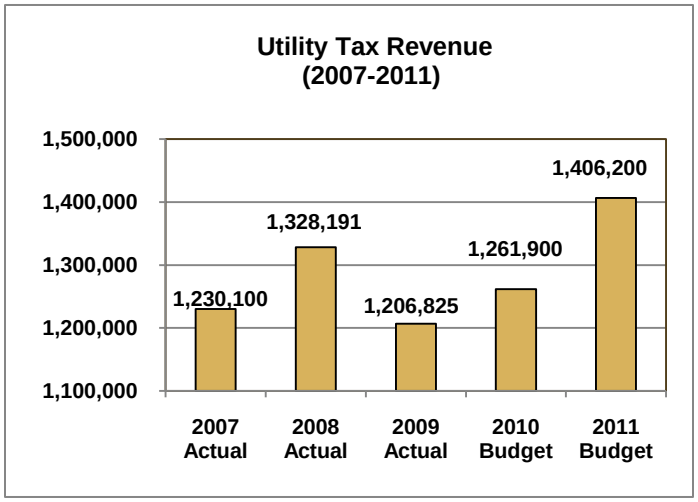


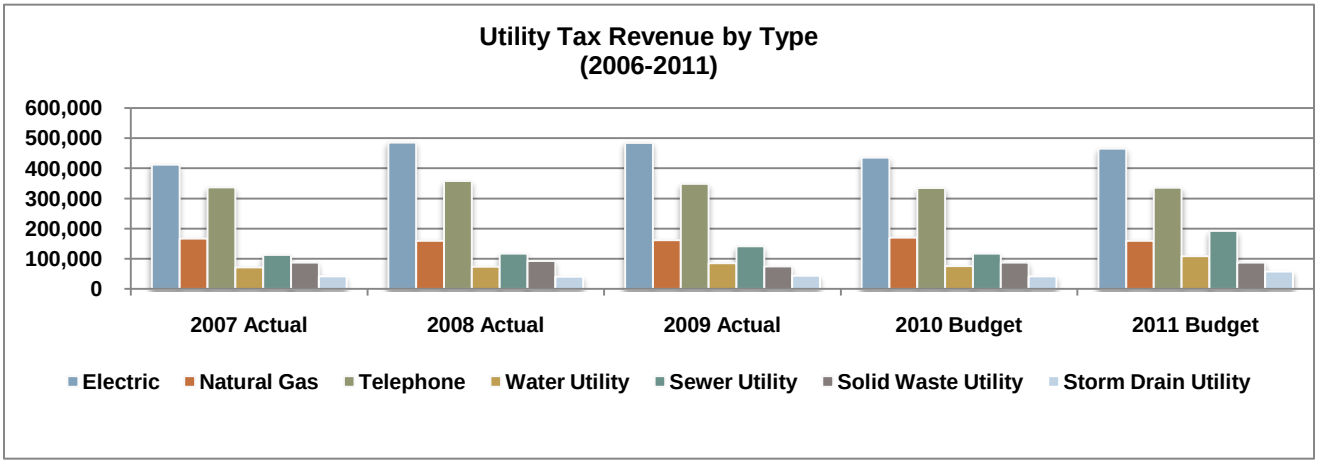
UTILITY TAXES:

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. At the end of 2010 the Council passed an ordinance to increase the Utility Tax rate from 6% to 8% on the City Utilities of water, sewer and storm drain. The ordinance maintains a requirement for the rate to be reviewed every budget process for the goal of reducing it again to the 6% rate. The utility rates for users will not increase but absorb the expenditure.

Type of Utility Tax	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Budget
Electric Tax (6% rate)	412,450	485,558	484,531	435,000	465,000
Natural Gas Tax (6% rate)	166,811	159,586	161,266	170,000	160,000
Telephone Tax (6% rate)	337,120	357,688	348,545	335,000	336,000
Water Utility Tax (6% increased to 8% in 2011)	71,647	73,661	85,516	75,300	108,200
Sewer Utility Tax ((6% increased to 8% in 2011)	112,423	117,545	141,300	117,000	192,000
Solid Waste Utility Tax **(**6% increased to 8% in 2011**)**	87,677	93,214	75,160	87,600	87,000
Storm Drain Utility Tax (6% increased to 8% in 2011)	41,972	40,939	43,484	42,000	58,000
TOTAL	1,230,100	1,328,191	1,339,802	1,261,900	1,406,200







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 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:

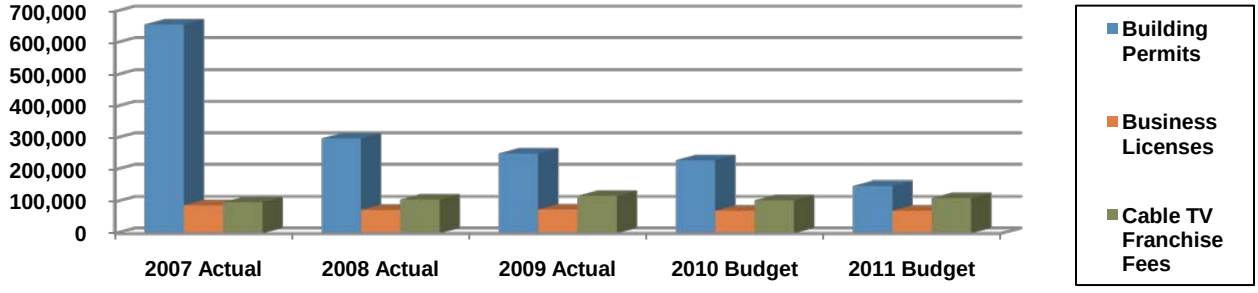
This category makes up 3% of revenue in the General Fund. License and Permit Revenues are user fees derived from various regulatory activities of the City. The bulk of the revenue is derived from building permit activities. Since this activity is dependent on new construction, it can be an unstable source 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 began again in 2010 for one of the new housing developments and two large commercial projects in the College Market Place Development. Although construction is still occurring, it is at a much slower pace than in the past and numbers continued to be projected conservatively.

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 2011 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	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Budget
Building Permits	658,389	299,114	251,316	230,000	150,000
Business Licenses	88,920	77,015	76,620	73,500	73,000
Cable TV Franchise Fee	99,137	107,578	118,796	105,000	112,000



INTERGOVERNMENTAL REVENUE:

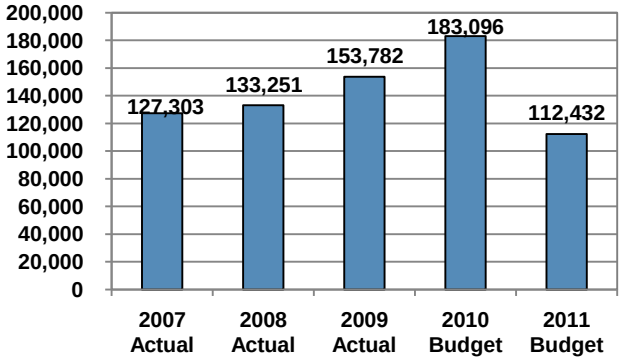
For 2011, this category makes up 1% of total General Fund resources.

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. Usually these revenues tend to be rather predictable. The 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 source included in this category is funding from the school district for the Safety Resource Officer (SRO). The School District has eliminated the funding for the program. The revenue projection has been reduced to zero to reflect the anticipated lack of funding.

Grants are also included in this category and can vary significantly from year to year. The City secured a grant in 2009 to prepare a Shoreline Master Plan. The majority of the work was to be completed by 2010, but may need to be carried over into 2011.

Intergovernmental Revenue (2007-2011)



CHARGES FOR GOODS AND SERVICES REVENUE:

The Charges for Goods and Services revenue category makes up 14% 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.

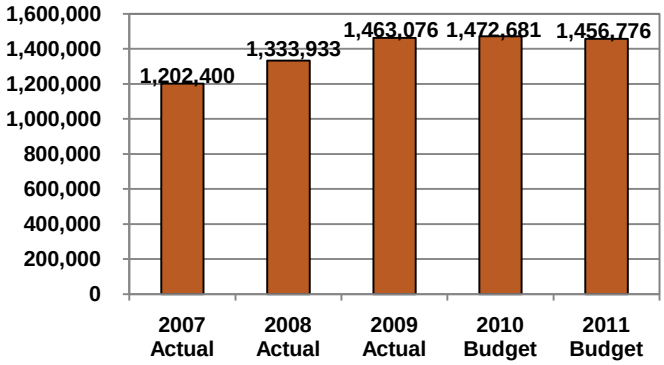
Interfund charges for accounting, engineering, legal, personnel, executive and legislative services are the largest sources in this category. These are fees charged to other funds for services provided. Departments prepare a function breakdown, which shows the number of hours attributed to different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

Beginning in 2011 the Parks and Recreation fund was incorporated into the General Fund due to new accounting reporting standards. The history is also reflected in the numbers to provide accurate trending information. This would make these charges the second largest in the category.

Engineering services, plan checking and zoning fees are also included in this category. These revenues can fluctuate based on current development activity. Due to the continued 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.

Charges for Goods & Services Revenue(2007-2011)



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 consistent source of revenue due to a very active Citizen Patrol. In 2010 after direction from Council, parking enforcement became a priority for several areas. This results in a small increase to the 2011 projections. Revenue in this category can fluctuate for many different reasons such as defendants electing to perform Community Work Program, 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. 2011 projections have been significantly reduced due to the decreased interest rates. Other sources include rental for City space, and donations.

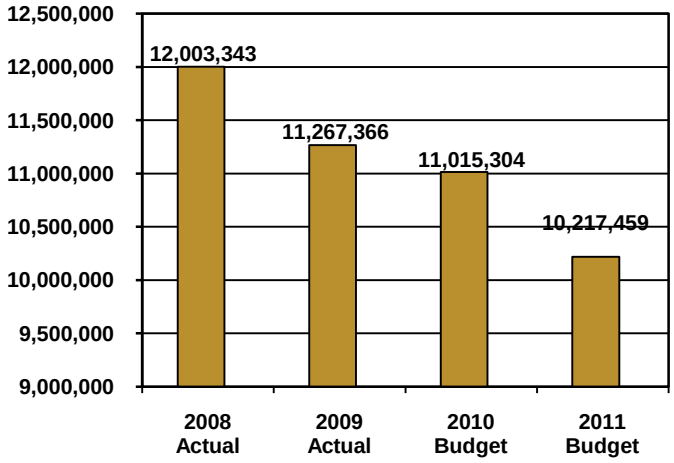
NON-REVENUES:

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. Due to an increase in the amount of City projects planned for 2011, the amount of wages to be charged directly against projects is anticipated to be much higher in 2011. 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 less than 1% of the total General Fund resources. In 2011, due to new accounting reporting standards, the General Fund reserves were accounted for in a Revenue Stabilization fund and transfers were made to General fund to account for expenditures exceeding revenues or allocations approved by Council for specific purposes. These funds will now be accounted for the in General Fund and the history has been updated to provide historical data for trending information. The only transfers projected for 2011 is a transfer from Police Restricted reserves to support the Municipal Court program in the General Fund and funds for Small Tools (i.e. computers) purchased from the General Fund.

Total General Fund Resources (2008-2011)



GENERAL FUND REVENUE					
ACCOUNT DESCRIPTION	**2008 ACTUAL**	**2009 ACTUAL**	**2010 BUDGET**	***2011 BUDGET***	**% CHANGE**
		BEGINNING BALANCE			
BEGINNING BAL UNRESERVED	1,906,004	1,010,340	495,555	***178,306***	-64%
BEGINNING BAL RESERVES	728,321	1,407,112	1,353,434	***1,037,175***	-23%
BEGINNING BAL-LEGAL RESERVES	308,755	317,540	317,540	***237,824***	-25%
TOTAL BEG FUND BALANCE	2,943,080	2,734,992	2,166,529	1,453,305	-33%
		TAXES			
GENERAL PROPERTY TAXES	1,886,222	1,899,476	2,055,753	***2,042,887***	-1%
SALE OF TAX TITLE PROPRT	581	-	-	**0**	0%
LOCAL RETAIL SALES & USE TAX	3,114,453	2,746,271	2,808,000	***2,800,000***	0%
WATER UTILITY TAX	73,350	80,532	75,000	***108,000***	44%
SEWER UTILITY TAX	117,545	141,300	117,000	***192,000***	64%
SOLID WASTE UTILITY TAX	75,396	75,160	72,600	***75,000***	3%
STORM DRAIN UTILITY TAX	40,939	43,485	42,000	***58,000***	38%
ADMISSIONS TAX	107,413	110,457	111,000	***105,000***	-5%
ELECTRIC TAX	485,558	484,531	435,000	***465,000***	7%
WATER TAX ON PRIVATE BUSINESS	311	4,984	300	***200***	-33%
GAS TAX	159,586	161,266	170,000	***160,000***	-6%
GARBAGE TAX ON PRIVATE BUSINESS	17,818	13,417	15,000	***12,000***	-20%
TELEPHONE & TELEGRAPH TAX	357,688	348,545	335,000	***336,000***	0%
REFUSE COLLECTION EXCISE TAX	39,513	39,145	43,560	***45,000***	3%
LEASEHOLD EXCISE TAX	20,802	23,379	20,000	***23,000***	15%
PUNCH BRD & PULL TABS TAXES	1,749	1,918	1,600	***1,800***	13%
BINGO & RAFFLES GAMBLING TAX	772	1,124	1,000	***1,000***	0%
AMUSEMENT GAMES GAMBLING TAXE	238	180	250	***250***	0%
INT DELQ PROPERTY TXS	-	-	-	***-***	0%
TOTAL TAXES	6,499,934	6,175,170	6,303,063	6,425,137	2%
		LICENSE & PERMITS			
ALARM REGISTRATION PERMIT	2,320	2,230	2,300	***3,000***	30%
FIREWORKS PERMITS	40	40	30	***30***	0%
OCCUPATIONAL LICENSES	245	180	250	***45***	-82%
PENALTY ON BUSINESS LICENSES	2,600	980	1,500	***1,000***	-33%
BUSINESS LICENSES	74,415	75,640	72,000	***72,000***	0%
HOME OCCUPANCY PERMITS	-	-	-	***-***	0%
CABLE TV FRANCHISE FEES	107,578	118,796	105,000	***112,000***	7%
BLDING,STRUCTURE/EQUIP PERMITS	299,114	251,316	230,000	***150,000***	-35%
ANIMAL LICENSES	3,025	3,439	2,700	***2,400***	-11%
TOTAL LICENSE & PERMITS	489,337	452,621	413,780	340,475	-18%

GENERAL FUND REVENUE

ACCOUNT DESCRIPTION	2008 BUDGET	2009 BUDGET	2010 BUDGET	2011 BUDGET	% CHANGE
INTERGOVERNMENTAL REVENUE					
RECOVERY ACT - JAG	-	-	19,474	-	-100%
FED-NAT'L HWY TRAFSAFETY	-	-	-	-	0%
FED-HELMET/SAFETY BELT	-	-	-	-	0%
ST-RECORDS GRANTS	1,558	6,523	-	***396***	0%
ST-RECORDS GRANTS	-	-	-	-	0%
ADMIN OFFICE OF COURTS		255	400		
ST-DEPT OF ECOLOGY GRNT	-	9,918	46,582	-	-100%
ST-TRAFFIC SAFECOM GRT	1,524	651	-	-	0%
CTED GRANT	15,000	15,000	-	-	0%
ST DOT GRANT	-	-	-	-	0%
DNR TIMBER TRUST 2	45	223	-	-	0%
DUI OTHER CRIM JUSTC ASSI	1,374	2,565	2,125	***2,141***	1%
LIQUOR/BEER EXCISE TAX	36,605	38,312	42,327	***44,422***	5%
LIQR CONTRL BOARD PRFTS	51,400	53,947	72,877	***65,473***	-10%
INTRLOC GRNT NTITL IMPCT	-	-	-	-	0%
KITSAP CO - WESTNET	-	-	-	-	0%
LAW ENFORCEMENT SERVICES	25,746	26,388	18,785	-	-100%
TOTAL INTERGOV'T REVENUE	133,251	153,782	202,570	112,432	-44%
CHARGES FOR GOODS AND SERVICES					
MUNI CT CIVIL FILINGS		22			
MUNI CT ADMIN FEES	10,375	8,268	7,500	***7,500***	0%
FINANCIAL SERVICES	6,816	7,687	5,500	***6,000***	9%
FINANCIAL SERVICES	1,842	1,600	1,500	***850***	-43%
FINANCIAL SERVICES	3,980	3,855	3,000	***3,000***	0%
SALES OF MAPS AND PUBS	436	186	500	***200***	-60%
MUNI CT WORD PROC COPY SV	94	51	5	***5***	0%
DUPLICATION SERVICES	713	1,053	-	-	0%
LEGAL SERVICES	1,319	2,449	-	***9,500***	0%
PASSPORT FEES	25,845	25,375	28,000	***22,000***	-21%
LAW ENFORCEMENT SVC	16,291	17,839	11,000	***11,000***	0%
ADULT PROB SVC CHRG	117,713	118,733	105,000	***105,000***	0%
HOUSING & MONT OF PRISONR	4,812	8,958	5,000	***5,000***	0%
PROTECTIVE INSPECTION FE		-	-	***8,600***	0%
EMERGENCY SVC FEE	1,139	1,328	1,000	***1,000***	0%
AMBULANCE AND EMER FEES	-	-	-	-	0%
PUBLIC SAFETY OTHER	879	1,097	1,000	***1,000***	0%
ENGINEERING SERVICES	53,118	35,906	34,314	***40,000***	17%
PLANNING & DEVLPMNT SERV	-	-	-	-	0%
ZONING & SUBDIVISION	87,087	149,462	80,000	***60,000***	-25%
PLAN CHECKING	122,604	128,276	120,000	***75,000***	-38%
COOPERATIVE EXTENSION SE	71,452	69,220	73,000	***71,000***	-3%

GENERAL FUND REVENUE					
ACCOUNT DESCRIPTION	**2008 BUDGET**	**2009 BUDGET**	**2010 BUDGET**	**2011 BUDGET**	**% CHANGE**
ACTIVITIY FEES	25,353	17,990	-	***29,000***	0%
PROGRAM FEES	375,757	341,170	400,000	***383,300***	-4%
RESIDENTAL FEE DISCOUNT	-	(1,185)	-	***-***	0%
INTRFD LEGISLATIVE SVC	30,436	41,034	39,511	***48,623***	23%
INTRFD FINANCIAL SRVCS	255,765	299,084	269,578	***266,941***	-1%
INTRFD FINANCIAL SRVCS	-	2,000	2,500	***3,000***	20%
INTRFD PERSONNEL SRVCS	28,201	37,870	45,070	***41,953***	-7%
INTRFD EMPL BENEFIT SVC	1,098	1,301	1,314	***761***	-42%
INTRFD CENTRAL SERVICES	97,230	114,739	108,506	***149,527***	38%
INTRFD OTHR GEN GOV SRVC	40,115	75,004	79,779	***102,143***	28%
INTRFD EMERGENCY SERV	3,163	4,373	4,418	***4,873***	10%
TOTAL CHARGES FOR SERVICE	1,383,632	1,514,744	1,426,995	1,456,776	2%
		FINES AND FORFEITS			
PROOF OF MV INSURANCE	742	1,140	600	***600***	0%
TRAFFIC INFRACTION PNLTYS	62,461	59,680	62,000	***48,866***	-21%
NON-TRAF INFR PENALTIES	408	282	100	***100***	0%
CIVIL PARKING INFR PENALT	6,581	6,584	6,000	***6,464***	8%
DUI FINES	617	456	1,000	***1,000***	0%
OTHER CRM TRF MSMNR FINES	8,802	7,678	7,000	***1,253***	-82%
BOATING SAFETY FINES	-	-	-	***-***	0%
INVSTGTVE FD ASSESSMNTS	4,655	3,274	1,500	***5,000***	233%
OTHER CRIM NON-TRFC FINES	495	563	400	***400***	0%
PUB DFNSE COST RECOUP	8,814	9,053	6,000	***3,500***	-42%
TOTAL FINES & FORFEITURES	93,575	88,709	84,600	***67,183***	-21%
		MISCELLANEOUS REVENUE			
INVESTMENT INTEREST	95,158	19,743	60,500	***28,000***	-54%
INVESTMENT SERVICES FEES	197,597	99,187	140,000	***75,000***	-46%
UNRLZ GN (LOSS) INVSTMNT	47,935	(37,713)	-	***-***	0%
INTEREST ON RECEIVABLES	11,846	7,586	10,000	***10,000***	0%
INTEREST ACCT REC MUNI CT	2,380	3,324	1,500	***2,500***	67%
EQUIPMT & VEHICLE RENTAL	150	50	-	***100***	0%
SPACE & FACILITY RENTA;L	30,442	34,456	39,000	***25,000***	-36%
OTR RNTL LEASE CHARGES	1	1	1	***1***	0%
INS PREMIUMS & RECOV	-	-	-	***-***	0%
GFTS PLDGS GRNTS BQST PVT	36,652	401,911,038	8,000	***8,000***	0%
SALES SCRAP/JUNK NON-CAP	3,679	2,778	-	***-***	0%
JDGMENTS & STTLMENTS	-	-	-	***-***	0%
CASHIER OVRGE/SHRTAGE	32	(26)	-	***-***	0%
OTHR MISC REVENUE	6,476	1,919	-	***-***	0%
OTHR MISC REVENUE	-	-	-	***-***	0%
TOTAL MISC. REVENUE	432,348	402,042,342	259,001	***148,601***	-43%

GENERAL FUND REVENUE					
ACCOUNT DESCRIPTION	**2008 BUDGET**	**2009 BUDGET**	**2010 BUDGET**	**2011 BUDGET**	**% CHANGE**
		NON-REVENUES			
OTHER NON-REVENUES/PROJECTS	-	-	-	***174,730***	0%
TOTAL NON-REVENUES	-	-	-	***174,730***	0%
		OTHER FINANCING SOURCES			
PROC SALES OF CAPITAL AST	2,180	-	-	***-***	0%
COMP FOR LSS INS RECOVER	-	15,171	-	***-***	0%
TRANSFERS IN	28,000	64,482	626,599	***38,820***	-94%
TOTAL OTHER FINANCING SOURCES	30,180	79,653	626,599	***38,820***	-94%
GRAND TOTAL GENERAL FUND	12,005,337	413,242,013	11,483,137	***10,217,459***	-11%

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 2011 is summarized, providing an overview of how the funds will be expended.

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 37% 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 $9,097,319. 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. General Government category at 29% is the largest category and 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. Security of Person & Property category is the second largest category at 28%. Security of Persons and Property includes services such as Police, Fire Inspection, and Detention. The

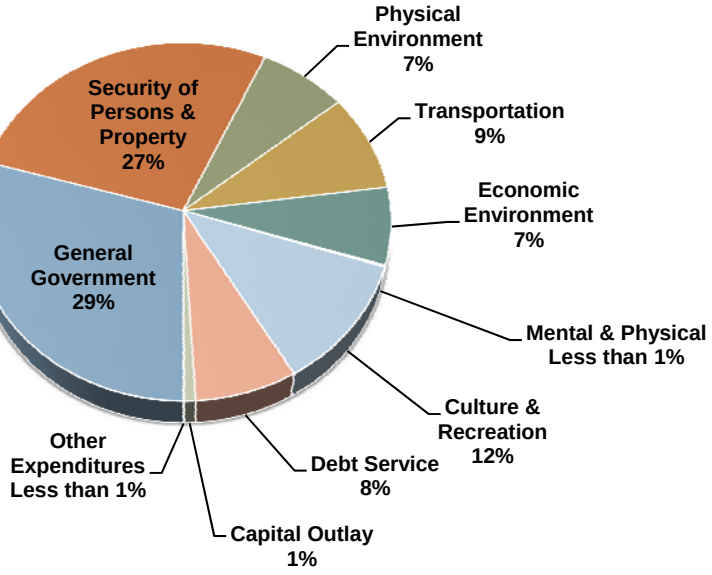
2011 PROGRAM HIGHLIGHTS:

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 2011, it was apparent with the economic downturn not improving as quickly as had been anticipated it was necessary for the City to make expenditure reductions. A voluntary separation agreement in lieu of layoffs was offered to City Staff. This allowed the City to decrease staffing levels and related expenditures to help the revenues support the anticipated expenditures. The City Council 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%, retirement rates more than 6%, and medical insurance rates 10%. These increases have been built into the 2011 Budget. Salary schedules have been projected with a 1% increase in accordance with Labor agreements. 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 2011 have been reduced to minimize the variance between revenues and expenditures including the transfer for street projects, park projects and capital equipment. In order to create a balanced budget it will be necessary to use some of the City reserves in 2011.

General Fund Expenditures
(by type of government being supported)
$9,097,319



FUNCTION	AMOUNT	PERCENT
General Government	$2,680,394	29%
Security of Person & Property	$2,488,450	27%
Physical Environment	$663,512	7%
Transportation	$796,179	9%
Economic Environment	$636,766	7%
Mental & Physical Health	$13,977	Less than1%
Culture and Recreation	$1,052,474	12%
Debt Service	$684,244	8%
Capital Outlay	$75,422	1%
Other Expenditures	$5,901	Less than 1%
TOTAL GENERAL FUND	**$9,097,319**	**100%**

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

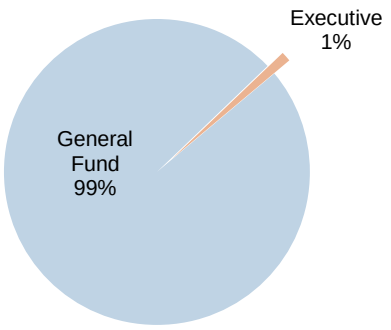
Culture & Recreation
Library
Park Maint
Park & Rec
Transfers to Park Reserve

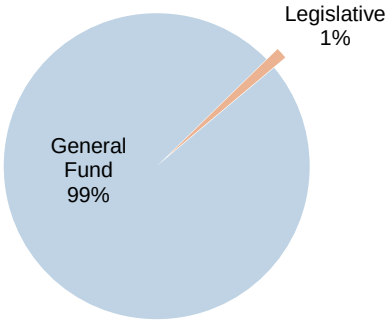
Transportation
Transfers to Street Funds

Capital Outlay
Transfers to Capital Rep Fund & Facilities Fund

Debt Service
Transfers to Debt Funds

RISTORANTE
BOAT RENTALS
360-265-8300





LEGISLATIVE and EXECUTIVE DEPARTMENTS

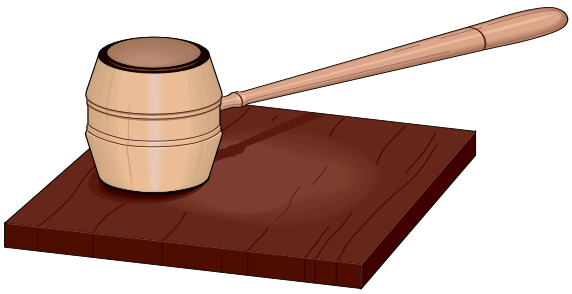
Legislative Appropriations - $ 108,476
Executive Appropriations - $ 95,616
FTE's - 1

The Executive Mission:

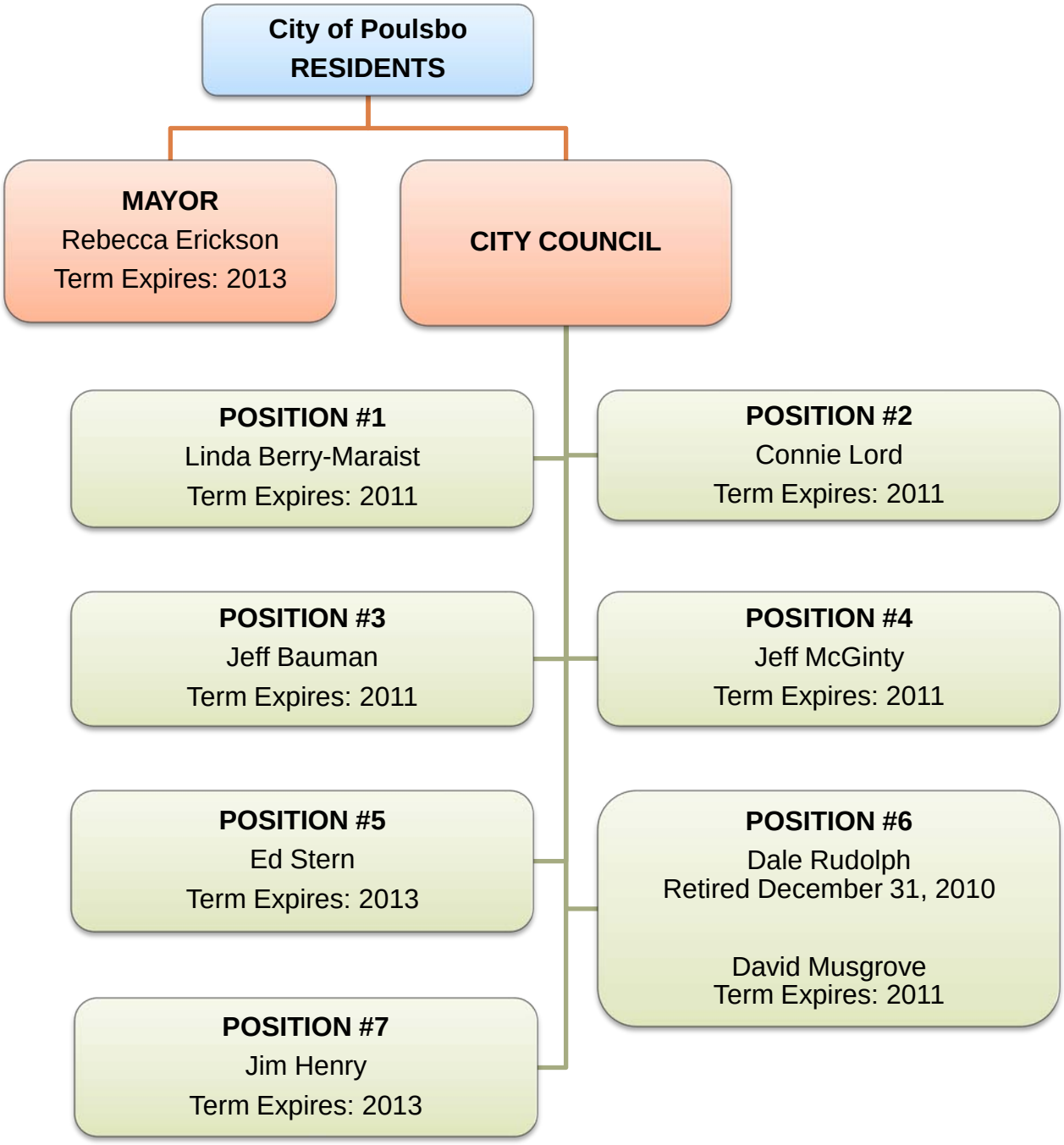
To protect the citizens' best interests by fairly and faithfully administering the city's day-to-day business, carrying out the policies set by Council and ensuring all laws and ordinances are equally enforced.

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 David Musgrove
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** Connie Lord David Musgrove Ed Stern
Capital Improvement Planning Committee **Meets: 1st Wednesday, 4:00 PM** Mayor Erickson Linda Berry-Maraist Connie Lord Ed Stern
Community Services Committee **Meets: 2nd Wednesday, 4:00 PM** Jeff Bauman Linda Berry-Maraist Jim Henry

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:
Kitsap Regional Coordinating Council Alternate: Councilmember Musgrove; *Poulsbo Historical Society*: Councilmember Bauman; *City/Suquamish Tribe Intergovernmental Committee:* Council members Henry 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.

STAFFING

The Executive Department consists of the Mayor. Due to budget constraints the Executive Assistant (1 FTE) position was eliminated in mid 2010.

2010 PROGRAM ACCOMPLISHMENTS

Executive:

- Completed construction on the New City Hall and moved into the new building
- Created rental space in the New City Hall to increase revenue to offset debt service
- Leased space in the Parks and Recreation Center to offset debt service
- Negotiated the creation of the Poulsbo Historical Society Museum within City Hall
- Negotiated co-location of shared court space between the City of Poulsbo and the City of Bainbridge Island
- Began the process to co-locate public works services with Kitsap County
- Listed city properties for sale including the existing city hall pad
- Achieved grant and joint jurisdictional hire of a Resource Conservation Officer to monitor energy usage and suggest savings
- Created Voluntary Separation Program in lieu of layoff program to re-organize positions to achieve staffing efficiencies
- Achieved a balanced budget with reduced revenues and expenditures through staff reorganization including the consolidation of staff in the New City Hall
- Successfully defended the appeal of the City of Poulsbo Comprehensive Plan
- Created open door policy for community outreach including Saturday with the Mayor
- Completed the South Fork of Dog Fish Creek study and began the process for stream restoration
- Created a council lead committee to review parking policies and procedures for downtown Poulsbo
- Reviewed and renewed parking enforcement in selective areas of the City
- Completed new council selection process for new and retiring council members
- Regional involvement in Housing Kitsap to help achieve balanced and sustainable budget
- Regional board positions for Kitsap Transit, CENCOM, Department of Emergency Management, Kitsap Regional Coordinating Council including Executive Committee and Puget Sound Regional Council
- Worked with community service organizations in support of domestic violence victims and extending a social safety net to our most needy.
- North Kitsap Fishline Board member
- Created the Mayor's Grandparent award to recognize our hardworking citizens that have greatly contributed to Poulsbo

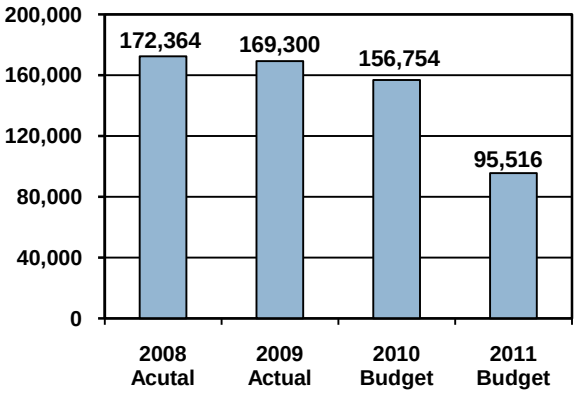
***Legislative**:*

- Selection of New Councilmember
- Completion of New City Hall.
- Adoption of award winning Comprehensive Plan

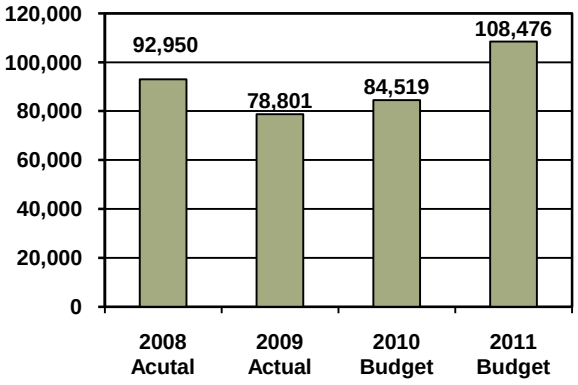
2011 LEGISLATIVE CHANGES

In the fall of 2010 Council Member Dale Rudolph (Position #6) announced his resignation effective December 31, 2010. Applications for the vacant Council seat were accepted and interviews conducted in December 2010. On January 5, 2011, the Council voted to confirm David Musgrove to the vacant seat. His term will expire December 31, 2011.

Executive Budget (2008 - 2011)



Legislative Budget (2008 - 2011)



EXECUTIVE					
ACCOUNT DESCRIPTION	**2008 ACTUAL**	**2009 ACTUAL**	**2010 BUDGET**	***2011 BUDGET***	**% CHANGE**
SALARIES & WAGES	100,534	111,177	105,094	***66,056***	-37%
PERSONNEL BENEFITS	35,568	44,836	33,694	***18,147***	-46%
SUPPLIES	915	633	700	***700***	0%
OTHER SERVICES & CHARGES	35,347	12,653	17,266	***10,713***	-38%
TOTAL EXECUTIVE	172,364	169,300	156,754	***95,616***	-39%

LEGISLATIVE					
ACCOUNT DESCRIPTION	**2008 ACTUAL**	**2009 ACTUAL**	**2010 BUDGET**	***2011 BUDGET***	**% CHANGE**
SALARIES & WAGES	42,000	42,000	42,000	***42,000***	0%
PERSONNEL BENEFITS	3,227	3,311	3,324	***3,728***	12%
SUPPLIES	827	377	807	***807***	0%
OTHER SERVICES & CHARGES	35,808	18,798	21,888	***28,441***	30%
INTERGOVERNMENTAL SERVICES	11,088	14,315	16,500	***33,500***	103%
TOTAL LEGISLATIVE	92,950	78,801	84,519	***108,476***	***28%***

ADMINISTRATIVE SERVICES

Personnel
Information Technology
Municipal Court

CHIEF EXECUTIVE OFFICER
(Mayor)
1 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)
1 FTE

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

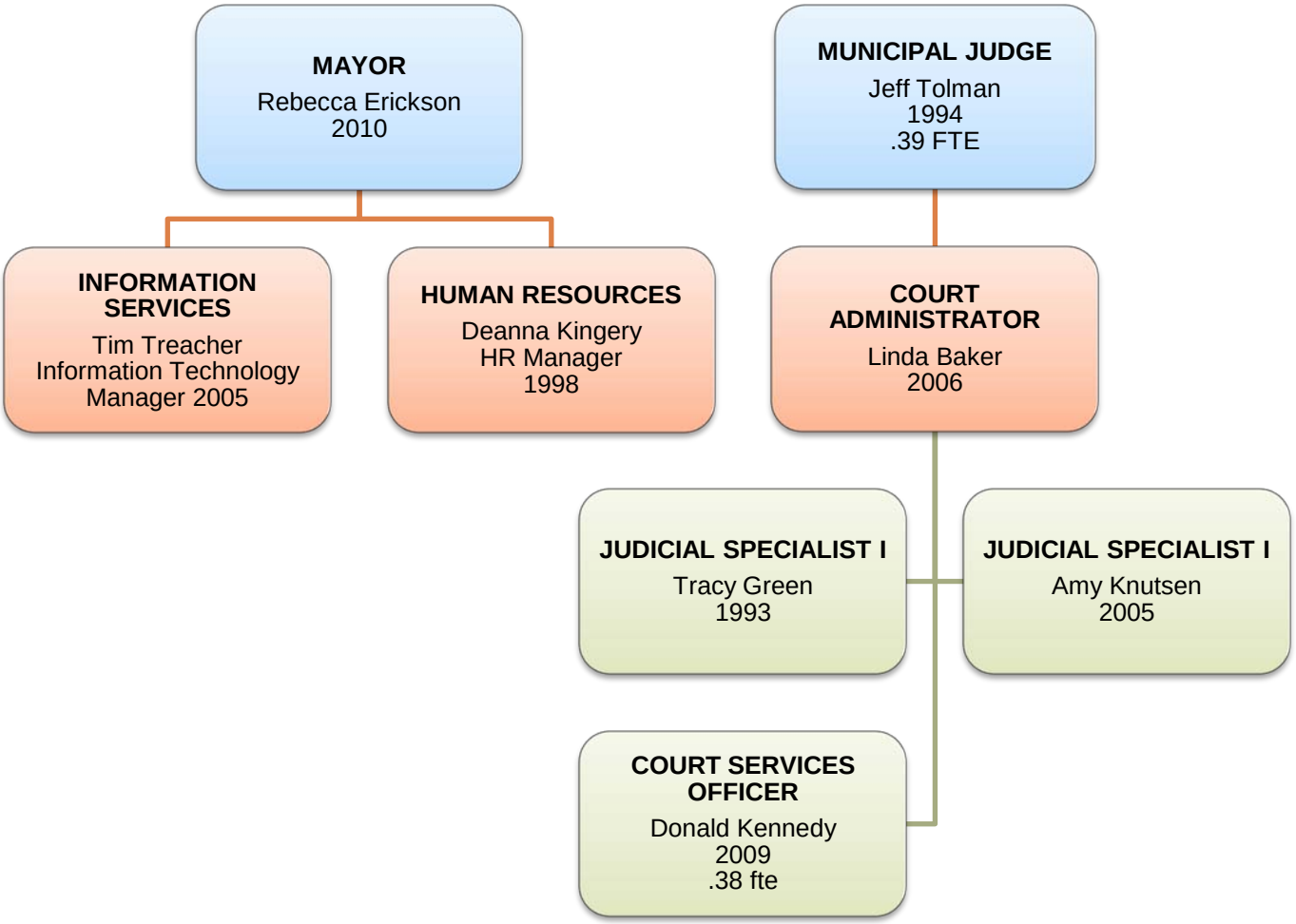
Municipal Court
(Court Administrator)
3.8 FTE

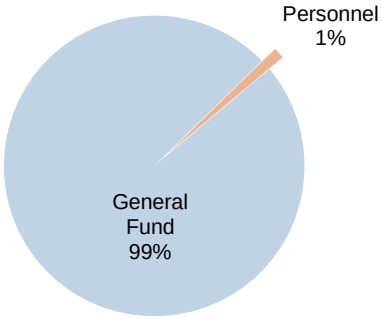
- Infractions
- Orders of protection
- Probation
- Community ServiceProgram
- Electronic Home Detention

Personnel
(Human Resources Manager)
1 FTE

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

THE ORGANIZATION OF ADMINISTRATIVE SERVICES





PERSONNEL DEPARTMENT

Appropriations $110,295

1 FTE

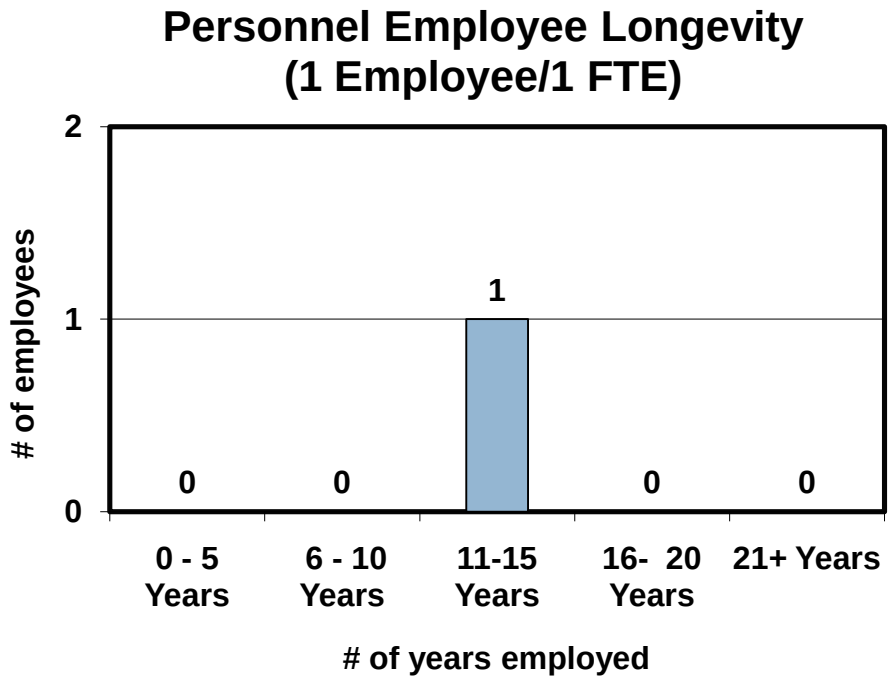
Mission Statement

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:

Jeff Bauman
Connie Lord
Ed Stern

PERSONNEL ***SECTION STAFFING***					
POSITION	*2007*	*2008*	*2009*	*2010*	*2011*
Human Resources Manager	1	1	1	1	1
Human Resources Analyst	0	0	.15	.15	0
Total PERSONNEL	*1*	*1*	*1.15*	*1.15*	*1*



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
- Classification and Compensation, including development and maintenance of job descriptions and compensation plans
- Benefits Coordination, including administration of the employee health insurance and retirement benefit programs
- Employee Relations, including labor negotiations and dispute resolution
- Employee Development, including coordination of the City-wide employee training requirements
- Civil Service Secretary/Examiner
- Labor and Industries Coordinator Equal Employment Opportunity, including the investigation of harassment and discrimination complaints

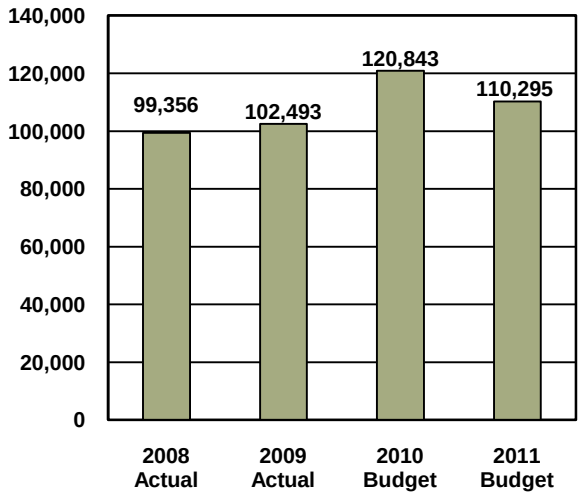
The budget includes costs associated with the hiring of personnel, including police civil service costs. Mandated training for city employees is also partially paid out of this budget. To stay current with the legal mandates for hiring, maintaining, disciplining and terminating employees, the Human Resources 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. Due to the projected budget shortfalls in the coming years, this position will be eliminated in 2011.

2010 ACCOMPLISHMENTS:

- Completed mediation process with Poulsbo Police Officers Association; currently scheduled for arbitration
- Reduced outside consultants for personnel-related investigations in order to help with the budget shortfall
- Assisted Mayor with preliminary budget reductions affecting personnel; Voluntary Separation Program implemented

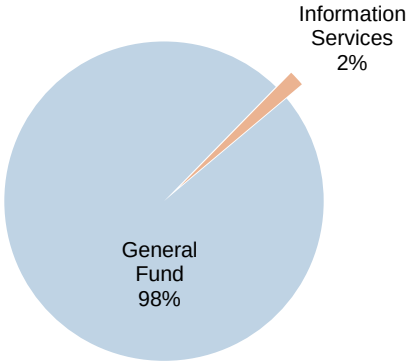
Personnel Budget (2008-2011)



PERSONNEL DEPARTMENT PERFORMANCE MEASURES					
Type of Workload Measure	**2007 Actual**	**2008 Actual**	**2009 Actual**	**2010 Projected**	**2011 Projected**
# of approved L&I claims	*	*	*	5	3

**No data available*

PERSONNEL					
ACCOUNT DESCRIPTION	**2008 ACTUAL**	**2009 ACTUAL**	**2010 BUDGET**	***2011 BUDGET***	**% CHANGE**
SALARIES & WAGES	63,823	69,224	76,047	***72,416***	-5%
PERSONNEL BENEFITS	20,811	24,350	23,807	***25,925***	9%
SUPPLIES	61	277	1,150	***1,205***	5%
OTHER SERVICES & CHARGES	14,661	8,641	19,840	***10,750***	-46%
TOTAL PERSONNEL	99,356	102,493	120,843	***110,295***	-9%



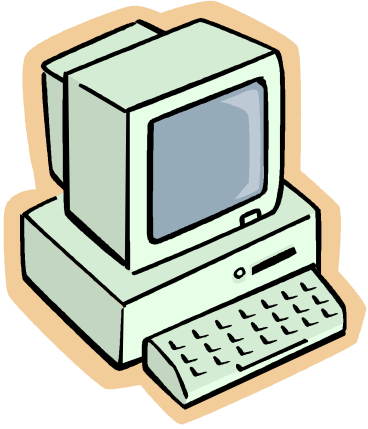
INFORMATION SERVICES SECTION
Appropriations $ 145,236

Mission Statement

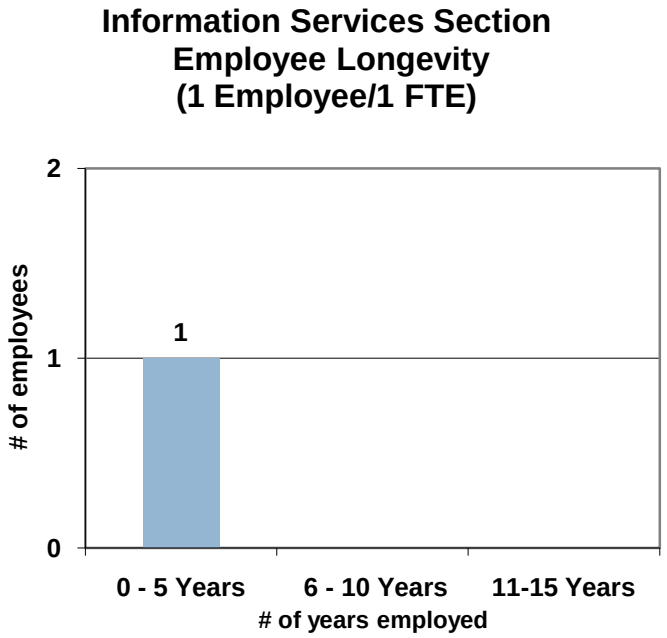
The Information Services Department is committed to providing a stable computing environment, reliable and responsive information technology support services, technological leadership and vision in support of the City's business requirements.

Finance/Administration Committee Members:

Jeff Bauman
Connie Lord
Ed Stern



INFORMATION SERVICES SECTION STAFFING					
POSITION	*2007*	*2008*	*2009*	*2010*	*2011*
Information Services Manager	1	1	1	1	1
Information Services Specialist	1	1	1	0	0
Total Information Services	*2*	*2*	*2*	*1*	*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
- wired and wireless network infrastructure systems

The program budgeted herein recognizes and addresses the importance of the Information Services Department 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.

STAFFING:

In 2010, Information Services (IS) was staffed by one FTE, an IS Manager. To augment the City's IS department an Inter-local Agreement (ILA) with Kitsap County for various technology support services from Kitsap County's IS Support Staff helped with the reduction of the IS Support Specialist position. A time and materials agreement with Right! Systems Inc. (RSI) was also signed. RSI was instrumental in the programming and setup of the new network and phone equipment recently purchased by the City.

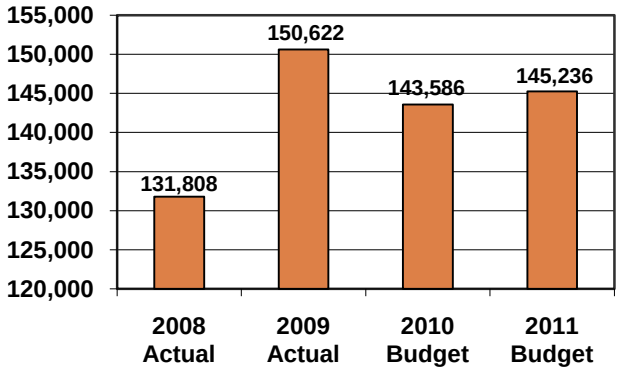
INFORMATION SERVICES FUNCTIONS:

- 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.

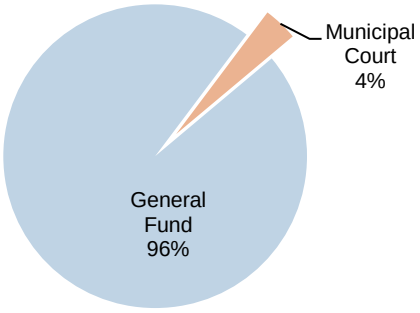
2010 PROGRAM ACCOMPLISHMENTS:

- Purchased and replaced 13 computers as part of the capital replacement cycle.
- Purchased and replaced four file servers as part of the capital replacement cycle.
- Performed just under 1,000 technical support requests from City staff.
- Purchased, programmed, and installed new Cisco network and VoIP phone system equipment throughout the City's offices.
- Moved the SunGard application to an ASP platform and programmed workstations to access the application via Citrix and the Internet.
- Involved with design and specification work for the New City Hall.
- Replaced the Parks and Recreation server, updated and moved the Class program.
- Moved the Web Site to a different ISP to save cost and add security for online bill paying.

Information Systems Department Budget (2008-2011)



INFORMATION SERVICES					
ACCOUNT DESCRIPTION	**2008 ACTUAL**	**2009 ACTUAL**	**2010 BUDGET**	***2011 BUDGET***	**% CHANGE**
SALARIES & WAGES	92,539	85,494	70,416	***73,853***	5%
PERSONNEL BENEFITS	31,680	31,506	23,123	***26,169***	13%
SUPPLIES	3,858	8,098	2,368	***2,368***	0%
OTHER SERVICES & CHARGES	3,731	25,524	47,679	***42,846***	-10%
TOTAL INFORMATION SERVICES	131,808	150,622	143,586	***145,236***	1%



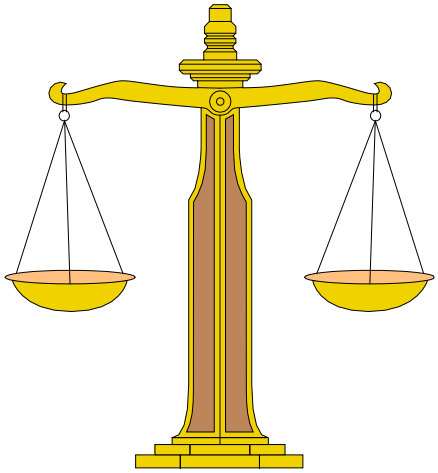
MUNICIPAL COURT
Appropriations $ 344,040
FTE's 3.77

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.

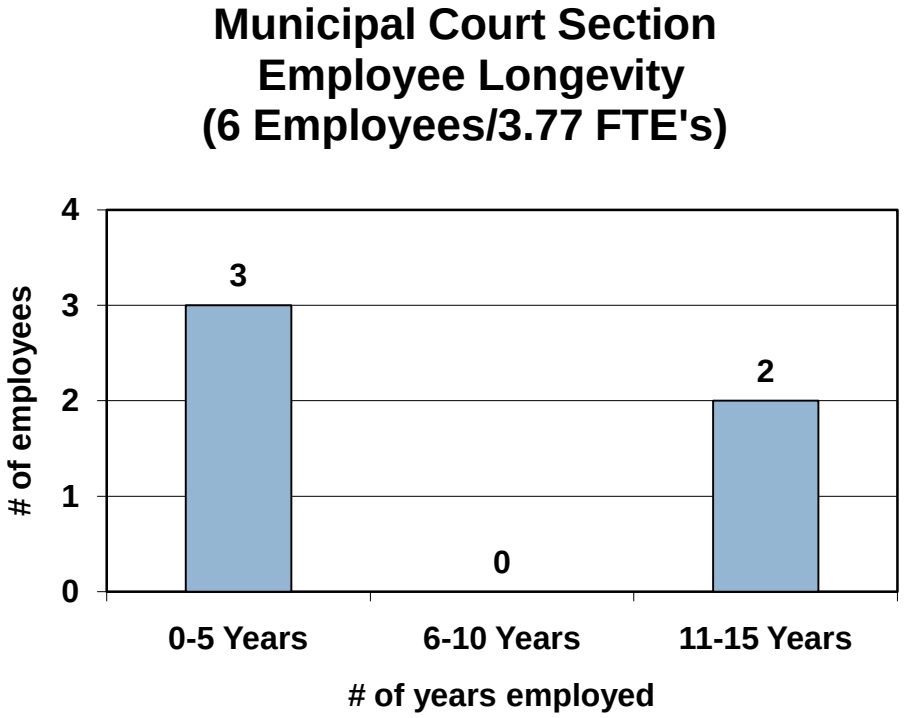
Public Safety Council Committee Members:

James Henry
Jeffrey McGinty
Ed Stern



Muni Court Section Staffing (FTE's)						
Position	2006	2007	2008	2009	2010	2011
Judge	.40	.40	.40	.40	.40	.40
Court Administrator	0*	1	1	1	1	1
Judicial Specialist II	1	1	1	1	1	0
Judicial Specialist I	.5	1.32	1.32	1.32	1.45	2
Probation Officer	1	0	0	0	0	0
Court Service Officer	.5	.5	.5	.5	.375	.375
Total	3.4	4.22	4.22	4.22	4.22	3.77

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 finding 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, two Judicial Specialist I positions, and a part-time Court Services Officer. In 2010, a part-time Judicial Specialist I position was eliminated after the personnel participated in the voluntary separation program. During the 2011 budget process, a full-time Judicial Specialist II position was eliminated due to budget constraints. A Judicial Specialist I position was funded to replace the Judicial Specialist II position. The 2011 budget has been projected with the reduced staffing level.

- 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.
- 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.

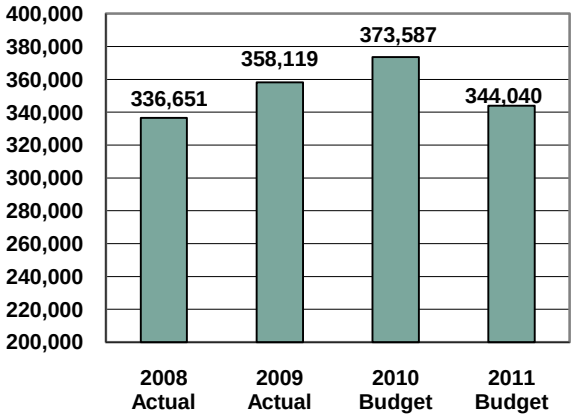
A MESSAGE FROM THE JUDGE:

As 2011 unfolds the staff of Poulsbo Municipal Court is ready to give prompt, personal, professional service to those who encounter the Court.

2010 PROGRAM ACCOMPLISHMENTS

- Continue to work with the trial courts in Kitsap County to in organizing common court services.
- Ensure training and procedures are in place so that court and accounting processes are in accordance with statutes.
- Staff, Administrator and Judge continue to attend training on changes within the judicial system.
- Participated in a joint council task force on Bainbridge Island Municipal and Poulsbo Municipal Court study.
- Implemented E-Tickets.
- Moved into the new city hall facility.
- Continue to be a contributing partner working toward a safe and vital community.
- Served as member of the District and Municipal Court Management Association (DMCMA) Education Committee
- Served as a member of the District and Municipal Court Management and Judges Association Legislation Committee.

Municipal Court's Budget
(2008-2011)



NUMBER OF VIOLATIONS CHARGED

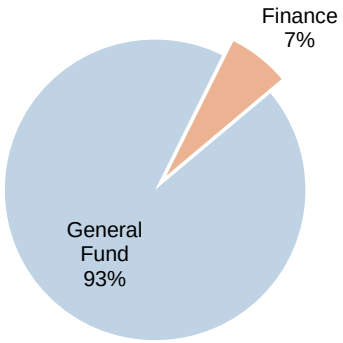
WORLDOAD MEASURES	2007 ACTUAL	2008 ACTUAL	2009 ACTUAL	2010 PROJECTED	2011 PROJECTED
Criminal Charges	607	623	520	556	520
Infraction/Parking Charges	1598	1430	1011	1142	1011
Civil Orders	0	0	9	12	12
Total Filings	**2205**	**2053**	**1540**	**1710**	**1543**

COURT HEARINGS HELD

Criminal Hearings	2023	3510	2818	3100	2818
Infraction/Parking Hearings	821	1124	674	700	674
Civil Hearings	0	0	11	12	12
Total Hearings	**2844**	**4634**	**3503**	**3800**	**3504**

JUDICIAL

ACCOUNT DESCRIPTION	2008 ACTUAL	2009 ACTUAL	2010 BUDGET	*2011 BUDGET*	% CHANGE
SALARIES & WAGES	241,765	257,810	270,468	***243,226***	-10%
PERSONNEL BENEFITS	68,314	76,913	74,031	***78,227***	6%
SUPPLIES	7,257	5,855	5,700	***5,700***	0%
OTHER SERVICES & CHARGES	19,316	17,541	23,387	***16,887***	-28%
INTERGOVERNMENTAL SERVICES	-	-	-	***-***	0%
TOTAL JUDICIAL	336,651	358,119	373,587	***344,040***	-8%



FINANCE DEPARTMENT
ACCOUNTING & BUDGETING SECTION
Appropriations $ 634,682
7.5 FTE's

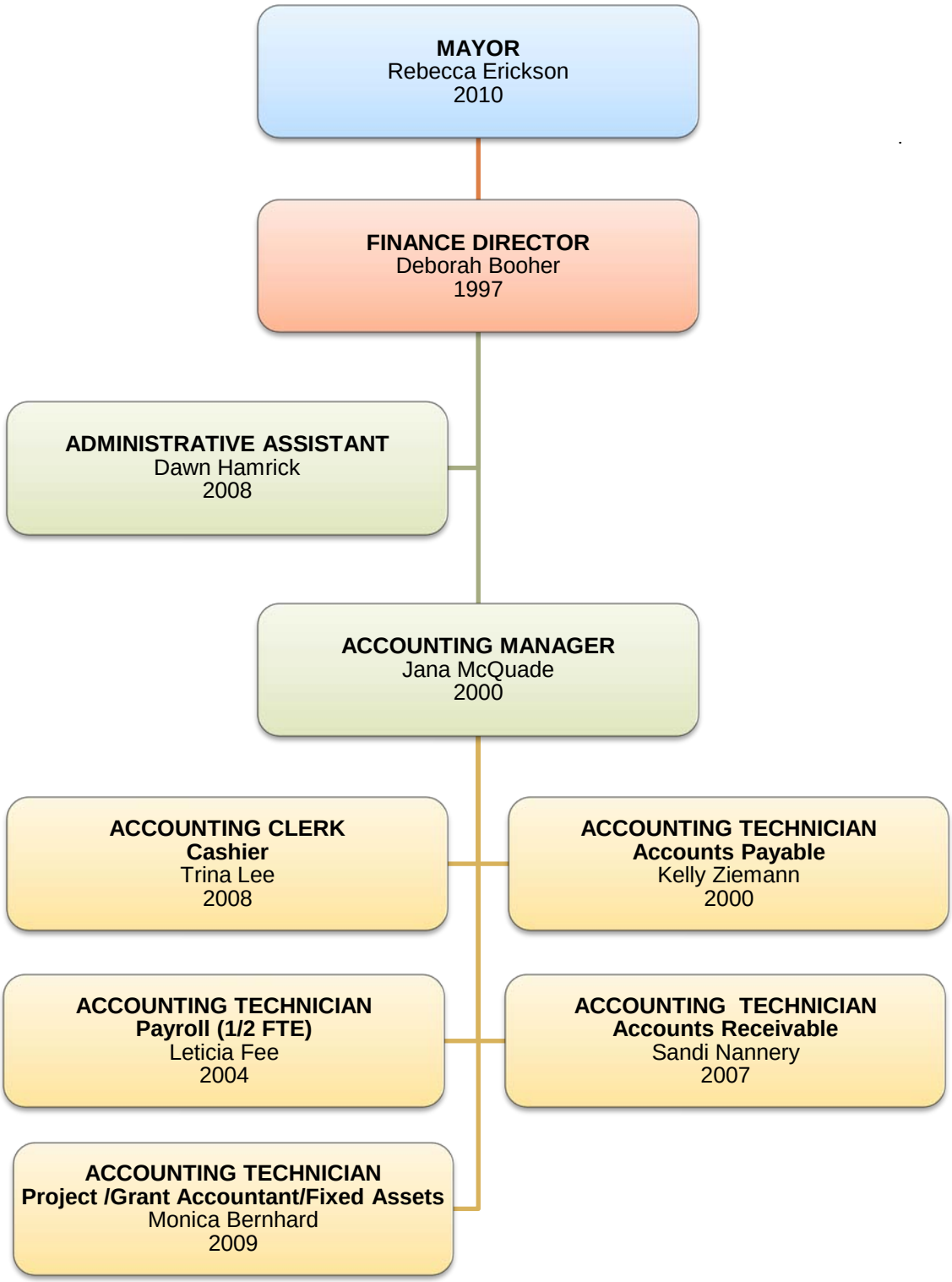
Mission Statement:

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

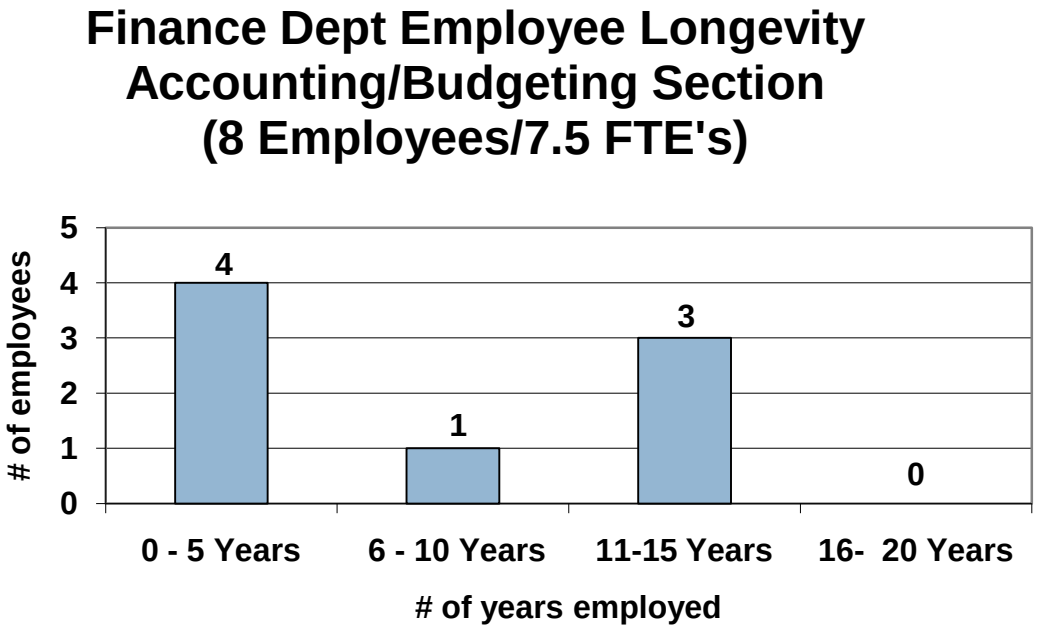
Finance/Administration Committee Members:

Jeff Bauman
Connie Lord
Ed Stern

THE ORGANIZATION OF THE FINANCE DEPARTMENT
Accounting/Budgeting



Accounting/Budgeting Section Staffing (FTE's)					
POSITION	*2007*	*2008*	*2009*	*2010*	*2011*
Finance Director	1	1	1	1	1
Accounting Manager	1	1	1	1	1
Budget Analyst	1	0	0	0	0
Administrative Assistant	0	1	1	1	1
Senior Accounting Technician	0	0	0	0	0
Accounting Technician	4	4	4	4	3.5
Accounting Clerk	1	1	1	1	1
Total Accounting/Budgeting	8	8	8	8	7.5



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 responsibilities of the the Accounting and Budgeting divisions 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 and detailing the variances
- Long term financial forecasts

STAFFING:

The Finance Department consists of 7.5 fulltime equivalent (FTE) positions composed of seven fulltime and one halftime employees. The staffing breakdown is as follows: One fulltime Accounting Manager, one fulltime Administrative Assistant, three fulltime and one halftime Accounting Technicians, one fulltime Accounting Clerk, and one fulltime Finance Director.

Departments were directed to make reductions effective 2011. In order to avoid possible layoffs, an early separation agreement was offered to employees who were anticipating a change in their employment status. A part-time Accounting Technician made the decision to take the early separation which decreased the fte in the Finance Department by .5. The duties will be absorbed by remaining staff with a few minor reductions in service levels. Service levels impacted may be less one on one time with the public, longer wait times at the counters and phones, less information reporting and delayed response times to requests.

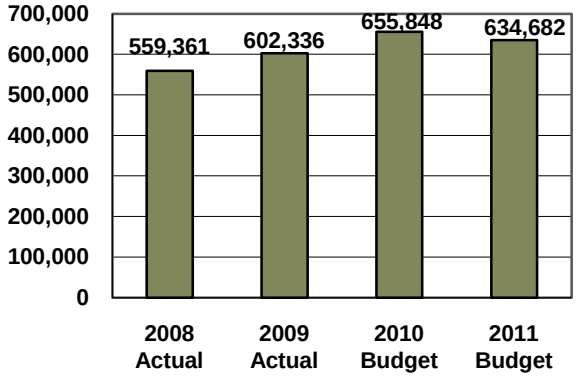
2010 ACCOMPLISHMENTS:

- Received the Government Finance Officers Association (GFOA) Distinguished Budget Award for the 2010 Budget; this is the tenth year receiving the award.
- The City's Accounting Team earned the GFOA award for the 2009 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.
- Implemented credit card processing through an internet application, allowing the City to save funds for equipment and secure information according to federal regulations.
- Contracted to use an ASP provider for financial software.
- Updated City Purchasing Policy, Debt Policy and Petty Cash Policy.
- Updated City Funds in response to GASB 54.
- Coordinated training for City staff on Identity Theft to maintain compliance with new Red Facts Rules.
- Updated information fliers for the public in an easy to read and understand format for Utilities, Pet licensing and Cemetery services.
- Established process for outside agencies to request funding out of and during the budget process.
- Developed new Quarterly Variance reports to be comparable to monthly report formats.
- Issued RFP's and new contracts for Public Defense and Prosecutor services.
- Secured funding for the Park & Recreation

building through the State Treasurer's Local lending program.

- Made the entire budget document available through the City's website by converting it to a PDF format.
- Served as a member on the WFOA Education Committee and WMTA Board to help develop affordable educational and training opportunities for government employees.

Finance Budget (2008-2011)



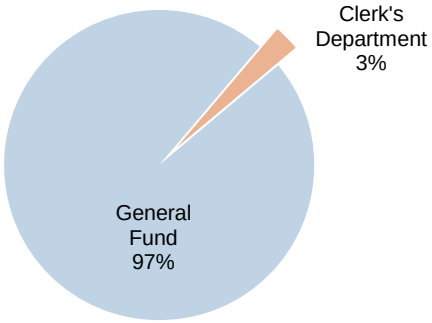
FINANCE DEPARTMENT (ACCOUNTING/BUDGETING) WORKLOAD MEASURES					
Type of Workload Measure	**2007 Actual**	**2008 Actual**	**2009 Actual**	**2010 Projected**	**2011 Projected**
# of treasurers receipts issued/year	34,515	31,522	32,590	32,000	32,600
# of utility accounts billed monthly	3,108	3,278	3,367	3,460	3,460
Avg # of misc billing accts monthly	64	60	49	70	55
# of HDPA accounts billed quarterly	159	120	118	120	120
# of change of ownerships/year	277	258	224	220	180
# of new connections/year	228	106	120*	90	50
# of ACH utility bill payments per month	100	158	315	300	500
# of tenant authorization changes/year accounts	115	186	207**	150	130
# of payroll checks processed	291	262	288	294	288
# of payroll direct deposits processed	2,517	2,386	2,504	2,422	2,504
# of A/P checks processed	3,237	3,425	3,133	3,225	3,200
# of NSF checks processed	40	34	94	60	50
# of Accounts sent to collections per year	9	14	29	12	15
Average Dollars (in millions) invested	$22.1	$21.8	$23.5	$18.0	$18.0

** Includes 44 in September/October for Seabird*
***Includes 44 in November for Seabird*

FINANCE DEPARTMENT (ACCOUNTING/BUDGETING) PERFORMANCE MEASURES					
Type of Workload Measure	**2007 Actual**	**2008 Actual**	**2009 Actual**	**2010 Projected**	**2011 Projected**
Received GFOA CAFR Award	Yes	Yes	Yes	Yes	Yes
Received GFOA Distinguished Budget Award	Yes	Yes	Yes	Yes	Yes
# of Proficient and/or Outstanding Ratings for GFOA Budget Award	*	*	58/35	62/30	63/30
% of idle cash invested	95%	96%	93%	95%	95%
# of checks reissued	*	*	*	17	15
# of Account Sent to Collections	*	*	*	20	15

**No data available*

FINANCE					
ACCOUNT DESCRIPTION	**2008 ACTUAL**	**2009 ACTUAL**	**2010 BUDGET**	***2011 BUDGET***	**% CHANGE**
SALARIES & WAGES	397,563	418,995	461,102	***427,613***	-7%
PERSONNEL BENEFITS	138,347	156,319	156,271	***169,764***	9%
SUPPLIES	4,491	2,978	4,800	***6,800***	42%
OTHER SERVICES & CHARGES	18,960	24,044	33,675	***30,505***	-9%
TOTAL FINANCE	559,361	602,336	655,848	***634,682***	-3%



CLERK'S DEPARTMENT

Appropriations $ 250,737
FTE's – 3

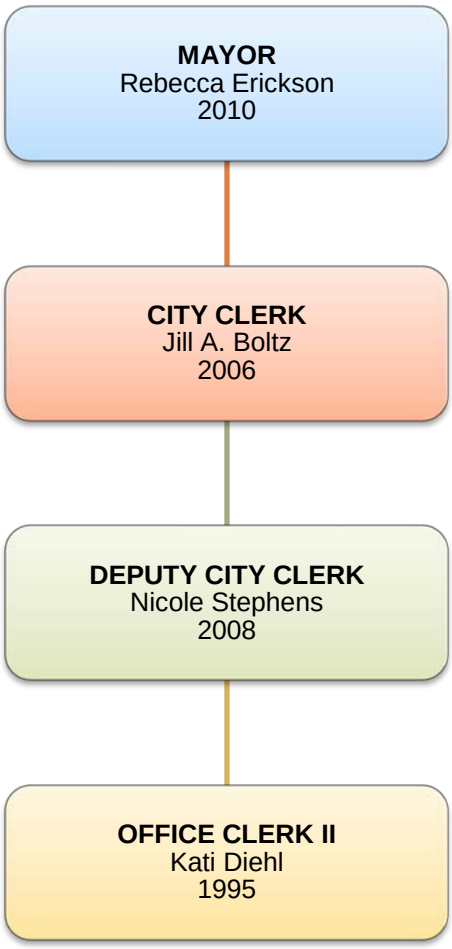
Mission Statement

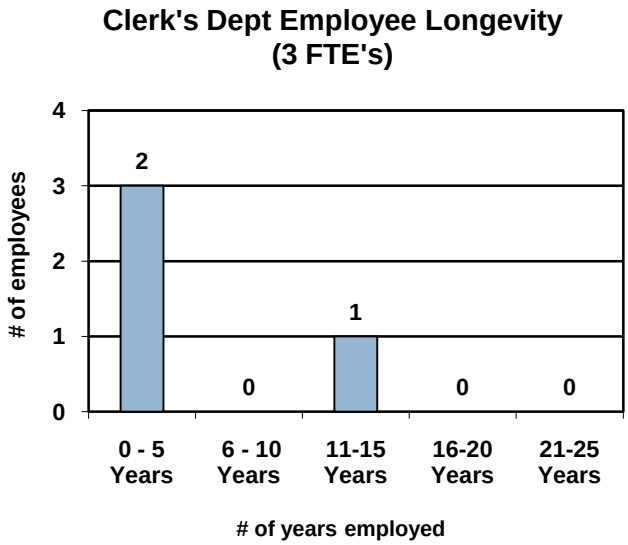
We, the members of the Clerk's Department, are committed to rendering neutral, impartial, considerate and equal service to all citizens as well as recording the truth and preserving all records entrusted to us.

Finance/Administration Committee Members:

Jeff Bauman
Connie Lord
Ed Stern

THE ORGANIZATION OF THE CLERK'S DEPARTMENT





CLERK'S DEPARTMENT STAFFING					
POSITION	**2007**	**2008**	**2009**	**2010**	**2011**
City Clerk	1	1	1	1	1
Deputy City Clerk	1	1	1	1	1
Office Clerk I	2	2	1	1	0
Office Clerk II	0	0	1	1	1
TOTAL	**4**	**4**	**4**	**4**	**3**

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, access and monitoring of public records requests and notary services.

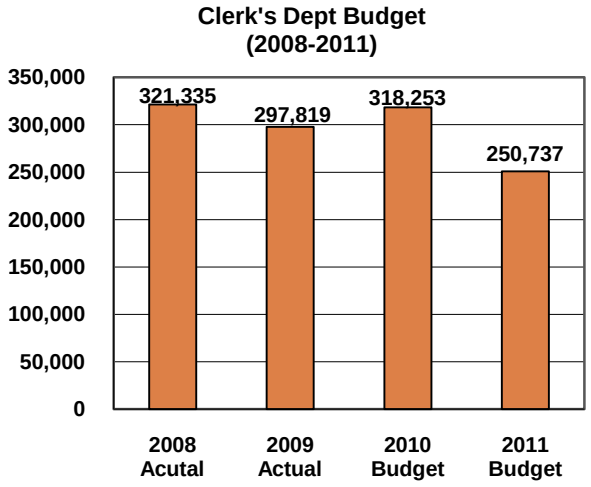
In 2011 the City Clerk's Office will assume the duties and responsibilities of the Executive Assistant to the Mayor including telephones, appointment scheduling, mail distribution, filing, travel arrangements, budget tracking and accounts payable.

STAFFING:

In 2011 the City Clerk's department will consist of three full-time positions: the City Clerk, Deputy City Clerk and one Office Clerk II. The Office Clerk I position will not be filled due to budget constraints. In addition, the position of Executive Assistant for the Mayor created in 2006 was eliminated from the 2011 budget and the duties will be assumed by the City Clerk's Department.

2010 PROGRAM HIGHLIGHTS:

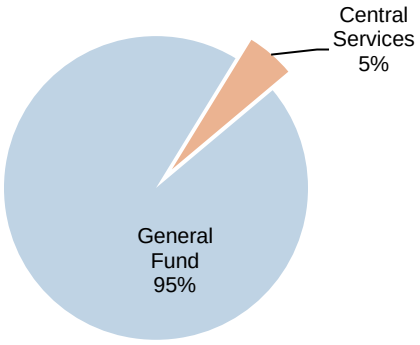
- In 2010 the City Clerk's Department upgraded our records management program to allow a city-wide search to city documents with the capability of providing this same service to the citizens in the future. With the move into the New City Hall the Clerk's Office has been reviewing the current City records retention policy and departmental practices for archiving and storage of documents. In addition to the management of paper documents, we have been faced with the retention of electronic records. Training was provided to City staff at no cost, to begin the education of electronic records retention including e-mails.
- The City Clerk's Office coordinated a clean-up day in City Hall, to assist departments with the purging of everything from duplicate/secondary copies to outdated manuals and phone books resulting in the disposal of 23, 64 gallon recycle bins. Additionally, staff consolidated and shared surplus office supplies. Any items that were no longer of need to the city were offered to local non-profits, the school district and other government agencies.
- The Poulsbo Municipal Code Book online was reformatted for ease of viewing, searching and copying.
- The City Clerk completed the third year of Professional Development Training as part of the curriculum in obtaining her Certified Municipal Clerk Certification. Jill Boltz received her certification on September 15, 2010. Deputy Clerk Nicole Stephens will finish her third year of training in 2011.



Type of Workload Measure	2009 Projected	2009 Actual	2010 Projected	2011 Projected
Ordinances processed	25	16	25	25
Resolutions processed	19	16	20	20
New business licenses	225	148	200	175
Renewal business licenses issued		1415	1400	1300
Council meetings staffed	38	43	36	40
Pages of council meeting minutes processed	375	385	350	200
Passports processed	1400	1015	1400	900
Signatures notarized	350	221	300	75
Business license revenue	75,000	76,620	73,500	73,500
Passport revenue	28,000	25,375	25,000	20,000
Web page updates	175		125	150
Archival record retrievals	30		25	25
Library Board meetings staffed	4	4	4	4
Public record requests processed	88	87	75	75
Boxes of documents prepared for microfilming	50	0	-	-
Boxes of documents transferred to regional archivist	25	0	-	2
Boxes of documents submitted for records destruction	100	82	200	175
Pet License Revenue	2,100		2,700	1700
Archives – total boxes received and transferred	75	70	100	75
Pages of Ordinances Codified	175	96	125	125
Microfilm transferred to State Archives	-	0	-	0

CLERK

ACCOUNT DESCRIPTION	2008 ACTUAL	2009 ACTUAL	2010 BUDGET	*2011 BUDGET*	% CHANGE
SALARIES & WAGES	214,584	193,778	218,310	***164,185***	-25%
PERSONNEL BENEFITS	77,481	83,712	82,727	***69,805***	-16%
SUPPLIES	5,235	2,505	2,694	***2,694***	0%
OTHER SERVICES & CHARGES	24,035	17,825	14,521	***14,053***	-3%
TOTAL CLERK	321,335	297,819	318,253	***250,737***	-21%



CENTRAL SERVICES

Administration Appropriations	**$ 124,470♦**
Printing & Duplication Appropriations	**5,250♦**
Data Processing Appropriations	**74,068♦**
ADA Requirement Appropriations	**1,000♦**
Small Tools and Minor Equipment	**35,820♦**
Custodial/Janitorial/Building Maintenance Appropriations	**249,884♣**
Total Central Services	***$ 490,492***

FTE's – 2.5

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

♦Finance/Administration Committee

Jeff Bauman
Connie Lord
Ed Stern

♣Public Works Committee

Linda Berry-Maraist
Jeff McGinty
David Musgrove

ADMINISTRATION PROGRAM:

The administration-central budget includes items used by City departments which cannot be specifically allocated to an individual department. These items include paper, envelopes, miscellaneous forms, administrative postage, telephone services, heating fuel, City and power utilities, repairs and maintenance, general governmental credit card discount fees, and retail B&O taxes.

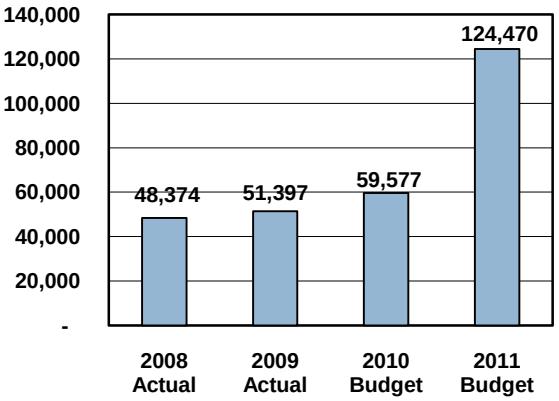
When the City changed banks in 2009 it contracted with a courier service for its cash deposits. These charges are included in this budget. Due to the ability to deposit checks received remotely, thereby reducing cash deposit amounts, the City reduced the frequency of the courier service from daily to weekly in August 2010.

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 projecting increased banking charges for 2011.

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

In 2011 all telephone and utility charges will be budgeted in Central Services Administration rather than the individual departments. This is due to most departments being centralized in the new City Hall.

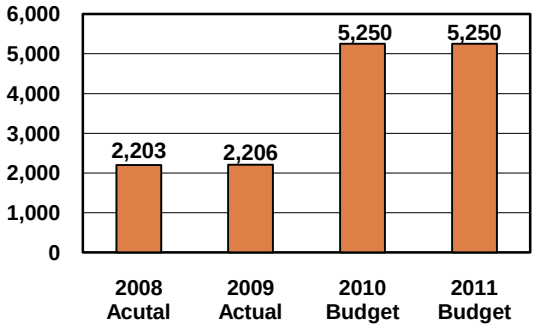
Central Services
Administrative Section Budget
(2008-2011)



PRINTING & DUPLICATION:

Administrative copy machine repair and maintenance contracts are budgeted here.

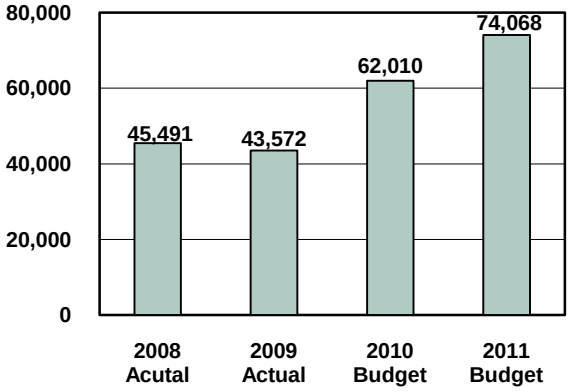
Central Services
Printing & Duplication Services
Budget (2008-2011)



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 were implemented. In 2010 the City signed an agreement with the software company to provide the accounting software through an Application Service Provider (ASP). The service was implemented in 2010. Costs for software maintenance have been increased for the service, resulting in no need to purchase new servers out of capital funds to replace the in-house servers. This will also allow the City to begin implementation of web applications. Services to the public and staff will be enhanced by providing the ability to implement the web applications through the ASP server.

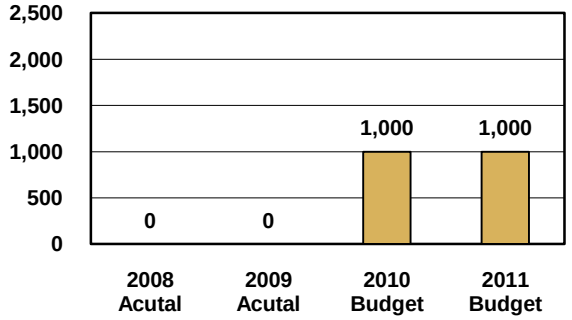
Central Services
Data Processing
Budget (2008-2011)



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
(2008-2011)



SMALL TOOLS AND MINOR EQUIPMENT

The City's capitalization policy sets the capital purchase threshold at $5,000. Computers, printers, software and items of "small tools" in nature will be purchased here. These types of purchases represent: 1) items under $5,000 in cost but the department's budget does not have the capacity for the tools and which do not qualify as a capital purchase, i.e. software, or, 2) items budgeted to cost over $5,000, but actually came in at a lower cost.

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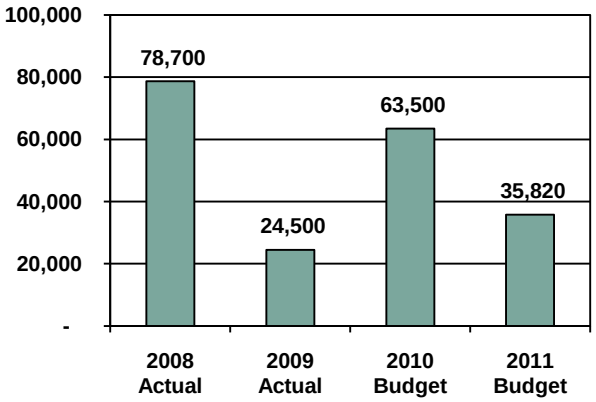
Small Tools & Minor Equipment
(2008 - 2011)



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 2.5 fulltime equivalent positions (FTE's) under the supervision of the Assistant Public Works Director.

2010 Program Accomplishments:

- Continued to provide routine maintenance to City buildings as required
- Continued support and clean-up at the Marine Science Center
- Continued support to Library projects
- Support to various Public Works projects
- Support to new Parks & Rec building, roof repair
- Boardwalk repairs
- Provide support for new City Hall project
- Provide support for new Public Works property.
- Provide support for new Public Works property

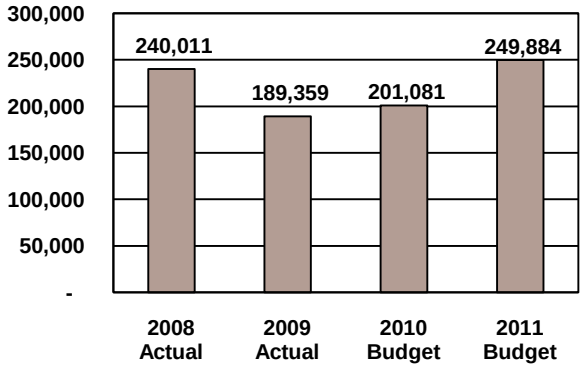
2011 Expenditures:

The year 2011 operation and maintenance program will be a continuation of the 2010 program. Expenditures for the year 2011 associated with Central Services for repair and maintenance of facilities are estimated to be approximately $ 249,807.

Programs and Projects for 2011 include:

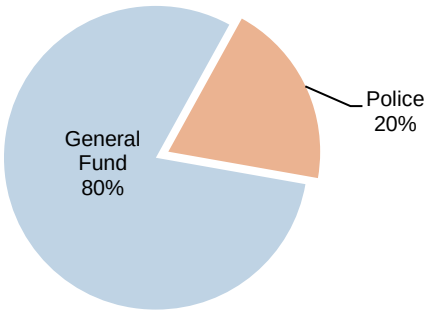
- Support to various Public Works projects
- Continued routine maintenance projects throughout the city.

Central Services
Custodial/Building Maintenance
(2008-2011)



ACCOUNT DESCRIPTION	2008 ACTUAL	2009 ACTUAL	2010 BUDGET	*2011 BUDGET*	% CHANGE
CENTRAL SERVICES					
ADMINISTRATION					
BAD DEBT EXPENSE	39	409	-	***-***	0%
SUPPLIES	11,031	7,582	14,950	***4,450***	-70%
OTHER SERVICES & CHARGES	37,286	43,024	44,202	***119,595***	171%
INTERGOVERNMENTAL SERVICES	18	382	425	***425***	0%
TOTAL ADMINISTRATION	48,374	51,397	59,577	***124,470***	109%
PRINTING & DUPLICATION SERVICES					
SUPPLIES	-	-	1,750	***1,750***	0%
OTHER SERVICES & CHARGES	2,203	2,206	3,500	***3,500***	0%
TOTAL PRINTING & DUPL SERVICES	2,203	2,206	5,250	***5,250***	0%
DATA PROCESSING SERVICES					
SUPPLIES	3,532	4,950	8,500	***8,000***	-6%
OTHER SERVICES & CHARGES	41,959	38,622	53,510	***66,068***	23%
TOTAL DATA PROCESSING SERVICES	45,491	43,572	62,010	***74,068***	19%
ADA REQUIREMENTS					
SUPPLIES	-	-	150	***150***	0%
OTHER SERVICES & CHARGES	-	-	850	***850***	0%
TOTAL ADA REQUIREMENTS	-	-	1,000	***1,000***	0%

SMALL TOOLS AND MINOR EQUIPMENT					
ACCOUNT DESCRIPTION	**2008 ACTUAL**	**2009 ACTUAL**	**2010 BUDGET**	***2011 BUDGET***	**% CHANGE**
SUPPLIES	78,700	24,500	63,500	***35,820***	
TOTAL SMALL TOOLS & MINOR EQUIPT	78,700	24,500	63,500	***35,820***	-44%
CUSTODIAL/JANITORIAL/SERVICE					
SALARIES & WAGES	84,018	93,694	95,206	***126,474***	33%
PERSONNEL BENEFITS	28,443	35,176	34,872	***55,058***	58%
SUPPLIES	16,668	12,126	17,300	***17,300***	0%
OTHER SERVICES & CHARGES	9,042	11,171	13,025	***13,025***	0%
INTERFUND PAYMENT FOR SERVICES	101,840	37,192	40,678	***38,027***	-7%
TOTAL CUSTODIAL/JANITORIAL SERVIC	240,011	189,359	201,081	***249,884***	24%
TOTAL CENTRAL SERVICES	414,779	311,035	392,418	***490,492***	25%



POLICE DEPARTMENT

Appropriations $ 2,238,894
FTE's - 19

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:

Jim Henry
Ed Stern
Jeff McGinty

THE ORGANIZATION OF THE POLICE DEPARTMENT

MAYOR
Rebecca Erickson
2010

POLICE CHIEF
Dennis Swiney
2007

DEPUTY CHIEF
Vacant

PATROL SERGEANT
Howard Leeming
1991

- **DETECTIVE** David Gesell 2002
- **PATROL OFFICER** Troy Grossman 1993
- **PATROL OFFICER** Dave Shurick 2000
- **PATROL OFFICER** Justin Gillen 2005

PATROL SERGEANT
Bob Wright
1990

- **PATROL OFFICER** Nick Hoke 1993
- **PATROL OFFICER** Dan LaFrance 1998
- **PATROL OFFICER** Ricki Sabado 1984
- **PATROL OFFICER** Shawn Ziemann 1994

PATROL SERGEANT
Andy Pate
1993

- **PATROL OFFICER** Valerie Nau 2009
- **PATROL OFFICER** Stacey Smaaladen 1995
- **PATROL OFFICER** John Halsted 1996

SUPPORT SERVICES MANAGER
MaryCarol Howerton
1978

- **POLICE CLERK** Amanda Dixon 2008
- **POLICE CLERK** Bente Sifuentes 2008

Police Dept Employee Longevity
19 FTE's

POSITION	*2006*	*2007*	*2008*	*2009*	*2010*	*2011*
Police Chief	1	1	1	1	1	1
Deputy Chief	0	1	1	1	1	1
Sergeant	3	3	3	3	3	3
Patrol Officer	11	11	11	12	11	10
Detective	2	2	2	1	1	1
Support Services Manager	1	1	1	1	1	1
Police Clerk	2	3	3	3	3	2
Total Police Department	*20*	*22*	*22*	*22*	*21*	*19*

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 which 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 suspects
- 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 10 Patrol Officers being supervised by 3 Sergeants. This reflects a reduction of 1 Patrol Officer from 2010 due to eliminated funding. Additionally, there is one Detective assigned to follow-up cases ranging from fraud to assault to robbery. Due to reduced funding, the police department lost a patrol officer position which forced the department to eliminate the K-9 Program and SWAT Position. Additionally the North Kitsap School District has eliminated funding for the School Resource Officer Program.

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.

In 2010 the Poulsbo Police Department reduced its operating cost by 5% excluding Salaries and Benefits. Reductions remained in effect for the 2011 budget.

In 2011 the Poulsbo Police Department will experience additional budget cuts to include Salaries and Benefits. With this reduction the Department will lose one Officer Position and one Clerical Position. The Department will also lose its K9, SWAT and SRO program.

SUPPORT SERVICES
The Support Services Unit consists of the Manager as well as two Police Clerks. This is a reduction of one Police Clerk due to eliminated funding. 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 booked into the police department as well as assists with finger printing offered to 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 and the Kitsap County Jail.

RELATED DEPARTMENT ACTIVITY

The Police Department is very proud of its active group of Citizen Volunteers. These Citizen Volunteers patrol the city and routinely assist in many ways to help 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. 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. 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 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.

2010 PROGRAM ACCOMPLISHMENTS:

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

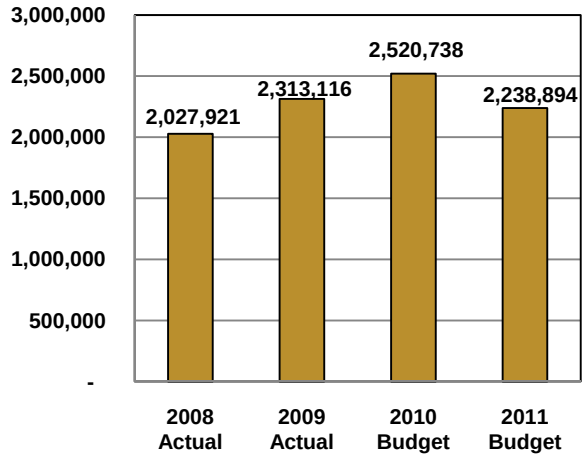
The Student Advisory Board was established through North Kitsap High School. The board is comprised of two individuals from each grade Freshman through Senior. The Chief and an assigned Patrol Officer meets monthly with the students, many times the Vice Principal is also able to attend the meetings, strengthening the communication between students, administration and law enforcement. 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.

The department recently transitioned from an older policy to a new policy manual. Additionally, with the new policy in place, it will be feasible to attain an accreditation manual through the Washington Sheriff's and Police Chief's (WASPC) Association.

Two of the Agency's most significant goals were achieved in the spring of this year. The Department has been working on adopting an effective, up to date Policy Manual. The new manual has been published and is in effect. This will help us toward our goal of achieving Accreditation.

Another goal of the Agency has been to implement a Chaplain's Program. In times of crisis, Chaplains can be of great assistance to the public and Officers. We are proud to announce that Ken Bailey has been selected to fill that role. Ken is an experienced Chaplain, serving with the Kitsap County Sheriff's Office as well as the Poulsbo Fire Department.

Police Budget
(2008 - 2011)

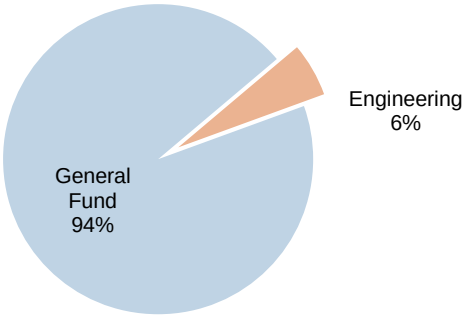


Type of Measure	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Projected	2011 Projected
Case Reports	**1998**	**2090**	**1783**	**1686**	**1700**	**1700**
Citations Issued by Officers (Criminal, infractions, parking)	**2576**	**2325**	**2185**	**1198**	**1234**	**1000**
Prosecutor Complaints (Criminal)	**299**	**284**	**296**	**238**	**300**	**300**
Training Hours	**817.75**	**785**	**1718**	**1707**	**2040**	**1500**
Calls for Service	**13374**	**12942**	**12234**	**12842**	**14000**	**14000**
Motor Vehicle Accidents (ILEAD STATS 2007)	**175**	**271**	**235**	**173**	**200**	**200**
Driving Under Influence (Total included in Criminal Citations)	**110**	**72**	**71**	**59**	**70**	**70**
Citizen Assist	**11**	**2**	**0**	**737**	**968**	**968**
Vacation House Checks	**1034**	**1049**	**847**	**1247**	**1624**	**1624**
Handicap Parking Citations	**231**	**63**	**117**	**45**	**104**	**104**

POLICE

ACCOUNT DESCRIPTION	2008 ACTUAL	2009 ACTUAL	2010 BUDGET	***2011 BUDGET***	% CHANGE
SALARIES & WAGES	1,339,118	1,538,326	1,628,787	***1,448,373***	-11%
PERSONNEL BENEFITS	462,831	576,647	585,671	***544,514***	-7%
SUPPLIES	93,361	69,863	152,141	***109,607***	-28%
OTHER SERVICES & CHARGES	116,936	122,440	138,064	***124,325***	-10%
*****RESERVES PROGRAM*****					
SUPPLIES	1,129	-	5,875	***5,875***	0%
OTHER SERVICES & CHARGES	-	-	4,000	***4,000***	0%
*****MARINE SAFETY PROGRAM*****					
SALARIES & WAGES	763	-	-	***-***	0%
BENEFITS	153	-	-	***-***	0%
SUPPLIES	1,963	-	-	***-***	0%
OTHER SERVICES & CHARGES	9,823	-	-	***-***	0%
*****CRIME PREVENTION*****					
BENEFITS	-	-	-	***-***	0%
SUPPLIES	1,350	509	2,900	***1,400***	-52%
OTHER SERVICES & CHARGES	493	5,332	3,300	***800***	-76%
TOTAL POLICE	2,027,921	2,313,116	2,520,738	***2,238,894***	-11%

APPLIQUES



ENGINEERING DIVISION

Appropriations $ 539,746
FTE's – 5.625

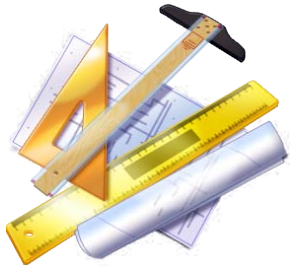
Mission Statement

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

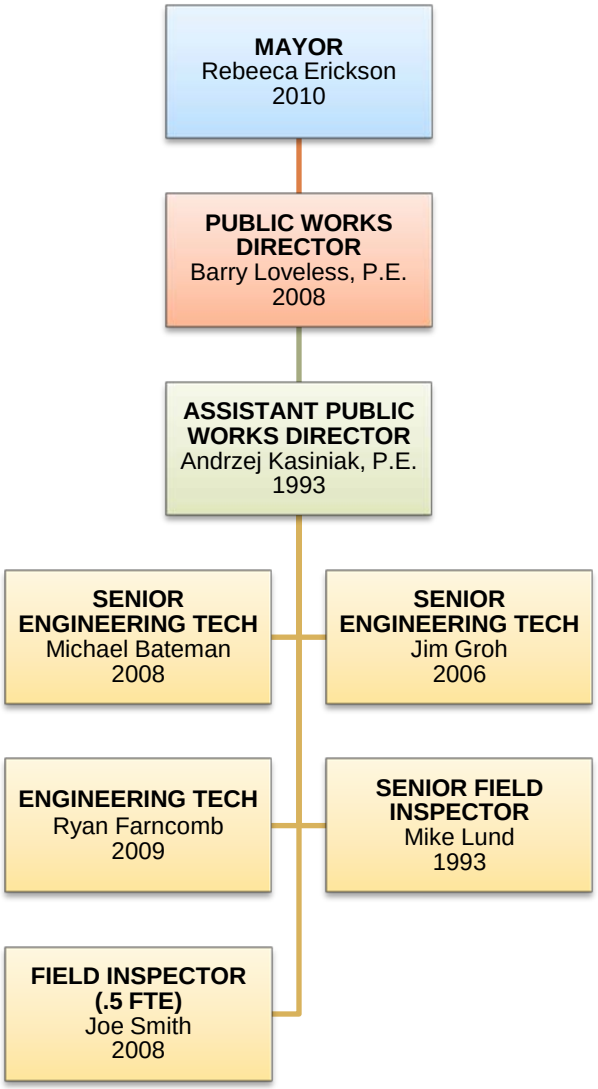
- *Assisting in the development of the City's existing sewer, storm, water and street infrastructure;*
- *Ensuring that new projects meet City standards;*
- *Accomplishing our work in a professional, timely, and cost-effective manner.*

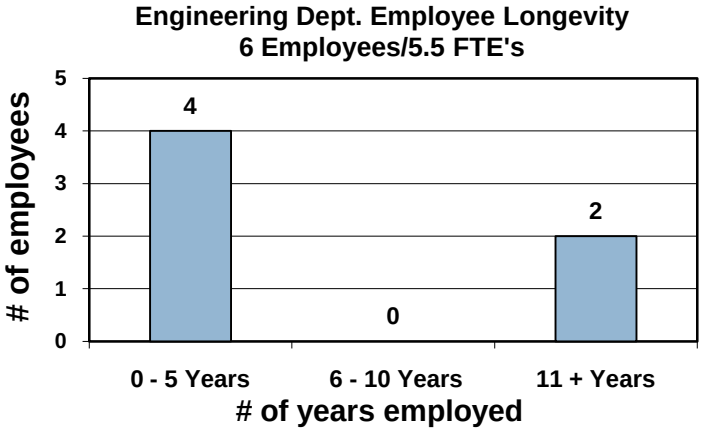
Public Works Committee

Linda Barry-Marist
Jeff McGinty
David Musgrove



ORGANIZATION OF THE ENGINEERING DIVISION





ENGINEERING SECTION STAFFING					
POSITION	*2007*	*2008*	*2009*	*2010*	*2011*
Public Works Director	.125	.125	.125	.125	.125
Assistant PW Director/City Engineer	1	1	1	1	1
Project/Administrative Assistant	1	1	1	1	0
Office Clerk	.45	.45	.45	.45	0
Senior Engineering Technician	2	2	2	2	2
Engineering Technician	0	0	0	0	1
Senior Field Inspector	1	1	1	1	1
Field Inspector	1	1	.5	.5	.5
Total Engineering	**6.575**	**6.575**	**6.075**	**6.075**	**5.625**

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 5.625 full-time positions: Assistant Public Works Director, Engineering Technician, 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 in 2009. A .45 FTE Office Clerk position has been eliminated for 2011. The Project/Administrative Assistant position was re-classified for 2011 due to the reorganization of necessary functions. Many capital projects funded by grants are anticipated in 2011. It was determined engineering technical skills were being utilized much more than administrative functions and the position needed to be re-classified due to the level of work being performed.

Approximately 25% of the Engineering Divisions total labor is devoted to Public Works Projects.

2010 ACCOMPLISHMENTS:

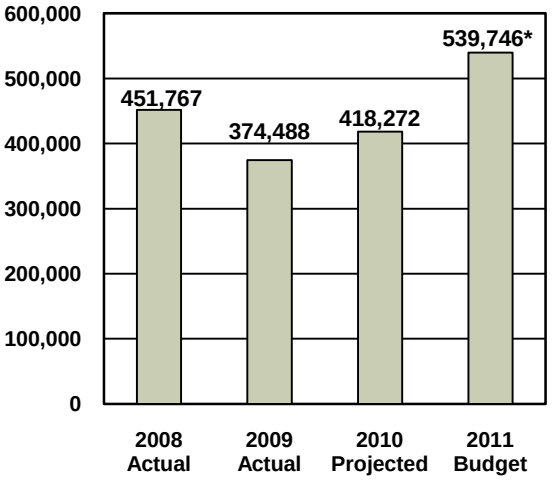
- Continued to review land use applications for conformance with City standards.
- Updated city-wide traffic count data.
- Viking Avenue Improvements Phase IIIA construction completed; construction funded

by grant from the American Recovery and Reinvestment Act (ARRA).
- Viking Avenue Improvements Phase IIIB will be completed; construction funded by a grant from the Washington State Public Works Board.
- Started design on stormwater retrofit of Anderson Parkway. Construction grant provided by the Department of Ecology.
- Noll Road and Hostmark Street Improvements – design completed and construction contract will be awarded. Construction funded with ARRA and Federal Enhancement grants.
- 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 and applied for permits.
- Applied for Safe Routes to School grant to construct non-motorized facilities on Hostmark Street.
- Applied for and received grant to begin design and permitting for the Liberty Bay Trail extension project.
- Applied for stormwater grant to retrofit 6th Avenue and adjacent side streets in old Town Poulsbo.
- Completed the South Fork Dogfish Creek restoration master plan.
- Mesford Sidewalk Improvements construction completed.
- Completed design and started permitting process for the Fjord Drive slide repair project.

2011 GOALS AND WORK PLAN:

- Continue to review land use applications, right-of-way permits and other private land use actions for conformance with City standards.
- Maintain current turn-around time for private development projects in light of an anticipated increase in private development applications in 2011.
- Plan for and develop public works projects on the Capital Improvement Plan.
- Continue to inspect and monitor private construction projects.
- Complete revisions to City construction standards.
- Develop new traffic impact fee and concurrency ordinances; revise latecomer agreement ordinance.
- Develop PS&E for the 3rd Avenue Reconstruction project (Phase 2), Liberty Bay Trail project, and Hostmark Street Sidewalk/Bike Lane project.
- Construct the Noll Road Improvement Phase 1 project
- Develop PS&E, bid and construct the 6th Avenue Improvements project.
- Bid and construct the 6th & 9th Avenue Pump Station Upgrade project.
- Award on-call contracts for engineering, surveying and geotechnical services.
- Develop PS&E for the Anderson Parkway Stormwater retrofit.
- Continue to develop the Public Works Transfer Station project.
- Continue to monitor and apply for grants for planning and infrastructure improvements throughout the City.

Engineering
Dept Budget (2008-2011)



*The increase in 2011 projected expenditures is due to providing capacity for all engineering salaries and benefits. Actual expenditures will be allocated directly to City projects.

CONTRACTING WORKLOAD MEASURES					
Type of Measure	2007 Actual	2008 Actual	2009 Actual	2010 Projected	2011 Projected
Awarded from Small Works Roster	3	6	1	2	2
Formal Bids	3	5	3	4	4
Consultant Agreements	2	4	2	4	4

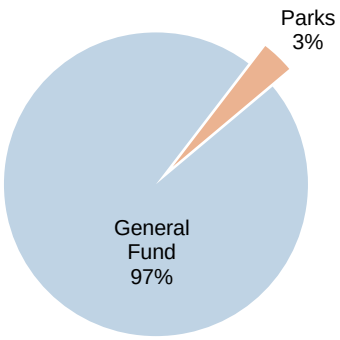
LAND USE, PERMIT AND INSPECTION WORKLOAD					
Type of Measure	2007 Actual	2008 Actual	2009 Actual	2010 Projected	2011 Projected
Right of Way Permits	52	63	40	40	45
Land Use Applications – Reviewed, Conditions or Comments written	79	50	53	57	65
Grading-Site Construction Permit/Application	6	10	6	10	12
*Commercial Sites – Land use applications	15	15	9	10	12
*Residential Sites – Land use applications	10	6	7	3	5
Engineering Services	$144,658	$53,118	$35,905	$22,000	$40,000

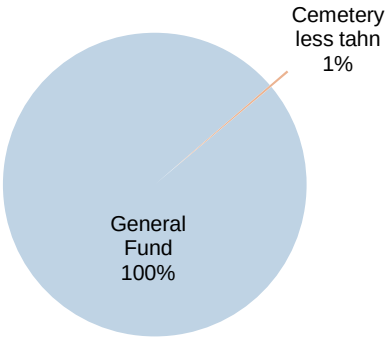
*Does not include storm detention ponds or storm vaults

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

ENGINEERING

ACCOUNT DESCRIPTION	2008 ACTUAL	2009 ACTUAL	2010 BUDGET	*2011 BUDGET*	% CHANGE
SALARIES & WAGES	311,258	256,242	278,688	***368,011***	32%
PERSONNEL BENEFITS	113,150	94,419	103,111	***146,213***	42%
SUPPLIES	10,825	9,362	10,419	***8,919***	-14%
OTHER SERVICES & CHARGES	16,533	14,465	26,053	***16,603***	-36%
TOTAL ENGINEERING	451,767	374,488	418,272	***539,746***	29%





PARKS/CEMETERY PROGRAMS

Parks' Appropriations $ 327,572
FTE's – 2.15

Cemetery Appropriations $ 22,084
FTE's - .1

Public Works Committee:

Linda Berry-Maraist
Jeff McGinty
David Musgrove

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.

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, 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 and stage 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. This includes maintaining the downtown flower beds, maintenance of City Hall landscaping and parking lot, and dog waste issues.

STAFFING:

Staffing associated with the parks maintenance function includes 2.15 fulltime equivalent positions (FTE's). The Assistant Public Works Director supervises these positions. Staffing was reduced by one full time employee in 2009.

2010 Operations & Maintenance Program Highlights:

- Addressed numerous vandalism issues in all city parks
- Watered many newly planted trees/plants
- Continued maintenance on the Boardwalk as needed
- Repair of Raab Park stage
- Repair of Gazebo floor at Liberty Bay Park
- 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. This 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
- Coordinated with Parks & Rec regarding special events

2011 Projects/Programs:

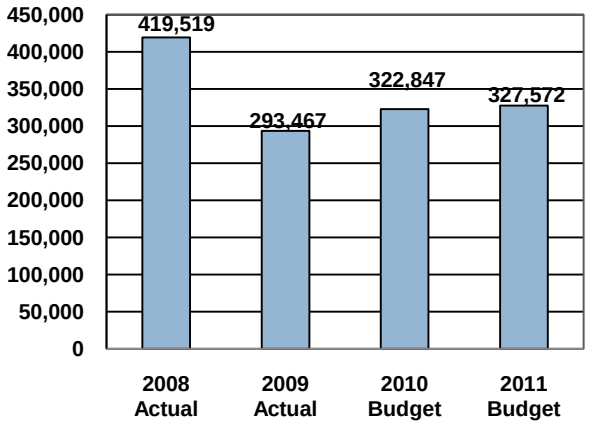
A number of projects are planned for the operations and maintenance of city parks for 2011.

- Repair a walking path at Legion 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 2011 repair and maintenance program will be a continuation of the 2010 program and will include the maintenance and repair associated with the City of Poulsbo Parks and open spaces. Expenditures for the year 2011 accounting period for repair and maintenance are estimated to be approximately $ 327,572.

Park Expenditures (2008-2011)



PARKS' DEPARTMENT WORKLOAD MEASURES

Type of Measure	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Projected	2011 Projected
Number of parks, open spaces and trails maintained	16	16	17*	17	19**	19**
Acres of parks/open space maintained	61	64	66.5*	66.5	66.5	66.5
Acres of parks mowed	12.5	12.5	13.5*	13.5	13.5	13.5
Vandalism/malicious mischief reports	10	10	15	25	20	20

*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	Olhava Park #2	

PARKS MAINTENANCE

ACCOUNT DESCRIPTION	2008 ACTUAL	2009 ACTUAL	2010 BUDGET	*2011 BUDGET*	% CHANGE
SALARIES & WAGES	127,313	113,164	111,253	***114,603***	3%
PERSONNEL BENEFITS	50,491	48,856	47,955	***54,776***	14%
SUPPLIES	25,956	20,133	41,750	***41,750***	0%
OTHER SERVICES & CHARGES	54,409	50,407	55,568	***55,568***	0%
INTERGOVERNMENTAL SERVICES	2,731	2,981	2,731	***2,731***	0%
INTERFUND PAYMENT FOR SERVICES	158,620	57,927	63,590	***58,145***	-9%
TOTAL PARK MAINTENANCE	419,519	293,467	322,847	***327,572***	1%

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:

- Continuous 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).

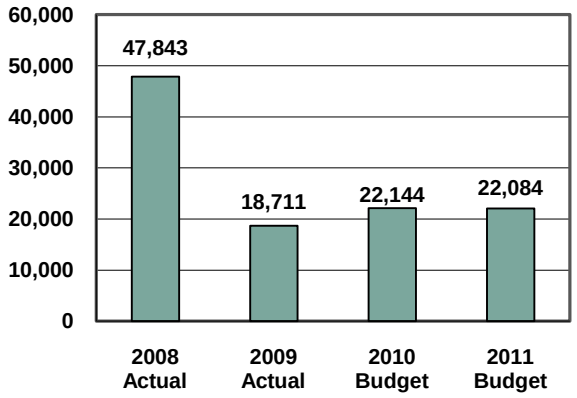
STAFFING:

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

EXPENDITURES:

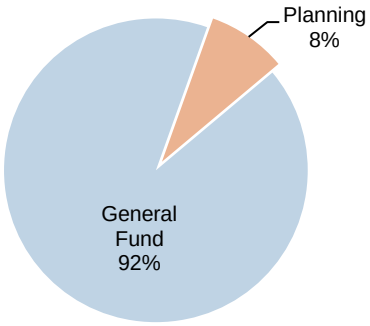
The year 2011 program will be a continuation of the year 2010 program and will include the administration, management and supervision of the department. Expenditures for the year 2011 accounting period for repair and maintenance are estimated to be approximately $ 22,084.

Cemetery Expenditures (2008-2011)



CEMETERY MAINTENANCE

ACCOUNT DESCRIPTION	2008 ACTUAL	2009 ACTUAL	2010 BUDGET	*2011 BUDGET*	% CHANGE
SALARIES & WAGES	1,849	4,101	5,249	***5,411***	3%
PERSONNEL BENEFITS	571	1,697	2,255	***2,568***	14%
SUPPLIES	-	6	500	***500***	0%
OTHER SERVICES & CHARGES	-	-	100	***100***	0%
INTERGOVERNMENTAL SERVICES	30	33	15	***15***	0%
INTERFUND PAYMENT FOR SERVICES	45,392	12,874	14,025	***13,490***	-4%
TOTAL CEMETERY	47,843	18,711	22,144	***22,084***	0%



PLANNING & BUILDING DEPARTMENT

Appropriations $ 623,516
FTE's – 6.55

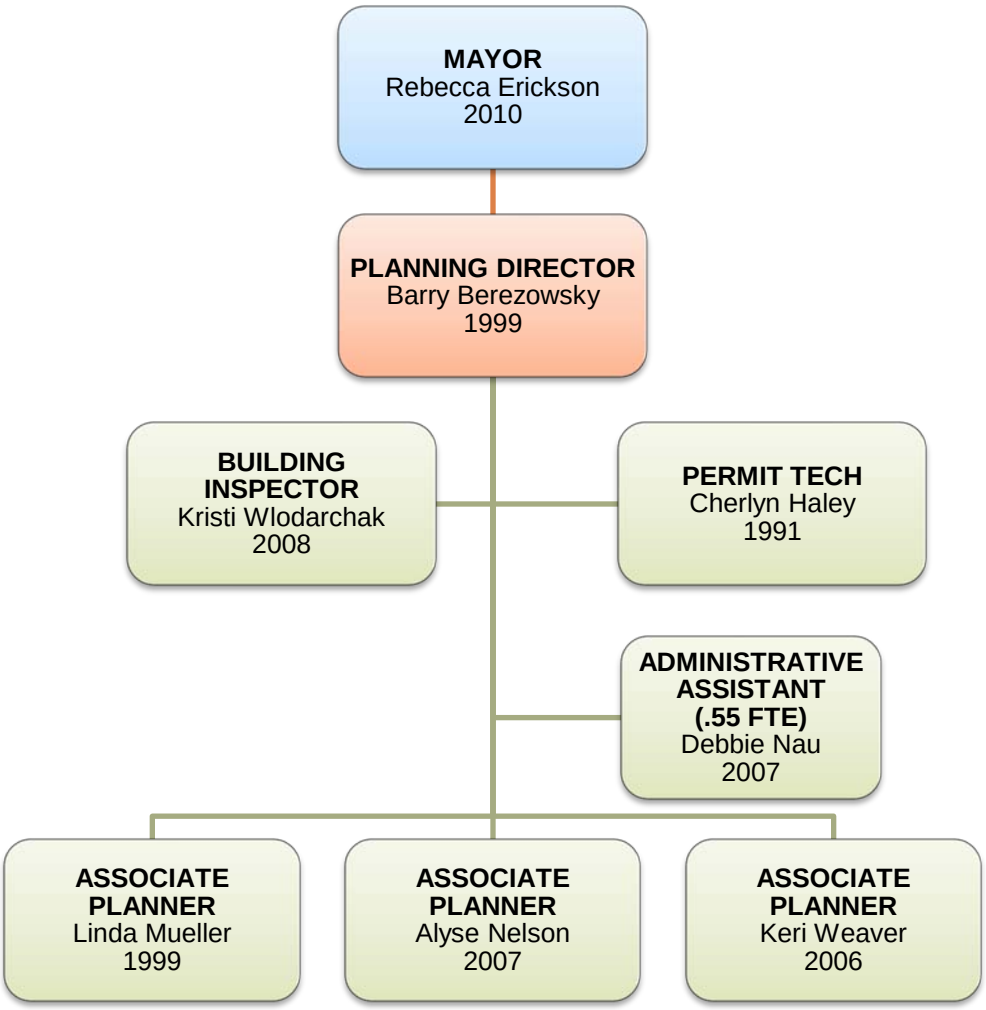
Mission Statement

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
David Musgrove

THE ORGANIZATION OF THE PLANNING & BUILDING DEPARTMENT



Planning Dept Employee Longevity (2011 - 6.45 FTE's)

Planning & Building Dept Section Staffing (FTE's)					
POSITION	**2007**	**2008**	**2009**	**2010**	**2011**
Planning Director	**1**	**1**	**1**	**1**	**1**
Senior Planner	**1**	**1**	**1**	**1**	**0**
Assoc Planner	**3**	**3**	**3**	**3**	**3**
Admin Assist	**1**	**1**	**1**	**1**	**.55**
Office Clerk	**0.45**	**0.45**	**0.45**	**0.45**	**0**
Permit Technician	**1**	**1**	**1**	**1**	**1**
Building Inspector	**2**	**2**	**1**	**1**	**1**
TOTAL	**9.45**	**9.45**	**8.45**	**8.45**	**6.55**

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 and Hearing Examiner.

STAFFING:

The Mayor's consolidation plan reduces the Planning and Building Department staff from 8.45 FTEs to 6.45 FTEs (a 24% reduction in staff). The 2011 staffing breakdown is as follows: one full-time Building Inspector; one full-time Permit Technician, the Building Official/Planning Director, three Associate Planners and a part-time Administrative Assistant. The Department's Office Clerk and Senior Planner positions have been eliminated due to 2011 budget constraints.

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.

In light of the existing Department work load coupled with the reductions in staff, no new program requests are proposed for 2011. The Department will no longer have the GIS resources to support the Council's special projects and support for other Department's GIS needs will also be negatively impacted. Accrual of comp time must also be carefully monitored to ensure staff is available to maintain day-to-day activities. Code enforcement will also be negatively impacted.

Due to the reduction in administrative functions it is expected planners will be responsible for many "clerical" functions, such as photo copying, distributing staff reports, maintaining permit tracking and scheduling, maintaining project files, maintaining budget expenditures by line item, ordering supplies, and setting up rooms for meetings and hearings. In addition, the Department has no resources to provide administrative support to the Poulsbo City

Council or Public Works Committee. At this time it is unclear how these meetings will be staffed and how minutes will be taken and prepared for distribution and review. This new administrative requirement for the planners will, of course, take the planners away from their planning duties. Therefore, any increase in permit activity is likely to quickly lead to a backlog of permits causing frustration within the development community.

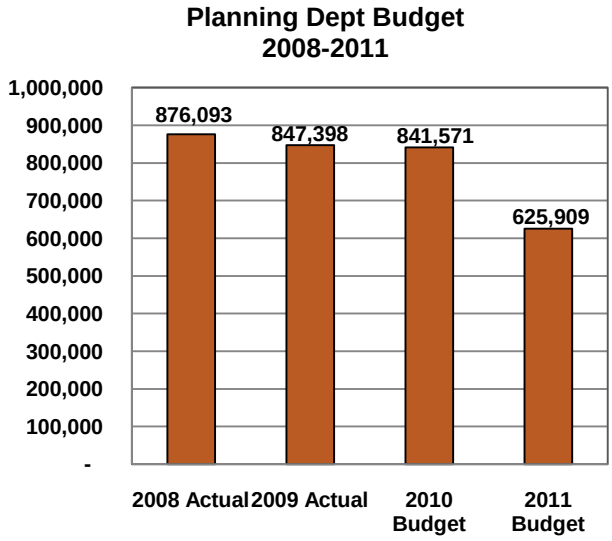
Because the monthly planning permit report relies on many of the above cited functions of the Administrative Assistant it should be expected that this "tracking" tool will either go away or be produced in a sporadic manner as time permits.

Finally, the Department requests the Council approve two "carryover" items from the Department's 2010 Budget. These are: Professional Services and the Shoreline Master Program update.

2010 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.
- City Council adopted the City's revised Comprehensive Land Use Plan.
- Successfully defended the newly adopted Comprehensive Plan which was appealed by four non-residents. The petitioners raised 38 issues of alleged non-compliance with the Growth Management Act. The Hearings Board found the petitioners failed to prove non-compliance on all counts.
- Initiated phase one of Zoning Code amendments to implement the newly adopted Comprehensive Plan. This set of amendments include implementation of the new Office/Commercial/Industrial (OCI) Zoning District.
- Initiated and continued to process the required update to the City's Shoreline Master Program.
- Adopted the most recent version of the International Building Code (IBC).
- Provided staff support for the City's new Parking Committee.
- Provided staff and GIS support for the Trail Committee.
- Provided GIS support for Engineering.
- Maintained and updated the Department's portion of the City's web site.
- Conducted 22 zoning code enforcement actions.
- Responded to numerous information requests, many specifically related to the appeal of the Comprehensive Plan, and therefore, entailed large amounts of information.
- Commenced discussions with Fire District 18 to revise the agreement between the City and the District for Fire Prevention Services to reduce the annual cost to the City by an additional $25,000. The Director had previously renegotiated this agreement which lead to an annual savings to the City of approximately $50,000.
- Drafted a new Urban Growth Area Agreement (UGAMA) to replace the current Inter-local Agreement with Kitsap County regarding joint planning and development review within the unincorporated portion of the City's UGA. This effort is on-going, but has been placed on hold due to other pressing needs.
- 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 upcoming 2010 Annual Comprehensive Plan Amendment Process.
- 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 New Transfer 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	
	Number of Planning Permits	**Zoning-Subdivision Revenue**
2007 Actual	155	$212,026
2008 Actual	87	$87,086
2009 Actual	90	$149,462
2010 Projected	106	$80,000
2010 Actual	150	$60,650
2011 Projected	81	$60,000

	Type of Measure	
	Building Permits Issued	**Building and Structure Permit Revenue**
2007 Actual	468	$658,389
2008 Actual	342	$299,114
2009 Actual	203	$251,315
2010 Projected	250	$230,000
2010 Actual	235	$177,005
2011 Projected	249	$150,000

	Type of Measure
	CO's issued
01/01/10 to 12/31/10	91

Type of Measure	2007 Actual	2008 Actual	2009 Actual	2010 Projected	2010 Actual	2011 Projected
# of pre-applications	46	29	19	20	12	20
# of appeals	0	1	1	0	2	0
# of site plan reviews	19	14	7	15	11	10
# of preliminary plats *	7	1	3	5	2	2
# of short plats	0	3	4	5	0	4
# of shoreline permits	3	1	5	2	2	0
# of shoreline exemptions	2	2	2	2	0	2
# of SEPA checklists	27	14	17	27	17	16
# of variances	0	0	0	0	0	0
# of conditional use permits	3	4	2	2	1	4
# of home occupation permits	0	0	1	4	0	2
# of temporary use permits	0	0	0	0	0	0
# of comprehensive plan amendments	0	0	0	5	11	4
# of PUD / PRD	3	0	2	3	0	0
# of final plats	4	1	0	1	1	2
# of administrative determinations	5	0	1	0	0	0
# of design reviews	16	10	8	10	5	10
# of other Planning Permits**	22	7	16	5	16	5
Total permits***	155	87	90	106	70	81
Zoning-Subdivision Revenue	$212,026	$87,086	$149,462	$80,000	$60,650	$60,000

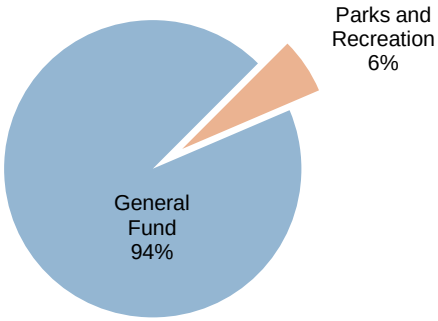
*Some plats are phased and therefore staff resources are needed to be committed over an extended time period. (i.e. Poulsbo Place; Olhava; Stendahl Ridge)

**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.

PLANNING & COMMUNITY DEVELOP.

ACCOUNT DESCRIPTION	2008 ACTUAL	2009 ACTUAL	2010 BUDGET	*2011 BUDGET*	% CHANGE
SALARIES & WAGES	553,407	530,588	564,212	***430,354***	-24%
PERSONNEL BENEFITS	195,941	198,077	191,070	***158,158***	-17%
SUPPLIES	11,364	11,566	12,828	***9,828***	-23%
OTHER SERVICES & CHARGES	115,380	107,168	96,468	***25,176***	-74%
TOTAL PLANNING	876,093	847,398	864,578	***623,516***	-28%



PARKS AND RECREATION DEPARTMENT

Operating Appropriations $ 674,968
FTE's – 5.87

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.

Youth and Adult Recreation and Enrichment Programs

Learn and Grow Preschool **Sports Programs** **Park Rentals**

Park Acquisition & Development **Urban Forestry**

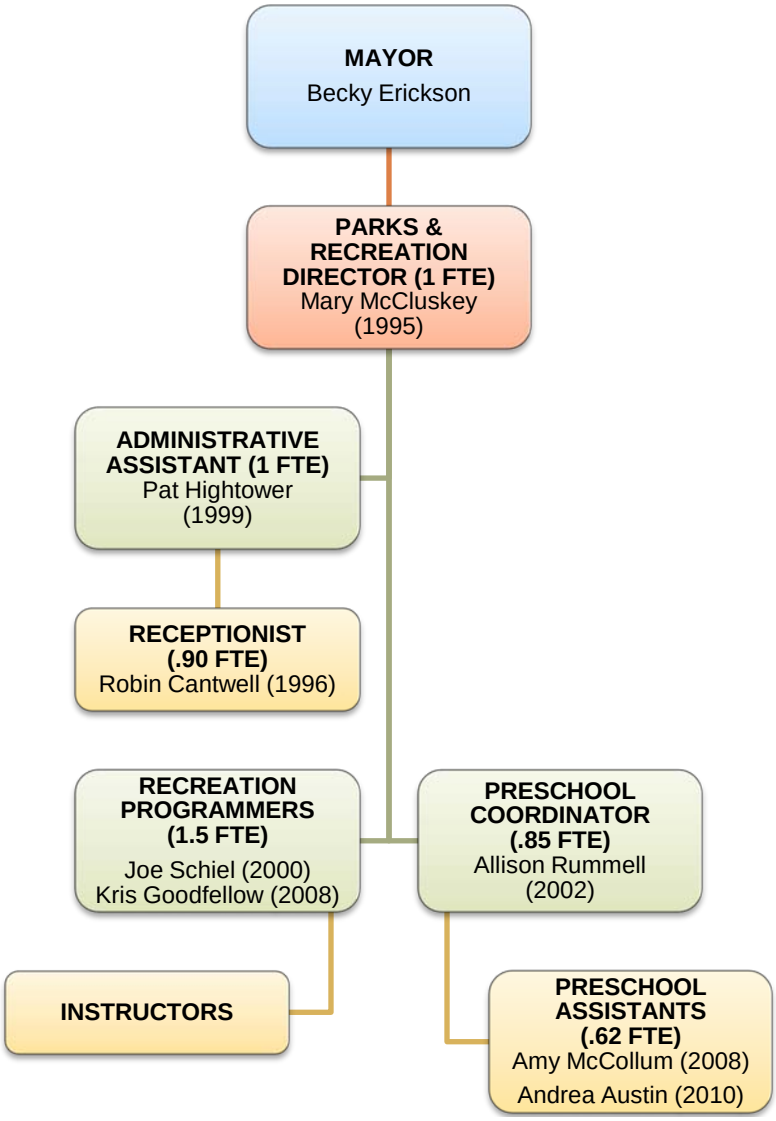
Community Partnerships **Special Events**

Hotel-Motel Tax Projects

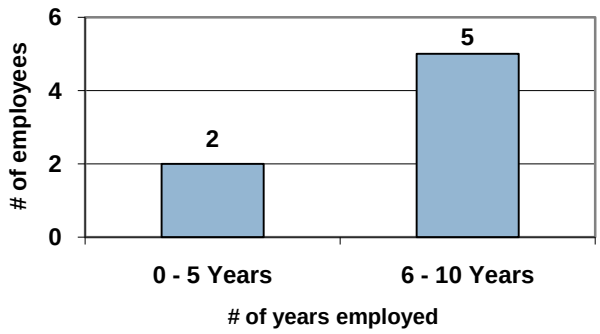
Community Services Committee:

Jeff Bauman
Linda Berry-Maraist
Jim Henry

THE ORGANIZATION OF THE PARK & RECREATION DEPT



Parks & Recreation Dept Employee Longevity
(7 Employees/5.87 FTE's)



Parks and Recreation Section Staffing (FTE's)					
POSITION	*2007*	*2008*	*2009*	*2010*	*2011*
Park & Rec Dir	1	1	1	1	1
Preschool Coordinator	1	1	.9	.85	.85
Administrative Assistant	1	1	1	1	1
Recreation Programmer	1.5	1.5	1.5	1.5	1.5
Preschool Assistant	0.62	0.62	.62	.62	.62
Receptionist	1.7	1.7	1.6	1.6	.9
TOTAL	*6.82*	*6.82*	*6.62*	*6.57*	*5.87*

FUND CREATION:

Due to new reporting requirements the Park and Recreation activity will now be accounted for in the General Fund. All history has been included in the General Fund to help trend historical data.

RESOURCES:

There are three sources of revenue generated by Parks and Recreation. They are: user fees charged to class participants, user fees charged to pre-school students, and rent revenue. User fees cover approximately 73% of all expenses.

STAFFING:

The department has two divisions: Administrative and Recreation Programs. There are 5.87 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** and the daily operations of the office. The department is losing a .7 receptionist in 2011, that works evenings and Saturdays. Shift changes and hours of operation are changing to reflect this reduction.

***Recreation Programs*:**

Two Recreation Programmers lead the development, implementation and evaluation of recreation programs for all age groups. All age ranges are provided products in the arts, language, music, sports, adventure, summer camps, and special events. Most programs and classes have numerous categories to reach and engage the very young to the more experienced citizens. The programmers 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, supervises the part time Preschool Assistant, and teaches in the Learn and Grow Preschool. The school has 66 children in five age appropriate programs.

RECREATION PROGRAM:

2010 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:

- 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 created are through citizen request or have proven popular elsewhere.
- In February 2010, the City of Poulsbo completed the purchase of the Recreation Center from the Kitsap County Consolidated Housing Authority. Many improvements were made in 2010, including new flooring, paint, a new main sign, roof repairs and miscellaneous maintenance items that had been put off by the former owner. 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 has leased other space in the building to help cover operating expenses including the debt payment.

- Offering elementary and middle school classes immediately after school so children don't have to find transportation, continuing to work with building principals, plans are being made for more programs.
- 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 owns three synthetic fields, and the city played a role by funding a part of the fields at the North Kitsap High School and Strawberry Multi-Use Fields. These fields allow additional opportunities for practices in the winter months. The city also contributed to field improvements at Vinland Elementary School, which opened to community use in 2010.
- The re-design of the City's website has been a big project, which greatly benefits the Parks and Recreation Department. It is a usable tool that will encourage citizens and program users to utilize on a regular basis. According to a website information tool, the Parks and Recreation Department website gets the most hits after the City's main page.
- 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.

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 local organizations for 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.

2011 RECREATION CHALLENGES, GOALS and ISSUES:

The ups and downs of the economy has definitely affected the Parks and Recreation department, but the show must go on. Patrons are more careful where they spend their discretionary dollars. The attitude from staff is that teamwork will produce a good product, and people will sign up for classes they want.

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.

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 will remain steady in 2011. Park improvement funding and development dollars is very competitive, but the City will continue to look at all funding opportunities. Due to budget constraints in 2011, park reserve funding will be cut by about 50%.

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 the 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 2011, 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 more people will use these opportunities in 2011. Expansion into the elementary schools in the fall of 2010 has been supported by the principals in three schools. The programs which have continued to have the highest number of registrations include adult and youth sports, dance classes, softball league, 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 nine month school year.

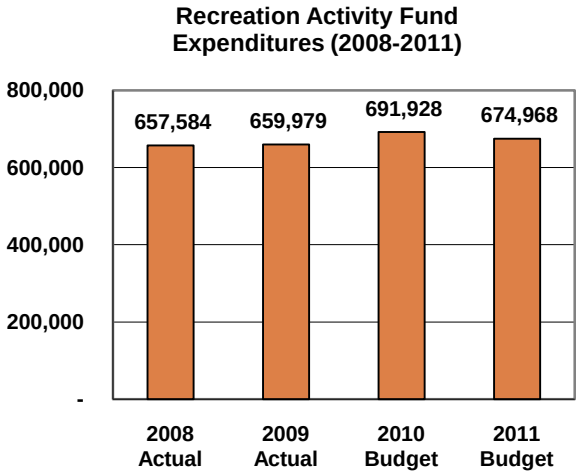
Community wide special events are scheduled throughout the year. The regular events that have found a place in our community include:

- Hip Hop Basketball tournament (3-on 3) in January
- Daddy-Daughter Dance in February
- Easter Candy Hunt in April
- Viking Fest Road Race in May
- Kids Fair in June
- Summer concert series during July and August
- Recreation Center Open House in September
- Poulsbo Park Days in October
- Spooktacular” preschool event in October.

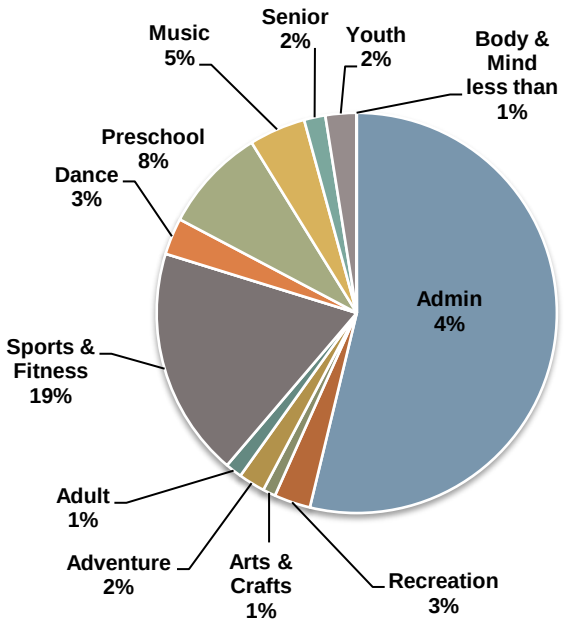
All of these events are supported and encouraged by our local service organizations and businesses, through personnel, advertising and monetary support.

Parks and Recreation: Performance Measures

Performance Measure	Type	Measurement/ Goal	2008 Actual	2009 Actual	2010 Actual	2011 Projected
Response to Citizen Requests and Complaints	Effectiveness	100% within 24 hrs	100%	100%	100%	100%
Prompt processing of sign/park permits	Efficiency	100% within 2 weeks (ordinance states 30 days)	100%	100%	100%	100%
# of Sign Permits	Workload	104 annually	61	57	78	80
# of Shelter Permits	Workload	120 annually	160	163	163	170
# of Senior Trip Registrations	Workload	650 registrations	497	561	550	575
% of successful Classes or Programs	Workload	Determine % of successful classes/programs	71%	59%	60%	62%
Maintain 91% capacity in the Learn & Grow Preschool	Workload	Maintain 60 of 66 spots available during the school year	97%	97%	89%	91%
Grant Applications	Workload	Submit at least 5 during 2011	5	5	5	5
Program Related Expenses	Workload	Recover 100% direct/indirect expenses	100%	100%	100%	100%



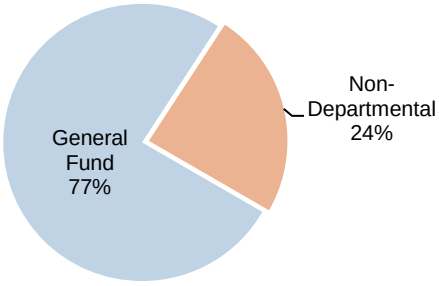
Park and Recreation Uses
$674,968



PARK & RECREATION					
ACCOUNT DESCRIPTION	**2008 ACTUAL**	**2009 ACTUAL**	**2010 BUDGET**	***2011 BUDGET***	**% CHANGE**
EDUCATION SERVICES/PRESCHOOL					
SALARIES & WAGES	39,994	44,769	44,372	***44,695***	1%
PERSONNEL BENEFITS	6,593	7,534	7,336	***7,997***	9%
SUPPLIES	3,893	4,161	4,561	***4,426***	-3%
SERVICES		20	225	***-***	-100%
TOTAL EDUCATION SVCS/PRESCHL	50,480	56,484	56,494	**57,118**	**1%**
PARKS & REC ADMIN					
BAD DEBT EXPENSE	1,078	227	-	***-***	0%
SALARIES & WAGES	234,979	240,523	263,167	***238,720***	-9%
PERSONNEL BENEFITS	64,247	76,647	77,229	***82,730***	7%
SUPPLIES	4,905	5,187	5,000	***5,000***	0%
SERVICES	42,037	38,914	39,054	***31,680***	-19%
INTERGOV/INTERFUND SVCS	4,159	3,690	7,474	***4,800***	-36%
TOTAL PARKS & REC ADMIN	351,406	365,188	391,923	**362,930**	**-7%**
RECREATION SERVICES					
SALARIES & WAGES	95,343	89,963	83,200	***92,500***	11%
BENEFITS	13,037	13,645	12,450	***13,720***	10%
SUPPLIES	26,481	24,062	36,336	***29,100***	-20%
SERVICES	120,836	110,636	116,525	***119,600***	3%
TOTAL RECREATION SERVICES	255,697	238,306	248,511	**254,920**	3%
TOTAL PARK & RECREATION	*657,583*	*659,978*	*696,928*	***674,968***	-3%

PERONI
PIZZA

NON-DEPARTMENTAL



Audit Risk Management	**$ 248,689♦**	**Natural Resources**	**$ 4,909♦**
Legal	**$ 263,665♦**	**Excise Taxes**	**$ 45,000♦**
Employee Benefit Program	**$ 2,000♠**	**Animal Control**	**$ 26,433♦**
Other General Government	**$ 8,715♦**	**Mental Health**	**$ 11,779♦**
Fire Control	**$ 35,000♦**	**Substance Abuse**	**$ 2,198♦**
Detention and/or Correction	**$ 72,480♦**	**Library**	**$ 44,684♦**
Employment Administration	**$ 5,000♦**	**Urban Forestry**	**$ 18,340♠**
Communications	**$ 127,521♦**	**Other Govt Svcs**	**$ 5,901♦**
Emergency Services	**$ 12,805♦**	**Oper Transfers**	**$1,555,845♦**

Total Non-Departmental $ 2,490,964

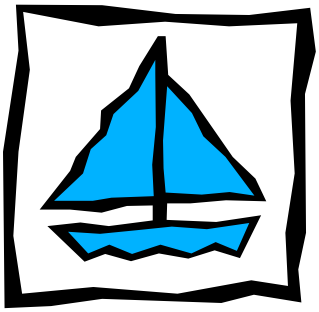
Non-Departmental budgets represent those appropriations that are not department specific

♦Finance/Administration Committee:

Jeff Bauman
Connie Lord
Ed Stern

♠Community Services Committee:

Jeff Bauman
Linda Berry-Maraist
Jim Henry



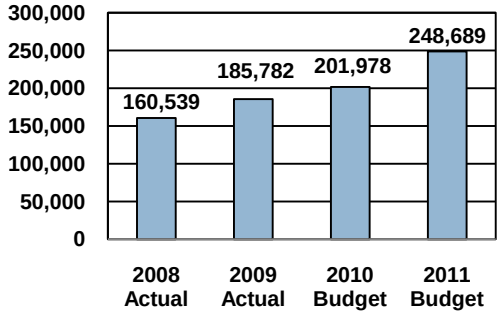
AUDIT/RISK MANAGEMENT:

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. Because federal grant proceeds in 2010 will exceed $500,000 a single audit will be necessary increasing the audit costs.

The City participates in the Association of Washington's Cities Insurance Risk Pool for liability and property insurance.

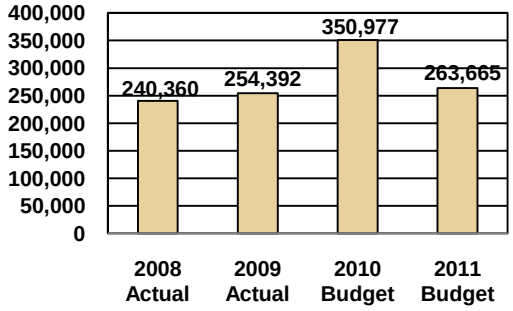
Audit/Risk Management Budget (2008-2011)



LEGAL:

This budget includes expenditures related to legal services. The City contracts with Ogden, Murphy, Wallace for general legal needs. In 2010 legal services were higher due to costs associated with an appeal of City's Comp Plan. In 2010 an RFP for Public Defender Services was issued to evaluate market costs and level of services, the Public Defender contract was awarded to Buskirk Law, PLLC. An RFP for Prosecuting Attorney Services was also issued in 2010 and a new contract will begin on January 1, 2011 with the Kitsap County Prosecutors Office.

Legal Budget (2008-2011)

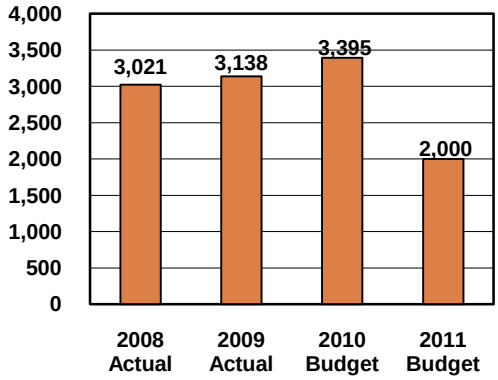


EMPLOYEE BENEFIT PROGRAMS:

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.

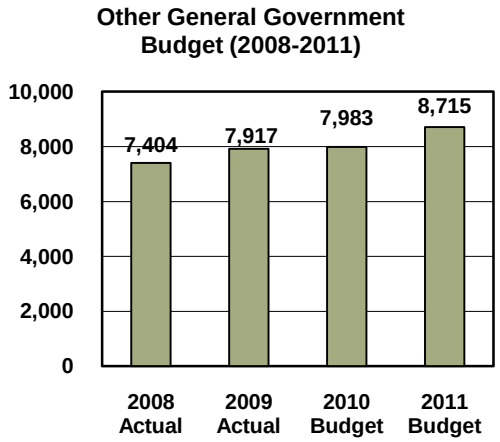
The City's Wellness Committee, through its Wellness Program, continues to create an environment supportive of positive health practices and lifestyle choices for its employees. The Wellness Program sponsors several educational activities such as Wellness boards in every building with rotating health topics, and Lunch and Learn presentations with subjects including Healthy Eating. Other morale building programs included a holiday food drive for Fishline, massages, a Poker Walk, and the Otter Pop and Hot Cocoa Brigade. 2011 programs will continue, but at a limited level. The employee summer BBQ and December Appreciation Luncheon will continue with the help of funding from the Mayor's budget.

Employee Benefit Program Budget (2008-2011)



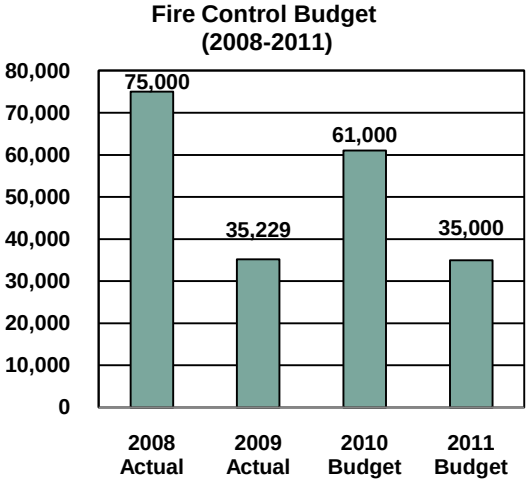
OTHER GENERAL GOVERNMENT:

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



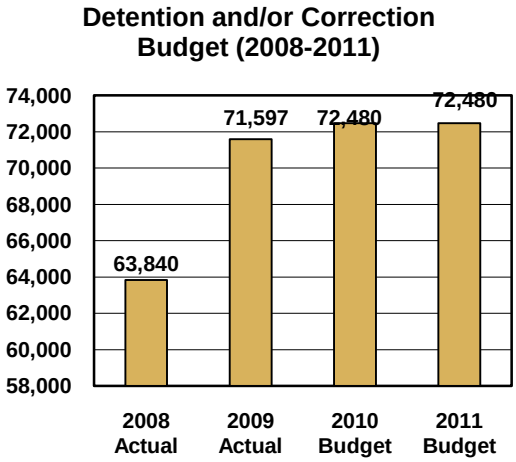
FIRE CONTROL:

The agreement between the Poulsbo Fire Department and the City was terminated as of December 2010. Inspections for new construction will be collected as a fee and the inspections will now be performed by the City. As the building industry has decreased, the number of necessary inspections has decreased causing the cost of inspections to be lower.



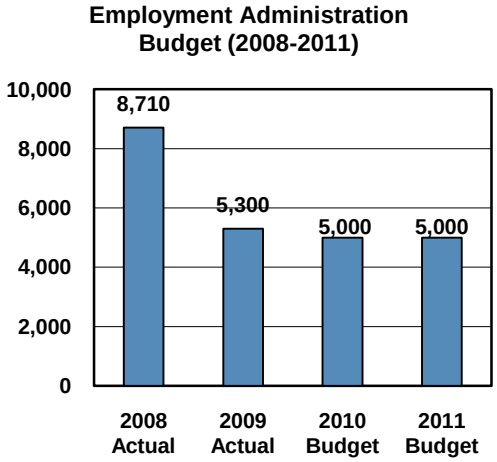
DETENTION and/or CORRECTION:

The City contracts with Kitsap County to provide incarceration services. The City contracts for these services with Kitsap County Jail and the Forks jail provides for any incarceration services which cannot be provided by Kitsap County.



EMPLOYMENT ADMINISTRATION

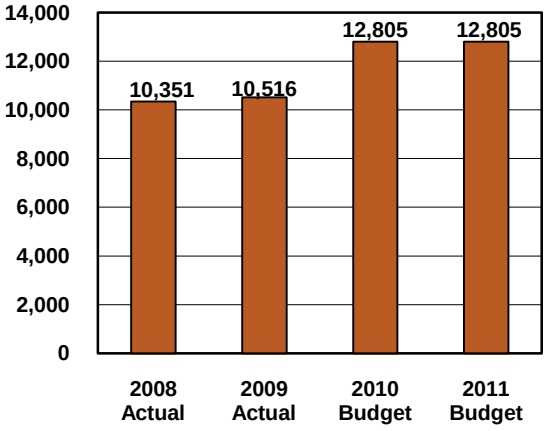
This budget funds a contract with Soundworks Employment Agency. They are a non profit agency providing job placement services. The amount continues to be a $5,000 contribution. The City provides an office for the agency to conduct business as the City's contribution for the services provided to the citizens.



EMERGENCY SERVICES:

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

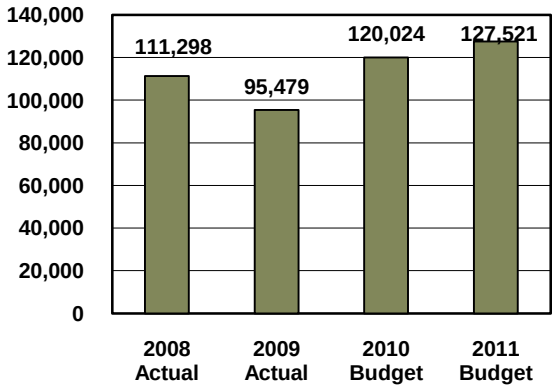
Emergency Services Budget (2008-2011)



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. Department specific telephone expenses are included with each individual department's budgets. City phone lines are included in the Central Services budget.

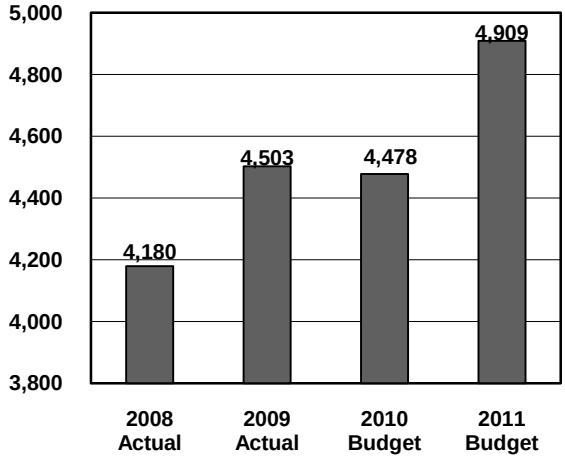
Communication Budget (2008-2011)



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.

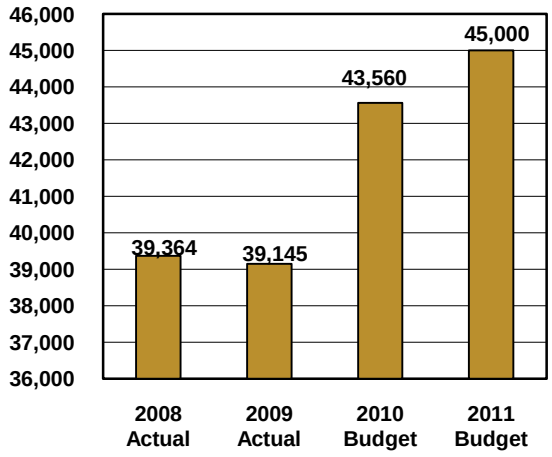
Natural Resources Budget (2008-2011)



EXCISE TAXES:

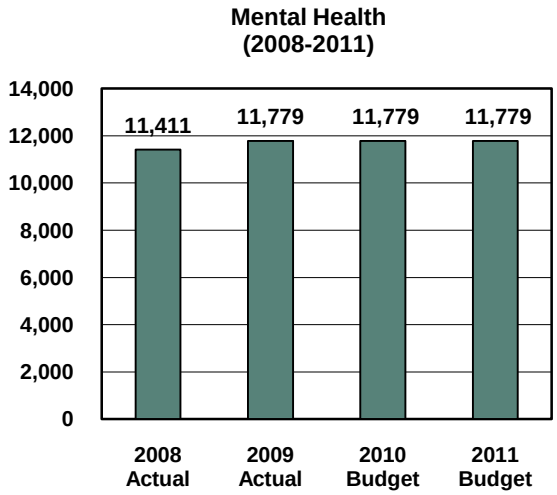
Washington State requires excise tax be paid on the solid waste service charges recorded in the Solid Waste Fund 404. The taxes are transferred from the Solid Waste Fund to the General Fund for distribution.

Excise Taxes (2008-2011)



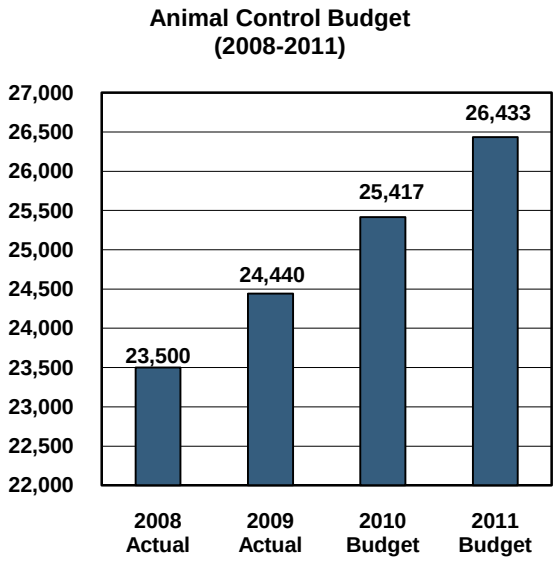
MENTAL HEALTH:

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



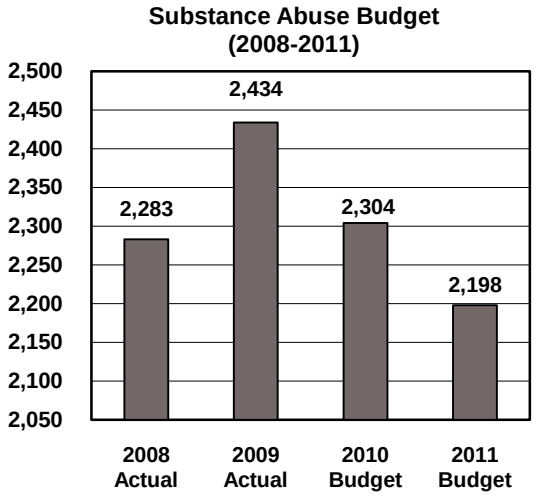
ANIMAL CONTROL:

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



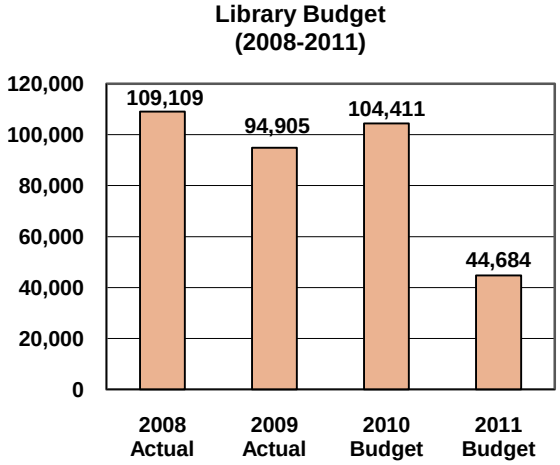
SUBSTANCE ABUSE:

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. (RCW 70.96A.087)



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. A new agreement has been negotiated for 2011. Per the new agreement the Library will maintain the building for library operations. The district will take over the custodial, grounds maintenance, and meeting room rental. The City will continue to provide building maintenance and all utilities. The district will also receive the rental income for the rooms which is used to offset the maintenance of the rooms.



URBAN FORESTRY

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. In 2011 these funds were moved from the Park and Reserve Fund (302) to the General Fund (001).

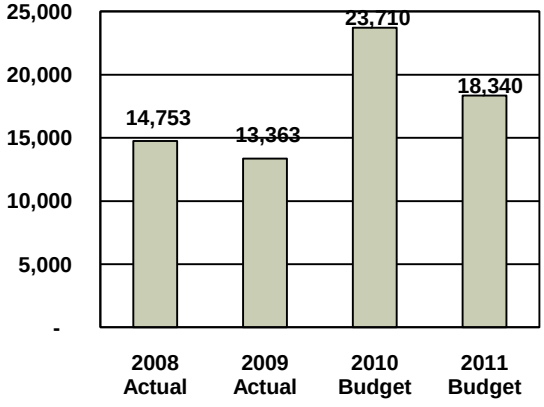
The urban forestry program is supported by a $2 per capita from the Revenue Stabilization Reserves. These dollars go directly into public education, repair and maintenance, and contractual services for the City Arborist and Urban Forestry Programs within the City.

URBAN FORESTRY PROGRAM

2010 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, held two pruning classes, had displays at the Poulsbo Farmers Market and worked cooperatively on an Arbor Day event with 5th graders at Vinland Elementary School.
- Held a joint meeting with the Poulsbo Park and Recreation Commission to discuss common interests.
- Updated the city's public tree inventory.
- Toured local parks and landscaped areas to look at trees in need of expertise.
- Updated and printed 1000 of Poulsbo's Tree Planting Guide. This brochure has been very popular in the community.

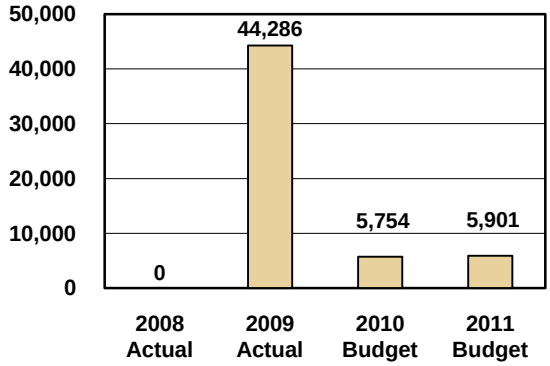
Urban Forestry Uses
2008 - 2011



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.

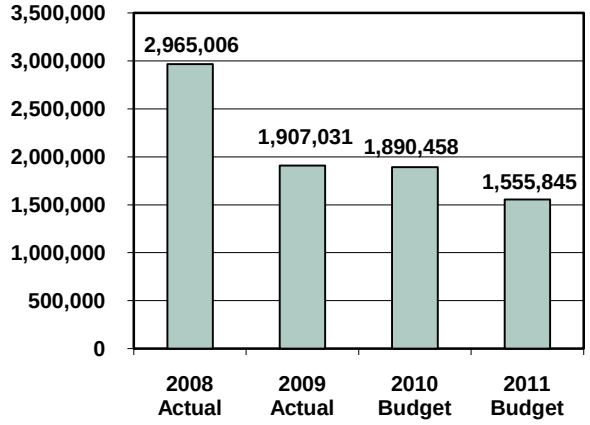
Other Governmental Services
(2008-2011)



OPERATING TRANSFERS:

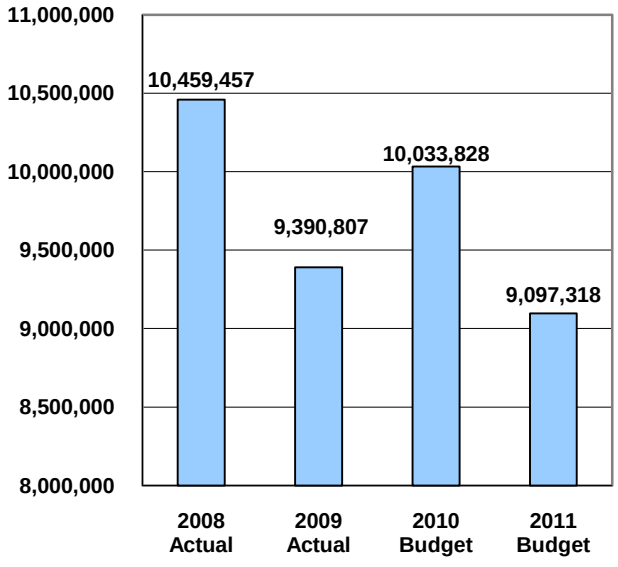
This budget includes routine or regular interfund operating transfers and transfers to City Reserves. The detail of transfers out is detailed in the chart below.

Operating Transfers' Budget
(2008-2011)



OPERATING TRANSFER SUMMARY	
GEN FUND TRANSFER TO FUND #	DETAIL OF TRANSFER
101	Transfer of 31% of property taxes revenue to the Street Fund less $24,040 for Street Equipment
204	Transfer to Debt Service Funds for principal and interest payments for all government Debt Service payments
302	Transfer of 4.3% of property tax revenue to support the Park Reserve Fund; Reduced transfer by 50% ($43,933) to support General Fund operations
301/New Programs	Transfer of 2% of sales tax revenue for Capital Equipment Acquisition for New Programs
311	Transfer of 14% of property tax revenue and property tax reserve to support the Street Reserve Fund; Transfer 4.3% (less banked) of Property Tax revenue to support Street Reserve; Both transfers reduced by 50% to support General Fund operations

Total General Fund Expenditures (2008-2011)



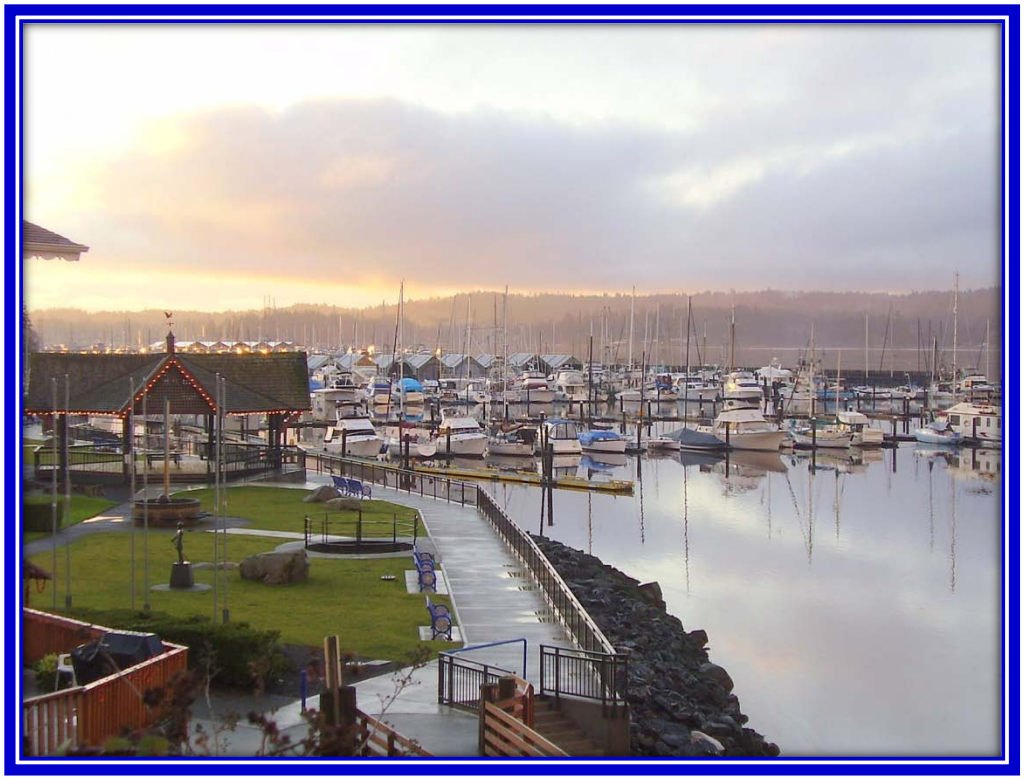
FUND BALANCE & RESERVES:

After closing the books from the previous year, any excess carryover dollars (those exceeding budgeted beginning balance) may be used to consider unfunded Baseline Adjustment Requests and New Program requests. Excess dollars are then transferred into the City's Revenue Stabilization Reserves. Due to the new GASB statements the Revenue Stabilization Special Revenue Fund has been eliminated. In 2011 General Fund Reserves will remain in the General Fund, but will be detailed per Council direction.

TOTAL GENERAL FUND BUDGET SUMMARY:

GENERAL FUND SUMMARY	
Department/Section	Appropriations
Legislative	108,476
Executive	95,616
Finance	634,682
Personnel	110,295
Information Services	145,236
Municipal Court	344,040
Clerk	250,737
Central Services	490,492
Police	2,238,894
Engineering/Building	539,746
Cemetery	22,084
Planning	623,516
Parks	327,572
Parks and Recreation	674,968
Non-Departmental	2,490,964
Total General Fund	***9,097,318***

GENERAL FUND BALANCE					
ACCOUNT DESCRIPTION	**2008 ACTUAL**	**2009 ACTUAL**	**2010 BUDGET**	***2011 BUDGET***	**% CHANGE**
UNASSIGNED FUND BALANCE	1,010,340	495,555	59,910	**-**	-100%
ASSIGNED FB-REVENUE STABILIZATION	1,407,111	1,353,433	984,019	***882,316***	-10%
ASSIGNED FB-LEGAL RESERVES	317,540	317,540	392,977	***237,824***	-39%
TOTAL GENERAL FUND BALANCE	2,734,991	2,166,528	1,436,906	**1,120,140**	-22%



Section 4

SPECIAL REVENUE FUNDS

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
121	Capital Improvement Fund	Revenue received from Real Estate Excise Tax used for expenditures associated with city's capital improvement plan and street maintenance projects
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
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	295,752	941,500	995,906	241,346
121	Capital Improvement Fund	33,178	276,400	308,000	1,578
123	Cumulative Reserve	64,837	400	50,000	15,237
131	Downtown Poulsbo/HDPA	37,274	47,750	45,800	39,224
161	Paths & Trails Reserve	9,633	956	0	10,589
171	Drug Enforcement	21,800	50	5,980	15,870
181	Transient Occupancy Tax	20,133	90,000	90,000	20,133
191	Police Restricted Fund	218,643	101,725	130,745	189,623

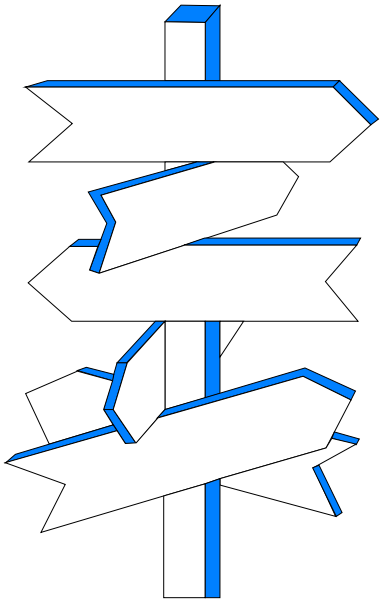
STREET FUND 101
Appropriations $995,906
FTE's 3.7

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
David Musgrove



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, Halloween Street Closure, 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 3.7 full time equivalent positions (FTE's) providing for the operation, maintenance and repair of the system. 2011 staffing has been reduced 1 FTE due to budget constraints. Staffing is under the supervision of the Public Works Foreman.

2010 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 Jensen Street
- Change of 3rd Avenue to one-way
- Installed thermo plastic for most new stop bars and refresh various other locations
- Patching of selected "alligatored" areas
- 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
- Pressure washed and repainted downtown blue light standards
- 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
- Removal of trees, replaced with large planters which also included the removal and replacement of pavers and lights on Haven Vei
- Ground down sidewalk trip hazards

2011 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 and parking stalls
- 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.
- Continue street sweeping but at a reduced level due to a reduction in staffing.

2011 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 2011 are estimated to be approximately $941,500.

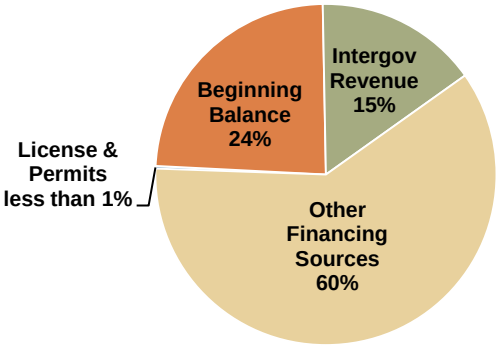
2011 EXPENDITURES:

Operation and Maintenance: The year 2011 operation and maintenance program will be a continuation of the 2010 program and will include the operation, maintenance and repair of the City's transportation systems. Operations and maintenance expenditures for year 2011 are estimated to be approximately $995,907.

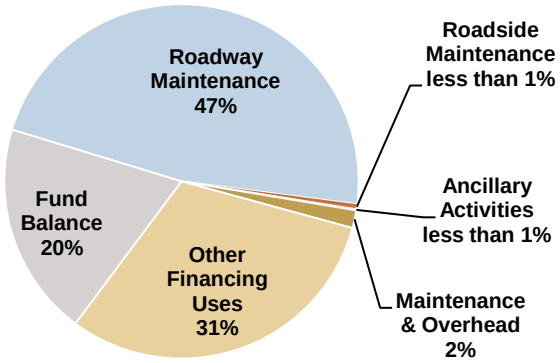
Debt 2011: Debt Service expenditures for year 2011 from the 101 Fund are estimated to be approximately $98,650. These funds are transferred to the Debt Service Funds for the debt payments.

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). In 2011 this transfer has been reduced to keep the funds available for operations.

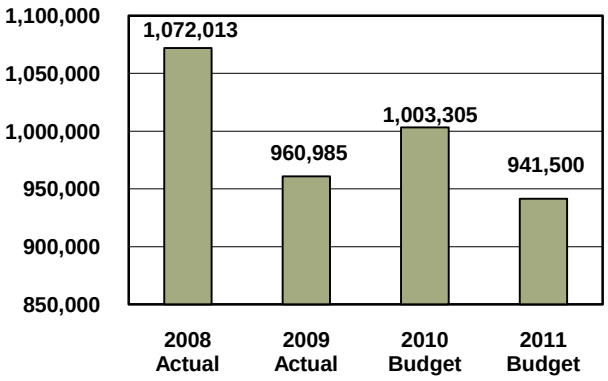
Street Fund Resources
Fund (101)
$1,237,252



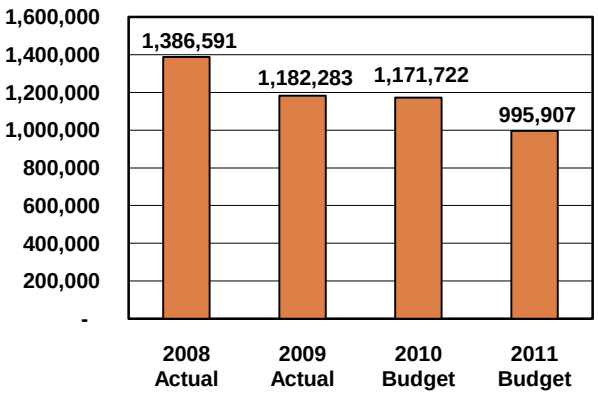
Street Fund Uses
Fund (101)
$1,237,252



Street Fund (101)
Revenue(2008-2011)



Street Fund (101)
Expenditures & Operating Transfers
(2008-2011)



STREET DEPARTMENT WORKLOAD MEASURES						
Type of Measure	**2006 Actual**	**2007 Actual**	**2008 Actual**	**2009 Actual**	**2010 Projected**	**2011 Projected**
# of street signs maintained	1875	2174	2174	2201	2210	2215
Miles of sidewalks	43	47.3	48	48	49*	50**
Miles of shoulders (grass, gravel, ditches, bike paths, R/W)	36	42	42	42	44	44
Miles of streets maintained	39	45.3	45.3	45	48	48
Hours spent street sweeping*	546	550	468	468	500	312
Hours snow plowing/sanding	--	--	380	--	100	100

*New sidewalks on Viking Avenue North. ** New sidewalks on Viking Avenue South

Note: On average, we have swept city streets 3 days per week/3 hours per day. For 2011 we will reduce our street sweeping to 2 days per week.

STREET FUND RESOURCES (FUND 101)

ACCOUNT DESCRIPTION	2008 ACTUAL	2009 ACTUAL	2010 BUDGET	2011 BUDGET	% CHANGE
BEGINNING BALANCE	1,014,119	686,055	478,243	***295,752***	-38%
LICENSE & PERMITS	4,750	7,700	3,000	***3,000***	0%
INTERGOVERNMENTAL	174,126	170,556	200,389	***191,245***	-5%
CHARGES FOR SERVICES	-	-	-	**-**	0%
MISCELLANEOUS	28,338	3,464	-	**-**	0%
OTHER FINANCING SOURCES	864,799	779,265	799,916	***747,255***	-7%
TOTAL STREET FUND RESOURCES	2,086,132	1,647,040	1,481,548	***1,237,252***	-16%

CITY STREET USES (FUND 101)

ACCOUNT DESCRIPTION	2008 ACTUAL	2009 ACTUAL	2010 BUDGET	2011 BUDGET	% CHANGE
BAD DEBT EXPENSE	-	18	-	**-**	0%
SALARIES & WAGES	265,861	265,101	297,398	***226,726***	-24%
PERSONNEL BENEFITS	99,346	107,833	117,874	***98,224***	-17%
SUPPLIES	47,189	36,787	65,485	***65,485***	0%
OTHER SERVICES & CHARGES	217,995	230,054	237,346	***233,478***	-2%
INTERGOVERNMENTAL SERVICES	10,493	10,166	15,000	***15,000***	0%
INTERFUND SERVICES P/W ADMIN	339,623	187,468	193,849	***183,349***	-5%
OTHER FINANCING USES	406,083	344,856	244,770	***173,645***	-29%
FUND BALANCE	699,541	464,774	309,826	**241,346**	-22%
TOTAL STREET FUND USES	2,086,132	1,647,058	1,481,548	**1,237,252**	-16%

CAPITAL IMPROVEMENT FUND (121)
DESCRIPTION:

Capital Improvement Fund was established to receive all proceeds of the Real Estate Excise Tax (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 per RCW 82.46.010(2)(6). RCW 82.46.010(6) defines capital projects 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 may only be levied by cities and counties that are required to or choose to plan under the Growth Management Act. The second quarter percent (1/4%) 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. RCW 82.46.035(5).

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 and anticipated to continue through 2011, the revenue stream in 2010 continues to be much less than 2008 and 2009. 2011 revenue is projected to be $276,000.

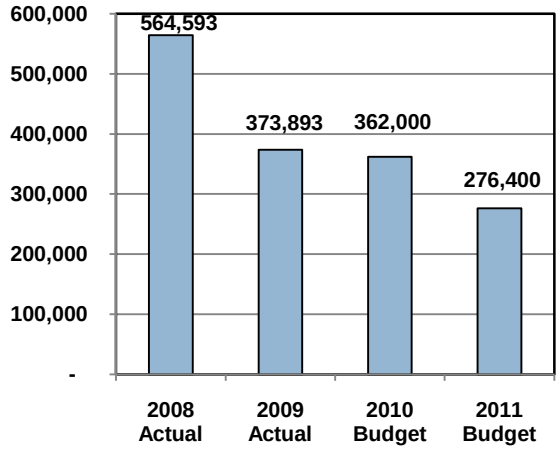
EXPENDITURES:

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.

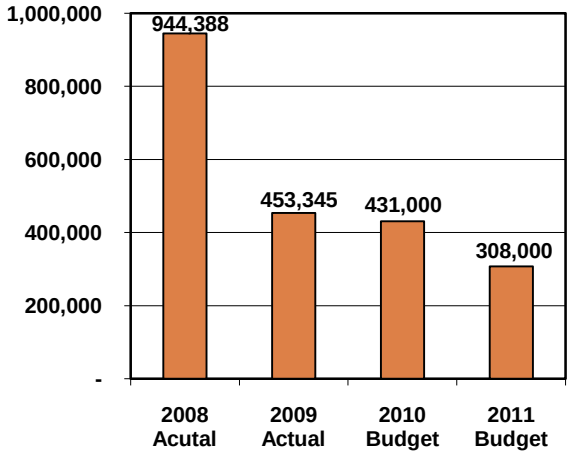
- The City will transfer the first one-quarter percent (1/4%) of REET to the Debt Service Fund (204) to help fund the City Hall Debt Service ($250,000). As revenues are projected to be less than the amount planned to support the debt, the reserves will be reduced to help support the transfer. The transfer will be reduced by $75,000 to account for the revenue received from the County for their portion of the debt and $5,000 to account for the revenue shortfall.

- 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 (121)
Operating Revenue
(2008-2011)



Capital Improvement Fund (121)
Operating Exp & Operating Transfers
(2008-2011)



CAPITAL IMPROVEMENT FUND RESOURCES (FUND 121)					
ACCOUNT DESCRIPTION	**2008 ACTUAL**	**2009 ACTUAL**	**2010 BUDGET**	**2011 BUDGET**	**% CHANGE**
BEGINNING BALANCE	603,223	223,428	143,976	***33,178***	-77%
TAXES	542,251	371,628	362,000	***276,000***	-24%
MISCELLANEOUS	22,341	2,265	1,200	***400***	-67%
OTHER FINANCING SOURCES	-	-	-	**-**	0%
TOTAL CAPITAL IMPROV RESOURCES	1,167,815	597,321	507,176	***309,578***	-39%

CAPITAL IMPROVEMENT FUND USES (FUND 121)					
ACCOUNT DESCRIPTION	**2008 ACTUAL**	**2009 ACTUAL**	**2010 BUDGET**	***2011 BUDGET***	**% CHANGE**
OTHER FINANCING USES	944,388	453,345	431,000	***308,000***	-29%
FUND BALANCE	223,428	143,976	76,176	**1,578**	-98%
TOTAL CAPITAL IMPROVEMENT USES	1,167,815	597,321	507,176	***309,578***	-39%

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.

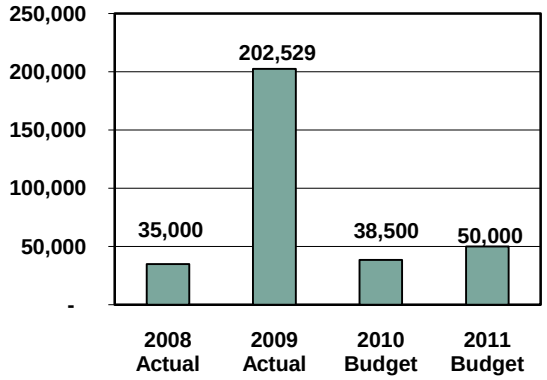
FUND RESOURCES:

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 Reserves for the Noll Road Project in the amount of $50,000 is anticipated for 2011.

Cumulative Reserve Fund (123)
Oper Exp & Operating Transfers
(2008-2011)



CUMULATIVE RESERVE FUND RESOURCES (FUND 123)					
ACCOUNT DESCRIPTION	**2008 ACTUAL**	**2009 ACTUAL**	**2010 BUDGET**	**2011 BUDGET**	**% CHANGE**
BEGINNING BALANCE	202,100	215,348	71,665	***64,837***	-10%
CHARGE FOR SERVICES	44,428	57,839	-	**-**	0%
MISCELLANEOUS	3,821	1,006	550	***400***	-27%
OT CUMULATIVE RESERVE RESOURCE	250,349	274,193	72,215	***65,237***	-10%

CUMULATIVE RESERVE USES (FUND 123)					
ACCOUNT DESCRIPTION	**2008 ACTUAL**	**2009 ACTUAL**	**2010 BUDGET**	**2011 BUDGET**	**% CHANGE**
OTHER FINANCING USES	35,000	202,529	38,500	***50,000***	30%
FUND BALANCE	215,349	71,664	33,715	**15,237**	-55%
TOTAL CUMULATIVE RESERVES USES	250,349	274,193	72,215	***65,237***	-10%

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-asses 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 accounts 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 by donations. In 2010 Havn Vei (Way to the Harbor) Walkway was incorporated within the HDPA. Individuals and Businesses can purchase pavers to be engraved with names and messages for a small fee. Also in 2010 six Decorative Light Standards were in installed in the Waterfront Park adjacent to Anderson Parkway and Marina. The Pavers and Light Standards were paid by donations, leaving a reserve for additional beautification of Downtown Poulsbo.

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 Planning Department determines the correct square footage and the City bills association members on a quarterly basis. For 2011, assessments are estimated to be $42,000.

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

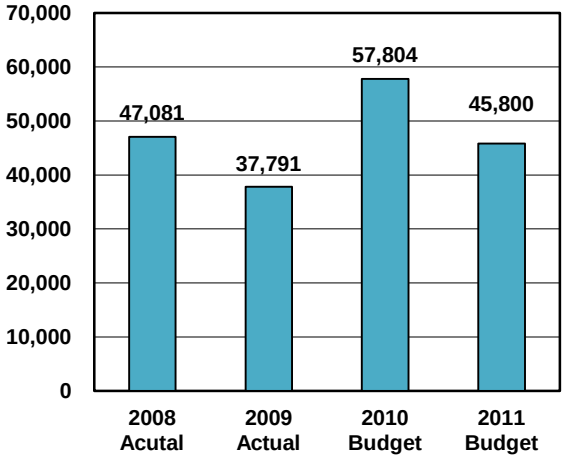
Seasonal-Summer

- 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 (131) Expenditures (2008-2011)



HISTORIC DNTWN POULSBO ASSOCIATION RESOURCES (FUND 131)					
ACCOUNT DESCRIPTION	**2008 ACTUAL**	**2009 ACTUAL**	**2010 BUDGET**	**2011 BUDGET**	**% CHANGE**
BEGINNING BALANCE	18,144	19,134	30,058	***37,274***	24%
MISCELLANEOUS	48,071	48,806	45,750	***47,750***	4%
TOT HIST DNTWN POULSBO ASSOC	66,215	67,940	75,808	***85,024***	12%

HISTORIC DOWNTOWN POULSBO ASSOCIATION USES (FUND 131)					
ACCOUNT DESCRIPTION	**2008 ACTUAL**	**2009 ACTUAL**	**2010 BUDGET**	**2011 BUDGET**	**% CHANGE**
BAD DEBT EXPENSE	-	6,403	-	**-**	0%
SUPPLIES	3,372	758	17,804	***11,000***	-38%
OTHER SERVICES & CHARGES	41,709	28,630	37,500	***31,800***	-15%
INTERFUND PAYMENT FOR SERVICES	2,000	2,000	2,500	***3,000***	20%
FUND BALANCE	19,134	36,553	18,004	**39,224**	118%
TOTAL HIST DNTWN POULSBO USES	66,215	74,344	75,808	**85,024**	12%

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.

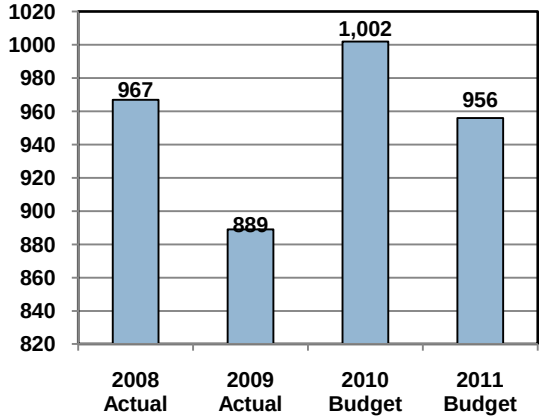
FUND RESOURCES:

.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 2011.

Path & Trails Reserve Fund (161)
Revenue (2008 - 2011)



PATH AND TRAILS RESOURCES (FUND 161)					
ACCOUNT DESCRIPTION	**2008 ACTUAL**	**2009 ACTUAL**	**2010 BUDGET**	**2011 BUDGET**	**% CHANGE**
BEGINNING BALANCE	6,755	7,742	8,631	***9,633***	12%
MISCELLANEOUS	117	36	-	**-**	0%
OTHER FINANCING SOURCES	871	853	1,002	***956***	-5%
TOTAL PATHS & TRAILS RESOURCES	7,742	8,631	9,633	***10,589***	10%

PATH AND TRAILS RESERVE USES (FUND 161)					
ACCOUNT DESCRIPTION	**2008 ACTUAL**	**2009 ACTUAL**	**2010 BUDGET**	**2011 BUDGET**	**% CHANGE**
OTHER FINANCING USES	-	-	-	**-**	0%
FUND BALANCE	7,742	8,631	9,633	**10,589**	10%
TOTAL PATH AND TRAILS USES	7,742	8,631	9,633	***10,589***	10%

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 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:

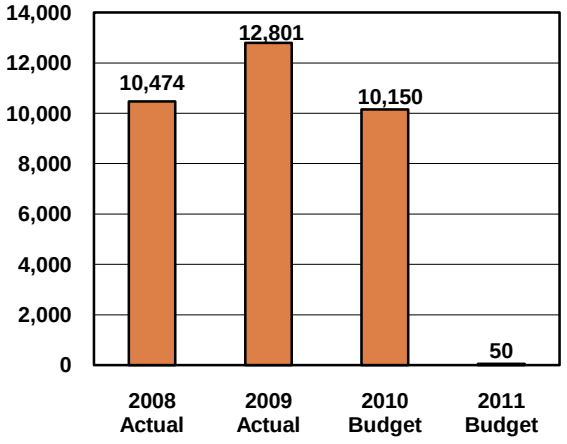
As described, resources are derived from monies and property seized during drug investigations. The City is very conservative in this revenue estimate because of the type of activity that generates the revenue.

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.

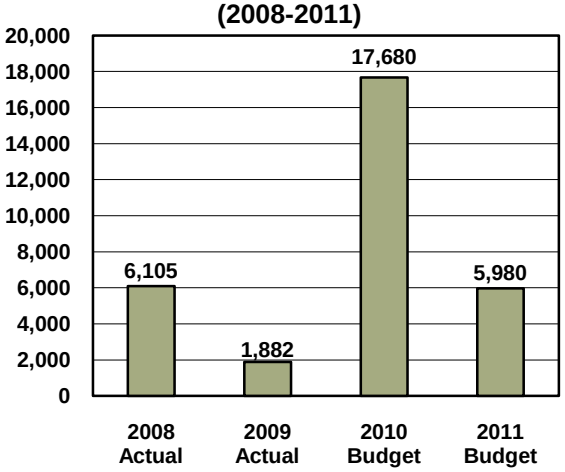
EXPENDITURE HIGHLIGHTS:

From 2003 to 2007, the Poulsbo Police Department was active with WestNET, the multi-agency Narcotics Enforcement Team. The Department has not been able to participate in WestNET enforcement activities due to staffing shortages. It is hoped we will be involved again.

Drug Enforcement Fund (171)
Revenue (2008-2011)



Drug Enforcement Fund (171)
Expenditures & Operating Transfers
(2008-2011)



DRUG ENFORCEMENT FUND RESOURCES (FUND 171)					
ACCOUNT DESCRIPTION	**2008 ACTUAL**	**2009 ACTUAL**	**2010 BUDGET**	**2011 BUDGET**	**% CHANGE**
BEGINNING BALANCE	12,376	16,744	27,664	***21,800***	-21%
INTERGOVERNMENTAL	4,643	-	10,000	**-**	-100%
FINES AND FORFEITURES	5,579	-	-	**-**	0%
MISCELLANEOUS	252	12,801	150	***50***	-67%
TOTAL DRUG ENFORCEMENT RES	22,850	29,545	37,814	***21,850***	-42%

DRUG ENFORCEMENT FUND USES (FUND 171)					
ACCOUNT DESCRIPTION	**2008 ACTUAL**	**2009 ACTUAL**	**2010 BUDGET**	**2011 BUDGET**	**% CHANGE**
SALARIES & WAGES	5,173	1,576	10,000	**-**	-100%
PERSONNEL BENEFITS	932	305	2,075	***375***	-82%
SUPPLIES	-	-	5,600	***5,600***	0%
OTHER SERVICES & CHARGES	-	-	5	***5***	0%
FUND BALANCE	16,745	27,663	20,134	**15,870**	-21%
GRAND TOTAL DRUG ENFORCEMENT	22,850	29,545	37,814	***21,850***	-42%

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. In the past, 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 2010, the allocation amount changed for each of the agencies to equally share 1%. The second 1% is being used to support festivals deemed to support tourism such as police and public works overtime associated with patrolling and setting up and cleaning up of the festival.

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 (LTAC). 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 2008 expanded the definition so 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.

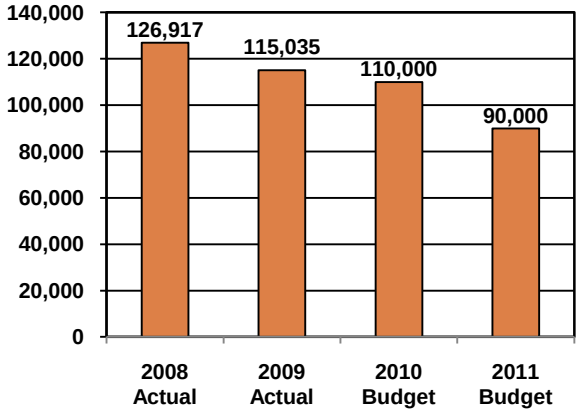
"Tourism-related facility" means real or tangible personal property with a usable life of three or more years, or constructed with volunteer labor, and used to support tourism, performing arts, or to accommodate tourist activities.

"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:

A long time Bed and Breakfast facility sold to a private party in 2010 leaving the City with two motels 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.

Transient Occupancy Tax Fund (181) Revenue (2008-2011)



EXPENDITURE HIGHLIGHTS:

Historically, 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 was reduced to 1%, split equally between the two organizations. The other 1% will be used for City operating expenses (police overtime) for the 3rd of July and Viking Fest Festivals, which have been deemed by the LTAC to be events largely attended by tourists. 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.

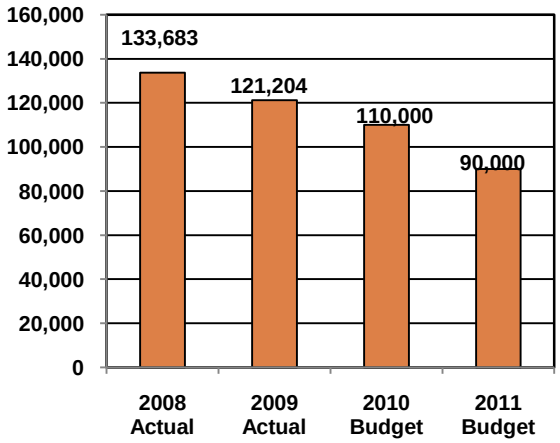
The City also accepts proposals from various groups for use of the remaining 2% for special funding projects. These proposals are reviewed by the Lodging Tax Advisory Committee. The Committee then makes a recommendation to the Community Services Committee prior to coming before the full Council.

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.

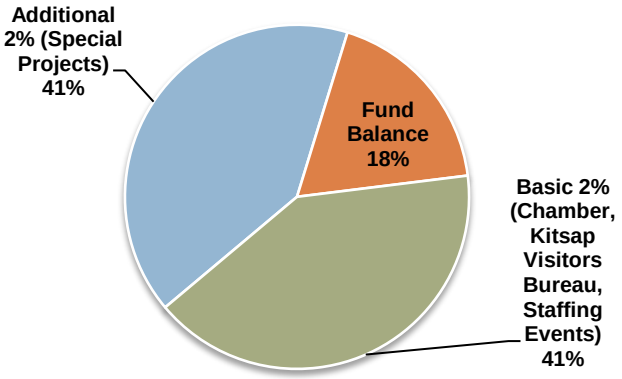
Member organizations who participate included the Historic Downtown Poulsbo Association, the Poulsbo Historical Society, Viking Fest, 3rd of July Fireworks, North Kitsap Soccer Club, Poulsbo Farmer's Market, and the Kitsap Peninsula and Visitors Bureau.

The Lodging Tax Advisory Committee, which includes the mayor, reviewed the work of the marketing coalition, and made the recommendation to continue into 2011. 2009-2010 saw a decrease in hotel-motel tax revenues in the city and beyond. There is approximately $45,000 available for these special funding requests in 2011.

Transient Occupancy Tax Fund (181)
Expenditures (2008-2011)



Transient Occupancy Tax Fund (181)
Uses $110,133



TRANSIENT OCCUPANCY RESOURCES (FUND 181)					
ACCOUNT DESCRIPTION	**2008 ACTUAL**	**2009 ACTUAL**	**2010 BUDGET**	**2011 BUDGET**	**% CHANGE**
BEGINNING BALANCE	33,068	26,301	20,133	***20,133***	0%
TAXES	126,246	114,918	110,000	***90,000***	-18%
MISCELLANEOUS	670	118	-	***-***	0%
TOTAL TRANSIENT OCCUP RESOURCE	159,985	141,336	130,133	***110,133***	-15%

TRANSIENT OCCUPANCY TAX USES (FUND 181)					
ACCOUNT DESCRIPTION	**2008 ACTUAL**	**2009 ACTUAL**	**2010 BUDGET**	**2011 BUDGET**	**% CHANGE**
SALARIES & WAGES	-	-	16,414	***15,720***	-4%
PERSONNEL BENEFITS	-	-	2,791	***4,780***	71%
SUPPLIES	16	-	-	***-***	0%
OTHER SERVICES & CHARGES	133,667	121,204	90,795	***69,500***	-23%
OTHER FINANCING USES	-	-	-	***-***	0%
FUND BALANCE	26,302	20,133	20,133	***20,133***	0%
GRAND TOTAL TRANSIENT OCCUPAN	159,985	141,336	130,133	***110,133***	-15%

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. (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).

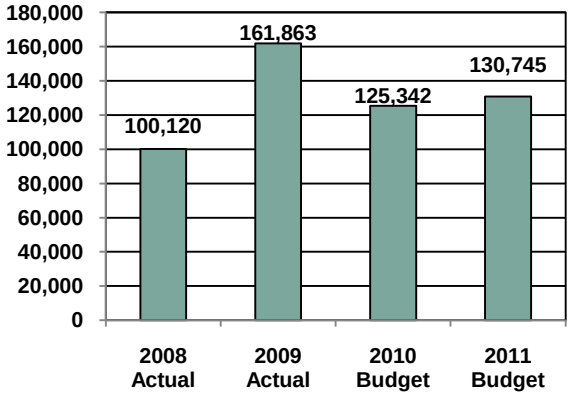
In 2010 legislature approved the ability to combine the Criminal Justice funding programs into one program. The funds must be used for innovative law enforcement strategies (RCW 82.14.330(2)(a), programs helping at-risk children or child abuse victims (RCW 82.14.330(2)(b), or programs reducing the level of domestic violence (RCW 82.14.330(2)(c). Beginning in 2011 all programs will be combined and accounted for in one Criminal Justice Program.

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.

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
(2008-2011)



POLICE RESTRICTED FUND RESOURCES (FUND 191)					
ACCOUNT DESCRIPTION	**2009 ACTUAL**	**2009 ACTUAL**	**2010 BUDGET**	**2011 BUDGET**	**% CHANGE**
BEGINNING BALANCE	185,229	207,115	201,132	***218,643***	9%
TAXES	99,984	91,862	75,000	***85,000***	13%
INTERGOVERNMENTAL	16,538	17,340	16,578	***16,325***	-2%
FINES & FORFEITS	-	18	-	***-***	0%
MISCELLANEOUS	5,485	31,492	1,400	***400***	-71%
OTHER FINANCING SOURCES	-	15,171	5,060	***-***	-100%
GRAND TOTAL POLICE REST FUNDS	307,235	362,997	299,170	***320,368***	7%

POLICE RESTRICTED FUNDS USES (FUND 191)					
ACCOUNT DESCRIPTION	**2008 ACTUAL**	**2009 ACTUAL**	**2010 BUDGET**	**2011 BUDGET**	**% CHANGE**
PERSONNEL BENEFITS	6,754	3,620	10,000	***10,000***	0%
SUPPLIES	1,317	2,098	19,103	***16,693***	-13%
OTHER SERVICES & CHARGES	2,106	6,072	3,850	***16,723***	334%
CAPITAL OUTLAY	61,943	122,073	64,389	***59,329***	-8%
OTHER FINANCING USES	28,000	28,000	28,000	***28,000***	0%
FUND BALANCE	207,115	201,134	173,828	**189,623**	9%
TOTAL POLICE RESTRICTED USES	307,235	362,997	299,170	***320,368***	7%

Section 5

DEBT SERVICE FUNDS

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 GOVERNMENTAL DEBT

Voted General Obligation (GO) Bonds: These bonds are the most common form of debt issuance by governments for general purpose, open space, parks and infrastructure. The bonds offer maximum security to investors through the pledge of the issuer's full faith and credit. These GO bonds require 60% voter approval and assess property owners a special tax levy.

Non-Voted General Obligation (GO): The debt requires the City to levy a property tax sufficient to meet its non-voted debt service obligations up to a statutory limit. This debt is issued without voter approval for capital purposes only and can be in the form of bonds similar to the Voted GO bonds. 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 which is used for the purpose of repairing, replacing or creating domestic water systems, sanitary sewer systems, storm sewer systems, roads and solid waste public works projects.

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 which are used for the purpose of financing construction or improvements to facilities of enterprise systems such as water, sewer, solid waste and storm drain. Revenue Bonds 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.

Local Option Capital Asset Lending (LOCAL) Program Debt: A financing contract with the Office of the State Treasurer for the purpose of financing equipment and capital needs.

Short Term Debt: An obligation which is used for the purpose of meeting immediate financing needs of a project for which funding has been secured but not received.

- All debt funds are administered by the City's Finance Department •

SUMMARY OF THE CITY'S DEBT SERVICE FUNDS

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 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 pay off 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 pay off 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 $30,000 and Kitsap County's is $25,000. This debt will be paid off in August of 2011.
Parks & Recreation Building – In 2010 the City financed the $310,000 purchase of the Park and Recreation building in a LOCAL certificate of participation with the State of Washington. The debt will be paid off in 2030.
Line of Credit – In 2010 the City secured a $2.0 million Limited Tax General Obligation Note, (Line of Credit) to provide interim financing for the new City Hall. This facility will bridge the receipt of proceeds from the sale of property and/or issuance of bonds.

FUND #	FUND NAME	BEGINNING BALANCE	TOTAL RESOURCES	TOTAL USES	ENDING BALANCE
201	Miscellaneous Governmental Debt	1,156	98,650	96,679	3,127
204	Non-Voted General Obligation	67,775	1,018,409	1,076,754	9,430

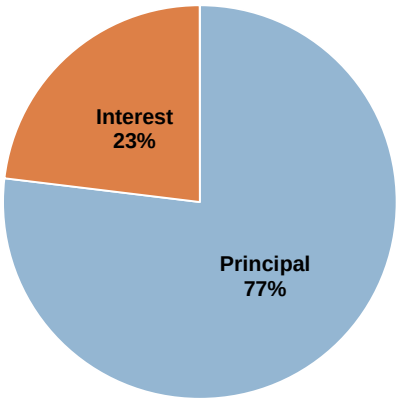
FUND 201 – MISCELLANEOUS GOVERNMENTAL DEBT

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	2008 ACTUAL	2009 ACTUAL	2010 BUDGET	*2011 BUDGET*	% CHANGE
BEGINNING BALANCE	769	494	1,416	***1,156***	-18%
MISCELLANEOUS	366	94	-	***-***	0%
OTHER FINANCING SOURCES	113,455	111,155	98,650	***98,650***	0%
TOTAL MISC GOVNMT DEBT RESOURC	114,590	111,743	100,066	***99,806***	0%

MISCELLANEOUS GOVERNMENTAL DEBT USES (FUND 201)

ACCOUNT DESCRIPTION	2008 ACTUAL	2009 ACTUAL	2010 BUDGET	2011 BUDGET	% CHANGE
DEBT SERVICE - PRINCIPAL	84,323	84,323	74,369	***74,368***	0%
DEBT SERVICE - INTEREST	29,004	26,773	24,542	***22,311***	-9%
FUND BALANCE	1,262	647	1,155	***3,127***	171%
TOTAL MISC GOV DEBT USES	114,590	111,743	100,066	***99,806***	0%

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 setbacks 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 was 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 These bonds will be paid off in 2017. Per the Olhava Development Agreement of April 2004 part of the mitigation fees paid were used to pay down the debt of the three transportation projects. 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.

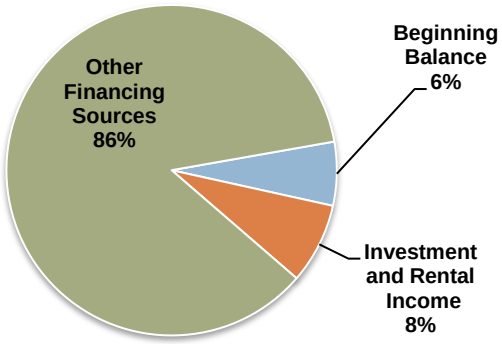
MARINE SCIENCE CENTER:
In 1990, the Poulsbo Public Development Authority was formed. The authority's purpose was to undertake, assist and facilitate the construction, development and maintenance of the community educational center known as the Marine Science Center. They went out for debt in the amount 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.

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 funded the site work and construction phase of the project. The bonds will be paid off in 2033.

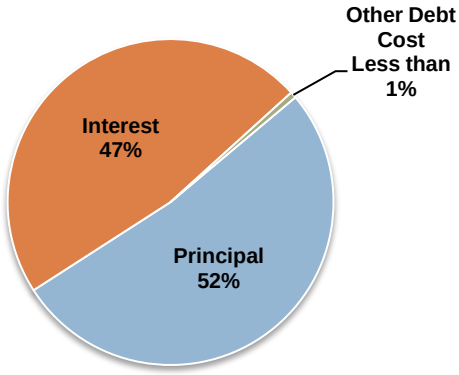
PARKS & RECREATION CENTER – CERTIFICATES OF PARTICIPATION
In 2010, the City entered into a Certificate of Participation with the Washington State Treasurer's office for $300,000 in order to finance the acquisition and renovation of the existing Parks & Recreation facility.

LINE OF CREDIT - CITY HALL
In early 2010, the City secured a $2MM Limited GO Note Line of Credit (LOC) for the purpose of bridging the financing requirements of the new City Hall. The LOC is due in 2011 and will either be renewed at that time, repaid with the proceeds of the property sales or a new bond issue.

Non-Voted GO Debt Resources (Fund 204)



Non-Voted GO Debt Uses (Fund 204)



NON-VOTED GENERAL OBLIG DEBT RESOURCES (FUND 204)

ACCOUNT DESCRIPTION	2008 ACTUAL	2009 ACTUAL	2010 BUDGET	2011 BUDGET	% CHANGE
BEGINNING BALANCE	645,270	67,295	96,163	***67,775***	-30%
MISCELLANEOUS	32,930	12,676	10,635	***85,635***	705%
OTHER FINANCING SOURCES	613,922	1,039,592	973,063	***932,774***	-4%
TOTAL NON-VOTED GO DEBT RES	1,292,122	1,119,563	1,079,861	***1,086,184***	1%

NON-VOTED GENERAL OBLIGATION DEBT USES (FUND 204)

ACCOUNT DESCRIPTION	2008 ACTUAL	2009 ACTUAL	2010 BUDGET	2011 BUDGET	% CHANGE
DEBT SERVICE - PRINCIPAL	955,000	620,000	530,000	***560,000***	6%
DEBT SERVICE - INTEREST	269,827	403,400	516,754	***510,194***	-1%
OTHER FINANCING USES	-	-	-	***6,560***	100%
FUND BALANCE	67,296	96,163	33,107	***9,430***	-72%
TOTAL NON-VOTED G.O DEBT USES	1,292,122	1,119,563	1,079,861	***1,086,184***	1%

Section 6

CAPITAL PROJECT FUNDS

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 Grants
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
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	227,954	31,500	91,902	167,552
302	Park Reserve	127,225	113,922	139,500	101,647
311	Street Reserve	679,468	1,160,964	861,000	979,432
312	Park Acquisition	71,528	0	25,000	46,528
314	Cemetery Reserve	57,194	1,000	0	58,194
321	Street Equipment Reserve	240,005	500	0	240,505
331	Facilities Fund	198,012	200	47,000	151,212

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 requests are prioritized 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 funded from this fund by reducing the transfer from General 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. In 2011 these expenditures will be accounted for in the General Fund reducing the transfer for these allocated items.

PROGRAM RESOURCES:

Funding is provided through two operating transfers from the General Fund. Prior to 2010, 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 2011 the replacement cost of some equipment will not be funded, reducing the transfers from General Fund.

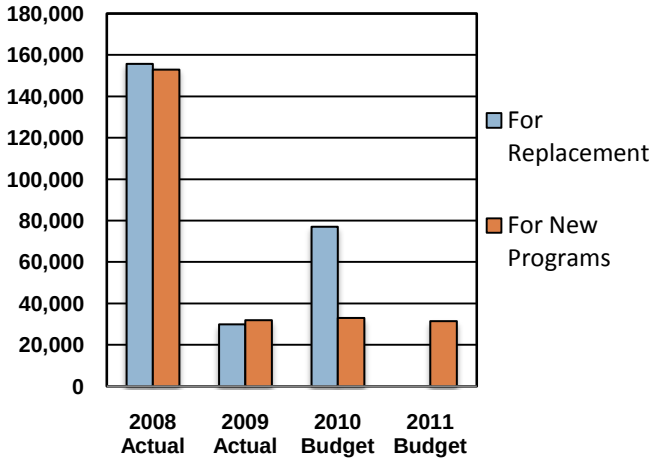
PROGRAM USES:

A detailed list of projected capital purchases for 2011 is provided below.

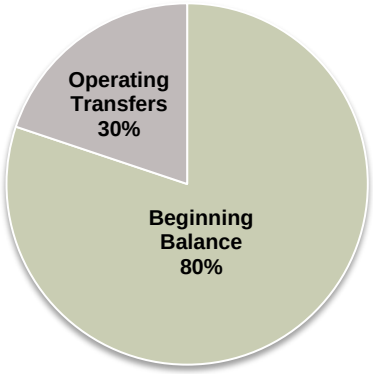
2010 ACCOMPLISHMENTS:

During 2010, Council was able to fund all of the equipment replacement requests within the allotted budget. All items funded during the 2010 budget process were purchased with the exception of one police vehicle. Due to the decline of resources and the current inventory the Council considered it feasible to delay purchasing the additional vehicle from these funds. Criminal Justice funding accounted for in Special Revenue Funds (191) is also used to purchase Police vehicles. In 2010 a total of two police vehicles were purchased using the combined funds.

Equipment Acquisition Fund (301)
Revenue from Sales Tax Transfer
(2007-2011)



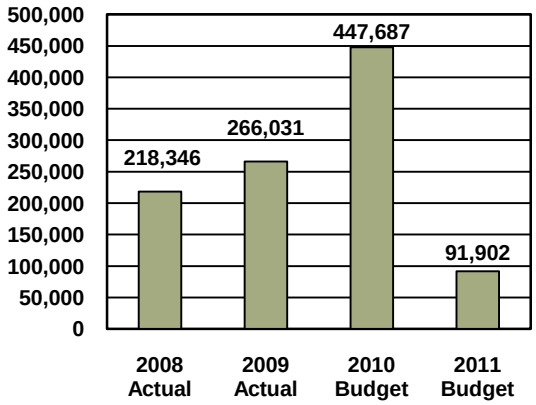
Equipment Acquistion Fund (301)
Resources $371,984



2011 Approved Replacement Capital Equipment List		
Dept/Section	**Equipment**	**Total Cost**
Police	Chevy Tahoe	$ 49,582
Total		$ 49,582

2011 Capital Equipment for New Programs		
Dept/Section	**Equipment**	**Total Cost**
Debt Service	Transfer for debt service payments for new City Hall Project	$ 31,500
Transfer	Transfer to General Fund for Small Tool Purchases	$ 10,820
Total		$ 42,320

Equipment Acquisition Fund 301
Expenditures (2008-2011)



EQUIPMENT ACQUISITION RESOURCES (FUND 301)

ACCOUNT DESCRIPTION	2008 ACTUAL	2009 ACTUAL	2010 BUDGET	*2011 BUDGET*	% CHANGE
BEGINNING BALANCE	368,524	466,015	482,248	***227,954***	-53%
INTERGOVERNMENTAL		-	-	**-**	0%
MISCELLANEOUS	7,148	3,856	-	**-**	0%
OTHER FINANCING SOURCES	308,688	62,000	110,000	***31,500***	-71%
TOTAL EQUIP ACQUIS RESOURCES	684,360	531,871	592,248	***259,454***	-56%

EQUIPMENT ACQUISITION USES (FUND 301)

ACCOUNT DESCRIPTION	2008 ACTUAL	2009 ACTUAL	2010 BUDGET	2011 BUDGET	% CHANGE
SUPPLIES	68,946	24,500	63,500	**-**	-100%
CAPITAL OUTLAY	119,400	210,031	352,687	***49,582***	-86%
OTHER OPERATING USES	30,000	31,500	31,500	***42,320***	34%
FUND BALANCE	466,014	265,840	144,561	***167,552***	16%
TOTAL EQUIP ACQUISITION USES	684,360	531,871	592,248	***259,454***	11%

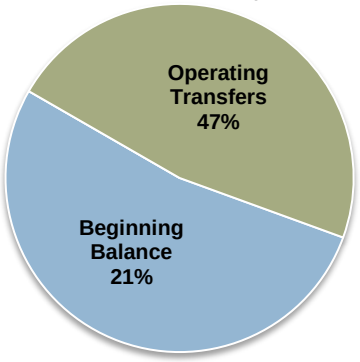
PARK RESERVE FUND (302) DESCRIPTION:
The purpose of this fund is to provide monies for improvements to City parks. The fund is administered by the Parks & Recreation Department.

Prior to 2011 this fund also provided 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. In 2011, these funds were moved to the General Fund as they were not capital in nature.

FUND RESOURCES:

PARKS:
Historically, 5% of property taxes received in the General Fund (001) are transferred into the Park Reserve Fund. For 2011, the transfer will be reduced 50% allowing the funds to remain in the General Fund for operations. The city hopes this will be a temporary setback in park development.

Park Reserve Fund (302)
Resources $241,147



2010 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 2010 continued to see more successful projects.

The City purchased the **Parks and Recreation building** from the Kitsap County Consolidated Housing Authority in 2010. Improvements to the building have been ongoing this year, and include major roofing repairs, interior painting, improved office space, flooring, and a newly designed and installed sign on Front Street. The plan is to have this building as a public recreation site until a new one can be built. It has become a major center in the city.

The Poulsbo Park and Recreation Commission completed a design in 2010 for new **park signage** that will allow the city to "brand" all city parks with a common sign. The new sign at the Recreation Center was the first one installed; the plan is to replace at least two per year.

Limited work at **Centennial Park** was completed due to budget constraints. The next phase is to remove the home currently being rented to an individual. This is currently on hold until 2012. This ultimately will reduce the rental income but will allow progress to continue for development of the park.

Pavers in a pedestrian entryway 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. Phase 2 development has begun, with trail improvements, tree plantings and the addition of pedestrian bridge #5. The city will continue to look for additional grants for development of the park. 2010 also saw other enhancements at the park including projects by the hard working Poulsbo Lions Club and Poulsbo Rotary Club. They built platform #5 along with three water crossovers and associated ramps. Their foundation also contributed to the handrail project at the new north end access at bridge #5. In addition, the Poulsbo Rotary Club continued their support of the project by donating funds to the handrail project, and lending their construction expertise whenever asked. The service clubs in Poulsbo are like no other.

The Fish Park Steering Committee has continued to be the driving force in this mostly volunteer effort. They have led the volunteer efforts and stewardship of this park jewel within the city.

The **Poulsbo Trails Committee** has completed a city-wide trail plan that will be a roadmap of trails for years to come. This plan, which has been in the making for two years, 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 the committee has responded to those suggestions. 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** is continuing, and will be completed in 2011 in conjunction with the Comprehensive Plan update, the remaining cost is $4,500.

2011 Park Projects and Goals:

College Marketplace Ball Fields
***Carryover* Project on-hold:** The project will develop two ball fields and parking in the College Marketplace Development in West Poulsbo.

Centennial Park
***Continuing* Project on-hold:** The master plan and permits were completed in 2007. Development of the west side of Dogfish Creek was completed in 2009, including two pergolas with picnic tables, two renovated footbridges over Dogfish Creek, one renovated overlook, and some paths.

Poulsbo Fish Park Development
***Carryover* Project:** The project will continue development of phase 2 on this 20.77-acre park with public access trails, boardwalk, plantings, 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: Scheduled monthly volunteer work parties to work on the site.
Measurement: Approximately 350' of boardwalk and 4 interpretive signs created and installed.
Responds to Council Goals: #1-Growth, #4-Revenues and Financial Stability, 5-Parks & Recreation, #9 - Environment

Project Funding:

• Impact Fees	$25,000
2011 total -	$25,000

American Legion Park
Continuing/Carryover Project: Tree roots have taken a toll on the asphalt trails at the Park, and it needs to be replaced with new asphalt or extend boardwalk sections into the park. Improvements will improve pedestrian safety and access to the park.

Goal: Improve or replace the asphalt trail.
Objective: Determine the method of improvement.
Objective: Order materials and create a timeline for the project.
Measurement: Complete two sections by December 2010.
Responds to Council Goals: #3 – Public Safety, #5-Parks and Recreation.

Project Funding:

• Impact Fees	$20,000
2011 total -	$20,000

Liberty Bay Waterfront Trail Plan
***New* Project:** In conjunction with the engineering department, this project will design and permit a plan for the waterfront trail system for future, phased development. A 2011 grant has been secured for the design of the trail.

Goal: Create a plan for the Liberty Bay Waterfront Trail.
Objective: Work with the engineering department to facilitate public process for the trail design.
Objective: Complete the plan and submit for permitting.
Measurement: Initiate and complete permitting.
Measurement: Apply for trail grants.
Responds to Council Goals: #5-Parks & Recreation, #9 - Environment

Project Funding:

• Federal Grant	$45,000
• Park Reserves Fees	$10,000
• Donations	$10,000
2011 total -	$65,000

Other 2011 Park Improvement Projects using 302 funding:

- Recreation Center improvements: $20,000
- Skate Park Repairs: $5,000

PARK RESERVE RESOURCES (FUND 302)					
ACCOUNT DESCRIPTION	**2008 ACTUAL**	**2009 ACTUAL**	**2010 BUDGET**	**2011 BUDGET**	**% CHANGE**
BEGINNING BALANCE	115,483	226,359	143,538	***127,225***	-11%
INTERGOVERNMENTAL	152,493	53,990	-	***45,000***	0%
CHARGES FOR SERVICES	80	-	-	**-**	0%
MISCELLANEOUS	10,795	-	1,200	**-**	-100%
OTHER FINANCING SOURCES	434,649	175,434	176,171	***68,922***	-61%
TOTAL PARK RESERVE RESOURCES	713,500	455,783	320,909	***241,147***	-25%

PARK RESERVE USES (FUND 302)					
ACCOUNT DESCRIPTION	**2008 ACTUAL**	**2009 ACTUAL**	**2010 BUDGET**	**2011 BUDGET**	**% CHANGE**
SALARIES & WAGES	1,800	1,600	1,700	**-**	-100%
PERSONNEL BENEFITS	579	600	610	**-**	-100%
SUPPLIES	1,141	1,500	2,100	**-**	-100%
OTHER SERVICES & CHARGES	11,236	16,980	24,600	**-**	-100%
CAPITAL OUTLAY	193,550	170,836	218,198	***139,500***	-36%
OTHER OPERATION USES	399,102	17,500	-	**-**	0%
INTERFUND PYMT-SERVICES	-	130,000	8,711	**-**	-100%
FUND BALANCE	106,093	246,767	73,701	***101,647***	38%
TOTAL PARK RESERVE USES	713,500	585,783	329,620	***241,147***	-27%

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 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 2011 due to the economic conditions this transfer will be reduced by 50%.
- General Fund (001) - "Banked" Property Tax Revenue. This transfer will be reduced by 50%.
- Street Fund (101) - 5% of Fund 101 Revenue

2010 PROGRAM ACCOMPLISHMENTS:

- Mesford Sidewalk Improvements – construction completed August, 2010. Project cost - $400,000.
- Viking Avenue Improvements Phase IIIA construction completed. Project Cost - $900,000.
- Viking Avenue Improvements Phase IIIB construction to be completed fall 2010. Project cost - $850,000.
- Noll/Hostmark Street Improvements – design completed and construction contract will be awarded fall 2010.
- 3rd Avenue Improvements plans, specifications, and estimates developed during fall 2010.
- Continued long-range planning efforts and updated city-wide traffic counts.

2011 PROGRAM PROJECT GOALS:

Noll Road/Hostmark Improvements – Shared use path and sidewalks along Noll & Hostmark Streets to Poulsbo Elementary:

The project will construct an 11' pervious asphalt path, sidewalks, parallel parking and overlay a portion of Hostmark St. Construction estimated to cost $100,000.

Project Funding:

- Street Reserves (311) - $50,000
- Traffic Impact fees (123) - $50,000

6th Avenue Traffic Calming and Stormwater Retrofit:

Traffic calming features such as curb bulb-outs and median islands will be installed on 6th Avenue. Low Impact Development stormwater techniques will be used to treat stormwater. Construction is dependent upon anticipated grant funding. Total project estimated to cost $300,000.

Project Funding:

- Department of Ecology - $250,000
- Street Reserves (311) - $50,000

Hostmark Street Sidewalk/Bike lane:

Plans, specification and estimates would be developed for this project. Project will include construction of a sidewalk and bike lane on the south side of Hostmark St. between Caldart Avenue and SR 305. Construction will be funded in 2012 by a grant from Washington State.

Project Funding:

- Street Reserves (311) - $30,000

3rd Avenue Reconstruction, Moe to Iverson Street (Phase 1):

3rd Avenue will be reconstructed with new pavement, curb, gutter and sidewalks. PS&E will be completed in 2010. Total project estimated to cost $300,000.

Project Funding:

- Street Reserves (311) - $300,000

3rd Avenue Reconstruction, Moe to Hostmark Street (Phase 2):

Plans, specifications and estimates will be developed for this project. The project will include full reconstruction of the road, new curb, gutter and sidewalks. PS&E is estimated to cost $30,000.

Project Funding:

- Street Reserves (311) - $30,000

Liberty Bay Waterfront Trail:

This project would begin the right-of-way acquisition and permitting process for a trail extending from American Legion Park north to existing trails in Fish Park and Nelson Park. Estimated costs are $95,000.

Project Funding:

- Street Reserves (311) - $15,000
- Federal STP grant - $80,000

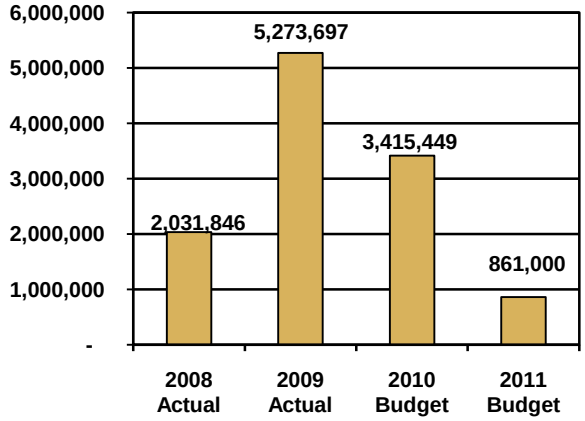
TIP/Long Range Planning Update:

This is continued from 2010 and will update the Traffic Improvement Plan. The estimated cost is $6,000

Project Funding:

- Street Reserves (311) - $6,000

Street Reserve Fund (311)
Expenditures
(2008 - 2011)



STREET RESERVE RESOURCES (FUND 311)

ACCOUNT DESCRIPTION	2008 ACTUAL	2009 ACTUAL	2010 BUDGET	2011 BUDGET	% CHANGE
BEGINNING BALANCE	851,556	1,097,783	1,163,925	***679,468***	-42%
INTERGOVERNMENTAL	1,606,718	3,996,552	2,654,664	***850,000***	-68%
MISCELLANEOUS	17,085	-	-	***-***	0%
OTHER FINANCING SOURCES	467,252	613,482	278,849	***310,964***	12%
TOTAL STREET RESERVE RESOURCES	2,942,611	5,707,817	4,097,438	***1,840,432***	-55%

STREET RESERVE USES (FUND 311)

ACCOUNT DESCRIPTION	2008 ACTUAL	2009 ACTUAL	2010 BUDGET	2011 BUDGET	% CHANGE
CAPITAL OUTLAY	354,729	5,273,697	3,415,449	***861,000***	-75%
OTHER SERVICES & CHARGES	1,677,117	-	-	***-***	0%
FUND BALANCE	910,764	434,120	681,989	***979,432***	44%
TOTAL STREET RESERVE USES	2,942,611	5,707,817	4,097,438	***1,840,432***	-55%

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.

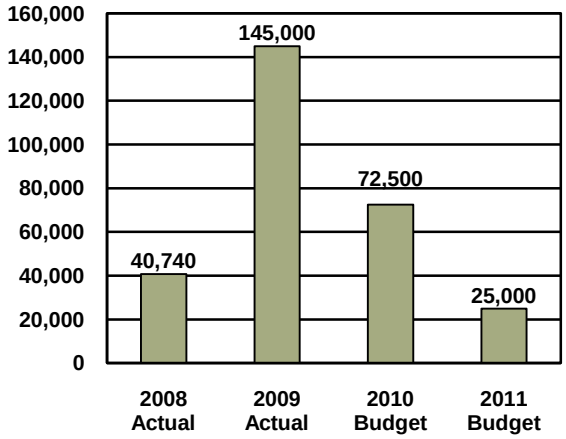
The City will complete a review of these Park Impact fees in 2011. A new impact fee is anticipated to be reviewed and adopted by City Council in 2011.

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 2011 projects using Park Acquisition Funds (312) include $25,000 towards Poulsbo's Fish Park Phase 2.

Park Acquisition Fund 312
Operating Expenditures & Transfers
(2008-2011)



PARK ACQUISITION RESOURCES (FUND 312)

ACCOUNT DESCRIPTION	2008 ACTUAL	2009 ACTUAL	2010 BUDGET	2011 BUDGET	% CHANGE
BEGINNING BALANCE	191,930	182,595	95,128	***71,528***	-25%
CHARGE FOR SERVICES	27,400	-	-	***-***	0%
MISCELLANEOUS	4,006	-	-	***-***	0%
TOTAL PARK ACQUISN RESOURCES	223,336	182,595	95,128	***71,528***	-25%

PARK ACQUISITION FUND USES (FUND 312)

ACCOUNT DESCRIPTION	2008 ACTUAL	2009 ACTUAL	2010 BUDGET	2011 BUDGET	% CHANGE
OTHER FINANCING USES	40,740	145,000	72,500	***25,000***	-66%
FUND BALANCE	182,596	37,595	22,628	***46,528***	106%
TOTAL PARK ACQUISITION USES	223,336	182,595	95,128	***71,528***	-25%

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.

Cemetery Site Rates	
Cremain gravesite	$200
Regular gravesite	$400
Family lot (6 regular grave sites)	All sold
Block (24 regular grave sites)	All sold

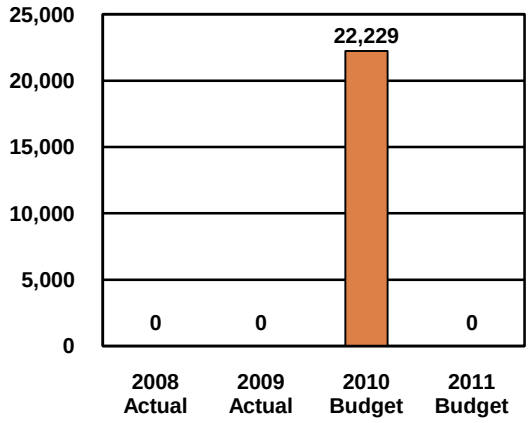
FUND RESOURCES:

Revenue is derived from the sale of gravesites.

FUND USES:

In 2010, funds were transferred to support cemetery maintenance functions in the General Fund. No transfers are budgeted for 2011.

Cemetery Reserve Fund (314)
Revenue
2008 - 2011



CEMETERY RESERVE RESOURCES (FUND 314)

ACCOUNT DESCRIPTION	2008 ACTUAL	2009 ACTUAL	2010 BUDGET	2011 BUDGET	% CHANGE
BEGINNING BALANCE	72,322	75,730	78,323	***57,194***	-27%
CHARGE FOR SERVICES	2,000	1,000	1,000	***1,000***	0%
MISCELLANEOUS	1,408	500	500	**-**	-100%
TOTAL CEMETERY RESRV RESOURCE	75,730	77,230	79,823	***58,194***	-27%

CEMETERY RESERVE (FUND 314)

ACCOUNT DESCRIPTION	2008 ACTUAL	2009 ACTUAL	2010 BUDGET	2011 BUDGET	% CHANGE
INTERFUND SERVICES	-	-	22,229	**-**	-100%
FUND BALANCE	75,730	77,230	57,594	***58,194***	1%
TOTAL CEMETERY RESERVE USES	75,730	77,230	79,823	***58,194***	-27%

STREET EQUIPMENT RESERVE FUND (321) DESCRIPTION:

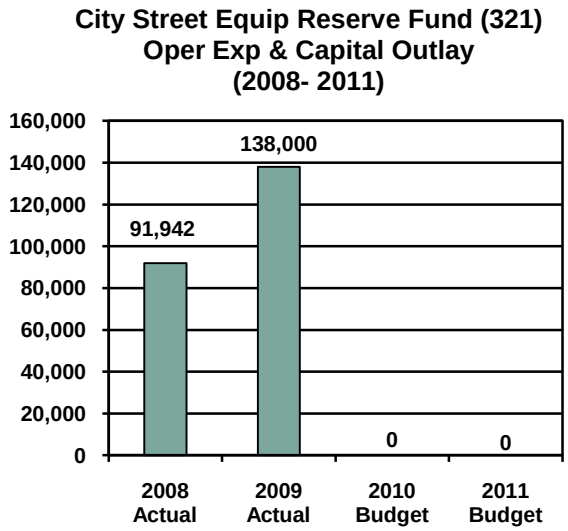
This fund, under the administration of the Public Works Department provides a reserve fund for the purchase of equipment for the Street Department.

PROGRAM RESOURCES:

Funding is provided by an operating transfer of approximately 5% of the specific Street Fund (101) revenue. The transfer has been eliminated in 2011 leaving the funds in Street Operations and Maintenance.

2011 STREETS CAPITAL EQUIPMENT EXPENDITURES:

There are no Streets capital equipment requests for 2011.



CITY STREET EQUIP RESERVE RESOURCES (FUND 321)

ACCOUNT DESCRIPTION	2008 ACTUAL	2009 ACTUAL	2010 BUDGET	2011 BUDGET	% CHANGE
BEGINNING BALANCE	149,704	212,078	191,946	***240,005***	25%
MISCELLANEOUS	2,858	1,000	500	***500***	0%
OTHER FINANCING SOURCES	150,856	50,608	47,559	**-**	-100%
TOTAL CITY STR EQUIP RESOURCES	303,418	263,686	240,005	***240,505***	0%

CITY STREET EQUIPMENT RESERVE USES (FUND 321)

ACCOUNT DESCRIPTION	2008 ACTUAL	2009 ACTUAL	2010 BUDGET	2011 BUDGET	% CHANGE
CAPITAL OUTLAY	91,942	138,000	-	**-**	0%
FUND BALANCE	211,477	125,686	240,005	***240,505***	0%
TOTAL CITY STREET EQUIP RES USES	303,418	263,686	240,005	***240,505***	0%

FACILITIES FUND (331) DESCRIPTION:

This fund accounts for funds available for capital improvements to City buildings and facilities.

FUND RESOURCES:

A new City Hall project spanning several years was completed in 2010. The primary resources for this fund have been the bond proceeds and revenue from property sales related to the project. Since the project is now complete there are no anticipated resources other than minimal investment earnings.

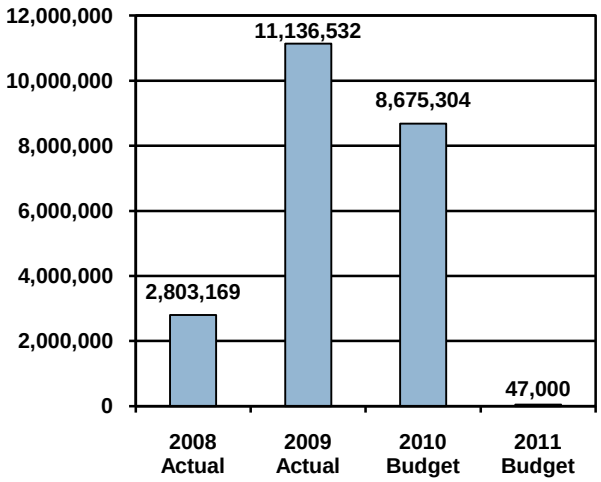
EXPENDITURES:

- In 2011 a transfer will be made to support the City Hall line of credit in the amount of $47,000.

2010 ACCOMPLISHMENTS:

- Construction, furnishing and move into new City Hall completed
- Purchased building where Poulsbo's Park and Recreation program has been housed.
- New phone system purchased and installed for all City buildings.

Facilities Fund (331)
2008 - 2011



FACILITIES FUND RESOURCES (FUND 331)

ACCOUNT DESCRIPTION	2008 ACTUAL	2009 ACTUAL	2010 BUDGET	2011 BUDGET	% CHANGE
BEGINNING BALANCE	2,897,832	591,239	5,225,390	***198,012***	-96%
MISCELLANEOUS	42,613	1,328,346	1,245,024	***200***	-100%
OTHER FINANCING SOURCES	453,962	11,301,924	2,525,450	**-**	-100%
TOTAL FACILITIES FUND RESOURCES	3,394,407	13,221,509	8,995,864	***198,212***	-98%

FACILITIES FUND USES (FUND 331)

ACCOUNT DESCRIPTION	2008 ACTUAL	2009 ACTUAL	2010 BUDGET	2011 BUDGET	% CHANGE
SERVICES	-	-	4,000	**-**	-100%
OTHER OPERATING USES	-	-	-	**-**	0%
CAPITAL OUTLAY	2,803,169	11,136,532	8,671,304	**-**	-100%
INTERFUND PYMT - SERVICES	-	-	-	***47,000***	0%
FUND BALANCE	591,239	2,084,977	320,560	***151,212***	-53%
TOTAL FACILITIES FUND	3,394,407	13,221,509	8,991,864	***198,212***	-98%

CITY OF POULSBO
VIKING
CITY

Section 7

PROPRIETARY FUNDS

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)

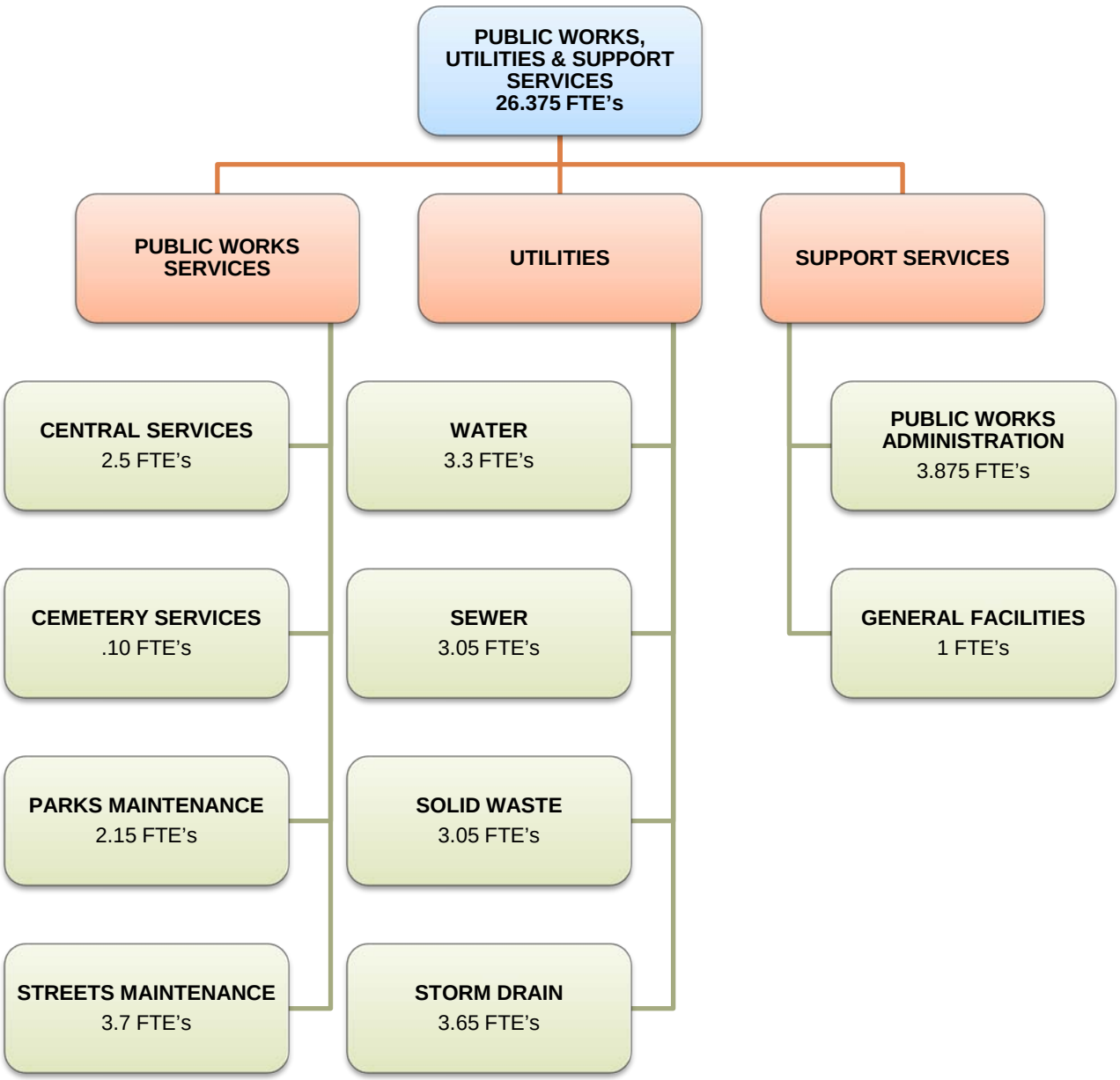
account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis

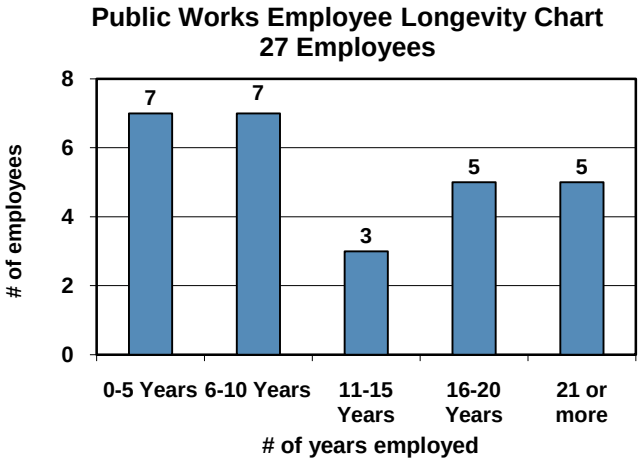
PROPRIETARY FUNDS SUMMARY

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

FUND #	FUND NAME	BEGINNING BALANCE	TOTAL REVENUES	TOTAL EXPENDITURES	ENDING BALANCE
ENTERPRISE FUNDS					
401	Water	2,847,383	1,610,521	1,932,484	2,525,420
403	Sewer	3,106,977	2,910,794	4,044,712	1,973,059
404	Solid Waste	1,675,750	1,266,000	1,306,086	1,635,664
410	Storm Drain	1,606,348	725,000	1,382,898	948,450
INTERNAL SERVICE FUNDS					
501	General Facilities	66,374	185,000	197,863	53,511
502	Public Works Administration	85,675	1,075,568	1,102,843	58,400

THE ORGANIZATION OF THE PUBLIC WORKS DEPARTMENT





PUBLIC WORKS STAFFING FULL TIME EQUIVALENTS (FTE's)						
	2006	**2007**	**2008**	**2009**	**2010**	**2011**
Director	1	1	1	1	1*	1*
Assistant Director O&M	1	1	1	1	1	1
Office Manager	1	1	1	1	1	1
Engineering Technician	1	1	1	1	1	1
Engineering Tech Sr.	0	0	0	1	1	1
Civil Engineer	1	1	1	1	1	0
Office Clerk	1	1.1	1.1	1.1	1.1	1
Foreman	2	2	2	2	2	2
Operations Technician	0	0	0	0	0	0
Senior Maintenance Lead	3	3	3	0	0	0
Maintenance Technician Sr.	7	7	7	9	9	8.5
Maintenance Technician I	5.5	5.5	6.5	5	5	4.5
Custodian	1.5	1.5	1.5	1.5	1.5	1.5
Grounds Maintenance Tech II	2	2	2	1	2	2
Maintenance Mechanic	1	1	1	1	1	1
Mechanic/Building Mech.	2	1	1	1	1	1
TOTAL	**30**	**29.1**	**30.1**	**27.6**	**28.6**	**26.375**

*.125 of the Director is charged directly to Engineering

Water Fund (401)
Water Operating & Capital Outlay Appropriations
$1,932,484
Water FTE's 3.3

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
David Musgrove

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.

WATER STAFFING:

The Water program is staffed with 3.3 fulltime equivalents (FTE's) providing for the operation, maintenance and repair of the system. Staffing is under the supervision of the Utilities Foreman.

2010 Program Highlights:

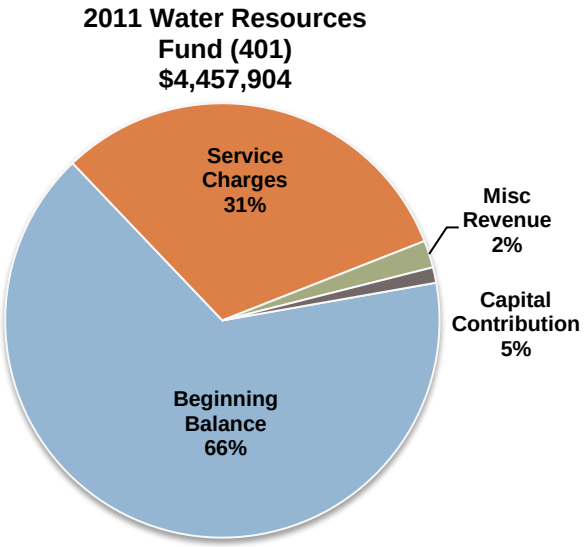
Maintenance and Operations:

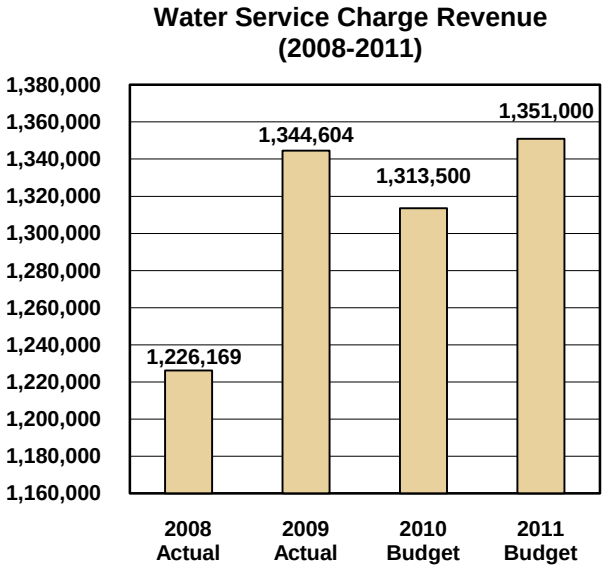
- Conducted annual water main flushing program.
- Complied with state mandated water quality monitoring and testing requirements, including coliform, phase I, II & V contaminates, lead & copper monitoring.
- Updated and distributed annual Consumer Confidence Report for water system performance during calendar year 2009.
- Read water distribution system service meters for the 2010 billing period.
- Responded to customer requests for servicing.
- Currently tracking 690 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
- Total gallons of water pumped between July 2009 and June 2010: 331,753,000.
- Coordinated approximately 96 unscheduled meter reads and an unspecified number of turn-off's/turn-on's with Finance Department.
- Provided 167 utility locates and markings through June 2010, an average of 27 each month.
- Initiated city-wide program to exercise water valves.
- Conducted EPA unregulated contaminant monitoring program.

2011 WATER REVENUE:

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. 2011 revenues for these services are estimated to be approximately $1,438,750.

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





2011 WATER EXPENSES:

Operation and Maintenance: The year 2011 operation and maintenance program will be a continuation of the 2010 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 2011 for operations and maintenance are estimated to be approximately $1,347,213.

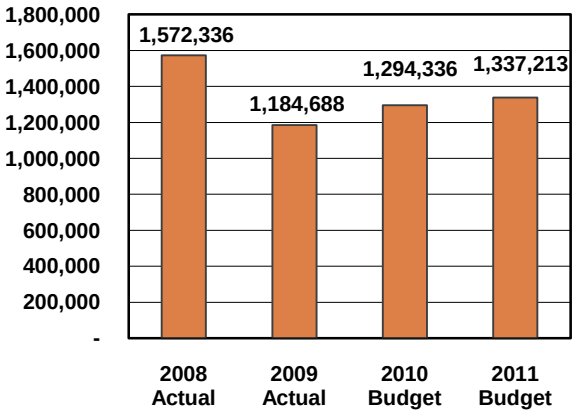
2011 Operations & Maintenance Program
On-going maintenance of all well, pump, valve and storage facilities tanks, including routine maintenance, flushing and other tasks.

2011 Capital Improvement and Equipment
The Capital Improvement Program for year 2011 is estimated to be $467,000 and includes the following projects:

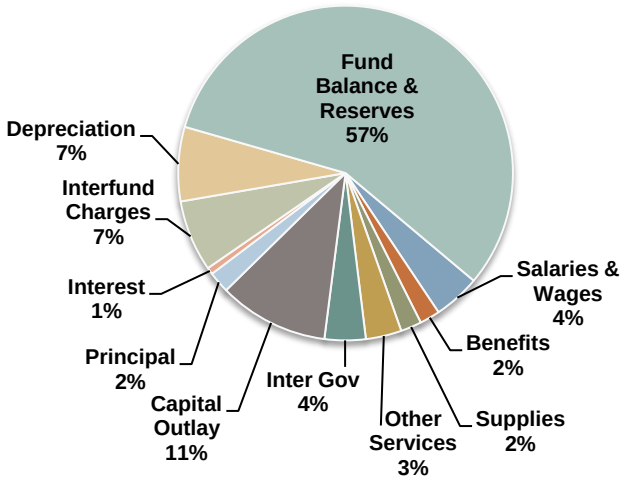
- Westside Well – Treatment for Manganese ($100,000)
- Fjord Drive Bank repair ($30,000)
- Intrusion Alarms ($22,000)
- Pugh Well/Lincoln #2-Treatment for manganese ($100,000)
- Big Valley Wells – Piping Improvements ($15,000)
- Big Valley/Little Valley Transmission Main ($200,000)
- Replacement of handheld meter readers ($6,500)

Debt Service
Debt Service expenses for year 2011 are estimated to be approximately $121,771. 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
(2008-2011)



2011 Water Uses, Reserves, & Funds Balances (Fund 401)
$4,457,904



WATER WORKLOAD MEASURES						
Type of Measure	**2006 Actual**	**2007 Actual**	**2008 Actual**	**2009 Actual**	**2010 Projected**	**2011 Projected**
# of active water services	2820	2990	3142	3133	3200	3250
Miles of water mains maintained	60	61	61	61	63*	63
Meters read per month/# of accounts	2758	3051	3093	3147	3115	3150

*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	$229,239	2015
1998	Revenue Bond Water & Sewer	Refund of 1992 issue plus an additional $3 million for new sewer projects	$1,295,000	$345,000	2012
2005	Revenue Bond Water & Sewer	Refund portion of 1998 Bonds	$3,134,000	$2,652,000	2017
2001	PWTF Loan #3	Front Street Improvement	$1,374,570	$743,683	2020

WATER RESOURCES (FUND 401)					
ACCOUNT DESCRIPTION	**2008 ACTUAL**	**2009 ACTUAL**	**2010 BUDGET**	***2011 BUDGET***	**% CHANGE**
BEGINNING BALANCE	2,593,447	3,020,098	3,310,737	***2,847,383***	-14%
CHARGE FOR SERVICES	1,226,169	1,344,604	1,313,500	***1,351,000***	3%
MISCELLANEOUS	156,718	124,015	101,500	***87,750***	-14%
PROPRIETARY OTHER INCOME	184,555	155,345	150,000	***50,000***	-67%
OTHER FINANCING SOURCES	377,180	112,336	120,651	***121,771***	1%
TOTAL WATER RESOURCES	4,538,070	4,756,398	4,996,388	**4,457,904**	-11%

WATER USES (FUND 401)					
ACCOUNT DESCRIPTION	**2008 ACTUAL**	**2009 ACTUAL**	**2010 BUDGET**	**2011 BUDGET**	**% CHANGE**
SALARIES AND WAGES	153,151	143,846	164,483	***201,366***	22%
PERSONNEL BENEFITS	54,776	56,554	69,595	***86,996***	25%
SUPPLIES	54,493	62,492	94,600	***90,100***	-5%
OTHER SERVICES & CHARGES	127,034	145,302	155,934	***154,078***	-1%
INTERGOVERNMENTAL	132,437	143,881	152,410	***177,002***	16%
DEBT SERVICE - PRINCIPAL	83,181	85,601	89,561	***92,421***	3%
DEBT SERVICE - INTEREST	39,872	36,123	31,090	***29,350***	-6%
INTERFUND PAYMENT FOR SERVICES	745,474	315,630	342,314	***307,671***	-10%
CAPTIAL OUTLAY	136,917	443,043	955,018	***473,500***	-50%
DEPRECIATION EXPENSE	304,972	316,983	315,000	***320,000***	2%
FUND BALANCE	2,705,764	3,006,943	2,626,383	**2,525,420**	-4%
TOTAL WATER USES	4,538,070	4,756,398	4,996,388	**4,457,904**	-11%

Sewer Fund (403)
Sewer Operating & Capital Outlay Appropriations
$ 4,044,712
Sewer FTE's 3.05

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
David Musgrove

SEWER FUND PROGRAM DESCRIPTION

The Sewer program is part of an enterprise fund providing for 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 3.05 FTE's provide the operation, maintenance, and repair of the system. Staffing is under the supervision of the Utilities Foreman.

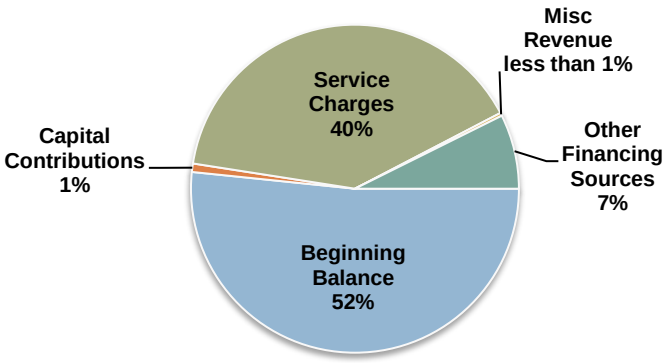
2010 Sewer Program Highlights:

- 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.
- Continued to provide locating services for new developments and projects.

2011 SEWER REVENUES:

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 2011 accounting period are estimated to be approximately $2,910,794.

2011 Sewer Resources
Fund (403)
$6,017,771



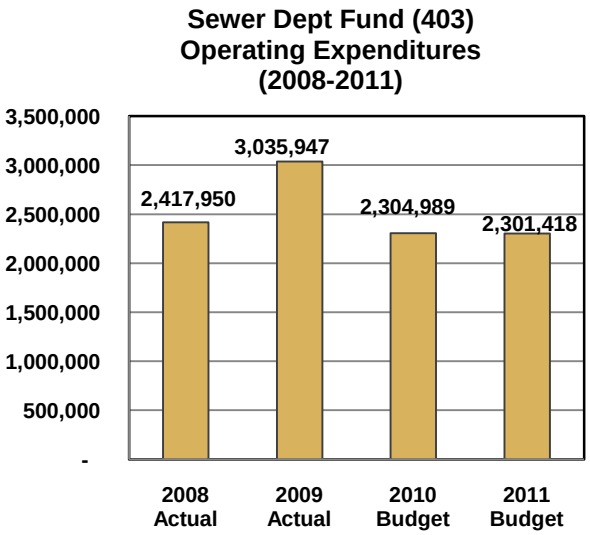
SEWER RATES:

Current Monthly Residential Sewer Rate Structure		
	Inside City	Outside City
Base Rate	39.46	58.84
Base charge includes 400 cubic feet of water flow		
Plus Consumption per 100		
October through May		
401 and over	5.19	7.71
June through September		
401 and over	5.19	7.71
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		

2011 SEWER EXPENSES:

Operation and Maintenance: The year 2011 operation and maintenance program will be a continuation of the 2010 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 $2,301,418.

Debt Service: Debt Service expenses for year 2011 are estimated to be approximately $441,794.



Capital Improvements:

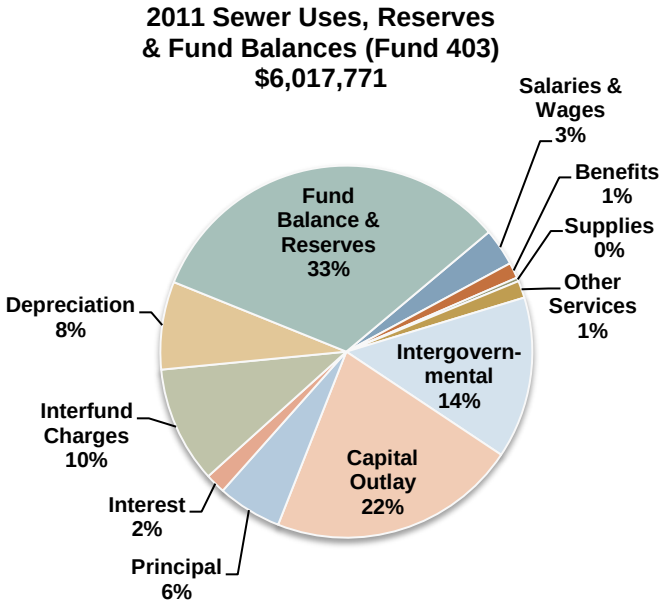
The capital improvement program for year 2011 is estimated to be $740,000 and includes the following projects:

- 6th&9th Avenue Pump Station Upgrades ($600,000)
- Annual Inflow Reduction Program ($20,000)
- Tollefson Force main upgrade ($50,000)
- Harrison Force main Replacement ($40,000)
- Fjord Drive Bank Repair ($30,000)

Capital Outlay

Capital Outlay for Equipment and contractual amounts paid to Kitsap County for the City's share of the treatment processing plant

- Replace hand-held meter reader ($6,500)
- City's Portion of Sewage Treatment Plant – increased to $550,000 in 2011.



SEWER WORKLOAD MEASURES						
Type of Measure	**2006 Actual**	**2007 Actual**	**2008 Actual**	**2009 Actual**	**2010 Projected**	**2011 Projected**
# of active sewer services	2631	2778	2869	2963	2900	2960
# of pumping stations maintained	8	9	9	9	9	9
Miles of sewer lines maintained	33	33	34	34	34	34

SEWER RESOURCES (FUND 403)

ACCOUNT DESCRIPTION	2008 ACTUAL	2009 ACTUAL	2010 BUDGET	2011 BUDGET	% CHANGE
BEGINNING BALANCE	4,060,693	3,821,120	3,807,669	***3,106,977***	-18%
CHARGE FOR SERVICES	1,962,393	2,357,232	2,452,500	***2,401,000***	-2%
MISCELLANEOUS	136,746	59,055	50,500	***18,000***	-64%
PROPRIETARY OTHER INCOME	193,362	217,377	175,000	***491,794***	181%
OTHER FINANCING SOURCES	760,389	1,466,519	437,954		
TOTAL SEWER RESOURCES	7,113,582	7,921,303	6,923,623	**6,017,771**	-13%

SEWER USES (FUND 403)

ACCOUNT DESCRIPTION	2008 ACTUAL	2009 ACTUAL	2010 BUDGET	2011 BUDGET	% CHANGE
SALARIES AND WAGES	163,097	153,689	194,008	***194,858***	0%
PERSONNEL BENEFITS	57,640	59,390	78,177	***81,896***	5%
SUPPLIES	25,569	10,389	19,500	***19,500***	0%
OTHER SERVICES & CHARGES	52,924	63,161	86,170	***89,749***	4%
INTERGOVERNMENTAL	706,951	761,274	826,449	***845,259***	2%
DEBT SERVICE - PRINCIPAL	303,667	1,222,726	326,287	***336,427***	3%
DEBT SERVICE - INTEREST	145,410	131,607	111,667	***105,367***	-6%
INTERFUND PAYMENT FOR SERVICES	1,102,260	1,655,229	635,685	***610,156***	-4%
CAPTIAL OUTLAY	1,252,896	53,697	2,142,757	***1,301,500***	-39%
DEPRECIATION EXPENSE	309,509	332,815	465,000	***460,000***	-1%
FUND BALANCE	2,993,659	3,477,327	2,037,923	**1,973,059**	-3%
TOTAL SEWER USES	7,113,582	7,921,303	6,923,623	**6,017,771**	-13%

Solid Waste Fund (404)
Operating & Capital Outlay Appropriations
$1,306,086
FTE's 3.05

Public Works Committee

Jeff McGinty
Linda Berry-Maraist
David Musgrove

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 include 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 with Bainbridge Disposal to provide 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, cardboard 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.

2010 PROGRAM ACCOMPLISHMENTS:

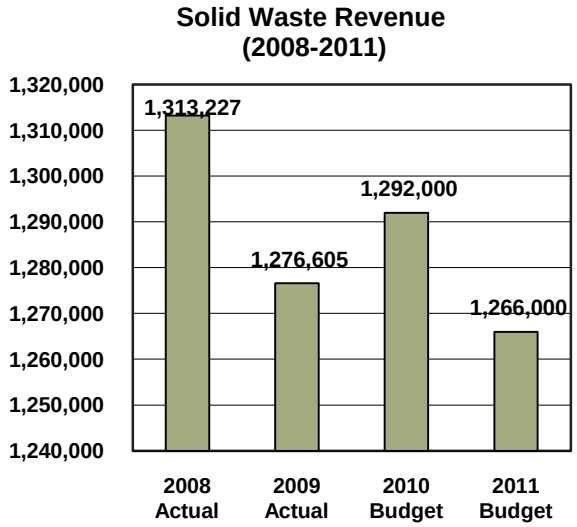
- Continuation of the City of Poulsbo's "Keep the City Clean Program", a program which allows each resident of the City annually to obtain a one yard dumpster in order to encourage local residents to keep the city clean and dispose of unneeded and unwanted trash.
- Continued cleanup and mowing of old landfill.

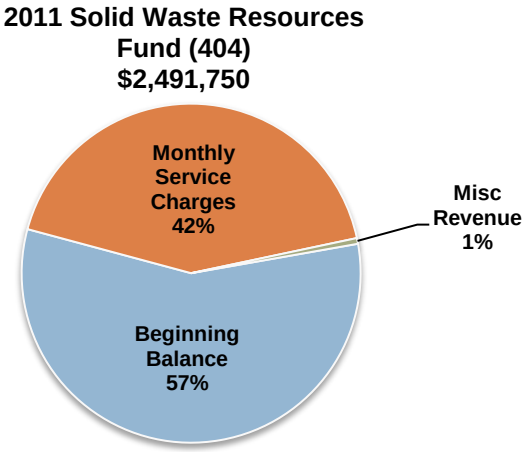
2011 REVENUES:

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 2011 accounting period are estimated to be approximately $1,266,000.

SOLID WASTE CAPITAL PROGRAM:

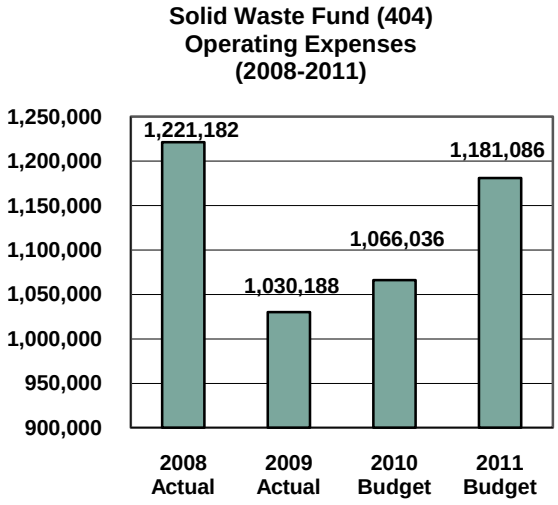
In 2011 the Solid Waste Capital Improvement Plan a total of $125,000 is budgeted for a ramp and miscellaneous improvements for a cost-effective solid waste transfer station including a 40-yard transfer trailer with walking floor to eliminate the long haul distance for local collection trucks.





2011 EXPENSES:

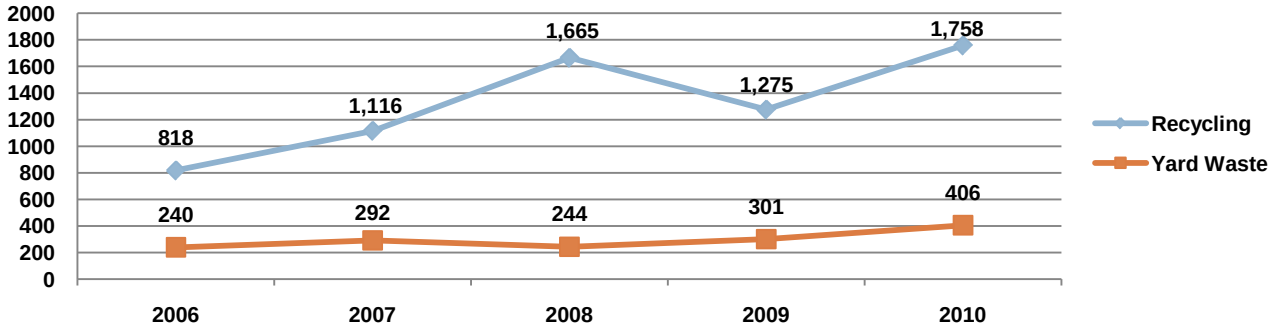
Operation and Maintenance: The year 2011 operation and maintenance program will be a continuation of the 2010 program and will include the collection and disposal of refuse and solid waste for the citizens of Poulsbo. Expenditures for the year 2011 for operation and maintenance are estimated to be approximately $1,181,086.



Current Monthly Residential Garbage Rates (includes $3 recycling charge)				
# of cans	Can Size			
	64 Gal	32 Gal	20 Gal	10 Gal
1 Can	$33.00	$16.50	$11.00	$8.25
2 Cans	$68.20	$35.20	$24.20	N/A
3 Cans	$101.20	$51.70	$35.20	N/A

Residential Customer Can Count (report run 12/30/10)				
Can Size	# of Cans			
	1	2	3	4
64 Gallon	216	4	1	0
32 Gallon	1823	111	1	2
20 Gallon	323	3	1	0
10 Gallon	152	0	0	0

Recycling and Yardwaste in Tons 2006-2010



SOLID WASTE WORKLOAD MEASURES						
Type of Measure	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Projected	2011 Projected
# of residential accounts	2331*	2430*	2746*	2623*	2794*	2800
# of multi-family garbage units	1038	1102	1012	1012	1012	1012
# of commercial accounts	229	201	231	197	225	226
Tons of waste to landfill	5690	5700	4794**	4894	4800	4800
Clean-up dumpsters provided	326	350	308	312	300	300

*Includes Poulsbo Mobile Home Park, it is listed as one (1) account and has 76 units.
*Includes Seabird Mobile Home Park which was listed as one (1) account, but has 44 units – changed to individual accounts in 2010)
**Reduction due to recycling.

SOLID WASTE RESOURCES (FUND 404)					
ACCOUNT DESCRIPTION	**2008 ACTUAL**	**2009 ACTUAL**	**2010 BUDGET**	**2011 BUDGET**	**% CHANGE**
BEGINNING BALANCE	1,427,280	1,561,065	1,574,408	***1,675,750***	6%
CHARGES FOR SERVICES	1,256,597	1,249,347	1,255,000	***1,250,000***	0%
MISCELLANEOUS	56,630	27,258	37,000	***16,000***	-57%
OTHER FINANCING SOURCES	51,000	-	-	***-***	
TOTAL SOLID WASTE RESOURCES	2,791,508	2,837,670	2,866,408	**2,941,750**	3%

SOLID WASTE UTILITIES USES (FUND 404)					
ACCOUNT DESCRIPTION	**2008 ACTUAL**	**2009 ACTUAL**	**2011 BUDGET**	**2011 BUDGET**	**% CHANGE**
SALARIES AND WAGES	153,013	164,155	156,705	***181,248***	16%
PERSONNEL BENEFITS	59,141	64,743	70,729	***80,536***	14%
SUPPLIES	70,968	58,775	69,250	***68,250***	-1%
OTHER SERVICES & CHARGES	207,405	201,018	199,567	***200,145***	0%
INTERGOVERNMENTAL	414,786	375,615	400,470	***418,585***	5%
INTERFUND PYMNT FOR SRVCS	300,992	137,993	136,515	***202,322***	48%
CAPTIAL OUTLAY	24,137	284,857	136,962	***125,000***	-9%
DEPRECIATION EXPENSE	14,877	27,890	32,800	***30,000***	-9%
FUND BALANCE	1,546,189	1,522,625	1,663,409	**1,635,664**	-2%
TOTAL SOLID WASTE USES	2,791,508	2,837,670	2,866,408	**2,941,750**	3%

Storm Drain Fund (410)
Operating & Capital Outlay Appropriations
$1,382,898
FTE's 3.65

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
David Musgrove

STORM DRAIN FUND 410 PROGRAM DESCRIPTION:

The Storm Drain program is an enterprise fund providing for the management of storm and surface water runoff for the citizens of the City of Poulsbo and the surrounding community.

SERVICES PROVIDED:

Collection System: The collection system**,** consisting of approximately twenty two (22) miles of collection system mains**,** four (4) miles of open drainage ditches**,** and two thousand and twelve (2012) catch basins**,** provides for the collection and conveyance of storm and surface water runoff. The catch basin count includes the addition of 14 catch basins from the most recent Viking Avenue project, which also includes Low Impact Development elements such as pervious sidewalks, pervious bike lanes, and bio-retention.

Flow Control and Treatment Systems: Water quantity and quality are managed with the operation and maintenance of more than fifty (50) detention and treatment facilities.

STAFFING:

Staffing totals 3.65 full-time equivalents (FTEs). Operation, maintenance, and repair is provided by 2.25 FTEs. Public Works Engineering Technician services are supported by 0.40 FTEs. Since 2008, NPDES (National Pollutant Discharge Elimination System) permit coordination has been provided by one 1.0 FTE. Operations and Maintenance staff are supervised by the Utilities Foreman. NPDES and Public Works Engineering staff are supervised by the Public Works Director.

2010 O&M PROGRAM HIGHLIGHTS:

- Inspection of storm drainage facilities.
- Maintenance and cleaning of stormwater conveyance, flow control, and treatment facilities such as pipes, detention facilities, catch basins, debris barriers, oil separators**,** and treatment facilities.
- Vegetation control at retention and detention ponds.
- Maintained fencing around detention ponds.
- Continued work on program development for NPDES Permit requirements for public education and outreach, illicit discharges, runoff control, and operations and maintenance program enhancements. Some of the activities include:
  - Continuation of the Backyard Pet Waste program and Mutt Mitt program
  - Commercial site visits and illicit discharge investigations and education
  - Illicit discharge program manual development
  - Began data collection for conversion of existing stormwater maps to a GIS (Geographic Information System) system.
  - Drainage system mapping updates
  - Storm drain marking program
  - Passage of stormwater management ordinances
- Began implementation of the Storm Water Comprehensive Plan.
- Completion of the South Viking Avenue Improvement project added new stormwater infrastructure to the City's maintenance program and includes bio-swales, bio-retention cells, pervious sidewalks, and catch basins.

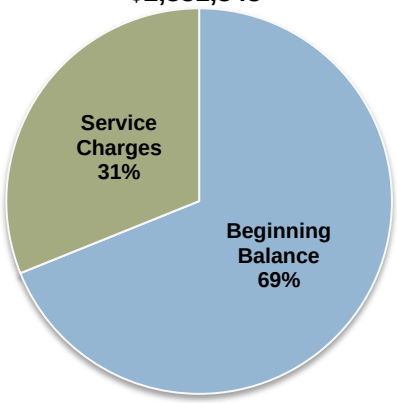
2011 REVENUE:

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 2011 services are estimated to be $725,000.

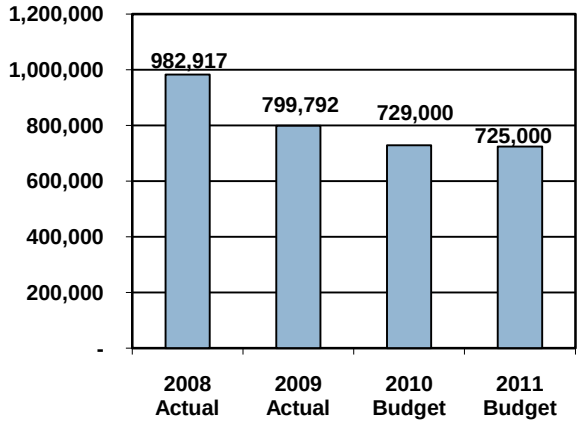
Expenses directly related to NPDES permit implementation activities are reimbursable through two grants awarded to the City by the Department of Ecology. One grant, with a term from July 1, 2009 through June 30, 2011, totals $50,000. Approximately $13,000 will be carried over to Poulsbo's 2011 budget. A second grant, in the amount of $93,672, has a term from July 1, 2010 through June 30, 2012 and will be charged to after the first grant is expended.

A third grant was awarded to the Kitsap County Health District which is partnering with the City. This grant was specifically for the illicit discharge program and will be fully expended by its expiration date of June 30, 2011. The grant allows $47,693 to be reimbursed with an in-kind match of $28,010.

2011 Storm Drain Resources Fund (410) $2,331,348



Storm Drain Fund (410) Revenue (2008-2011)



STORM DRAIN DRAINAGE RATES:

The 2011 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.

2011 EXPENSES:

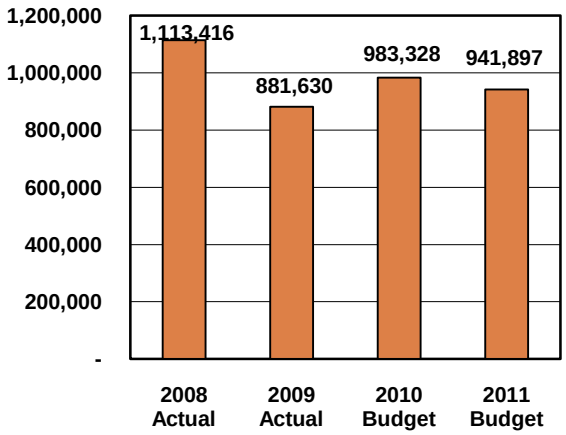
Operation and Maintenance: The year 2011 operation and maintenance program will be a continuation of the 2010 program and will include the operation, maintenance and repair of the utilities existing storm water system infrastructure to include storm drain collection systems and conveyance facilities to reduce flooding and protect water quality pursuant to the City of Poulsbo's Stormwater Comprehensive Plan, adopted stormwater management manuals, and NPDES permit. 2011 expenditures for operations and maintenance are estimated to be approximately $941,897.

NPDES Permit Compliance: Permit compliance includes activities that address the following elements: public education, outreach, and involvement, illicit discharge detection and elimination, construction/post construction runoff control, and operations and maintenance.

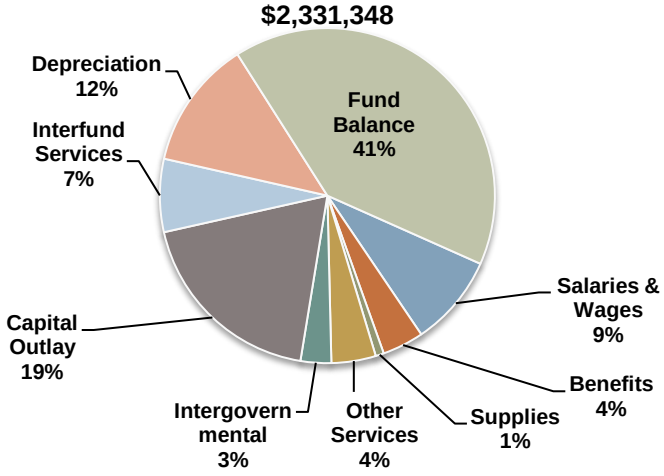
2011 Capital Expenditures/Improvements:
($441,000 total)

- Dogfish Creek Restoration ($50,000).
- Anderson Parkway LID Retrofit ($321,000)
- Replace Ridgewood Storm Drains (40,000)
- Fjord Drive Bank Repair ($30,000)

Storm Drain Fund (410) Operating Expenses (2008-2011)



2011 Storm Drain Uses Fund (410) $2,331,348



STORM DRAIN DEPARTMENT WORKLOAD MEASURES						
Type of Measure	**2006 Actual**	**2007 Actual**	**2008 Actual**	**2009 Actual**	**2010 Projected**	**2011 Projected**
# of detention ponds maintained	29	29	29	29	32	32
Control Structures	29	29	29	29	30	30
Number of Bio Swales maintained	16	16	16	16	18	18

STORM DRAIN RESOURCES (FUND 410)

ACCOUNT DESCRIPTION	2008 ACTUAL	2009 ACTUAL	2010 BUDGET	2011 BUDGET	% CHANGE
BEGINNING BALANCE	1,721,333	1,742,128	1,769,775	***1,606,348***	-9%
INTERGOVERNMENTAL REVENUE	56,428	53,270	-	**-**	0%
CHARGE FOR SERVICES	682,314	724,758	722,000	***725,000***	0%
MISCELLANEOUS REVENUE	86,875	21,764	7,000	**-**	-100%
PROPRIETARY OTHER INCOME	-	-	-	**-**	0%
OTHER FINANCING SOURCES	157,300	-	-	**-**	0%
TOTAL STORM DRAIN RESOURCES	2,704,250	2,541,920	2,498,775	**2,331,348**	-7%

STORM DRAIN UTILITIES USES (FUND 410)

ACCOUNT DESCRIPTION	2008 ACTUAL	2009 ACTUAL	2010 BUDGET	2011 BUDGET	% CHANGE
SALARIES AND WAGES	166,311	198,031	220,756	***206,691***	-6%
PERSONNEL BENEFITS	62,792	83,371	93,811	***93,409***	0%
SUPPLIES	13,578	12,865	22,100	***18,600***	-16%
OTHER SERVICES & CHARGES	37,069	52,212	98,237	***99,837***	2%
INTERGOVERNMENTAL	50,601	53,548	57,586	***68,984***	20%
DEPRECIATION EXPENSES	285,647	293,860	196,838	***290,000***	47%
INTERFUND PYMENT FOR SRVCS	497,419	187,743	294,000	***164,376***	-44%
CAPITAL OUTLAY	47,579	182,468	225,277	***441,000***	96%
FUND BALANCE	1,543,254	1,477,823	1,290,171	**948,450**	-26%
TOTAL STORM DRAIN USES	2,704,250	2,541,920	2,498,775	***2,331,348***	-7%

General Facilities Fund (501)
Operating & Capital Outlay Appropriations
$197,863

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
David Musgrove

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.

2011 Highlights:

- Equipped newly purchased police vehicles with specialty items to meet police car specifications

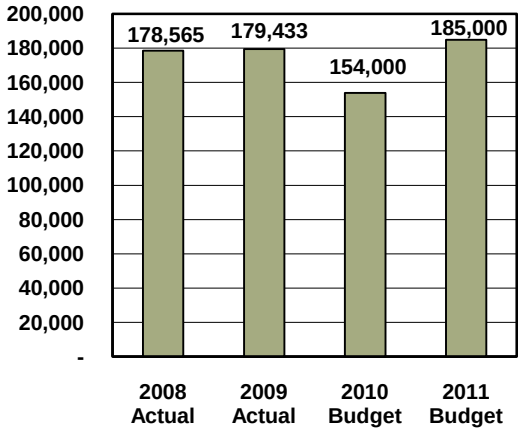
STAFFING:

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.

2011 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 2011 accounting period for services provided is estimated to be approximately $185,000.

General Facilities Fund (501)
Revenue (2008-2011)



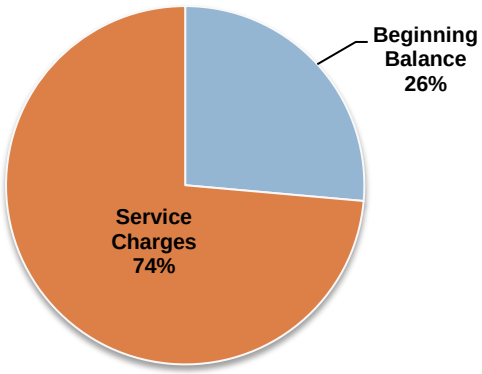
RATES:

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.

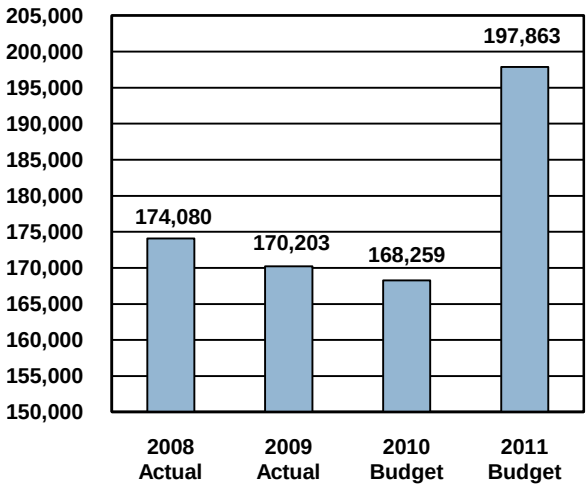
EXPENSES:

The year 2011 operation and maintenance program will be a continuation of the 2010 program. Expenditures for the year 2011 for operation of the municipal garage are estimated to be approximately $197,863.

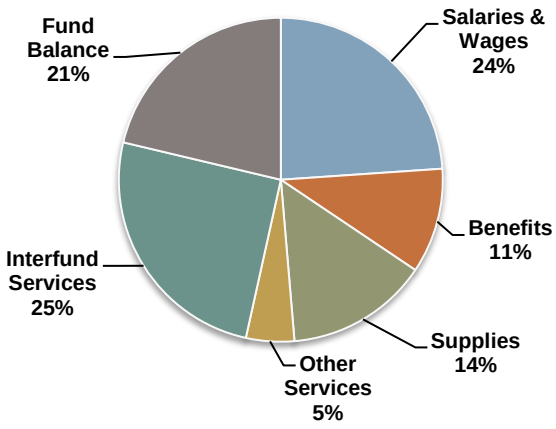
2011 General Facilities Resources
Fund (501)
$251,374



General Facilities Fund (501)
Expenses (2008-2011)



2011 General Facilities Uses
(Fund 501)
$251,374



GENERAL FACILITIES DEPARTMENT WORKLOAD MEASURES					
Type of Measure	**2007 Actual**	**2008 Actual**	**2009 Actual**	**2010 Projected**	**2011 Projected**
# of mechanical work orders (city vehicles & equipment)	444	438	463	510	500

GENERAL FACILITIES FUND RESOURCES (FUND 501)

ACCOUNT DESCRIPTION	2008 ACTUAL	2009 ACTUAL	2010 BUDGET	2011 BUDGET	% CHANGE
BEGINNING BALANCE	43,748	48,258	57,634	***66,374***	15%
CHARGE FOR SERVICES	177,246	179,129	154,000	***185,000***	20%
MISCELLANEOUS	1,319	304	-	**-**	0%
TOTAL GENERAL FACILITIES RESOUR	222,313	227,691	211,634	***251,374***	19%

GENERAL FACILITIES USES (FUND 501)

ACCOUNT DESCRIPTION	2008 ACTUAL	2009 ACTUAL	2010 BUDGET	2011 BUDGET	% CHANGE
SALARIES AND WAGES	58,030	60,970	59,749	***60,112***	1%
PERSONNEL BENEFITS	21,307	23,978	24,481	***26,394***	8%
SUPPLIES	42,311	29,243	28,800	***35,800***	24%
OTHER SERVICES & CHARGES	8,638	7,850	7,016	***12,102***	72%
INTERFUND PAYMENT FOR SVCS	43,793	48,162	48,213	***63,455***	32%
DEPRECIATION EXPENSES	-	-	-	**-**	0%
FUND BALANCE	48,234	57,488	43,374	**53,511**	23%
TOTAL GEN FACILITIES USES	222,313	227,691	211,634	***251,374***	19%

Public Works Administration
Fund (502)
Operating & Capital Outlay Appropriations
$1,102,843
FTE's 3.875

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
David Musgrove

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 26 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.

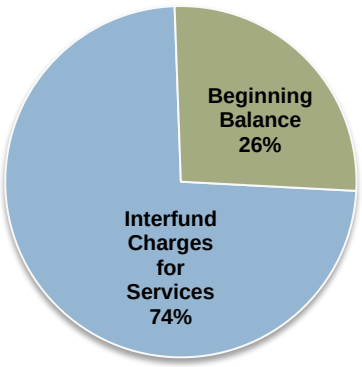
2010 Program Highlights:

- Formalized and convened a city-wide Safety Committee.
- Managed the construction of the new City Hall.
- Continued update of City web site.
- Continued staff support to other city departments.
- Continued plan design review for developer projects.
- Began updating the utility AutoCAD drawings.
- A Topcon GRS-1 handheld GPS unit was purchased in May 2010. This GPS unit is being used in the field to take GPS locations of all the stormwater features. Latitude, longitude and elevations are among the information collected for each point. Once all the information is collected and exported into the GIS software, GIS maps of the City's Stormwater system will be created. In future years this unit can be used for our other utilities.

STAFFING:

Staffing associated with Public Works Administration includes 3.875 full time equivalent positions (FTE's) which is a reduction of 1.1 FTE for 2011. This represents the elimination of the Civil Engineer position, the reclassification of the Engineering Technician to a Senior Engineering Technician and the elimination of .1 FTE for administration support activities. Public Works Administration is under the supervision of the Public Works Director.

Public Works Administration Fund (502) 2011 Resources $251,374



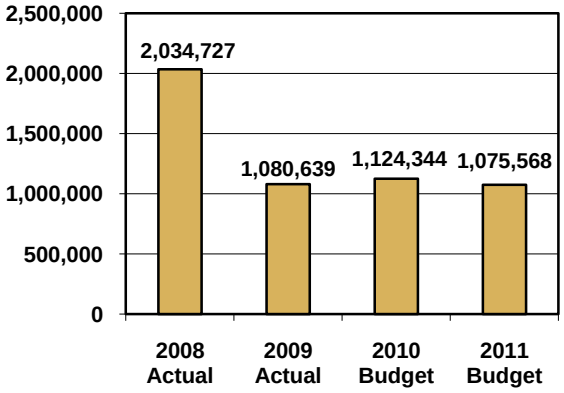
2011 REVENUE:

Public Works Administration is supported by departments receiving benefits from this department. This includes the Streets, Water, Sewer, Solid Waste, Storm water, 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 2011 accounting period for services provided is estimated to be approximately $1,075,568

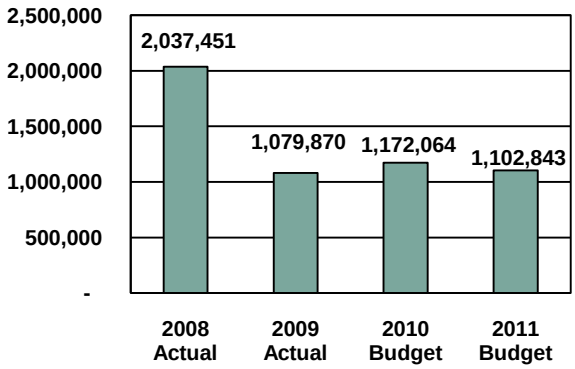
2011 EXPENSES:

The year 2011 administrative management program will be a continuation of the year 2010 program and will include the administration, management and supervision of Public Works Departments. Expenditures for the year 2011 accounting period for administration of the Public Works Department are estimated to be approximately $1,102,843.

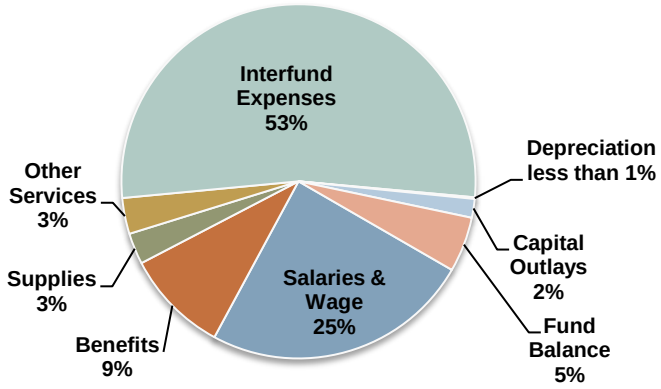
Public Works Admin Fund (502)
Revenues (2008-2011)



Public Works Admin Fund (502)
Operating & Capital Expenses
(2008 - 2011)



2011 PW Admin Fund (502)
Uses
$1,161,243



Type of Measure	2007 Actual	2008 Actual	2009 Actual	2010 Projected	2011 Projected
# of work orders processed	283	262	223	300	300
Utility Change of Ownership /New and change of service	655	710	687	755	750
Clean-up Dumpsters	302	308	312	350	350

PUBLIC WORKS ADMINISTRATION RESOURCES (FUND 502)

ACCOUNT DESCRIPTION	2008 ACTUAL	2009 ACTUAL	2010 BUDGET	2011 BUDGET	% CHANGE
BEGINNING BALANCE	81,719	100,636	103,836	***85,675***	-17%
INTERFUND CHARGES FOR SERVICES	2,029,700	1,079,732	1,123,344	***1,075,568***	-4%
MISCELLANEOUS	5,027	907	1,000	**-**	-100%
OTHER FINANCING SOURCES	20,000	-	-	**-**	0%
TOTAL PUBLIC WKS ADMIN RESOURCI	2,116,447	1,181,275	1,228,180	***1,161,243***	-5%

PUBLIC WORKS ADMINISTRATION USES (FUND 502)

ACCOUNT DESCRIPTION	2008 ACTUAL	2009 ACTUAL	2010 BUDGET	2011 BUDGET	% CHANGE
SALARIES & WAGES	334,937	336,295	388,440	***285,046***	-27%
BENEFITS	117,945	122,061	126,329	***110,120***	-13%
SUPPLIES	16,392	10,521	33,100	***33,100***	0%
OTHER SERVICES & CHARGES	33,973	35,967	54,400	***38,136***	-30%
INTERFUND PAYMENT FOR SVCS	474,008	573,405	548,175	***614,821***	12%
DEPRECIATION EXPENSE	2,447	1,621	1,700	***1,700***	0%
CAPITAL OUTLAY	1,057,749	-	19,920	***19,920***	0%
FUND BALANCE	78,998	101,406	56,116	**58,400**	4%
TOTAL PUBLIC WORKS ADMIN USES	2,116,447	1,181,275	1,228,180	**1,161,243**	-5%

Section 8

BASELINE ADJUSTMENT REQUESTS/NEW PROGRAM REQUESTS

2011 BUDGET
BASELINE ADJUSTMENT REQUESTS

	Department/Improvement	Associated Costs: Non-Discretionary	Associated Costs: Mandatory/ Regulatory	Associated Costs: Other	PG #	On-Going	Funding Source	Funded?
	MUNICIPAL COURT							
1	Casual Labor			1,005	8-2	Y	General Fund (001)	
	SUBTOTAL BY DEPT	-	-	*1,005*				
	LEGAL							
1	Legal Services		50,000		8-3	Y	General Fund (001)	
	SUBTOTAL BY DEPT	-	*50,000*					
	INFORMATION SERVICES							
1	Cisco Smart Net Funding	8,000			8-4	Y	General Fund (001)	
2	AVG Anti-Virus Software Renewal	4,500			8-5	Y	General Fund (001)	***Funded***
	SUBTOTAL BY DEPT	*12,500*	-	-				
	LIBRARY							
1	Utility Services	3,000			8-6	Y	General Fund (001)	
	SUBTOTAL BY DEPT	*3,000*	-	-				
	STREETS							
1	Street Lighting	10,000			8-7	Y	City Street (101)	***Funded***
	SUBTOTAL BY DEPT	*10,000*	-	-				

Summary of Totals	Requested					Approved	
Total General Fund (Fund 001)	15,500	50,000	1,005			4,500	
Total Street Maintenance (Fund 101)	10,000	-	-			10,000	
Total All Funds	***25,500***	***50,000***	***1,005***			***14,500.00***	

CITY OF POULSBO
BASELINE ADJUSTMENT REQUEST

For the 2011 budget process, departments are limited to the 2010 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:	Casual Labor	Priority:	1
Person Responsible:	Linda Baker	Department:	Municipal Court
Council Goal this request responds to:	4	Revenues and Financial Stability	

Description:

Cutting our half time judicial specialist position will leave us with three court personnel who can do judicial specialist work. If someone is on vacation and one person calls in sick that only leaves us with one person in the office. This will bring our casual labor allocation up to $3,000.

Effect on Level of Service:

High. I need at least 2 people when court is in session. If we are down to one person for more than a day or two we will also need an additional person in the office so court calendars can be prepared and processed. Because our system is unique to the courts we cannot call on a temp agency and must maintain training with anyone we have on call so they're up to date on court requirements. With only one person the court office would have to close for lunch, breaks, and during jail video hearings.

Alternatives:

None

Advantages/Disadvantages of Approval or Denial:

Advantage: We will be able to hold court as scheduled.

Associated Costs:				Expenditure Account Number:	
	Non-Discretionary	Mandatory/ Regulatory	Other		
Wages			855	00113000051250	50000130
Benefits			150	00112000051250	50000215
Supplies					
Other					
Capital					
Total	**-**	**-**	**1,005**		

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 2011 budget process, departments are limited to the 2010 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: Legal	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. Legal rates and the need for additional legal services has risen over the last several years. As of August 2010, legal costs were over the 2010 budgeted amount.

Effect on Level of Service:

This will allow the City to continue to receive the necessary legal 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		50,000		00114200051520 50000412
Capital				
Total	**-**	**50,000**	**-**	

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:	Cisco Smart Net funding	Priority:	1

Person Responsible:	Tim Treacher	Department:	Central Services
Council Goal this request responds to:		#N/A	

Description:

With the purchase of Cisco network and phone equipment there is a yearly cost for Smart Net on all the equipment purchased. This includes the current network appliance used for our firewall, network equipment such as switches and routers, and our phone equipment. Cisco SMARTnet provides the following:
•Around-the-clock, global access to the Cisco Technical Assistance Center (TAC)
•Access to the extensive Cisco.com knowledgebase and tools
•Hardware replacement options include 2-hour, 4-hour, Next-business-day (NBD) advance replacement, as well as Return for Repair (RFR)
•Ongoing operating system software updates including both minor and major releases within the licensed feature set
•Cisco OS software support to extend the life of Cisco devices with improved security, increased performance, bandwidth management, new protocol support, and greater interoperability

Effect on Level of Service:

Ensures our investment in this equipment provides us a with a long and useful lifespan.

Alternatives:

None

Advantages/Disadvantages of Approval or Denial:

With out Smart Net we will lose the ability to maintain our recently purchased equipment in the event something goes wrong.

Associated Costs:				Expenditure Account Number:
	Non-Discretionary	Mandatory/ Regulatory	Other	
Wages				
Benefits				
Supplies				
Other	8,000			00114200051810 50000420
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

BASELINE ADJUSTMENT REQUEST

For the 2011 budget process, departments are limited to the 2010 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.

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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:	AVG Anti-Virus Software Renewal	Priority:	1

Person Responsible:	Tim Treacher	Department:	Information Services
Council Goal this request responds to:		#N/A	

Description:

The City uses AVG anti-virus software on the Desktops, File Servers, and Exchange Server. It is the main line of defense of virus protection within the City's network. Every two years we need to renew the licenses we have, there are two. One license covers the Exchange server and the other everything else.

Effect on Level of Service:

With out renewing these licenses there will be no protection from viruses on the City computers and servers.

Alternatives:

It is possible to find a free version of anti-virus software but you do get what you pay for .

Advantages/Disadvantages of Approval or Denial:

Associated Costs:				Expenditure Account Number:
	Non-Discretionary	Mandatory/ Regulatory	Other	
Wages				
Benefits				
Supplies				
Other	4,500			00118800051881 50000480 (biennial)
Capital				
Total	**4,500**	**-**	**-**	

One Time Expense ☐ Continuous Funding Request ☑

Source of Funding (New Revenue?) ☐ Yes ☐ No

If yes, indicate revenue account number:

CITY OF POULSBO

BASELINE ADJUSTMENT 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: Utility Services	Priority: 1
Person Responsible: Barry Loveless, P.W. Director	Department: Library
Council Goal this request responds to: 6	Public Works

Description:
This utility line pays for the electric and natural gas services at the Library for heating, air conditioning and the parking lot lighting. Our budget for this line in 2008 was $13,000 with utility expenses being $13,685 at year end. In 2009 with a $13,000 budget we expended a total of $15,892. From January through June this year, we have expended a total of $7,771.16.

Effect on Level of Service:

To allow the department to effectively budget for utilities at the Library.

Alternatives:

None

Advantages/Disadvantages of Approval or Denial:

Provide adequate utility services funding for the Library.

Associated Costs:				Expenditure Account Number:
	Non-Discretionary	Mandatory/ Regulatory	Other	
Wages				
Benefits				
Supplies				
Other	3,000			00130000057221 50000471
Capital				
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

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:	Street Lighting	Priority:	1

Person Responsible:	Barry Loveless, P.W. Director	Department:	Streets
Council Goal this request responds to:	6	Public Works	

Description:

Increase the utility services budget to pay electricity and maintenance costs for new lights and poles added to the City's street light system.

Effect on Level of Service:

More street lights are being added to the City's street system from developments and also additional lighting on Viking Avenue.

Reduce cost and/or service elsewhere in the City's budget to cover these expenses.

Advantages/Disadvantages of Approval or Denial:

Developers have been required by the City to install these street lights for reasons of public safety.

Associated Costs:				Expenditure Account Number:
	Non-Discretionary	Mandatory/ Regulatory	Other	
Wages				
Benefits				
Supplies				
Other	10,000			10130000054230 50000471
Capital				
Total	**10,000**	**-**	**-**	

One Time Expense ☐	Continuous Funding Request ☑
Source of Funding (New Revenue?) ☐ Yes ☑ No	
If yes, indicate revenue account number:	

CITY OF POULSBO
VIKING
CITY

2011 BUDGET
NEW PROGRAM REQUESTS

	Department/Improvement	Cost	PG#	On-Going	Funding Source	Funded?
	EXECUTIVE					
1	Eli's House	12,000	8-10	N	Police Restricted Fund (191)	**Funded**
2	YWCA Alive Program	2,500	8-11	Y	Police Restricted Fund (191)	
	SUBTOTAL BY DEPT	*14,500*				
	MUNICIPAL COURT					
1	Probation Hours	11,845	8-12	Y	General Fund (001)	
	SUBTOTAL BY DEPT	*11,845*				
	CENTRAL SERVICES					
1	Folding Machine Maintenance Contract	595	8-13	Y	General Fund (001)	
	SUBTOTAL BY DEPT	*595*				

Summary of Totals	***Requested***			***Approved***	
Grand Total General Fund (001)	12,440				
Grand Total Police Restricted Fund (191)	14,500			12,000	
Total All Funds	***26,940***			***12,000***	

CITY OF POULSBO
NEW PROGRAM REQUEST

Title: Eli's House	Priority: 1

Person Responsible: Rebecca Erickson, Mayor	Department: Executive
Council Goal this request responds to:	#N/A

Description:
To fund Eli's House (administered by the YWCA) so they can connect to water and sewer after the construction of south Viking is completed. The utility connections will allow them to expand the facility and qualify for additional grants sources. This is a one time expenditure from existing un-used funds accumulated over several years.

Effect on Level of Service:

Alternatives:

Advantages/Disadvantages of Approval or Denial:

Associated Costs:		Expenditure Account Number:	
Wages			
Benefits			
Supplies			
Other	$12,000	19120002252190	50000490
Capital			
Total	**$12,000**		

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: Increased funding to YWCA Alive Program	Priority: 2

Person Responsible: Rebecca Erickson, Mayor	Department: Executive
Council Goal this request responds to:	#N/A

Description:

Presently, we fund the YWCA Alive program (domestic violence counseling and intervention) $2,500 annually. With the entrance of the Bainbridge Island Courts and departure of the District Court, we will be seeing more domestic violence victims in our court facility. The increase in funding will be used by the YWCA to support counseling and transportation of domestic violence victims and their families. We have revenues coming into fund 191 specifically to be used by domestic violence treatment and to support at risk children. The revenue stream is approximately $5,400 annually.

Effect on Level of Service:

Alternatives:

Advantages/Disadvantages of Approval or Denial:

Associated Costs:		Expenditure Account Number:	
Wages			
Benefits			
Supplies			
Other	$2,500	19120002252190	50000490
Capital			
Total	**$2,500**		

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: Probation Hours	Priority: 1

Person Responsible: Linda Baker	Department: Municipal Court
Council Goal this request responds to:	3 and 4 Public Safety and Financial Stability

Description:

When appropriate defendants are offered the opportunity to perform community service work in lieu of jail time when the sentence will allow, which reduces jail costs. Low income defendants are given the opportunity to work off part of their court fines through community service work. Increasing the Court Security Officer's hours 8 hours a week will allow a community service work program to be implemented. The Court Security Officer would set aside one day a week to run a community service work crew to do work within the city limits of Poulsbo. Many of the work projects would be coordinated with the Public Works and Parks Departments.

Effect on Level of Service:

High.

Alternatives:

Defendants would continue to search out their own community service work projects to comply with their court sentence.

Advantages/Disadvantages of Approval or Denial:

Advantage: The city and citizens of Poulsbo would benefit from the volunteer work.
Disadvantage: Increase in wages for the Court Services Officer

Associated Costs:		Expenditure Account Number:	
Wages	9,945	00112000051250	50000110
Benefits	1,900	00112000051250	50000210
Supplies			
Other			
Capital			
Total	**11,845**		

Source of Funding (New Revenue?) ☐ Yes ☑ No

If yes, indicate revenue account number:

CITY OF POULSBO
NEW PROGRAM REQUEST

Title: Folding Machine Maintenance Agreement	Priority: 1

Person Responsible: Deborah Booher	Department: Central Services
Council Goal this request responds to:	4 Revenues and Financial Stability

Description:

A new pressure sealing folding machine is being purchased in 2011. The machine comes with a 90 day warranty, a maintenance agreement is available to cover all maintenance/repair costs after the warranty period.

Effect on Level of Service:

Alternatives:

Don't pay for maintenance contract and pay for repairs when needed.

Advantages/Disadvantages of Approval or Denial:

The advantage to having the maintenance contract is that we are able to control and predict our repair costs, without it we have no way of knowing what repair costs for this equipment may be.

Associated Costs:		Expenditure Account Number:	
Wages			
Benefits			
Supplies			
Other	595	00114200051810	50000480
Capital			
Total	**595**		

One Time Expense ☐	Continuous Funding Request ☑
Source of Funding (New Revenue?) ☐ Yes ☑ No	
If yes, indicate revenue account number:	

CITY OF POULSBO
VIKING
CITY

Section 9

CITY IMPROVEMENT PLAN

City of Poulsbo, Washington

2011 – 2016
City Improvement Plan

COVER PHOTO
Nick Hoke
Police Officer, City of Poulsbo

City Improvement Plan
City of Poulsbo, Washington

MAYOR
Rebecca Erickson

CITY COUNCIL
Connie Lord
Linda Berry-Maraist
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
2011-2016 City Improvement Plan

TABLE OF CONTENTS

Page

Introduction 9-1
Project Prioritization Criteria 9-3
Financing the CIP 9-4
Long Term Debt Obligations & Debt Capacity 9-6
Long Term Debt Summary 9-7
Sources of Funding 9-8
Summary of Capital Projects and Funding Sources 9-10

GENERAL PURPOSE

General Purpose Program 9-11
General Purpose Capital Outlay - Facilities 9-12
General Purpose Capital Outlay - Parks 9-13
General Purpose Projects 9-14

TRANSPORTATION

Transportation Program 9-21
Transportation Capital Outlay & Funding 9-22
Transportation Projects 9-23

ENTERPRISE

Enterprise Program 9-35
Enterprise Capital Outlay & Funding 9-36
Funded Enterprise Projects 9-38

APPENDIX

Capital Improvement Policy 9-75
Debt Management Policy 9-77

CITY OF POULSBO
2011-2016 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. The plan is 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 - Projects and improvements dealing with police, parks and recreation and the City's public buildings;
Transportation - Projects dealing with vehicle and pedestrian transportation and, for the most part, duplicates our Transportation Improvement Plan (TIP); and,
Enterprise - Projects associated with the City's utilities – Water, Sewer, Storm Water and Solid Waste.

COMPREHENSIVE PLAN

The state's Growth Management Act of 1990 requires 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 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***
- ***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
2011-2016 City Improvement Plan

PROJECT PRIORITIZATION CRITERIA

Anticipated growth and development within the City is compared against existing facilities and infrastructure to ensure that established level of service standards will continue to be met. If situations are identified 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
- Economic 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

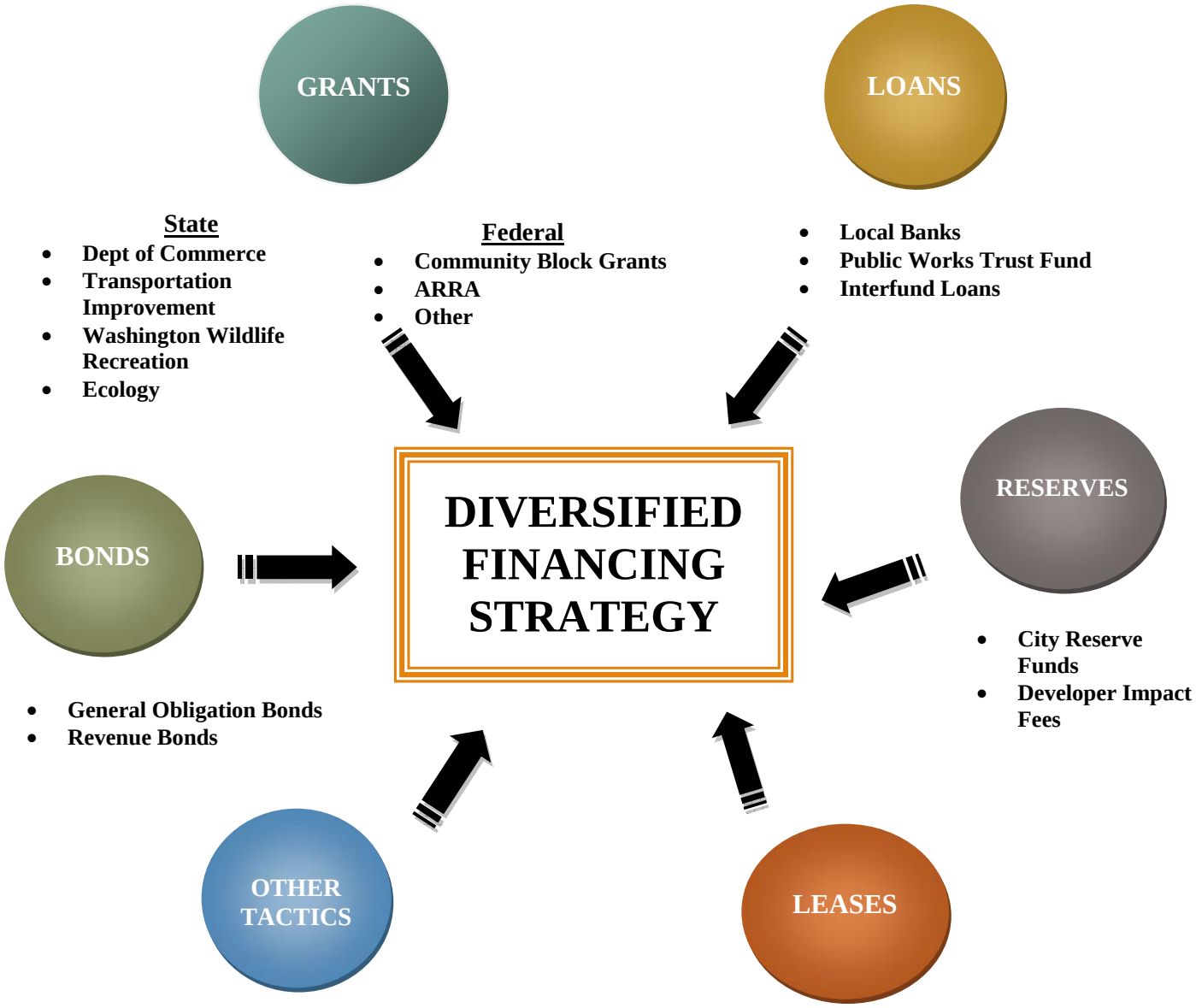
State and Federal mandates continue to impose financial burdens on the City. At the same time, recent funding constraints have left us with aging infrastructure (roadways, utility lines and municipal facilities) which require high maintenance and eventual replacement in the not-so-distant future. Looking ahead, 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 to avoid a reduction in service level standards; 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, 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 debt financing, the City is obligated 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 9-7 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, some debt obligations will be repaid in full, thus freeing up funds to support new obligations.

CITY OF POULSBO
2011-2016 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 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-five years. It is therefore imperative the City consistently follow 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 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 has received an underlying "AA" rating from Standard & Poors for its last General Obligation Bonds issue.

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 $19,046,962 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.

Project	Type	Duration	Interest Rate	Amount Issued	Outstanding
Trans/Muni Campus Bonds	Non Voted	2003 - 2017	2.5% - 4.8%	$ 2,505,000	$ 810,000
Marine Science Center	Non Voted	2005 - 2011	3.0% - 4.8%	415,000	55,000
City Hall 2005	Non Voted	2005 - 2025	3.0% - 4.8%	5,185,000	4,215,000
City Hall 2009	Non Voted	2009 - 2033	1.4% - 3.75%	6,015,000	5,620,000
Parks & Rec LOCAL	Non Voted	2009 - 2033	4.10%	310,000	310,000
City Hall Line of Credit	Non Voted	2010 - 2011	2.06%	2,000,000	2,000,000
				$ 16,430,000	13,010,000

This Debt is controlled by assessed Valuation Debt Limits

2011 Assessed Valuation $ 1,280,709,278

X 0.025	=	$ 32,017,732	Limited for Combined Debt	Balance Available	$ 19,007,732
X 0.015	=	$ 19,210,639	Limited for Non-Voted Debt	Balance Available	$ 6,200,639
			Balance Available for Voted Debt	$ 12,807,093	

BOND DEBT TO MATURITY

	General Obligation (GO)			Revenue Bonds		
Year	Principal	Interest	Total	Principal	Interest	Total
	-	-	-	-	-	-
2011	2,585,000	470,498	3,055,498	383,000	107,969	490,969
2012	550,000	453,123	1,003,123	396,000	92,546	488,546
2013	500,000	435,765	935,765	414,000	76,521	490,521
2014	515,000	419,365	934,365	429,000	62,238	491,238
2015	535,000	401,110	936,110	443,000	47,438	490,438
2016	550,000	381,505	931,505	457,000	32,154	489,154
2017	570,000	360,943	930,943	475,000	16,388	491,388
2018	485,000	338,828	823,828	-	-	-
2019	500,000	319,626	819,626	-	-	-
2020	525,000	298,850	823,850	-	-	-
2021	545,000	276,860	821,860	-	-	-
2022	565,000	253,856	818,856	-	-	-
2023	590,000	229,963	819,963	-	-	-
2024	615,000	204,990	819,990	-	-	-
2025	650,000	176,275	826,275	-	-	-
2026	295,000	146,015	441,015	-	-	-
2027	305,000	130,870	435,870	-	-	-
2028	320,000	115,188	435,188	-	-	-
2029	335,000	98,700	433,700	-	-	-
2030	355,000	80,475	435,475	-	-	-
2031	355,000	61,600	416,600	-	-	-
2032	370,000	42,075	412,075	-	-	-
2033	395,000	21,725	416,725			
TOTAL	13,010,000	5,718,205	18,728,205	2,997,000	435,254	3,432,254

[1]

[1] 2011 Principle and interest payments assume repayment of the full $2.0M Line of Credit facility. As of 12/31/10 only $1.2M of the total LOC has been utilized.

CITY OF POULSBO
2011-2016 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 31% into the Street Fund to fund maintenance and operations along with small street projects, 4.3% into the Park Reserve Fund and 4.3% into the Street Reserve Fund for capital projects. The City will transfer 14% 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. However, to make more funds available for operations in 2011, all these transfers have been reduced by 50%. The City also uses the first one-quarter percent (¼%) of the Real Estate Excise Tax (REET) for City streets. The City will transfer the first on-quarter percent (1/4%) of REET to the Debt Service Fund (204) to help fund the City Hall Debt Service ($250,000). As revenues are projected to be less than the amount planned to support the debt, the reserves will be reduced to help support the transfer. The transfer will be reduced by $75,000 to account for the revenue received from the County for their portion of the debt and $5,000 to account for the revenue shortfall.

BOND FINANCING

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.

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. In 2009, the City issued an additional $6 million to fund the construction of the new City Hall. The 2011 bond payments are projected to be paid from general fund dollars and real estate excise tax earnings. In 2010, the City secured a $2.0M Line of Credit facility intended to bridge the receipt of proceeds from the sale of property and/or issuance of bonds.

In 2010, the City financed the $310,000 purchase of the Park and Recreation building with a LOCAL certificate of participation with the State of Washington. These debt payments are projected to be paid from the General Fund but funded by rental revenue from the building.

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.

Parking Fees: At this time, public parking in the City is provided at no cost. In the future, the City could establish parking fees to fund future parking improvements.

CITY OF POULSBO

SUMMARY OF CAPITAL PROJECTS and FUNDING SOURCES
2011 - 2016 CIP BUDGET

General Purpose Projects

Projects	*Prior Years*	*2011*	*2012*	*2013*	*2014*	*2015*	*2016*	*Total*
General/Municipal Facilities	$ 1,700,000	$ 120,000	$ 20,000	$ 520,000	$ 2,664,530	$ 2,235,670	$ 1,100,000	$ 8,360,200
Park Projects	$ 3,235,698	110,000	545,000	551,500	425,000	-	-	$ 4,867,198
Total General Purpose	$ 4,935,698	$ 230,000	$ 565,000	$ 1,071,500	$ 3,089,530	$ 2,235,670	$ 1,100,000	$ 13,227,398

Funding	*Prior Years*	*2011*	*2012*	*2013*	*2014*	*2015*	*2016*	*Total*
Grants	$ 1,967,964	$ 45,000	$ 45,000	$ 400,000	$ 400,000	$ -	$ -	$ 2,857,964
City Revenues	$ 2,380,709	175,000	520,000	671,500	25,000	-	-	$ 3,772,209
Debt	$ 310,000	-	-	-	2,664,530	2,235,670	-	$ 5,210,200
Lease/Sale	$ -	-	-	-	-	-	1,100,000	$ 1,100,000
Donation/In-Kind	$ 277,025	10,000	-	-	-	-	-	$ 287,025
Total General Purpose	$ 4,935,698	$ 230,000	$ 565,000	$ 1,071,500	$ 3,089,530	$ 2,235,670	$ 1,100,000	$ 13,227,398

Transportation Projects

Projects	*Prior Years*	*2011*	*2012*	*2013*	*2014*	*2015*	*2016*	*Total*
Streets Projects	$ 954,000	$1,330,000	$ 950,000	$ 700,000	$ 1,476,000	$ 600,000	$ 450,000	$ 6,460,000
Pedestrian/Bicycle	$ -	-	-	-	-	-	-	$ -
Total Trans. Projects	$ 954,000	$1,330,000	$ 950,000	$ 700,000	$ 1,476,000	$ 600,000	$ 450,000	$ 6,460,000

Funding	*Prior Years*	*2011*	*2012*	*2013*	*2014*	*2015*	*2016*	*Total*
Grants	$ 619,000	$ 805,000	$ 530,000	$ -	$ 400,000	$ -	$ -	$ 2,354,000
City Revenues	$ 335,000	525,000	420,000	700,000	1,076,000	600,000	450,000	$ 4,106,000
Total Trans. Projects	$ 954,000	$1,330,000	$ 950,000	$ 700,000	$ 1,476,000	$ 600,000	$ 450,000	$ 6,460,000

Enterprise Projects

Projects	*Prior Years*	*2011*	*2012*	*2013*	*2014*	*2015*	*2016*	*Total*
Sewer Projects	$ 180,000	$ 740,000	$ 941,000	$ 578,000	$ 610,000	$ 730,000	$ 1,620,000	$ 5,399,000
Water Projects	$ -	467,000	1,050,000	1,137,000	1,567,000	1,492,000	1,436,000	$ 7,149,000
Storm Drain	$ 86,000	441,000	610,000	383,000	57,000	32,000	94,000	$ 1,703,000
Solid Waste	$ 25,000	125,000	-	-	-	-	-	$ 150,000
Total Enterprise Projects	$ 291,000	$1,773,000	$ 2,601,000	$ 2,098,000	$ 2,234,000	$ 2,254,000	$ 3,150,000	$ 14,401,000

Funding	*Prior Years*	*2011*	*2012*	*2013*	*2014*	*2015*	*2016*	*Total*
Grants	$ -	$ 270,000	$ 400,000	$ 200,000	$ 110,000	$ -	$ -	$ 980,000
City Revenues	$ 291,000	1,503,000	2,201,000	1,898,000	2,124,000	2,254,000	3,150,000	$ 13,421,000
Developer/Unknown Funding	$ -	-	-	-	-	-	-	$ -
Total Enterprise Projects	$ 291,000	$1,773,000	$ 2,601,000	$ 2,098,000	$ 2,234,000	$ 2,254,000	$ 3,150,000	$ 14,401,000

CITY OF POULSBO

2011-2016 CITY IMPROVEMENT PLAN

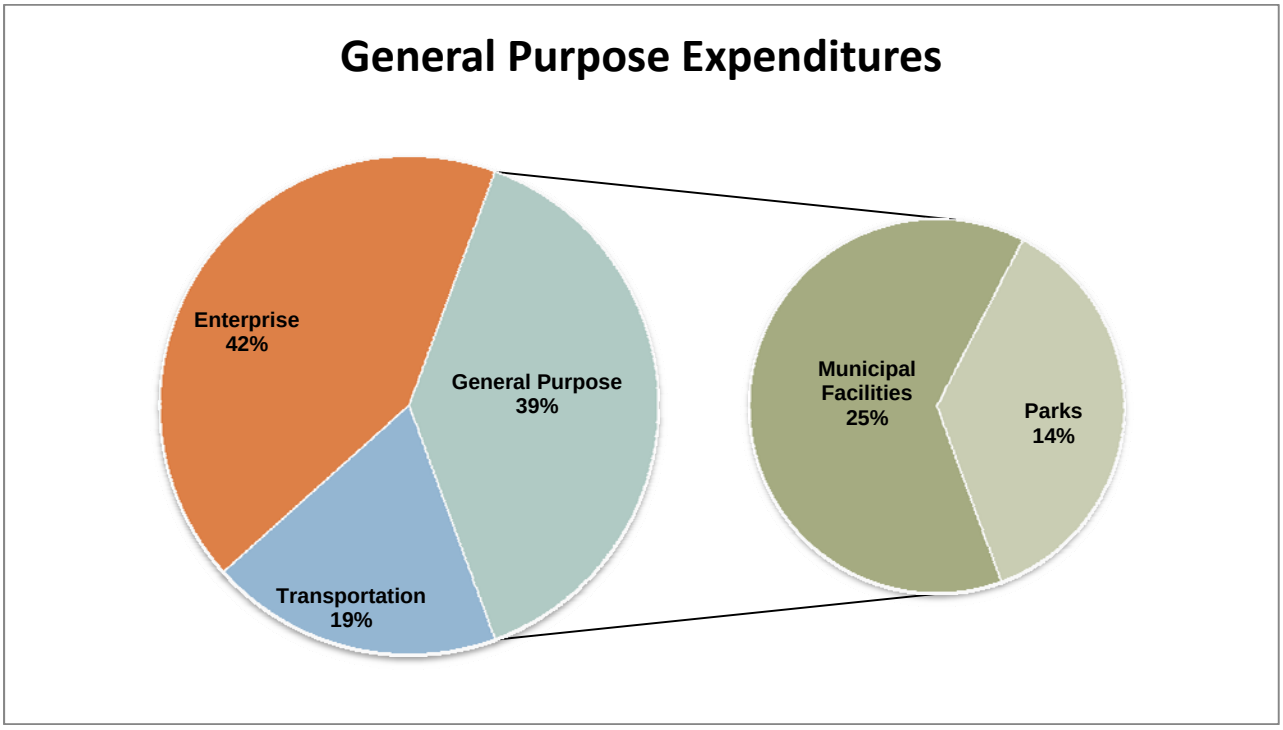
GENERAL PURPOSE PROGRAM

CITY OF POULSBO
2011-2016 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 $13,227,398 or 39% of the $34,088,398 proposed City Improvement Plan. Of the 39%, $4,867,198 represents park projects that rely heavily on grant funding.

In 2010, the City 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	$13,227,398
Transportation	$ 6,460,000
Enterprise	$14,401,000
TOTAL CAPITAL PROGRAM	$34,088,398

2011 - 2016 GENERAL PURPOSE CAPITAL IMPROVEMENTS

Page #	Project Name	Prior Years	2011 Project Cost	2012 Project Cost	2013 Project Cost	2014 Project Cost	2015 Project Cost	2016 Project Cost	Total Project Cost
	General Projects/Municipal Facilities								
14	Parks & Rec Building	$ 600,000	$ 20,000	$ 20,000	$ 20,000	$ -	$ -	$ -	$ 660,000
	6-Non-Voted Bonds	310,000	-	-	-	-	-	-	
	7- City/Utility Reserves	290,000	20,000	20,000	20,000	-	-	-	
15	PW Complex Relocation	1,100,000	100,000	-	500,000	2,664,530	2,235,670	1,100,000	7,700,200
	6-Non-Voted Bonds	-	-	-	-	2,664,530	2,235,670	-	
	7- City/Utility Reserves	1,100,000	100,000	-	500,000	-		-	
	11-Sale of PW Prop	-	-	-	-	-		1,100,000	
	Total Municiple Facility Projects	**$ 1,700,000**	**$ 120,000**	**$ 20,000**	**$ 520,000**	**$ 2,664,530**	**$ 2,235,670**	**$ 1,100,000**	**$ 8,360,200**
	Total Municiple Facility Funding Sources	**1,700,000**	**120,000**	**20,000**	**520,000**	**2,664,530**	**2,235,670**	**1,100,000**	**8,360,200**
	6- Non-Voted Bonds	*310,000*	-	-	-	*2,664,530*	*2,235,670*	-	*5,210,200*
	7 - City/Utility Resesrves	*1,390,000*	*120,000*	*20,000*	*520,000*	-	-	-	*2,050,000*
	11 - Sale of Property		-	-	-	-	-	*1,100,000*	*1,100,000*

2011 - 2016 GENERAL PURPOSE CAPITAL IMPROVEMENTS (continued)

Page #	Project Name	Prior Years	2011 Project Cost	2012 Project Cost	2013 Project Cost	2014 Project Cost	2015 Project Cost	2016 Project Cost	Total Project Cost
	Park Projects								
16	American Legion Park Asphalt Trail Improvement	$ -	$ 20,000	$ 105,000	$ -	$ -	$ -	$ -	$ 125,000
	7-City/Utility Reserves	-	20,000	105,000	-	-	-	-	
17	Centennial Park	860,308	-	150,000	61,500	-	-	-	1,071,808
	7-City/Utility Reserves	214,308	-	25,000	25,000	-	-	-	
	8 - City Impact Fees	46,000	-	125,000	36,500			-	
	10-Real Estate Excse Tax	600,000	-	-	-	-	-	-	
18	Poulsbo Fish Park Restoration	2,375,390	25,000	130,000	25,000	-	-	-	2,555,390
	1-Federal Grants	150,000	-	-	-	-	-	-	
	2-State Grants	1,817,964	-	-	-	-	-	-	
	7-City/Utility Reserves	130,401	25,000	25,000	25,000	-	-	-	
	8 - City Impact Fees	-	-	105,000	-	-	-	-	
	13-Donation/In-Kind	277,025	-	-	-	-	-	-	
19	College Marketplace Athletic Fields	-	-	115,000	465,000	425,000	-	-	1,005,000
	2-State Grants	-	-	-	400,000	400,000	-	-	
	7-City/Utility Reserves	-	-	-	25,000	25,000	-	-	
	8-City Impact Fees	-	-	115,000	40,000	-	-	-	
20	Liberty Bay Waterfront Trail	-	65,000	45,000	-	-	-	-	110,000
	1-Federal Grants	-	45,000	45,000					
	7-City/Utility Reserves	-	10,000	-	-	-	-	-	
	13 - Donation/In-Kind	-	10,000	-	-	-	-	-	
	Total Park and Recreation Projects	**$ 3,235,698**	**$ 110,000**	**$ 545,000**	**$ 551,500**	**$ 425,000**	**$ -**	**$ -**	**$ 4,867,198**
	Total Park and Recreation Funding Sources	**$ 3,235,698**	**110,000**	**545,000**	**551,500**	**425,000**	**-**	**-**	**$ 4,867,198**
	1 - Federal Grants	*150,000*	*45,000*	*45,000*	-	-	-	-	*240,000*
	2 - State Grants	*1,817,964*	-	-	*400,000*	*400,000*	-	-	*2,617,964*
	7 - City/Utility Reserves	*344,709*	*55,000*	*155,000*	*75,000*	*25,000*	-	-	*654,709*
	8 - City Impact Fees	*46,000*	-	*345,000*	*76,500*	-	-	-	*467,500*
	10 - Real Estate Excse Tax	*600,000*	-	-	-	-	-	-	*600,000*
	13 - Donation/In-Kind	*277,025*	*10,000*	-	-	-	-	-	*287,025*
	Total General Purpose Capital Projects	***$ 4,935,698***	***$ 230,000***	***$ 565,000***	***$ 1,071,500***	***$ 3,089,530***	***$ 2,235,670***	***$ 1,100,000***	***$ 13,227,398***
	Total General Purpose Funding Sources	***$ 4,935,698***	***$ 230,000***	***$ 565,000***	***$ 1,071,500***	***$ 3,089,530***	***$ 2,235,670***	***$ 1,100,000***	***$ 13,227,398***

Project Name: **Park & Rec Building**

Project Description

Budget: $660,000 **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 livability.

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:** Dec-14

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2010	2011	2012	2013	2014	2015	2016	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
6	Non-Voted Bonds	-	310,000							310,000
7	City/Utility Reserves	-	290,000	20,000	20,000	20,000				350,000
	Total	-	600,000	20,000	20,000	20,000	-	-	-	660,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2010	2011	2012	2013	2014	2015	2016	
	Planning & Design		20,000							20,000
	Land/ Right of Way		505,000							505,000
	Construction		75,000	20,000	20,000	20,000				135,000
	Management									-
	Total	-	600,000	20,000	20000	20000		-	-	660,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2010	2011	2012	2013	2014	2015	2016	
	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
	Net Impact	-	(18,000)	(5,200)	(5,200)	(5,200)	(5,200)	(5,200)	-	(44,000)

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: 2010 **Completion Date:** 2016

Capital Funding

Sources of Funding

		Prior		Six-Year Plan						Total
		Years	2010	2011	2012	2013	2014	2015	2016	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
6	Non-Voted Bonds					-	2,664,530	2,235,670		4,900,200
7	City/Utility Reserves	1,100,000		100,000		500,000				
11	Sale of PW Prop							-	1,100,000	1,100,000
	Total	1,100,000	-	100,000	-	500,000	2,664,530	2,235,670	1,100,000	7,700,200

Capital Costs

		Prior		Six-Year Plan						Total
		Years	2010	2011	2012	2013	2014	2015	2016	Costs
	Planning & Design					500,000				500,000
	Land/ Right of Way	1,100,000								1,100,000
	Construction			100,000			2,664,530	2,235,670	1,100,000	6,100,200
	Management									-
	Total	1,100,000	-	100,000	-	500,000	2,664,530	2,235,670	1,100,000	7,700,200

Estimated Impact on Future Operating Budgets

Notes:

		Prior		Six-Year Plan					Total
		Years	2009	2010	2011	2012	2013	2014	2015	Costs
	Operating							37,777	39,060	76,837
	Debt							348,500	348,500	697,000
	Total	-	-	-	-			386,277	387,560	773,837

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. The trail needs to be replaced with new asphalt or extend the boardwalk into the park.

Justification: Improve access and public safety.

Start Date: 2011 **Completion Date:** 2012

Capital Funding

Sources of Funding

		Prior Years	2010	Six-Year Plan 2011	2012	2013	2014	2015	2016	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	2010	Six-Year Plan 2011	2012	2013	2014	2015	2016	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	2010	Six-Year Plan 2011	2012	2013	2014	2015	2016	Total Costs
	Operating			500	500	500	500	500	500	3,000
	Debt									-
	Total	-								3,000

Project Name: **Centennial Park**

Project Description

Budget: $1,071,808 **Purpose:** Parks

Location: **Project Manager:** Mary McCluskey

Description: The 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 the property 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 talbes, landscaping and a 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:** 2012

Capital Funding

Sources of Funding

		Prior		Six-Year Plan						
		Years	2010	2011	2012	2013	2014	2015	2016	Total
1	Federal Grants									-
2	State Grants									-
6	Non-Voted Bonds									-
7	City/Utility Reserves	214,308			25,000	25,000				264,308
8	City Impact Fees	45,000	1,000		125,000	36,500				207,500
10	Real Estate Excise Tax	600,000			-					600,000
	Total	859,308	1,000	-	150,000	61,500	-	-	-	1,071,808

Capital Costs

		Prior		Six-Year Plan						Total
		Years	2010	2011	2012	2013	2014	2015	2016	Costs
	Planning & Design	53,930		-						53,930
	Land/ Right of Way	600,000								600,000
	Construction	200,378	1,000		120,000	76,500				397,878
	Management	5,000			10,000	5,000				20,000
	Total	859,308	1,000	-	130,000	81,500	-	-	-	1,071,808

Estimated Impact on Future Operating Budgets

Notes:

		Prior		Six-Year Plan						Total
		Years	2010	2011	2012	2013	2014	2015	2016	Costs
	Operating		1,000	1,000	1,000	1,200	1,200	1,200	1,200	7,800
	Debt									-
	Total	-	1,000	1,000	1,000	1,200	1,200	1,200	1,200	7,800

Project Name: **Poulsbo's Fish Park Property Restoration**

Project Description

Budget: $2,555,390 **Purpose:** Parks

Location: **Project Manager:** Mary McCluskey

Description: With an additional land donation in 2008, the 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:** 2013

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2010	2011	2012	2013	2014	2015	2016	
1	Federal Grants	150,000								150,000
2	State Grants	1,817,964								1,817,964
3	County									-
7	City/Utility Reserves	105,401	25,000	25,000	25,000	25,000				205,401
8	City Impact Fees	-			105,000					105,000
13	Donation/In-Kind	277,025			-					277,025
	Total	2,350,390	25,000	25,000	130,000	25,000	-	-	-	2,555,390

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2010	2011	2012	2013	2014	2015	2016	
	Planning & Design	50,000	-							50,000
	Land/ Right of Way	980,000								980,000
	Construction	1,269,390	20,000	20,000	120,000	20,000				1,449,390
	Management	51,000	5,000	5,000	10,000	5,000				76,000
	Total	2,350,390	25,000	25,000	130,000	25,000	-	-	-	2,555,390

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2010	2011	2012	2013	2014	2015	2016	
	Operating		500	500	500	500	500	500	500	3,500
	Debt									-
	Total	-	500	500	500	500	500	500	500	3,500

Project Name: **College Marketplace Athletic Fields**

Project Description

Budget: $1,005,000 **Purpose:** Parks

Location: **Project Manager:** Mary McCluskey

Description: This project recognizes that the City of Poulsbo is deficient in the number of ballfields it owns (0), and development of additional athletic fields is necessary. This project plans for development of two multi-use fields and parking on the 7-acre site at $450,000 per field. Partnerships will 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: 2012 **Completion Date:** 2012

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2010	2011	2012	2013	2014	2015	2016	
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	-			115,000	40,000				155,000
-	-									-
	Total	-	-	-	115,000	465,000	425,000	-	-	1,005,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2010	2011	2012	2013	2014	2015	2016	
	Planning & Design				25,000	40,000				65,000
	Land/ Right of Way									-
	Construction				85,000	400,000	400,000			885,000
	Management				5,000	25,000	25,000			55,000
	Total	-	-	-	115,000	465,000	425,000	-	-	1,005,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2010	2011	2012	2013	2014	2015	2016	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Liberty Bay Waterfront Trail**

Project Description

Budget: $110,000 **Purpose:** Parks

Location: Waterfront trail **Project Manager:** Mary McCluskey

Description: Development of a 1 mile continous trail along the waterfront from Liberty Bay Park to the south city limits on Viking Avenue. This may include constructing a boardwalk, acquiring easements on private property or purchasing additional properties. It will be completed in phases.

Justification: Poulsbo has pieces of the trail in place and public access easements that can be developed. This is an economic driver for citizens and visitors.

Start Date: 2011 **Completion Date:** 2012

Capital Funding

Sources of Funding

		Prior Years	2010	Six-Year Plan 2011	2012	2013	2014	2015	2016	Total
1	Federal Grants			45,000	45,000					90,000
2	State Grants									-
3	County									-
4	PWTF									-
7	City/Utility Reserves	-		10,000						10,000
13	Donation/In-Kind			10,000						10,000
	Total	-		65,000	45,000					110,000

Capital Costs

		Prior Years	2010	Six-Year Plan 2011	2012	2013	2014	2015	2016	Total Costs
	Planning & Design			65,000	45,000					110,000
	Land/ Right of Way									-
	Construction									-
	Management									-
	Total	-		65,000	45,000					110,000

Estimated Impact on Future Operating Budgets

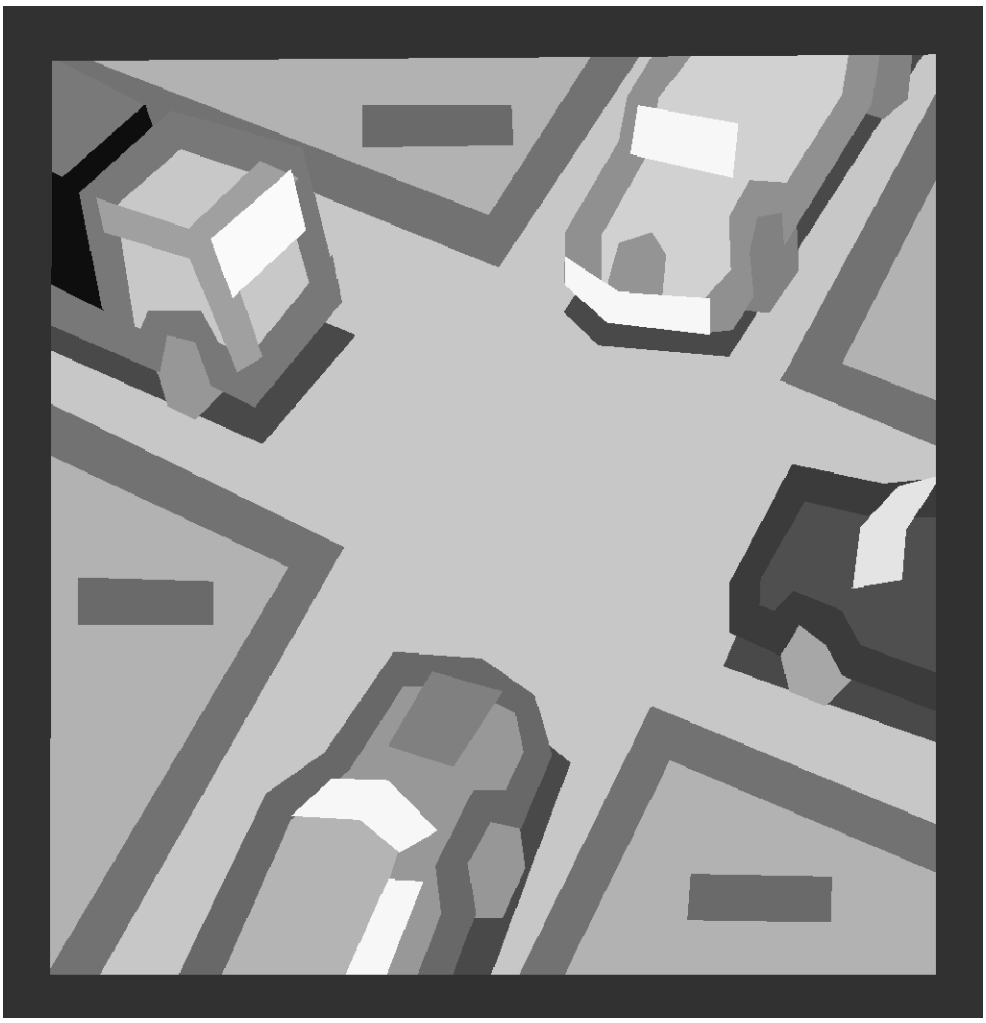
Notes:

		Prior Years	2010	Six-Year Plan 2011	2012	2013	2014	2015	2016	Total Costs
	Operating					5,000	5,000	5,000	5,000	20,000
	Debt									-
	Total	-		-	-	5,000	5,000	5,000	5,000	20,000

CITY OF POULSBO

2011-2016 CITY IMPROVEMENT PLAN

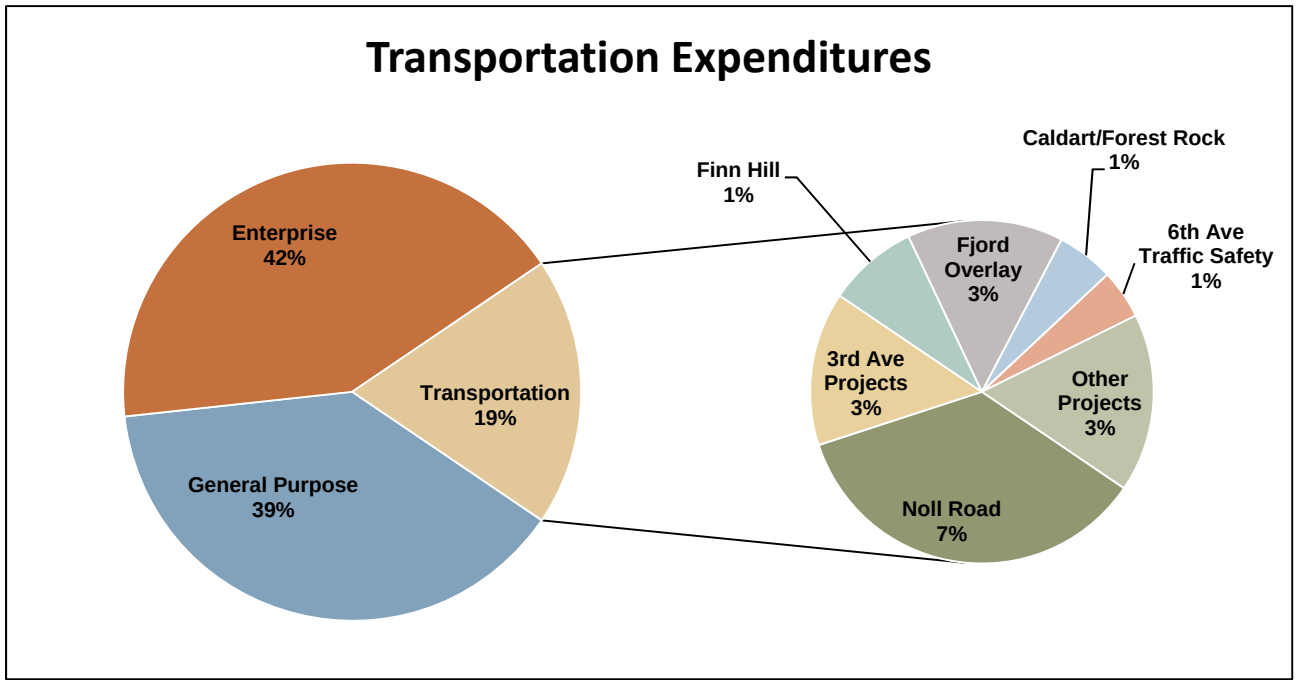
TRANSPORTATION PROGRAM



CITY OF POULSBO
2011-2016 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 $6,460,000 or 19% of the $34,088,398 City Improvement Plan. The projects listed in the Transportation Program are projects from the TIP that have established and available funding.



CITY IMPROVEMENT PLAN PROGRAM	AMOUNT
General Purpose	$13,227,398
Transportation	$ 6,460,000
Enterprise	$14,401,000
TOTAL CAPITAL PROGRAM	$34,088,398

2011 - 2016 TRANSPORTATION CAPITAL IMPROVEMENTS

Page #	Project Name	Prior Years	2011 Project Cost	2012 Project Cost	2013 Project Cost	2014 Project Cost	2015 Project Cost	2016 Project Cost	Total Project Cost
	Street Projects								
23	Noll Road Improvements	$ 894,000	$ 100,000	$ 700,000	$ 100,000	$ 500,000	$ -	$ -	$ 2,294,000
	1-Federal Grants	619,000	-	450,000		400,000		-	
	7-City/Utility Reserves	275,000	50,000						
	8-City Impact Fees	-	50,000	250,000	100,000	100,000		-	
24	3rd Ave Reconstruction - Moe to Iverson	60,000	300,000						360,000
	7-City/Utility Reserves	60,000	300,000						
25	3rd Ave Reconstruction - Moe to Hostmark		30,000	45,000	500,000				575,000
	7 - City/Utility Reserves		30,000	45,000	500,000				
26	Finn Hill Reconstruction				100,000	450,000			550,000
	8-City Impact Fees				100,000	450,000			
27	7th Ave Overlay - 8th to Liberty					160,000			160,000
	7-City/Utility Reserves					160,000			
28	Lincoln Rd Reconstruction - PS&E					100,000	100,000		200,000
	8-City Impact Fees					100,000	100,000		
29	Caldart Ave./Forest Rock Lane Overlay		-	80,000	-	266,000	-	-	346,000
	7-City/Utility Reserves			80,000		266,000			
30	Fjord Rd. Overlay - Hostmark to C/L						500,000	450,000	950,000
	7-City/Utility Reserves						500,000	450,000	
31	6th Avenue Traffic Safety Improvements		300,000	-					300,000
	2 - State Grants		250,000						
	7-City/Utility Reserves		50,000	-					
32	Hostmark 5ft sidew alk/bike lane		30,000	20,000	-	-	-	-	50,000
	7-City/Utility Reserves		30,000	20,000					
33	Liberty Bay Waterfront Trail		95,000	105,000	-	-	-	-	200,000
	1-Federal Grants		80,000	80,000					
	7-City/Utility Reserves		15,000	25,000					
34	Emergency Fjord Drive Bank Repair		475,000	-	-	-	-	-	475,000
	1-Federal Grants		475,000						
	Total Transportation Capital Projects	***$ 954,000***	***$ 1,330,000***	***$ 950,000***	***$ 700,000***	***$ 1,476,000***	***$ 600,000***	***$ 450,000***	***$ 6,460,000***
	Total Transportation Capital Funding Sources	***954,000***	***$ 1,330,000***	***$ 950,000***	***$ 700,000***	***$ 1,476,000***	***$ 600,000***	***$ 450,000***	***$ 6,460,000***
	1 - Federal Grants	619,000	555,000	530,000	-	400,000	-	-	2,104,000
	2 - State Grants	-	250,000	-	-	-	-	-	250,000
	7 - City/Utility Reserves	335,000	475,000	170,000	500,000	426,000	500,000	450,000	2,856,000
	8 - City Impact Fees	-	50,000	250,000	200,000	650,000	100,000	-	1,250,000

Project Name: **Noll Road Improvements**

Project Description

Budget: $2,294,000 **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 Poulsbo Middle School and Poulsbo Elementary School; Phase II (2012 - $450,000) will include the roundabout (Noll/Lincoln intersection); Phase III (2012/2014) will include the roadway improvements between Deer Run Plat and SR 305 (PE and R/W only).

Justification: The project will increase roadway capacity and improve safety.

Start Date: 2008 **Completion Date:** 2014

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2010	2011	2012	2013	2014	2015	2016	
1	Federal Grants		619,000		450,000		400,000			1,469,000
2	State Grants									-
3	County									-
4	PWTF									-
7	City/Utility Reserves	113,839	161,161	50,000						325,000
8	City Impact Fees			50,000	250,000	100,000	100,000			500,000
	Total	113,839	780,161	100,000	700,000	100,000	500,000	-	-	2,294,000

PSRC - $219,000, ARRA Viking Phase II - $245,000, ARRA Viking Phase III A - $155,000 = $619,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2010	2011	2012	2013	2014	2015	2016	
	Planning & Design	113,839	161,161		200,000	100,000				575,000
	Land/ Right of Way						500,000			500,000
	Construction		619,000	50,000	450,000					1,119,000
	Management			50,000	50,000					100,000
	Total	113,839	780,161	100,000	700,000	100,000	500,000	-	-	2,294,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2010	2011	2012	2013	2014	2015	2016	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **3rd Ave Reconstruction - Moe to Iverson**

Project Description

Budget: $360,000 **Purpose:** Transportation

Location: 3rd Ave. **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
			2010	2011	2012	2013	2014	2015	2016	
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
			2010	2011	2012	2013	2014	2015	2016	
	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
			2010	2011	2012	2013	2014	2015	2016	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **3rd Ave Reconstruction - Moe to Hostmark**

Project Description

Budget: $575,000 **Purpose:** Transportation

Location: 3rd Ave. **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
			2010	2011	2012	2013	2014	2015	2016	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves			30,000	45,000	500,000				575,000
	Total	-	-	30,000	45,000	500,000	-	-	-	575,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2010	2011	2012	2013	2014	2015	2016	
	Planning & Design			30,000	45,000	-				75,000
	Land/ Right of Way			-						-
	Construction			-		450,000				450,000
	Management			-		50,000				50,000
	Total	-	-	30,000	45,000	500,000	-	-	-	575,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2010	2011	2012	2013	2014	2015	2016	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Finn Hill Reconstruction**

Project Description

Budget: $550,000 **Purpose:** Transportation

Location: Finn Hill **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: 2013 **Completion Date:** 2014

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2010	2011	2012	2013	2014	2015	2016	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
8	City Impact Fees				-	100,000	450,000			550,000
	Total	-	-	-	-	100,000	450,000	-	-	550,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2010	2011	2012	2013	2014	2015	2016	
	Planning & Design				-	100,000	-			100,000
	Land/ Right of Way									-
	Construction					-	400,000			400,000
	Management					-	50,000			50,000
	Total	-	-	-	-	100,000	450,000	-	-	550,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2010	2011	2012	2013	2014	2015	2016	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **7th Ave Overlay - 8th to Liberty**

Project Description

Budget: $160,000 **Purpose:** Transportation

Location: 7th Avenue **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
			2010	2011	2012	2013	2014	2015	2016	
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
			2010	2011	2012	2013	2014	2015	2016	
	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
			2010	2011	2012	2013	2014	2015	2016	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Lincoln Rd. Reconstruction - PS&E**

Project Description

Budget: $200,000 **Purpose:** Transportation

Location: Lincoln Road **Project Manager:** Andrzej Kasiniak, P.E.

Description: Lincoln Road Improvements Phase I - Plans, Specifications and Engineering 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:** 2015

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2010	2011	2012	2013	2014	2015	2016	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
8	City Impact Fees					-	100,000	100,000		200,000
	Total	-	-	-	-	-	100,000	100,000	-	200,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2010	2011	2012	2013	2014	2015	2016	
	Planning & Design					-	100,000	100,000		200,000
	Land/ Right of Way									-
	Construction									-
	Management									-
	Total	-	-	-	-	-	100,000	100,000	-	200,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2010	2011	2012	2013	2014	2015	2016	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Caldart Ave./Forest Rock Lane Overlay**

Project Description

Budget: $346,000 **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. In 2011 the project will overlay Forest Rock Lane between Caldart Avenue and Nordic Place

Justification: The project will improve safety, extend the life of city streets, and reduce street maintenance cost. The project is financed by the Pavement Restoration Program.

Start Date: 2012 **Completion Date:** 2014

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2010	2011	2012	2013	2014	2015	2016	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
7	City/Utility Reserves		-		80,000	-	266,000	-		346,000
8	City Impact Fees									-
	Total	-	-	-	80,000	-	266,000	-	-	346,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2010	2011	2012	2013	2014	2015	2016	
	Planning & Design		-		5,000					5,000
	Land/ Right of Way									-
	Construction		-		70,000	-	250,000			320,000
	Management		-		5,000	-	16,000			21,000
	Total	-	-	-	80,000	-	266,000	-	-	346,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2010	2011	2012	2013	2014	2015	2016	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Fjord Rd. Overlay - Hostmark to C/L**

Project Description

Budget: $950,000 **Purpose:** Transportation

Location: Fjord Rd. **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 the life of city streets, and reduce street maintenance cost. The project is financed by the Pavement Restoration Program.

Start Date: 2015 **Completion Date:** 2016

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2010	2011	2012	2013	2014	2015	2016	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
7	City/Utility Reserves						-	500,000	450,000	950,000
-	-									-
	Total	-	-	-	-	-	-	500,000	450,000	950,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2010	2011	2012	2013	2014	2015	2016	
	Planning & Design									-
	Land/ Right of Way									-
	Construction						-	480,000	430,000	910,000
	Management						-	20,000	20,000	40,000
	Total	-	-	-	-	-	-	500,000	450,000	950,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2010	2011	2012	2013	2014	2015	2016	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **6th Ave Traffic Safety Improvements/5-Way Intersection**

Project Description

Budget: $300,000 **Purpose:** Transportation

Location: 6th Avenue **Project Manager:** Andrzej Kasiniak, P.E.

Description: Project includes two phases - Phase I: 5-way intersection, Phase II will construct traffic calming devices along 6th Avenue.

Justification: Public feedback indicates speeding cars are jeopardizing safety.

Start Date: 2011 **Completion Date:** 2011

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2010	2011	2012	2013	2014	2015	2016	
1	Federal Grants									-
2	State Grants			250,000						250,000
3	County									-
4	PWTF									-
7	City/Utility Reserves		-	50,000						50,000
-	-									-
	Total	-	-	300,000	-	-	-	-	-	300,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2010	2011	2012	2013	2014	2015	2016	
	Planning & Design		-	20,000						20,000
	Land/ Right of Way									-
	Construction		-	260,000						260,000
	Management		-	20,000						20,000
	Total	-	-	300,000		-	-	-	-	300,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2010	2011	2012	2013	2014	2015	2016	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Hostmark 5ft sidewalk/bike lane**

Project Description

Budget: $50,000 **Purpose:** Transportation

Location: Hostmark - Caldart to SR 305 **Project Manager:** Andrzej Kasiniak, P.E.

Description: Five foot wide sidewalk and five foot wide bike lane along the south side from SR 305 to Caldart Ave.

Justification: There are no sidewalks or bike lanes at this time.

Start Date: 2011 **Completion Date:** 2012

Capital Funding

Sources of Funding

		Prior Years	2010	Six-Year Plan 2011	2012	2013	2014	2015	2016	Total
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
7	City/Utility Reserves			30,000	20,000					50,000
-	-									-
	Total	-	-	30,000	20,000	-	-	-	-	50,000

Capital Costs

		Prior Years	2010	Six-Year Plan 2011	2012	2013	2014	2015	2016	Total Costs
	Planning & Design			30,000	20,000					50,000
	Land/ Right of Way									-
	Construction									-
	Management									-
	Total	-	-	30,000	20,000	-	-	-	-	50,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years	2010	Six-Year Plan 2011	2012	2013	2014	2015	2016	Total Costs
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Liberty Bay Waterfront Trail**

Project Description

Budget: $200,000 **Purpose:** Transportation
Location: Anderson Parkway/ Fish Park **Project Manager:** Andrzej Kasiniak, P.E.
Description: Pedestrian/Bicycle Trail from Legion Park to Liberty Bay Auto Dealership.

Justification: Project will enhance pedestrian connectivity between Anderson Parkway and Fish Park

Start Date: 2011 **Completion Date: 2012**

Capital Funding

Sources of Funding

		Prior Years	2010	Six-Year Plan 2011	2012	2013	2014	2015	2016	Total
1	Federal Grants			80,000	80,000					160,000
2	State Grants									-
3	County									-
4	PWTF									-
7	City/Utility Reserves			15,000	25,000					40,000
-	-									-
	Total	-	-	95,000	105,000	-	-	-	-	200,000

Capital Costs

		Prior Years	2010	Six-Year Plan 2011	2012	2013	2014	2015	2016	Total Costs
	Planning & Design			95,000	105,000					200,000
	Land/ Right of Way									-
	Construction				-					-
	Management				-					-
	Total	-	-	95,000	105,000	-	-	-	-	200,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years	2010	Six-Year Plan 2011	2012	2013	2014	2015	2016	Total Costs
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: Emergency Fjord Drive Bank Repair

Project Description

Budget: $475,000 **Purpose:** Transportation

Location: Fjord Drive north of Yacht Club **Project Manager:** Andrzej Kasiniak, P.E.

Description: This project will stabilize the bank on Fjord Drive. It represents the street utility contribution to the Fjord Drive Bank Repair Project. The total project cost is $565,000.

Justification: Recently a landslide occurred on Fjord Drive. The potentially unstable area is about 200 feet long.

Start Date: 2011 **Completion Date:** 2011

Capital Funding

Sources of Funding

		Prior Years	2010	Six-Year Plan 2011	2012	2013	2014	2015	2016	Total
1	Federal Grants			475,000						475,000
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves		-	-	-					-
	Total	-	-	475,000	-	-	-	-	-	475,000

Capital Costs

		Prior Years	2010	Six-Year Plan 2011	2012	2013	2014	2015	2016	Total Costs
	Planning & Design				-					-
	Land/ Right of Way									-
	Construction		-	425,000	-					425,000
	Management		-	50,000	-					50,000
	Total	-	-	475,000	-	-	-	-	-	475,000

Estimated Impact on Future Operating Budgets

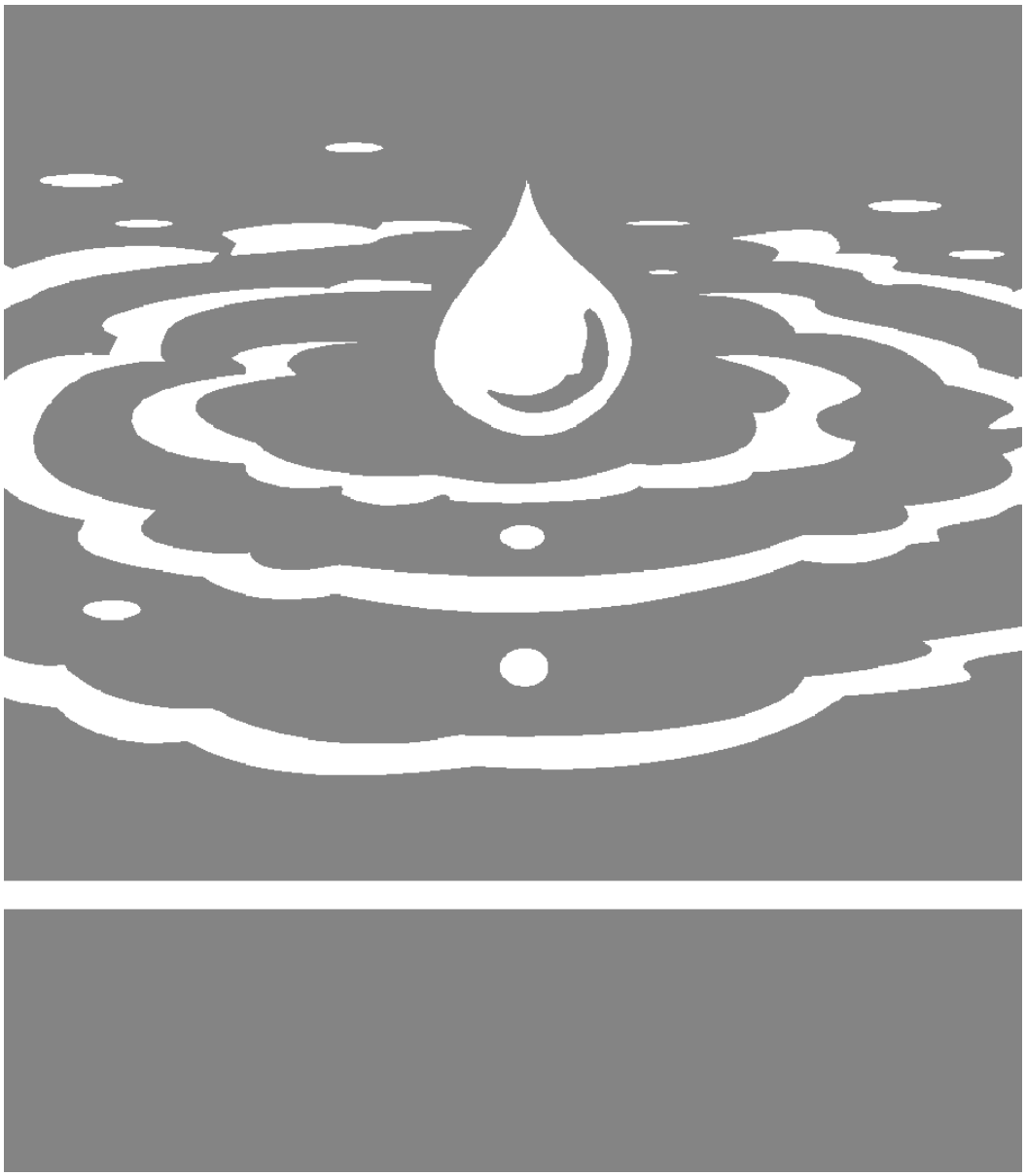
Notes:

		Prior Years	2010	Six-Year Plan 2011	2012	2013	2014	2015	2016	Total Costs
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

CITY OF POULSBO

2011-2016 CITY IMPROVEMENT PLAN

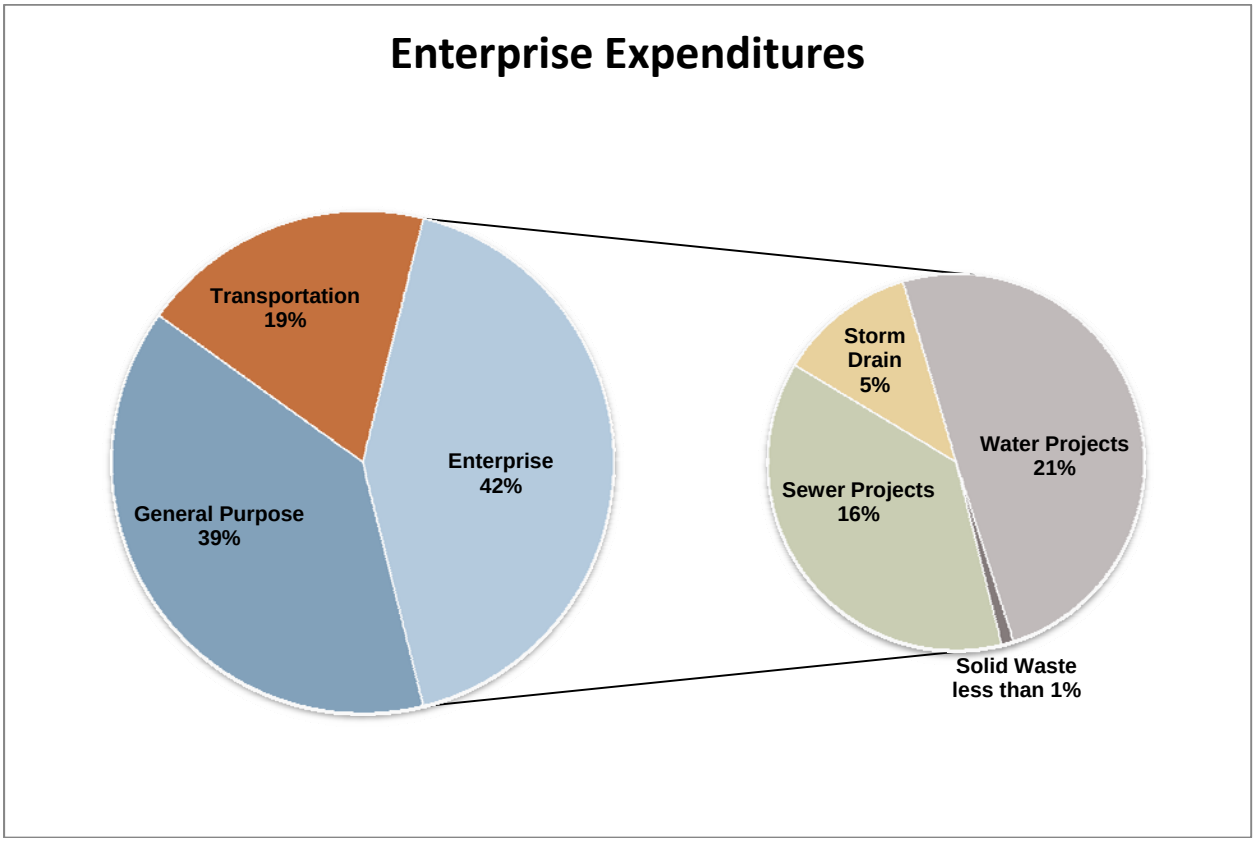
ENTERPRISE PROGRAM



CITY OF POULSBO
2011 - 2016 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 $14,401,000 or 42% of the $34,088,398 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.



CITY IMPROVEMENT PLAN PROGRAM	AMOUNT
General Purpose	$13 227 398
Transportation	$ 6,460,000
Enterprise	$14,104,000
TOTAL CAPITAL PROGRAM	$34,088,398

2011 - 2016 ENTERPRISE CAPITAL IMPROVEMENTS

Page #	Project Name	Prior Years	2011 Project Cost	2012 Project Cost	2013 Project Cost	2014 Project Cost	2015 Project Cost	2016 Project Cost	Total Project Cost
	Sewer								
38	Annual Inflow Reduction Program	30,000	20,000	20,000	20,000				90,000
39	6th & 9th Avenue Pump Station	150,000	600,000						750,000
40	Tollefson Forcemain Upgrade		50,000						50,000
41	Poulsbo Village Pump Station Upgrade			81,000					81,000
42	Harrison Forcemain Replacement		40,000	340,000	-				380,000
43	Replace Johnson Pipe				58,000				58,000
44	I&I Effectiveness/Downstream Capacity Study					110,000			110,000
45	Lemolo Pipeline Improvement						50,000		50,000
46	Slipline Beach Force Main						180,000	1,120,000	1,300,000
47	Capital Facilities Charge for CK Plant			500,000	500,000	500,000	500,000	500,000	2,500,000
48	Emergency Fjord Drive Bank Repair		30,000						30,000
	Total Sewer Capital Projects	**$ 180,000**	**$ 740,000**	**$ 941,000**	**$ 578,000**	**$ 610,000**	**$ 730,000**	**$ 1,620,000**	**$ 5,399,000**

Funding Source	Prior Years	2011	2012	2013	2014	2015	2016	Total
1-Federal Grants	-	-	-		110,000	-	-	*110,000*
7-Sewer Reserves	180,000	*740,000*	*941,000*	*578,000*	*500,000*	*730,000*	*1,620,000*	*5,289,000*
Funding for Sewer Projects	**$ 180,000**	**$ 740,000**	**$ 941,000**	**$ 578,000**	**$ 610,000**	**$ 730,000**	**$ 1,620,000**	**$ 5,399,000**

	Water								
49	Westside Well - Treatment for Manganese		$ 100,000	$ -	$ -	$ -	$ -	$ -	100,000
50	Intrusion Alarms		22,000						22,000
51	Big Valley Wells Piping Improvements		15,000	75,000					90,000
52	Pugh Well/Lincoln #2-Treatment for Manganese		100,000						100,000
53	Hostmark Transmission Main			40,000	648,000				688,000
54	Wilderness Park Booster Station Replacement				50,000	563,000			613,000
55	Wilderness Park Transmission Main			35,000	439,000				474,000
56	Old Town - Distribution Main Replacement			-	-	350,000	350,000		700,000
57	Finn Hill Transmission Main					453,000			453,000
58	Big Valley Well #3					166,000	302,000		468,000
59	Finn Hill Booster Station					35,000	740,000		775,000
60	Big Valley - Little Valley Transmission Main		200,000	900,000			-		1,100,000
61	Westside Well # 2						100,000	350,000	450,000
62	Finn Hill Reservoir #2							1,086,000	1,086,000
63	Emergency Fjord Drive Bank Repair		30,000						30,000
	Total Water Capital Projects	**$ -**	**$ 467,000**	**$ 1,050,000**	**$ 1,137,000**	**$ 1,567,000**	**$ 1,492,000**	**$ 1,436,000**	**$ 7,149,000**

Funding Source	Prior Years	2011	2012	2013	2014	2015	2016	Total
7-Water Reserves	-	*467,000*	*1,050,000*	*1,137,000*	*1,567,000*	*1,492,000*	*1,436,000*	*7,149,000*
Funding for Water Projects	**$ -**	**$ 467,000**	**$ 1,050,000**	**$ 1,137,000**	**$ 1,567,000**	**$ 1,492,000**	**$ 1,436,000**	**$ 7,149,000**

2011 - 2016 ENTERPRISE CAPITAL IMPROVEMENTS (continued)

Page #	Project Name	Prior Years	2011 Project Cost	2012 Project Cost	2013 Project Cost	2014 Project Cost	2015 Project Cost	2016 Project Cost	Total Project Cost
	Storm Drain								
64	Dogfish Creek Restoration		50,000	350,000	300,000				700,000
65	Anderson Parkway LID Retrofit	46,000	321,000						367,000
66	Noll Rd Culver Replacement/Bjorgen Cr Culvert	40,000		260,000					300,000
67	Replace Storm Drains in Ridgewood		40,000						40,000
68	Replace Storm Drain in Wendy Way		-		83,000				83,000
69	Norrland Drainage Ditch Replacement					57,000			57,000
70	Replace Storm Drain West of 10th Ave.						32,000		32,000
71	Repair American Legion Park Outfall							94,000	94,000
72	Emergency Fjord Drive Bank Repair		30,000						30,000
	Total Storm Drain Projects	**$ 86,000**	**$ 441,000**	**$ 610,000**	**$ 383,000**	**$ 57,000**	**$ 32,000**	**$ 94,000**	**$ 1,703,000**

Funding Source	Prior Years	2011	2012	2013	2014	2015	2016	Total
2-State Grants	*$ -*	*$ 270,000*	*$ 400,000*	*$ 200,000*	*$ -*	*$ -*	*$ -*	$ 870,000
7-Storm Drain Reserves	*$ 86,000*	*171,000*	*210,000*	*183,000*	*57,000*	*32,000*	*94,000*	*833,000*
Funding for Storm Drain Projects	**$ 86,000**	**$ 441,000**	**$ 610,000**	**$ 383,000**	**$ 57,000**	**$ 32,000**	**$ 94,000**	**$ 1,703,000**

	Solid Waste								
73	Solid Waste Transfer Station	25,000	125,000	-	-	-	-	-	150,000
	Total Solid Waste Projects	**$ 25,000**	**$ 125,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 150,000**

Funding Source	Prior Years	2011	2012	2013	2014	2015	2016	Total
7-Solid Waste Reserves	*$ 25,000*	*$ 125,000*	*$ -*					*$ 150,000*
Funding for Solid Waste Projects	**25,000**	**125,000**	**-**	**-**	**-**	**-**	**-**	**150,000**

Total Enterprise Projects	**$ 291,000**	**$ 1,773,000**	**$ 2,601,000**	**$ 2,098,000**	**$ 2,234,000**	**$ 2,254,000**	**$ 3,150,000**	**$ 14,401,000**
Total Funding Enterprise Projects	**$ 291,000**	**$ 1,773,000**	**$ 2,601,000**	**$ 2,098,000**	**$ 2,234,000**	**$ 2,254,000**	**$ 3,150,000**	**$ 14,401,000**
GRAND TOTAL CIP PROJECTS	**$ 6,180,698**	**$ 3,333,000**	**$ 4,116,000**	**$ 3,869,500**	**$ 6,799,530**	**$ 5,089,670**	**$ 4,700,000**	**$ 34,088,398**
GRAND TOTAL CIP FUNDING SOURCES	**$ 6,180,698**	**$ 3,333,000**	**$ 4,116,000**	**$ 3,869,500**	**$ 6,799,530**	**$ 5,089,670**	**$ 4,700,000**	**$ 34,088,398**

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 annual 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: 2012 **Completion Date:** 2013

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2010	2011	2012	2013	2014	2015	2016	
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
			2010	2011	2012	2013	2014	2015	2016	
	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
			2010	2011	2012	2013	2014	2015	2016	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **6th & 9th Avenue Pump Station**

Project Description

Budget: $750,000 **Purpose:** Sewer

Location: 6th/9th Avenue **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: 2012 **Completion Date:** 2012

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2010	2011	2012	2013	2014	2015	2016	
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
			2010	2011	2012	2013	2014	2015	2016	
	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
			2010	2011	2012	2013	2014	2015	2016	
	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: 2011 **Completion Date:** 2011

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2010	2011	2012	2013	2014	2015	2016	
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
			2010	2011	2012	2013	2014	2015	2016	
	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
			2010	2011	2012	2013	2014	2015	2016	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Poulsbo Village Pump Station Upgrade**

Project Description

Budget: $81,000 **Purpose:** Sewer

Location: Poulsbo Village **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
			2010	2011	2012	2013	2014	2015	2016	
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
			2010	2011	2012	2013	2014	2015	2016	
	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
			2010	2011	2012	2013	2014	2015	2016	
	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 the Marine Science Center 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 to Liberty Bay.

Start Date: 2011 **Completion Date:** 2012

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2010	2011	2012	2013	2014	2015	2016	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves		-	40,000	340,000	-	-	-	-	380,000
	Total	-	-	40,000	340,000	-	-	-	-	380,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2010	2011	2012	2013	2014	2015	2016	
	Planning & Design			40,000						40,000
	Land/ Right of Way									-
	Construction				320,000	-	-	-	-	320,000
	Management				20,000					20,000
	Total	-	-	40,000	340,000	-	-	-	-	380,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2010	2011	2012	2013	2014	2015	2016	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Replace Johnson Pipe**

Project Description

Budget: $58,000 **Purpose:** Sewer

Location: **Project Manager:** Dan Wilson

Description: Replace 175 fl of 18-in Reinforced Concrete Pipe with 24-in PVC.

Justification: To provide the necessary capacity within the sanitary sewer basin.

Start Date: 2012 **Completion Date:** 2013

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2010	2011	2012	2013	2014	2015	2016	
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
			2010	2011	2012	2013	2014	2015	2016	
	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
			2010	2011	2012	2013	2014	2015	2016	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **I & I Effectiveness & Downstream Capacity 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: 2014 **Completion Date:** 2014

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2010	2011	2012	2013	2014	2015	2016	
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
			2010	2011	2012	2013	2014	2015	2016	
	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
			2010	2011	2012	2013	2014	2015	2016	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Lemolo Pipeline Improvement**

Project Description

Budget: $50,000 **Purpose:** Sewer

Location: Lemolo **Project Manager:** Dan Wilson

Description: Install Air-Vacs 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: 2015 **Completion Date:** 2015

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2010	2011	2012	2013	2014	2015	2016	
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
			2010	2011	2012	2013	2014	2015	2016	
	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
			2010	2011	2012	2013	2014	2015	2016	
	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: 2015 **Completion Date:** 2016

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2010	2011	2012	2013	2014	2015	2016	
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
			2010	2011	2012	2013	2014	2015	2016	
	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
			2010	2011	2012	2013	2014	2015	2016	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Capital Facilities Charge for CK Plant**

Project Description

Budget: $2,500,000 **Purpose:** Sewer

Location: **Project Manager:** Dan Wilson

Description: City's capital contribution to the Central Kitsap treatment plant as required by contract with Kitsap County.

Justification: Kitsap County contract requirement.

Start Date: 2012 **Completion Date:** 2016

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2010	2011	2012	2013	2014	2015	2016	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves		-	-	500,000	500,000	500,000	500,000	500,000	2,500,000
	Total	-	-	-	500,000	500,000	500,000	500,000	500,000	2,500,000

Capital Costs

		Prior Years		Six-Year Plan					Total Costs
			2009	2010	2011	2012	2013	2014	2015	
	Planning & Design							-		-
	Land/ Right of Way									-
	Construction				500,000	500,000	500,000	500,000	500,000	2,500,000
	Management								-	-
	Total	-	-	-	500,000	500,000	500,000	500,000	500,000	2,500,000

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: **Emergency Fjord Drive Bank Repair**

Project Description

Budget: $30,000 **Purpose:** Sewer

Location: Fjord Dr. North of Yacht Club **Project Manager:** Andrzej Kasiniak, P.E.

Description: The project will stabilize the bank. It represents the sewer/utility contribution to the Fjord Drive Bank Repair project. The total project cost is $565,000.

Justification: Recently a landslide occurred on Fjord Drive. The potentially unstable area is about 200 feet long.

Start Date: 2011 **Completion Date:** 2011

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2010	2011	2012	2013	2014	2015	2016	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves	-	-	30,000						30,000
	Total	-	-	30,000	-	-	-	-	-	30,000

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						25,000
	Management			5,000						5,000
	Total	-	-	30,000	-	-	-	-	-	30,000

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 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. Department of Health guidelines call for a maximum content of .05 mg/L.

Start Date: 2011 **Completion Date:** 2011

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2010	2011	2012	2013	2014	2015	2016	
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
			2010	2011	2012	2013	2014	2015	2016	
	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
			2010	2011	2012	2013	2014	2015	2016	
	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: 2011 **Completion Date:** 2011

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2010	2011	2012	2013	2014	2015	2016	
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
			2010	2011	2012	2013	2014	2015	2016	
	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
			2010	2011	2012	2013	2014	2015	2016	
	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: 2011 **Completion Date:** 2012

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2010	2011	2012	2013	2014	2015	2016	
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
			2010	2011	2012	2013	2014	2015	2016	
	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
			2010	2011	2012	2013	2014	2015	2016	
	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	2010	Six-Year Plan 2011	2012	2013	2014	2015	2016	Total
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	2010	Six-Year Plan 2011	2012	2013	2014	2015	2016	Total Costs
	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	2010	Six-Year Plan 2011	2012	2013	2014	2015	2016	Total Costs
	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: 2012 **Completion Date:** 2013

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2010	2011	2012	2013	2014	2015	2016	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves				40,000	648,000				688,000
	Total	-	-	-	40,000	648,000	-	-	-	688,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2010	2011	2012	2013	2014	2015	2016	
	Planning & Design				40,000					40,000
	Land/ Right of Way									-
	Construction					608,000				608,000
	Management					40,000				40,000
	Total	-	-	-	40,000	648,000	-	-	-	688,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2010	2011	2012	2013	2014	2015	2016	
	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.

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: 2013 **Completion Date:** 2014

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2010	2011	2012	2013	2014	2015	2016	
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
			2010	2011	2012	2013	2014	2015	2016	
	Planning & Design				-	50,000				50,000
	Land/ Right of Way									-
	Construction					-	533,000			533,000
	Management						30,000			30,000
	Total	-	-	-	-	50,000	563,000	-	-	613,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2010	2011	2012	2013	2014	2015	2016	
	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 proved water quality in the area around the reservoir.

Start Date: 2012 **Completion Date:** 2013

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2010	2011	2012	2013	2014	2015	2016	
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
			2010	2011	2012	2013	2014	2015	2016	
	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
			2010	2011	2012	2013	2014	2015	2016	
	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: 2014 **Completion Date:** 2015

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2010	2011	2012	2013	2014	2015	2016	
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
			2010	2011	2012	2013	2014	2015	2016	
	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
			2010	2011	2012	2013	2014	2015	2016	
	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: 2014 **Completion Date:** 2014

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2010	2011	2012	2013	2014	2015	2016	
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
			2010	2011	2012	2013	2014	2015	2016	
	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
			2010	2011	2012	2013	2014	2015	2016	
	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: 2014 **Completion Date:** 2015

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2010	2011	2012	2013	2014	2015	2016	
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
			2010	2011	2012	2013	2014	2015	2016	
	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
			2010	2011	2012	2013	2014	2015	2016	
	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: 2014 **Completion Date:** 2015

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2010	2011	2012	2013	2014	2015	2016	
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
			2010	2011	2012	2013	2014	2015	2016	
	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
			2010	2011	2012	2013	2014	2015	2016	
	Operating								5,000	5,000
	Debt									-
	Total	-	-	-	-	-	-	-	5,000	5,000

Project Name: **Big Valley - Little Valley Transmission Line**

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: 2011 **Completion Date:** 2012

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2010	2011	2012	2013	2014	2015	2016	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves			200,000	900,000					1,100,000
	Total	-	-	200,000	900,000	-	-	-	-	1,100,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2010	2011	2012	2013	2014	2015	2016	
	Planning & Design			200,000						200,000
	Land/ Right of Way									-
	Construction				870,000					870,000
	Management				30,000					30,000
	Total	-	-	200,000	900,000	-	-	-	-	1,100,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2010	2011	2012	2013	2014	2015	2016	
	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: 2015 **Completion Date:** 2016

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						
			2010	2011	2012	2013	2014	2015	2016	
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
			2010	2011	2012	2013	2014	2015	2016	
	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
			2010	2011	2012	2013	2014	2015	2016	
	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: 2016 **Completion Date:** 2016

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2010	2011	2012	2013	2014	2015	2016	
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
			2010	2011	2012	2013	2014	2015	2016	
	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
			2010	2011	2012	2013	2014	2015	2016	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Emergency Fjord Drive Bank Repair**

Project Description

Budget: $30,000 **Purpose:** Water

Location: Fjord Drive north of Yacht Club **Project Manager:** Andrzej Kasiniak, P.E.

Description: The project will stabilize the bank. It represents the water utility contribution to the Fjord Drive Bank Repair Project. The total project cost is $565,000.

Justification: Recently a landslide occurred on Fjord Drive. The potentially unstable area is about 200 feet long.

Start Date: 2011 **Completion Date:** 2011

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						
			2010	2011	2012	2013	2014	2015	2016	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves			30,000	-					30,000
	Total	-	-	30,000	-	-	-	-	-	30,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2010	2011	2012	2013	2014	2015	2016	
	Planning & Design				-					-
	Land/ Right of Way									-
	Construction			25,000	-					25,000
	Management			5,000	-					5,000
	Total	-	-	30,000	-	-	-	-	-	30,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2010	2011	2012	2013	2014	2015	2016	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Dogfish Creek Restoration Implementation**

Project Description

Budget: $700,000 **Purpose:** Storm Drain

Location: S Fork of Dogfish Creek **Project Manager:** Andrzej Kasiniak, P.E.

Description: The proposed projects are identified in the Master Plan. The purpose of these project is: to reduce flooding, to improve the Creek appearance, and to enhance salmon migration upstream.

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 projects are identified in the Master Plan. The purpose of this project is: to reduce flooding, to improve the Creek appearance, and to enhance salmon migration upstream.

Start Date: 2011 **Completion Date:** 2013

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2010	2011	2012	2013	2014	2015	2016	
1	Federal Grants									-
2	State Grants			-	200,000	200,000				400,000
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves			50,000	150,000	100,000				300,000
	Total	-	-	50,000	350,000	300,000	-	-	-	700,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2010	2011	2012	2013	2014	2015	2016	
	Planning & Design			50,000	50,000					100,000
	Land/ Right of Way									-
	Construction			-	300,000	300,000				600,000
	Management									-
	Total	-	-	50,000	350,000	300,000	-	-	-	700,000

Estimated Impact on Future Operating Budgets

Notes: No Impact

		Prior Years		Six-Year Plan						Total Costs
			2010	2011	2012	2013	2014	2015	2016	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Anderson Parkway LID Retrofit**

Project Description

Budget: $367,000 **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
			2010	2011	2012	2013	2014	2015	2016	
1	Federal Grants									-
2	State Grants		-	270,000						270,000
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves	6,000	40,000	51,000						97,000
	Total	6,000	40,000	321,000	-	-	-	-	-	367,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2010	2011	2012	2013	2014	2015	2016	
	Planning & Design	6,000	40,000	311,000	-					357,000
	Land/ Right of Way									-
	Construction					-				-
	Management		-	10,000						10,000
	Total	6,000	40,000	321,000	-	-	-	-	-	367,000

Estimated Impact on Future Operating Budgets

Notes: Maintenance of Infiltration Cells - $2000/year

		Prior Years		Six-Year Plan						Total Costs
			2010	2011	2012	2013	2014	2015	2016	
	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: $300,000 **Purpose:** Storm Drain

Location: South of Noll Road **Project Manager:** Andrzej Kasiniak, P.E.

Description: The project will replace the exisiting 36-in culvert with a 8/10 foot wide culvert.

Justification: The exisiting culvert under an the city 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:** 2012

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2010	2011	2012	2013	2014	2015	2016	
1	Federal Grants									-
2	State Grants				200,000					200,000
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves	40,000			60,000					100,000
	Total	40,000	-	-	260,000	-	-	-	-	300,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2010	2011	2012	2013	2014	2015	2016	
	Planning & Design	40,000			-					40,000
	Land/ Right of Way									-
	Construction			-	250,000	-				250,000
	Management			-	10,000					10,000
	Total	40,000	-	-	260,000	-	-	-	-	300,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2010	2011	2012	2013	2014	2015	2016	
	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 Drains in Ridgewood**

Project Description

Budget: $40,000 **Purpose:** Storm Drain

Location: Ridgewood **Project Manager:** Andrzej Kasiniak, P.E.

Description: The existing storm drain does not meet the current standards. The project will identify the necessary improvements to bring the existing stormwater system to compliance with the 2005 Department of Ecology Design Manual.

Justification: During heavy storm events, water floods private properties.

Start Date: 2011 **Completion Date:** 2011

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2010	2011	2012	2013	2014	2015	2016	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves		-	40,000	-					40,000
	Total	-	-	40,000	-	-	-	-	-	40,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2010	2011	2012	2013	2014	2015	2016	
	Planning & Design		-	40,000	-					40,000
	Land/ Right of Way									-
	Construction				-					-
	Management				-					-
	Total	-	-	40,000	-	-	-	-	-	40,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2010	2011	2012	2013	2014	2015	2016	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

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 linear 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: 2013 **Completion Date:** 2013

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2010	2011	2012	2013	2014	2015	2016	
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
			2010	2011	2012	2013	2014	2015	2016	
	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
			2010	2011	2012	2013	2014	2015	2016	
	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 linear 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: 2014 **Completion Date:** 2014

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2010	2011	2012	2013	2014	2015	2016	
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
			2010	2011	2012	2013	2014	2015	2016	
	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
			2010	2011	2012	2013	2014	2015	2016	
	Operating				-	-	500	500		1,000
	Debt									-
	Total	-	-	-	-	-	500	500	-	1,000

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 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: 2015 **Completion Date:** 2015

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2010	2011	2012	2013	2014	2015	2016	
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
			2010	2011	2012	2013	2014	2015	2016	
	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
			2010	2011	2012	2013	2014	2015	2016	
	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: 2016 **Completion Date:** 2016

Capital Funding

Sources of Funding

		Prior Years	Six-Year Plan						Total
			2010	2011	2012	2013	2014	2015	2016	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves							-	94,000	-
	Total	-	-	-	-	-	-	-	94,000	94,000

Capital Costs

		Prior Years	Six-Year Plan						Total Costs
			2010	2011	2012	2013	2014	2015	2016	
	Planning & Design							-	12,490	-
	Land/ Right of Way									-
	Construction							-	81,510	-
	Management									-
	Total	-	-	-	-	-	-	-	94,000	94,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years	Six-Year Plan						Total Costs
			2010	2011	2012	2013	2014	2015	2016	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: **Emergency Fjord Drive Bank Repair**

Project Description

Budget: $30,000 **Purpose:** Storm Drain

Location: Fjord Drive north of Yacht Club **Project Manager:** Andrzej Kasiniak, P.E.

Description: The project will stabilize the bank. It represents the stormwater utility contribution to the Fjord Drive Bank Repair Project. The total project cost is $565,000.

Justification: Recently a landslide occurred on Fjord Drive. The potentially unstable area is bout 200 feet long.

Start Date: 2011 **Completion Date:** 2011

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2010	2011	2012	2013	2014	2015	2016	
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves		-	30,000	-					30,000
	Total	-	-	30,000	-	-	-	-	-	30,000

Capital Costs

		Prior Years		Six-Year Plan						Total Costs
			2010	2011	2012	2013	2014	2015	2016	
	Planning & Design				-					-
	Land/ Right of Way									-
	Construction		-	25,000	-					25,000
	Management		-	5,000	-					5,000
	Total	-	-	30,000	-	-	-	-	-	30,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years		Six-Year Plan						Total Costs
			2010	2011	2012	2013	2014	2015	2016	
	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: Construct Solid Waste Transfer Station

Justification: The project will reduce cost associated with transporting garbage to the Bremerton Solid Waste Transfer Station.

Start Date: 2009 **Completion Date:** 2011

Capital Funding

Sources of Funding

		Prior Years		Six-Year Plan						Total
			2010	2011	2012	2013	2014	2015	2016	
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
			2010	2011	2012	2013	2014	2015	2016	
	Planning & Design	10,000								10,000
	Land/ Right of Way									-
	Construction	15,000	-	120,000	-					135,000
	Management		-	5,000	-					5,000
	Total	25,000	-	125,000	-	-	-	-	-	150,000

Estimated Impact on Future Operating Budgets

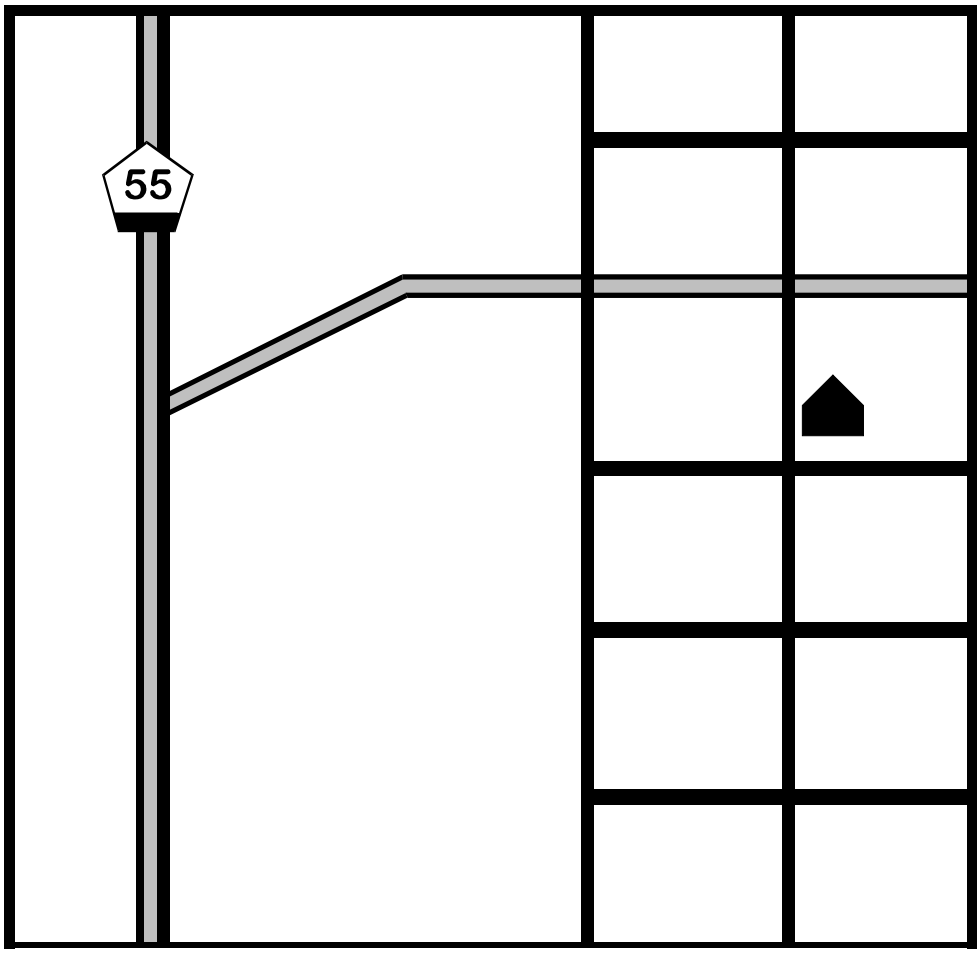
Notes:

		Prior Years		Six-Year Plan						Total Costs
			2010	2011	2012	2013	2014	2015	2016	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

CITY OF POULSBO

2011-2016 CITY IMPROVEMENT PLAN

APPENDIX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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.

City of Poulsbo Debt Policy

SECTION I – INTRODUCTION & GUIDING PRINCIPLES

Purpose and Overview
The Debt Policy for the City of Poulsbo is established to help ensure that all debt is issued both prudently and cost effectively. The Debt Policy sets forth comprehensive guidelines for the issuance and management of all financings of the City Council. Adherence to the policy is essential to ensure that the Council maintains a sound debt position and protects the credit quality of its obligations.

Capital Planning:
The City shall integrate its debt issuance with its Capital Improvement Program (CIP) spending to ensure that planned financing conforms to policy targets regarding the level and composition of outstanding debt. This planning considers the long-term horizon, paying particular attention to financing priorities, capital outlays and competing projects. Long term borrowing shall be confined to the acquisition and/or construction of capital improvements and shall not be used to fund operating or maintenance costs. For all capital projects under consideration, the City shall set aside sufficient revenue from operations to fund ongoing normal maintenance needs and to provide reserves for periodic replacement and renewal. The issuance of debt to fund operating deficits is not permitted.

Legal Governing Principles
In the issuance and management of debt, the City shall comply with the state constitution and with all other legal requirements imposed by federal, state, and local rules and regulations, as applicable.

- State Statutes – The City may contract indebtedness as provided for by RCW 35A.40.090. General Obligation indebtedness is subject to the limitations on indebtedness provided for in RCW 39.36.020(2)(b) and Article VIII of the Washington State Constitution. Bonds evidencing such indebtedness shall be issued and sold in accordance with chapter 39.46.
- Federal Rules and Regulations – The City shall issue and manage debt in accordance with the limitations and constraints imposed by federal rules and regulations including the Internal Revenue Code of 1986, as amended; the Treasury Department regulations there under; and the Securities Acts of 1933 and 1934.
- Local Rules and Regulations – The City shall issue and manage debt in accordance with the limitations and constraints imposed by local rules and regulations.

Roles & Responsibilities
The City Council shall:

- Approve indebtedness;
- Approve appointment of independent financial advisor and bond counsel;
- Approve the Debt Policy;
- Approve budgets sufficient to provide for the timely payment of principal and interest on all debt; and

- In consultation with the City's General Counsel, financial advisor, and bond counsel, shall determine the most appropriate instrument for a proposed bond sale.

The Finance Director in consultation with the Finance Committee, the Mayor and full Council shall:

- Assume primary responsibility for debt management
- Provide for the issuance of debt at the lowest possible cost and risk;
- Determine the available debt capacity;
- Provide for the issuance of debt at appropriate intervals and in reasonable amounts as required to fund approved capital expenditures;
- Recommend to the City Council the manner of sale of debt;
- Monitor opportunities to refund debt and recommend such refunding as appropriate.
- Comply with all Internal Revenue Service (IRS), Securities and Exchange (SEC), and Municipal Securities Rulemaking Board (MSRB) rules and regulations governing the issuance of debt.
- Provide for the timely payment of principal and interest on all debt and ensure that the fiscal agent receives funds for payment of debt service on or before the payment date;
- Provide for and participate in the preparation and review of offering documents;
- Comply with all terms, conditions and disclosure required by the legal documents governing the debt issued;
- Submit to the City Council all recommendations to issue debt;
- Distribute to appropriate repositories information regarding financial condition and affairs at such times and in the form required by law, regulation and general practice, including Rule 15c2-12 regarding continuing disclosure;
- Provide for the distribution of pertinent information to rating agencies; and
- Apply and promote prudent fiscal practices.

Ethical Standards Governing Conduct

The members of the City staff, the Mayor and the City Council will adhere to the standards of conduct as stipulated by the Public Disclosure Act, RCW 42.17 and Ethics in Public Service, RCW 42.52.

SECTION II – PROFESSIONAL SERVICES

Professional Services

The City's Finance Department shall be responsible for the solicitation and selection of professional services that are required to administer the City's debt.

- Bond Counsel – With the exception of debt issued by the State, all debt issued by the City will include a written opinion by bond counsel affirming that the City is authorized to issue the proposed debt. The opinion shall include confirmation that the City has met all city and state constitutional and statutory requirements necessary for issuance, a determination of the proposed debt's federal income tax status and any other components necessary for the proposed debt.
- Financial Advisor – A Financial Advisor may be used to assist in the issuance of the City's debt. The Financial Advisor will provide the City with the objective advice

and analysis on debt issuance. This includes, but is not limited to, monitoring of market opportunities, structuring and pricing of debt, and preparing official statements of disclosure.

- Underwriters – An Underwriter will be used for all debt issued in a negotiated sale method. The Underwriter is responsible for purchasing negotiated debt and reselling the debt to investors.
- Fiscal Agent – A fiscal agent will be used to provide accurate and timely securities processing and timely payment to bondholders. As provided under RCW 43.80, the City will use the Fiscal Agent that is determined by the State.
- Professional Service providers may be selected through a competitive selection process conducted by the Finance Director in consultation with the Finance Committee and Legal Counsel; the City Council shall approve the most qualified financial advisor/underwriter and bond counsel.
- These services shall be regularly monitored by the Finance Director.

SECTION III – DEBT STRUCTURE

Types of Debt Instruments:

The City may utilize several types of municipal debt obligations to finance long-term capital projects. Subject to the approval of City Council, the City is authorized to sell:

- **Unlimited Tax General Obligation Bonds** – The City shall use Unlimited Tax General Obligation Bonds, also known as "Voted General Obligation Bonds" as permitted under RCW 35A.40.090 for the purpose of general purpose, open space and parks, and utility infrastructure. Voted issues are limited to capital purposes only. Every project proposed for financing through general obligation debt should be accompanied by a full analysis of the future operating and maintenance costs associated with the project. UTGO Bonds are payable from excess tax levies and are subject to the assent of 60% of the voters at an election to be held for that purpose.
- **Limited Tax General Obligation Bonds** – A Limited-Tax General Obligation debt (LTGO), also known as "Non-Voted General Obligation Debt", requires the City to levy a property tax sufficient to meet its debt service obligations but only up to a statutory limit. The City shall use Limited Tax General Obligation (LTGO) Bonds as permitted under RCW 35A.40.090 for general capital purposes only. General Obligation debt is backed by the full faith and credit of the City and is payable from General Fund reserves and taxes collected by the City. LTGO Bonds will only be issued if:
  - A project requires funding not available from alternative sources;
  - Matching fund monies are available which may be lost if not applied for in a timely manner; or,
  - Emergency conditions exist.
- **Revenue Bonds** – The City shall use Revenue Bonds as permitted under RCW 35A.40.090 for the purpose of financing construction or improvements to facilities of enterprise systems operated by the City in accordance with the Capital Improvement Plan. No taxing power or general fund pledge is provided as security.
- **Special Assessment/Local Improvement District Bonds** – The City shall use Special Assessment Bonds as permitted under RCW 35A.40.090 for the purpose of

assuring the greatest degree of public equity in place of general obligation bond where possible. Local Improvement District (LID) Bonds represent debt that is repaid by the property owners who specifically benefit from the capital improvements through annual assessments paid to the City. LID's are formed by the City Council after a majority of property owners agree to the assessment. No taxing power or general fund pledge is provided as security, and LID Bonds are not subject to statutory debt limitations. The debt is backed by the value of the property within the district and an LID Guaranty Fund, as required by State Law.

- **Short Term Debt** – The City shall use short term debt as permitted under RCW 39.50, for the purpose of meeting any lawful purpose of the municipal corporation, including the immediate financing needs of a project for which long term funding has been secured but not yet received. The City may use inter-fund loans rather than outside debt instruments to meet short-term cash flow needs for the project. Inter-fund loans will be permitted only if an analysis of the affected fund indicates excess funds are available and the use of the funds will not impact the fund's current operations. All inter-fund loans will be subject to Council approval and will bear interest at prevailing rates.
- **Leases** – The City is authorized to enter into capital leases under 35A.40.090 RCW, subject to the approval of City Council.
- **Public Works Trust Fund Loans** – The City shall use Public Works Trust Fund Loans as provided under RCW 43.155 for the purpose of repairing, replacing or creating domestic water systems, sanitary sewer systems, storm sewer systems, roads, streets, solid waste/recycling facilities and bridges.
- **Local Option Capital Asset Lending (LOCAL) Program Debt** – The City is authorized to enter into a financing contract with the Office of the State Treasurer under RCW 39.94, for the purpose of financing equipment and capital needs through the State Treasurer's Office subject to existing debt limitations and financing considerations. The LOCAL Program is an expanded version of the state agency lease/purchase program that allows the pooling of funding into larger offerings of securities.

SECTION IV – TRANSACTION SPECIFIC POLICIES

Method of Sale - The City shall evaluate the best method of sale for each proposed bond issue.

1. **Competitive Bid Method** – Any competitive sale of the City's debt will require the approval of City Council. City debt issued on a competitive bid basis will be sold to the bidder proposing the lowest true interest cost to the City.
2. **Negotiated Bid Method** – When a negotiated sale is deemed advisable (in consultation with the Mayor and City Council) the Finance Director shall negotiate the most competitive pricing on debt issues and broker commissions in order to ensure the best value to the City.
    - If debt is sold on a negotiated basis, the negotiations of terms and conditions shall include, but not be limited to, prices, interest rates, underwriting or remarketing fees and commissions.
    - The City, with the assistance of its Financial Advisor, shall evaluate the terms offered by the underwriting team. Evaluations of prices, interest rates, fees and commissions

shall include prevailing terms and conditions in the marketplace for comparable issuers.
- No debt issue will be sold on a negotiated basis without an independent financial advisor.

3. The City shall use refunding bonds in accordance with the Refunding Bond Act, RCW 39.53. Unless otherwise justified, the City will refinance debt to achieve true savings as market opportunities arise. Refunding debt shall never be used for the purpose of avoiding debt service obligations. A target 5% cost savings (discounted to its present value) over the remainder of the debt must be demonstrated for any "advance refunding", unless otherwise justified. The City, in consultation with its Financial Advisor, may approve a "current refunding" transaction of an existing debt issue if the refunding demonstrates a positive present value savings over the remaining life of the debt.
4. With Council approval, interim financing of capital projects may be secured from the debt financing marketplace or from other funds through an inter-fund loan as appropriate in the circumstances.
5. When issuing debt, the City shall strive to use special assessment, revenue or other self supporting bonds in lieu of general obligation bonds.

Limitations on Debt Issuance

1. The City shall remain in compliance with all debt limitations. As part of the annual budgeting process, a current summary of outstanding debt and compliance targets is prepared. The City shall observe the following limitations on debt issuance:

    - **General Obligation** – 2.5% of Assessed Value (RCW 39.36.020(2)(b))
        - **Non-Voted: 1.5%**
        - **Voted: 2.5%**
    - **Open Space and Park Facilities** – 2.5% of Assessed Value (RCW 39.36.020(4))

2. Debt payments shall not extend beyond the estimated useful life of the project being financed. The City shall keep the average maturity of general obligations bonds at or below 20 years, unless special circumstances arise warranting the need to extend the debt schedule.
3. Debt Limit Target: The City shall not exceed 90% of the legal debt limits from above.

Debt Structuring Practices

The following terms shall be applied to the City's debt transactions, as appropriate. Individual terms may change as dictated by the marketplace or the unique qualities of the transaction.

- **Maturity** –The City shall issue debt with an average life less than or equal to the average life of the assets being financed. Unless otherwise stated in law, the final maturity of the debt shall be no longer than 40 years (RCW 39.46.110).
- **Debt Service Structure** – Unless otherwise justified, debt service should be structured on a level basis. Refunding bonds should be structured to produce equal savings by fiscal year. Unless otherwise justified, debt shall not have capitalized interest. If appropriate, debt service reserve funds may be used for revenue bonds.

- **Price Structure** – The City's long-term debt may include par, discount, and premium bonds. Discount and premium bonds must be demonstrated to be advantageous relative to par bond structures, given market conditions.
- **Call Provisions** – For each transaction, the City shall evaluate the costs and benefits of call provisions. In general, the City shall opt for the shortest possible optional call consistent with optimal pricing.
- **Bond Insurance** – For each transaction, the City shall evaluate the costs and benefits of bond insurance or other credit enhancements. Any credit enhancement purchases by the City shall be competitively priced.
- **Tax-exemption** – Unless otherwise justified and deemed necessary, the City shall issue its debt on a tax-exempt basis.
- **Reimbursement resolution** – Must be adopted by City Council if the project hard costs are advanced prior to the bond sale.

SECTION V – COMMUNICATION

It is the policy of the City to remain as transparent as possible. The City shall manage relationships with the rating analysts assigned to the City's credit, using both informal and formal methods to disseminate information.

- The City's Comprehensive Financial Report (CAFR) shall be the primary vehicle for compliance with continuing disclosure requirements. The CAFR may be supplemented with additional documentation as required. Each year included in the CAFR, the City will report its compliance with debt targets and the goals of this Debt Management Policy.
- The City will issue a material event notice in accordance with provisions of SEC Rule 15c2-12. Prior to issuance of any material event, the Finance Director will discuss the materiality of any event with the Mayor, City Attorney and designated Council members, to ensure equal, timely and appropriate disclosure to the marketplace.
- The City shall seek to maintain and improve its current bond rating.

SECTION VI - COMPLIANCE

Investment of Proceeds

The City shall comply with all applicable Federal, State and contractual restrictions regarding the investment of bond proceeds. This includes compliance with restrictions on the types of investment securities allowed, restrictions on the allowable yield of invested funds as well as restrictions on the time period over which some of the proceeds may be invested.

Arbitrage Liability Management

Due to the complexity of arbitrage rebate regulations and the severity of non-compliance penalties, the City shall solicit the advice of bond counsel and other qualified experts about

arbitrage rebate calculations. The City shall, when deemed necessary or required, contract with a third party for preparation of the arbitrage rebate calculation.

The City shall maintain an internal system for tracking expenditure of bond proceeds and investment earnings by opening a separate account in the state pool. The expenditure of bond proceeds shall be tracked in the financial system by issue. Investments may be pooled for financial accounting purposes and for investment purposes. When investment of bond proceeds are co-mingled with other investments, the City shall adhere to IRS rules on accounting allocations.

Bond Users Clearinghouse

The City shall ensure that the Bond Users Clearinghouse receives municipal bond information for all debt sold as provided by RCW 39.44.200 – 39.44.240 and WAC 365-130.

Legal Covenants

The City shall comply with all covenants and conditions contained in governing law and any legal documents entered into at the time of a bond offering.

Periodic Policy Review

At a minimum, the debt policy will be reviewed and updated every five years.

CITY OF POULSBO
VIKING
CITY

Section 10
APPENDIX

ORDINANCE NO. 2010-28

AN ORDINANCE OF THE CITY OF POULSBO, WASHINGTON, ADOPTING THE FINAL BUDGET OF THE CITY FOR THE FISCAL YEAR COMMENCING JANUARY 1, 2011 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 2011, 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, 2011, 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 3, 2010, and November 17, 2010, 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 2011, 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 2011, 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, REBECCA ERICKSON

ATTEST/AUTHENTICATED

CITY CLERK, JILL A. BOLTZ

APPROVED AS TO FORM:
OFFICE OF CITY ATTORNEY:

BY: JAMES E. HANEY

FILED WITH THE CITY CLERK: 12/09/2010
PASSED BY THE CITY COUNCIL: 12/15/2010
PUBLISHED: 12/24/2010
EFFECTIVE DATE: 12/29/2010
ORDINANCE NO. 2010-28

SUMMARY OF ORDINANCE NO. 2010-28
of the City of Poulsbo, Washington

On December 15, 2010, the City Council of the City of Poulsbo, Washington, approved Ordinance No. 2010-28, 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, 2011 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 15, 2010.

CITY CLERK, JILL A. BOLTZ

EXHIBIT A
ORDINANCE NO. 2010-28

CITY OF POULSBO

Fund Summary
2011 Budget

A P P R O P R I A T E D

FUND	#	BEGINNING BALANCE	TOTAL SOURCES	TOTAL USES	ENDING BALANCE
General Fund	001	$ 1,453,305	8,764,154	9,097,319	1,120,140
Total Current Expense		1,453,305	8,764,154	9,097,319	1,120,140
City Streets	101	295,752	941,500	995,906	241,346
Capital Improvement	121	33,178	276,400	308,000	1,578
Cum Reserve	123	64,837	400	50,000	15,237
Historic Dwntn Poulsbo	131	37,274	47,750	45,800	39,224
Path and Trail Reserve	161	9,633	956	0	10,589
Drug Enforcement	171	21,800	50	5,980	15,870
Transient Occup Tax	181	20,133	90,000	90,000	20,133
Police Restrictd Funds	191	218,643	101,725	130,745	189,623
Total Special Revenue Funds		701,250	1,458,781	1,626,431	533,600
Misc Governmental Debt	201	1,156	98,650	96,679	3,127
Non-Voted Gen Oblig	204	67,775	1,018,379	1,076,754	9,400
Total Debt Service Funds		68,931	1,117,029	1,173,433	9,400
Equipment Acquisition	301	227,954	31,500	91,902	167,552
Park Reserve	302	127,225	113,922	139,500	101,647
Street Reserve	311	679,468	1,160,964	861,000	979,432
Park Acquisition	312	71,528	0	25,000	46,528
Cemetery Reserve	314	57,194	1,000	0	58,194
City Streets Equip Res.	321	240,005	500	0	240,505
Facilities Fund	331	198,012	200	47,000	151,212
Total Capital Project Funds		1,601,386	1,308,086	1,164,402	1,745,070
Water System	401	2,847,383	1,610,521	1,932,484	2,525,420
Sewer System	403	3,106,977	2,910,794	4,044,712	1,973,059
Solid Waste System	404	1,675,750	1,266,000	1,306,086	1,635,664
Storm Drain System	410	1,606,348	725,000	1,382,898	948,450
Total Enterprise Funds		9,236,458	6,512,315	8,666,180	7,082,593
General Facilities	501	66,374	185,000	197,863	53,511
Public Works Admin	502	85,675	1,075,568	1,102,843	58,400

EXHIBIT A
ORDINANCE NO. 2010-28

CITY OF POULSBO

Fund Summary
2011 Budget

A P P R O P R I A T E D

FUND	#	BEGINNING BALANCE	TOTAL SOURCES	TOTAL USES	ENDING BALANCE
Total Internal Service Funds		152,049	1,260,568	1,300,706	111,911
TOTALS		13,213,379	20,420,933	23,028,471	10,605,841

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, Finance Director, 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*	**NA**	**NA**	**NA**
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 or PERS 1 employees.
**Rates are updated effective July 1. 2011 Rates have not yet been set.

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	**.042**	**0.104**

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	**1.30525**	**.32455**	**1.6298**
Administration	**.19735**	**.09115**	**0.2885**
Police	**1.1375**	**.2774**	**1.4149**

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 $1174.35 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 2011 is .3% 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 2011 Teamsters Bargaining unit and exempt employees will receive 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 increased the minimum 1% for 2011 per the negotiated contract.

The Police Officer's, represented by the Poulsbo Police Officer's Association (PPOA), contract is still under negotiation.

RESOLUTION NO. 2010-22

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 2010-01.

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. 2010-01, 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, 2011, unless another date is specified on the Exhibit.

RESOLVED this 15th day of December, 2010.

APPROVED:

MAYOR, REBECCA ERICKSON

ATTEST/AUTHENTICATED:

CITY CLERK, JILL A. BOLTZ

FILED WITH THE CITY CLERK: 12/02/2010
PASSED BY THE CITY COUNCIL: 12/15/2010
RESOLUTION NO. 2010-22

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 2011 MANAGEMENT SALARY SCHEDULE Effective January 1, 2011, 2010 wage rates increased by 1%							
CLASSIFICATION		A	B	C	D	E	F
Police Chief	1	94,559	97,396	100,318	103,327	106,427	109,620
Public Works Director	2	91,646	94,395	97,227	100,143	103,148	106,242
Deputy Chief	3	78,019	80,359	82,770	85,254	87,811	90,445
Finance Dir, Ass't PW Dir/Eng	4	76,652	78,951	81,320	83,759	86,272	88,860
Planning Director	5	74,229	76,456	78,749	81,112	83,545	86,052
Park and Recreation Director	6	65,965	67,944	69,982	72,082	74,244	76,471
Asst PW Dir/O&M, Court Admin	7	64,784	66,728	68,730	70,792	72,915	75,103
IT Manager	8	62,672	64,552	66,488	68,483	70,538	72,654
Human Resources Manager	9	60,246	62,054	63,915	65,833	67,808	69,842
Accounting Manager	10	59,914	61,712	63,563	65,470	67,434	69,457
City Clerk	11	59,287	61,066	62,898	64,785	66,728	68,730
Office Manager	12	49,498	50,983	52,513	54,088	55,711	57,382
Deputy City Clerk	13	47,838	49,273	50,751	52,274	53,842	55,457

2011 NON-REPRESENTED HOURLY EMPLOYEES Effective January 1, 2011, 2010 wage rates increased by 1%							
CLASSIFICATION		A	B	C	D	E	F
Preschool Assistant	1	10.59	11.05	11.45	11.92	12.40	12.89
Receptionst	2	11.41	11.77	12.08	12.46	12.85	13.23
Recreation Coordinator	3	13.42	13.98	14.51	15.11	15.72	16.35
Pre-School Coordinator	4	13.64	14.19	14.75	15.34	15.97	16.61
Custodian	5	17.62	18.12	18.70	19.25	19.83	20.40
Judicial Specialist I	6	18.44	18.96	19.57	20.15	20.74	21.36
Administrative Assistant	7	20.69	21.32	21.94	22.59	23.28	23.99
Accounting Technician, Court Security Officer, HR Analyst	8	21.01	21.64	22.32	22.99	23.65	24.40
Recreation Programmer	9	22.69	23.39	24.09	24.81	25.54	26.32
Associate Planner	10	26.15	26.93	27.74	28.57	29.45	30.31

2011 ELECTED/APPOINTED OFFICIALS **Effective January 1, 2011, 2010 wage rates increased by 1%.					
CITY COUNCIL - POSITIONS 1-7		$6,000 / Annual			
MAYOR		$66,056 / Annual **			
JUDGE		$51,181 / Annual **			

2011 CASUAL LABOR WAGE SCALE No COLA							
		A	B	C	D	E	F
	1	8.67	9.00	9.25	9.50	9.75	10.00
	2	10.25	10.50	10.75	11.00	11.25	11.50
	3	11.75	12.00	12.25	12.50	12.75	13.00
	4	13.50	14.00	14.50	15.00	15.50	16.00
	5	16.50	17.00	17.50	18.00	18.50	19.00
	6	19.50	20.00	20.50	21.00	21.50	22.00
	7	22.50	23.00	23.50	24.00	24.50	25.00
	8	25.50	26.00	26.50	27.00	27.50	28.00
	9	29.00	30.00	31.00	32.00	33.00	34.00
	10	35.00	36.00	37.00	38.00	39.00	40.00
	11	41.00	42.00	43.00	44.00	45.00	46.00
	12	46.50	47.00	48.00	49.00	50.00	51.00
	13	55.00	60.00	65.00	70.00	75.00	80.00
	14	85.00	90.00	95.00	100.00	115.00	125.00

CITY OF POULSBO 2011 TEAMSTERS LOCAL #589 (Admin/Public Works) SALARY SCHEDULE Effective January 1, 2011, 2010 wage rates increase by 1% per union contract							
CLASSIFICATION		**A**	**B**	**C**	**D**	**E**	**F**
Receptionist	1	12.60	12.98	13.38	13.79	14.17	14.61
	2	12.87	13.25	13.62	14.06	14.48	14.94
	3	13.14	13.49	13.90	14.33	14.75	15.21
	4	13.38	13.79	14.17	14.62	15.05	15.52
	5	13.62	14.06	14.48	14.94	15.33	15.85
	6	13.93	14.34	14.77	15.22	15.66	16.15
	7	14.17	14.62	15.05	15.52	15.97	16.46
	8	14.48	14.94	15.33	15.85	16.28	16.79
	9	14.77	15.22	15.67	16.15	16.63	17.11
	10	15.05	15.54	15.99	16.46	16.97	17.46
	11	15.38	15.85	16.29	16.79	17.31	17.83
	12	15.67	16.15	16.63	17.11	17.65	18.17
	13	15.99	16.47	16.97	17.47	18.01	18.53
	14	16.29	16.79	17.32	17.84	18.39	18.91
	15	16.64	17.11	17.65	18.17	18.73	19.28
	16	16.97	17.47	18.01	18.53	19.11	19.70
	17	17.32	17.84	18.39	18.91	19.48	20.06
	18	17.66	18.17	18.73	19.29	19.86	20.44
Custodian, Grounds Maintenance Tech I	19	18.03	18.53	19.12	19.70	20.29	20.89
Accounting Clerk, Office Clerk I	20	18.39	18.91	19.48	20.06	20.69	21.31
	21	18.73	19.29	19.88	20.45	21.08	21.72
Office Clerk II	22	19.12	19.70	20.30	20.90	21.52	22.14
Judicial Specialist I, Police Clerk	23	19.50	20.07	20.69	21.31	21.93	22.59
Building Permit Specialist	24	19.88	20.45	21.10	21.73	22.35	23.05
Grounds Maintenance Tech II	25	20.30	20.89	21.51	22.15	22.84	23.50
Maintenance Technician I, Administrative Ass't	26	20.69	21.32	21.94	22.59	23.28	23.99
	27	21.10	21.73	22.35	23.05	23.74	24.48
Accounting Technician	28	21.51	22.15	22.84	23.50	24.21	24.97
	29	21.94	22.60	23.28	23.99	24.69	25.46
	30	22.38	23.06	23.74	24.48	25.20	25.94
Judicial Specialist II, Support Services Manager, Recreation Programmer	31	22.84	23.50	24.22	24.97	25.71	26.46
Engineering Technician, Maintenance Tech Senior	32	23.29	24.01	24.70	25.46	26.21	27.01
	33	23.75	24.48	25.21	25.95	26.75	27.53
Mechanic, Maintenance Mechanic	34	24.22	24.98	25.72	26.46	27.28	28.10
Field Inspector	35	24.70	25.47	26.22	27.02	27.82	28.61
Sr Field Inspector	36	25.22	25.95	26.77	27.53	28.39	29.23
Engineering Senior Technician, Utility Planner	37	25.72	26.46	27.27	28.10	28.94	29.81
Building Inspector	38	26.22	27.02	27.83	28.65	29.52	30.40
Associate Planner	39	26.75	27.55	28.39	29.23	30.13	31.00
Public Works Foreman	40	27.29	28.12	28.94	29.81	30.72	31.61

2011 POULSBO POLICE OFFICERS ASSOCIATION (PPOA) SALARY SCHEDULE Effective January 1, 2011, 2009 wage rates remain the same due to expiration of union contract and ongoing union negotiations.							
CLASSIFICATION		**A**	**B**	**C**	**D**	**E**	**F**
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".							

ORDINANCE NO. 2010-23

AN ORDINANCE OF THE CITY OF POULSBO, WASHINGTON, LEVYING THE GENERAL TAXES FOR THE CITY OF POULSBO FOR THE FISCAL YEAR COMMENCING JANUARY 1, 2011, 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 2011; and

WHEREAS, the City's actual levy amount from the previous year was $2,014,182; 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 2011 tax year.

The dollar amount of the increase over the actual levy amount from the previous year shall be $20,142 which is a percentage increase of approximately 1% 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, REBECCA ERICKSON

ATTEST/AUTHENTICATED:

CITY CLERK, JILL BOLTZ CMC

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY

FILED WITH THE CITY CLERK: 10/29/2010
PASSED BY THE CITY COUNCIL: 11/03/2010
PUBLISHED: 11/12/2010
EFFECTIVE DATE: 11/17/2010
ORDINANCE NO. 2010-23

SUMMARY OF ORDINANCE NO. 2010-23
of the City of Poulsbo, Washington

On November 3, 2010 the City Council of the City of Poulsbo, Washington, approved Ordinance No. 2010-23, 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, 2011, 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 3rd day of November, 2010.

CITY CLERK, JILL A. BOLTZ CMC

LEVY CERTIFICATION

As of November 3, 2010

In accordance with RCW 84.52.020, I Rebecca Erickson, 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 2011 as provided in Ordinance 2010-23, which was adopted on November 3, 2010:

Estimated Regular Levy	$2,067,887
Refund Levy	$ 3,702

Signature: _____ Date: 11/5/10

MAYOR, REBECCA ERICKSON

CITY OF POULSBO
Legislative Policy/Procedure

Title: Financial Management Policies	**Page Number:** 1 of 5
Department: Finance Department	**Effective Date:** January 1, 2008
Revised Date: December 15, 2010	**Revised By:** Finance/Admin Committee

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 General Fund Reserve at a level of at least equal to twelve percent (12%) of the total General Fund budgeted operating 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 two 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 super majority 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 by a super majority a contribution from the Revenue Stabilization General Fund Reserves 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. Refer to the City's Debt Policy.

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 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 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 City Ordinance, 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 1, 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, 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-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 investor's 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.

RESOLUTION 2010-16

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POULSBO, WASHINGTON, ADOPTING A DEBT POLICY GOVERNING THE ISSUANCE AND ADMINISTRATION OF ALL DEBT ISSUED BY THE CITY.

WHEREAS, the City Council of the City of Poulsbo deems to have its debt issued and administered in compliance with all applicable Federal and RCW requirements, and

WHEREAS, the City Council of the City of Poulsbo desires to maintain a debt policy to guide the issuance and administration of its debt, and

WHEREAS, the City's Finance Director has conducted a thorough review of its current debt practices in effort to develop this policy for the issuance and administration of City debt, and

WHEREAS, the City of Poulsbo's debt policy has been written in accordance with the Washington Municipal Treasurer's Association Model Debt Policy,

THE CITY COUNCIL OF THE CITY OF POULSBO, WASHINGTON RESOLVES AS FOLLOWS:

Section 1. Debt Policy Adopted. The policy for investment of City funds set forth in document entitled "City of Poulsbo Debt Policy" dated August 1, 2010 which is attached hereto as Exhibit "A" and incorporated herein by reference as if set forth in full is hereby adopted as official policy for issuance and administration of City debt.

RESOLVED this 1st day of September, 2010.

APPROVED:

MAYOR, REBECCA ERICKSON

ATTEST/AUTHENTICATED

CITY CLERK, JILL A. BOLTZ

FILED WITH THE CITY CLERK: 08/25/2010
PASSED BY THE CITY COUNCIL: 09/01/2010
RESOLUTION NO. 2010-16

City of Poulsbo Debt Policy

SECTION I – INTRODUCTION & GUIDING PRINCIPLES

Purpose and Overview
The Debt Policy for the City of Poulsbo is established to help ensure that all debt is issued both prudently and cost effectively. The Debt Policy sets forth comprehensive guidelines for the issuance and management of all financings of the City Council. Adherence to the policy is essential to ensure that the Council maintains a sound debt position and protects the credit quality of its obligations.

Capital Planning:
The City shall integrate its debt issuance with its Capital Improvement Program (CIP) spending to ensure that planned financing conforms to policy targets regarding the level and composition of outstanding debt. This planning considers the long-term horizon, paying particular attention to financing priorities, capital outlays and competing projects. Long term borrowing shall be confined to the acquisition and/or construction of capital improvements and shall not be used to fund operating or maintenance costs. For all capital projects under consideration, the City shall set aside sufficient revenue from operations to fund ongoing normal maintenance needs and to provide reserves for periodic replacement and renewal. The issuance of debt to fund operating deficits is not permitted.

Legal Governing Principles
In the issuance and management of debt, the City shall comply with the state constitution and with all other legal requirements imposed by federal, state, and local rules and regulations, as applicable.

- State Statutes – The City may contract indebtedness as provided for by RCW 35A.40.090. General Obligation indebtedness is subject to the limitations on indebtedness provided for in RCW 39.36.020(2)(b) and Article VIII of the Washington State Constitution. Bonds evidencing such indebtedness shall be issued and sold in accordance with chapter 39.46.
- Federal Rules and Regulations – The City shall issue and manage debt in accordance with the limitations and constraints imposed by federal rules and regulations including the Internal Revenue Code of 1986, as amended; the Treasury Department regulations there under; and the Securities Acts of 1933 and 1934.
- Local Rules and Regulations – The City shall issue and manage debt in accordance with the limitations and constraints imposed by local rules and regulations.

Roles & Responsibilities
The City Council shall:

- Approve indebtedness;
- Approve appointment of independent financial advisor and bond counsel;
- Approve the Debt Policy;
- Approve budgets sufficient to provide for the timely payment of principal and interest on all debt; and

- In consultation with the City's General Counsel, financial advisor, and bond counsel, shall determine the most appropriate instrument for a proposed bond sale.

The Finance Director in consultation with the Finance Committee, the Mayor and full Council shall:

- Assume primary responsibility for debt management
- Provide for the issuance of debt at the lowest possible cost and risk;
- Determine the available debt capacity;
- Provide for the issuance of debt at appropriate intervals and in reasonable amounts as required to fund approved capital expenditures;
- Recommend to the City Council the manner of sale of debt;
- Monitor opportunities to refund debt and recommend such refunding as appropriate.
- Comply with all Internal Revenue Service (IRS), Securities and Exchange (SEC), and Municipal Securities Rulemaking Board (MSRB) rules and regulations governing the issuance of debt.
- Provide for the timely payment of principal and interest on all debt and ensure that the fiscal agent receives funds for payment of debt service on or before the payment date;
- Provide for and participate in the preparation and review of offering documents;
- Comply with all terms, conditions and disclosure required by the legal documents governing the debt issued;
- Submit to the City Council all recommendations to issue debt;
- Distribute to appropriate repositories information regarding financial condition and affairs at such times and in the form required by law, regulation and general practice, including Rule 15c2-12 regarding continuing disclosure;
- Provide for the distribution of pertinent information to rating agencies; and
- Apply and promote prudent fiscal practices.

Ethical Standards Governing Conduct

The members of the City staff, the Mayor and the City Council will adhere to the standards of conduct as stipulated by the Public Disclosure Act, RCW 42.17 and Ethics in Public Service, RCW 42.52.

SECTION II – PROFESSIONAL SERVICES

Professional Services

The City's Finance Department shall be responsible for the solicitation and selection of professional services that are required to administer the City's debt.

- Bond Counsel – With the exception of debt issued by the State, all debt issued by the City will include a written opinion by bond counsel affirming that the City is authorized to issue the proposed debt. The opinion shall include confirmation that the City has met all city and state constitutional and statutory requirements necessary for issuance, a determination of the proposed debt's federal income tax status and any other components necessary for the proposed debt.
- Financial Advisor – A Financial Advisor may be used to assist in the issuance of the City's debt. The Financial Advisor will provide the City with the objective advice

and analysis on debt issuance. This includes, but is not limited to, monitoring of market opportunities, structuring and pricing of debt, and preparing official statements of disclosure.

- Underwriters – An Underwriter will be used for all debt issued in a negotiated sale method. The Underwriter is responsible for purchasing negotiated debt and reselling the debt to investors.
- Fiscal Agent – A fiscal agent will be used to provide accurate and timely securities processing and timely payment to bondholders. As provided under RCW 43.80, the City will use the Fiscal Agent that is determined by the State.
- Professional Service providers may be selected through a competitive selection process conducted by the Finance Director in consultation with the Finance Committee and Legal Counsel; the City Council shall approve the most qualified financial advisor/underwriter and bond counsel.
- These services shall be regularly monitored by the Finance Director.

SECTION III – DEBT STRUCTURE

Types of Debt Instruments:

The City may utilize several types of municipal debt obligations to finance long-term capital projects. Subject to the approval of City Council, the City is authorized to sell:

- **Unlimited Tax General Obligation Bonds** – The City shall use Unlimited Tax General Obligation Bonds, also known as "Voted General Obligation Bonds" as permitted under RCW 35A.40.090 for the purpose of general purpose, open space and parks, and utility infrastructure. Voted issues are limited to capital purposes only. Every project proposed for financing through general obligation debt should be accompanied by a full analysis of the future operating and maintenance costs associated with the project. UTGO Bonds are payable from excess tax levies and are subject to the assent of 60% of the voters at an election to be held for that purpose.
- **Limited Tax General Obligation Bonds** – A Limited-Tax General Obligation debt (LTGO), also known as "Non-Voted General Obligation Debt", requires the City to levy a property tax sufficient to meet its debt service obligations but only up to a statutory limit. The City shall use Limited Tax General Obligation (LTGO) Bonds as permitted under RCW 35A.40.090 for general capital purposes only. General Obligation debt is backed by the full faith and credit of the City and is payable from General Fund reserves and taxes collected by the City. LTGO Bonds will only be issued if:
  - A project requires funding not available from alternative sources;
  - Matching fund monies are available which may be lost if not applied for in a timely manner; or,
  - Emergency conditions exist.
- **Revenue Bonds** – The City shall use Revenue Bonds as permitted under RCW 35A.40.090 for the purpose of financing construction or improvements to facilities of enterprise systems operated by the City in accordance with the Capital Improvement Plan. No taxing power or general fund pledge is provided as security.
- **Special Assessment/Local Improvement District Bonds** – The City shall use Special Assessment Bonds as permitted under RCW 35A.40.090 for the purpose of

assuring the greatest degree of public equity in place of general obligation bond where possible. Local Improvement District (LID) Bonds represent debt that is repaid by the property owners who specifically benefit from the capital improvements through annual assessments paid to the City. LID's are formed by the City Council after a majority of property owners agree to the assessment. No taxing power or general fund pledge is provided as security, and LID Bonds are not subject to statutory debt limitations. The debt is backed by the value of the property within the district and an LID Guaranty Fund, as required by State Law.

- **Short Term Debt** – The City shall use short term debt as permitted under RCW 39.50, for the purpose of meeting any lawful purpose of the municipal corporation, including the immediate financing needs of a project for which long term funding has been secured but not yet received. The City may use inter-fund loans rather than outside debt instruments to meet short-term cash flow needs for the project. Inter-fund loans will be permitted only if an analysis of the affected fund indicates excess funds are available and the use of the funds will not impact the fund's current operations. All inter-fund loans will be subject to Council approval and will bear interest at prevailing rates.
- **Leases** – The City is authorized to enter into capital leases under 35A.40.090 RCW, subject to the approval of City Council.
- **Public Works Trust Fund Loans** – The City shall use Public Works Trust Fund Loans as provided under RCW 43.155 for the purpose of repairing, replacing or creating domestic water systems, sanitary sewer systems, storm sewer systems, roads, streets, solid waste/recycling facilities and bridges.
- **Local Option Capital Asset Lending (LOCAL) Program Debt** – The City is authorized to enter into a financing contract with the Office of the State Treasurer under RCW 39.94, for the purpose of financing equipment and capital needs through the State Treasurer's Office subject to existing debt limitations and financing considerations. The LOCAL Program is an expanded version of the state agency lease/purchase program that allows the pooling of funding into larger offerings of securities.

SECTION IV – TRANSACTION SPECIFIC POLICIES

Method of Sale - The City shall evaluate the best method of sale for each proposed bond issue.

1. **Competitive Bid Method** – Any competitive sale of the City's debt will require the approval of City Council. City debt issued on a competitive bid basis will be sold to the bidder proposing the lowest true interest cost to the City.
2. **Negotiated Bid Method** – When a negotiated sale is deemed advisable (in consultation with the Mayor and City Council) the Finance Director shall negotiate the most competitive pricing on debt issues and broker commissions in order to ensure the best value to the City.
    - If debt is sold on a negotiated basis, the negotiations of terms and conditions shall include, but not be limited to, prices, interest rates, underwriting or remarketing fees and commissions.
    - The City, with the assistance of its Financial Advisor, shall evaluate the terms offered by the underwriting team. Evaluations of prices, interest rates, fees and commissions

shall include prevailing terms and conditions in the marketplace for comparable issuers.
- No debt issue will be sold on a negotiated basis without an independent financial advisor.

3. The City shall use refunding bonds in accordance with the Refunding Bond Act, RCW 39.53. Unless otherwise justified, the City will refinance debt to achieve true savings as market opportunities arise. Refunding debt shall never be used for the purpose of avoiding debt service obligations. A target 5% cost savings (discounted to its present value) over the remainder of the debt must be demonstrated for any "advance refunding", unless otherwise justified. The City, in consultation with its Financial Advisor, may approve a "current refunding" transaction of an existing debt issue if the refunding demonstrates a positive present value savings over the remaining life of the debt.
4. With Council approval, interim financing of capital projects may be secured from the debt financing marketplace or from other funds through an inter-fund loan as appropriate in the circumstances.
5. When issuing debt, the City shall strive to use special assessment, revenue or other self supporting bonds in lieu of general obligation bonds.

Limitations on Debt Issuance

1. The City shall remain in compliance with all debt limitations. As part of the annual budgeting process, a current summary of outstanding debt and compliance targets is prepared. The City shall observe the following limitations on debt issuance:

    - **General Obligation** – 2.5% of Assessed Value (RCW 39.36.020(2)(b))
        - **Non-Voted: 1.5%**
        - **Voted: 2.5%**
    - **Open Space and Park Facilities** – 2.5% of Assessed Value (RCW 39.36.020(4))

2. Debt payments shall not extend beyond the estimated useful life of the project being financed. The City shall keep the average maturity of general obligations bonds at or below 20 years, unless special circumstances arise warranting the need to extend the debt schedule.
3. Debt Limit Target: The City shall not exceed 90% of the legal debt limits from above.

Debt Structuring Practices

The following terms shall be applied to the City's debt transactions, as appropriate. Individual terms may change as dictated by the marketplace or the unique qualities of the transaction.

- **Maturity** –The City shall issue debt with an average life less than or equal to the average life of the assets being financed. Unless otherwise stated in law, the final maturity of the debt shall be no longer than 40 years (RCW 39.46.110).
- **Debt Service Structure** – Unless otherwise justified, debt service should be structured on a level basis. Refunding bonds should be structured to produce equal savings by fiscal year. Unless otherwise justified, debt shall not have capitalized interest. If appropriate, debt service reserve funds may be used for revenue bonds.

- **Price Structure** – The City's long-term debt may include par, discount, and premium bonds. Discount and premium bonds must be demonstrated to be advantageous relative to par bond structures, given market conditions.
- **Call Provisions** – For each transaction, the City shall evaluate the costs and benefits of call provisions. In general, the City shall opt for the shortest possible optional call consistent with optimal pricing.
- **Bond Insurance** – For each transaction, the City shall evaluate the costs and benefits of bond insurance or other credit enhancements. Any credit enhancement purchases by the City shall be competitively priced.
- **Tax-exemption** – Unless otherwise justified and deemed necessary, the City shall issue its debt on a tax-exempt basis.
- **Reimbursement resolution** – Must be adopted by City Council if the project hard costs are advanced prior to the bond sale.

SECTION V – COMMUNICATION

It is the policy of the City to remain as transparent as possible. The City shall manage relationships with the rating analysts assigned to the City's credit, using both informal and formal methods to disseminate information.

- The City's Comprehensive Financial Report (CAFR) shall be the primary vehicle for compliance with continuing disclosure requirements. The CAFR may be supplemented with additional documentation as required. Each year included in the CAFR, the City will report its compliance with debt targets and the goals of this Debt Management Policy.
- The City will issue a material event notice in accordance with provisions of SEC Rule 15c2-12. Prior to issuance of any material event, the Finance Director will discuss the materiality of any event with the Mayor, City Attorney and designated Council members, to ensure equal, timely and appropriate disclosure to the marketplace.
- The City shall seek to maintain and improve its current bond rating.

SECTION VI - COMPLIANCE

Investment of Proceeds

The City shall comply with all applicable Federal, State and contractual restrictions regarding the investment of bond proceeds. This includes compliance with restrictions on the types of investment securities allowed, restrictions on the allowable yield of invested funds as well as restrictions on the time period over which some of the proceeds may be invested.

Arbitrage Liability Management

Due to the complexity of arbitrage rebate regulations and the severity of non-compliance penalties, the City shall solicit the advice of bond counsel and other qualified experts about arbitrage rebate calculations. The City shall, when deemed necessary or required, contract with a third party for preparation of the arbitrage rebate calculation.

The City shall maintain an internal system for tracking expenditure of bond proceeds and investment earnings by opening a separate account in the state pool. The expenditure of bond proceeds shall be tracked in the financial system by issue. Investments may be pooled for financial accounting purposes and for investment purposes. When investment of bond proceeds are co-mingled with other investments, the City shall adhere to IRS rules on accounting allocations.

Bond Users Clearinghouse

The City shall ensure that the Bond Users Clearinghouse receives municipal bond information for all debt sold as provided by RCW 39.44.200 – 39.44.240 and WAC 365-130.

Legal Covenants

The City shall comply with all covenants and conditions contained in governing law and any legal documents entered into at the time of a bond offering.

Periodic Policy Review

At a minimum, the debt policy will be reviewed and updated every five years.

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.

CITY OF POULSBO
VIKING
CITY

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.

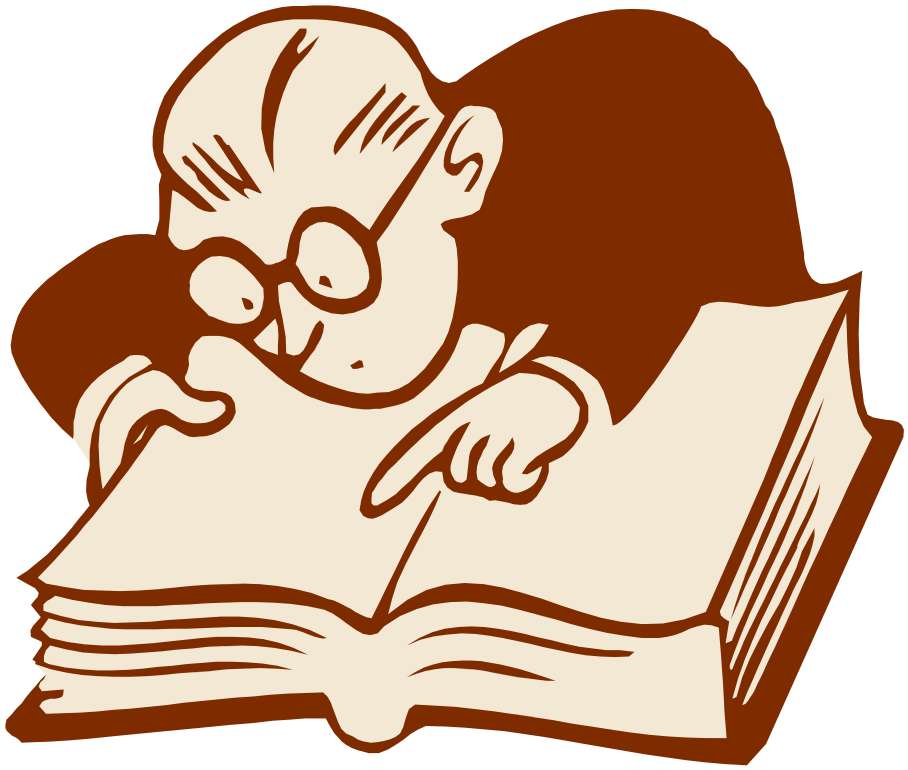
WIRS (Washington Incident Reporting System): A data system that records medic and fire incidents throughout the State for the purpose of providing compiled data

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



CITY OF POULSBO
VIKING
CITY

The 2011 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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Poulsbo, WA 98370
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(360) 779-3901 Poulsbo

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	**David Musgrove**	**908-6888**
Position #7	**Jim Henry**	**981-3258**

Department Heads

Finance	**Debbie Booher, Finance Director**	**394-9881**
Clerk/Personnel	**Jill Boltz, City Clerk**	**394-9880**
Police	**Dennis Swiney, Police Chief**	**779-3113**
Planning	**Barry Berezowsky, Director**	**394-9882**
Parks & Recreation	**Mary McCluskey, Director**	**779-9898**
Public Works	**Barry Loveless, Director**	**779-4078**
Engineering/Building	**Andzrej Kasiniak, Project Engineer**	**779-4078**
Administrative	**Deanna Kingery, Human Resources Mgr.**	**394-9888**
Information Services	**Tim Treacher, Information Svcs Mgr**	**394-9707**
Municipal Court	**Jeff Tolman, Municipal Court Judge**	**779-9846**

Finance Department Staff

Admin Assistant	**Dawn Hamrick, Admin Assistant**	**394-9722**
LID Information	**Jana McQuade, Accounting Manager**	**394-9721**
Project/Grant Acct	**Monica Bernhard, Acct Technician**	**394-9723**
Accounts Receivable	**Sandi Nannery, Acct Technician**	**394-9724**
Accounts Payable	**Kelly Ziemann, Acct Technician**	**394-9725**
Payroll	**Leticia Fee, Acct Technician**	**394-9728**
Cashiering	**Trina Lee, Acct Clerk**	**394-9726**

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**