

2010
“Budget-In-Brief”

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.

The City's 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

Note: Numbering of goals is for referencing purposes only

ABOUT POULSBO

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. 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.

Poulsbo operates under a Mayor-Council form of government. The Mayor, elected by the people to a four-year term, is the executive officer of the city, coordinating the day-to-day activities. The council is the policy-making branch and consists of seven members elected at large to staggered four-year terms.

The city government provides a full range of municipal services through its 18 operating departments. The city boasts 15 parks, including four waterfront parks, as well as a community recreation department that provides educational, recreational, and physical fitness services. The broad range of recreational facilities provides year-round services for citizens of all ages.

POULSBO AT A GLANCE

Post Office Chartered	1886
Incorporated	1908
Population	8,855
Elevation	0-400 feet
Land Area	2683 acres
Average Temperature (min/max)	44°/61°F
Average Annual Precipitation	36"
Miles of City Streets	47
Acres of Parks	64
Assessed Value	\$1,310,033,708
City Retail Sales Tax	8.6%
Fire District Rating Class	4
Full Time Equivalent (FTE) Employees	90.97

THE BUDGET PROCESS

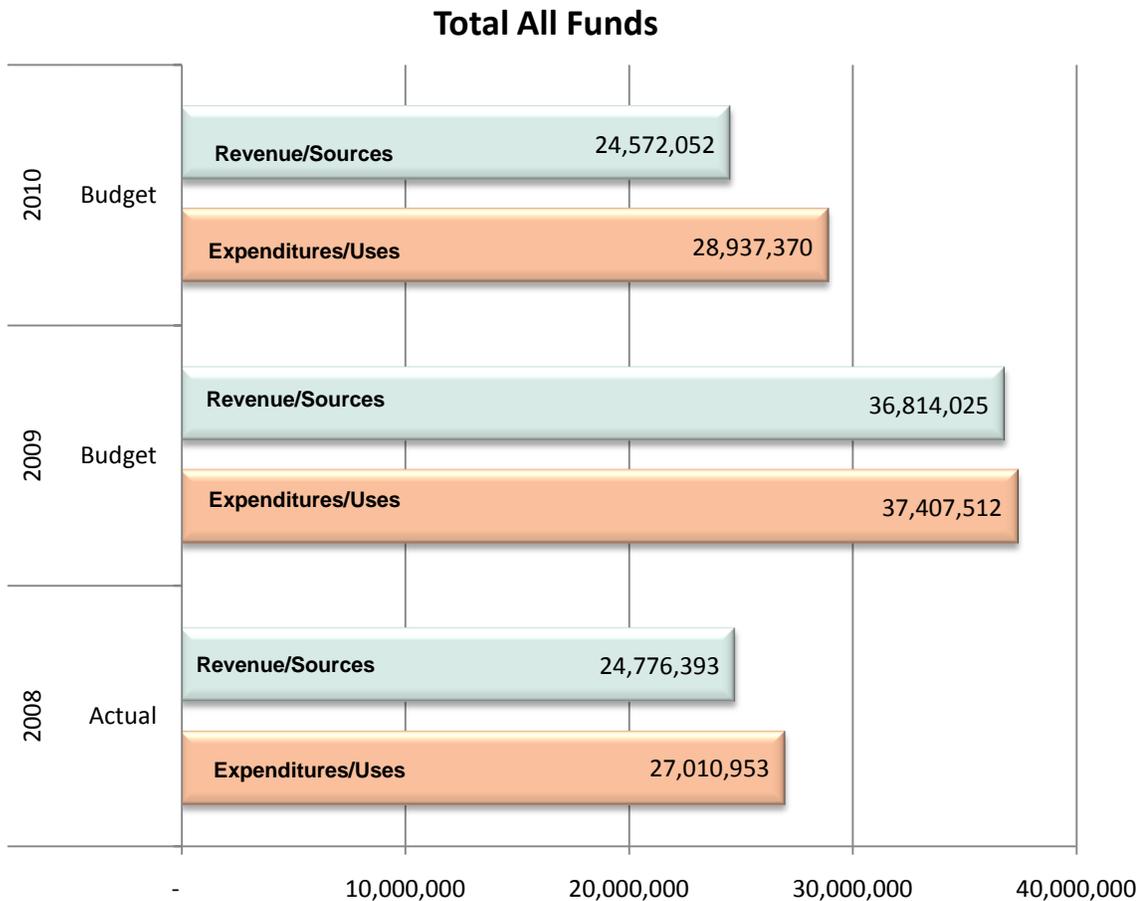
Budget development is a year long process. The City is constantly looking for ways to streamline operations, to be more efficient, and make adjustments to improve service delivery. Many of Council's actions throughout the year have budgetary implications for the coming year. In addition, citizen input and ideas received during the year are reflected in the budget proposals prepared by the City staff. Some of the significant events that contribute to the annual budget preparation are:

- May** *Capital Improvement Team meets to begin CIP process*
- July** *Budget kickoff. Council provides direction to staff for preparation of next year's budget. Electronic budget information is available to Department Heads, Mayor, and Council.*
- July-
Aug** *Each City department prepares a "basic budget" for all existing services. Additional Funding and New Programs requests are submitted separately. Departments review budgets with their Council Committees.*
- Sept** *Budget staff prepares the Preliminary Budget for review by the Mayor.*
- Oct** *Proposed Preliminary Budget presented to Council. Budget staff reviews current revenue sources with Council. A public hearing on revenue sources is held. The property tax rate is set.*
- Nov** **The Preliminary Budget is presented to Council and made available to the public.
*The City Council holds a series of budget work sessions to review the preliminary budget. Each department presents their proposed budget. The capital improvement plan is also presented.
A public hearing is held to gather citizen input on the Preliminary Budget and any modifications that were made by the Council during their review.
- Dec** *The City Council completes their review of the budget and approves an ordinance adopting the budget for the coming year.*
- Jan-
Mar** *The City publishes the final budget document during the first quarter of the budget year.*
- Jan-
Dec** *The adopted budget is monitored and amended, if necessary, throughout the budget year.*

ABOUT POULSBO'S BUDGET

The City of Poulsbo's budget is made up of 34 funds. Each fund is balanced so revenues equal expenditures. In 2010 the large decrease to the fund balance is primarily due to projects using the reserves as a funding source.

	2008 Actual	2009 Budget	2010 Budget
Governmental Revenues	\$ 16,930,817	\$ 29,635,110	\$ 17,958,008
Proprietary Revenues	7,845,576	7,178,915	6,614,044
Total Revenue/ Sources	24,776,393	36,814,025	24,572,052
Governmental Expenditures	20,671,709	31,017,085	22,794,093
Proprietary Expenses	6,339,244	6,390,427	6,143,277
Expenditures/ Uses	27,010,953	37,407,512	28,937,370
Net Increase (Decrease)	(2,234,560)	(593,487)	(4,365,318)



POULSBO'S 2010 GENERAL FUND RESOURCES

At A Glance

Total Resources - \$9,083,652

One of the largest operating funds is the General Fund, which includes police, financial, planning and engineering services. Most of the tax revenue collected by the City goes into the General Fund. This makes the General Fund the primary focus for the City Council during the budget review process. The charts on the following pages provide an overview of the revenue and expenditures included in the City's General Fund.

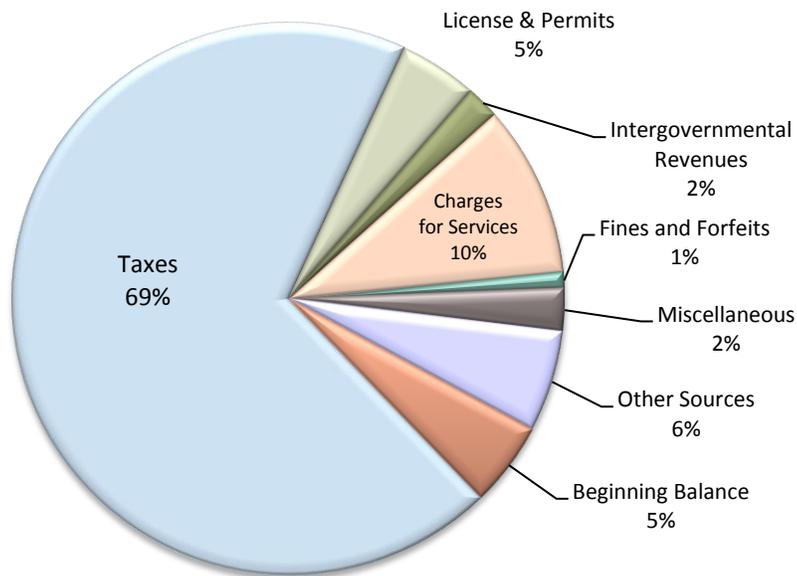
“Where does the City’s money come from?”

Revenues in the General Fund are typically general purpose and, with a few exceptions, available for any public purpose. Taxes represent the largest source of revenue, with sales tax being the City’s largest revenue source.

Resources in the General Fund come from eight areas:

- ***Beginning Balance***
- ***Taxes*** - property, sales, and utility
- ***Licenses & Permits*** - building and business
- ***Intergovernmental*** - liquor profits tax, grants, and reimbursement for school officer
- ***Charges for Goods & Services*** - charges for services provided
- ***Fines & Forfeitures*** - fines from law enforcement related activities
- ***Miscellaneous Revenue*** - interest income, copy charges, etc
- ***Operating Transfers*** - transfers from other funds for General Fund expenditures

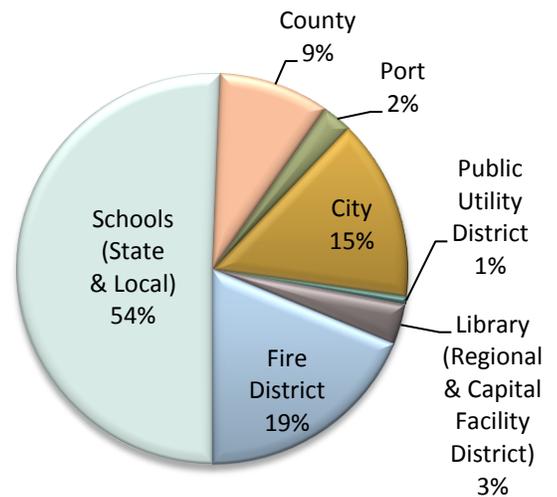
2010 General Fund Resources
\$9,083,653



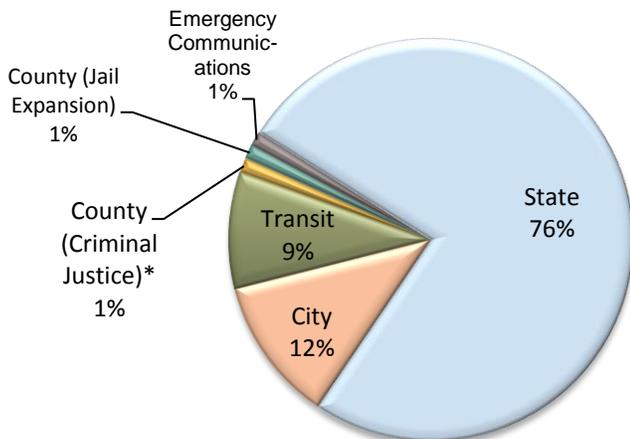
PROPERTY TAX

For 2010, the estimated assessed value of properties located within the City is \$1.31 billion. This includes approximately \$18.5 million in new construction. This assessed value is expected to generate approximately \$2,038,753 in property tax revenue for the City. The City was able to levy 1% over its highest allowable levy. Although property taxes represent a large portion of funding for City services, the portion of each property owner's total bill that goes to the City is relatively small. In 2010, the total property tax rate for Poulsbo properties is \$9.5795 per \$1,000 of assessed valuation. Of that total, 15%, or 1.56 per \$1,000, of assessed valuation, will go to the City. The graph to the left outlines how the total property tax paid by a City property owner in 2010 will be distributed amongst taxing jurisdictions.

Poulsbo Property Tax Owners 2010 Property Tax Distribution



2010 Sales Tax Distribution



SALES TAX

The sales tax rate paid on transactions within the City limits of Poulsbo is 8.6%. Similar to property taxes, however, the majority of this tax does not go to the City. The chart to the right indicates how the total 8.6% sales tax is distributed.

GENERAL FUND SALES & PROPERTY TAX REVENUE

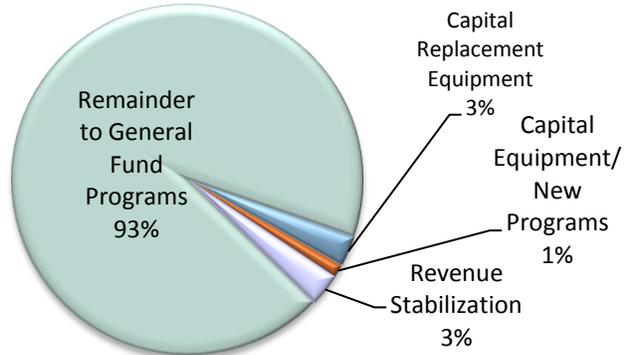
At a Glance

“How does the City spend the Sales Tax and Property Tax it receives?”

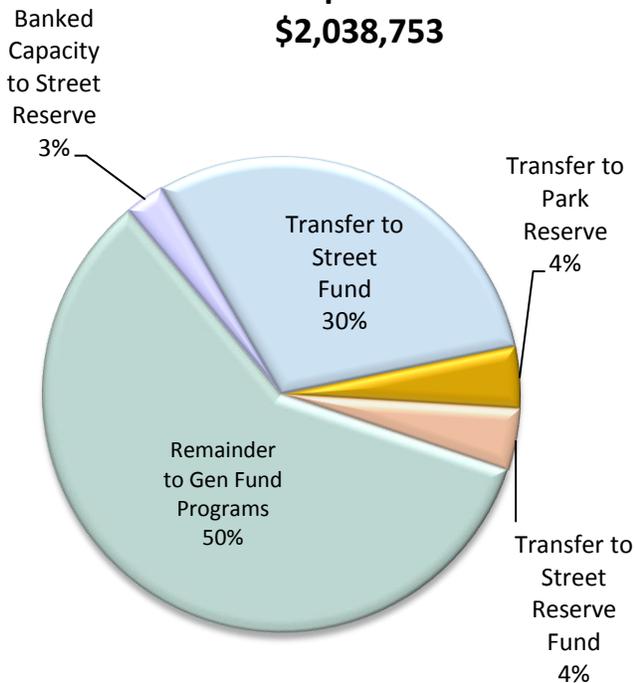
SALES TAX

The State of Washington collects the 8.6% sales tax paid to vendors doing business within Poulsbo city limits and distributes the City’s portion (1%) back to the City on a monthly basis. The sales tax is recorded in the City’s General Fund. A separate fund is used for replacement and purchase of new capital equipment with a value of \$5,000 or greater, as well as computer equipment. In 2010 the City Council decreased planned expenditures in this fund and decreased the transfer to only fund these reduced expenditures. In 2010 the City Council will use 3% of sales tax transfer to build the reserves in Revenue Stabilization Fund. The remaining dollars will stay in the General Fund. These reductions are reflective of a changing economy and using a reserve balance before cutting services. The City Council has a stringent practice of monitoring revenues and expenditures. They will be evaluating budget to actuals consistently under this policy to pro-actively react to any non-anticipated changes in the City’s revenue and expenditures. The policy of the City Council is to not project revenue’s higher than actual dollars received in the prior year. Due to the decrease in sales tax activity the projection has been reduced by \$200,00, which is closer to the actual amount anticipated for 2009.

**How is Poulsbo's Sales Tax Spent?
\$2.8 Million**



**How is Poulsbo's Property Tax Spent?
\$2,038,753**



PROPERTY TAX

The Kitsap County Treasurer collects the property tax levied by the City of Poulsbo and remits it to the City on a monthly basis. The property tax is recorded in the City’s General Fund. City Council has set a policy that based on a 1% increase over the previous year, not including the banked reserve, 36% of the property tax collected by the City will be transferred to the Street Fund to support operations and maintenance of the City’s streets and 4% is transferred to the Park Reserve Fund for capital park projects. In 2010 the 5% transfer to Street Reserves has resumed in 2009. When the City Council decided to levy the portion of property taxes previously banked because of the Fire Department annexation to the County, they directed the difference to be reserved for the capital construction of new or maintenance street projects. This amount was reduced to \$55,014 which is the minimum amount necessary to fund planned projects.

GENERAL FUND USES

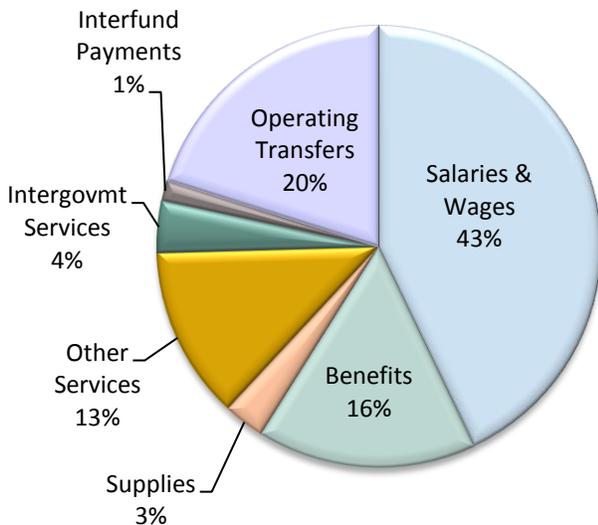
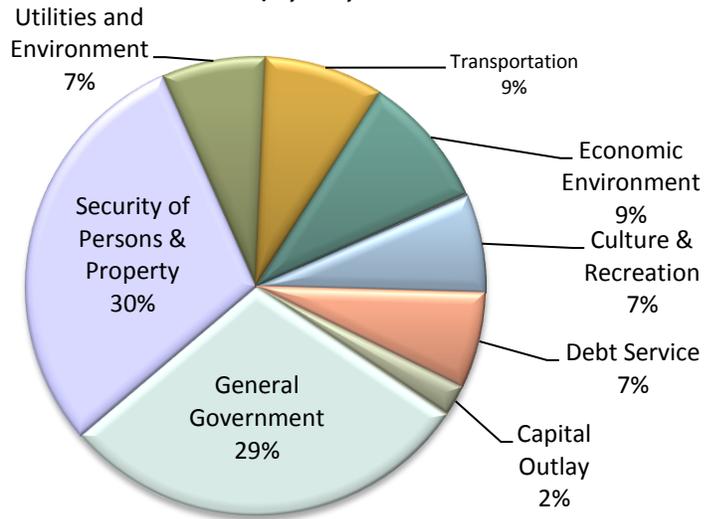
At a Glance

“Where does the City’s money go?”

EXPENDITURES BY PROGRAM

The General Fund accounts for most of the City’s general operating expenditures (about 26% of the total operating budget). The services are broken down in ten categories, which include services provided by the following Departments: Council, Finance, Human Resources, Information Services, Municipal Court, Planning, City Clerk, Police, Fire Inspection, Engineering, Parks, Cemetery, and Planning.

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



EXPENDITURES BY TYPE

The “Salaries & Wages” and “Benefits” categories combined make up the largest expense category. 29% of these expenditures can be directly related to Police Service. ”Operating Transfers” are transfers made to other funds for Capital Outlay, Debt Service, Park & Recreation operational costs and other amounts to reserve for future use. “Other Services” is composed of contracted services, travel, rentals and leases, insurance utilities, and repair and maintenance.

BUDGET CHANGE HIGHLIGHTS

- Departments were directed to submit budgets maintaining the same base budget as 2009, with the exception of wages and benefits. Requests for additional funds were submitted with either a Baseline Adjustment Request or New Program Request. The City Council funded only items which were deemed non-discretionary or legally mandated. The Proposed Preliminary Budget was prepared with a variance. Departments were directed to make a 5% reduction to their operating budgets to reduce the variance and transfers for transportation projects and capital equipment were eliminated to maintain more dollars in the General Fund.
- A major Comprehensive Plan update including functional plans for the City's Utilities was adopted in 2009. The updated to the City's Code is anticipated to begin in 2010 to be consistent with the updated comprehensive and related functional plans.

CAPITAL PROJECT HIGHLIGHTS

The following general, transportation, park and enterprise projects are included in the 2010 budget.

- The new City Hall project is continuing forward. Construction of the building began in 2009 and continues into 2010 with move in anticipated for the 1st of September.
- In 2009 the City purchased the Park and Recreation building, which had been housing the program for years. The building is in need of some capital improvements including the roof, parking lot and cosmetic changes. These will be phased over several years. A portion of the roof and parking lot with some miscellaneous cosmetic changes will begin in 2010. Tenants are being sought for the vacant portion of the building to provide funding for the increased operational expenses.
- Poulsbo Fish Park Restoration phase 1 continues in 2010 including infrastructures, plantings, and trail building.
- Design for future development of the College Market Ball Fields, which will include four to eight multi-use (baseball, softball, soccer) fields on eight acres located in the College Market development. The project will be phased over several years.
- The City received Federal Stimulus funds to complete the both the Viking North and South projects. The majority of the north end was completed in 2009. The south end of Viking has been divided into 2 phases, with phase 1 funded with the federal dollars and phase 2 with state grant dollars. The project will be complete in 2010.
- Design work for the Noll Road corridor will be completed in 2010 establishing a phased plan to help reduce the highway traffic and improve safety for both pedestrian and vehicle traffic. Noll Road is highly travelled serving several local schools including an elementary, middle and high school.
- The City purchased a parcel of land in 2008 for the future site of a Public Works facility. Design was completed in 2009. It is anticipated in 2010 to set up a transfer trailer and contract with a local company to transport the trailer with solid waste to the land fill. The City will save funds by reducing fuel and labor costs used to transport their loads to the land fill. The trailer will be located on the new parcel of land on the west side taking the activity out of the central part of Poulsbo.

Poulsbo City Government

19050 Jensen Way NE, Poulsbo, WA 98370

City Hall Office: 360-779-3901

www.cityofpoulsbo.com

Mayor Rebecca Erickson

Council members

Linda Berry-Maraist...697-3963	Jeff McGinty779-9538
Jim Henry981-3252	Dale Rudolph697-1033
Jeff Bauman286-5513	Ed Stern.....779-6678
Connie Lord779-6142	

City Departments

Mayor’s Office.....779-3901
City Clerk’s Department.....779-3901
 Jill Boltz, City Clerk
Engineering Department779-5111
 Andre Kasiniak, Assistant Public Works Director
Finance Department779-3901
 Deborah Booher, Finance Director
Parks & Recreation.....779-9898
 Mary McCluskey, P&R Director
Planning/Building Department.....779-3006
 Barry Berezowsky, Planning Director
Police Department.....779-3113
 Dennis Swiney, Chief of Police
Public Works Department779-4078
 Barry Loveless, Public Works Director

Telephone Directory (360 Area Code)

Administration/Finance

Citizen Information 779-3901
 Business License..... 779-3901
 Accounts Receivable (billing).. 697-8232
 Accounts Payable..... 697-8319
 Budget Information..... 697-8234
 Payroll 779-1423
 Information Services 697-8239
 Utility Billing/New Accounts .. 697-8232
 TDD-Hearing/Speech Impaired 779-1483

Engineering/Building 779-5111

Building Inspections
 Building Permits

Kitsap County Fire District #18

Fire Emergency Only9-1-1
 Medical Emergency9-1-1
 Business Call..... 779-3997

Library 779-2915

Municipal Court..... 779-9846

Parks & Recreation..... 779-9898

Programs & Class information
 Park Reservations

Planning Department..... 779-3006

Police Department

Emergency Only9-1-1
 Business Call..... 779-3113

Public Works Department . 779-4078

Curbside Recycling
 Garbage
 Park Maintenance
 Sewer
 Storm Drain
 Streets
 Water

City/County Recycle

Center 779-1044