

Poulsbo City Government
 200 NE Moe Street, Poulsbo, WA 98370-7347
 City Hall Office: 360-779-3901
 www.cityofpoulsbo.com

Mayor Rebecca Erickson
Council Members

Andrew Phillips	208-297-4094	Britt Livdahl	360-509-9660
Connie Lord.....	360-779-6142	Ed Stern	360-779-6678
Jeff McGinty	360-779-9538	Gary McVey.....	360-394-9880
David Musgrove.....	360-908-6888		

City Departments

Mayor's Office..... 779-3901
City Clerk's Department..... 394-9880
 Rhiannon Fernandez, Admin Svc/City Clerk
Engineering/Building Department..... 779-4078
 Diane Lenius, Public Works Director
Finance Department..... 394-9881
 Deborah Booher, Assistant City Administrator
Housing, Health & Human Services Department..... 394-9794
 Kimberly Hendrickson, HHH Director
Parks & Recreation..... 779-9898
 Jeff Ozimek, P&R Director
Planning & Economic Development Department..... 394-9882
 Heather Wright, Planning & Economic Development Director
Police Department..... 779-3113
 Ron Harding, Chief of Police
Public Works Department..... 779-4078
 Mike Lund, Public Works Superintendent

Telephone Directory (360 Area Code)

Administration/Finance

Citizen Information..... 779-3901
 Business License
 394-9880 || Accounts Receivable (billing)..... | 394-9724 |
Accounts Payable	394-9722
Budget Information	394-9707
Payroll	394-9728
Information Services.....	394-9701
Utility Billing/New Accounts	394-9724

Parks & Recreation

Programs & Class information
 Park Reservations

Planning Department

394-9748

Police Department

Emergency..... 9-1-1
 Business Call..... 779-3113

Public Works Department

Curbside Recycling
 Garbage
 Park Maintenance
 Sewer
 Storm Drain
 Streets
 Water

City/County Recycle Center

779-1044

Engineering/Building

Building Inspections
 Building Permits

Kitsap County Fire District #18

Fire Emergency..... 9-1-1
 Medical Emergency
 9-1-1 || Business Call..... | 779-3997 |

Library

779-2915

Municipal Court

779-9846

City of Poulsbo 2023 – 2024 Budget-In-Brief





Mission Statement

Our City is committed to managing 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

BUDGET HIGHLIGHTS

- In the 2023-2024 Biennial Budget departments were directed to submit budgets maintaining the same base budget as 2021-2022, except for wages, benefits, and contractual obligations. Requests for additional funds were submitted as either a Baseline Adjustment Request or New Program Request.
- 2024 will be the final year for three-year agreements for both bargaining unit labor contracts. Projections with anticipated salaries and wages adjustments are included.
- A variety of staffing changes occurred as the City reinstated service levels in recovery from the COVID-19 pandemic. Departments restructured to utilize available resources, and Council approved new staffing where it was determined to be a need.
- Utility Tax for City services water, sewer, and storm drain remains at 12%, while solid waste remains at 6%. These taxes are included in the rate structure and are not a separate billed item to citizens.
- The City sales tax revenue and projections were increased for 2023-2024 based on 2022 actuals and anticipated shifts in the economy.
- A Transportation Benefit District (TBD) was implemented for 2023 to support transportation maintenance and improvements.

CAPITAL PROJECT HIGHLIGHTS

- **Play for All at Raab Park:** Playground upgrade will expand the footprint and include the addition of new equipment, surfaces and spacing between equipment will be wheelchair accessible. Most improvements are grant funded matched by City funds.
- **Waterfront Boardwalk:** Scope of improvements for the boardwalk are being determined.
- **Noll Road Improvements Phase III:** Construction including a roundabout, tunnel, and road improvements will occur in multiple phases over the next six years to support traffic flow and pedestrian safety at intersections joining SR305.
- **Neighborhood Street Pavement Restoration:** Funds are collected from the Transportation Benefit District to be used for pavement and restoration of neighborhood streets focusing on substantial improvements.
- **3rd Avenue Water:** Improvements to update utility infrastructure and improve traffic and pedestrian safety.
- **Dogfish Creek Restoration:** Project to improve fish habitat and reduce flooding.
- **Glenn Haven Storm Drain Replacement:** Replacing corrugated metal storm pipe along with required work and asphalt repair work.
- **Poulsbo Creek Outfall:** This project will replace the corroded metal splash pad and outfall pipe with concrete splash pad and energy dissipater.
- **Public Works Complex:** Final phase of the Public Works complex to bring all operations to on centralized site.
- **Poulsbo Event & Recreation Center (PERC):** Phase 1 including design and construction of ball/play fields in the College Market area are expected to occur in 2024.

**POULSBO'S COMMUNITY KEY
and
COUNCIL LONG-TERM GOALS**

1. **Land Use**
2. **Community Character**
3. **Transportation**
4. **Natural Environment**
5. **Capital Facilities**
6. **Housing**
7. **Parks and Recreation and Open Space**
8. **Economic Development**
9. **Public Safety**
10. **Revenues and Financial Stability**
11. **Customer Service**
12. **Enhanced Communication and Participation**

*Please visit the 2023-2024 budget document for more detail regarding the goals

2023-2024 COUNCIL WORKING GOALS

- **Develop Long-Term Economic Development Plan**
- **Transition Plan for Executive Branch of Government**
- **Develop a Downtown Improvement Plan for Revitalization to Coordinate with the Scheduled Utility Capital Improvements to Front Street**
- **Reinforce and Establish our Relationships with the Community Related to Diversity and Inclusivity**

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 commutes 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 12 operating departments. The City boasts 19 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 (2022)	12,180
Elevation	0-400 feet
Land Area	2,954 acres
Average Temperature (min/max)	39°/65°F
Average Annual Precipitation (inches).....	36
Miles of City Streets	55
Acres of Parks	134.85
Assessed Value (2023)	\$ 2,822,114,209
City Retail Sales Tax	9.3%
Property Tax Rate	\$1.03
Assessed Value.....	\$2,822,114,209
Full Time Equivalent (FTE) Employees.....	107.27

THE BUDGET PROCESS

Biennial budget development is a multi-phase process. The City is constantly looking for ways to streamline operations and make adjustments to improve service delivery. Many of Council's actions throughout the year have budgetary implications for the upcoming years. Citizen input received during the year are reflected in the budget proposals prepared by City staff. Some of the significant events that contribute to the biennial budget preparation are:

Year One (Prior to beginning of Biennium Cycle)	
Feb-Apr	A City Council retreat is held to discuss goals for the upcoming budget season.
May-Jun	The Capital Improvement Team meets to begin updating the CIP.
Jul-Aug	Each department prepares a "Base Budget" for all existing services. Additional Funding and NPRs are submitted separately. Departments review budgets with their City Council Committee.
Sep	The budget staff prepare the Proposed Preliminary Budget for review by the Mayor.
Oct	The Proposed Preliminary Budget is presented to City Council. The budget staff reviews current revenue sources with City Council. A public hearing is held to discuss revenue sources. The property tax rate is set.
Nov	The Preliminary Budget is presented to City Council and made available to the public. The City Council holds a series of budget workshops to review the Preliminary Budget. Each department presents their proposed budget along with budgeted CIP. A public hearing is held to gather citizen input on the Preliminary Budget
Dec	The City Council completes review of the budget and approves an ordinance adopting the budget.

Year Two (Mid-Biennium Cycle)	
Feb-Apr	The City prepares and publishes the Final Budget Document.
May	The Capital Improvement Team meets to begin CIP process.
Aug	The departments review budget status (Year 1 and Year 2) and submit any modification requests to budget staff. During this time the departments will also review their goals and measures.
Sep	The Mid-biennium review (Adjustments to Year 1 and Year 2) is prepared by the budget staff and the Mayor to discuss with Council Committees.
Oct	The Proposed Mid-Biennium Modification is presented to the City Council. The budget staff reviews current revenue sources with the City Council. A public hearing is held to discuss revenue sources held. The property Tax rate is set
Nov	The Preliminary Budget is presented to City Council and made available to the public. The City Council holds a series of budget workshops to review the Preliminary Budget. Each department presents their proposed budget along with budgeted CIP. A public hearing is held to gather citizen input on the Preliminary Budget
Dec	The City Council completes review of the Mid-Biennium Modification and approves an ordinance adopting the Mid-Biennium Modification

GENERAL FUND USES

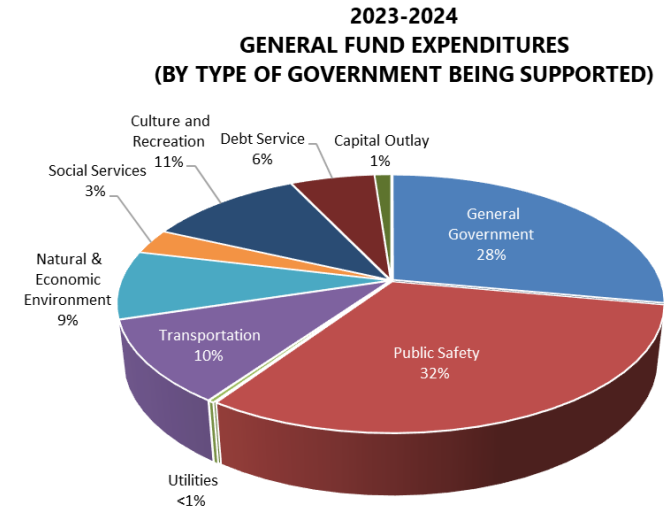
at a glance

"Where are the City's funds spent?"

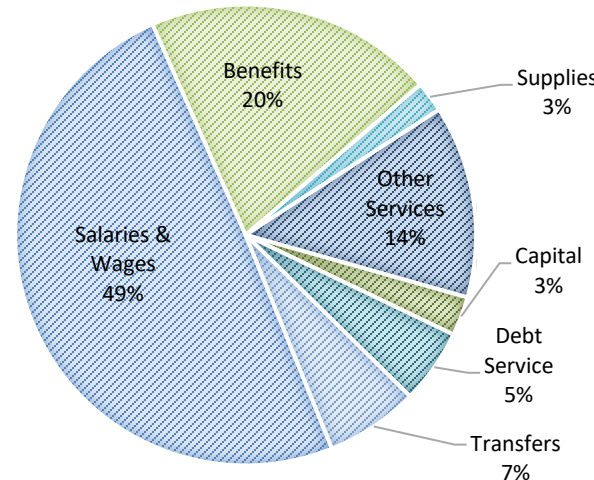
EXPENDITURES BY PROGRAM

The General Fund accounts for most of the City's general operating expenditures (about 33% of the total operating budget). The services are broken down in nine categories, which include services provided by the following Departments:

- Council
- Finance
- Human Resources/Personnel
- Information Services
- Municipal Court
- City Clerk/Risk Management
- Police
- Engineering/Building
- Housing, Health & Human Services
- Public Works Administration
- Parks
- Cemetery
- Planning and Economic Development



GENERAL FUND EXPENDITURES (BY TYPE) \$30,079,933



EXPENDITURES BY TYPE

Salaries and **Benefits** categories, combined, make up the largest expense. This is to be expected from a government agency, since their primary function is public service. Of General Fund expenditures, 33% can be directly related to Police Service.

Operating Transfers are transfers made to other funds for Street Operations, Debt Service, and other amounts to reserve for future use.

Other Services is composed of contracted services, travel, rentals, insurance, utilities, and repair and maintenance.

GENERAL FUND SALES & PROPERTY TAX REVENUE

at a glance

SALES TAX

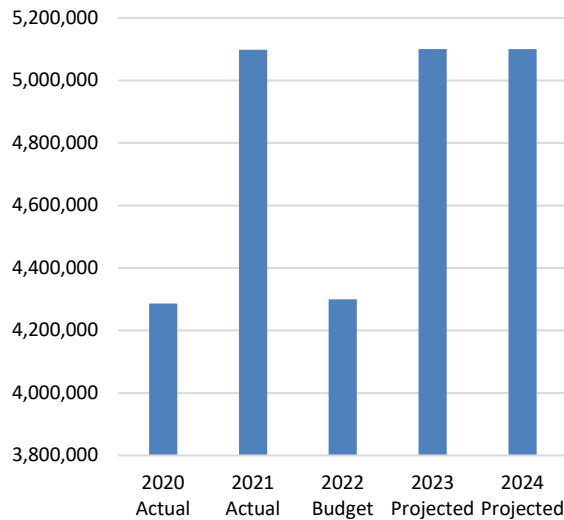
The State of Washington collects the 9.3% (rate effective April 1, 2023) sales tax paid to vendors doing business within Poulsbo city limits and distributes the City's portion (1.2%) back to the City on a monthly basis. The rate is inclusive of an additional .1% approved by City Council for the Transportation Benefit District Sales to be utilized for transportation operations and improvements. Sales tax is the City's largest revenue source and although it is a healthy source of income for the City, the revenue estimated for 2023-2024 is conservatively estimated based on the actual amount collected in 2022.

PROPERTY TAX

The Kitsap County Treasurer collects the property tax levied by the City of Poulsbo and remits it to the City monthly. Property tax increase is limited to 1% above highest allowable levy and the addition of amount due to new construction. Below is a chart showing the property tax calculation.

	Assessed Value	1%
Highest Allowable Levy		\$ 2,798,917
+ Maximum 1% increase		\$ 27,989
+ New Construction assessed value	\$ 2,822,114,209	\$ 2,826,906
+ Annexation	\$65,433,490	76,832
+ Refunds	\$1,827,350	1,889
		4,244
Property Tax Levy with Tax Refunds		\$ 2,909,871
Levy		\$ 2,909,871
Assessed value	\$ 2,822,114,209	
Tax Rate (Assessed Value per \$1,000/Levy)		1.031096

Sales Tax Revenue
2020-2024

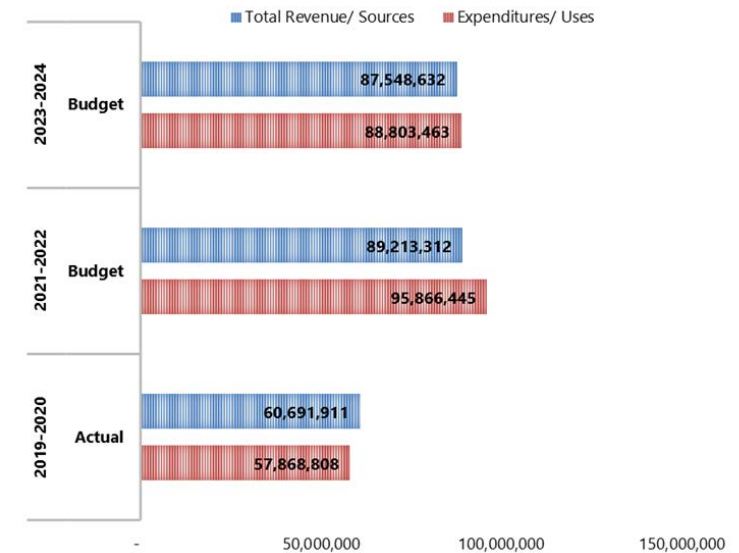


ABOUT POULSBO'S BUDGET

The City of Poulsbo's budget is made up of 23 budgeted funds. Each fund is balanced so resources equal uses.

TOTAL ALL FUNDS

	2019-2020 Actual	2021-2022 Budget	2023-2024 Budget
Governmental Revenues	\$ 38,203,728	\$ 63,555,633	\$ 60,814,436
Proprietary Revenues	22,488,183	25,657,679	26,734,196
Total Revenue/ Sources	60,691,911	89,213,312	87,548,632
Governmental Expenditures	39,031,681	72,347,620	64,113,721
Proprietary Expenses	18,837,127	23,518,825	24,689,742
Expenditures/ Uses	57,868,808	95,866,445	88,803,463
Net Increase (Decrease)	2,823,103	(6,653,133)	(1,254,831)
Fund Balance/Equity - Beginning	91,322,107	97,748,758	99,837,193
Increase in Contributed Capital	3,525,143	1,980,000	2,980,000
Prior Year Adjustment/Beg Balance Adj	78,405	6,761,568	1,343,218
Fund Balance/Equity - Ending	\$ 97,748,758	\$ 99,837,193	\$ 102,836,866



POULSBO'S 2023-2024 GENERAL FUND RESOURCES

at a glance

Total Resources - \$32,152,933

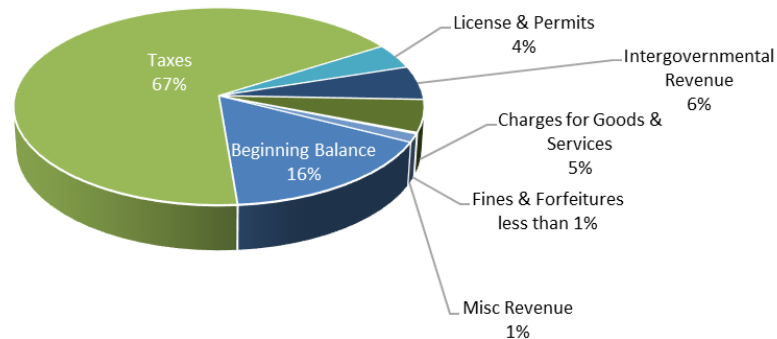
One of the largest operating funds is the General Fund, which includes police, financial, public works administration, planning, engineering services, and parks and recreation. Most of the tax revenue collected by the City goes into the General Fund. This makes the General Fund the primary focus for 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 receive funding 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

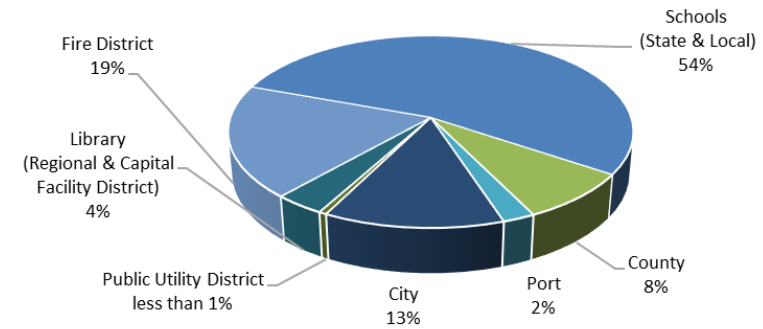
2023-2024 GENERAL FUND RESOURCES \$32,152,933



PROPERTY TAX

For 2023, the estimated assessed value of properties located within the City is \$2.8 billion. This includes approximately \$65 million in new construction. This assessed value is expected to generate approximately \$2,909,871 in property tax revenue for the City. For 2024, it is estimated to generate \$2,971,529. 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 2023, the total property tax rate for Poulsbo properties is \$8.86 per \$1,000 of assessed valuation. Of that total, 12%, or \$1.03 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 2023 will be distributed amongst taxing jurisdictions.

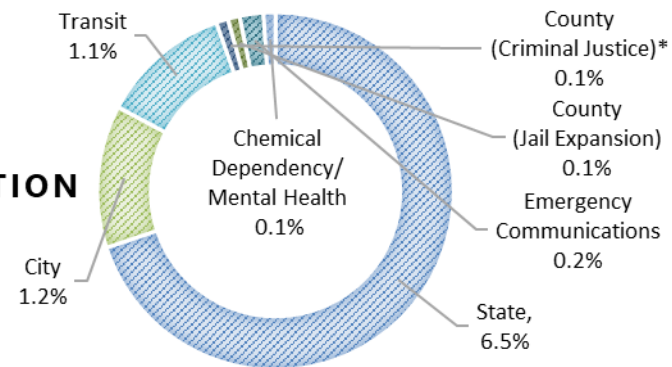
POULSBO PROPERTY TAX OWNERS 2023 PROPERTY TAX DISTRIBUTION



SALES TAX

The sales tax rate, paid on transactions within the City limits of Poulsbo, is 9.3%. Similar to property taxes, the majority of this tax does not go to the City. The chart to the right indicates how the total sales tax is distributed.

SALES TAX DISTRIBUTION



**The County keeps 10% of this revenue; the remaining 90% is distributed back to the cities located within the county, based on population.*