

2017-18

Biennial Budget

City of Gig Harbor

COVER ART

Since 1984, the Peninsula Art League, a non-profit artist's organization, has sponsored the **Gig Harbor Arts Festival**. A competition for their annual event poster features the work of a local student. Proceeds from the festival fund scholarships for local artists.

In honor of the League's work and the work of the winning student, this artwork is featured on the cover of the City's biennial budget summary this year. The tradition began with the first poster in 2001 and continues each year.

This year's cover artwork was created by **Lindsay Shaw**, who will be a 2017 graduate of Gig Harbor High School. The theme represents the town's waterfront character.

CITY OFFICIALS

ELECTED

| | |
|----------------|---|
| MAYOR | Jill Guernsey |
| COUNCILMEMBERS | Tim Payne Steve Ekberg Casey Arbenz Rahna Lovrovich Ken Malich Michael Perrow Paul Kadzik |

APPOINTED

| | |
|-----------------------|--------------------|
| MUNICIPAL COURT JUDGE | Michael Dunn |
| CITY ATTORNEY | Angela Summerfield |

MANAGEMENT STAFF

| | |
|-----------------------------------|-----------------|
| CITY ADMINISTRATOR | Ron Williams |
| POLICE CHIEF | Kelly Busey |
| PUBLIC WORKS DIRECTOR | Jeff Langhelm |
| FINANCE DIRECTOR | David Rodenbach |
| INFORMATION SYSTEMS MANAGER | Kay Johnson |
| BUILDING & FIRE SAFETY DIRECTOR | Paul Rice |
| PLANNING DIRECTOR | Jennifer Kester |
| CITY CLERK | Molly Towslee |
| COURT ADMINISTRATOR | Stacy Colberg |
| TOURISM & COMMUNICATIONS DIRECTOR | Karen Scott |
| HUMAN RESOURCES ANALYST | Mary Ann McCool |

TABLE OF CONTENTS

| | |
|--|-----|
| MAYOR'S NOTE | 6 |
| BUDGET IN BRIEF | 7 |
| 1. BUDGET SUMMARY | 13 |
| Budget Ordinance | 14 |
| Property Tax Distribution and Population History | 18 |
| Organizational Chart | 19 |
| Budget Process | 20 |
| Budget Calendar | 27 |
| Budget Document Organization | 28 |
| Revenue Highlights | 29 |
| Budgeted Staffing Levels | 31 |
| Estimate of Ending Fund Balances | 32 |
| Municipal Debt | 33 |
| Resource and Expenditure Summaries - All Funds | 36 |
| 2. GENERAL FUND - Fund 001 | 39 |
| General Fund Revenue Resource Summary | 41 |
| Expenditures: | |
| Non-Departmental - Dept. 01 | 45 |
| Legislative - City Council - Dept. 02 | 47 |
| Judicial - Municipal Court - Dept. 03 | 49 |
| Administration / Finance / Legal - Dept. 04 | 55 |
| Police - Dept. 06 | 73 |
| Planning - Dept. 14 | 82 |
| Building & Fire Safety - Dept. 14 | 93 |
| Public Works - Dept. 14 | 99 |
| Parks - Dept. 15 | 103 |
| City Buildings - Dept. 16 | 111 |
| 3. SPECIAL REVENUE FUND TYPE | 115 |
| Street Operating - Fund 101 | 118 |

| | |
|---|-----|
| Street Capital - Fund 102 | 129 |
| State Drug Investigation - Fund 105 | 136 |
| Federal Drug Investigation - Fund 106..... | 138 |
| Hotel-Motel Tax - Fund 107 | 140 |
| Public Art Capital Projects - Fund 108 | 147 |
| Park Development - Fund 109 | 149 |
| Civic Center Debt Reserve - Fund 110 | 156 |
| Strategic Reserve - Fund 111..... | 158 |
| Equipment Reserve - Fund 112..... | 160 |
| Capital Development – REET - Fund 301..... | 162 |
| Capital Improvement – REET - Fund 305..... | 165 |
| Impact Fee Trust - Fund 309 | 168 |
| Hospital Benefit Zone Revenue - Fund 310..... | 170 |
| Lighthouse Maintenance - Fund 605 | 174 |
| 4. DEBT SERVICE FUND TYPE | 176 |
| Limited Tax General Obligation Bond Redemption - Fund 208 | 179 |
| 2005 Bond Redemption - Fund 211 | 182 |
| 5. ENTERPRISE FUND TYPE | 184 |
| Water Operating - Fund 401 | 187 |
| Wastewater Operating - Fund 402..... | 193 |
| Shorecrest Sewer Operating Fund - Fund 403..... | 198 |
| Utility Reserve - Fund 407..... | 201 |
| Utility Bond Redemption - Fund 408 | 203 |
| Wastewater Capital - Fund 410 | 207 |
| Storm Water Operating - Fund 411..... | 212 |
| Storm Water Capital - Fund 412 | 218 |
| Water Capital - Fund 420..... | 222 |

Mayor's Note

On behalf of the hard working staff of the City of Gig Harbor, I am honored to present this two-year budget for 2017-2018.

This is a significant budget for the history of our City because we have seen remarkable growth in the past few years. As of this date, Gig Harbor is the fastest growing city in Pierce County. This growth provides us with many challenges and also many opportunities. This growth has placed a significant strain on our staff's ability to provide the same high level of services our citizens have come to expect.

Fortunately, the growth has also meant a growth in revenue. As an example, our sales tax revenue has increased steadily over the last several years, and has increased at a level of 15% year to date. This budget recognizes that growth and makes conservative assumptions as to the continuing revenue expected during this two-year budget cycle. As a result, we are able to add several key personnel in our police department, our permitting agencies, and other key positions in order to maintain the level of services Gig Harbor has provided in the past. Even with adding these new positions, this budget is balanced, sustainable, and leaves reserves and ending fund balances sufficient to protect against unforeseen negative circumstances. This budget also provides for a significant number of capital projects for parks, streets and infrastructure improvements.

I'm pleased to present this 2017-2018 budget to the citizens and City Council.

Jill Guernsey
Mayor

PERSONNEL CHANGES

These proposed changes in personnel are described in greater detail in the departmental and fund narratives.

Reclassifications

- **Human Resources Manager** (pages 63-65). A re-class of the Human Resource Analyst to a newly-created Human Resources Manager position will more accurately reflect the level and scope of duties and responsibilities of the current HR function.
- **Open Government Administrator / Asst. City Clerk** (pages 66-67). A re-class to the Assistant City Clerk position to facilitate the implementation of the Open Government Initiative.
- **Planning Technician** (page 90-91). A re-class of the Planning Assistant to a newly-created Planning Technician position will assist the Planning Department in handling increasing workloads.

Additional positions (total biennial increase of 6.6 FTEs plus seasonal help)

- **Police Officers (4 FTEs)** (page 80). Add four new police officer positions to meet growth and activity demands which continue to expand in the city. Three in 2017 and one in 2018.
- **Planning Technician (1 FTE)** (page 90-91). Add an additional Planning Technician to handle the increased permit volume and the increased need for public outreach and information, and allow for workload re-distribution with additional duties.
- **Building Inspector (1 FTE)** (page 97). Add an additional Building Inspector to support current and increasing workloads due to growing residential and commercial development.
- **Seasonal Help (increase from six to eight)** (page 109). Increase seasonal help positions from six to eight each year.

Salary Range Adjustments

- **Planner Classification Series** (page 89). Introduce a new classification series and step system for the Assistant Planner, Associate Planner and Senior Planner positions.
- In accordance with the Collective Bargaining Agreement (CBA) with the Gig Harbor Police Guild, the Gig Harbor Employees' Guild, and the Gig Harbor Supervisory Employees' Guild, a **2.0% COLA** will take effect January 1, 2017. Salaries for non-represented staff are presented in the salary schedule with a 2.0% COLA.

2017-2018 CAPITAL PROJECT EXPENDITURE HIGHLIGHTS

Public Works Shop – Metal Building. Install the metal building (72'x40") acquired from the History Museum property at the Public Works Shop for additional covered storage. **\$100,000; Pages 132 #1, 151 #6, 209 #6, 220 #3, 224 #3.**

Public Works Maintenance Facility Site Plan Design and Construction. Replace the antiquated maintenance facility with a functional facility. **\$5,200,000; Pages 132 #'s 2 & 3, 151 #'s 4 & 5, 220 #'s 1 & 2, 224 #'s 4 & 5.**

Harbor Hill Drive Extension. Complete the design, procure the necessary right of way and construct the Harbor Hill Drive extension to Burnham Drive. **\$12,760,000; Page 132 #4.**

Harborview Drive Sidewalk Improvement. Construct the sidewalk, curb and gutter along the east side of Harborview between North Harborview Drive and Burnham Drive. **\$735,000; Page 132 #5.**

Harborview Pedestrian Improvements (SEPA mitigation for Ancich Park). Complete the design, permitting, right of way acquisition, and construction to widened sidewalks on water side of Harborview Drive between Eddon Boat Park and Novak Street. **\$300,000 Page 132 #6.**

Stinson Avenue Pavement Overlay and Pedestrian Improvements (Grandview to Rosedale). Complete the design, permitting, right-of-way acquisition, and construction along Stinson Avenue between Rosedale Street and Pioneer Way. **\$1,935,000; Page 132 #7.**

Stinson / Rosedale Intersection Improvements. Complete the design, permitting, right-of-way acquisition, and construction a compact roundabout at this intersection. **\$520,000; Page 133 #8.**

Stinson / Harborview Intersection Improvements. Request funding for design only and pursue construction funding via available State and Federal grants. **\$150,000; Page 133 #9.**

Street Lights on Borgen Boulevard. Install fifteen – 30' street lights on Borgen Blvd. to existing streets up to 51st Ave. **\$157,500; Page 133 #'s 10, 11, & 12.**

Wagner Way/Wollochet Intersection Improvements. Complete the design and permitting for either a roundabout or traffic signal option at this intersection at Wollochet and Wagner Way. **\$175,000; Page 133 #13**

38th Avenue Improvement project – Phase 1. Update existing survey information and complete a conceptual design associated with the half-width street corridor improvements along 38th Avenue. **\$150,000; Page 133 #14.**

Soundview / Hunt Intersection Improvements. Design a roundabout (or traffic signal if a roundabout is not feasible) and pedestrian upgrades. **\$150,000; Page 133 #15.**

Olympic/Pt. Fosdick Drive Right Turn Lane. Construct the required Olympic Towne Centre mitigation right turn lane. **\$500,000; Page 133 #16.**

Large digital kiosk for the Welcome Plaza at Jerisich Dock. The outdoor digital signage directory will be located in the breezeway. **\$20,000; Page 144 #1.**

Wilkinson Farm Park – Trail System. Develop the approved trail and public access plan for Wilkinson Farm Park. **Leveraged Through Volunteer Resources; Page 151 #1.**

Harbor Hill Park Master (Gig Harbor Sports Complex) Master Plan. Create a Harbor Hill Park Master Plan utilizing results from previous visioning exercises. The Master Plan will be undertaken by the City, but will include the YMCA, Olympic Property Group, Gig Harbor Little League and Peninsula School District as partners. Briarwood. Construct traffic calming features along a portion of Briarwood. **\$50,000; Page 151 #2.**

Cushman Trail Bridge Easements. The Pierce County and TPU right of way easement boundary limits that was provided to the City outlined the limits of the City's trail construction. The work will procure the necessary long term easements for those areas that the trail encroaches on private property. **\$65,000; Page 151 #3.**

Crescent Creek Park – Visioning and Master Plan. Conduct visioning and develop a master plan for Crescent Creek Park. **\$50,000; Page 152 #7.**

Ancich Waterfront Park Upland Development. Design finalization and construction will occur in 2017, and will include a street-level view plaza with lower level boat storage, an elevator for ADA access, improvements to the driveways to the Ancich Netshed and Jerkovich Pier as well as removal of dilapidated existing bulkhead replaced with a small toe wall and soft shoreline armoring. **\$2,700,000; Page 152 #8.**

Jerkovich Pier. The City-owned Jerkovich Pier is in need of repairs in order to maintain existing access and grant public access onto the pier as part of the Ancich Park project. **\$600,000; Page 152 #9.**

Ancich Netshed. This historic over-water structure is in need of replacement of the piling, decking, roof, and structural improvements to the pier and the netshed in order to preserve its structural integrity and to allow future uses for the site. **\$1,300,000; Page 152 #10.**

Wilkinson Farm Park – Barn Restoration. From the results of the structural report performed in 2014, complete the recommended structural improvements to the barn. **\$470,000; Page 152 #12.**

Cushman Trail Phase 5. Working with stakeholders, the City will complete a pre-planning study to identify the preferred route alignment and begin design on the trail extension to the City northern limits. **\$270,000; Page 152 #13.**

Eddon Boat Park – Brick House Remodel. Remodel and rehabilitate the historic Eddon Residence. **\$378,000; Page 153 #14.**

Grandview Forest Park – Tree Management Plan. Conduct tree risk assessment and develop Tree Risk Management Plan. **\$50,000; Page 153 #15.**

Lift Station No. 6 Replacement (Ryan Street). Verify right-of-way and complete final design and permitting for the replacement pump station at the existing site. **\$655,000; Page 209 #1.**

Welcome Plaza / Lift Station No. 4 Replacement (Jerisich Park). Complete the construction of the above ground replacement lift station/Welcome Plaza in accordance with the city's Comprehensive Plan. **\$4,500,000; Page 209 #2.**

Lift Station No. 17 Property or Easement Acquisition (Bujacich Dr.). Reserved for city procurement of the property or easement. **\$270,000 – 2017. Page 209 #3**

Rehabilitation of Lift Station #9 (Longacres Subdivision). This will be in conjunction with the replacement of the wet well. **\$306,573; Page 209 #4.**

Rehabilitation of Lift Station #1 (Crescent Creek Park). Replace existing pumps, electrical and mechanical equipment and coat wet well. **\$85,000; Page 209 #5.**

Blower Replacement. Replace a positive displacement blower with high efficiency Neuros Blower. **\$700,000; Page 209 #7.**

50th Street Force Main Replacement. In conjunction with the 50th St. improvement Project. **\$180,000; Page 209 #8.**

Wastewater Outfall Study at the Donkey Creek Delta. Perform a study of sediment deposition in the Donkey Creek delta related to the installation of the wastewater outfall pipe. **\$125,000; Page 209 #9.**

Harborview Drive Stormwater Conveyance Improvements. Disconnect the combined City-Harbor History Museum stormwater system and redirect the flow along another pipe configuration along Harborview Drive. **\$175,000; Page 220 #4.**

50th Street Box Culvert. Complete the design, permit, and construct a fish friendly box culvert under 50th Street east of 38th Avenue. **\$840,000; Page 220 #5.**

Stormwater Outfall Upgrade and Restoration. This project will upgrade the stormwater outfall and restore the surrounding habitat at one or more locations where the City discharges stormwater into Gig Harbor Bay. **\$100,000; Page 220 #6.**

Deep Aquifer Well Development (Well No. 11). Construct the new well house, water treatment facility, telemetry, and associated appurtenances at the location of the drilled Well No. 11 well casing and place this well into service. **\$3,000,000; Page 224 #1.**

Reuse and Reclaimed Water - Phase 2. Continue the development of a feasibility report to refine previous reuse and reclaimed water studies to explore specific recharge sites and reuse locations, sources of recharge water, as well as other potential benefits that may result from generating reclaimed water. **\$50,000; Page 224 #2.**

Stinson Avenue Asbestos Cement Water Main Replacement. Complete the design, permitting, right of way acquisition, and replace the existing asbestos cement (AC) water main with ductile iron water main. **\$1,285,000; Page 224 #6.**

1. BUDGET SUMMARY

| | |
|---|----|
| Budget Ordinance..... | 14 |
| Property Tax Distribution and Population History..... | 18 |
| Organizational Chart..... | 19 |
| Budget Process..... | 20 |
| Budget Calendar..... | 27 |
| Budget Document Organization..... | 28 |
| Revenue Highlights..... | 29 |
| Budgeted Staffing Levels..... | 31 |
| Estimate of Ending Fund Balances..... | 32 |
| Municipal Debt..... | 33 |
| Resource and Expenditure Summaries - All Funds..... | 36 |

ORDINANCE NO. 1352

**AN ORDINANCE OF THE CITY OF GIG HARBOR,
WASHINGTON, ADOPTING THE 2017-2018 BIENNIAL
BUDGET; ESTABLISHING APPROPRIATIONS OF FUNDS
FOR THE 2017-2018 BIENNIUM; TRANSMITTING
BUDGET COPIES TO THE STATE; PROVIDING FOR
SEVERABILITY AND ESTABLISHING AN EFFECTIVE
DATE.**

WHEREAS, the Mayor of the City of Gig Harbor, Washington completed and placed on file with the City Clerk a proposed budget and estimate of the amount of the monies required to meet the public expenses, bond retirement and interest, reserve funds and expenses of government of the City for the 2017-2018 biennium; and

WHEREAS, the City of Gig Harbor published notice that the Gig Harbor City Council would meet on November 28, 2016 and December 5, 2016 at 5:30 p.m., in the Gig Harbor Council Chambers for the purpose of providing the public an opportunity to be heard on the proposed budget for the 2017-2018 biennium and to adopt the budget; and

WHEREAS, the City Council did meet at the dates and times so specified, and heard testimony of interested citizens and taxpayers; and

WHEREAS, the 2017-2018 proposed biennial budget does not exceed the lawful limit of taxation allowed by law to be levied on the property within the City of Gig Harbor for the purposes set forth in the budget, and the estimated expenditures set forth in the budget being all necessary to carry on the government of Gig Harbor for the 2017-2018 biennium; Now, therefore,

THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, DO
ORDAIN AS FOLLOWS:

Section 1. Budget Adopted. The budget for the City of Gig Harbor, Washington, for the 2017-2018 biennium, on file with the City Clerk, is hereby adopted in its final form and content.

Section 2. Funds Appropriated. Estimated resources, including beginning fund balances, for each separate fund of the City of Gig Harbor, and aggregate total for all funds combined, for the 2017-2018 biennium are set forth in summary form below, and are hereby appropriated for expenditure during the 2017-2018 biennium as set follows:

2017-2018 BUDGET APPROPRIATIONS

| FUND / DEPARTMENT | AMOUNT |
|-----------------------------------|----------------------|
| 001 GENERAL GOVERNMENT | |
| 01 Non-Departmental | \$9,045,376 |
| 02 Legislative | 144,218 |
| 03 Municipal Court | 922,011 |
| 04 Administrative / Financial / | 3,225,396 |
| 06 Police | 8,323,980 |
| 14 Building & Fire Safety | 1,858,100 |
| 14 Planning | 2,433,900 |
| 15 Park Operating | 2,446,225 |
| 16 Buildings | 1,557,000 |
| 19 Ending Fund Balance | 3,217,623 |
| TOTAL GENERAL FUND - 001 | \$33,173,829 |
| 101 STREET OPERATING | 5,272,493 |
| 102 STREET CAPITAL | 19,406,733 |
| 105 DRUG INVESTIGATION STATE | 8,405 |
| 106 DRUG INVESTIGATION FEDERAL | 19,416 |
| 107 HOTEL / MOTEL FUND | 1,022,242 |
| 108 PUBLIC ART CAPITAL PROJECTS | 109,023 |
| 109 PARK DEVELOPMENT FUND | 7,697,101 |
| 110 CIVIC CENTER DEBT RESERVE | 1,827,968 |
| 111 STRATEGIC RESERVE | 745,079 |
| 112 EQUIPMENT REPLACEMENT RESERVE | 322,723 |
| 208 LTGO BOND REDEMPTION | 5,772,043 |
| 211 UTGO BOND REDEMPTION | 786,126 |
| 301 CAPITAL DEVELOPMENT FUND | 1,624,197 |
| 305 GENERAL GOVT. CAPITAL | 1,552,697 |
| 309 IMPACT TRUST FEE | 3,897,316 |
| 310 HOSPITAL BENEFIT ZONE REVENUE | 8,091,420 |
| 401 WATER OPERATING | 5,306,391 |
| 402 SEWER OPERATING | 12,325,131 |
| 403 SHORECREST RESERVE | 174,613 |
| 407 UTILITY RESERVE | 1,435,133 |
| 408 UTILITY BOND REDEMPTION FUND | 12,104,029 |
| 410 SEWER CAPITAL CONSTRUCTION | 8,801,923 |
| 411 STORM SEWER OPERATING | 2,510,823 |
| 412 STORM SEWER CAPITAL | 1,940,258 |
| 420 WATER CAPITAL ASSETS | 6,934,022 |
| TOTAL ALL FUNDS | \$142,861,134 |

Section 3. Salary Schedule. Attachment "A" is adopted as the 2017-2018 personnel salary schedule for all employees.

Section 4. Transmittal. The City Clerk is directed to transmit a certified copy of the 2017-2018 budget hereby adopted to the Division of Municipal Corporations in the Office of the State Auditor and to the Association of Washington Cities.

Section 5. Severability. If any section, sentence, clause or phrase of this ordinance should be held to be unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

Section 6. Effective Date. This ordinance shall be in force and take effect five (5) days after its publication according to law.

PASSED by the City Council of the City of Gig Harbor, Washington, and approved by its Mayor at a regular meeting of the council held on this ____ day of December, 2016.

CITY OF GIG HARBOR

Mayor Jill Guernsey

ATTEST/AUTHENTICATED:

Molly M. Towslee, City Clerk

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY

Angela G. Summerfield

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
PUBLISHED:
EFFECTIVE DATE:
ORDINANCE NO.

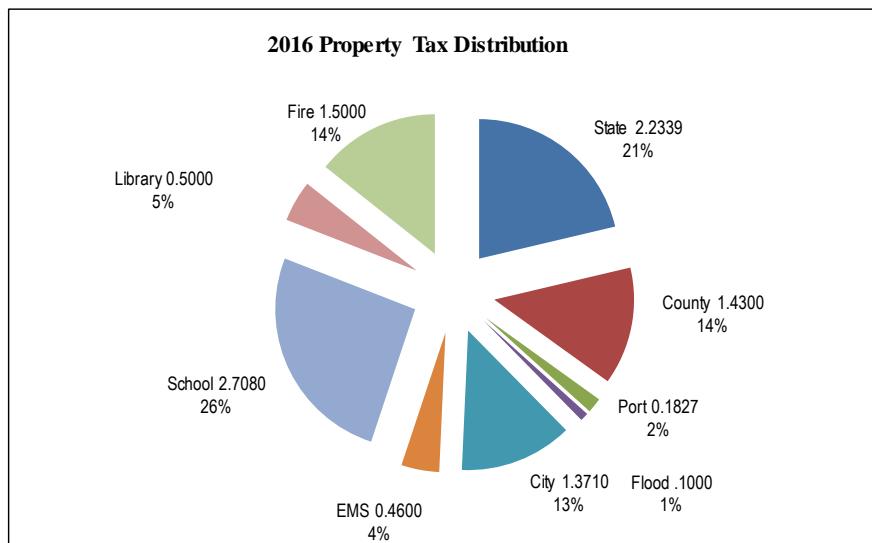
Attachment A

| POSITION | 2017 RANGE | |
|---|---------------|---------|
| | Minimum | Maximum |
| City Administrator | 11,028 | 13,785 |
| Chief of Police | 9,476 | 11,845 |
| Public Works Director | 8,573 | 10,717 |
| Finance Director | 8,486 | 10,607 |
| Police Lieutenant | 7,695 | 9,619 |
| City Engineer | 7,460 | 9,325 |
| Information Systems Manager | 7,460 | 9,325 |
| Planning Director | 7,460 | 9,325 |
| Building & Fire Safety Director | 7,400 | 9,250 |
| Senior Engineer | 6,978 | 8,722 |
| Police Sergeant | 7,435 | 8,508 |
| City Clerk | 6,708 | 8,384 |
| Tourism & Communications Director | 6,693 | 8,367 |
| Public Works Superintendent | 6,608 | 8,260 |
| Wastewater Treatment Plant Supervisor | 6,608 | 8,260 |
| Associate Engineer/Project Engineer | 6,452 | 8,064 |
| Senior Accountant | 6,437 | 8,047 |
| Senior Planner* | 6,433 | 8,041 |
| Parks Project Administrator | 6,415 | 8,019 |
| Court Administrator | 6,310 | 7,888 |
| Human Resources Manager | 6,310 | 7,888 |
| Assistant Building Official/Fire Marshal | 6,069 | 7,586 |
| Assistant City Clerk/Open Gov't Administrator | 5,721 | 6,756 |
| Field Supervisor | 5,688 | 7,108 |
| Construction Supervisor | 5,688 | 7,108 |
| Police Officer | 5,411 | 6,765 |
| Senior WWTP Operator | 5,355 | 6,694 |
| Payroll/Benefits Administrator | 5,226 | 6,534 |
| Associate Planner* | 5,148 | 6,435 |
| Construction Inspector | 5,021 | 6,277 |
| Planning / Building Inspector | 5,021 | 6,277 |
| Mechanic | 4,855 | 6,069 |
| Wastewater Treatment Plant Operator | 4,791 | 5,988 |
| Executive Assistant | 4,779 | 5,973 |
| Engineering Technician | 4,751 | 5,937 |
| Information Systems Assistant | 4,649 | 5,811 |
| WWTP Collection System Tech II | 4,481 | 5,601 |
| Maintenance Technician | 3,600 | 5,601 |
| Assistant Planner* | 4,467 | 5,583 |
| Permit Coordinator | 4,467 | 5,583 |
| Community Service Officer | 4,427 | 5,535 |
| Finance Technician | 4,355 | 5,445 |
| Utility Billing Technician | 4,355 | 5,445 |
| Planning Technician | 4,333 | 5,416 |
| Building Assistant | 4,235 | 5,294 |
| Planning Assistant | 4,235 | 5,294 |
| Public Works Assistant | 4,235 | 5,294 |
| Administrative Assistant | 4,053 | 5,067 |
| Lead Court Clerk | 4,052 | 5,066 |
| Police Services Specialist | 3,663 | 4,579 |
| Court Clerk | 3,614 | 4,517 |
| Custodian | 3,600 | 4,500 |
| Public Works Clerk | 3,598 | 4,497 |
| Planning/Building Clerk | 3,598 | 4,497 |

* Planner Classification Series

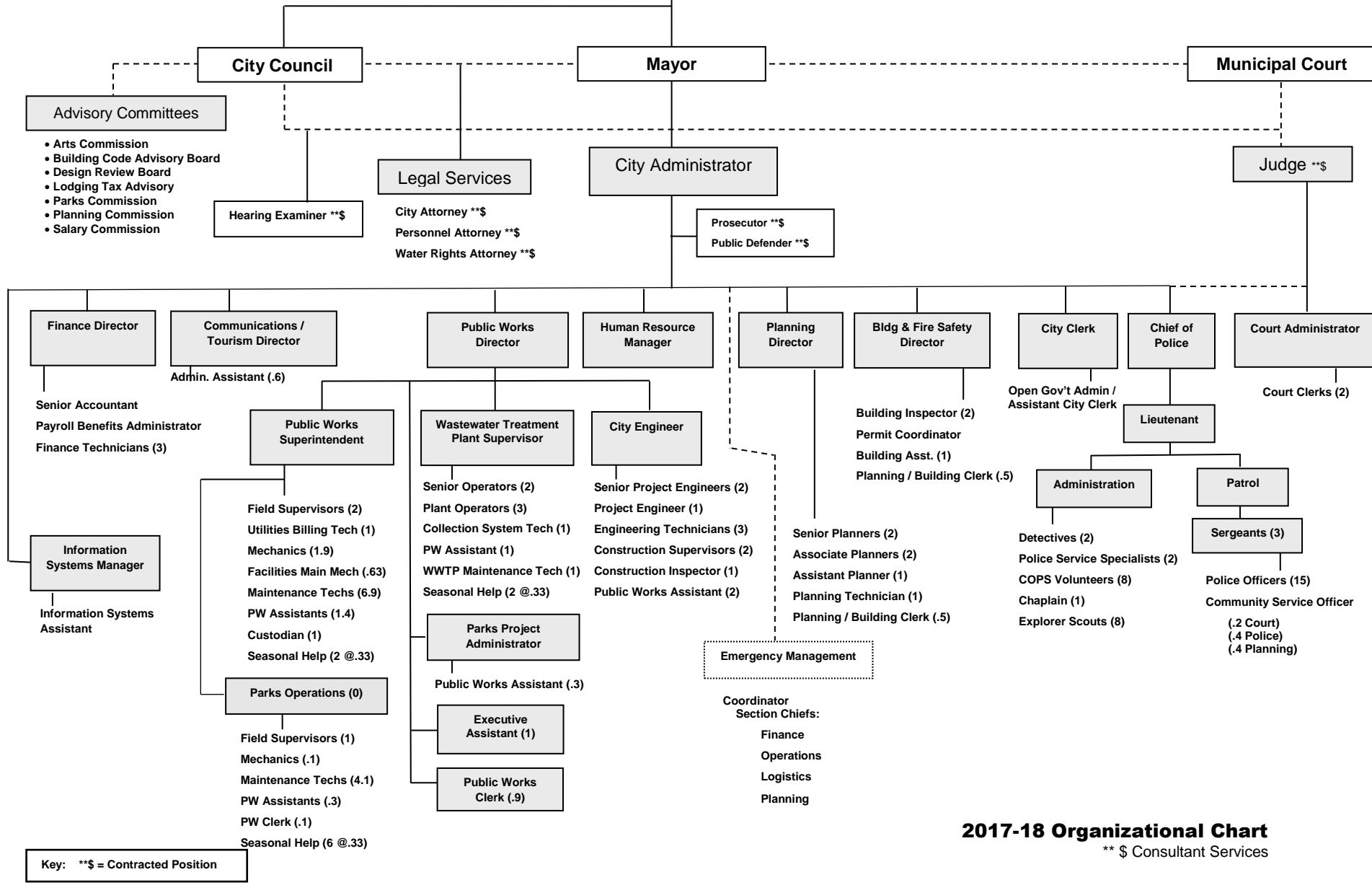
PROPERTY TAX HISTORY

| Year of Collection | Assessed Valuation | % Increase from prior year | New Construction | Annexed Property | Statutory Limit | Regular Property Tax Levied | Regular Rate/\$1,000 Assessed Value | Excess Property Tax (Voted) | Voted Rate/\$1,000 Assessed Value | Total Rate/\$1000 Assessed Value | Population |
|--------------------|--------------------|----------------------------|------------------|------------------|-----------------|-----------------------------|-------------------------------------|-----------------------------|-----------------------------------|----------------------------------|------------|
| 2017 | 2,315,932,984 | 17.34% | 96,468,604 | - | 2,536,013 | 2,536,013 | 1.0950 | 300,000 | 0.1330 | 1.2280 | 9,065 |
| 2016 | 1,973,717,595 | 6.21% | 62,122,312 | - | 2,404,765 | 2,404,765 | 1.2184 | 300,000 | 0.1526 | 1.3710 | 8,555 |
| 2015 | 1,858,377,519 | 8.87% | 58,215,373 | - | 2,318,381 | 2,318,381 | 1.2475 | 300,000 | 0.1626 | 1.4102 | 7,985 |
| 2014 | 1,706,920,083 | 4.39% | 29,662,688 | - | 2,207,695 | 2,207,695 | 1.2934 | 250,000 | 0.1480 | 1.4413 | 7,670 |
| 2013 | 1,635,210,037 | -7.88% | 41,515,643 | - | 2,323,520 | 2,323,520 | 1.4209 | 250,000 | 0.1540 | 1.5749 | 7,345 |
| 2012 | 1,775,067,329 | -7.24% | 25,388,148 | - | 2,315,501 | 2,285,574 | 1.2876 | 250,000 | 0.1418 | 1.4294 | 7,272 |
| 2011 | 1,913,676,160 | -7.37% | 25,321,152 | - | 1,979,125 | 1,960,146 | 1.0243 | 250,000 | 0.1314 | 1.1557 | 7,200 |
| 2010 | 2,065,862,608 | 4.98% | 85,679,173 | 90,565,939 | 1,936,280 | 1,915,808 | 0.9274 | 250,000 | 0.1217 | 1.0491 | 7,126 |
| 2009 | 1,967,770,378 | 15.33% | 130,865,054 | - | 1,757,674 | 1,737,590 | 0.8830 | 250,000 | 0.1277 | 1.0107 | 6,910 |
| 2008 | 1,706,193,620 | 45.54% | 71,073,437 | 31,614,500 | 1,752,934 | 1,598,969 | 0.9372 | 250,000 | 0.1474 | 1.1248 | 6,780 |
| 2007 | 1,456,487,257 | 43.08% | 18,861,901 | 2,657,500 | 1,483,819 | 1,481,386 | 1.0183 | 300,000 | 0.2074 | 1.2425 | 6,765 |
| 2006 | 1,167,739,135 | 26.07% | 21,840,086 | - | 1,454,601 | 1,447,247 | 1.2394 | 258,000 | 0.2225 | 1.4618 | 6,765 |
| 2005 | 1,010,574,497 | 9.31% | 22,521,939 | 3,879,395 | 1,403,379 | 1,400,330 | 1.3884 | - | - | 1.3884 | 6,680 |
| 2004 | 926,286,008 | 7.46% | 27,273,884 | - | 1,349,668 | 1,346,098 | 1.4549 | - | - | 1.4549 | 6,655 |
| 2003 | 862,009,867 | 6.65% | 33,119,492 | 1,409,500 | 1,296,643 | 1,291,808 | 1.4986 | - | - | 1.4986 | 6,540 |



2017-18

Citizens of Gig Harbor



THE BUDGET AND BUDGET PROCESS

The budget is the legal authority to obligate public funds. It also provides policy direction by the City Council to the staff and community as well as a financial plan for the upcoming biennium.

Preparation of the biennial budget involves every city official and employee. Each member of the city team has the opportunity and responsibility to contribute suggestions for projects and processes that would improve the city or use the city's resources more efficiently. Budget preparation can sometimes be difficult, time consuming and even frustrating, yet in the end, valuable and rewarding. The end result is a collaborative, comprehensive set of plans and policy directives for the management of the city's activities and resources for the coming biennium and beyond.

The budget provides four functions:

1. The budget as a policy document

Budget and financial policies provide guidelines for the City's elected officials and staff to use in making sound financial decisions. These policies help ensure that the City's basic functions are maintained and the Mayor and City Council's vision for the community is achieved.

Decisions made during the budget process and documented herein reflect the general principles or plans that guide the actions taken for the future. The budget links desired goals and objectives - obtained from the city's comprehensive plan and previous budgetary six-year goals - and policy direction to the actual day-to-day activities of the city staff.

Budget and financial policy objectives

Gig Harbor's budget and financial policies are intended to provide a framework for the financial planning and management of the city. These policies are intended to provide a level of protection for the citizens and their tax dollars by establishing financial practices that are conservative, responsible, accountable, and savings-oriented. Most of these policies represent long-standing policies, procedures and practices that are already in practice and have worked well for the city. These policies express the following goals:

- Preserve financial assets in order to meet normal operating expenses, planned future obligations and to adjust to changes in the service requirements of the community;
- Take advantage of strategic opportunities as they arise;
- Operate water, sewer and storm utilities in a fiscally sound manner;
- Maintain existing infrastructure and capital assets in good repair, working order and condition;
- Provide insulation from fiscal crisis, revenue fluctuations, general economic disruption, and other contingencies; and
- Maintain a strong credit rating thus ensuring lower cost financing when needed. A

sound credit rating also demonstrates to taxpayers that the city is well managed and follows financially sound business practices.

Due to Gig Harbor's finite revenue base and the limited potential for future revenue growth, the City must prioritize its services in order to maintain the most important services should revenues become constrained. The following services are considered priorities in the following order:

- Public Life, Health and Safety: police; fire and emergency medical services (provided by Pierce County Fire District 5); emergency preparedness; building inspections; traffic control; water, sewer, storm drainage.
- Legal Mandates: Accounting/auditing/financial reporting; land-use planning; environmental regulations.
- City Facilities and Property: Maintenance of park land; buildings; streets and right of way; and equipment.
- Other City Council and Community goals.

In keeping with the above goals and priorities, the following budget policies have been established.

Budgeting

- The budget process will be scheduled and coordinated so that major policy issues are identified for City Council review and discussion at least two months prior to budget approval. Doing so will allow adequate time for public input and analysis of options.
- The City Council will utilize its vision, goals, and the *Comprehensive Plan* as the framework for adopting the biennial budget.
- To facilitate openness and public participation, the budget approval process will include noticed public hearings, Council study sessions that are open to the public, and multiple opportunities for public comment. The Mayor's proposed budget will be posted on the City's web page soon after it is made available to the City Council. The Mayor, City Council, City Administrator, and department heads will be available to respond to public inquiries and comments concerning the proposed budget.
- The budget shall balance recurring operating expenses to recurring operating revenue.
- Revenues shall be conservatively estimated and based upon the best information available.
- When appropriate, user charges and fees should reflect the full cost of providing the related service or the percentage of total service cost as determined by the city.
- One-time revenues are non-recurring in nature, and therefore, shall not be relied upon to fund regular operating budgets for ongoing programs. Cash balances in excess of the amount required to maintain reserves may be used to fund one-time or non-recurring costs.

- Enterprise funds will be self-supporting through user rates and charges.

Multi-Year Forecast

Each year the City will update expenditure and revenue forecasts for the next five years. The purpose of this forecast is to determine the long-term sustainability of operational and capital programs given limited revenue streams and resources. A multi-year forecast also facilitates budget decisions and strategic planning that go beyond biennial budget horizon.

Debt

- The City will only sell bonds for lasting capital projects and property acquisitions and not for funding ongoing operations.
- The maturity date for debt will not exceed the reasonable expected useful life of the asset or project so financed.
- The City will strive toward net operating revenues of an enterprise fund (water, sewer, or storm, for example) at 1.5 times (or more) the annual debt service requirements.
- Long-term borrowing (both general obligation and revenue) will only be used for capital improvements that cannot be financed from current revenues.
- The impact of proposed capital improvements on the operating budget shall be considered when deciding whether such projects are feasible.

In deciding whether to issue debt, the City should ask and answer the following questions:

- o Alternative Funding Sources. Are there alternate sources of funding available that can be used to minimize the level of debt or avoid debt completely?
- o Cost of Money. Given current interest rates and projected price inflation (or deflation) of construction materials and labor, does it make sense to issue bonds now or save up the funds and pay for the project in full in a future year?
- o Revenue Source. Will the annual debt be serviced with a dedicated, stable revenue source for the full term of the bond? For example, if the City is going to fund its debt service payments with real estate excise tax (REET), is the City developing its annual REET projections with cyclical housing market downturns in mind?

Capital Projects and Purchases

Capital projects, from roads to parks to utilities, are among the core purposes of City government. The preservation, maintenance, retro-fitting, and eventual replacement of the City's capital infrastructure must be a top priority of the City. In City budgeting, there is constant tension between funding operating programs and capital projects and acquisitions. It is vital that neither be ignored and that operating programs do not, over

time, crowd out funding for the capital projects that are needed to preserve the City's core infrastructure and carry out essential functions.

The City should update its capital facilities element of the Comprehensive Plan annually. Using the Capital Facilities Element as a basis, the City should plan for and include capital projects in its multi-year financial forecasts.

- Capital projects that preserve existing infrastructure should take a higher priority over acquiring or constructing new assets. Preservation and/or replacement of capital infrastructure assets should be a high priority in the City's biennial budgeting and multi-year financial forecasting.
- When planning for and financing capital projects and acquisitions, ongoing maintenance and operation of new facilities should be built into the financing plan.
- The City's capital improvement plans should account for and include future growth. Growth-related capital projects should, when possible, be funded with impact fees, developer contributions, grants, and other outside sources.
- The City should depreciate its capital assets according to generally accepted accounting principles and plan for capital replacements accordingly.

Financial Compliance and Reporting

- The accounting system will maintain records on a basis consistent with generally accepted accounting standards for local government accounting and the State of Washington Budgeting, Accounting, and Reporting Systems.
- The City's financial policies, practices, and reporting will comply with State and Federal regulations and will be subject to an annual audit by the State Auditor's Office.
- The City's Finance Director will provide a quarterly financial report to the Mayor and City Council. This report will include information required in GHMC 3.01
- On at least a monthly basis, the Finance Director and City Administrator will review year-to-date revenues by source and expenditures by department. This monthly review will also include:
 - o Analysis and explanations of revenue and expenditure trends and projections, including deviations from trends and projections;
 - o Identification of one-time and/or cyclical revenues and expenditures (the construction component of sales tax on a large project, for example); and
 - o Study and examination of economic trends on all levels (local, regional, etc.).

Fund Balances

- The City will maintain General Fund and Street Operating Fund undesignated balances at a level at least 10% of the total budgeted operating revenue.
- Because budgeted capital projects are established with a contingency amount, non-enterprise capital project funds (street capital and park capital, for example)

are not required to maintain a 10% undesignated fund balance. However, pro-rata contributions from developers for future public projects must be identified and accounted for either as reserved fund balance or a current year expense in the affected capital fund.

- Fund balances in enterprise funds shall be maintained at levels established through rate studies or at levels equal to a target of 60 days, with a minimum of 45 days, of operations and maintenance expenses that are necessary to meet operating, capital, and contingency requirements.
- Balances in other funds will comply with State law and/or debt service requirements.

Reserve Funds

This budget includes three distinct reserve funds (aside from reserve funds required for bond issues): Civic Center Debt Reserve Fund, Strategic Reserve Fund, and Equipment Replacement Reserve Fund. The Civic Center Debt Reserve Fund has been in place and accumulating since 2002, and the other two were newly established in 2011. The purposes and policies of these three reserve funds are described as follows:

Civic Center Debt Reserve Fund. The purpose of this fund is to build up a balance large enough to retire all or a significant portion of the Civic Center debt several years prior to maturity in 2026. The Civic Center bonds will be callable in 2020, at which time the City Council may wish to retire all or a portion of the bonds, depending on the accumulated balance in the reserve fund, cost of money at the time, and/or other priorities.

Strategic Reserve Fund. Establishing a Strategic Reserve fund allows the City to 1) take advantage of strategic opportunities as they arise (key land purchases or matching funds for capital grants, for example); and 2) insulate the City from revenue fluctuations, economic downturns (i.e., "rainy days"), and other contingencies such as:

- Emergencies and disasters
- Uninsured losses
- Tax refunds

The City may use General Fund operating revenues and undesignated fund balances to build up this fund. Each budget cycle, the City Council will establish a target amount for this fund based on a percentage of operating expenditures or some other method at the City Council's discretion. If drawn down, the Strategic Reserve Fund should be replenished back to the targeted amount within three years. Spending from this fund shall not be done without City Council authorization.

Equipment Replacement Reserve Fund. Establishing a fund by which to save for significant purchases levels out the financial peaks and valleys that come from owning vehicles and equipment. This fund is not intended to be an equipment rental fund, nor is it intended to fully fund equipment or vehicle purchases at the time of acquisition. Rather, this fund is intended to establish a reserve that will fund at least a portion of vehicles and equipment as they are replaced, thereby reducing the expenditure spikes

that can otherwise occur. Only the General Fund will contribute to this Fund. Enterprise Funds will pay for their share of equipment and vehicles on a pay-as-you-go basis, as established and planned for in the utility rate studies. As part of the City's multi-year financial forecasting, the City Administrator will recommend a target amount for this Fund over multiple years, based on projected equipment and vehicle needs and life spans. Each year the City Council, at its discretion, will add to and/or spend from this fund, based on the needs of the City. No spending from this fund will be authorized without City Council approval. In extenuating and difficult financial times, the City Council may delay vehicle and equipment purchases and transfer money from this fund back into the General Fund.

2. The budget as a financial plan

Financial planning is the most basic aspect of the budget and is a requirement of state law. The budget must be adopted as a balanced budget and must be in place prior to the expenditure of any city funds. The budget is the legal authority to expend public monies, and controls those expenditures by limiting the amount of the appropriation at either the fund or department level. Revenues and beginning fund balances are estimated to determine resources available in each fund. Council and staff expenditure requests, other commitments such as debt service requirements, and desired ending fund balances are balanced against available resources to determine department and fund appropriations.

3. The budget as an operational guide

The functions and/or goals of each department and fund are described in the following sections, along with the objectives planned for the current biennium to perform those functions and meet those goals. To the extent practical, an estimate of the amount of expenditure or staff time to accomplish the objective is noted in the narratives. The expenditures are then summarized by department, fund and for the city as a whole. This process assists in maintaining an understanding of the various operations of the city and how they relate to each other and to the attainment of the policy issues and goals of the City Council.

4. The budget as a communication device

The budget provides a unique opportunity to allow and encourage public review of city operations. The budget document describes the activities of the city, the reason or cause for those activities and future implications. The budget process invites individual citizens to provide direct input to the budget. Citizens are always welcome to discuss problems, desires and opportunities with the Mayor, City Council and staff. These discussions frequently lead to budget objectives. Additionally, the city holds two public hearings on the budget and another on revenue sources where the public is formally invited to participate in the budget process. The preliminary budget is available to the public throughout the budget process.

Basis of the budget

The budget is prepared on the modified accrual basis of accounting. This is substantially the same as the cash basis of accounting with the following significant exceptions: 1. Revenues are recognized when they are "measurable and available" which may be before they are collected; and, 2. Expenditures are recognized when the liability is incurred (i.e. when an item is purchased or a service is performed), rather than when payment is made.

The annual financial report of the city is prepared on the same basis for the governmental fund types (the general fund, special revenue funds and debt service funds). The budget can be directly compared to the operating reports in the annual financial report for these funds. The enterprise or proprietary funds are also budgeted on the modified accrual basis, but report on the accrual basis in the annual report. Therefore, the budget for these funds is not directly comparable to the annual report. The primary differences of the accrual basis are 1. Revenues are recognized when earned; 2. Collection of assessment principal is recognized as a reduction in receivables rather than as revenue; 3. Depreciation of capital assets is recognized as an expense; 4. Acquisition of capital assets is recognized as an increase in assets rather than as an expenditure; and, 5. Payment of debt principal is recognized as a decrease in liabilities rather than as an expenditure.

While these differences may be confusing, the basis for budgeting is consistent with state law and is practical both for preparing and managing the budget. The basis for reporting is consistent with generally accepted accounting principles (GAAP) and facilitates the management of the enterprise funds as self-supporting business-like entities.

BUDGET CALENDAR

Washington city budget procedures are mandated by Chapter 35A.33 RCW. These mandates are incorporated into the procedures described below:

- May - The City Administrator submits notice to department directors to file budget narratives (functions, goals, objectives, performance measures, and staffing requests). Department directors solicit suggestions from and conduct discussions with their staff. Completed narratives and forms are returned to Finance Department.
- June - The City Administrator submits notice to department directors to file budget requests and forms for funding levels and requests.
- August - Department directors return appropriation requests, revenue estimates, and forms, and meet with City Administrator to discuss budget requests and review department objectives/programs.
- September - City Administrator provides the Mayor with the proposed preliminary budget. The Mayor and City Council may hold a retreat to establish priorities for the upcoming budget.
- September 30 - The Mayor submits the proposed budget to the City Council. This budget is based on priorities established by the Council and estimates provided by city departments during the preceding months, prioritized and balanced with revenue estimates made by the finance director.
- October 17 & 18 - The Council holds budget study sessions.
- November 14 & 28 - The Council conducts public hearings on the proposed budget.
- Prior to December 31 - The Council makes its adjustments to the proposed budget and adopts by ordinance a final balanced budget.

The budget is available to the public throughout the entire process.

The budget is adopted at the department level in the General Fund and at the fund level in all other funds. Any unexpended appropriation balances lapse at the end of the biennium. Any changes in staffing levels or composition and significant capital expenditures must also be included in this budget document or be specifically approved by council motion.

Amending the budget

The Mayor, City Administrator and Finance Director are authorized to transfer budget amounts between categories within funds or general fund departments; however, any revisions that alter the total expenditures of a department or fund, or affect the number of authorized employee positions or salary ranges must be approved by the City Council. When the City Council determines that it is in the best interest of the city to increase or decrease the appropriation for a particular fund, it may do so by ordinance approved by one more than the majority of the City Council.

BUDGET DOCUMENT ORGANIZATION

Following this summary is a section for each fund and department that includes a description of function, narratives of goals, objectives, capital outlay, and schedules of staff adjustments, revenues and expenditures, as appropriate.

Description of function: The description of function defines the fund or department's purpose and ongoing responsibilities.

Narrative of goals: The narrative of goals describes long-range accomplishments which the fund or department plans to achieve over a five to six-year period.

Narrative of objectives: The narrative of objectives describes more immediate targets that can be accomplished within the biennium. These may be isolated projects or steps toward fulfilling a long-term goal. Routine procedures accomplishing the department's function are generally not included.

Narrative of capital outlay: The narrative of capital outlay lists all significant capital purchases unless adequately described under objectives.

Staff adjustments: The staff adjustments schedule explains any additions, deletions or reclassification of positions.

Resource and expenditure schedules summarize the sources and uses of funds that accomplish these functions, goals, and objectives. The schedules are broken down by type of resource or use and show comparative amounts for 2015 and 2016. The General Fund section includes a schedule of budgeted and actual expenditures by department.

REVENUE ANALYSIS

Economic assumptions

The strong local economy is continuing through 2016. This is evidenced by record levels of permits being issued and soaring sales tax revenues.

Sales taxes through September are up 14 percent over the prior year and utility taxes are about even. The numbers of building permits issued are up from the previous year.

The September 2016 forecast from the State of Washington Economic and Revenue Forecast Council pegs growth in real GDP at about 2.0 percent throughout the 2017-18 biennium.

The downside risks to this forecast are:

- The potential for slower Chinese economic growth
- Weak global growth further weakening exports
- Global events (Russia/Ukraine, Middle East, European growth)
- Weaker than expected employment growth
- Real wage growth stagnates, leading to slower consumer spending

This forecast, coupled with local development activity leads us to believe that the current level of activity is likely to continue through 2016 and into and throughout the 2017-2018 biennium. The 2017-2018 biennial budget was developed with the assumption that this year's economic trends will continue through the end of the year and throughout the upcoming two-year budget cycle. Our assumption for sales tax growth is 6.0 percent increase over 2015 through 2016 year-end and 5.5 percent growth for both 2017 and 2018. It is important to note that the new development/construction portion of sales taxes traditionally runs at about 15 to 25 percent of total sales taxes received. This means that of the \$13.1 million in sales tax budgeted over the 2017-2018 period, as much as \$3.3 million may be one-time revenue.

City Revenues

The major revenue sources for the city's governmental activities are taxes and development fees; while the major sources of revenue for the utilities (water, sewer and storm) are charges for services and connection fees. The major tax sources are sales, property and public utility taxes, and, to a lesser extent real estate excise taxes.

The major revenue source for the city's utilities (Water/Sewer and Storm) are the monthly or bi-monthly service charges and connection fees also known as general facility charges. The monthly charges for water and sewer consist of a base fee and a commodity charge. The city collects a connection fee when a property is developed and will become a customer of a particular service.

Revenue summary

The major sources of revenue for the city's major funds are as follows:

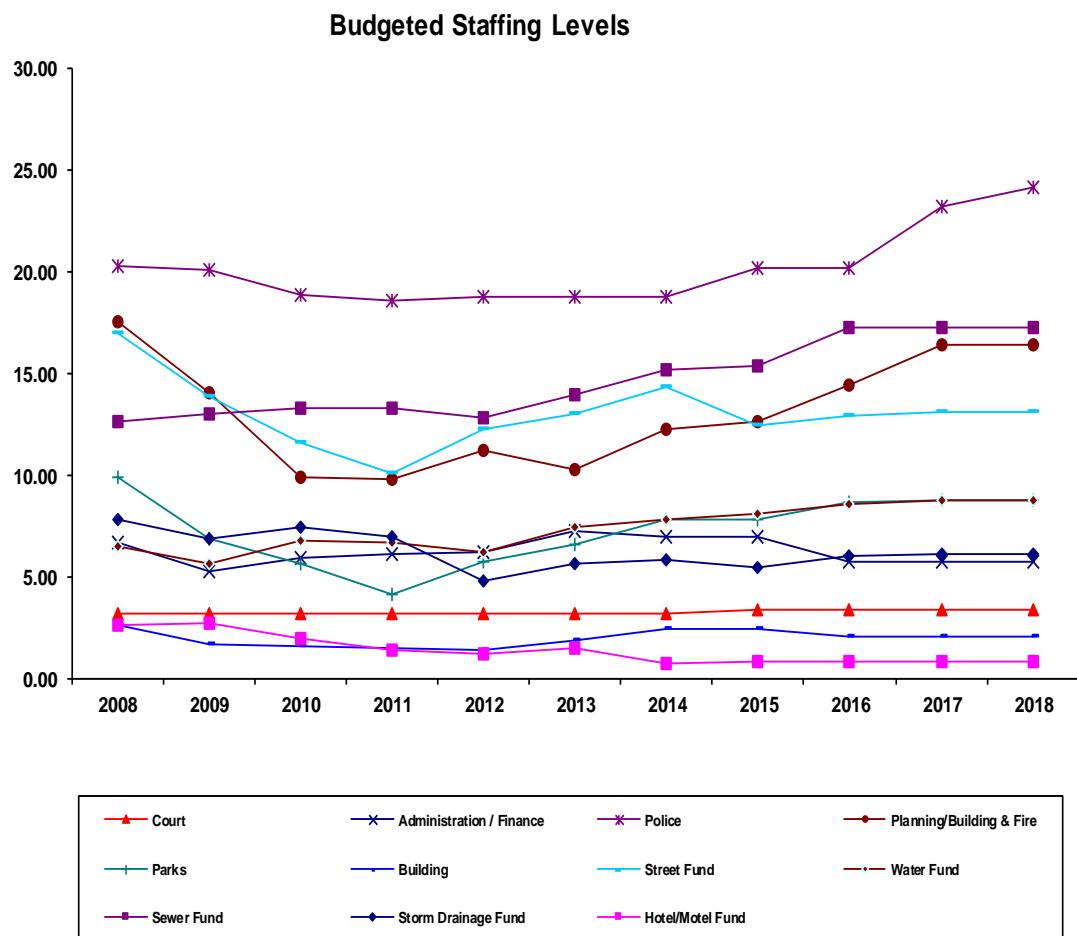
| Fund | Description | 2017 | 2018 | Total |
|-----------------------|------------------------------|-------------|-------------|--------------|
| General fund | Sales tax | 6,391,312 | 6,742,834 | 13,134,146 |
| | Property tax | 2,567,414 | 2,721,459 | 5,288,873 |
| | Utility tax & franchise fees | 1,684,892 | 1,762,273 | 3,447,165 |
| | Permit fees | 1,765,299 | 1,898,059 | 3,663,358 |
| Street Operating fund | General fund transfer | 2,100,000 | 1,900,000 | 4,000,000 |
| Water Operating fund | Customer charges | 1,968,225 | 2,124,707 | 4,092,932 |
| Sewer Operating fund | Customer charges | 4,859,793 | 5,248,089 | 10,107,882 |
| Storm Operating fund | Customer charges | 913,629 | 972,982 | 1,886,611 |

City of Gig Harbor 2017-18 Annual Budget

All Funds

Proposed Budgeted Staffing Levels (In Full Time Equivalents)

| General Fund By Department | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--------------------------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
| Court | 3.23 | 3.20 | 3.20 | 3.20 | 3.20 | 3.20 | 3.20 | 3.40 | 3.40 | 3.40 | 3.40 |
| Administration / Finance | 6.72 | 5.30 | 5.96 | 6.08 | 6.20 | 7.25 | 6.95 | 6.95 | 5.75 | 5.75 | 5.75 |
| Police | 20.22 | 20.10 | 18.83 | 18.60 | 18.77 | 18.77 | 18.77 | 20.17 | 20.17 | 23.17 | 24.17 |
| Planning/Building & Fire | 17.56 | 14.00 | 9.85 | 9.75 | 11.25 | 10.25 | 12.25 | 12.65 | 14.41 | 16.40 | 16.40 |
| Parks | 9.92 | 6.88 | 5.62 | 4.17 | 5.77 | 6.62 | 7.77 | 7.77 | 8.62 | 8.78 | 8.78 |
| Building | 2.65 | 1.70 | 1.62 | 1.50 | 1.35 | 1.85 | 2.45 | 2.45 | 2.08 | 2.08 | 2.08 |
| Total General Fund | 60.30 | 51.18 | 45.08 | 43.30 | 46.54 | 47.94 | 51.39 | 53.39 | 54.43 | 59.58 | 60.58 |
| Hotel/Motel Fund | 2.60 | 2.75 | 1.98 | 1.37 | 1.25 | 1.45 | 0.75 | 0.85 | 0.85 | 0.85 | 0.85 |
| Street Fund | 16.93 | 13.89 | 11.62 | 10.12 | 12.27 | 12.97 | 14.29 | 12.44 | 12.89 | 13.05 | 13.05 |
| Water Fund | 6.45 | 5.68 | 6.77 | 6.70 | 6.18 | 7.43 | 7.83 | 8.13 | 8.58 | 8.74 | 8.74 |
| Sewer Fund | 12.64 | 13.05 | 13.26 | 13.30 | 12.85 | 13.93 | 15.13 | 15.35 | 17.21 | 17.21 | 17.21 |
| Storm Drainage Fund | 7.81 | 6.83 | 7.39 | 6.92 | 4.77 | 5.62 | 5.84 | 5.44 | 5.99 | 6.15 | 6.15 |
| Total Budgeted Staffing | 106.72 | 93.36 | 86.10 | 81.71 | 83.86 | 89.34 | 95.23 | 95.60 | 99.95 | 105.58 | 106.58 |



Estimate of Ending Fund Balance By Fund Type

These tables show 2017-18 budgeted ending fund balances for each fund type.

2017-2018

| Fund Type | Beginning Balance | Revenues | Expenditures | Transfers In (Out) | Ending Balance |
|-----------------|----------------------|----------------------|----------------------|--------------------|----------------------|
| General | \$ 4,307,349 | \$ 27,748,980 | \$ 22,306,206 | \$ (6,532,500) | \$ 3,217,623 |
| Special Revenue | 12,514,577 | 19,210,736 | 32,667,171 | 7,019,300 | 6,077,442 |
| Debt Service | 192,569 | 3,726,900 | 3,174,301 | (486,800) | 258,368 |
| Enterprise | 10,568,885 | 28,031,931 | 34,344,983 | - | 4,255,833 |
| Total | \$ 27,583,380 | \$ 78,718,547 | \$ 92,492,661 | \$ - | \$ 13,809,266 |

MUNICIPAL DEBT

General Obligation Debt

General Obligation (GO) bonds are direct obligations of the city for which its full faith and credit is pledged. Under RCW 39.36.020, the public may vote to approve bond issues for general government purposes in an amount not to exceed 2.5% of the assessed valuation. Within the 2.5% limit, the City Council may approve bond issues (or other types of debt, including lease-purchase contracts) without a vote. These non-voted, or councilmanic, GO bonds may not exceed 1.5% of the city's assessed valuation.

Under RCW 39.36.030, the public may also vote to approve bond issues for utilities or park facilities, each of which is limited to 2.5% of the city's assessed valuation. GO bonds may be issued up to a maximum of 7.5% of the city's assessed valuation. 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.

Principal and interest payments on GO bonds, as well as the resources to pay them are accounted for in Debt Service Funds. Debt service for voted bond issues is funded with special (excess) property tax levies. Debt service for councilmanic bonds is funded with transfers of general revenues from the General Fund to the Debt Service Fund.

| Municipal Debt Capacity | | | | | | |
|-----------------------------|--|-------------------------|---------------|---------------|----------------|--|
| Debt Type | Assessed Valuation = 2,255,638,457 (as of September 9, 2016) | | | | | |
| | Councilmanic (Non-voted) | Councilmanic & Voted | Utility Voted | Parks Voted | Total | |
| Limit - percentage | 1.5% | 2.5% | 2.5% | 2.5% | 7.5% | |
| Limit - Amount | \$ 33,834,577 | \$ 56,390,961 | \$ 56,390,961 | \$ 56,390,961 | \$ 169,172,884 | |
| outstanding debt @ 1/1/2014 | 6,947,871 | 6,947,871 | - | 1,997,000 | 8,944,871 | |
| Available Capacity | \$ 26,886,706 | \$ 49,443,090 | \$ 56,390,961 | \$ 54,393,961 | \$ 160,228,013 | |

Revenue Debt

Revenue debt is issued for the acquisition of utility facilities and is backed by system revenues. In 2016 outstanding revenue debt is as follows:

- In 2008 the city received a \$10 million Public Works Trust Fund loan. This is a 20 year loan carrying a 0.5 percent interest rate with final payment due July 1, 2028. Average annual principal and interest payments for the remaining years of this loan are about \$546,000.

- In June 2010 the city issued Water/Sewer revenue bonds in the amount of \$6,035,000. These bonds were issued to fund completion of the waste water treatment plant and to replace certain aging water mains in the city's water system. Responsibility for the debt service on the bonds is: Water – 31 percent and Sewer – 69 percent. The bonds are Build America Bonds (BABs). This means that the city receives a 35 percent subsidy on the interest payments over the life of the bonds. Average annual net debt service (net of BAB subsidy) over the remaining life of the bonds is \$442,000.
- In August 2010 the city issued Water/Sewer revenue bonds in the amount of \$8,190,000 finance construction of the waste water treatment plant outfall extension. The bonds are split between Build America Bonds (BABs) - \$5,580,000 and revenue bonds - \$2,610,000. Average annual net debt service over the remaining life of the bonds is \$618,000 (BABs) and \$423,350 (revenue).
- In 2012 the city received a \$4,845,850 Public Works Trust Fund loan. This is a 20 year loan carrying a 0.25 percent interest rate with final payment due June 1, 2032. Average annual principal and interest payments for the remaining years of this loan are about \$287,600.

State law does not limit revenue debt. It is limited by the bond covenants which are contained in the bond's enabling ordinance. The primary requirement is that "net revenue" of the water and sewer utilities (utility revenue less utility maintenance and operation costs, plus collection of connection fees) must be at least 125% of the succeeding year's debt service. The city's policies target a balance of 150%.

The following table is a calculation of the city's net revenue and debt coverage as budgeted for 2017 and 2018. It is important to note that the budgeted revenues include connection fees, which can fluctuate greatly from year to year.

Parity Debt Service Coverage
City of Gig Harbor Water and Sewer Utility

| | <u>2015-16</u> | <u>2017-18</u> |
|--|----------------------------|---------------------------|
| Operating revenues: | | |
| Charges for sales and services: | | |
| Water sales | \$ 3,461,629 | \$4,092,529 |
| Sewer charges | 8,656,082 | 10,133,227 |
| Connection fees | 6,306,373 | 3,307,273 |
| Other fees and charges | 29,685 | 1,171,107 |
| Utility taxes | 476,433 | 562,194 |
| Total operating revenues | <u>18,930,203</u> | <u>19,266,330</u> |
| Operating expenses: | | |
| Operations and maintenance | 5,477,888 | 7,090,359 |
| Administration | 3,177,724 | 3,867,213 |
| Utility taxes | 328,215 | 367,227 |
| Total operating expenses | <u>8,983,827</u> | <u>11,324,799</u> |
| Operating income (loss) | <u>9,946,376</u> | <u>7,941,531</u> |
| Nonoperating revenues (expenses): | | |
| Investment interest revenue | 78,238 | 129,548 |
| Miscellaneous non-operating revenue | 2,900 | 1,000 |
| Total nonoperating revenues (expenses) | <u>81,138</u> | <u>130,548</u> |
| Revenue Available for Debt Service | <u>\$10,027,514</u> | <u>\$8,072,079</u> |
| Maximum principal and interest due in succeeding years | \$ 1,182,608 | \$1,182,608 |
| Coverage | <u>8.48x</u> | <u>6.83x</u> |
| Maximum with Junior Lien Obligations | \$ 1,677,620 | \$1,677,620 |
| Coverage with Junior Lien | <u>5.98x</u> | <u>4.81x</u> |

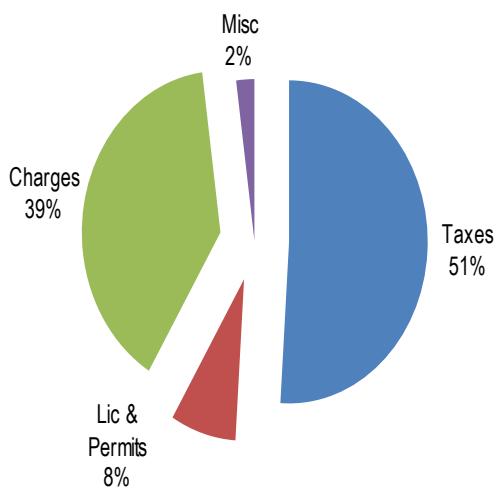
Expenditures By Fund

| | 2013 Actual | 2014 Actual | 2015-16 Budget | 2015-16 YE Estimate | 2017-18 Budget |
|-------------------------------|----------------------|----------------------|-----------------------|------------------------|-----------------------|
| General Fund | \$ 12,433,997 | \$ 12,889,373 | \$ 25,807,390 | \$ 27,590,894 | \$ 33,173,829 |
| Special Revenue Funds | | | | | |
| Street Operating | 2,043,976 | 2,192,385 | 4,065,289 | 4,074,383 | 5,272,493 |
| Street Capital | 3,947,436 | 1,761,983 | 4,090,621 | 4,497,285 | 19,406,733 |
| Drug Investigation State | 8,028 | 8,185 | 8,706 | 8,385 | 8,405 |
| Drug Investigation Federal | 28,242 | 21,552 | 18,594 | 19,900 | 19,416 |
| Hotel - Motel | 370,029 | 455,060 | 861,192 | 919,008 | 1,022,242 |
| Public Art Capital Projects | 92,195 | 92,268 | 87,377 | 88,823 | 109,023 |
| Park Development | 1,422,042 | 4,596,532 | 7,078,255 | 4,507,357 | 7,697,101 |
| Civic Center Debt Res. | 1,546,344 | 1,614,920 | 1,756,064 | 1,752,968 | 1,827,968 |
| Strategic Reserve | 1,090,606 | 941,034 | 577,988 | 581,079 | 745,079 |
| Equipment Repl. Res. | 150,394 | 200,577 | 221,302 | 221,723 | 322,723 |
| Capital Development | 513,143 | 635,037 | 1,202,367 | 1,309,797 | 1,624,197 |
| Capital Improvement | 457,295 | 574,515 | 1,108,917 | 1,242,297 | 1,552,697 |
| Impact Fee Trust | 1,397,607 | 1,436,334 | 1,993,811 | 2,933,316 | 3,897,316 |
| Hospital Benefit Zone Revenue | 4,628,179 | 4,947,293 | 7,276,797 | 6,706,290 | 8,091,420 |
| Lighthouse Maintenance | 2,116 | 1,215 | 1,214 | - | - |
| Total Special Revenue | 17,697,632 | 19,478,890 | 30,348,494 | 28,862,611 | 51,596,813 |
| Debt Service Funds | | | | | |
| LTGO Bond Redemption | 1,053,945 | 1,216,497 | 2,245,918 | 2,265,475 | 5,772,043 |
| 2000 Note Redemption | 40,436 | - | - | - | - |
| LID 99-1 Guaranty | 95,660 | - | - | - | - |
| UTGO Bond Redemption | 442,449 | 424,210 | 781,519 | 717,472 | 786,126 |
| Total Debt Service | 1,632,490 | 1,640,707 | 3,027,437 | 2,982,947 | 6,558,169 |
| Total General Gov. | 31,764,119 | 34,008,970 | 59,183,321 | 59,436,452 | 91,328,811 |
| Enterprise Funds | | | | | |
| Water Operating | 1,897,365 | 1,969,662 | 3,690,757 | 4,344,237 | 5,306,391 |
| Sewer Operating | 4,769,782 | 5,308,464 | 9,534,533 | 10,503,980 | 12,325,131 |
| Shorecrest Reserve | 72,527 | 86,501 | 108,990 | 140,223 | 174,613 |
| Utility Reserve | 1,380,370 | 1,391,305 | 1,411,665 | 1,416,241 | 1,435,133 |
| Utility Bond Redemption | 2,106,512 | 2,055,387 | 10,136,630 | 8,563,246 | 12,104,029 |
| Sewer Capital Const. | 7,612,810 | 8,401,428 | 11,654,903 | 14,041,415 | 8,801,923 |
| Storm Sewer Operating | 1,157,967 | 1,482,460 | 2,582,952 | 2,829,745 | 2,510,823 |
| Storm Sewer Capital | 1,294,654 | 321,461 | 1,381,136 | 1,795,665 | 1,940,258 |
| Water Capital Assets | 2,826,126 | 2,246,378 | 4,407,519 | 4,228,065 | 6,934,022 |
| Total Enterprise | 23,118,113 | 23,263,046 | 44,909,085 | 47,862,817 | 51,532,323 |
| Total Expenditures | \$ 54,882,231 | \$ 57,272,015 | \$ 104,092,408 | \$ 107,299,269 | \$ 142,861,134 |

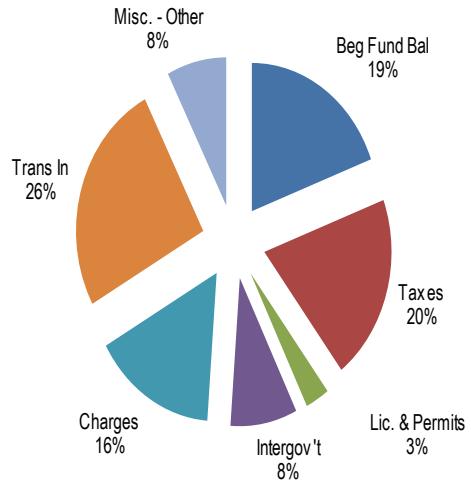
Resources

| Category | 2013 | 2014 | 2015-16 | 2015-16 | 2017-18 |
|------------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|
| | Actual | Actual | Budget | YE Estimate | Budget |
| Beginning Fund Balance | \$ 18,182,077 | \$ 19,697,905 | \$ 23,158,701 | \$ 23,321,174 | \$ 27,583,380 |
| Taxes | 12,326,986 | 12,441,749 | 26,235,315 | 27,658,898 | 29,054,989 |
| Licenses & Permits | 1,171,754 | 1,414,234 | 2,763,695 | 4,278,465 | 4,352,454 |
| Intergov't Revenues | 3,219,804 | 3,281,046 | 4,423,804 | 3,201,471 | 12,119,200 |
| Charges For Services | 11,655,753 | 10,141,546 | 17,636,556 | 23,884,642 | 22,364,308 |
| Fines & Forfeits | 114,949 | 126,303 | 265,479 | 277,111 | 260,463 |
| Miscellaneous | 247,318 | 189,727 | 504,128 | 586,940 | 941,633 |
| Transfers In | 7,910,591 | 9,605,948 | 22,889,102 | 21,375,523 | 36,559,207 |
| Other | 53,000 | 195,463 | 6,215,626 | 4,637,770 | 9,625,500 |
| Total Revenues | 36,700,155 | 37,396,016 | 80,933,705 | 85,900,820 | 115,277,754 |
| Total Resources | \$ 54,882,232 | \$ 57,093,921 | \$ 104,092,406 | \$ 109,221,994 | \$ 142,861,134 |

2017-18 Budget Operating Revenues



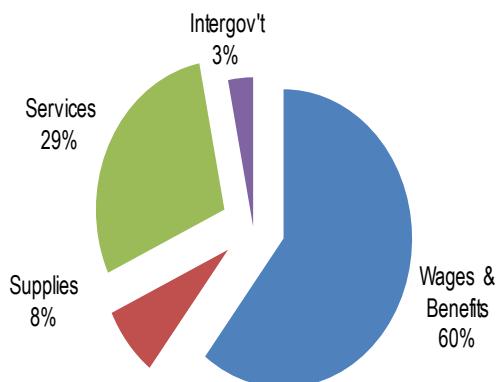
2017-18 Total Resources



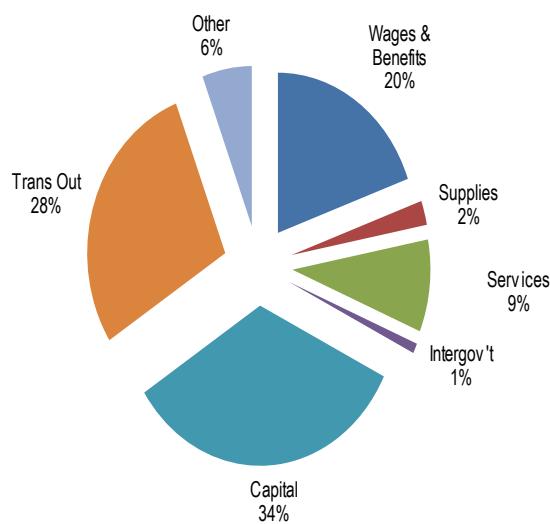
Expenditures By Type

| Category | 2013 Actual | 2014 Actual | 2015-16 Budget | 2015-16 YE Estimate | 2017-18 Budget |
|---------------------------|----------------------|----------------------|-----------------------|------------------------|-----------------------|
| Salaries | \$ 6,717,509 | \$ 7,019,572 | \$ 15,287,882 | \$ 15,071,972 | \$ 17,060,075 |
| Benefits | 2,804,631 | 2,952,975 | 6,997,091 | 6,646,854 | 8,132,580 |
| Supplies | 1,064,339 | 998,123 | 2,441,174 | 2,296,034 | 3,160,529 |
| Services | 3,855,509 | 3,529,188 | 9,075,896 | 8,093,791 | 12,011,555 |
| Intergov't charges | 419,607 | 448,732 | 868,139 | 1,032,665 | 1,307,068 |
| Capital expenditures | 9,106,692 | 7,205,974 | 25,835,224 | 19,052,550 | 43,324,410 |
| Transfers out | 7,780,155 | 8,849,270 | 22,887,544 | 22,306,020 | 36,559,207 |
| Other | 3,435,885 | 2,768,913 | 7,240,949 | 7,138,729 | 7,496,444 |
| Total expenditures | \$ 35,184,327 | 33,772,747 | 90,633,899 | 81,638,615 | 129,051,868 |
| Ending fund balance | 19,697,905 | 23,321,174 | 13,458,507 | 27,583,379 | 13,809,266 |
| Total uses | \$ 54,882,232 | \$ 57,093,921 | \$ 104,092,406 | \$ 109,221,994 | \$ 142,861,134 |

2017-18 Budget Operating Expenditures



2017-18 Total Uses



2. GENERAL FUND

| | |
|--|-----|
| General Fund Revenue Resource Summary..... | 41 |
| Non-Departmental – Dept. 01..... | 45 |
| Legislative / City Council – Dept. 02..... | 47 |
| Judicial / Municipal Court – Dept. 03..... | 49 |
| Administrative / Finance – Dept. 04..... | 55 |
| Police – Dept. 06..... | 73 |
| Planning – Dept. 14..... | 82 |
| Building & Fire Safety – Dept. 14..... | 93 |
| Public Works – Dept. 14..... | 99 |
| Parks – Dept. 15..... | 103 |
| City Buildings – Dept. 16..... | 111 |

**DESCRIPTION OF FUNCTION
GENERAL FUND**

The General Fund is the general operating fund of the city. It accounts for all financial resources and transactions except those that are required to be accounted for in another fund.

Resources include sales, property, utility and other taxes, fees from various permits, licenses and user charges, and shared revenues, grants and entitlements from the State of Washington.

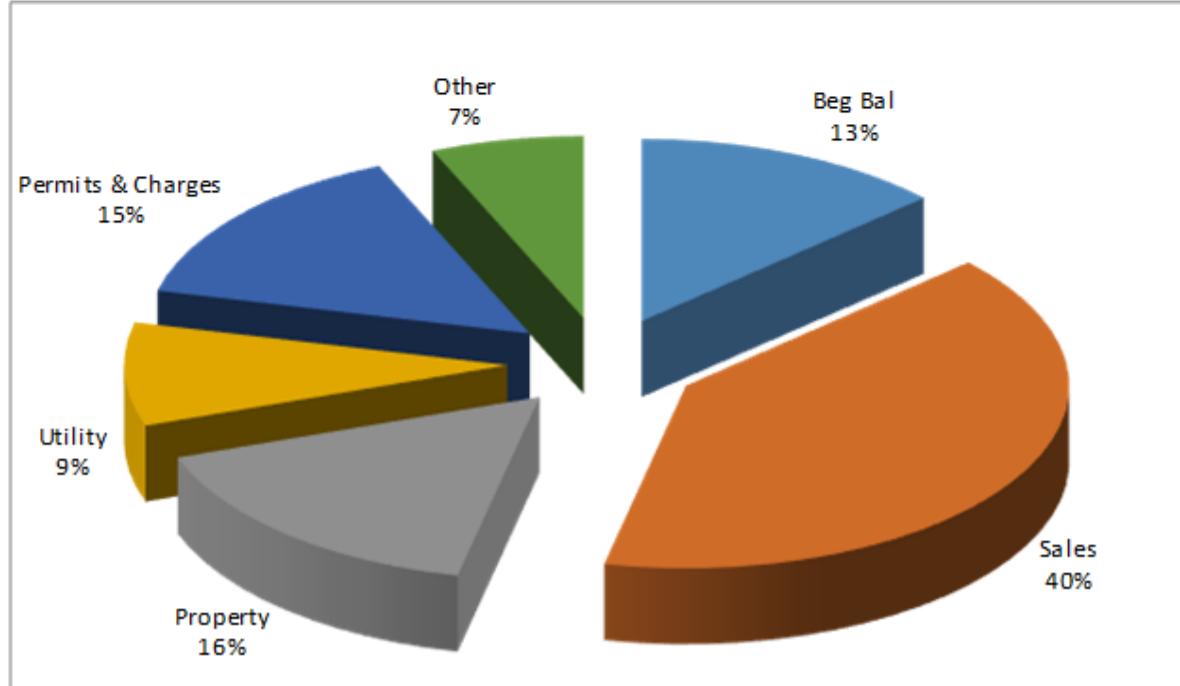
Most of the activities included in the City of Gig Harbor's General Fund are departmentalized and include legislative, municipal court, police, development services, parks, and overall administration. Other miscellaneous expenditures are included in the "non-departmental" department of the General Fund.

The General Fund accounts for 23 percent of 2017-2018 appropriations and more than half of the city's employees and budgeted salaries and benefits.

The General Fund also provides general city resources to other funds in the form of operating transfers.

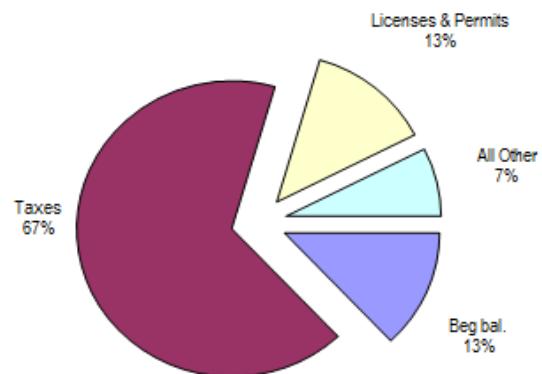
General Fund Resource Summary

| | 2015-16 Actual | 2017-18 Budget | 2017-18 Change |
|------------------------------|----------------------|----------------------|---------------------|
| Beginning Fund Balance | \$ 1,687,346 | \$ 4,307,349 | \$ 2,620,003 |
| Taxes | | | |
| Sales | 11,769,860 | 13,134,146 | 1,364,286 |
| Property | 4,765,916 | 5,288,873 | 522,957 |
| Utility | 2,774,032 | 2,987,722 | 213,690 |
| Other Taxes | 606,811 | 653,018 | 46,207 |
| Total Taxes | 19,916,619 | 22,063,759 | 2,147,140 |
| Licenses and Permits | 4,237,590 | 4,312,454 | 74,864 |
| Intergovernmental | 300,305 | 254,000 | (46,305) |
| Charges for Services | 545,190 | 511,304 | (33,886) |
| Fines and Forfeits | 276,958 | 260,463 | (16,495) |
| Miscellaneous | 261,481 | 347,000 | 85,519 |
| Other | 365,405 | 1,117,500 | 752,095 |
| Total General Fund Revenues | \$ 25,903,548 | \$ 28,866,480 | \$ 2,962,932 |
| Total General Fund Resources | \$ 27,590,894 | \$ 33,173,829 | \$ 5,582,935 |

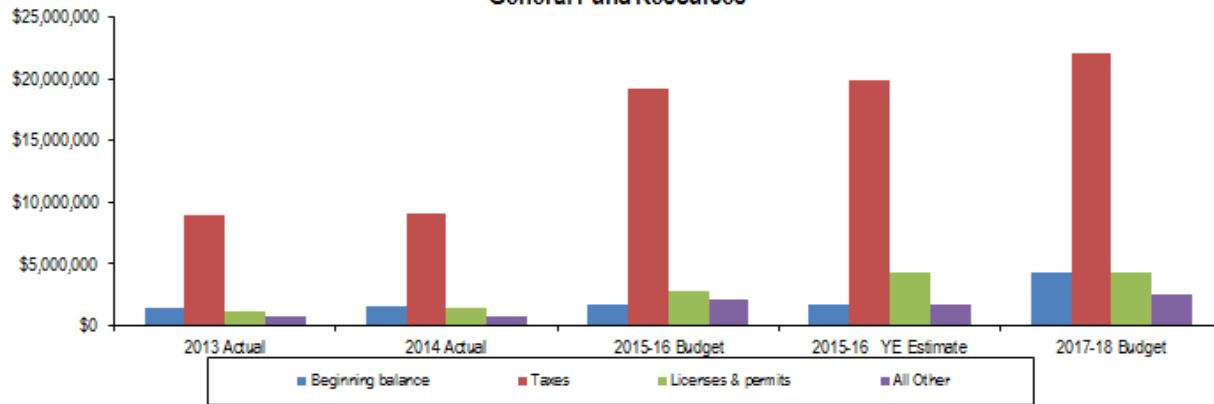


| Category | Resources | | | | |
|------------------------|----------------------|----------------------|----------------------|------------------------|----------------------|
| | 2013 Actual | 2014 Actual | 2015-16 Budget | 2015-16 YE Estimate | 2017-18 Budget |
| Beginning balance | \$ 1,484,782 | \$ 1,612,337 | \$ 1,687,345 | \$ 1,687,346 | \$ 4,307,349 |
| Taxes | 9,013,681 | 9,074,363 | 19,265,650 | 19,916,619 | 22,063,759 |
| Licenses & permits | 1,150,554 | 1,393,904 | 2,732,429 | 4,237,590 | 4,312,454 |
| Intergov't revenues | 198,715 | 156,622 | 314,532 | 300,305 | 254,000 |
| Charges for services | 321,902 | 253,954 | 591,125 | 545,190 | 511,304 |
| Fines & forfeits | 114,949 | 126,153 | 264,979 | 276,958 | 260,463 |
| Miscellaneous | 134,795 | 85,187 | 304,708 | 261,481 | 347,000 |
| Transfers In | - | 165,253 | 181,558 | 4,974 | 1,117,500 |
| Other | 14,619 | 21,600 | 465,064 | 360,431 | - |
| Total Revenues | 10,949,215 | 11,277,036 | 24,120,045 | 25,903,548 | 28,866,480 |
| Total Resources | \$ 12,433,997 | \$ 12,889,373 | \$ 25,807,390 | \$ 27,590,894 | \$ 33,173,829 |

2017-18 Budget



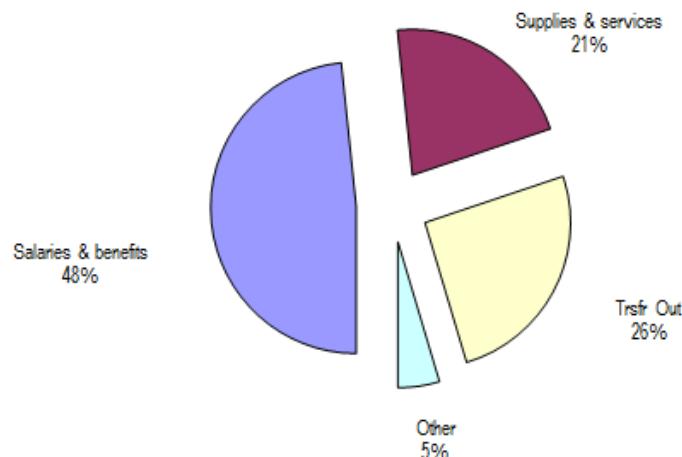
General Fund Resources



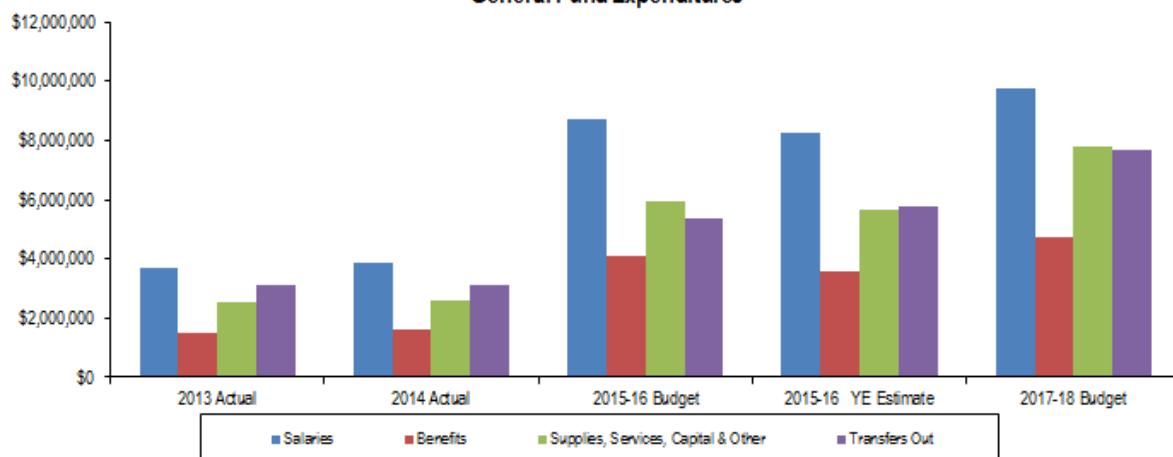
Expenditures By Type

| Category | 2013 Actual | 2014 Actual | 2015-16 Budget | 2015-16 YE Estimate | 2017-18 Budget |
|----------------------|----------------------|----------------------|----------------------|------------------------|----------------------|
| Salaries | \$ 3,667,403 | \$ 3,870,684 | \$ 8,690,698 | \$ 8,248,985 | \$ 9,736,339 |
| Benefits | 1,507,529 | 1,627,459 | 4,084,079 | 3,602,278 | 4,750,206 |
| Supplies | 360,804 | 360,961 | 800,900 | 701,617 | 889,525 |
| Services | 1,841,605 | 1,844,036 | 4,297,900 | 3,967,878 | 5,548,569 |
| Intergov't charges | 217,170 | 227,200 | 466,147 | 579,757 | 822,717 |
| Capital expenditures | 90,069 | 182,281 | 363,900 | 404,032 | 558,850 |
| Transfers Out | 3,137,080 | 3,089,406 | 5,379,000 | 5,779,000 | 7,650,000 |
| Total | 10,821,660 | 11,202,027 | 24,082,624 | 23,283,547 | 29,956,206 |
| Ending balance | 1,612,337 | 1,687,346 | 1,724,766 | 4,307,347 | 3,217,623 |
| Total uses | \$ 12,433,997 | \$ 12,889,373 | \$ 25,807,390 | \$ 27,590,894 | \$ 33,173,829 |

2017-18 Budget



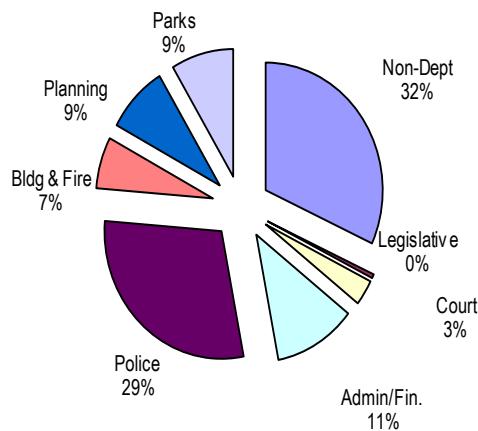
General Fund Expenditures



Departmental Expenditures

| Category | 2013 Actual | 2014 Actual | 2015-16 Budget | 2015-16 YE Estimate | 2017-18 Budget |
|--------------------|----------------------|----------------------|----------------------|------------------------|----------------------|
| Non-Departmental | \$3,849,209 | \$ 3,726,743 | \$ 6,884,811 | \$ 7,087,571 | \$ 9,045,376 |
| Legislative | 56,623 | 61,943 | 133,513 | 117,234 | 144,218 |
| Municipal Court | 354,713 | 389,863 | 846,200 | 841,337 | 922,011 |
| Admin/Finance | 1,346,495 | 1,476,701 | 3,030,100 | 2,884,619 | 3,225,396 |
| Police | 2,917,536 | 2,917,644 | 6,899,002 | 6,556,634 | 8,323,980 |
| Buidling & Fire | 450,632 | 557,050 | 1,431,235 | 1,310,417 | 1,858,100 |
| Planning | 820,593 | 909,637 | 2,058,000 | 2,067,231 | 2,433,900 |
| Parks & Recreation | 755,127 | 875,983 | 1,883,600 | 1,810,620 | 2,446,225 |
| Building | 270,732 | 286,463 | 916,163 | 607,883 | 1,557,000 |
| Total | 10,821,660 | 11,202,027 | 24,082,624 | 23,283,546 | 29,956,206 |
| Ending balance | 1,612,337 | 1,687,346 | 1,724,766 | 4,307,347 | 3,217,623 |
| Total uses | \$ 12,433,997 | \$ 12,889,373 | \$ 25,807,390 | \$ 27,590,893 | \$ 33,173,829 |

2017-18 Budget



**DESCRIPTION OF FUNCTION
NON-DEPARTMENTAL**

General government expenditures that are not associated with a specific department are accounted for in the non-departmental department. Transfers of general government resources to other funds represent the largest portion of these expenditures. Also included are payments for property and liability insurance and the annual audit.

**NARRATIVE OF OBJECTIVES
NON-DEPARTMENTAL**

1. **Legislative.** The county auditor's office charges the city for voter registration and election services. **2017 - \$18,000, 2018 - \$25,000.**
2. **Financial.** The annual audit performed by the state auditor's office: **2017 - \$32,000, 2018 - \$37,000.** Insurance for General Governmental activities: **2017 - \$274,000, 2018 - \$301,000.**
3. **Employee benefits.** Payments for LEOFF I retiree costs, workers' compensation and unemployment benefits for former employees. **2017 - \$70,000, 2018 - \$78,000.**
4. **Unemployment benefits.** The city is self-insured; therefore unemployment benefit claims are fully funded by the city. **2017 - \$35,000, 2018 - \$40,000.**
5. **Fire inspections.** Continue to work with Fire District No. 5 to operate the annual fire prevention inspection program. **2017 - \$60,000, 2018 - \$62,000.**
6. **Operating transfers out.** General fund transfers to other funds for the 2017-18 biennium are as follows:

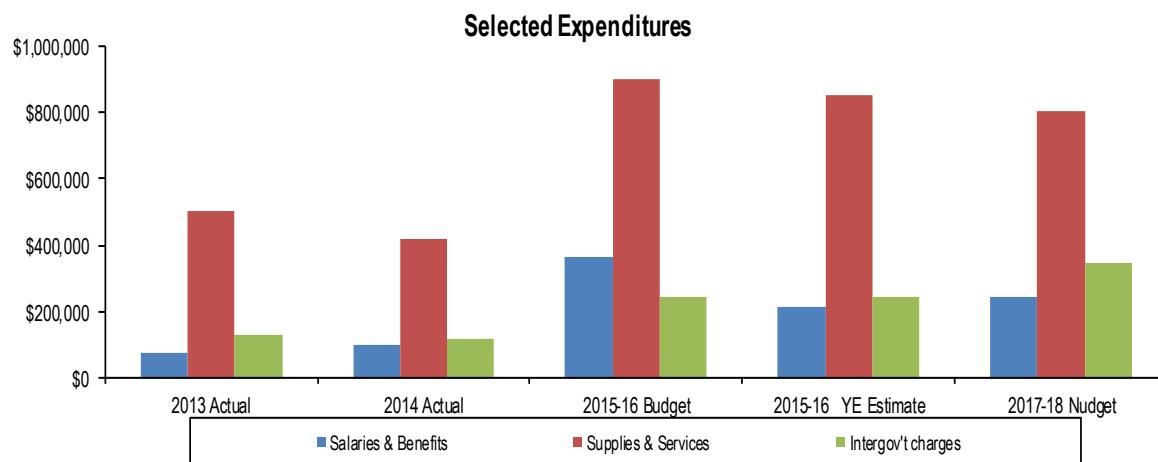
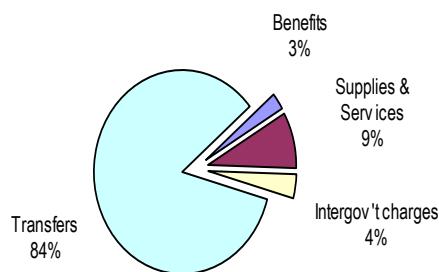
| Fund | Amount |
|---------------------------------------|---------------------------|
| Street Operating | \$4,000,000 |
| Street Capital | 660,000 |
| LTGO Debt | 1,845,000 |
| Park Development | 800,000 |
| Strategic Reserve | 160,000 |
| Equipment Reserve | 100,000 |
| Public Art | 20,000 |
| Civic Center Interfund Loan Repayment | 65,000 |
| Total | <u>\$7,650,000</u> |

7. **Mental Health Contribution.** Contribute for the establishment and building of a mental health building in cooperation with Franciscan Health and Multicare Health System. **2017 - \$40,000, 2018 - \$40,000**

Expenditures By Type

| Category | 2013 | 2014 | 2015-16 | 2015-16 YE | 2017-18 |
|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Actual | Actual | Budget | Estimate | Budget |
| Salaries | \$ - | \$ - | \$ - | \$ - | \$ - |
| Benefits | 76,746 | 99,991 | 363,773 | 212,300 | 244,090 |
| Supplies | 8,842 | 6,525 | 23,000 | 18,285 | 20,000 |
| Services | 494,900 | 410,446 | 876,891 | 832,372 | 785,569 |
| Intergov't charges | 131,641 | 120,375 | 242,147 | 245,614 | 345,717 |
| Transfers | 3,137,080 | 3,089,406 | 5,379,000 | 5,779,000 | 7,650,000 |
| Total | \$ 3,849,209 | \$ 3,726,743 | \$ 6,884,811 | \$ 7,087,571 | \$ 9,045,376 |

2017-18 Budget



DESCRIPTION OF FUNCTION
LEGISLATIVE

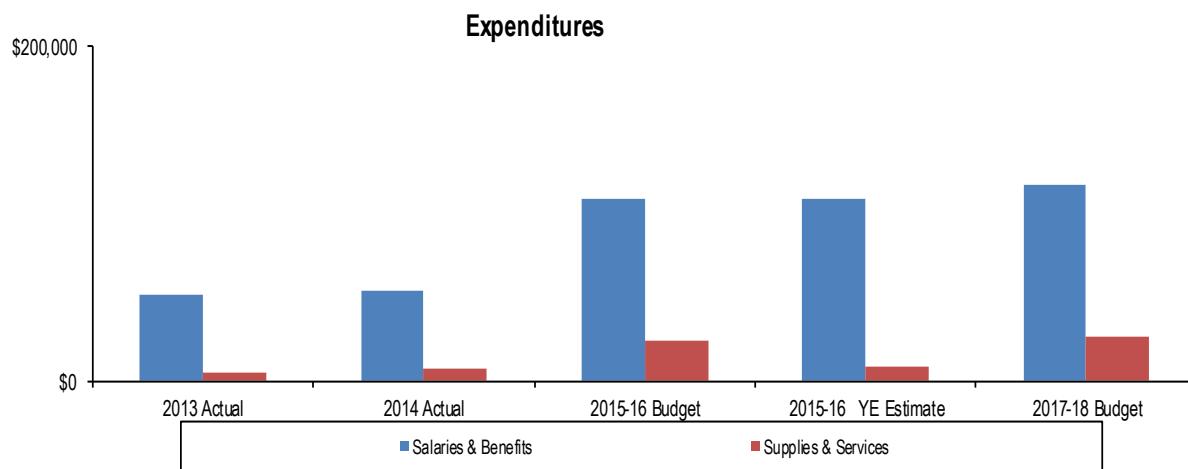
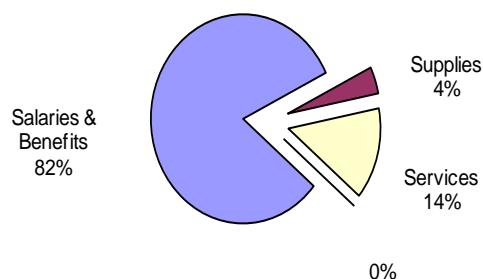
The Legislative Department accounts for the activities of the City Council. These activities include:

1. Sets the overall policy for the city.
2. Approves the city budget.
3. Organizes and regulates the internal affairs of the City Council.
4. Fixes compensation of city employees, and establishes civil service/merit systems and retirement systems.
5. Adopts ordinances relating to the good government of the city.
6. Exercises powers of eminent domain, borrowing, taxation, the grant of franchises, and other duties.
7. Performs the duties and responsibilities prescribed under Title 35A RCW and adopts long-range goals and objectives within a funding mechanism ensuring efficient and effective government.

Expenditures By Type

| Category | 2013 | 2014 | 2015-16 | 2015-16 | 2017-18 |
|---------------------------|------------------|------------------|------------------|-------------------|------------------|
| | Actual | Actual | Budget | Estimate | Budget |
| Salaries | \$ 47,978 | \$ 50,400 | \$100,800 | \$ 100,800 | \$109,200 |
| Benefits | 4,042 | 3,955 | 8,384 | 7,796 | 8,518 |
| Supplies | 841 | 3,898 | 5,200 | 610 | 6,000 |
| Services | 3,762 | 3,690 | 19,129 | 8,028 | 20,500 |
| Total expenditures | \$ 56,623 | \$ 61,943 | \$133,513 | \$ 117,234 | \$144,218 |

2017-18 Budget



DESCRIPTION OF FUNCTION
JUDICIAL – MUNICIPAL COURT

Gig Harbor Municipal Court is committed to high quality service and strives to conduct business in a manner that balances effectiveness, efficiency, and productivity, and instills public trust and confidence by efficiently utilizing all court resources.

1. **Customer Service.** Provide access to justice and service to the public, attorneys, litigants, victims, law enforcement, etc. Process public records requests in accordance with court rules. Process and file all legal documents, pleadings, and evidence timely and in accordance to court rules. Assist customers with procedural questions both at the counter and via telephone.
2. **File Criminal and Infraction Citations.** File both paper and electronic criminal citations and civil infractions received from law enforcement and/or the prosecuting attorney within 48 hours. Compile case filing documentation including, but not limited to, arraignment hearing dates, accounts receivable information, victim information, and counsel information.
3. **Jury Management.** Obtain and manage master jury pool data from Superior Court. Summon jury pool three weeks prior to scheduled jury trial. Screen individual juror requests for excuse from service with timely confirmation by phone.
4. **Create and Maintain Case Files.** Create case files that are well marked, labeled, and organized according to set procedures. Close case files and follow archiving and retention rules. Aggressively manage case flow to ensure timely prosecution/resolution of cases, give prompt attention to infraction case flow for timely processing to the Department of Licensing, and aggressively track outstanding monies with the use of collections where warranted.
5. **Courtroom Bailiff.** Serve as bailiff and clerk by recording proceedings through data entry, written minute entries, and audio recording. Maintain court records regarding new hearing date, reasons for continuance, objections of counsel, release conditions, orders and dispositions. Operate audio system and troubleshoot malfunctions.
6. **Case Management.** Process warrants and probation compliance reports daily. Monitor and identify non-compliance issues such as law violations and treatment attendance, and delinquent legal financial obligations. Screen and process applications for Interstate Compact Transfer.
7. **Manage Trust Account Funds.** Perform monthly reconciliation of trust account through use of bail/bond summary reports. Monthly review of bail pending summary to confirm bail is posted and to ensure bail is returned properly and timely.

8. **Manage Payment Plans and Collections Accounts.** Weekly review court scheduled time-payment accounts for compliance as well as cases eligible for collections.
9. **Financial Reconciliations.** Perform daily reconciliation of received court payments received in person, by mail, and by credit card with city finance department. Reconcile court checking account monthly.
10. **Monthly Financial Reports.** Prepare and submit to the city finance department all monthly court financial reports for in-house audit review.
11. **Domestic Violence Kiosk.** Assist individuals at the domestic violence kiosk who are in need of a temporary protection order. This assistance should not extend beyond providing general information and help with the computer.
12. **Administer Community Service Program.** Direct eligible defendants to the Building & Maintenance Department for community service on the campus of the Gig Harbor Civic Center. These qualified defendants will perform minimal labor tasks including, but not limited to, sweeping, pulling weeds, general garden maintenance, police car washing, vacuuming, dusting, and recycling and garbage service. The program will continue to be supervised by the Building Maintenance Supervisor and Police Department under strict guidelines.
13. **Maintain Court Webpage.** Maintain the court's webpage on the city website on a regular basis to provide additional access to justice and up-to-date information about court officers, court procedures, forms, legislative updates, domestic violence, collections, inmates, and public records.

NARRATIVE OF GOALS 2017 – 2022
JUDICIAL – MUNICIPAL COURT

1. **Improve Collection of Accounts Receivables.** Continue to enhance customer service to increase payment methods for customers. Increase use of online payment system available to customers and defendants from the City website. This added service will increase our collection of revenue and reduce the need for postage and paper usage, such as reminder notices and collection /delinquent notices.
2. **Technology Improvement.** Use up-to-date technology to achieve greater efficiency and quality in an integrated way to effectively manage court business, inform and educate the public, provide additional access to justice, and improve public trust and confidence.
3. **Joint Service Programs.** Promote and implement joint service programs with the other local courts and Peninsula School District to better assist the citizens of Gig Harbor. Collaborate with other courts to improve access to justice and utilize shared resources and common goals. Continue the emergency and disaster COOP agreement with surrounding courts.
4. **Continue Community Outreach Program.** Continue to work with local schools to provide a working knowledge of the judicial system as presented through classroom visits, and mock trial projects. Continue to utilize student volunteers and interns with local high schools and colleges. Increase public awareness of the court by speaking at local engagements.
5. **Improve Customer Service.** Provide more interactive services via the internet. Translate court documents, forms, and orders into Spanish and Russian. Add live chat feature to court webpage for added customer service options.
6. **Migrate toward Paperless Court.** Continue to seek paperless technology and funding for increasing efficiencies, relieving workloads, providing more accessibility, reducing costs, and becoming more “green”. Scan court records for electronic storage and destroy paper version of closed court files, administrative records, and financial records, which reduces the need for paper storage.

NARRATIVE OF OBJECTIVES 2017-2018
JUDICIAL – MUNICIPAL COURT

1. **Continue Community Outreach Program.** Continue the partnership with Peninsula School District G.A.P.P. program. These special needs students perform general cleaning duties in the Civic Center to develop community transition and employment training.

Host a Law Day event for local students in recognition and celebration of National Law Day. In partnership with community organizations such as the Boys & Girls Club and the YMCA, this event encourages and promotes student interest and understanding of the law. The estimated cost for supplies, advertisement, and printing services for this event is \$500 per year plus the biennial cost of \$200 for renewal of the web domain access. **\$500 – 2017, \$700 - 2018.**

Recognize Juror Appreciation week and Domestic Violence Awareness Month with social media, local media, posters and display materials.

2. **Replace Computers.** Replace one failing computer and monitor (Court Administrator) and purchase a new computer and monitor for the third workstation (Court Clerk). **\$5,400 – 2017.**
3. **Website Enhancement.** Improve access to the Court via website. Create informational YouTube videos for the court webpage. Supplement customer service with live chat ability on the court website for public and court customers including attorneys, defendants, and jurors. Upgrades to the city website will allow the court to keep data current as well as provide auto-fill .pdf forms for customers.

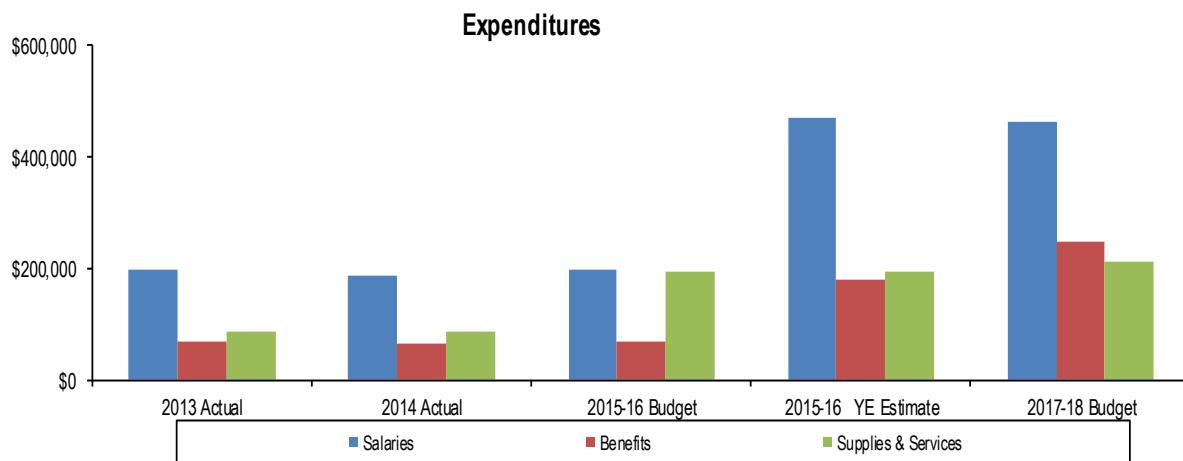
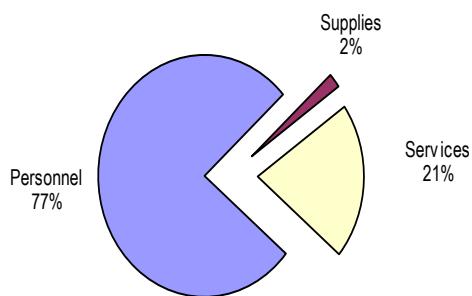
COURT
CAPITAL OUTLAY 2017 - 2018

Total capital outlay is \$0

Expenditures By Type

| Category | 2013 | 2014 | 2015-16 | 2015-16 | 2017-18 |
|---------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | Actual | Budget | YE Estimate | Budget |
| Salaries | \$ 198,615 | \$ 224,444 | \$ 471,700 | \$ 479,632 | \$ 464,500 |
| Benefits | 70,093 | 79,144 | 180,700 | 168,532 | 246,700 |
| Supplies | 5,501 | 5,636 | 12,400 | 15,517 | 18,000 |
| Services | 80,504 | 80,639 | 181,400 | 177,656 | 192,811 |
| Total expenditures | \$ 354,713 | \$ 389,863 | \$ 846,200 | \$ 841,337 | \$ 922,011 |

2017-18 Budget



DESCRIPTION OF FUNCTION
ADMINISTRATION

Administration

The City Administrator is responsible to the Mayor for implementing city policies, statutes, and goals through the directing the daily operations and capital projects of the City. The City Administrator also assists the Mayor and Council in developing policies and legislation. Intergovernmental relations, economic development, community information (neighborhood meetings, web page, informational publications, etc.), human resources, and general research and analysis are also part of the City Administrator's office.

City Clerk's Office

Support of city council, the public and internal customers. The city clerk's office is dedicated to the needs of our public and internal customers by providing them with quality services in a timely, positive, professional, and cooperative manner. Responsibilities of the city clerk and assistant city clerk include: management of the city's official records, website maintenance, public records requests and disclosure, city council support including agenda development, packets and preparation of official minutes, public noticing, risk and claims management, legal noticing, compliance with public records retention, recording of legal documents, boards and committees memberships, business licensing, parks structures and facility reservations, special events permitting, and fireworks stands permitting.

Human Resources

The Human Resource office is dedicated to serving the citizens of Gig Harbor, employees, and other customers by developing, implementing and supporting programs and policies that create value for the City and its employees. Responsibilities of the Human Resource office include planning, organizing and administering the City's human resource systems and services, including health benefits, employee safety, worker's compensation, labor relations, and compliance with employment regulations and guidelines as dictated by federal, state, and municipal laws. This position also manages recruitment and selection; job classification and compensation plans; the random drug testing program; the wellness program, the Title VI program, and training and development. The Human Resource Manager serves as the Civil Service Secretary/Chief Examiner for the Civil Service Commission.

Information Systems

Information Technology Management. I.T. governs the policies, processes, practices and tools used to align the most appropriate and cost effective technology infrastructure. Information Services manages, acquires, develops, tests and deploys

applications, data, hardware, and software resources. The primary focus is to retain 100% uptime for resource availability.

Information Technology Procurement. Responsible for the procurement of all computer related hardware, software, telephony, licenses and coordination of city-wide system conversions and compatibility with industry standards. Performs the surplus of expired and obsolete computer related equipment and software through strict accounting and environmental principles. Negotiates contracts and multiyear maintenance agreements with vendors such as Centurylink, DELL, Netmotion, SouthSound911, Verizon, and CISCO for City acquisitions, upgrades and services. Maintains proper licensing protocols comprised of Microsoft's and Adobe's volume licensing agreements with Washington State's Department of Enterprise Services.

Telephony Services. I.T. handles all administrative, financial and contractual functions of all telephony products and services for all city departments. I.T. manages contractual costs as related to Telephony Services and G.I.S.

Confidential Data & FBI audits. Works in conjunction with SouthSound911 to utilize the Computer Aided Dispatch (CAD) records/case management system in accordance with CJIS FBI security auditing standards. Acquires and utilizes up-to-date information across associative agencies and works in conjunction with Washington State Patrol for NCIC and WACIC (National and Washington State criminal access records). Security is maintained in a two-fold fashion with separate internet routings to the IGN cloud and two-factor login authentication for Police Department personnel.

Technical Liaison. I.T. performs as technical liaison for all City departments in the coordination of vendor services for networked applications and/or systems and database topologies.

Purchasing. I.T. performs all purchasing functions for all city departments for anything technology or telephony related.

NARRATIVE OF GOALS 2017 – 2022

ADMINISTRATION

Administration

1. Foster citizen involvement and engage the public through neighborhood meetings, surveys, website, informational publications, and other methods of communication.
2. Measure, evaluate and improve customer service and business processes through all departments of the city.
3. Promote economic development by 1) proactively attracting business growth in commercially zoned areas that will create environmentally sound, well-compensated jobs for local residents; 2) supporting existing businesses through quality infrastructure, events, and business friendly regulations that maintain the quality and character of the Harbor; 3) coordinate with and leverage the time and resources of the Gig Harbor Chamber of Commerce, Economic Development Board, Downtown Waterfront Alliance and other agencies to attract and retain businesses in the city.
4. Research, review, and assess grant opportunities for the city.
5. Maintain quality personnel systems through up-to-date personnel regulations, effective recruitment practices and tools, competitive total compensation, and collaborative labor relations.
6. Ensure employees are given the resources, leadership, and direction they need to do their jobs effectively and efficiently.
7. Facilitate and direct the development of the capital improvement program in order to keep up with growth as well as existing infrastructure needs within the constraints of our capacities.
8. Support downtown businesses in developing a comprehensive downtown traffic and parking strategy.

City Clerk's Office

1. Provide quality support for the Mayor, City Council, City Administrator's office, and public and internal customers.
2. Provide citizens open access to information through the city's website and other web-based hosting services that meets basic open data standards.
3. Ensure timely, comprehensive responses to public records requests.
4. Maintain effective risk and claims management programs.
5. Administer records management program. Streamline social media records

capture.

6. Compliance for business licensing, special events permitting, and fireworks stands permitting.
7. Administer facilities use and reservations.
8. Assist with the employee wellness program. Provide backup for the Human Resources Manager.
9. Complete mission critical functions for department.

Human Resources

1. Provide excellent customer service to all citizens, employees, elected officials, and stakeholders through effective and efficient recruitment and retention best practices, evaluating and updating total rewards system as needed and continuing to foster a collaborative labor relations environment.
2. Complete and implement the personnel regulations/employee handbook update.
3. Continue building on the existing Employee Wellness Program to enhance and expand employee involvement. Continue to earn the AWC Well City designation annually, which will retain the 2% medical premium reduction earned for our 2016 Well City designation.
4. Design and deliver pertinent and timely employee training, ensuring compliance by scheduling required training.
5. Implement Employee Self Service (ESS) to enable employees to view and print their paystubs (ACH) online, as well as W-2's.
6. Recruit an unpaid intern or volunteer to assist with routine HR administrative functions such as filing, file set-up, archiving, etc.

Information Systems

1. Move the city off of the dependency (and limitations) of SS911 email and onto Microsoft Hosted Services.
2. Eliminating hardware and implementing SaaS (software as a service). Subscription based platform. No software or hardware to purchase, install or maintain thereby reducing workload on a small and frequently overburdened I.T. department.
3. Website and mobile apps.
4. Office 365 subscription based software implementation.

NARRATIVE OF OBJECTIVES 2017 – 2018

ADMINISTRATION

Administration

1. **Policies and Procedures.** Complete and implement the personnel policies update; develop and/or update other administrative procedures, including a purchasing policy, travel policy, accident prevention policy, and information systems policy (use electronic communications, internet, etc.).
2. **Economic Development.** Support local businesses by engaging the appropriate stakeholders and assessing the needs of the various economic and employment centers in the city. Some recommended components of the economic development strategy are as follows:
 - Downtown Waterfront Alliance. Provide limited funding for the Gig Harbor Downtown Waterfront Alliance and its continued activities to promote downtown businesses. **\$35,000 - 2017, \$35,000- 2018.**
 - Chamber of Commerce. Continue involvement with the Gig Harbor Chamber of Commerce, including City representation on the Chamber Board of Directors and also maintaining the City's membership in the Chamber. **\$550 - 2017, \$550 – 2018.**
 - Tacoma-Pierce County Economic Development Board (EDB). Continue City involvement as an EDB investor, furthering the goal of local and regional economic development and primary employer retention and recruitment. **\$20,000 - 2017, \$20,000 - 2018.**
 - Downtown Traffic and Parking Strategy. Support downtown businesses in developing a downtown traffic and parking strategy. (See Public Works budget detail).
3. **State and Federal Lobbying Efforts.** In accordance with the city, state and federal legislation agendas, carry on state and federal lobbying efforts to advocate for capital project funding as well as legislation that would benefit the city.

Maintain contract with a lobbying firm at the state level. **\$40,000- 2017, \$40,000 - 2018.**

Continue the federal lobbying contract through December 31, 2018. **\$80,000 – 2017, \$80,000 - 2018.**

4. **State and Federal Grants.** Continue to seek, pursue, and apply for state and federal grants, as well as grants from the non-profit and private sectors on a balanced basis according to our capacity to complete such grants.
5. **Capital Improvement Plan.** Implement and further develop the capital improvement plan for streets, parks, and utilities.
6. **Gig Harbor North.** Continue to implement the Harbor Hill development agreement. Work with Olympic Property Group and other property owners to promote and realize more shopping, commercial, recreational, and residential opportunities.
7. **Potential Downtown Development.** Work to respond to and implement any downtown development agreements council approves.

City Clerk's Office

1. **Public Records Requests.** Continue to facilitate the appropriate and timely response to the increasing volume of public records requests in order to be more open, accountable, and responsive to citizens. **January – December.**
2. **Open Government Program.** Continue to implement an open data portal. Open data can facilitate government transparency, accountability, and public participation. **January – December.**
3. **Claims Recovery.** Continue an aggressive approach for reimbursement of costs for damage to city property. **January – December.**
4. **Risk Management.** Continue the Employee Safety Committee as required by the Accident Prevention Policy adopted in 2011. Work with all departments to address concerns and solutions. The goal is to prevent employee and citizen injury and property damage. **January - December.**
5. **Records Program.** Work for continued compliance with document and electronic records retention and ways to facilitate record retrieval. **January – December.**

Human Resources

1. **Policies and Procedures.** Complete and implement the personnel regulations and policies update; and develop an information systems policy (use of electronic communications, internet, etc.).
2. **Benefits.** Review and evaluate medical plan options available from AWC to strategically plan for the 2018 Affordable Care Act (ACA) Cadillac tax.
3. **Drug and Alcohol Program.** Continue to effectively manage the City's drug and alcohol program, ensuring adherence to Federal Motor Carrier and Department of Transportation regulations and guidelines.
4. **Compliance Training.** Ensure employee compliance by scheduling any necessary training. **January - December.**

5. **AWC Well City Designation.** Continuing efforts to earn this award annually, with a desired result of retaining the City's 2% discount to premium costs. **January - December.**

Information Systems

1. **Deploy Microsoft Hosted Exchange (Email) services.** Cloud based hosting with large 50 GB email boxes for each user's primary mailbox. The service also includes Unlimited storage in the "In-place archiving" solution. **\$20,000 – 2017**
2. **Office 365 business subscription software.** Due to the limitations of SS911 exchange email server we have been unable to upgrade to office 2016 and are stuck at office 2013. Therefore once this limitation has been removed, we can transition to office 365 subscriptions which allows for on-demand upgrading at no additional cost and reduces I.T. workload of upgrading software individually. **\$15,000 - 2017**
3. **Website design, hosting, and Gig Harbor mobile app.** Improve citizen engagement, increase functionality and usability. A robust search engine optimization (SEO) with CivicPlus. Includes a new redesign biennially and all costs including the Gig Harbor mobile app. **\$9,900 – 2017 (annual)**

ADMINISTRATION
CAPITAL OUTLAY 2017 - 2018

Total Capital Outlay is \$0

2017 STAFF ADJUSTMENTS

I. Check One: Request to delete position:
Human Resource Analyst
 Request to reclassify a position

Salary: \$5153 – 6441 (2017 range)

Change Date: January 1, 2017

II. Explanation for deleting position(s) (include description of position and rationale for deleting position):

Request to delete the Human Resource Analyst position. The Human Resource Analyst job classification does not encompass the full scope and range of the duties required of the current Human Resources function for the City of Gig Harbor. The HR Analyst job classification is a journey-level position that is typically responsible for a portion of HR services and usually reports to a Human Resource Manager or Director. An HR Analyst position usually requires a four year degree and two years' of professional level HR experience.

When the City of Gig Harbor's Human Resource Analyst position was created and approved in 2013, it was not yet known how the position would develop, as it was a new position for the City. Additionally, the HR duties for the City were spread across four different positions with varying levels of responsibility, prior to the addition of the HR Analyst position.

III. *Explanation for adding new/reclassifying existing position(s) (include description of new positions' responsibilities, impact of office staff and work load, circumstances which resulted in new responsibilities being created, and funding support):*

2017
STAFF ADJUSTMENTS

I. *Check One:* *Request to delete position:*

Request to add a position:

Human Resources Manager
Salary: \$6310 - \$7888 (2017 range)
Change Date: January 1, 2017

II. *Explanation for deleting position(s) (include description of position and rationale for deleting position):*

III. *Explanation for adding new position(s) (include description of new positions' responsibilities, impact of office staff and work load, circumstances which resulted in new responsibilities being created, and funding support):*

Request to add a Human Resources Manager position, to more accurately reflect the level and scope of duties and responsibilities of the current HR function for the City of Gig Harbor. The HR position for the City is responsible for the full range of complex administrative, technical, and professional-level work in managing the human resources function for the City, including, but not limited to, classification, benefits, compensation, recruitment and selection, worker's compensation, equal employment opportunity, drug and alcohol testing program, labor and employee relations, and workforce development and training. The level and complexity of analysis and decision making required of this position could potentially expose the City to a high probability of liability if done poorly. Typically, an HR Manager position reports directly to a chief administrative officer. This position reports to the City Administrator, who is the chief administrative officer for the City. The requirements are generally a four year degree, five to eight years of professional-level HR experience, including some supervisory or management experience, and a professional Human Resources certification, such as a PHR or SPHR.

Essential Duties & Responsibilities of the HR position for the City of Gig Harbor:

- Manages the overall human resources function of the City to achieve HR goals within available resources. Gathers, interprets, and prepares data for studies, reports and recommendations.
- Provides professional-level advice and consultation to the City Administrator, department heads, managers, and supervisors; makes recommendations and presentations to City Council, Civil Service Commission, Finance and Safety Council Committee, and employee and/or community groups.
- Advises managerial and supervisory staff, Mayor and City Administrator on personnel issues, to include consulting with department heads to prepare action plans to resolve performance management issues, acting as mediator in conflict

situations, and participating in counseling and disciplinary hearings as needed.

- Conducts workplace investigations, prepares employee discipline and termination notices and related documentation, and conducts exit interviews. Consults with legal counsel as needed.
- Represents City at personnel-related hearings and investigations. May serve as conduit for information between employees and members of management.
- Manages the recruitment and selection process for filling new or vacant positions, to include screening employment applications for minimum qualifications, scheduling applicants for interviews, coordinating interview panels and administering a variety of selection instruments to interview committee and candidates. Participates in interview panels as a panelist or monitor.
- Reviews, writes and develops job descriptions in consultation with department heads, City Administrator and guild representatives. Makes determinations on position reclassification requests.
- Manages labor relations activities, to include assisting the City Administrator with guild contract negotiations; conducting research, preparing data and scheduling labor/management meetings, and drafts labor contract changes. May act as Chief Negotiator as needed.
- Consults with departments in the resolution of grievances and administration of collective bargaining agreements. Prepares memorandums of understanding and/or letters of agreement as needed. Coordinates grievance and/or arbitration hearings and prepares briefs for submission to the Public Employees' Relations Commission (PERC) for such cases as needed.
- Analyzes benefits, wage and salary reports and data to determine competitive total compensation plan; recommends benefit plan changes to management and notifies employees and guild representatives of changes in benefits programs.
- Develops human resources policies and procedures for review and approval. Administers adopted HR policies and procedures.
- Manages the City's drug and alcohol testing program.
- Manages the City's Title VI Program in accordance with WSDOT standards.
- Manages the City's Commute Trip Reduction (CTR) Program in accordance with the 2006 CTR Efficiency Act and PierceTrips guidelines.
- Coordinates and facilitates the City's Employee Wellness program, ensuring standards are met to maintain AWC Well City designation from year to year.
- Coordinates with outside vendors to provide employee services, such as training and outplacement services.
- Prepares and submits annual and quarterly reports to various outside agencies as required by law or policy.

2017
STAFF ADJUSTMENTS

I. *Check One:* Request to add a position:
 Request to delete position:
 Request to reclassify a position:

Open Government Administrator / Asst. City Clerk

Salary: From \$4783 – 5978

To \$5721 - 6756

Change Date: January 1, 2017

II. *Explanation for reclassifying position(s) (include description of positions' responsibilities, impact of office staff and work load, circumstances which resulted in new responsibilities being created, and funding support):*

Currently, the Assistant City Clerk assists the Mayor, City Council, City Administrator, City Clerk, and staff with day to day functions of the city. This position performs at a high level of competency and initiative.

Council has requested improved communication with the public and increased availability of information digitally. Our Open Government process has begun with research into a better platform for sharing information via the city's website and mobile applications to assist the public and streamline processes.

The Assistant City Clerk has been working with the I.T. Manager to develop the Open Government platform. A new website design will implement a mobile application for ease of access to information and services. Integration of permitting software and other data portals will enhance the ability to share timely and pertinent information in our community. This will improve the way we communicate with the public enhancing public outreach.

Moving forward with this project requires a position that will take the lead on the development, implementation, and management of various programs and policies regarding Open Government. This classification is distinguished by the degree and level of contact with the vendor, staff, the public, elected officials, and community leaders.

We propose this reclassification to the Assistant City Clerk position to facilitate the implementation of the Open Government Initiative. Open Government is a newer concept and our comparable cities do not reflect the position. We used Bremerton and Camas as examples of jurisdictions that have implemented this initiative. The proposed salary range increase is nominal but reflects the added

job responsibilities. The reclassification would result in an \$888 increase in the Administration Salary Budget for 2017. The funding for this increase will come from the General Fund Budget.

DESCRIPTION OF FUNCTION
FINANCE

Finance

The Finance Department is responsible for managing the city's financial resources. This involves keeping the books and managing taxpayers' money from the time it is collected until it is spent on programs funded by the City Council. The Finance Department provides the following services for city government:

1. **Cash management.** Receive and deposit monies into the city's bank accounts; record and reconcile all receipts to bank statements; contract with financial institutions for banking services; ensure the unimpeded inflow of monies to the city's bank accounts and the timely outflow of monies to vendors, claimants and employees; and effectively invest the city's short-term cash reserves.
2. **Investments.** Invest the city's temporary cash reserves in accordance with the city's investment policy, which provides emphasis on safety and liquidity. Maintain the official records of ownership and accounting for investment transactions.
3. **Debt management.** Provide financing recommendations and services to the City Council, which is responsible for the authorization and issuance of all debt. Administer the city's debt program by providing financing for capital projects through the sale of bonds or arranging other long-term financing; refinancing existing bonds when sufficient debt service savings can be achieved; and monitor city compliance with federal tax code and bond covenants.
4. **Budget preparation and administration.** Prepare the biennial budget and provide budgetary reports to the City Council, City Administrator and departments throughout the year.
5. **Accounting services.** Prepare the city's annual financial reports and manage the city's financial accounting system; prepare the payroll; provide departmental accounting support; process accounts payable and audit vouchers; prepare utility billing invoices; monitor grant expenditures and prepare grant reimbursement requests, local improvement district accounting; monitor city revenue sources; fixed asset accounting; and maintain the city's internal control systems.

NARRATIVE OF GOALS 2017 – 2022

FINANCE

Finance

1. **Coordinate the budget and the capital improvement plan.** Combining a realistic capital improvement plan with a long-range forecast of revenue and expenditure trends will change the budget process from an annual snapshot to a continually evolving projection. It will also facilitate the dedication of current resources to future projects through the accumulation of reserves or the dedication of future resources to current projects through the issuance of debt. **2017 - 2022.**
2. **Equipment rental fund.** The city may be required to establish an equipment rental and revolving fund. This fund will be used as a revolving fund for salaries, wages and operations required for the repair, replacement, purchase, and operation of equipment, and for the purchase of equipment, materials, and supplies needed for the administration and operation of the fund. **2017 - 2022.**
3. **Indirect Cost Allocation.** Develop an indirect cost allocation plan in order to equitably distribute costs among benefitted departments. **2017-2018.**

NARRATIVE OF OBJECTIVES 2017 – 2018

FINANCE

1. **Indirect Cost Allocation.** Develop an indirect cost allocation plan in order to equitably distribute costs among benefitted departments. **2017-2018.**
2. **Extended Budgeting.** Continue to coordinate with Accela to consider installing the extended budgeting module to our financial accounting system. If installed, this will facilitate smoother flow of financial information between departments. **2017-2018.**
3. **Long Term Debt Continuing Disclosure Policy.** Develop a policy governing continuing disclosure for the City's outstanding long term debt to assist compliance with the related continuing disclosure requirements. **2017-2018.**

FINANCE

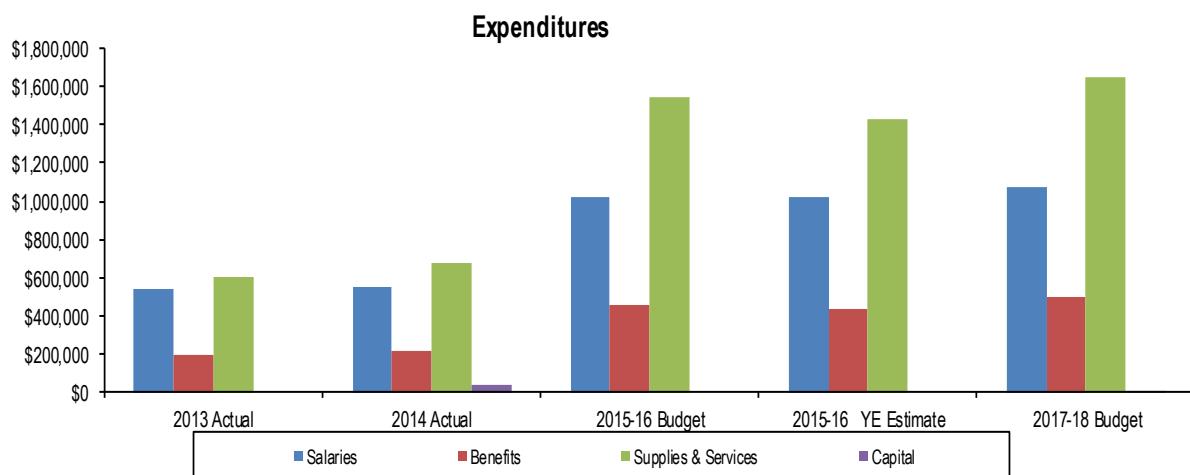
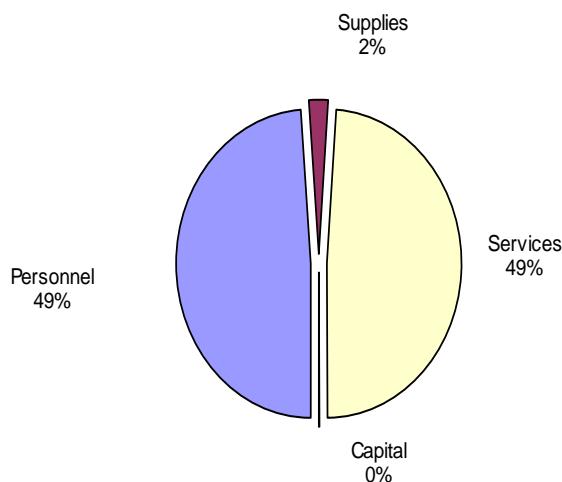
CAPITAL OUTLAY 2017 – 2018

Total Capital Outlay is \$0.

Expenditures By Type

| Category | 2013 Actual | 2014 Actual | 2015-16 Budget | 2015-16 YE Estimate | 2017-18 Budget |
|---------------------------|---------------------|---------------------|---------------------|------------------------|---------------------|
| Salaries | \$ 541,390 | \$ 548,963 | \$ 1,024,500 | \$ 1,017,904 | \$ 1,076,939 |
| Benefits | 200,760 | 217,575 | 456,400 | 439,192 | 497,598 |
| Supplies | 56,109 | 41,455 | 93,000 | 66,377 | 74,000 |
| Services | 548,236 | 630,136 | 1,456,200 | 1,361,145 | 1,574,459 |
| Capital expenditures | - | 38,572 | - | - | 2,400 |
| Total expenditures | \$ 1,346,495 | \$ 1,476,701 | \$ 3,030,100 | \$ 2,884,619 | \$ 3,225,396 |

2017-18 Budget



DESCRIPTION OF FUNCTION POLICE

Our mission is to continually provide exceptional law enforcement services to our citizens, always looking for ways to improve our performance through strong partnerships with our community.

ADMINISTRATION

The Administration Section is headed by the Chief of Police who is assisted by a Lieutenant. This unit is tasked with providing leadership, direction and support to the agency. This includes short and long-range planning and forecasting, resource acquisition, responsible budget formulation and administration, operational planning and employee development through ongoing training and performance reviews. Additionally, two Police Services Specialists provide support services which include information management, retention and dissemination and the provision of direct citizen services such as general inquiries, fingerprinting, background checks, and the issuance of concealed pistol licenses. Property room operations fall within the scope of the Administration Section.

OPERATIONS

The Operations Section is responsible for the majority of direct police services throughout the city. This includes patrol, traffic enforcement, drug control, and other community support duties. The patrol function provides police visibility, responds to calls for service, interacts collaboratively with citizens, and performs the initial investigation of crimes. Bicycle and motorcycle patrol are utilized to add another dimension to the patrol function serving as an excellent public interaction tool when assigned to business areas or other locations with high volumes of pedestrian traffic and specific traffic problems. Two Sergeants provide direct supervision of the operations personnel while also performing patrol and administrative duties.

INVESTIGATIONS

The Investigations Section is currently staffed by one detective who reports to the Lieutenant. This section is responsible for follow-up of cases beyond the normal responses by the patrol personnel.

MARINE SERVICES UNIT

The city is responsible for ensuring the safety of navigable waters within our jurisdiction and to provide boating safety education. The Marine Services Unit (MSU) is an additional police service provided through scheduled patrols during periods of high boating traffic and on an as-needed basis to achieve this mission. The MSU is utilized primarily throughout the summer months, but is available at other times for emergency

response or special events. Per a Memorandum of Understanding (MOU) with the Washington State Parks and Recreation Department, the MSU is also involved in boating safety education throughout the year. A large portion of the personnel costs incurred by the MSU are covered through receipt of statewide vessel registration fees which is distributed to the city via Pierce County and boating safety grants as available. The MSU is also tasked with the enforcement of derelict vessel laws in all of Gig Harbor. Ninety percent of the potential costs incurred in the removal of abandoned or derelict vessels is reimbursed from the State Derelict Vessel Fund via the Department of Natural Resources. The remaining ten percent of costs can come in the form of in-kind services.

NARRATIVE OF GOALS 2017-2022 POLICE

Our Vision: The Gig Harbor Police Department will proudly be known by our citizens to be a skilled, effective, strong, compassionate and progressive police department while maintaining a personal connection and partnership with the community we protect and serve.

- 1. Implement new and continually update departmental policies.** Introduce updated comprehensive policy manual, train personnel to standards and seek to maintain currency of policies and procedures. A draft policy manual is near completion and will likely be in place before 2017. **2017 – Ongoing.**
- 2. Increase staffing.** During the previous budget cycle, the police department recovered two positions that had been unfilled since 2008 due to budget considerations. Since that time, the city population has grown by more than 2,000 residents and the retail core has expanded greatly. Calls for service are up significantly, with projections for both population and police responses indicating continued growth. The police department has adapted to its present state by eliminating the Traffic Officer position and by reducing staffing to one Detective (reassigning this position to the patrol division). Response times are increasing and the quality of law enforcement services that has been offered is at risk.
- 3. Continue to upgrade technology to improve police efficiency and accountability.** Police Officers rely on in-car computers to receive dispatched information, perform records inquiries, and communicate with surrounding officers. During the last budget cycle, several of our mobile data computers (MDC) installed in the cars became obsolete due to an FBI software requirement. At that time, we began to replace the existing laptop style MDCs with tablet computers which, after installation hardware is mounted, results in greater flexibility and reduced cost for subsequent MDCs. The police department has already replaced 10 of our MDC units, with three more due for replacement over the next biennium. Additionally, we would need to purchase three additional systems in 2017 and two additional systems in 2018 for new FTE.

Additionally, in June 2016, the police department implemented a pilot program to test the use of body-worn cameras (BWC). Three BWCs were purchased and we are currently evaluating their field performance (which appears favorable). BWCs offer an additional layer of officer and citizen accountability in complaint or use of force situations. By necessity, the BWCs function through a dashboard-mounted camera system and digital video recorder, which coincidentally replaced older models that had been in use but had subsequently stopped functioning.

To continue expanding the program of BWCs and to replace the non-functioning dash camera systems that remain in the fleet, the police department would need to purchase 13 additional systems. **2017 – Ongoing.**

NARRATIVE OF OBJECTIVES 2017-2018
POLICE

- 1. Increase Police Officer staffing by 3 positions in 2017 and 1 position in 2018.**
To meet the public safety needs of our growing city, a projection of three police officer positions (with one of these creating a second Detective position) is needed in 2017 and one more police officer positions is needed in 2018.
- 2. Continue to expand the use of available technology.** Implementing additional body-worn cameras (BWC) and replacing many failed dash camera systems (as part of a single package) is needed to continue/expand the use of video technology and increase officer/citizen accountability. **\$86,000 – 2017, \$18,000 – 2018.**
- 3. Increase training budget per officer.** Certain state mandates require a specific amount of in-service training hours per officer/year (24). Our risk managers also require specific recurring training. To meet this statutory requirement and address the rising cost of some courses offered, an adjustment of the current training budget from \$10,000 per year to \$18,000 (based on \$1000/officer/year). **\$18,000 – 2017, \$20,000 – 2018.**
- 4. Improve emergency response capabilities through partnerships with other agencies.** Sharing resources and expertise with other public safety agencies will become a higher priority. Upgrade and add additional emergency response equipment. Opportunities to participate in regional training and Incident Management consortiums will insure that our staff will receive the most cost effective and up-to-date training and exposure to emergency response. **2017 – Ongoing.**
- 5. Seek grants and other outside funding options.** Research and secure funding sources outside normal city revenue sources to support police department initiatives. **2017 – 2018.**
- 6. Sustain our marine patrol coverage.** As funding becomes available, we will maintain the hours of marine patrol time and increase the number of hours of public education provided to the community on boating safety topics. This would also include emergency response and continued enforcement of derelict vessel laws. **2017 – Ongoing.**
- 7. Support our volunteer programs.** Our C.O.P.S. Volunteer and Police Explorer programs benefit the police department in a number of ways. Examples of this include running errands, disabled parking enforcement, and assisting with crowd/traffic control for large community events. The Police Explorers largely fund themselves and the C.O.P.S. program requires occasional uniform and

equipment items. **\$1,500 – 2017, \$1,500 – 2018.**

8. **Provide financial support for the community youth programs.** Each year, a portion of Motor Vehicle Excise Tax funds is returned to the city for distribution to local youth programs that assist at-risk youth. Historically, this money is divided between the YMCA and the Boys and Girls Club. **\$4,000 - 2017, \$4,000 – 2018.**
9. **Partnership with Pierce County DEM.** Continue our financial support to Pierce County DEM to ensure we continue our collaborative relationship. Pierce County DEM assists with our Emergency Management Response Plan among other tasks. The cost is based on a fee of \$0.85 per capita. **\$7,650 – 2017, \$8,075 – 2018.**
10. **KGHP Radio.** Continue our financial contribution to our local KGHP radio station in return for public service announcements and emergency warnings and notifications. **\$3,000 – 2017, \$3,000 – 2018.**
11. **Fund the provision of specialized services from the Pierce County Sheriff's Department (PCSD).** This special services contract allows the Gig Harbor Police Department unlimited access to the PCSO Special Weapons and Tactics (SWAT), Investigative and Forensic Unit. We will look to add the Officer-Involved Shooting Team services as part of this contract. **\$8,000 – 2017, \$10,000 – 2018.**
12. **Continue to contract dispatch and radio services through South Sound 911 and the Combined Communications Network.** The police department contracts with South Sound 911 from all emergency telephone answering and police dispatching services. We also receive nighttime law enforcement records support through this agency. Additionally, in 2015, the police department was required to migrate to a new digital 700mHz radio system that is owned by the Combined Communications Network (CCN - a consortium of Pierce County Department of Emergency Management and Pierce Transit). The CCN has implemented a system access fee (a charge per radio) that resulted in a cost of approximately \$12,000 in 2016. This fee was a reduced amount based on a one-time contribution from South Sound 911. A budget figure of \$18,000 for CCN was used in this projection. **\$260,990 – 2017, \$274,040 – 2018.**
13. **Upgrade Tasers that are over 5 years old.** The projected life span of a Taser electronic control device is 5 years. Several of these devices are due for replacement during the upcoming budget cycle. The projection is to replace seven in 2017. The current cost of a Taser X26P is \$875.00. **\$6,125 – 2017.**

14. **Replace existing handgun inventory via trade-in.** The police department issued handguns are all over 10 years old and in need of significant maintenance (i.e. springs, night sights, etc.). A trade-in program is available that would result in a net cost of \$164 per gun. The department currently owns 23 handguns. **\$3,772 – 2017.**
15. **Implement additional less-lethal force option.** To provide an additional use of force option below the level of deadly force, a 40mm sponge round launcher with training rounds, field rounds and related maintenance supplies will be added to the department inventory. **\$1,815 – 2017**

POLICE
CAPITAL OUTLAY 2017 - 2018

- 1. Upgrade Jail Transportation Van** The police department is responsible for the transportation of court defendants who are incarcerated at one of our two primary jail facilities to the Gig Harbor Municipal Court each Wednesday. As arrest levels continue to climb, the number of jail transports increases correspondingly. The police department now routinely transports greater than five inmates from either jail and if the number exceeds five, additional round-trips are required.

Additionally, the current transport vehicle is a 1999 van that was formerly used by a construction inspector for the city. When the number of inmates exceeds two, this presents a considerable officer safety predicament for the police officer performing the transport duty. A larger and more appropriate transport vehicle that is actually designed for this duty will allow for the greater number of inmate transports and significantly address the obvious officer safety considerations.

\$50,000 – 2017.

- 2. Replace older patrol vehicles in 2017.** The police department is still using three 2007/2008 patrol vehicles that have well in excess of 100,000 miles and are in need of replacement. One additional 2008 patrol vehicle can be retained for at least this biennium. **\$156,000 – 2017.**
- 3. Add additional patrol vehicles per FTE.** Each new fully-outfitted patrol car (Ford Utility) costs approximately \$52,000 (including radios, emergency equipment, graphics, and dash/BWC camera systems). Only two new patrol cars would be required in 2017, as the third position would create a second Detective assignment. The police department has an unmarked vehicle that can be utilized by this Detective during the upcoming budget cycle. **\$104,000 – 2017, 104,000 – 2018.**

Total Capital Outlay is \$414,000.

2017-18
STAFF ADJUSTMENTS

I. *Check One:* Request to add a position:

2017 – 3 FTE Police Officers
2018 – 1 FTE Police Officers

Request to delete position:

Request to reclassify a position:

Salary: From \$ 5,411
To \$ 6,765
Change Date: 2017 & 2018

II. *Explanation for deleting position(s) (include description of position and rationale for deleting position):*

III. *Explanation for adding new position(s) (include description of new positions' responsibilities, impact of office staff and work load, circumstances which resulted in new responsibilities being created, and funding support):*

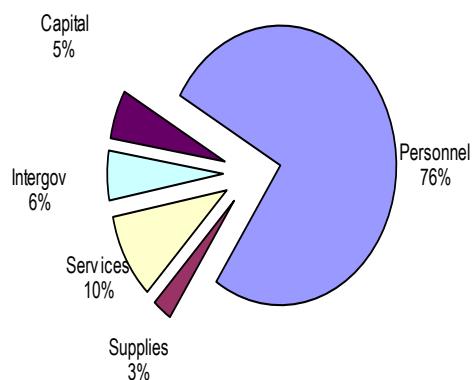
2017 - Add three new police officer positions to meet growth and activity demands within city. These positions will be phased in during the year, one in January, one in April and one in July (with Council approval). One of these positions will create a second detective position. This will increase the officer population ratio to approximately 2.17. Police calls for service are up over 25% in past five years with additional housing and retail growth forthcoming. Arrest totals are increasing at an even faster rate. Calls per officer have increased from 491 (2011) to 558 (2015). More calls for service are requiring additional time spent by the officer (mostly due to changes in law).

2018 – Add one new police officer position in January with Council approval. Population and retail growth projections show continued expansion at a steady rate. Additional officers will be needed to match the corresponding activity levels and provide for effective public safety.

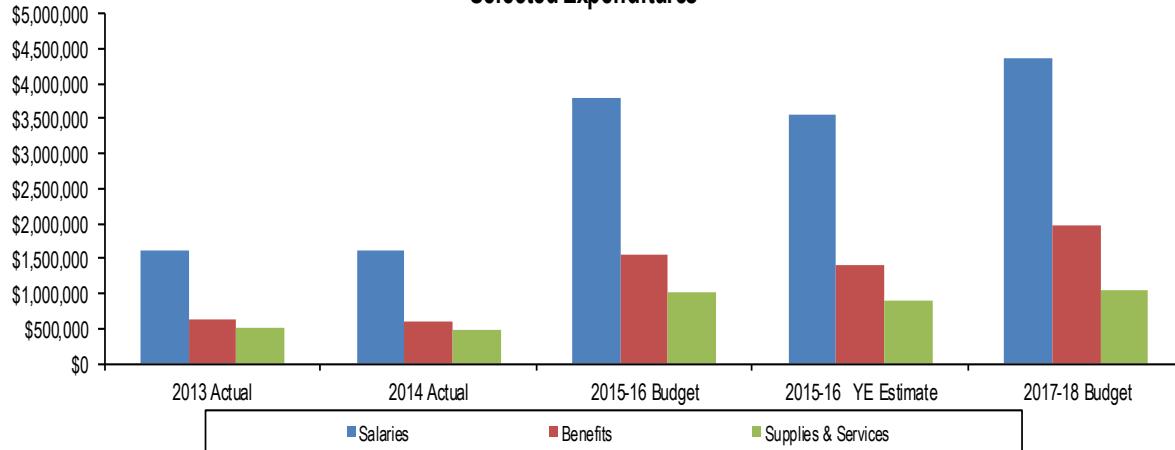
Expenditures By Type

| Category | 2013 Actual | 2014 Actual | 2015-16 Budget | 2015-16 YE Estimate | 2017-18 Budget |
|---------------------------|---------------------|---------------------|---------------------|------------------------|---------------------|
| Salaries | \$ 1,628,945 | \$ 1,628,287 | \$ 3,800,000 | \$ 3,569,408 | \$ 4,361,900 |
| Benefits | 618,905 | 611,570 | 1,569,500 | 1,398,652 | 1,964,500 |
| Supplies | 141,048 | 129,833 | 288,900 | 238,977 | 224,000 |
| Services | 361,327 | 340,308 | 727,102 | 668,417 | 824,880 |
| Intergov't charges | 85,529 | 106,825 | 224,000 | 334,141 | 477,000 |
| Capital expenditures | 81,782 | 100,821 | 289,500 | 347,039 | 471,700 |
| Total expenditures | \$ 2,917,536 | \$ 2,917,644 | \$ 6,899,002 | \$ 6,556,634 | \$ 8,323,980 |

2017-18
Budget



Selected Expenditures



DESCRIPTION OF FUNCTION
PLANNING

1. **Professional policy guidance.** Provide professional policy guidance to the Mayor, City Council, Planning and Building Committee, Planning Commission, Design Review Board and other city departments on all matters related to land use and long range comprehensive planning within the city and its unincorporated urban growth area (UGA).
2. **Community planning activities.** Provide direction for community planning efforts, including the downtown and shoreline planning efforts, economic and community development, future capital facility needs and facilitation of community participation in city planning efforts.
3. **Land use permit process.** Administer the City of Gig Harbor's land use permit process.
4. **Hearing Examiner.** Provide administrative services for the office of the Hearing Examiner. Prepare staff reports for hearings.
5. **Urban growth area project review.** Review applications and environmental assessment reports on projects within unincorporated Pierce County lying within the city's urban growth area in order to provide comment on the impacts and recommended mitigation measures to the Pierce County Department of Planning and Land Services.
6. **Development Agreements.** Administer the process for review of development agreements related to land use permits.
7. **Long Range Planning.** Review and update city land use development codes and maps, as appropriate. Update the Gig Harbor Municipal Code to reflect changes in state law.
8. **Annexation guidance.** Provide guidance to landowners or interest groups who desire to annex unincorporated areas into the City of Gig Harbor, consistent with state law and the city's annexation policy. This includes conducting the required census of newly annexed areas and the submittal of data to the Office of Financial Management. Census for large areas will typically be contracted out to a professional team.
9. **Code enforcement.** Provide enforcement of the city's land-use development, environmental and nuisance codes in a fair, equitable and timely manner.
10. **Inter-governmental relations.** Act as liaison between city, county, regional, state, tribal and federal governmental organizations and agencies, representing the interests of the City of Gig Harbor and its citizens. This includes continued

involvement in inter-jurisdictional coordination under the Growth Management Act through participation and attendance at the Growth Management Coordinating Committee meetings, appropriate Puget Sound Regional Council committee meetings, and participation in the West Central Local Integrating Organization's salmon restoration planning efforts for WRIA 15.

11. **Annual population changes.** Annually evaluate and inventory population changes within the city and its urban growth area. Provide data to the state Office of Financial Management (OFM) and provide maps of annexed areas to the U. S. Census Bureau. **April.**
12. **Capital facility planning.** Work with the Public Works and Finance Departments to identify capital facility needs and funding mechanisms. As necessary, prepare amendments to the Capital Facilities Element for adoption with biennial budget. **Biennially.**
13. **Land use fees.** Review land use fees to determine if they are current. **Annually.**
14. **Historic Preservation.** Continue to implement the Certified Local Government (CLG) program under the Washington State Department of Archaeology and Preservation (DAHP) to identify, evaluate, designate and protect designated historic resources within the boundaries of the City of Gig Harbor for future generations including the implementation of special valuations, a property tax incentive, as provided in Chapter 84.26 RCW.
15. **Grants.** Track, apply for, and administer local, state, and federal grants specific to Planning's functions.

NARRATIVE OF GOALS 2017 – 2022 PLANNING

1. **Comprehensive Plan Full Certification - Small Cities Growth Allocation.** Technical review and analysis regarding growth allocations within the City of Gig Harbor Comprehensive Plan, specifically the Transportation Capacity Model and Transportation Element. The scheduled work program drafted with the Engineering Division outlines updates to the Transportation and potentially the Land Use and Economic Development Elements. This project will require continued attendance to working groups with the Pierce County Growth Management Coordinating Committee, Puget Sound Regional Council, and other working groups that may be formed beyond 2017. Planning Commission is scheduled to complete their review of the proposed amendments by end of September in order to provide for City Council review and final action by December 30, 2017. **2017.**
2. **Annual Comprehensive Plan update.** Annually consider amendments needed to respond to changes in law, policy direction from City Council, and City infrastructure needs. Review privately initiated amendments through the annual docket process. **Annually.**
3. **Evaluation of population changes.** Submit development activity to Pierce County in preparation of future buildable lands reports, additionally work with Washington State Office of Financial Management reporting annual growth in order to have an accurate June 1 population assumption. **Annually.**
4. **Public involvement in the implementation of development regulations.** Explore new methods of encouraging and educating citizen and neighborhood groups so they may provide constructive input during comment periods. Develop a public outreach and engagement program which could include off-site Planning 101 presentations and focused topic seminars at the Civic Center. Continued use of www.gigarborplanning.com, bulk mailing companies, and email notification programs such as Constant Contact will allow more interested parties to find out about planning activities. **Ongoing.**
5. **Client relationships.** Continue to improve overall client relationship performance respective to permit application consultation, code familiarization, permit review and inspection services. Participate in refining permit-tracking processes to provide greater oversight and implementation of central permit coordination. Improve the efficiency of front counter assistance relative to the provision of accurate responses to inquiries and the receiving and organizing of permit applications. Update existing client assistance memos and develop additional client assistance memos on typical permit types and common planning questions. Consider electronic plan submittal and review as a way to increase efficiency in the permit review process. **Ongoing.**

6. **Future capital facility needs projections.** The planning staff will work closely with the Public Works and Finance departments to develop projections for needed capital facilities and financing mechanisms. If amendments to the Capital Facilities Element are necessary, planning will facilitate the processing of the amendment along with the adoption of the biennial budget. **Ongoing.**
7. **The Harbor Element.** Support the Transportation Element update and downtown transportation planning being conducted by Public Works. The outcome of the new transportation plan will provide the Planning Commission the background necessary to review and recommend zoning code and map amendments implementing the Harbor Element, which would occur in future years. **2017 – 2018.**
8. **Update File Management.** In coordination with other departments, continue to analyze filing needs, develop a proposal for, and estimate cost of a new filing system, including required copying onto electronic media, equipment to read and/or copy documents, and storage of existing hard copy files. Continue efforts to manage files based on the State-approved records retention schedule; archiving and purging files as allowed by the schedule and scanning files of historic importance. Consider electronic permit review to reduce on-site storage needs. **2017 - 2018.**
9. **Coordinate and communicate with Pierce County land use planners.** Continue to increase coordination and communication with Pierce County land use planners on the peninsula. Continue with the development of a joint planning agreement between the City Council and Pierce County Council that will address coordination of permit review. **Ongoing.**
10. **Code Enforcement.** Maintain integrity of development regulations through fair, equitable and reasonable enforcement of city standards. Code enforcement is centralized into one part-time code enforcement officer to handle nuisance, critical area, land use, shoreline, clearing and grading, dirty water and work-without-permit complaints for the Planning, Building/Fire Safety and Public Works departments. Along with responding to complaints, activities will include education to citizens, business owners and land owners on code requirements. **Ongoing.**
11. **Certified Local Government Program.** Continue to implement the CLG program under DAHP. Revitalization of historic downtowns and adaptive reuse of historic districts and buildings conserves resources, uses existing infrastructure, generates local jobs and purchasing, supports small business development and heritage tourism and enhances quality of life and community character. Use the results of the Dec-2008 CLG funded Cultural Resources Survey and future historic property surveys to refine the Historic District boundaries and characteristics for zoning and Design Review Guidelines, register city-owned historic properties, continue making application for county, state and federal pass-through grants under the CLG program. **Ongoing.**

NARRATIVE OF OBJECTIVES 2017 – 2018 PLANNING

1. **Comprehensive Plan Full Certification - Small Cities Growth Allocation.** As required by PSRC, in order to receive full certification of our Comprehensive Plan and remain eligible for federal transportation funding opportunities, the Planning department and Engineering division must amend the Transportation Element, update the Traffic Demand Model, and analyze the other elements of the Comprehensive Plan for consistency. Additionally, policy amendments are needed to direct the City to evaluate future plan and zoning amendments for consistency with the regional growth strategy. Additional Comprehensive Plan amendments are needed to clearly state the City's policy that growth pays for growth and to avoid any City incentives for additional growth above the adopted 20 year targets. Council passed Resolution No. 1037 addressing these conditional requirements and work program on May 23, 2016. This work must be complete by end of year 2017.

GHMC Amendments, Land Use, Housing, Economic Development, Parks and Recreation, and Capital Facilities Elements. **\$25,000** (This does not include the Public Works department objectives that will inform the 2017 Comprehensive Plan Update, particularly the Transportation Element and Travel Demand Model).

2. **Annual Comprehensive Plan Amendments.** Review and process annual amendment docket. Amendments for each annual docket are due by the end of October the preceding year. **Annually.**
3. **Process improvements.** Continue to develop text amendments, standard operating procedures, and client assistance memos which increase permit processing efficiency and improve customer service. Implement the recommendations from the 2016 Latimore Company Review. **Ongoing.**
4. **Land Use Text Amendments.** Respond to State and Federal legislation such as sign code amendments related to recent Federal case law. Update the City's Hearing Examiner rules and procedures to clarify public hearings and appeal hearings. Process private-party text amendments initiated by the City Council. Review the Planning Commission's work program annually with the City Council. As necessary, reduce the frequency of Planning Commission meetings to once a month to provide staff and the commission adequate time to prepare for and review the active text amendments. **Ongoing.**
5. **Balance long-range and current planning tasks.** Balance tasks to maintain and improve upon permit processing timelines as permit volume continue increasing. **Ongoing.**
6. **FEMA Special Flood Hazard Area Regulations.** Continue working with the City's consultant to prepare an approach for habitat assessment review of development projects within the Special Flood Hazard Area. Under FEMA required regulations,

almost all projects within the defined area must complete a habitat assessment to show that the project will not affect or will not likely adversely affect endangered species. Currently, the review is conducted on a project-by-project basis, with each project paying an average of between \$2,000 and \$5,000 in consultant fees to prepare the assessment. After discussion with FEMA personnel, they are open to the possibility of the City conducting a programmatic habitat assessment or making other code amendments that could ease the financial and time burden for smaller projects. **\$20,000 – 2017**

7. **Public Outreach and Engagement Program.** Explore new methods of encouraging and educating citizen and neighborhood groups so they may provide constructive input during comment periods. Develop a public outreach and engagement program that would include a variety of tools to educate citizens on complex land use planning issues. Topics could include planning laws, permit process, SEPA, comprehensive plans, design review, Growth Management Act. The program would include off-site Planning 101 presentations to neighborhood groups and organizations and focused topic seminars at the Civic Center. **2017-2018**
8. **Annexation Feasibility Study.** Hire a consultant to assess the feasibility of annexing the 13 different UGA areas identified in the Comprehensive plan. Both Pierce County and Puget Sound Regional Council desire the City to annex all our affiliated UGA areas by 2030. A feasibility study would help the City prioritize areas for annexation as well as identify issues and opportunities for each area (fire flow/taxes/incompatible uses/infrastructure needs/form of annexation). **\$50,000 – 2017**

PLANNING
CAPITAL OUTLAY 2017 - 2018

Total Capital Outlay is \$0

2017
STAFF ADJUSTMENTS

I. Check One:

() Request to add a position:

() Request to delete position:

(X) Request to reclassify a position

2017 Salary Ranges:
Assistant Planner, \$4,467 - \$5,583
Associate Planner, \$5,148 - \$6,435
Senior Planner, \$6,433 - \$8,041

*Salary: As Shown
Change Date: January 1, 2017*

II. *Explanation for deleting position(s) (include description of position and rationale for deleting position):*

III. *Explanation for adding new position(s) (include description of new positions' responsibilities, impact of office staff and work load, circumstances which resulted in new responsibilities being created, and funding support):*

IV. *Explanation for reclassifying position(s)*

The three separate Planner job classifications (Assistant Planner, Associate Planner, and Senior Planner) would be combined into one Planner Classification Series. This would affect one assistant planner, two associate planners, and two senior planners. No new FTEs would be created.

The classification would have three steps based on a combination of factors such as longevity at city, proven skills, knowledge, performance, education, and certifications. Planners would move through the steps, if desired, via internal review process of Human Resources and the City Administrator. Current staff would enter the series at their current step. Assistant Planner, Associate Planner, etc. would be working titles.

This new classification series would be used as a retention tool in order to reduce the high cost, both in money and time, of staff turnover. As the construction economy continues to boom, more and more planning jobs are becoming available at other jurisdictions and the City could lose quality planners to higher level positions. A planner classification series helps with employee growth and satisfaction as well as provides benefits to the City via retained historic knowledge, community relationships, and efficiency in permit processing.

2017

STAFF ADJUSTMENTS

I. *Check One:* *Request to add a position:*

Request to delete position:

Request to reclassify a position

Salary: From \$4,333
To \$5,416
(2017 rate / 3% below
Assistant Planner range)
Change Date: January 1, 2017

III. *Explanation for adding new position(s) (include description of new positions' responsibilities, impact of office staff and work load, circumstances which resulted in new responsibilities being created, and funding support):*

IV. *Explanation for reclassifying position(s)*

This request include two elements: 1) reclassifying the Planning Assistant to a Planning Technician, and 2) adding a new Planning Technician July 1, 2017 with Council approval. These two changes will help the Planning Department handle the increased permit volume and the increased need for public outreach and information.

In 2007, the 4 current planners in the department handled approximately 110 permits each. This case load exceeded the department's ability to be responsive to applicants and meet statutory timelines and an additional associate planner was added in late 2007. With 5 current planners in 2008, the average case load was 75 permits. The department began to see permits numbers drop in 2009 and an associate planner was laid off. Due to the recession and permit volume decline, the average planner case load was between 60 and 75 for 2009 - 2011. Permit volumes have increased since 2011, with an average annual case load size of 100 between 2012 and 2015. For 2016, the case load is expected to be 116 permits. As such, the current planners are not able to respond as quickly as proscribed by our department policies; department stress levels have increased; and, therefore, there is a greater potential that required deadlines will not be met.

The re-class to Planning Technician and an addition of a Planning Technician will allow the workload to be redistributed amongst the planners and technicians. The Planning Technicians will retain the current administrative duties of the Planning Assistant, but will add the review of minor permits such as special use permits, business licenses,

temporary signs, special event permits, etc. This will allow the department to concentrate review of single-family residential (SFR) to the assistant planner level; SFR review is the highest permit type by volume. The shift downward of permit types will also allow the associate and senior planner levels to review the more complex permits without having to juggle simpler permit types. Furthermore, the technicians will take over all counter duty, freeing up 40 hours a week of planner time that can be dedicated to permit review.

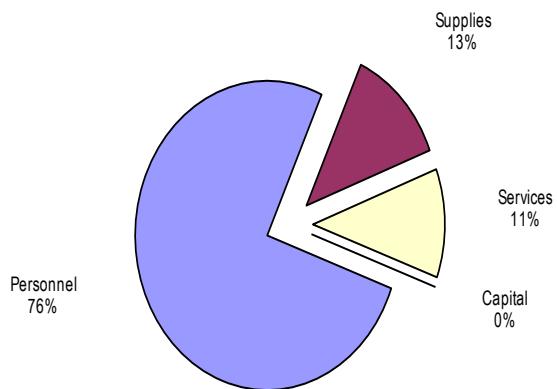
The two Planning Technicians will also allow the department to increase its public presence and outreach. The technicians will handle all public inquires for the department both in person, by phone, and online. They will handle website updates, Constant Contact noticing, and any other new technology employed for public outreach and permit efficiency, such as electronic plan submittal. They will handle the typical permit technician duties: permit intake, completeness review, scheduling of meetings, file and records management. They will also share in the support duties for the DRB, Planning Commissions, Planning and Building Committee, and Hearing Examiner.

The Planning Assistant position will remain on the salary schedule and will be unfilled and unfunded. If it needs to be filled in the future, it will be requested through the budget process.

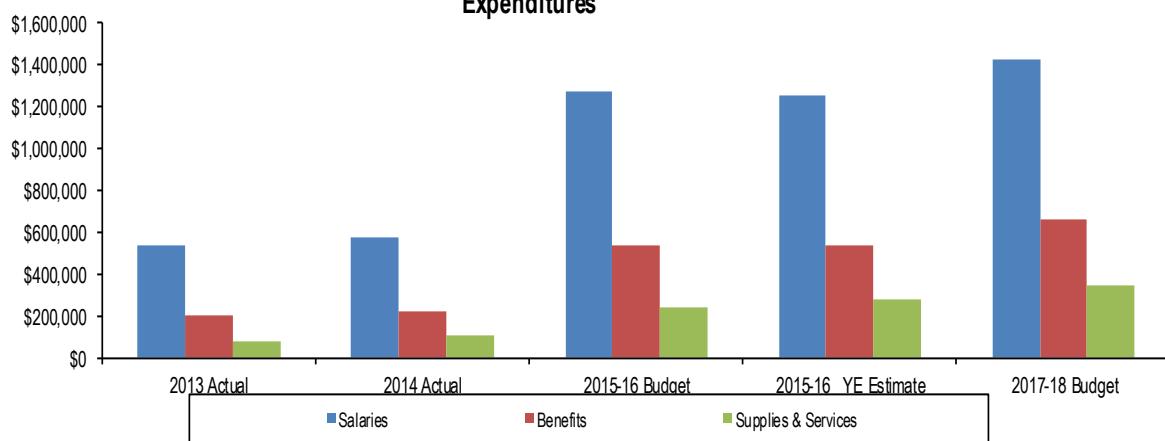
Expenditures By Type

| Category | 2013 Actual | 2014 Actual | 2015-16 Budget | 2015-16 YE Estimate | 2017-18 Budget |
|---------------------------|-------------------|-------------------|---------------------|------------------------|---------------------|
| Salaries | \$ 540,821 | \$ 578,091 | \$ 1,276,500 | \$ 1,254,864 | \$ 1,428,200 |
| Benefits | 204,069 | 224,949 | 539,200 | 538,143 | 664,600 |
| Supplies | 10,218 | 14,840 | 27,200 | 28,846 | 28,900 |
| Services | 65,485 | 91,687 | 215,100 | 245,378 | 312,200 |
| Capital expenditures | - | 70 | - | - | - |
| Total expenditures | \$ 820,593 | \$ 909,637 | \$ 2,058,000 | \$ 2,067,231 | \$ 2,433,900 |

2017-18 Budget



Expenditures



BUILDING & FIRE SAFETY
DESCRIPTION OF FUNCTION

1. **Policy guidance.** Advise City officials on policy matters related to building construction, provisions of fire and life safety, and code enforcement.
2. **Community activities.** Promote community health and safety by providing information and education on matters related to building construction; fire and life safety.
3. **Construction permitting and code compliance.** Advance safety and durability in the city's built environment through review, permitting, inspection and approval of all work regulated under GHMC Title 15.
4. **Fire prevention.** Reduce hostile fires through fire code enforcement, fire and explosion investigation, and inspection of commercial occupancies.
5. **Intra/inter-jurisdictional cooperation.** Promote coordination between departments by participating in pre-application conferences and reviewing land use, annexation, and civil construction proposals.
6. **Historic structure codes.** Promote preservation of the city's heritage and sustainable development through the adoption and application of codes addressing the unique aspects of historic structures.

NARRATIVE OF GOALS 2017 – 2022
BUILDING & FIRE SAFETY

1. **Maintain up-to-date construction codes.** Enhance public safety and support a healthy construction industry through maintenance of up-to-date construction codes enabling clear, consistent, and predictable application of code provisions. **2017 – 2018.**
2. **Incorporate information technology upgrades in the plan review and inspection programs.** Increase efficiency by using information technology to review and revise plans; access the land information system, codes, and technical information in the field; and facilitate information sharing with customers at their project sites. **2017 - 2018.**
3. **Provide on-demand access to building/fire safety information.** Provide the public with 24/7 access to code, permitting, construction technology, and other pertinent information through the building and fire safety web page with appropriate resource links. **2017 - 2018.**
4. **Continue the Development of a comprehensive fire code compliance program.** Assure public safety and favorable insurance rates by maintaining, within budgetary limitations, a fire code compliance program consistent with GHMC Title 15 and Washington Survey and Rating Bureau requirements. **2017 - 2018.**

NARRATIVE OF OBJECTIVES 2017 – 2018
BUILDING & FIRE SAFETY

1. **Maintain staff competency, professionalism and certifications.** Maintain staff competency, professionalism, and certifications through participation in code update and other relevant professional development opportunities. **December.**
2. **Archive departmental files in digital format.** Scan plans and project files, both new and historic to digital format in order provide improved access and reduce the risk of loss in the event of a disaster. **December & Ongoing.**
3. **Provide fire inspection and investigation programs.** Provide for inspection of work done under fire code construction and operational permits and business licenses issued by the city, and for fire investigations compliant with state law. **December & Ongoing.**
4. **Update informational handouts related to department activities and procedures.** Update informational materials related to department activities, policy and procedures making such information available in various media formats. **December.**
5. **Fully develop the City permit tracking program for permit management and data reporting.** Investigate upgrades to the City permit tracking portal for implementation as needed. **December.**
6. **Electronic plan review program.** Maintain a sustainable, efficient and user-friendly electronic plan review program. The program must be cost effective and able to be utilized across all community development departments. **January.**
7. **Purchase a replacement and new vehicle.** The BFSD has been down one vehicle and will need to replace an additional older vehicle having consistent mechanical issues within this budget cycle. **\$25,000 – January – December.**

**BUILDING & FIRE SAFETY
CAPITAL OUTLAY 2017 - 2018**

Purchase 1 inspection vehicle. **\$25,000 – January- December.**

Total Capital Outlay is \$25,000.

**2017-18
STAFF ADJUSTMENTS**

Building & Fire Safety

Request to add one FTE Building Inspector in the 2017-2018 budget to start April 1, 2017.

Salary range: \$5,021 - \$6,277

Background:

With the economic downturn in 2008 the Building/Fire Safety Department experienced a significant reduction-in-force taking the department to staffing levels below those of 2002. Since 2009 the department's workload and revenues have increased considerably resulting in increasing delays in permit processing. The trend toward growing workloads for the department's plan review and inspection staff appears set to continue with significant residential and commercial development in the pipeline.

In order to maintain a consistent level of service, which has been a contributing factor to our construction industry's early recovery and resulting positive effect on City revenues, the Department proposes reinstating an FTE building inspector position in the 2017-2018 budget. We believe the figures support this reinstated position which will allow us to continue to meet performance measures and statutory responsibilities while ultimately supporting the health of our construction industry and economy.

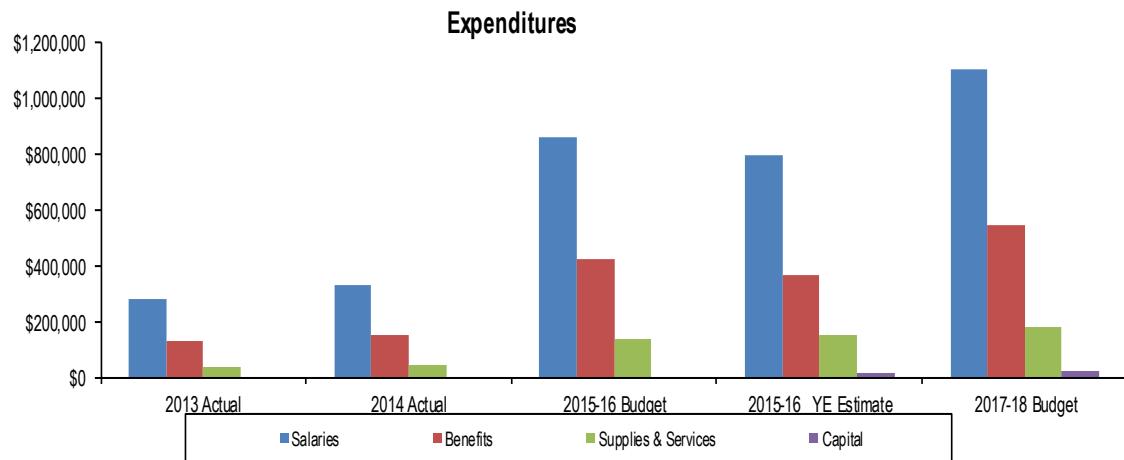
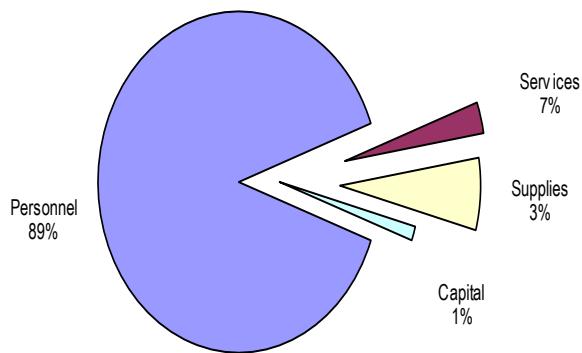
The following data generally reflects the department's activity levels since 2009:

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---------------------|---------|---------|---------|---------|---------|-----------|-----------|
| Permit applications | 458 | 520 | 664 | 951 | 787 | 1033 | 997 |
| Inspections made | 3847 | 2837 | 3542 | 6016 | 5575 | 6253 | 7474 |
| Total revenue | 321,349 | 460,603 | 796,206 | 944,287 | 884,352 | 1,120,137 | 1,753,451 |

Expenditures By Type

| Category | 2013 | 2014 | 2015-16 | 2015-16 | 2017-18 |
|---------------------------|-------------------|-------------------|---------------------|---------------------|---------------------|
| | Actual | Actual | Budget | YE Estimate | Budget |
| Salaries | \$ 280,649 | \$ 333,737 | \$ 858,098 | \$ 793,155 | \$ 1,105,800 |
| Benefits | 130,133 | 154,147 | 423,622 | 364,723 | 545,300 |
| Supplies | 12,470 | 5,743 | 36,000 | 44,087 | 55,000 |
| Services | 27,380 | 38,424 | 98,515 | 108,452 | 127,000 |
| Capital expenditures | - | 24,999 | 15,000 | - | 25,000 |
| Total expenditures | \$ 450,632 | \$ 557,050 | \$ 1,431,235 | \$ 1,310,417 | \$ 1,858,100 |

2017-18
Budget



DESCRIPTION OF FUNCTION

PUBLIC WORKS

The Public Works Department is responsible for a wide variety of infrastructure services to the public. Primarily, this involves streets, storm drains, potable and waste water, parks and recreation, building maintenance, and lighthouse maintenance. These services are generally provided by three groups – Operations, Engineering and Wastewater. Below is a more detailed description of each section's function under the Public Works umbrella.

Operations

City of Gig Harbor operations section is responsible for the maintenance of the city's infrastructure including roads, storm drain, parks, water utility, building maintenance, and city-owned equipment.

1. **Streets.** The Streets Division is a general fund function that is responsible for the upkeep of all municipal roadways. This responsibility includes: planning and constructing capital improvements for future growth, right-of-way mowing, street sweeping, vegetation control, asphalt and concrete repair (roads and sidewalks), crosswalk and other pavement markings and striping, street name and regulatory signs and miscellaneous duties that impact the city roadways.
2. **Storm Water.** The storm and surface water management function in an enterprise fund that is responsible for the upkeep of all municipal owned drainage conveyances that collect and discharge surface and storm water. This responsibility includes: roadside ditch cleaning, shoulder grading, catch basin and storm detention pond inspection/cleaning, street and driveway culvert inspection/cleaning, and other miscellaneous duties to help prevent or reduce flooding and protect the environment.
3. **Water.** The Water Division is an enterprise fund that is primarily responsible for water supply and distribution. This responsibility includes: planning and constructing capital improvements for future growth, collecting and testing water samples to ensure water quality, maintaining pumps and electrical motors, fire hydrant repair, and pipe repair. This function also provides meter installation and repairs services, operates and maintains the automated supervisor control and data acquisition (SCADA) system and other miscellaneous duties that help us provide safe drinking water to our customers.
4. **Parks.** The Parks Division is a general fund function that is responsible for the development, repair and maintenance of all city owned parks in the City of Gig Harbor. This responsibility includes: park master planning, exterior facility maintenance and repair, landscape maintenance including the roundabouts and streetscapes. This activity also provides special support services such as upkeep of flower baskets and planters during the spring and summer months, and other miscellaneous duties that keep the city parks functioning efficiently and effectively.

5. **Fleet.** The Fleet Management function is supported by various city funds and is responsible for the maintenance of all light and heavy-duty vehicles and off-road equipment owned and operated by the city. This responsibility includes acquisition of new city vehicles and the resale of city vehicles that have reached the end of their useful life. This function also manages the purchasing, storing and distribution of fuels and automotive parts, contract and vendor management and other fleet related duties that support city operations.
6. **Gig Harbor Lighthouse.** The lighthouse function is a special revenue fund that is responsible for the repair and maintenance of the Gig Harbor lighthouse.
7. **Building Maintenance.** Building maintenance is a general fund function that supports the operation and maintenance of two City general-use buildings (Civic Center at 3510 Grandview Street and Visitor's Center at 3125 Judson Street).

Engineering

Engineering is considered a General Fund division of Public Works that is also supported by other Public Works funds. The narrative of goals for Engineering are shown in this section of the budget. However, the narrative of objectives for Engineering has been incorporated into the narrative of objectives for the various other fund sections of this budget. Engineering is primarily responsible for carrying out city infrastructure improvements and review of public, city capital, and private developer funded development projects. This includes various permit reviews of all development that affects public infrastructure. Engineering also implements city-wide studies in order to identify and implement improvements to infrastructure as well as performing long-range infrastructure planning duties. Engineering comprises capital improvement and development review functions. Engineering also provides support, engineering, permit and project management services to all the various divisions of the Public Works Department. Engineering also works closely with other city departments, elected officials, and the public to ensure that our infrastructure is designed and installed properly and that it meets all local, state, and federal standards and guidelines. Engineering over the years has established a partnered and effective interlocal agency partnerships with other local and state agencies including; Pierce County, Washington State Department of Transportation, Washington State Department of Fish and Wildlife, Washington State Public Works Board, Washington State Transportation Improvement Board and the Department of Ecology.

Wastewater

The Wastewater Division is an enterprise fund that is primarily responsible for collecting and treating wastewater. This wastewater, which is generated from residences, businesses and other users, is collected and safely conveyed to the city's wastewater treatment facility for treatment then treated and discharged in a safe, efficient and environmentally sound manner in accordance with permit requirements. This function is also responsible for planning and constructing capital improvements for future growth, annual inspections and cleaning of wastewater main lines, wastewater manhole inspection and cleaning, general system operation, wastewater pump stations maintenance, and bio-solids hauling and disposal.

NARRATIVE OF GOALS 2017 – 2022
PUBLIC WORKS

Operations

Long-range goals are summarized under the Narrative of Goals within each of the parks, streets, water, storm water, and building maintenance sections of this budget document.

Engineering

1. **Implementation of Comprehensive Plan.** As financially feasible, construct the identified water, storm, wastewater, parks, and transportation improvements specified within the city's comprehensive plan and associated utility planning documents. **2017 - 2022.**
2. **Public works standards.** Periodically update the water, storm, wastewater, parks, and transportation elements of the Public Works Standards as needed. **2017 - 2022.**
3. **Development review.** Review plans for and perform construction inspection of the public portion of private development projects to ensure they meet the city's standards. **2017 - 2022.**
4. **Transportation Improvement Plan.** Develop and implement the annual update to the Six Year Transportation Improvement Program, consistent with the Comprehensive Transportation Plan. **2017 - 2022.**
5. **Interagency Partnerships.** Maintain the established partnerships and develop additional partnerships with other local and federal agencies.
6. **ADA transition Plan.** Implement and update the transition plan to address citizen concerns as well as Federal mandates.
7. **Grants.** Track, apply for, and administer local, state, and federal grants. Examples include the various state RCO grants, salmon recovery/environmental grants (SRFB, nearshore, PC salmon fund, conservation futures, etc.), federal grants & appropriations (EPA, STAG, Dept. of Interior, HUD-EDI, etc.), various state grants (Urban Vitality, DNR, DOE, CTED, etc.).

Wastewater

Long-range goals are summarized under the Narrative of Goals within the wastewater sections of this budget document.

**NARRATIVE OF OBJECTIVES 2017 – 2022
PUBLIC WORKS**

Plan, construct, and maintain city infrastructure. See specific list of objectives summarized within the city's park, street, water, building maintenance, wastewater and storm water sections of the budget.

**CAPITAL OUTLAY 2017 – 2022
PUBLIC WORKS**

Operations – see Parks, Street, Water, and Storm sections for a detailed description of capital outlay.

Engineering – see Parks, Street, Water, Wastewater and Storm sections for a detailed description of capital outlay.

Wastewater - see Wastewater section for detailed description of capital outlay.

DESCRIPTION OF FUNCTION
PARKS DIVISION - OPERATING

The Parks Operating Division is responsible for providing a variety of quality outdoor recreational opportunities and facilities for the citizens of Gig Harbor and visitors. Staff provides services for acquisition, development, planning, maintenance, cleaning, repair and improvement of over 132 acres of park land and 8.45 miles of trails and support facilities, including 11 restrooms, 60 garbage cans, 24 dog bag dispensers, as well as inventory and testing of city-owned backflow devices. This includes aesthetic, functional, and seasonal features along city arterials and pedestrian corridors such as the hanging flower baskets and banners. The program also provides support for the annual city parade and other community events utilizing city facilities and providing recycling opportunities.

**NARRATIVE OF GOALS 2017 – 2022
PARKS DIVISION - OPERATING**

1. **Trail patrol program.** Look into developing and implementing a trail patrol program at the Parks Commission's request. Staff support would include coordination with community volunteer group. **2017 - 2022.**
2. **Park recycling program.** Continue to expand the recycling program in city parks. **2017 - 2022.**
3. **Volunteer program.** Utilize the volunteer program with a list of pre-determined tasks. **2017 - 2022.**
4. **Donation process.** Utilize the donation policy to include standard locations and furnishings pre-determined by Public Works and the Parks and Arts Commissions, as appropriate. **2017 - 2022.**
5. **City parks information on website.** Provide up-to-date information and detail on city parks, including driving directions, available amenities, the donation policy, and park boundaries. **2017 - 2022.**

NARRATIVE OF OBJECTIVES 2017 – 2018
PARKS DIVISION - OPERATING

1. **Holiday decorations.** Decorate streetscapes along city arterials with seasonal banners throughout the year. Decorate during the winter holiday season with cedar garlands and bows to bring a warm, festive look to the harbor. **Work with business groups and merchants to offset the cost - \$6,000 – 2017, \$6,000 – 2018.**
2. **Concerts in the park.** Provide support for weekly concerts at Skansie Brothers Park during the summer months and tree lighting event. (Financed entirely by corporate community support.) **\$26,000 – 2017, \$26,000 – 2018.**
3. **Movies in the park.** Provide support for monthly outdoor movies at Skansie Brothers Park and Donkey Creek during the summer months using a portable screen. (Financed entirely by corporate community support.) **\$4,000 – 2017, \$4,000 – 2018.**
4. **Seasonal flower baskets and city planters.** Coordinate with community group who will purchase, plant and maintain all city-owned planters and flower baskets. Provide assistance with selection, locations, placement and removal of hanging baskets. **\$2,000 – 2017, \$2,000 – 2018. (Work with business groups and merchants to offset the cost.)**
5. **Wilkinson Farm Park Tree Removal.** Wilkinson Farm Park contains an historic holly grove that was established around 1925 for the sale of harvested holly and crafted wreaths. Over the years, maple trees have encroached on the grove, putting the health of the holly in danger. In order to reclaim the orchard, the overgrown maple trees need to be thinned **(In house).** **\$4,000 – 2017, \$4,000 – 2018.**
6. **Seasonal Hire.** Hire eight (8) seasonal help with work in parks, streets, water and storm. **Estimated cost is \$123,000 - 2017 (Parks - \$61,500 Street - \$24,600, Water - \$12,300, Storm - \$24,600), 123,000- 2018 (Parks - \$61,500, Street - \$24,600, Water - \$12,300, Storm - \$24,600).**
7. **Video Surveillance.** Purchase two (2) wireless monitor system for security and safety. These systems are currently in place and have proven to be effective. Restroom and park vandalism is a concern and the systems in place have proven to be effective. This system is portable. **\$6,000 – 2017, \$6,000 – 2018.**
8. **Cushman Trail Markings.** Restripe Cushman trail and provide location markers. **\$5,000 – 2017.**
9. **Crescent Creek Ball Field Restoration.** Renovations and repairs to ball fields to include re-leveling the field, installing functional drainage system, irrigation

upgrades and fencing fabric replacement. **\$125,000 – 2017.**

10. **KLM Ball Field Restoration.** Renovations and repairs to ball fields to include re-leveling the field, installing functional drainage system, irrigation upgrades and fencing fabric replacement. **\$65,000 – 2017.**
11. **Donkey Creek Park.** Renovations and repairs to park to include leveling, installation of functional drainage system, irrigation upgrades and fencing fabric replacement. **\$40,000 – 2018.**
12. **Maritime Pier Groundwater Monitoring.** Complete the removal of the contaminated soil and perform confirmation post soil sampling to confirm that the contaminated soil has been removed and delist the property from the hazardous list of State contaminated sites. **\$100,000 - 2017.**
13. **Cartegraph OMS Enterprise Platform Licensing.** Continue to operate the existing Public Works citizen request work order and advanced asset management software for the City's facilities, public spaces and infrastructure. Enterprise Platform includes Cloud Shared Hosting Subscription and Support for 50 users. ArcGIS license pack for 50 users integrates system with Esri to use location to make work, asset, request and resource data more useful and accurate. Also obtain further support through AWCs GIS consortium. **\$25,000 – 2017 (Parks \$6,250, Streets \$6,250, Water \$6,250, Storm \$6,250) \$25,000 – 2018 (Parks \$6,250, Streets \$6,250, Water \$6,250, Storm \$6,250).**
14. **Water Bottle Filling Station.** Construction two (2) water bottle filling stations. This would increase public awareness to carry refillable containers and keep plastic out of the landfills; the station would have information about the advantages of refilling bottles. **\$4,000 – 2017 (Parks \$2,000, Water \$2,000) \$4,000 – 2018 (Parks \$2,000, Water \$2,000).**
15. **Trash Can Replacement Program.** The lids and liners of existing cans are in constant need of replacement and refinishing. It is requested parks upgrade to a powder coated metal style for parks and street receptacles. **\$10,000 – 2017 (Parks \$5,000, Street \$5,000).**
16. **Herbicide Shed.** Construct a designated building to securely store herbicide inventory. Herbicides can be toxic and pose environmental and occupational hazards if improperly stored, a dedicated area would protect chemicals from external elements. **\$5,000 – 2018(Parks \$2,500, Streets \$2,500).**
17. **Movie Screen.** Replace existing screen used for summer movies. Included in the price is an AV package with a new audio system, video projector, stand, DVD player and cable. **Funding provided by sponsors.**
18. **Skansie House Sidewalk Improvements.** Remove hedge and replace crumbling sidewalk along the frontage of the Skansie House. **\$15,000 – 2017.**

19. **Skate Park Play Structure.** Replace existing swings with safety compliant ones. **\$22,000 – 2018.**
20. **Structural Inspection.** Assessment of up to four park structures for condition and repair recommendations. **\$10,000 – 2017.**
21. **Eddon Boat House Repainting.** Prepare and repaint the exterior of the Eddon Boat House building at Eddon Boat Park. **\$40,000 – 2017.**
22. **Public Works Operational Improvement Study.** Consultant review of existing practices and work flow. **\$50,000 – 2017. (Parks \$12,500, Streets \$12,500, Water \$20,000, Storm \$5,000)**

**PARKS DIVISION – OPERATING
CAPITAL OUTLAY 2017 – 2018**

1. **Replace existing 18-year old Chevrolet 4x4 ¾ ton pickup truck (#1051) with a new 4x 4 ¾ ton pickup truck and new utility box.** This truck was originally purchased at auction in 2001. The vehicle is a high mileage truck with 134,000 miles and has become expensive to maintain and is becoming unreliable. **\$51,000 – 2017 (Parks \$12,750, Streets \$12,750, Water \$12,750, Storm \$12,750).**
2. **Replace 2003 Chevrolet 4x4 ¾ ton pickup with a 4x4 1/2 ton pickup.** This was a bad year for this truck engine with many issues that take up labor and resources. **\$40,000 – 2017 (Parks \$10,000, Streets \$10,000, Water \$10,000, Storm \$10,000).**
3. **Replace existing 1997 small equipment trailer (#2005).** The new trailer is four foot longer and has more capacity than the existing trailer. It will be more versatile for moving existing and newer equipment. **\$12,000 – 2017 (Parks \$3,000, Streets \$3,000, Water \$3,000, Storm \$3,000).**
4. **John Deere mower replacement.** Replacement for 2007 4 wheel drive, all wheel steering, zero turn mower. New mower would have the option for a collection system which is needed for larger lawn grooming. The current model is in need of maintenance and due to model year all parts are special order. The benefit to the John Deere X739, 4 wheel drive and all wheel steering, can be used on any lawn area. **\$14,000 – 2017 (Parks \$10,500, Streets \$3,500).**
5. **Striping Machine.** Cushman Trail requires center striping maintenance. Larger trucks cannot fit on the trail, this equipment can be attached to our current striping machine which has the ability to navigate the trail. **\$9,000 – 2018.**
6. **Walk behind concrete saw.** Replacement for existing equipment purchased in 1998, repaired several times and no longer viable. **\$6,000 – 2017 (Parks \$1,500, Streets \$1,500, Storm \$1,500, Water \$1,500).**

Total Capital Outlay is \$46,750

2017
STAFF ADJUSTMENTS

I. *Check One:* Request to add a position: 2 Seasonal Help (Parks)

Request to delete position:

Request to reclassify a position:

*Salary: From \$ 12.50 /hr.
To \$ 14.00 /hr.*

*From \$10,000 /yr.
To \$11,200 /yr.*

Change Date: January 1, 2017

II. *Explanation for deleting position(s) (include description of position and rationale for deleting position):*

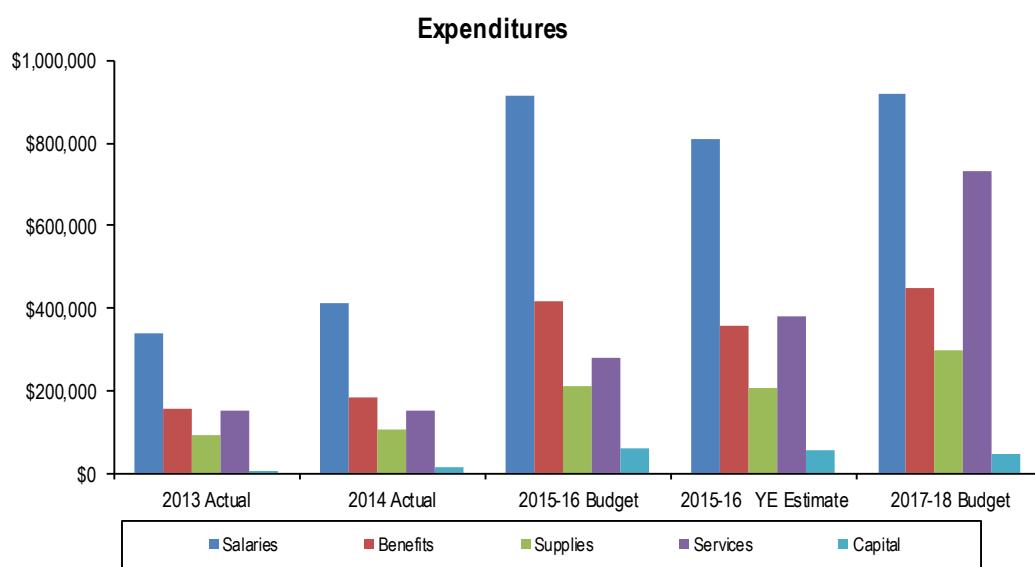
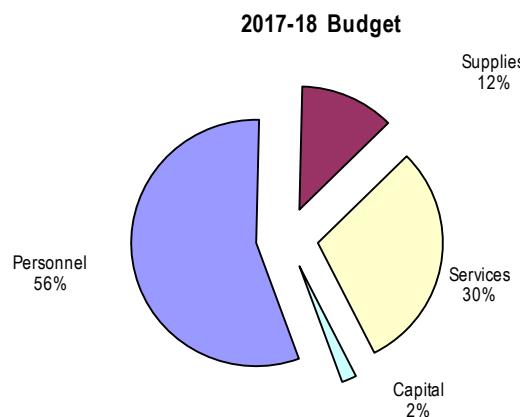
III. *Explanation for adding new position(s) (include description of new positions' responsibilities, impact of office staff and work load, circumstances which resulted in new responsibilities being created, and funding support):*

The City's Operations Staff has been unable to stay current with existing routine maintenance needs. Instead, staffing levels have typically only been able to provide the minimum work to maintain sanitary conditions and limit vegetation growth. By providing two additional seasonal help positions, the following tasks requiring significant and on-going attention will be completed incrementally: Cushman Trail trimming and sweeping, trail repairs at Adam Tallman Park, Wilkinson Farm Park holly orchard maintenance, invasive plant removal at Austin Estuary Park, Visitors Center landscaping improvements, repair to Eddon Boat House building, add ground covers to existing dilapidated landscape areas, and restroom maintenance (beyond daily cleaning). This total anticipated annual increase is approximately 1,800 labor-hours.

The Public Works Department is proposing two additional seasonal help positions for the purpose of assisting with performing the above mentioned basic maintenance and repairs. The additional positions would primarily perform tasks related to parks maintenance including restroom cleaning, garbage collection, operation of light-duty equipment, and vegetation maintenance as outline in the tasks above. However, the job description would allow for the maintenance and repair of all city functions, including parks, streets, water system, storm system, and sewer system.

Expenditures By Type

| Category | 2013 Actual | 2014 Actual | 2015-16 Budget | 2015-16 YE Estimate | 2017-18 Budget |
|---------------------------|-------------------|-------------------|---------------------|------------------------|---------------------|
| Salaries | \$ 341,635 | \$ 414,080 | \$ 913,200 | \$ 808,947 | \$ 921,000 |
| Benefits | 156,479 | 185,804 | 417,000 | 357,602 | 447,100 |
| Supplies | 94,924 | 104,609 | 214,000 | 205,482 | 298,625 |
| Services | 153,802 | 153,671 | 280,000 | 381,606 | 732,750 |
| Capital expenditures | 8,287 | 17,819 | 59,400 | 56,983 | 46,750 |
| Total expenditures | \$ 755,127 | \$ 875,983 | \$ 1,883,600 | \$ 1,810,620 | \$ 2,446,225 |



DESCRIPTION OF FUNCTION

CITY BUILDINGS

The City Buildings function is to maintain, preserve and enhance city buildings, including the City Civic Center and the Welcome Center, in accordance with city codes and community standards to provide a safe, pleasant, attractive, and productive environment for city activities, the public and tenants. (Note: Grounds maintenance and improvements for city buildings are incorporated under the Parks Division.) Operation of Community Service Program as mandated by Gig Harbor Municipal Court is also covered under this function.

**NARRATIVE OF GOALS 2017 – 2022
CITY BUILDINGS**

1. **City buildings.** Maintain, and construct minor improvements to the Civic Center and Welcome Center consistent with budgeted objectives and available staff. **2017 - 2022.**
2. **Community service.** Supervision and documentation of the community service participants. **2017 - 2022.**
3. **Grounds maintenance.** Continue to improve the landscaping throughout the grounds at the Civic Center, utilizing community service participants, full-time staff and seasonal workers. **2017 - 2022.**
4. **Security equipment (electronic hardware and software).** Install security equipment to provide security for employees as well as the public. **2017 – 2022.**
5. **Security measures.** Provide additional security measures for the offices of the Court Clerks/Cashier and the Finance Cashier. **2017 – 2018.**

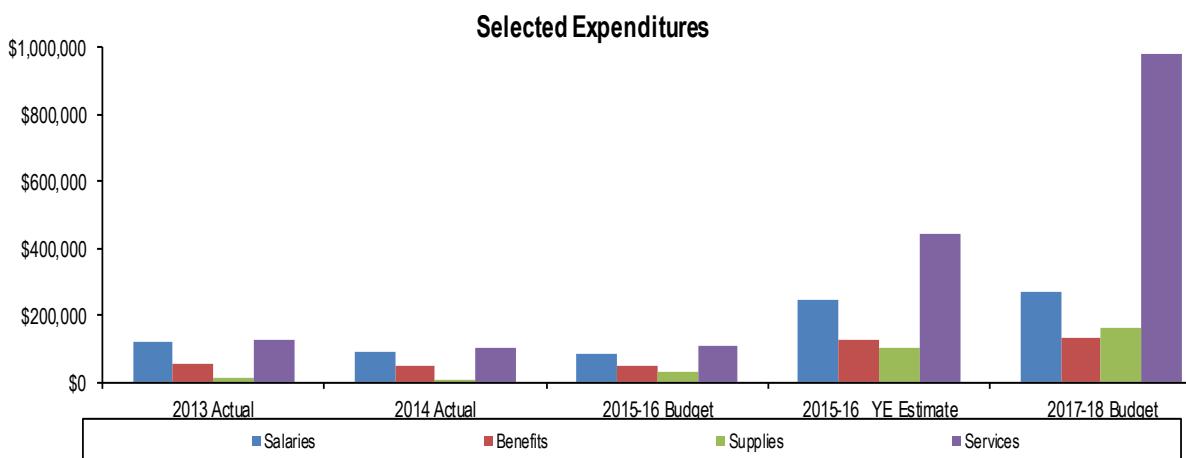
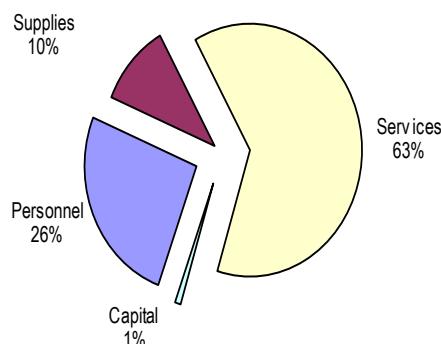
NARRATIVE OF OBJECTIVES 2017 – 2018
CITY BUILDINGS

1. **HVAC.** Hire a contractor to perform heating and air-conditioning systems modifications to provide more consistent temperature in the development services building. **\$5,000.**
2. **Systems testing.** Perform mandatory annual testing on fire systems, elevator, etc. included in city buildings base operating budget. **\$12,000.**
3. **Floor Cover Cleaning.** Strip waxing of tile and deep cleaning of carpeted areas. **\$6,000 -2017, \$6,000 – 2018**
4. **Civic Center painting and repairs.** Paint the Civic Center trim, doors and make repairs to siding, flashing, fascia and soffits. **\$275,000 – 2018.**
5. **Re-Roof Civic Center Buildings.** Replace the entire Civic Center roof. The roof leaks continue to be a problem and have been patched temporarily. Undetected leaks could cause major damage and escalate repair costs. Some of the funds could come from a class action claim or warranty claim against the shingle manufacturer. **\$402,000 – 2017.**
6. **Police Gate Lock Operators.** Replace the existing operators on the two (2) police gates. The existing ones do not code and have needed several repairs. **\$34,000 – 2017.**
7. **Server Room A/C unit.** Existing unit requires constant maintenance and needs to be replaced. **\$15,000 – 2017.**
8. **Carpet/Hard floor Scrubber.** Purchase a combination carpet and hard floor scrubber. **\$13,000 – 2018.**
9. **HVAC Controls.** Re-commission HVAC controls along with training on new system. **\$7,000 – 2018.**
10. **Interior Lighting.** Programmatic replacement of existing light fixtures with color adjustable LEDs where ever possible throughout the building. **\$35,000 – 2017, \$35,000 - 2018.**
11. **Visitors' Center.** Per terms of lease, paint interior and replace carpeting and tile. Exterior repair to inoperable water fountain. **\$36,000 – 2017.**
12. **Security equipment (electronic hardware and software).** Install security equipment to provide security for employees as well as the public. **\$5,000 – 2017.**

Expenditures By Type

| Category | 2013 | 2014 | 2015-16 | 2015-16 | 2017-18 |
|---------------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| | Actual | Actual | Budget | Estimate | Budget |
| Salaries | \$ 87,370 | \$ 92,682 | \$ 245,900 | \$ 224,275 | \$ 268,800 |
| Benefits | 46,302 | 50,324 | 125,500 | 115,338 | 131,800 |
| Supplies | 30,851 | 48,422 | 101,200 | 83,436 | 165,000 |
| Services | 106,209 | 95,035 | 443,563 | 184,824 | 978,400 |
| Capital expenditures | - | - | - | 10 | 13,000 |
| Total expenditures | \$ 270,732 | \$ 286,463 | \$ 916,163 | \$ 607,883 | \$ 1,557,000 |

2017-18 Budget



3. SPECIAL REVENUE FUND TYPE

| | |
|--|-----|
| Street Operating - Fund 101 | 118 |
| Street Capital - Fund 102 | 129 |
| State Drug Investigation - Fund 105 | 136 |
| Federal Drug Investigation - Fund 106 | 138 |
| Hotel-Motel Tax - Fund 107 | 140 |
| Public Art Capital Projects - Fund 108 | 147 |
| Park Development - Fund 109 | 149 |
| Civic Center Debt Reserve - Fund 110 | 156 |
| Strategic Reserve - Fund 111 | 158 |
| Equipment Reserve - Fund 112 | 160 |
| Capital Development - Fund 301 | 162 |
| Capital Improvement - Fund 305 | 165 |
| Impact Fee Trust - Fund 309 | 168 |
| Hospital Benefit Zone Revenue - Fund 310 | 170 |
| Lighthouse Maintenance - Fund 605 | 174 |

DESCRIPTION OF FUND TYPE

SPECIAL REVENUE FUND

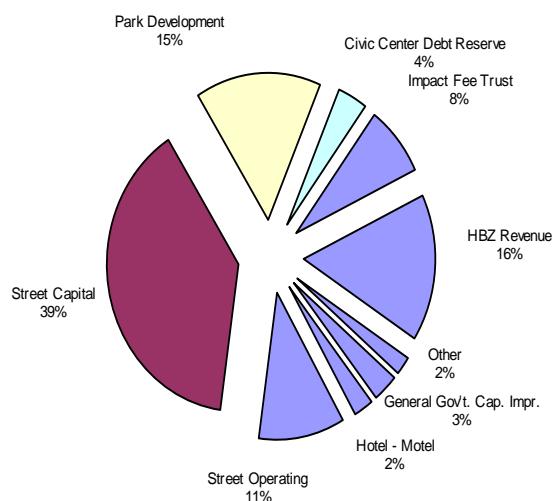
Special revenue funds are used to account for revenues derived from specific taxes or other sources that are designated to finance particular activities of the city.

These funds include Street Operating, Street Capital, State Drug Investigation, Federal Drug Investigation, Hotel - Motel Tax, Public Art Capital Project, Park Development, Civic Center Debt Reserve, Strategic Reserve, Equipment Replacement Reserve, General Government Capital Development, General Government Capital Improvement, Impact Fee Trust, Hospital Benefit Zone Revenue, and Lighthouse Maintenance.

Expenditures By Fund

| Category | 2013 Actual | 2014 Actual | 2015-16 Budget | 2015-16 YE Estimate | 2017-18 Budget |
|-------------------------------|----------------------|----------------------|----------------------|------------------------|----------------------|
| Street Operating | \$ 2,043,976 | \$ 2,192,385 | \$ 4,065,289 | \$ 4,074,383 | \$ 5,272,493 |
| Street Capital | 3,947,436 | 1,761,983 | 4,090,621 | 4,497,285 | 19,406,733 |
| Drug Investigation State | 8,028 | 8,185 | 8,706 | 8,385 | 8,405 |
| Drug Investigation Federal | 28,242 | 21,552 | 18,594 | 19,900 | 19,416 |
| Hotel - Motel | 370,029 | 455,060 | 861,192 | 919,008 | 1,022,242 |
| Public Art Capital Projects | 92,195 | 92,268 | 87,377 | 88,823 | 109,023 |
| Park Development | 1,422,042 | 4,596,532 | 7,078,255 | 4,507,357 | 7,697,101 |
| Civic Center Debt Reserve | 1,546,344 | 1,614,920 | 1,756,064 | 1,752,968 | 1,827,968 |
| Strategic Reserve | 1,090,606 | 941,034 | 577,988 | 581,079 | 745,079 |
| Equipment Repl Reserve | 150,394 | 200,577 | 221,302 | 221,723 | 322,723 |
| Capital Development | 513,143 | 635,037 | 1,202,367 | 1,309,797 | 1,624,197 |
| General Gov't. Cap. Impr. | 457,295 | 574,515 | 1,108,917 | 1,242,297 | 1,552,697 |
| Impact Fee Trust | 1,397,607 | 1,436,334 | 1,993,811 | 2,933,316 | 3,897,316 |
| Hospital Benefit Zone Revenue | 4,628,179 | 4,947,293 | 7,276,797 | 6,706,290 | 8,091,420 |
| Lighthouse Maintenance | 2,116 | 1,215 | 1,214 | - | - |
| Total Special Revenue | \$ 17,697,632 | \$ 19,478,890 | \$ 30,348,494 | \$ 28,862,611 | \$ 51,596,813 |

2017-18 Budget



DESCRIPTION OF FUNCTION

STREET DIVISION - OPERATING

The function of the Streets Division - Operating is to provide a safe, functional, efficient and aesthetic transportation system for the movement of people, goods and services through efficient maintenance and construction of improvements to the city's streets, pedestrian corridors, and bicycle routes. The emphasis as a "pedestrian friendly" community is on preservation and enhancement of pedestrian access in the city's residential and commercial areas. More specifically, the functions performed through this fund include:

1. **City streets.** Maintaining and improving the city's streets, pedestrian corridors, and bicycle routes that may include the following activities:
 - Street maintenance and repair, including, pavement markings, shoulder grading, chip seals, slurry seals, crack sealing and pavement patching/overlays/rehabilitation or other pavement treatments.
 - Street construction and reconstruction.
 - Sidewalk and walkway construction, improvement and/or replacement.
 - Installing and maintaining street and pedestrian lighting and traffic control devices (signs and signals).
 - Snow removal and ice control.
 - Street cleaning including debris and litter removal.
 - Right-of-way encroachment permit issuance and inspection of activities within the right-of-way consistent with the provisions of city code and state law.
 - Administer the Adopt-a-Road program that provides an opportunity for community groups to volunteer their services to assist staff in removing debris and litter from city rights-of-way.
2. **Transportation system.** Developing a transportation system that balances the need for enhanced community and neighborhood livability with the need for safe and efficient access to commercial and employment centers for the movement of people, goods and services.
3. **Transportation options.** Preserving and enhancing multi-modal transportation options through cooperation and participation with other agencies in development of programs and projects.
4. **Funding.** Searching and applying for supplemental funding to support transportation system functions and objectives as identified in the adopted Comprehensive Transportation Plan and current Six-Year Transportation Improvement Program (TIP).
5. **Development review and inspections.** Reviewing and inspecting development proposals and projects for conformance with city standards, the Comprehensive Transportation Plan, both the Six-Year and Twenty-Year Transportation

Improvement Programs (TIP), concurrency requirements, applicable State Environmental Policy Act (SEPA) mitigation and/or impact fee requirements, and accepted engineering and construction practices.

6. **Concurrency.** Managing the concurrency and traffic impact fee programs consistent with city codes.
7. **Fleet.** Maintenance of light and heavy-duty vehicles (including police) and off-road equipment owned and operated by the city, acquisition of new city vehicles and the resale of city vehicles that have reached the end of their useful life. This function also manages the purchasing, storing and distribution of fuels and automotive parts, contract and vendor management and other fleet related duties that support city operations.
8. **Comprehensive Transportation Plan.** Updating and implementing both the Six-Year and Twenty-Year Transportation Improvement Program (TIP) consistent with the city's Comprehensive Plan and Transportation Element (Comprehensive Transportation Plan), and biennial budget.
9. **Capital Improvement Program.** Continue to work with federal, state, and local agencies (Pierce County, Kitsap County, Pierce Transit, and Tacoma Public Utilities), citizens, property owners, developers, elected officials, and Planning and Building to identify facility improvement needs, and develop and secure funding for construction of transportation facility improvement projects in accordance with both the city's Six-Year and Twenty-Year Transportation Improvement Program (TIP), Comprehensive Transportation Plan, and the city and funding agency requirements.
10. **Transportation Improvement Program.** Develop and implement the annual update to both the Six-Year and Twenty-Year Transportation Improvement Program (TIP), consistent with the Comprehensive Transportation Plan, and biennial budget.
11. **Sidewalk restoration program.** Develop and implement a sidewalk maintenance program modeled on successful programs at other agencies, and utilizing the current annual sidewalk inventory to identify and prioritize sidewalk sections needing repair and/or replacement.
12. **Traffic management.** Continue to work with the Gig Harbor Police Department, concerned citizens, business and property owners, and elected officials to identify, monitor, and resolve traffic control and parking issues.
13. **Pavement management system.** Continue to refine and utilize a pavement management system to classify needed maintenance activities for all city streets. The program will account for all annual repair and rehabilitation measures to be incorporated annually to extend the life of the city's pavement system.

NARRATIVE OF GOALS 2017 – 2022 STREET DIVISION - OPERATING

1. **Fleet maintenance.** Initiate a more comprehensive fleet maintenance program to perform routine maintenance activities, and manage a maintenance management system for city-owned vehicles and equipment. This effort will be coordinated with an Equipment Rental and Revolving (ER&R) program developed by the Finance Department to better track equipment usage and costs, and to provide a systematic replacement mechanism. **2017 - 2022.**
2. **Sign inventory.** Continue to work on the GIS mapping system to include street name and directional signage. **2017 - 2022.**
3. **Annual transportation capacity availability and traffic model update.** As required per the city's municipal code, annually update the city-wide traffic capacity availability report and city-wide traffic model. **2017 - 2022.**
4. **Citywide street signage reflectivity program.** Develop and continue towards the adoption of the federally mandated change-out of all city signs and pavement markings to be compliant with new Manual on Uniform Traffic Control Devices (MUTCD) reflectivity standards. **2017 - 2022.**
5. **Neighborhood traffic calming policy.** Develop a policy for adoption by the council that will provide guidance to citizens regarding traffic calming strategies for city neighborhoods. **2017 – 2022.**
6. **Streetscapes.** Maintain existing street planters and landscape improvements and provide additional weed control techniques. Enhance city entrances with additional landscape improvements. **2017 - 2022.**
7. **City-wide Pavement Management Program.** In combination with city and consultant staff, complete a city-wide survey and rating system in the city's major roadways. The results will be used in prioritizing city streets for overlays, chip seals and grant funding opportunities. **2017 - 2022.**
8. **Regulatory Signing and Striping Evaluation and Upgrades.** Field assessment of existing signing and striping installations with modification as necessary to ensure consistency with standards. **2017 – 2022.**
9. **Speed Limit Evaluations.** Perform engineering and traffic investigations as necessary to reevaluate or establish speed limits in accordance with RCW 46.61.415 (WAC 468-95-045). **2017 - 2022.**
10. **Roadway Shoulder Maintenance Program.** Develop and institute a periodic and routine roadway shoulder maintenance program utilizing the Interlocal Agreement with Pierce County. **2017 - 2022.**

11. **Non-motorized Facilities Plan.** Utilizing consultant services, update the existing plan for use in prioritized sidewalk and non-motorized path projects. **2017 - 2022.**
12. **ADA City Sidewalk and Curb Access Ramp Transition Plan.** Complete the inventory of all the City's sidewalks and ramps, and formally adopt the ADA transition plan. Continue the conversation of the non-compliant intersection curb ramps. **2017 - 2022.**
13. **Update Federal Functional Classification Roadway Update.** Annually analyze and update the city's roadway classification through WSDOT. **2017 – 2022.**

**NARRATIVE OF OBJECTIVES 2017 – 2018
STREET DIVISION - OPERATING**

1. **Pavement Markings.** Install and repaint pavement markings on city streets including the newly annexed areas. **\$60,000 – 2017, \$60,000 - 2018.**
2. **Transportation Capacity Availability Report and Traffic Model.** In accordance with the state and city code requirements, collect annual intersection turning counts to use in the annual update and calibration of the City's concurrency traffic model. The concurrency traffic model update and report serves as the Annual Transportation Capacity Availability Report. Also, update growth assumptions and incorporate into the City's short and/or long range traffic model. These results will be used to evaluate the timing of future transportation improvement needs, provide updated information for the City's Transportation Element of the Comprehensive Plan, and update the transportation improvement plan. **\$60,000 – 2017, \$60,000 - 2018.**
3. **Traffic Impact Fee Update.** Based upon the growth traffic demand model, perform an impact fee analysis and adopt those increased fees. **\$25,000 – 2017.**
4. **ADA Self-Evaluation & Transition Planning Program.** Continue developing and implementing the programmatic replacement of non-conforming curb ramps. **\$75,000 – 2017, \$75,000 - 2018.**
5. **Transportation Concurrency Modeling.** Reimbursed by developer fees. **\$40,000 – 2017, \$40,000 – 2018.**
6. **Non-Motorized Improvement Program.** Perform a "Non-Motorized Plan" update, and begin a program to extend, connect gaps and upgrade existing elements in the City's non-motorized system per the plan recommendations. **\$75,000 – 2017.**
7. **Street Signage Retroreflectivity.** Continue working on inventory and implementation of the on-going program for change-out of all city signs to be compliant with new Manual on Uniform Traffic Control Devices (MUTCD) reflectivity standards. Utilize interlocal agreement with Pierce County to test retro reflectivity on current sign inventory. **\$20,000 – 2017, \$20,000 – 2018.**
8. **Street Tree Replacements.** Replace tree root damaged street trees as needed. **\$15,000 – 2017, \$15,000 - 2018.**
9. **Sidewalk Replacements.** Replace tree root damaged sidewalks as needed. **\$20,000 – 2017, \$20,000 - 2018.**

10. **Guardrail Inspection and Replacement Program.** Conduct ongoing inspection and replacement program of guardrails throughout the City. **\$5,000 – 2017, \$5,000 – 2018.**
11. **Seasonal Hire.** Hire eight (8) seasonal help with work in parks, streets, water and storm. **\$123,000 - 2017 (Parks \$61,500, Streets \$24,600, Water \$12,300, Storm \$24,600), \$123,000 - 2018 (Parks \$61,500, Streets \$24,600, Water \$12,300, Storm \$24,600).**
12. **Traffic Signal Maintenance Program.** Continue a periodic and routine traffic signal maintenance program utilizing the Interlocal Agreement with Pierce County and Washington State Department of Transportation. **\$35,000 – 2017, \$35,000 – 2018.**
13. **Roundabout Rapid-Flash Beacon Crosswalk System.** Purchase three (3) rapid-flash beacon crosswalk systems for the lower Borgen Roundabout. This will replace existing in-pavement crosswalk systems. The existing systems require frequent maintenance. Coordinate with ADA pedestrian ramp program. **\$65,000 – 2018.**
14. **Roundabout Rapid-Flash Beacon Crosswalk System.** Purchase three (3) rapid-flash crosswalk systems for the Harbor Hill Drive and Borgen Roundabout to replace existing in-pavement crosswalk systems. The existing systems require frequent maintenance. Coordinate with ADA pedestrian ramp program. **\$65,000 – 2017.**
15. **Mid-Block Rapid-Flash Beacon Crosswalk System.** Purchase and install pedestrian crossing rapid-flash crosswalk system to replace the existing in-pavement system along North Harborview Drive at Anthony's Restaurant. **\$14,000 – 2017.**
16. **Mid-Block Rapid-Flash Beacon Crosswalk System.** Purchase and install pedestrian crossing rapid-flash crosswalk system to replace the existing in-pavement system along Harborview Drive at Dorotich Street. **\$14,000 – 2018.**
17. **Mid-Block Rapid-Flash Beacon Crosswalk System.** Purchase and install pedestrian crossing rapid-flash crosswalk system where no in-pavement system exists at the intersection of Harborview Drive and North Harborview Drive. **\$20,000 – 2018.**
18. **Radar Speed Signs.** Purchase two (2) speed signs to remind drivers of the speed limit to slow down traffic. These signs will be used at various locations. **\$10,000 – 2017.**
19. **Cartegraph OMS Enterprise Platform Licensing.** Continue to operate the existing Public Works citizen request work order and advanced asset management software for the city's facilities, public spaces and infrastructure. Enterprise Platform includes a cloud-shared hosting subscription and support for 50 users.

ArcGIS license pack for 50 users integrates system with Esri to use location to make work, asset, request, and resource data more useful and accurate. Also obtain further support through AWCs GIS consortium. **\$25,000 – 2017 (Parks \$6,250, Streets \$6,250, Water \$6,250, Storm \$6,250) \$25,000 – 2018 (Parks \$6,250, Streets \$6,250, Water \$6,250, Storm \$6,250).**

20. **Trash Can Replacement Program.** The lids and liners of existing cans are in constant need of replacement and refinishing. Upgrade to a powder coated metal style for parks and street receptacles. **\$10,000 – 2017 (Parks \$5,000, Streets \$5,000).**
21. **Borgen Boulevard Median.** Remove grass within median strips and replace with red concrete. Medians are hazardous to maintain and concrete requires minimal maintenance. **\$7,000 – 2017.**
22. **Annual Pavement Maintenance and Repair Program.** Perform pavement repair on 45th St Ct. **\$150,000 – 2017.**
23. **Transportation Plan Revisions.** Assist the Planning Department with addressing PSRC comments related to the City's Comprehensive Plan certification. Perform a major update of the transportation element to include numerous traffic modeling scenarios and provide an in-depth analysis of transportation improvements that will be necessary in the future and a recommended schedule for implementation. **\$200,000 – 2017.**
24. **City-wide Speed Limit Update.** Review in-house and update speed limits. This item provides for upgraded speed survey equipment and software. **\$50,000 – 2017.**
25. **Herbicide Shed.** Construct a designated building to securely store herbicide inventory. Herbicides can be toxic and pose environmental and occupational hazards if improperly stored, a dedicated area would protect chemicals from external elements. **\$5,000 – 2018 (Parks \$2,500, Streets \$2,500).**
26. **Harbor History Museum Driveway Entrance Revisions.** Revise the sidewalk and driveway grade at the entrance to the Harbor History Museum using REET funds. **\$30,000 – 2017.**
27. **Public Works Operational Improvement Study.** Consultant review of existing practices and work flow. **\$50,000 – 2017. (Parks \$12,500, Streets \$12,500, Water \$20,000, Storm \$5,000).**

**CAPITAL OUTLAY 2017- 2018
STREET DIVISION - OPERATING**

1. **Replace existing 18-year old Chevrolet 4x4 ¾ ton pickup truck (#1051) with a new 4x4 ¾ ton pickup truck and new utility box.** This truck was originally purchased at auction in 2001. The vehicle is a high mileage truck with 134,000 miles and has become expensive to maintain and is becoming unreliable. **\$51,000 – 2017 (Parks \$12,750, Streets \$12,750, Water \$12,750, Storm \$12,750)**.
2. **Replace 2003 Chevrolet 4x4 ¾ ton pickup with a 4x4 1/2 ton pickup.** This was a bad year for this truck engine with many issues that take up labor and resources. **\$40,000 - 2017 (Parks \$10,000, Streets \$10,000, Water \$10,000, Storm \$10,000)**.
3. **Replace 2007 street sweeper with a new regenerative or vacuum sweeper.** The existing sweeper has outlived its service life. It is a regenerative air machine and has served the City well, but it will require a major overhaul involving expensive parts within the year. The leaf screen and debris hopper are getting very thin due to work environment and these items are expensive to repair. The pervious concrete and asphalt streets are expanding and the new sweepers meet the needs to maintain the roadways properly. **\$180,000 – 2017 (Streets \$90,000, Storm \$90,000)**.
4. **Replace existing 1997 small equipment trailer (#2005).** The new trailer is four foot longer and has more capacity than the existing trailer. It will be more versatile for moving existing and newer equipment. **\$12,000 - 2017 (Parks \$3,000, Streets \$3,000, Water \$3,000, Storm \$3,000)**.
5. **Sidewalk Vacuum Sweeper.** Due to expanding amount of pervious sidewalks within the city, there is a need to purchase a riding vacuum sweeper to maintain pervious ones. Vacuum sweepers are able to properly clean the voids in sidewalks allowing storm water to re-enter the ground. **\$30,000 – 2017 (Streets \$15,000, Storm \$15,000)**.
6. **Accubatch Brine Maker.** Brine making equipment will allow the city to produce its own supply as opposed to purchasing from Pierce County. This purchase will result in a savings of roughly 50% and the city could potentially sell excess supply to Pierce County. **\$40,000 - 2017**.
7. **John Deere mower replacement.** Replacement for 2007 4 wheel drive, all wheel steering, zero turn mower. New mower would have the option for a collection system which is needed for larger lawn grooming. The current model is in need of maintenance and due to model year all parts are special order. The benefit to the John Deere X739, 4 wheel drive and all wheel steering, can be used on any lawn area. **\$14,000 – 2017 (Parks \$10,500, Streets \$3,500)**.

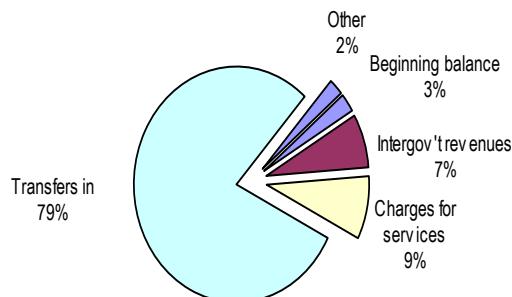
8. **Walk behind concrete saw.** Replacement for existing equipment purchased in 1998, repaired several times and no longer viable. **\$6,000 (Parks \$1,500, Streets \$1,500, Storm \$1,500, Water \$1,500) – 2017.**
9. **Purchase Indeco hydraulic breaker.** The hydraulic breaker will be used to remove sidewalk and curb thrust blocks. It can also break concrete into smaller, more manageable chunks. Currently personnel is breaking concrete manually or using a 90 # jack hammer. This equipment will be safer, more efficient and avoid potential employee injuries. **\$7,100 – 2017 (Streets \$3,550, Water \$3,550).**

Total Capital Outlay is \$179,300

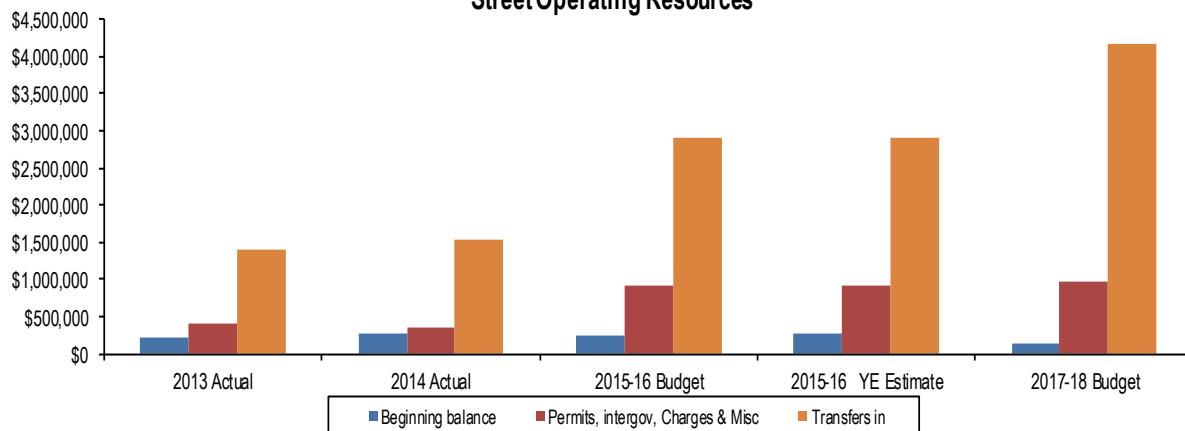
Resources

| Category | 2013 | 2014 | 2015-16 | 2015-16 | 2017-18 |
|------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Actual | Actual | Budget | YE Estimate | Budget |
| Beginning balance | \$ 229,011 | \$ 281,826 | \$ 248,616 | \$ 265,748 | \$ 135,056 |
| Licenses & permits | 21,200 | 20,330 | 31,266 | 40,875 | 40,000 |
| Intergov't revenues | 151,821 | 158,205 | 333,917 | 356,680 | 389,562 |
| Charges for services | 203,267 | 169,701 | 345,058 | 498,714 | 456,375 |
| Miscellaneous | 802 | 4,413 | 103,820 | 12,365 | 80,500 |
| Transfers in | 1,400,000 | 1,546,000 | 2,900,000 | 2,900,000 | 4,171,000 |
| Other | 37,875 | 11,910 | 102,612 | - | - |
| Total revenues | 1,814,965 | 1,910,559 | 3,816,673 | 3,808,635 | 5,137,437 |
| Total resources | \$ 2,043,976 | \$ 2,192,385 | \$ 4,065,289 | \$ 4,074,383 | \$ 5,272,493 |

2017-18 Budget



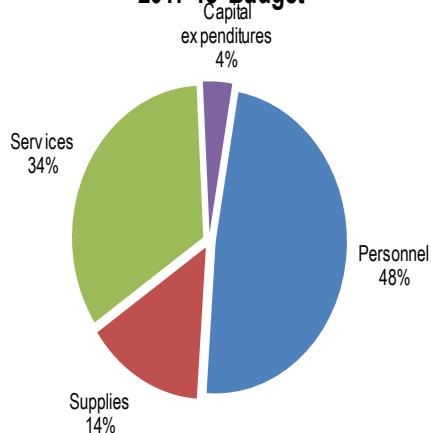
Street Operating Resources



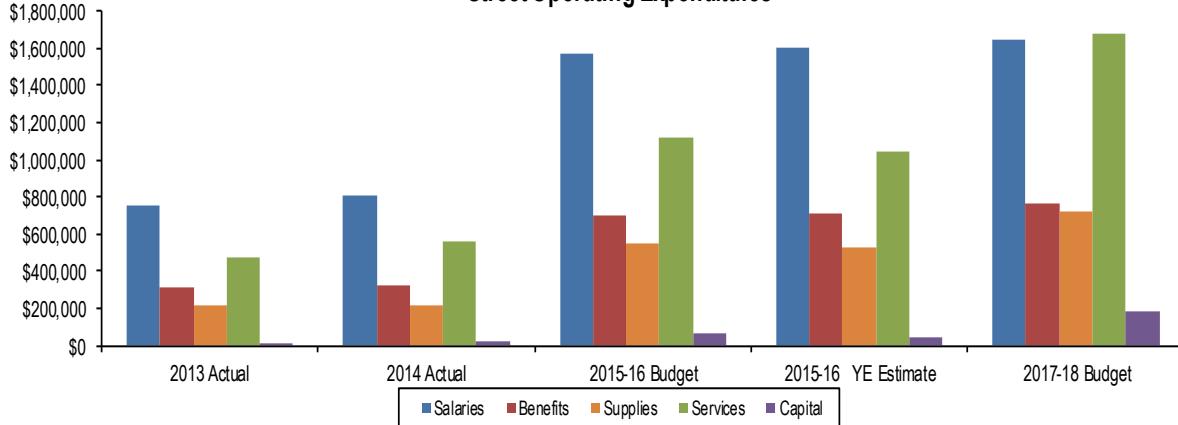
Expenditures By Type

| Category | 2013 | 2014 | 2015-16 | 2015-16 | 2017-18 |
|---------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Actual | Actual | Budget | YE Estimate | Budget |
| Salaries | \$ 752,682 | \$ 807,992 | \$ 1,571,084 | \$ 1,607,096 | \$ 1,646,812 |
| Benefits | 316,629 | 321,866 | 702,212 | 715,234 | 761,488 |
| Supplies | 213,873 | 219,545 | 552,874 | 524,567 | 718,225 |
| Services | 470,679 | 559,365 | 1,124,751 | 1,043,340 | 1,677,246 |
| Capital expenditures | 8,287 | 17,869 | 62,000 | 49,089 | 179,300 |
| Total expenditures | 1,762,150 | 1,926,637 | 4,012,921 | 3,939,326 | 4,983,071 |
| Ending balance | 281,826 | 265,748 | 52,368 | 135,057 | 289,422 |
| Total uses | \$ 2,043,976 | \$ 2,192,385 | \$ 4,065,289 | \$ 4,074,383 | \$ 5,272,493 |

2017-18 Budget



Street Operating Expenditures



DESCRIPTION OF FUNCTION
STREET DIVISION - CAPITAL

This fund accumulates resources for major street capital projects and accounts for their purchase, construction and financing. Sources of revenue for the fund include general fund contributions, grants, and private contributions.

NARRATIVE OF GOALS 2017 – 2022
STREET DIVISION - CAPITAL

1. **Public Works Maintenance Facility Site Plan Design and Construction.** Replace the antiquated maintenance facility with a functional facility to include provisions for public meeting space, additional staff parking, sewer connection, covered equipment and material storage, administrative functions, staff areas, sign shop, decant facility, waste recycling and fleet maintenance. **2017 – 2018.**
2. **50th Street Extension.** Complete the construction of pavement, curb, gutter, sidewalk, and lighting improvements from KLM Veterans Park to 38th Avenue. **2017 – 2022.**
3. **38th Street Improvements.** Design, permit, and construct roadway, sidewalk and bike lane improvements and related stormwater facilities along 38th St. between Hunt and city limits in a multi-phase project. **2017 – 2022.**
4. **Grandview Street Improvements - Phase I & II.** Construct pavement, curb, gutter, lighting, and sidewalks on both sides of Grandview Street between Stinson Avenue and Pioneer Way and also between Soundview Drive and the Civic Center. **2017 – 2022.**
5. **Harborview Drive Sidewalk and Roadway Improvements (Harborview/Judson project future phases).** Construct the various roadway and sidewalk improvements along Harborview Drive between Pioneer Way and North Harborview Drive. **2017 – 2022.**
6. **Borgen/Burnham Drive/SR 16 Long-Term Improvements.** Continue to monitor current traffic volumes at this interchange as recommended in the Interchange Traffic Study and work on financial opportunities towards funding the long-term improvement. **2017 – 2022.**
7. **Sidewalk Gap Connection.** Design and construct various missing sections of sidewalk, for example, on Point Fosdick from 45th Street Court to Briarwood Lane and Burnham Drive between Harborview Drive and the new Cushman Trail Crossing, as budgeting funding allows. **2017 – 2022.**
8. **Harbor Hill Drive Extension.** Extend Harbor Hill Drive to Burnham Drive. **2017 – 2018.**
9. **Wollochet Drive/Wagner Way Intersection Signalization.** Signalize the intersection at Wollochet and Wagner Way. Maintain SEPA developer contributions in Street Capital fund balance. **2017 – 2022.**
10. **Borgen Boulevard Street Lighting between Burnham and 51st to lower roundabout.** Install street lighting on Borgen Boulevard. **2017 – 2022.**

11. **Electric Vehicle Charging Stations.** Assess possible vehicle charging station locations in or around the downtown area and install Level 2 vehicle charging stations. **2017-2020.**
12. **50th Street Extension.** Complete the final design and permitting then construct the extension of 50th Street to 38th Avenue. **2017 – 2022.**
13. **SR 16 Congestion Relief.** Continue to Lobby the State Legislature for additional monies to not only continue the SR 16 congestion relief study, but also identify preferred east/west connections across SR 16 and obtain the necessary construction funds to fund these corridor relief projects. **2017 – 2021.**

NARRATIVE OF OBJECTIVES 2017 – 2018
STREET DIVISION - CAPITAL

1. **Public Works Shop – Metal Building.** Install the metal building (72'x40") acquired from the History Museum property at the Public Works Shop for additional covered storage. This building will need new metal siding, a concrete slab and roofing. **\$100,000 - 2017 (Streets - \$15,000, Parks - \$15,000, Water - \$30,000, Storm - \$10,000, Wastewater - \$30,000).**
2. **Public Works Operations Center – Site Development.** Complete the site design and site permitting then construct the frontage improvements and site civil improvements related to the new Public Works Operations Center. . **\$1,600,000 - 2017 (Parks \$400,000, Streets \$400,000, Water \$640,000, Storm \$160,000).** **\$600,000 - 2018 (Parks \$150,000, Streets \$150,000, Water \$240,000, Storm \$60,000).**
3. **Public Works Operations Center – Building Construction.** Complete the building design and building permitting of the new Public Works Operations Center. **\$3,000,000 - 2018 (Parks \$750,000, Streets \$750,000, Water \$1,200,000, Storm \$300,000).**
4. **Harbor Hill Drive Extension.** Complete the design, procure the necessary right of way and construct the Harbor Hill Drive extension to Burnham Drive utilizing Hospital Benefit Zone, and Transportation Impact Fees funding in combination with an \$8,000,000 TIB Grant. **The total project cost is \$15,000,000 of which \$2,240,000 will have been spent in the prior biennium pertaining to the right of way purchase, engineering and permitting costs.** **\$12,760,000 - 2018.**
5. **Harborview Drive Sidewalk Improvement.** Construct the previously designed and permitted improvement project consisting of a 5 ½ foot wide sidewalk, curb and gutter along the east side of Harborview between North Harborview Drive and Burnham Drive. Funded by TIB grant (\$340,000) and REET funds (\$395,000). This work is dependent on consensus by an adjacent developer and TIB funds. **\$735,000 – 2017.**
6. **Harborview Pedestrian Improvements (SEPA mitigation for Ancich Park).** Complete the design, permitting, right of way acquisition, and construct a crosswalk and widened sidewalks on water side of Harborview Drive between Eddon Boat Park and Novak Street along with other mitigation and traffic calming improvements associated with the Ancich Park project funded by HBZ. **\$300,000 - 2018.**
7. **Stinson Avenue Pavement Overlay and Pedestrian Improvements (Grandview to Rosedale).** Complete the design, permitting, right-of-way acquisition, and construction along Stinson Avenue between Rosedale Street and Pioneer Way. The project will provide an HMA overlay, new curb, gutter, and sidewalk along the west side of the

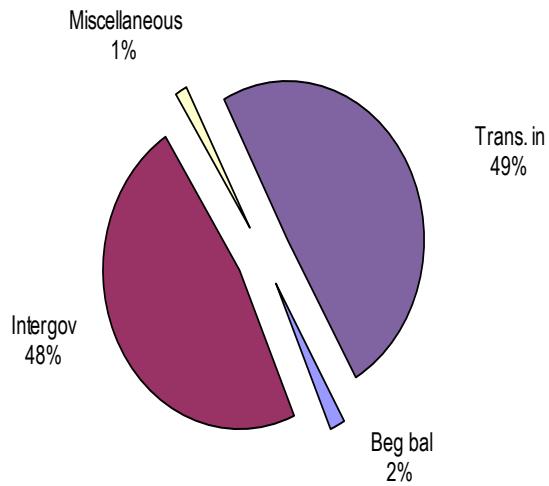
roadway and upgrade the existing non-compliant curb ramps to ADA standards. This project will occur in conjunction with the 2018 watermain replacement in Stinson Avenue. The city has received a pavement preservation grant for the HMA overlay in the amount of \$515,000 and will apply for grant funding to construct the pedestrian improvements. **\$110,000 – 2017, \$1,825,000 - 2018.**

8. **Stinson / Rosedale Intersection Improvements.** Complete the design, permitting, right-of-way acquisition, and construction a compact roundabout at this intersection. Funding is from the City's Transportation Impact Fee fund. **\$520,000 - 2018.**
9. **Stinson / Harborview Intersection Improvements.** Request funding for design only and pursue construction funding via available State and Federal grants. **Design only \$150,000 – 2018.**
10. **Street Lights on Borgen Boulevard.** Install five – 30' street lights along the north side of Borgen Blvd from 51st Ave to Harbor Hill Drive. **\$52,500 – 2018.**
11. **Street Lights on Borgen Boulevard.** Install five – 30' street lights from Burnham Drive on Borgen Blvd to 51st Ave on north side. **\$52,500 – 2018.**
12. **Street Lights on Borgen Boulevard.** Install five – 30' street lights from Burnham Drive on Borgen Blvd to 51st Ave on south side. **\$52,500 – 2018.**
13. **Wagner Way/Wollochet Intersection Improvements.** Complete the design and permitting for either a roundabout or traffic signal option at this intersection at Wollochet and Wagner Way. **\$175,000 - 2018. (\$109,000 in SEPA developer contributions and \$66,000 in local funds).**
14. **38th Avenue Improvement project – Phase 1.** Update existing survey information and complete a conceptual design associated with the half-width street corridor improvements along 38th Avenue consisting of curb, gutter, sidewalk with planter strip and street lighting between City Limits and 50th Street. **\$150,000 - 2017.**
15. **Soundview / Hunt Intersection Improvements.** Design a roundabout (or traffic signal if a roundabout is not feasible) and pedestrian upgrades. **\$150,000 – 2018.**
16. **Olympic/Pt. Fosdick Drive Right Turn Lane.** Construct the required Olympic Towne Centre mitigation right turn lane. **\$500,000 – 2017 (55% developer contribution, 45% city contribution).**
17. **Public Works Maintenance Facility Concrete Pad.** Install concrete pad and two foot concrete walls to re-use back shed area that will be taken down for the metal building. **\$8,500 - 2017 (Parks \$1,275, Streets \$1,275, Water \$2,550, Storm \$850, Wastewater \$2,550).**

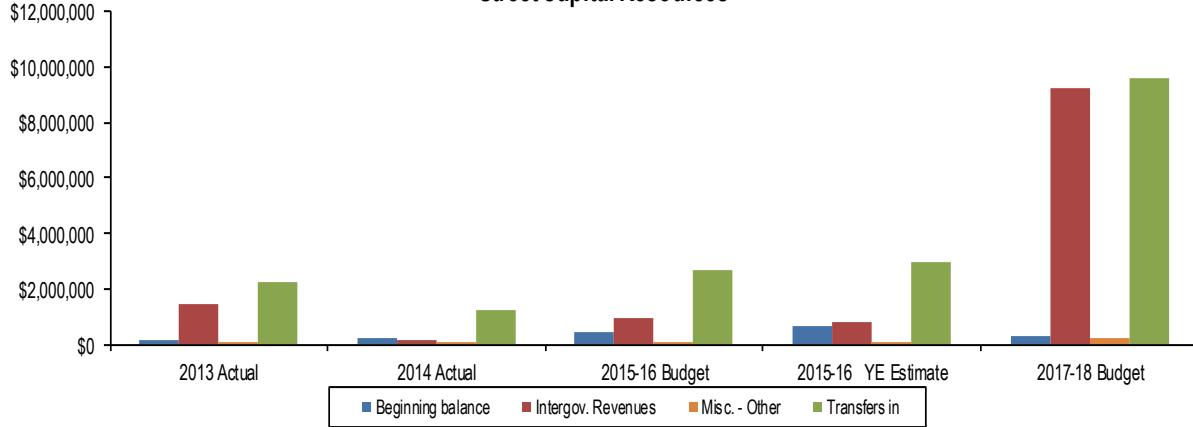
Resources

| Category | 2013 Actual | 2014 Actual | 2015-16 Budget | 2015-16 YE Estimate | 2017-18 Budget |
|------------------------|---------------------|---------------------|---------------------|------------------------|----------------------|
| Beginning balance | \$ 200,728 | \$ 270,047 | \$ 452,371 | \$ 661,239 | \$ 346,233 |
| Intergov't revenues | 1,432,846 | 192,524 | 962,000 | 812,425 | 9,205,000 |
| Charges for services | - | 10,565 | - | - | - |
| Miscellaneous | 47,488 | 36,815 | 6,000 | 63,621 | 275,000 |
| Transfers in | 2,266,374 | 1,252,032 | 2,670,250 | 2,960,000 | 9,580,500 |
| Total revenues | 3,746,708 | 1,491,936 | 3,638,250 | 3,836,046 | 19,060,500 |
| Total resources | \$ 3,947,436 | \$ 1,761,983 | \$ 4,090,621 | \$ 4,497,285 | \$ 19,406,733 |

2017-18 Budget



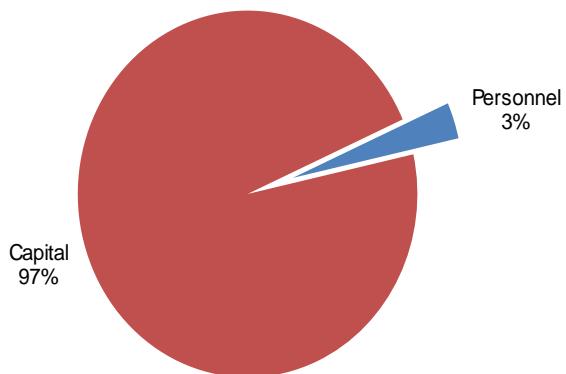
Street Capital Resources



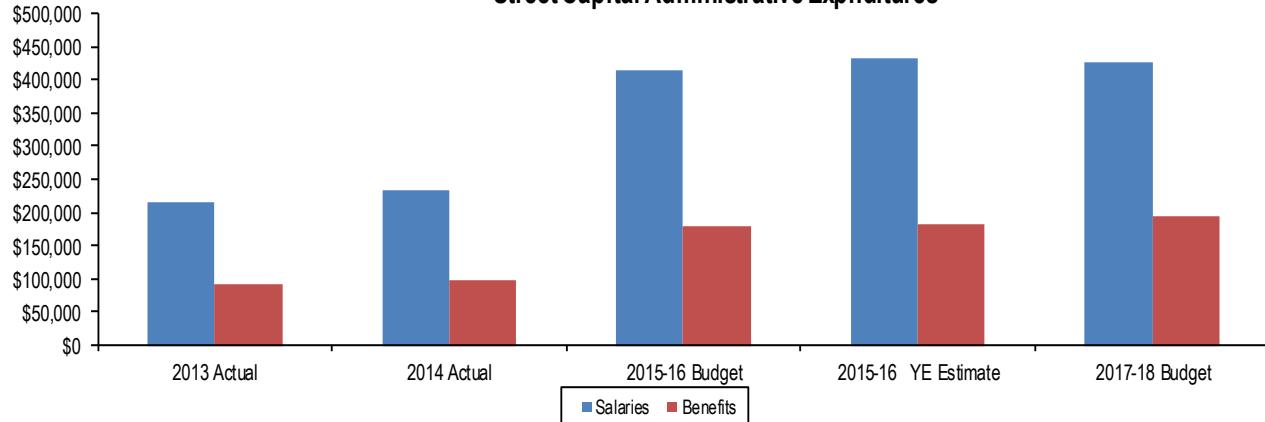
Expenditures By Type

| Category | 2013 | 2014 | 2015-16 | 2015-16 | 2017-18 |
|---------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| | Actual | Actual | Budget | YE Estimate | Budget |
| Salaries | \$ 216,493 | \$ 233,320 | \$ 413,700 | \$ 431,337 | \$ 424,900 |
| Benefits | 92,690 | 97,018 | 179,700 | 183,058 | 193,800 |
| Services | 285 | - | - | - | - |
| Capital expenditures | 3,367,921 | 770,406 | 3,387,250 | 3,536,657 | 18,742,500 |
| Total expenditures | 3,677,389 | 1,100,744 | 3,980,650 | 4,151,052 | 19,361,200 |
| Ending balance | 270,047 | 661,239 | 109,971 | 346,233 | 45,533 |
| Total uses | \$ 3,947,436 | \$ 1,761,983 | \$ 4,090,621 | \$ 4,497,285 | \$ 19,406,733 |

2017-18 Budget



Street Capital Administrative Expenditures



DESCRIPTION OF FUNCTION
STATE DRUG INVESTIGATION FUND

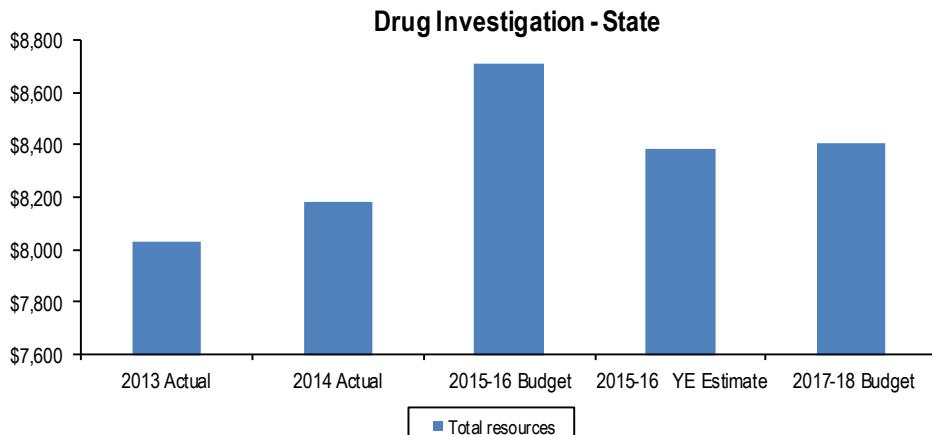
Proceeds from the sale of property seized during drug investigations and forfeited pursuant to state law are accumulated in this fund. These monies are used to pay for overtime, equipment and supplies related to drug investigations and related activities.

Resources

| Category | 2013 | 2014 | 2015-16 | 2015-16 | 2017-18 |
|------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | Actual | Actual | Budget | Estimate | YE |
| Beginning balance | \$ 7,837 | \$ 8,028 | \$ 8,186 | \$ 8,185 | \$ 8,385 |
| Fines & forfeits | - | 150 | 500 | 152 | - |
| Miscellaneous | 191 | 7 | 20 | 48 | 20 |
| Total revenues | 191 | 157 | 520 | 200 | 20 |
| Total resources | \$ 8,028 | \$ 8,185 | \$ 8,706 | \$ 8,385 | \$ 8,405 |

Expenditures By Type

| Category | 2013 | 2014 | 2015-16 | 2015-16 | 2017-18 |
|---------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | Actual | Actual | Budget | Estimate | YE |
| Salaries | \$ - | \$ - | \$ 4,000 | \$ - | \$ - |
| Benefits | - | - | 1,500 | - | - |
| Supplies | - | - | 1,000 | - | - |
| Services | - | - | - | - | - |
| Intergov't charges | - | - | - | - | - |
| Total expenditures | - | - | 6,500 | - | - |
| Ending balance | 8,028 | 8,185 | 2,206 | 8,385 | 8,405 |
| Total uses | \$ 8,028 | \$ 8,185 | \$ 8,706 | \$ 8,385 | \$ 8,405 |



DESCRIPTION OF FUNCTION
FEDERAL DRUG INVESTIGATION FUND

Proceeds from the sale of property seized during drug investigations and forfeited pursuant to federal law are accumulated in this fund. These monies are used to pay for overtime, equipment and supplies related to drug investigations and related activities.

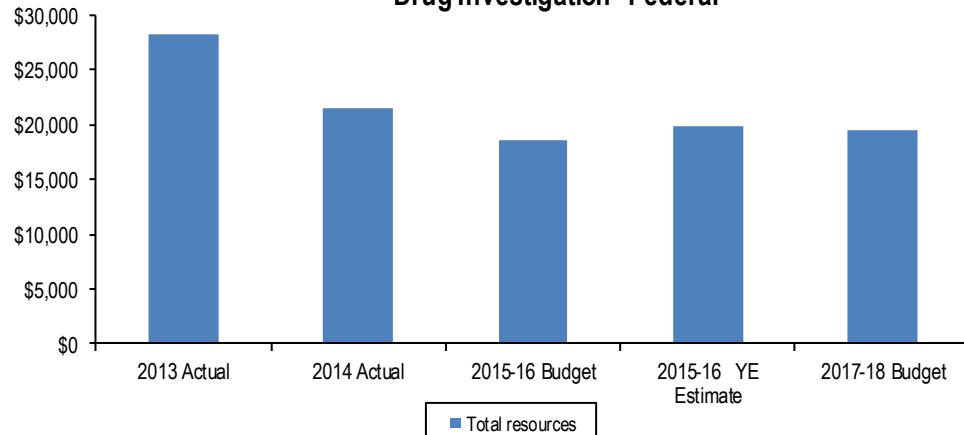
Resources

| Category | 2013 | 2014 | 2015-16 | 2015-16 | 2017-18 |
|------------------------|------------------|------------------|------------------|------------------|------------------|
| | Actual | Actual | Budget | Estimate | YE Budget |
| Beginning balance | \$ 28,209 | \$ 21,534 | \$ 18,554 | \$ 19,794 | \$ 19,376 |
| Miscellaneous | 33 | 18 | 40 | 106 | 40 |
| Total revenues | 33 | 18 | 40 | 106 | 40 |
| Total resources | \$ 28,242 | \$ 21,552 | \$ 18,594 | \$ 19,900 | \$ 19,416 |

Expenditures By Type

| Category | 2013 | 2014 | 2015-16 | 2015-16 | 2017-18 |
|---------------------------|------------------|------------------|------------------|------------------|------------------|
| | Actual | Actual | Budget | Estimate | YE Budget |
| Salaries | \$ - | \$ - | \$ - | \$ - | \$ - |
| Benefits | - | - | - | - | - |
| Supplies | - | - | - | 524 | - |
| Services | 6,708 | 1,758 | - | - | - |
| Intergov't charges | - | - | - | - | - |
| Capital | - | - | - | - | - |
| Total expenditures | 6,708 | 1,758 | - | 524 | - |
| Ending balance | 21,534 | 19,794 | 18,594 | 19,376 | 19,416 |
| Total uses | \$ 28,242 | \$ 21,552 | \$ 18,594 | \$ 19,900 | \$ 19,416 |

Drug Investigation - Federal



DESCRIPTION OF FUNCTION
HOTEL – MOTEL TAX FUND

The lodging tax is imposed by the city upon the sale or the furnishing of lodging. Revenues generated by this tax may be used solely for paying for tourism promotion and operating expenditures of tourism-related facilities owned and operated by a non-profit organization.

The Tourism & Communications Director is responsible for managing the city's lodging tax fund. This involves keeping all records of expenditures, contracts and partnerships.

The Tourism & Communications office will annually prepare and implement a marketing and advertising plan and budget that promotes tourism and lodging activities with focus on meetings market, tour market and group travel. Continue efforts set forth in the Tourism Strategic Plan including the branding of community, advertising, maintenance of the official city visitor and meeting planner website, creation and distribution of official visitor guide, maintenance of photo library and presentation of Gig Harbor at tradeshows to tour operators and convention planners. This office is the staff contact for the Lodging Tax Advisory Committee.

The Tourism & Communications office serves as the contact for media requests for information. This includes creation and distribution of press kits, press releases for both tourism and city issues and topics, management of tourism website, blog, newsletter and social media accounts, and assist the City Administrator or Chief of Police for city public information in an emergency.

The Tourism & Communications Office shall provide community outreach for the city and its functions. Work directly with public requests for visitor information on Gig Harbor including fulfillment of all web, phone and mail requests for information. Collaboratively manage the visitor information center functions at the Gig Harbor Chamber of Commerce and Skansie House locations, by providing materials and volunteer training. The Director shall serve as liaison for the Gig Harbor community, its organizations, committees and businesses to other area tourism, economic development and marketing organizations throughout the region and state.

NARRATIVE OF GOALS 2017 – 2022
HOTEL – MOTEL TAX FUND

1. **Promote identity.** Promote and enhance awareness of Gig Harbor as an authentic maritime community by creating and maintaining a marketing image and brand through a comprehensive tourism website with new mobile applications in 2017, highly visible travel advertising, editorial media in publications, radio and television presence and collateral materials. **2017 - 2022.**
2. **Provide visitors and residents information and services to capitalize on Gig Harbor/Peninsula amenities.** Maintain the City Tourism & Communications office. Provide signage and interpretive information throughout the city that relates to brand image. Maintain city visitor information kiosks around town. Introduce a new pedestrian friendly digital kiosk at LS 4 in spring 2017. **2017 - 2022.**
3. **Capture a larger share of the Northwest regional market.** Target a three-hour drive radius for recruitment of tours, sport travelers, conventions, eco-tourism, seminars, retreats, families, couples, weddings and additional target markets. Focus on off-season building of “heads-in-beds” in hotels and bed and breakfasts through development of local amenities, conventions, programs, events, hobby groups, activities and travel packages. Promote these year-round reasons to visit Gig Harbor. Attend conventions to promote Gig Harbor to tour operators and meeting planners and learn new ideas and better ways to be successful. Target Meeting Planners International and Washington State Association of Executives for roles available to bring more awareness to Gig Harbor. **2017 - 2022.**
4. **Partner with local and regional groups to capitalize on existing programs and to create a stronger, more viable voice on tourism, marketing and economic development related issues.** Promote collaborative and assessable outcomes with local organizations such as the Gig Harbor Chamber of Commerce, the Harbor History Museum, the Peninsula Art League, the Gig Harbor Downtown Waterfront Alliance, the Tacoma Regional Convention and Visitors Bureau, South Sounds Sports, National Marine Trade Association (Seattle Boat Show), Association of the United States Army, the Seattle Convention and Visitors Bureau, the Kitsap Peninsula Visitor and Convention Bureau, the Tacoma and Pierce County Economic Development offices, the Washington Tourism Alliance, the Tacoma Narrows Airport and others on programs and issues of importance. **2017 - 2022.**

NARRATIVE OF OBJECTIVES 2017 – 2018
HOTEL – MOTEL TAX FUND

The following projects will be funded and managed through the marketing department. The Tourism & Communications Director will work directly with outside groups when necessary. Funding support may be provided for those projects approved by the Tourism & Communications Director that are in keeping with long term goals and strategic plan, to assist with external marketing efforts.

1. **Marketing & Advertising fund.** The objective of this fund is to promote and market the greater Gig Harbor area in 2017 & 2018 through advertising (including broadcast, print and online), website development and/or enhancement, app development, media editorial, social media, brochure distribution, direct mail, event promotion and trade shows. This fund focuses on organized meeting and convention planners, tour operators, leisure traveler, group travel, wedding planners and media. Included is professional photography and professional graphic design. This fund contains an advertising campaign for visitors and meetings which also includes first class advertisement development. Additionally included is a campaign to encourage residents and businesses to stay and shop in Gig Harbor. In the 2017 budget, incorporated is special promotion campaign of the new Welcome Plaza. **\$92,900 – 2017, \$86,900 - 2018.**
2. **Support to the Tacoma Pierce County Convention and Visitors Bureau.** Continue partnership with the Tacoma Pierce County CVB to capitalize on shared resources for leisure travel, tour operators, meetings and conventions, and advertising and promotion opportunities. **\$10,000 - 2017, \$10,000 - 2018.**
3. **Support to the Tacoma South Sound Sports.** Continue to expand the work we began in partnering with the Tacoma Sports Commission. Capitalize on opportunities to draw overnight visitors through sporting events to include Paddlers Cup with intent to introduce a new event in fall 2017 consisting of an open water swim. **\$7,000 – 2017, \$7,000 – 2018.**
4. **Support the Kitsap Peninsula Visitor and Convention Bureau.** Partner with Kitsap VCB on web marketing efforts, collaboration on corporate traveler, adventure sport traveler, NPS water trails, leisure traveler campaigns. **\$5,000 – 2017, \$5,000 - 2018.**
5. **Harbor Wildwatch VIC Program.** Contribute to Harbor Wildwatch in return for staffing at the Visitor Information Center at Skansie on weekends throughout the year. **\$2,000 – 2017, \$2,000 - 2018.**
6. **Public Relations Consultant.** Public relations and media exposure for meeting market and leisure travelers to include building of itineraries for and hosting travel writers. **\$10,000 – 2017, \$10,000 – 2018.**

7. **Pierce Transit** – Contribution for Get Around Gig Harbor Trolley operation. **\$25,000 – 2017, \$25,000 -2018.**
8. **Gig Harbor Farmers Market** – Contribute to the Downtown Waterfront Alliance's Waterfront Farmers Market effort in return for marketing of www.gigarborguide.com at the information booth at the weekly market. **2017 - \$5,000.**
9. **Gig Harbor LTAC** – Economic development study with a goal to build visitation during the shoulder season and draw businesses and attractions to the area in order to provide additional amenities for visitors. **2017 - \$25,000.**
10. **General Fund salary contribution.** Percentage of General Fund contribution to Tourism & Communications Director and Assistant salary for 2017 & 2018: **50%.**

**HOTEL – MOTEL TAX FUND
CAPITAL OUTLAY 2017- 2018**

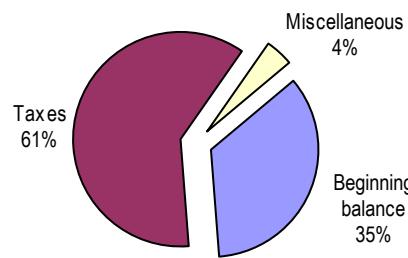
- 1. Large digital kiosk for the Welcome Plaza at Jerisich Dock.** The outdoor digital signage directory will be located in the breezeway and will consist of an approximate 7-foot tall (ADA accessible), polished metal cabinet with full-color LCD screen with interactive capabilities to direct pedestrians and visitors to restaurants, lodging, attractions, walking routes, special events, weather forecast and more. **\$20,000 – 2017**

Total Capital Outlay \$20,000 - 2017.

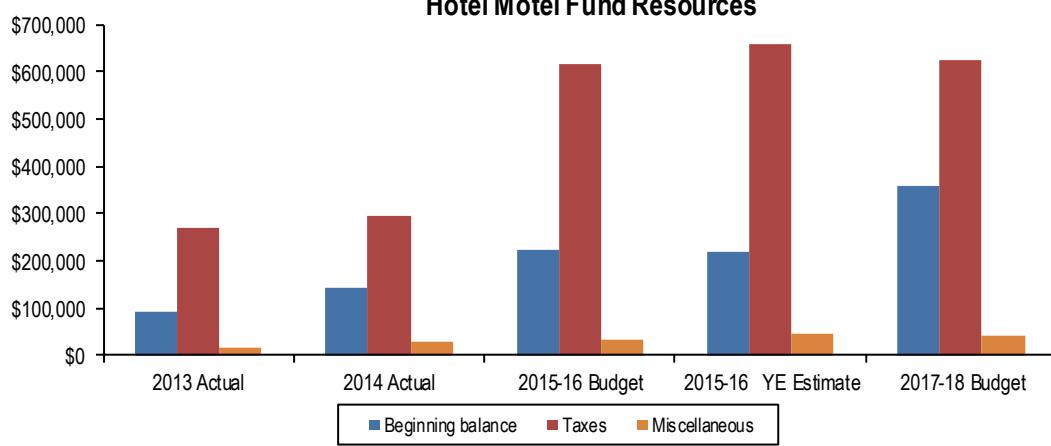
Resources

| Category | 2013 Actual | 2014 Actual | 2015-16 Budget | 2015-16 YE | 2017-18 Budget |
|------------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| Beginning balance | \$ 91,694 | \$ 141,860 | \$ 221,414 | \$ 220,669 | \$ 358,203 |
| Taxes | 270,104 | 294,034 | 615,428 | 659,855 | 625,039 |
| Miscellaneous | 8,231 | 19,166 | 24,350 | 38,484 | 39,000 |
| Transfers in | 8,630 | 9,544 | 8,630 | 5,259 | 4,233 |
| Total revenues | 278,335 | 313,200 | 639,778 | 698,339 | 664,039 |
| Total resources | \$ 370,029 | \$ 455,060 | \$ 861,192 | \$ 919,008 | \$ 1,022,242 |

2017-18 Budget



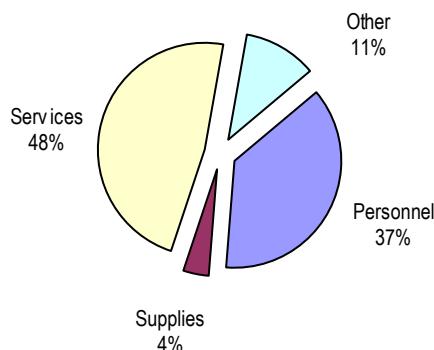
Hotel Motel Fund Resources



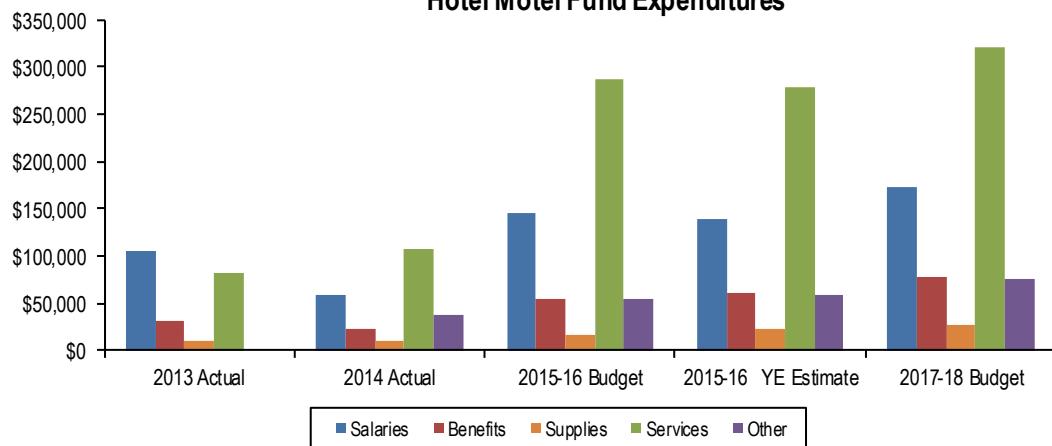
Expenditures By Type

| Category | 2013 Actual | 2014 Actual | 2015-16 Budget | 2015-16 YE | 2017-18 Budget |
|---------------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| Salaries | \$ 105,406 | \$ 58,175 | \$ 145,900 | \$ 140,047 | \$ 174,000 |
| Benefits | 30,862 | 22,113 | 55,100 | 61,419 | 77,500 |
| Supplies | 9,697 | 9,458 | 17,000 | 23,061 | 26,000 |
| Services | 82,204 | 107,804 | 288,000 | 278,365 | 321,000 |
| intergov | - | 36,841 | 50,000 | 57,913 | 50,000 |
| Capital | - | - | 5,000 | - | 24,700 |
| Total expenditures | 228,169 | 234,391 | 561,000 | 560,805 | 673,200 |
| Ending balance | 141,860 | 220,669 | 300,192 | 358,203 | 349,042 |
| Total uses | \$ 370,029 | \$ 455,060 | \$ 861,192 | \$ 919,008 | \$ 1,022,242 |

2017-18 Budget



Hotel Motel Fund Expenditures



DESCRIPTION OF FUNCTION
PUBLIC ART CAPITAL PROJECTS

This fund, established in 2004, will be used to accumulate unspent appropriations of the Arts Commission Project Support Program. The funds accumulated in this fund will be used for Public Art Capital Projects as recommended by the Arts Commission and approved by the City Council.

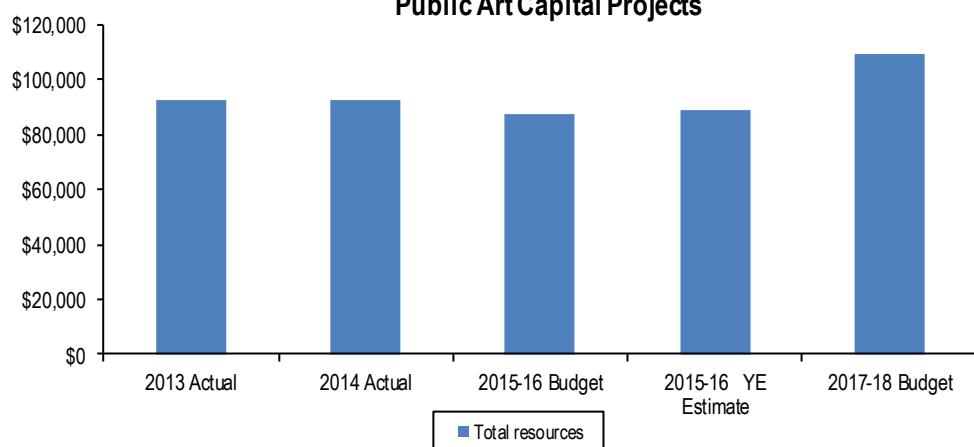
Resources

| Category | 2013 | 2014 | 2015-16 | 2015-16 | 2017-18 |
|------------------------|------------------|------------------|------------------|------------------|-------------------|
| | Actual | Actual | Budget | Estimate | Budget |
| Beginning balance | \$ 92,076 | \$ 92,195 | \$ 67,277 | \$ 68,405 | \$ 88,823 |
| Miscellaneous | 119 | 73 | 100 | 418 | 200 |
| Transfers in | - | - | 20,000 | 20,000 | 20,000 |
| Total revenues | 119 | 73 | 20,100 | 20,418 | 20,200 |
| Total resources | \$ 92,195 | \$ 92,268 | \$ 87,377 | \$ 88,823 | \$ 109,023 |

Expenditures By Type

| Category | 2013 | 2014 | 2015-16 | 2015-16 | 2017-18 |
|---------------------------|------------------|------------------|------------------|------------------|-------------------|
| | Actual | Actual | Budget | Estimate | Budget |
| Capital expenditures | \$ - | \$ 23,863 | \$ - | \$ - | \$ - |
| Total expenditures | - | 23,863 | - | - | - |
| Ending balance | 92,195 | 68,405 | 87,377 | 88,823 | 109,023 |
| Total uses | \$ 92,195 | \$ 92,268 | \$ 87,377 | \$ 88,823 | \$ 109,023 |

Public Art Capital Projects



DESCRIPTION OF FUNCTION
PARKS DEVELOPMENT

This fund was established in 1995. Since inception, the resources accumulated through transfers from the General Fund, capital grants, and interest earnings have been used for the purchase and development of civic properties.

NARRATIVE OF GOALS 2017 – 2022 PARK DEVELOPMENT

1. **Joint Community Parks Planning.** Participate in joint jurisdictional development of a Gig Harbor/Peninsula park facility in the Gig Harbor North area. **2017 - 2022.**
2. **City Parks.** Design and construct improvements at Eddon Boat, City Park at Crescent Creek, Jerisich Dock, Donkey Creek Park, Wilkinson Farm, Skansie Brothers Park, Kenneth Leo Marvin Veterans Memorial Park, Ancich Waterfront Park, Maritime Pier, and other site specific projects. **2017 - 2022.**
3. **Skansie Brothers Park/Jerisich Dock.** Using an incremental approach, and as funds are available, implement the council-approved plan that resulted from Ad Hoc committee and public input process. **2017 - 2022.**
4. **KLM Veterans Memorial Park.** Implement remaining planned improvements, which may include basketball half court, paved plaza, additional play structures, overlook with arbor/shelter and additional benches, exercise stations, walking trails around the park and nature trails in the wetland buffer, with interpretive signage. **2017 - 2022.**
5. **Cushman Trail Phase 5.** Working with Stakeholders, the City will complete a pre planning study to identify the preferred route alignment and begin design on the trail extension to the City northern limits. **2017 - 2022.**
6. **Crescent Creek Park Master Plan.** Develop a master plan for the existing Crescent Creek Park and other possible surrounding opportunities. **2017 – 2022.**
7. **Cushman Trail Spurs.** Develop opportunities to provide additional trails from the Cushman Trail to other areas of the City, including Twawelkax Trail connecting Cushman Trail to the Donkey Creek Park area. **2017 – 2022.**
8. **Wilkinson Farm Park Renovations.** Seek grant funding to renovate the existing barn, expand parking, and improve pedestrian access for Wilkinson Farm Park. **2017 – 2022.**
9. **Harbor Hill Park Property - Development.** Complete the development of a master plan for the park property and seek grant funding opportunities to develop the adopted master plan. **2017 - 2022.**
10. **Ancich Waterfront Park.** Implement results of the results of the Ancich Waterfront Park Visioning Process through grant funds and available city funds. **2017 – 2018.**
11. **Twawelkax Trail.** Complete easement, environmental, permitting, and design in-house for the Twawelkax Trail that will connect the Cushman Trail to downtown Gig Harbor. Construction of the trail to be leveraged through volunteer resources.

NARRATIVE OF OBJECTIVES 2017- 2018
PARK DEVELOPMENT

1. **Wilkinson Farm Park – Trail System.** Develop the approved trail and public access plan for Wilkinson Farm Park. The trail system will utilize the existing trails within the park and will include additional trails to provide increased public access. In addition, two new public viewing platforms will be installed along the edges of the pond at the park. We may be required to implement the Mitigation and Monitoring Plan developed in 2012 to offset the potential impact to the wetland buffer resulting from the construction of the trails and platform. **Work to be leveraged through volunteer resources.**
2. **Harbor Hill Park (Gig Harbor Sports Complex) Master Plan.** Create a Harbor Hill Park Master Plan utilizing results from previous visioning exercises. The Master Plan will be undertaken by the City, but will include the YMCA, Olympic Property Group, Gig Harbor Little League and Peninsula School District as partners. The Master Plan will provide for public input and will determine design of the Harbor Hill Complex and associated costs. The City is actively seeking a House and/or Senate Capital Funding Request from the Washington State Biennial 2017-2018 budget. Additionally, staff will seek and apply for grants for design and construction of the Harbor Hill Park **\$50,000 – 2018.**
3. **Cushman Trail Bridge Easements.** The Pierce County and TPU right of way easement boundary limits that was provided to the City outlined the limits of the City's trail construction. These limits were determined by a surveyor for a nearby private development to be misaligned, resulting in the trail's encroachment onto several properties between the limits of 96th St and Burnham Drive. The work will procure the necessary long term easements for those areas that the trail encroaches on private property. **\$65,000 – 2017.**
4. **Public Works Operations Center – Site Development.** Complete the site design and site permitting then construct the frontage improvements and site civil improvements related to the new Public Works Operations Center. **\$1,600,000 - 2017 (Parks \$400,000, Streets \$400,000, Water \$640,000, Storm \$160,000). \$600,000 - 2018 (Parks \$150,000, Streets \$150,000, Water \$240,000, Storm \$60,000).**
5. **Public Works Operations Center – Building Construction.** Complete the building design and building permitting of the new Public Works Operations Center. **\$3,000,000 - 2018 (Parks \$750,000, Streets \$750,000, Water \$1,200,000, Storm \$300,000).**
6. **Public Works Shop – Metal Building.** Install the metal building (72'x40") acquired from the History Museum property at the Public Works Shop for additional covered storage. This building will need new metal siding, a concrete slab and

roofing. **\$100,000 - 2017 (Streets - \$15,000, Parks - \$15,000, Water - \$30,000, Storm - \$10,000, Wastewater - \$30,000).**

7. **Crescent Creek Park – Visioning and Master Plan.** Conduct visioning and develop a master plan for Crescent Creek Park. Complete Urban Growth Area Expansion to include a city-owned 2.33 acre parcel into City limit for purposes of additional Crescent Creek Park land. **\$50,000 – 2017 (HBZ funded).**

8. **Ancich Waterfront Park Upland Development.** This is a multi-year project which is anticipated to conclude in 2018. Visioning was conducted in 2014; public outreach, grant acquisition and consultants were retained in 2015; additional public outreach, upland development concepts, 30% design and federal, state and local permits were submitted and Design Review Board process occurred in 2016. Design finalization and construction will occur in 2017, and will include a street-level view plaza with lower level boat storage, an elevator for ADA access, improvements to the driveways to the Ancich Netshed and Jerkovich Pier as well as removal of dilapidated existing bulkhead replaced with a small toe wall and soft shoreline armoring. **\$2,000,000 - 2017 \$700,000 – 2018 (\$500,000 from RCO grant, \$2,200,000 from local funds).**

9. **Jerkovich Pier.** The City-owned Jerkovich Pier is in need of repairs in order to maintain existing access and grant public access onto the pier as part of the Ancich Park project. **\$600,000 – 2018. (Local funds)**

10. **Ancich Netshed.** This historic over-water structure is in need of replacement of the piling, decking, roof, and structural improvements to the pier and the netshed in order to preserve its structural integrity and to allow future uses for the site. The City received a grant for \$660,000 with a required match of \$185,000. Design was completed and permits submitted in 2016. Remaining work in 2017 includes construction of the necessary improvements. **\$1,000,000 – 2017 \$300,000 – 2018 (\$660,000 from State Heritage Grant and \$640,000 in local funds).**

11. **Donkey Creek Signage.** With the completion of the Donkey Creek Restoration Project, five bridge pylons (foundation blocks) excavated from the historic timber bridge were salvaged and placed along the trail with the intent of using them for interpretive/monument signs. This work will purchase and install the signs. **\$5,000 – 2017.**

12. **Wilkinson Farm Park – Barn Restoration.** From the results of the structural report performed in 2014, complete the recommended structural improvements to the barn. This work is dependent on a successful DAHP “Heritage Barn Grant.” **\$470,000 – 2018. (\$200,000 DAHP Grant, \$270,000 REET).**

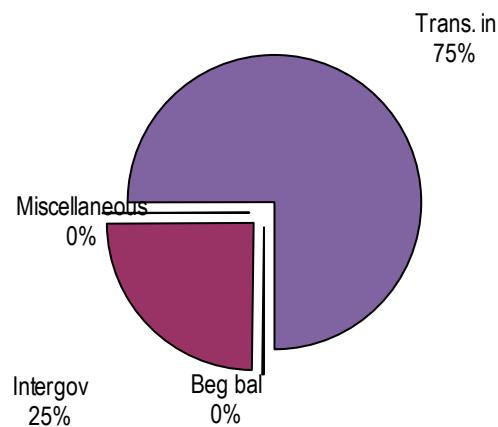
13. **Cushman Trail Phase 5.** Working with stakeholders, the City will complete a pre-planning study to identify the preferred route alignment and begin design on the trail extension to the City northern limits. Funded by Federal Surface Transportation Grant monies **\$135,000 – 2017 \$135,000 - 2018 (\$200,000 grant and \$70,000 local funds).**

- 14. **Eddon Boat Park – Brick House Remodel.** Remodel and rehabilitate the historic Eddon Residence. Costs are for permitting and construction. **\$378,000 – 2018 (\$73,547 grant funds and \$304,453 local funds).**
- 15. **Grandview Forest Park – Tree Management Plan.** Conduct tree risk assessment and develop Tree Risk Management Plan in order to manage and mitigate the identified laminated root rot in Grandview Forest Park. **\$50,000 – 2017.**
- 16. **Public Works Maintenance Facility Concrete Pad.** Install concrete pad and two foot concrete walls to re-use back shed area that will be taken down for the metal building. **\$8,500 - 2017 (Parks \$1,275, Streets \$1,275, Water \$2,550, Storm \$850, Wastewater \$2,550).**

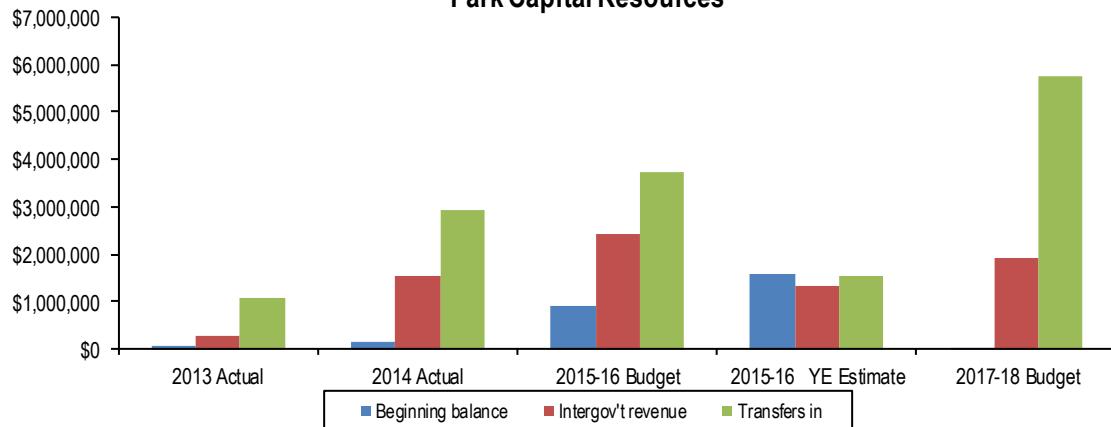
Resources

| Category | 2013 | 2014 | 2015-16 | 2015-16 | 2017-18 |
|------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Actual | Actual | Budget | YE Estimate | Budget |
| Beginning balance | \$ 86,222 | \$ 139,326 | \$ 915,950 | \$ 1,588,627 | \$ 15,101 |
| Intergov't revenue | 275,645 | 1,536,415 | 2,428,355 | 1,343,651 | 1,903,000 |
| Miscellaneous | 175 | 541 | 200 | 15,666 | 4,000 |
| Transfers in | 1,060,000 | 2,920,250 | 3,733,750 | 1,559,413 | 5,775,000 |
| Total revenues | 1,335,820 | 4,457,206 | 6,162,305 | 2,918,730 | 7,682,000 |
| Total resources | \$ 1,422,042 | \$ 4,596,532 | \$ 7,078,255 | \$ 4,507,357 | \$ 7,697,101 |

2017-18 Budget



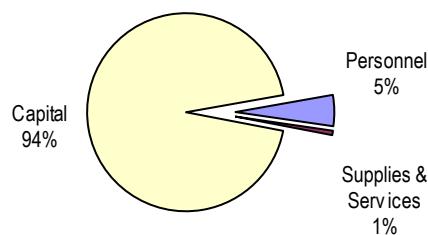
Park Capital Resources



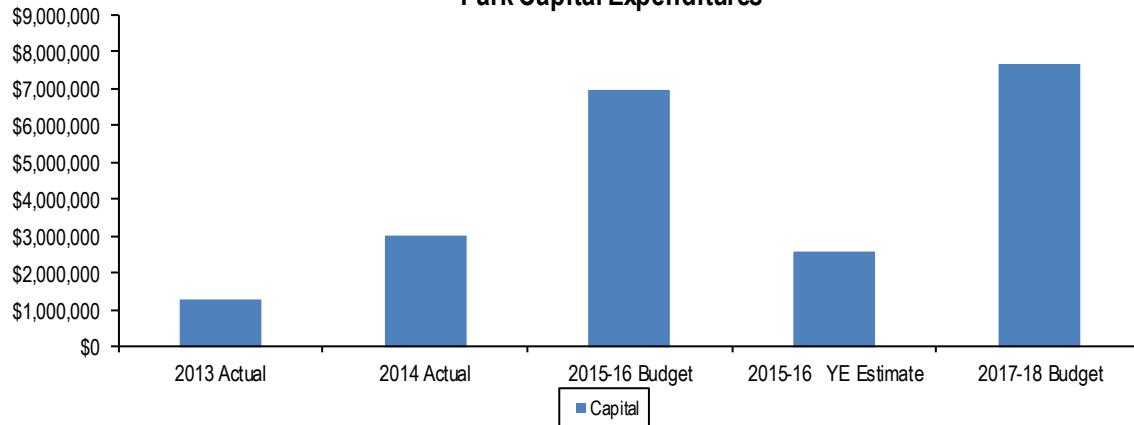
Expenditures By Type

| Category | 2013 | 2014 | 2015-16 | 2015-16 | 2017-18 |
|---------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Actual | Actual | Budget | YE Estimate | Budget |
| Salaries | \$ 87,949 | \$ 87,286 | \$ 177,100 | \$ 207,990 | \$ 262,300 |
| Benefits | 41,942 | 67,257 | 78,800 | 94,466 | 125,700 |
| Supplies | 4,573 | 253 | - | 6,672 | 5,000 |
| Services | - | - | 70,000 | 70,790 | 50,000 |
| Capital expenditures | 1,148,252 | 2,853,109 | 6,645,500 | 2,189,613 | 7,206,700 |
| Transfers out | - | - | - | 1,922,725 | - |
| Total expenditures | 1,282,716 | 3,007,905 | 6,971,400 | 4,492,256 | 7,649,700 |
| Ending balance | 139,326 | 1,588,627 | 106,855 | 15,101 | 47,401 |
| Total uses | \$ 1,422,042 | \$ 4,596,532 | \$ 7,078,255 | \$ 4,507,357 | \$ 7,697,101 |

2017-18 Budget



Park Capital Expenditures



DESCRIPTION OF FUNCTION
CIVIC CENTER DEBT RESERVE

This fund was established to build a debt reserve for the Civic Center Bonds that were issued in 2001. The reserve was established to ensure the city has a debt service reserve if the city suffers an economic downturn and to retire the Civic Center Debt early.

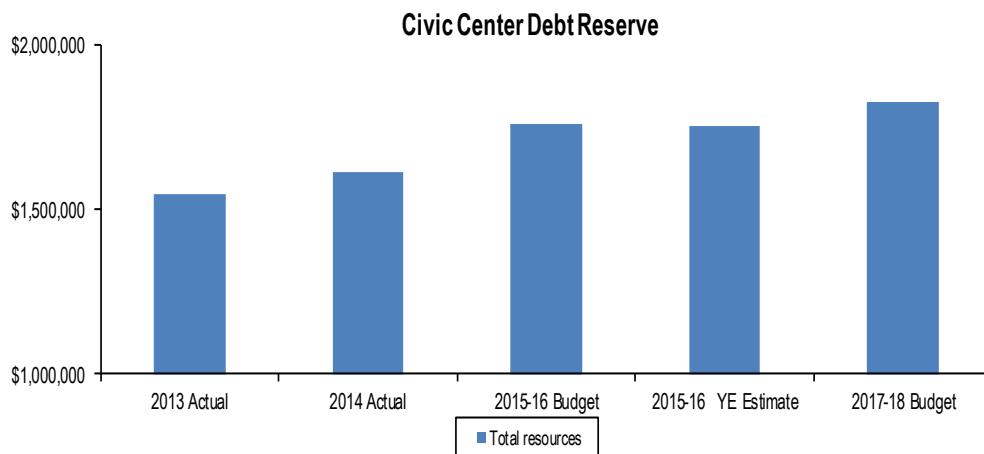
The resources accumulated through transfers from the General Fund and interest earnings will be used solely to either retire the Civic Center bonds or in the case of an emergency provide for annual debt service payments on the Civic Center bonds.

Resources

| Category | 2013 Actual | 2014 Actual | 2015-16 Budget | 2015-16 YE Estimate | 2017-18 Budget |
|------------------------|---------------------|---------------------|---------------------|------------------------|---------------------|
| Beginning balance | \$ 1,473,972 | \$ 1,546,344 | \$ 1,617,064 | \$ 1,614,520 | \$ 1,752,968 |
| Miscellaneous | 5,292 | 3,320 | 10,000 | 9,448 | 10,000 |
| Transfers in | 67,080 | 65,256 | 129,000 | 129,000 | 65,000 |
| Total revenues | 72,372 | 68,576 | 139,000 | 138,448 | 75,000 |
| Total resources | \$ 1,546,344 | \$ 1,614,920 | \$ 1,756,064 | \$ 1,752,968 | \$ 1,827,968 |

Expenditures By Type

| Category | 2013 Actual | 2014 Actual | 2015-16 Budget | 2015-16 YE Estimate | 2017-18 Budget |
|---------------------------|---------------------|---------------------|---------------------|------------------------|---------------------|
| Transfers out | \$ - | \$ - | \$ 180,000 | \$ - | \$ - |
| Other | - | 400 | - | - | - |
| Total expenditures | - | 400 | 180,000 | - | - |
| Ending balance | 1,546,344 | 1,614,520 | 1,576,064 | 1,752,968 | 1,827,968 |
| Total uses | \$ 1,546,344 | \$ 1,614,920 | \$ 1,756,064 | \$ 1,752,968 | \$ 1,827,968 |



**DESCRIPTION OF FUNCTION
STRATEGIC RESERVE**

The Strategic Reserve fund was established to:

1. take advantage of strategic opportunities as they arise (key land purchases or matching funds for capital grants, for example); and
2. insulate the city from revenue fluctuations, economic downturns (i.e., "rainy days"), and other contingencies such as emergencies and disasters, uninsured losses, or tax refunds.

The city may use General Fund operating revenues and undesignated fund balances to build up this fund. Each budget cycle, the city council will establish a target amount for this fund based on a percentage of operating expenditures or some other method at the city council's discretion. If drawn down, the Strategic Reserve Fund should be replenished back to the targeted amount within three years. Spending from this fund shall not be done without city council authorization.

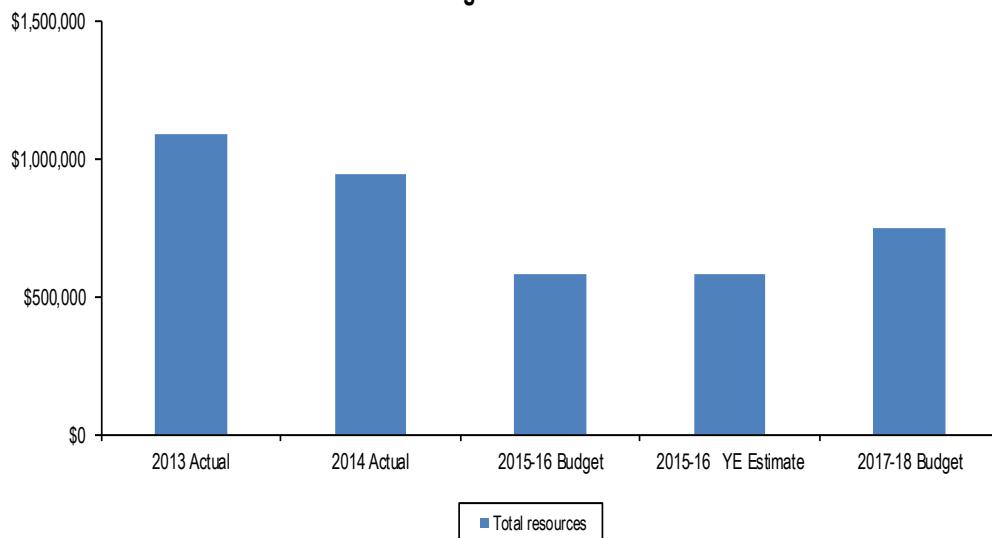
Resources

| Category | 2013 Actual | 2014 Actual | 2015-16 Budget | 2015-16 YE Estimate | 2017-18 Budget |
|------------------------|---------------------|-------------------|-------------------|------------------------|-------------------|
| Beginning balance | \$ 1,009,218 | \$ 860,606 | \$ 537,988 | \$ 538,034 | \$ 581,079 |
| Miscellaneous | 1,388 | 428 | - | 3,045 | 4,000 |
| Transfers in | 80,000 | 80,000 | 40,000 | 40,000 | 160,000 |
| Total revenues | 81,388 | 80,428 | 40,000 | 43,045 | 164,000 |
| Total resources | \$ 1,090,606 | \$ 941,034 | \$ 577,988 | \$ 581,079 | \$ 745,079 |

Expenditures By Type

| Category | 2013 Actual | 2014 Actual | 2015-16 Budget | 2015-16 YE Estimate | 2017-18 Budget |
|---------------------------|---------------------|-------------------|-------------------|------------------------|-------------------|
| Transfers out | \$ 230,000 | \$ 403,000 | \$ 534,000 | \$ - | \$ - |
| Total expenditures | 230,000 | 403,000 | 534,000 | - | - |
| Ending balance | 860,606 | 538,034 | 43,988 | 581,079 | 745,079 |
| Total uses | \$ 1,090,606 | \$ 941,034 | \$ 577,988 | \$ 581,079 | \$ 745,079 |

Strategic Reserve



DESCRIPTION OF FUNCTION
EQUIPMENT RESERVE

The Equipment Replacement Reserve Fund was established in order to provide the city a method to save for significant purchases. This systematic savings process will level out the financial peaks and valleys that come from replacing expensive vehicles and equipment. This proposed fund is not intended to be an equipment rental fund, nor is it intended to fully fund equipment or vehicle purchases at the time of acquisition. Rather, this fund is intended to establish a reserve that will fund at least a portion of vehicles and equipment as they are replaced, thereby reducing the expenditure spikes that can otherwise occur. Only the General Fund will contribute to this Fund.

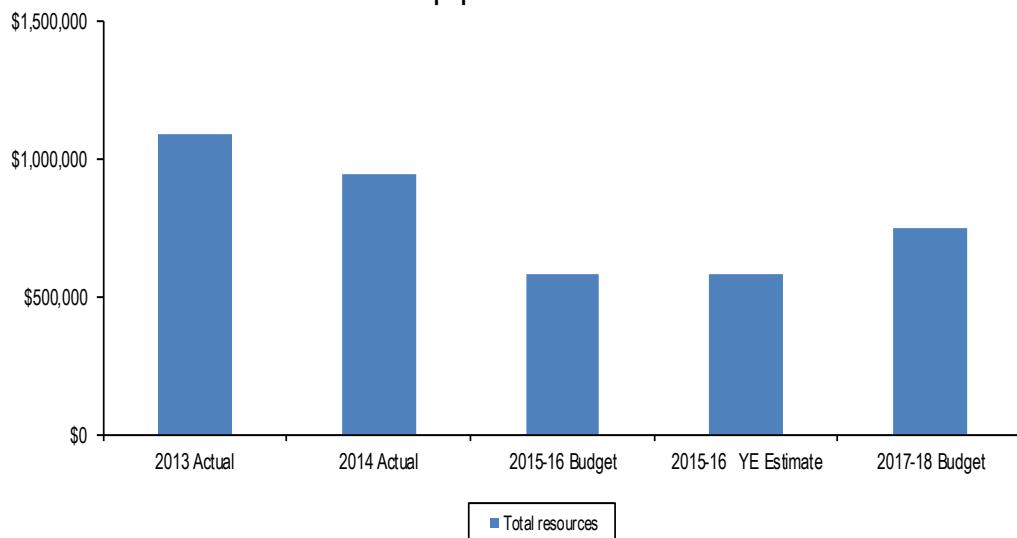
Resources

| Category | 2013 | 2014 | 2015-16 | 2015-16 | 2017-18 |
|------------------------|-------------------|-------------------|-------------------|--------------------|-------------------|
| | Actual | Actual | Budget | YE Estimate | Budget |
| Beginning balance | \$ 100,236 | \$ 150,394 | \$ 200,582 | \$ 200,577 | \$ 221,723 |
| Miscellaneous | 158 | 183 | 720 | 1,146 | 1,000 |
| Transfers in | 50,000 | 50,000 | 20,000 | 20,000 | 100,000 |
| Total revenues | 50,158 | 50,183 | 20,720 | 21,146 | 101,000 |
| Total resources | \$ 150,394 | \$ 200,577 | \$ 221,302 | \$ 221,723 | \$ 322,723 |

Expenditures By Type

| Category | 2013 | 2014 | 2015-16 | 2015-16 | 2017-18 |
|---------------------------|-------------------|-------------------|-------------------|--------------------|-------------------|
| | Actual | Actual | Budget | YE Estimate | Budget |
| Transfers out | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total expenditures | - | - | - | - | - |
| Ending balance | 150,394 | 200,577 | 221,302 | 221,723 | 322,723 |
| Total uses | \$ 150,394 | \$ 200,577 | \$ 221,302 | \$ 221,723 | \$ 322,723 |

Equipment Reserve



DESCRIPTION OF FUNCTION
CAPITAL DEVELOPMENT - REET

This fund accounts for the proceeds of the first one-quarter percent of the locally imposed real estate excise tax(REET). State law restricts the use of these funds to financing capital projects specified in a capital facilities plan element of a comprehensive plan.

The fund balance is available for acquisition of parks properties as identified by the City Council in the City of Gig Harbor Parks, Recreation and Open Space Plan.

**NARRATIVE OF OBJECTIVES 2017-2018
CAPITAL DEVELOPMENT - REET**

Operating transfers out. Transfer \$148,650 in 2017 and \$148,200 in 2018 to Fund 208, the Limited Tax General Obligation debt service fund to pay one-half of the debt service on the 2008 LTGO Bonds for both 2017 and 2018.

REET funds may also be applied to the following projects.

| | |
|---------------------------------|---------------|
| Civic Center re-roofing project | \$ 402,000 |
| Ballpark restorations | 190,000 |
| Ancich Waterfront Park | 700,000 |
| Stinson Avenue Project | <u>20,000</u> |
| | \$1,312,000 |

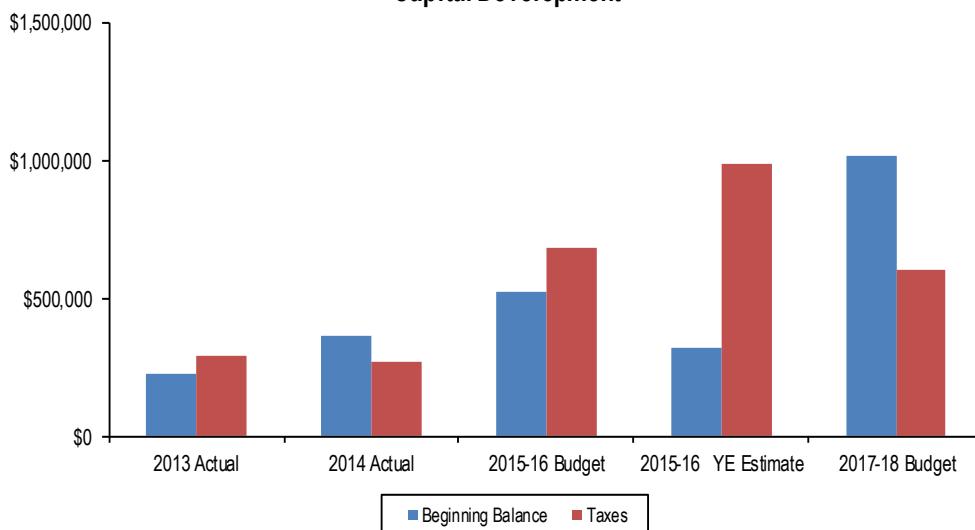
Resources

| Category | 2013 Actual | 2014 Actual | 2015-16 Budget | 2015-16 YE Estimate | 2017-18 Budget |
|------------------------|-------------------|-------------------|---------------------|------------------------|---------------------|
| Beginning balance | \$ 222,826 | \$ 363,143 | \$ 523,210 | \$ 321,337 | \$ 1,017,197 |
| Taxes | 289,953 | 271,546 | 678,557 | 984,055 | 604,000 |
| Miscellaneous | 364 | 348 | 600 | 4,405 | 3,000 |
| Total revenues | 290,317 | 271,894 | 679,157 | 988,460 | 607,000 |
| Total resources | \$ 513,143 | \$ 635,037 | \$ 1,202,367 | \$ 1,309,797 | \$ 1,624,197 |

Expenditures By Type

| Category | 2013 Actual | 2014 Actual | 2015-16 Budget | 2015-16 YE Estimate | 2017-18 Budget |
|---------------------------|-------------------|-------------------|---------------------|------------------------|---------------------|
| Transfers out | \$ 150,000 | \$ 313,700 | \$ 292,600 | \$ 292,600 | \$ 1,608,850 |
| Total expenditures | 150,000 | 313,700 | 292,600 | 292,600 | 1,608,850 |
| Ending balance | 363,143 | 321,337 | 909,767 | 1,017,197 | 15,347 |
| Total uses | \$ 513,143 | \$ 635,037 | \$ 1,202,367 | \$ 1,309,797 | \$ 1,624,197 |

Capital Development



DESCRIPTION OF FUNCTION
CAPITAL IMPROVEMENT - REET

This fund accounts for the proceeds of the second quarter percent of the locally imposed real estate excise tax. The law governing the use of these funds is more restrictive than for the first quarter percent. Permitted uses are defined as "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.

**NARRATIVE OF OBJECTIVES 2017-2018
CAPITAL IMPROVEMENT - REET**

Operating transfers out. Transfer \$148,650 in 2017 and \$148,200 in 2018 to Fund 208, the Limited Tax General Obligation debt service fund to pay one-half of the debt service on the 2008 LTGO Bonds for both 2017 and 2018. Also, transfer \$200,000 in 2018 to pay debt service on PW Facility LTGO Bonds.

REET funds may also be applied to the following projects.

| | |
|---|----------------|
| Jerkovich Pier | \$ 500,000 |
| 38 th Street Improvement Project | 150,000 |
| Harborview Drive Sidewalk Improvements | <u>395,000</u> |
| | \$1,045,000 |

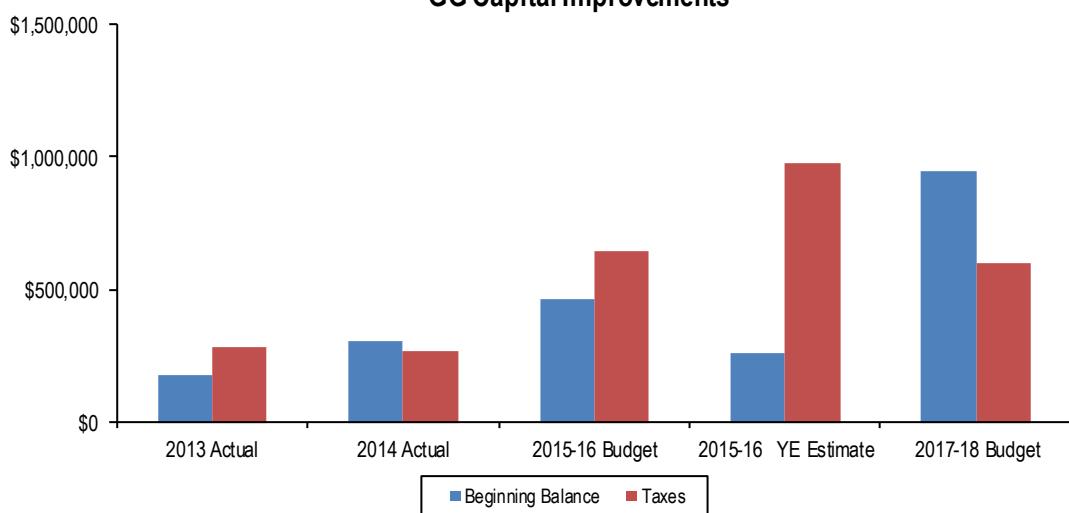
Resources

| Category | 2013 Actual | 2014 Actual | 2015-16 Budget | 2015-16 YE Estimate | 2017-18 Budget |
|------------------------|-------------------|-------------------|---------------------|------------------------|---------------------|
| Beginning balance | \$ 175,594 | \$ 307,295 | \$ 466,062 | \$ 260,815 | \$ 949,697 |
| Taxes | 281,409 | 266,927 | 642,255 | 977,422 | 600,000 |
| Miscellaneous | 292 | 293 | 600 | 4,060 | 3,000 |
| Total revenues | 281,701 | 267,220 | 642,855 | 981,482 | 603,000 |
| Total resources | \$ 457,295 | \$ 574,515 | \$ 1,108,917 | \$ 1,242,297 | \$ 1,552,697 |

Expenditures By Type

| Category | 2013 Actual | 2014 Actual | 2015-16 Budget | 2015-16 YE Estimate | 2017-18 Budget |
|---------------------------|-------------------|-------------------|---------------------|------------------------|---------------------|
| Transfers out | \$ 150,000 | \$ 313,700 | \$ 292,600 | \$ 292,600 | \$ 1,541,850 |
| Total expenditures | 150,000 | 313,700 | 292,600 | 292,600 | 1,541,850 |
| Ending balance | 307,295 | 260,815 | 816,317 | 949,697 | 10,847 |
| Total uses | \$ 457,295 | \$ 574,515 | \$ 1,108,917 | \$ 1,242,297 | \$ 1,552,697 |

GG Capital Improvements



**DESCRIPTION OF FUNCTION
IMPACT FEE TRUST**

This fund accounts for the park and transportation impact fees that are paid to the city. As projects that are eligible for impact fee funding are appropriated by City Council, the impact fees allocated for that project are transferred to the construction fund.

Transportation Impact fees may also be applied to the following projects.

| | |
|--|----------------|
| Harbor Hill Extension | \$ 800,000 |
| Stinson Avenue Pavement Overlay | 1,200,000 |
| Stinson/Rosedale Intersection Improvements | 520,000 |
| Olympic Drive Right Turn Lane | <u>225,000</u> |
| | \$2,745,000 |

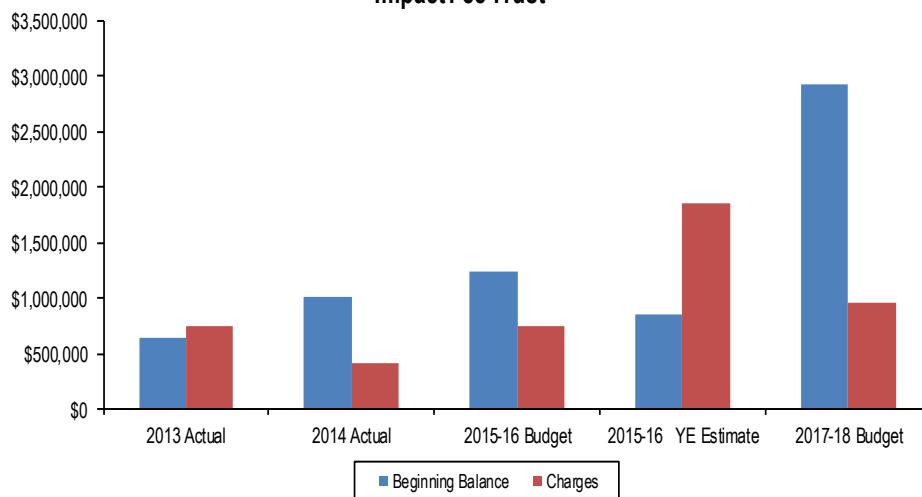
Resources

| Category | 2013 Actual | 2014 Actual | 2015-16 Budget | 2015-16 YE Estimate | 2017-18 Budget |
|------------------------|---------------------|---------------------|---------------------|------------------------|---------------------|
| Beginning balance | \$ 642,476 | \$ 1,017,607 | \$ 1,244,900 | \$ 850,334 | \$ 2,933,316 |
| Charges | 753,736 | 417,545 | 746,911 | 1,851,501 | 962,000 |
| Miscellaneous | 1,395 | 1,182 | 2,000 | 9,886 | 2,000 |
| Transfers in | - | - | - | 221,595 | - |
| Total revenues | 755,131 | 418,727 | 748,911 | 2,082,982 | 964,000 |
| Total resources | \$ 1,397,607 | \$ 1,436,334 | \$ 1,993,811 | \$ 2,933,316 | \$ 3,897,316 |

Expenditures By Type

| Category | 2013 Actual | 2014 Actual | 2015-16 Budget | 2015-16 YE Estimate | 2017-18 Budget |
|---------------------------|---------------------|---------------------|---------------------|------------------------|---------------------|
| Transfers out | \$ 380,000 | \$ 586,000 | \$ 50,000 | \$ - | \$ 2,745,000 |
| Total expenditures | 380,000 | 586,000 | 50,000 | - | 2,745,000 |
| Ending balance | 1,017,607 | 850,334 | 1,943,811 | 2,933,316 | 1,152,316 |
| Total uses | \$ 1,397,607 | \$ 1,436,334 | \$ 1,993,811 | \$ 2,933,316 | \$ 3,897,316 |

Impact Fee Trust



DESCRIPTION OF FUNCTION
HOSPITAL BENEFIT ZONE REVENUE FUND

The Hospital Benefit Zone Revenue Fund was established by Ordinance No. 1201 in order to receive the sales tax imposed by the city within the Hospital Benefit Zone (HBZ). In accordance with the enabling legislation, the taxes received from the HBZ are capped at \$2,000,000 per year; and may only be applied to eligible projects.

**NARRATIVE OF GOALS 2017 – 2022
HOSPITAL BENEFIT ZONE REVENUE FUND**

Harbor Hill Drive Extension. The Harbor Hill Drive extension will extend Harbor Hill Drive from its current point of termination, with the construction of a new roundabout southerly across the existing adjacent Gig Harbor Gun Club property at Burnham Drive. Construction to begin in 2017 and be completed in 2018.

**NARRATIVE OF OBJECTIVES 2017 – 2018
HOSPITAL BENEFIT ZONE REVENUE FUND**

Hospital Benefit Zone matching funds may be applied to the following projects in 2017-2018:

| | | |
|---|----------------------------|--------------------|
| Harbor Hill Drive Extension | | \$3,850,000 |
| Harborview Drive Pedestrian Improvements (Vicinity of Ancich Park) | | 300,000 |
| Ancich Park Development | | 1,500,000 |
| Ancich Park Development – Netshed | | 640,000 |
| Crescent Creek Park | | 50,000 |
| Cushman Trail Phase 5 | | 70,000 |
| Jerkovich Pier | | 100,000 |
| Roundabout Rapid Flash Beacon Crosswalk System – Lower Borgen | | 65,000 |
| Roundabout Rapid Flash Beacon Crosswalk System – Harbor Hill & Borgen | | 65,000 |
| Midblock Rapid Flash Beacon Crosswalk System – | | |
| | N. Harborview @ Anthony's | 14,000 |
| Midblock Rapid Flash Beacon Crosswalk System – | | |
| | N. Harborview & Harborview | 20,000 |
| Borgen Blvd Median | | 7,000 |
| Cushman Trail Bridge Easements | | 65,000 |
| Harbor Hill Park Master Plan | | <u>50,000</u> |
| Total | | \$6,796,000 |

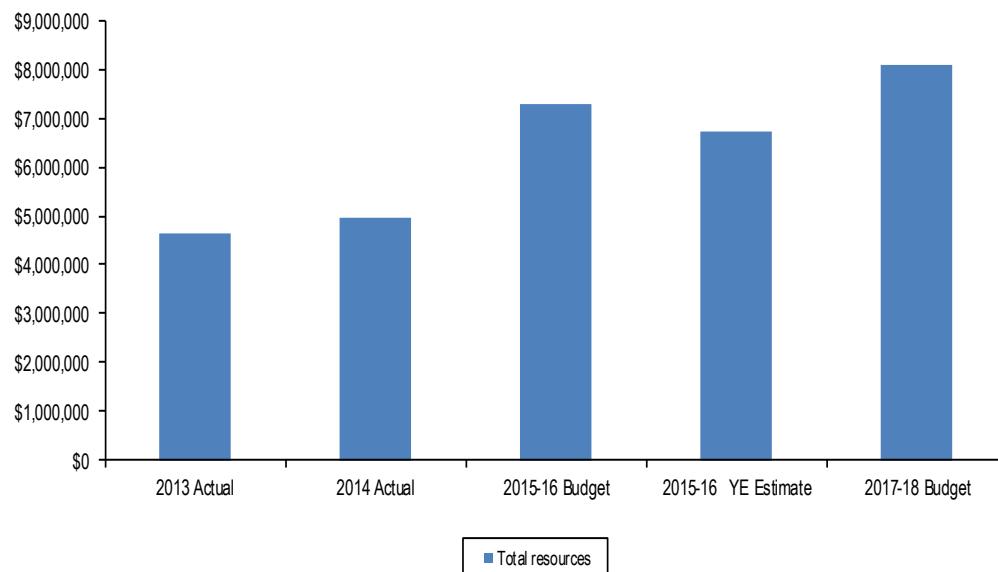
Resources

| Category | 2013 Actual | 2014 Actual | 2015-16 Budget | 2015-16 YE Estimate | 2017-18 Budget |
|------------------------|---------------------|---------------------|---------------------|------------------------|---------------------|
| Beginning balance | \$ 2,555,455 | \$ 2,861,805 | \$ 3,270,797 | \$ 2,604,176 | \$ 4,087,420 |
| Taxes | 2,068,865 | 2,082,374 | 4,000,000 | 4,086,017 | 4,000,000 |
| Miscellaneous | 3,859 | 3,114 | 6,000 | 16,097 | 4,000 |
| Total revenues | 2,072,724 | 2,085,488 | 4,006,000 | 4,102,114 | 4,004,000 |
| Total resources | \$ 4,628,179 | \$ 4,947,293 | \$ 7,276,797 | \$ 6,706,290 | \$ 8,091,420 |

Expenditures By Type

| Category | 2013 Actual | 2014 Actual | 2015-16 Budget | 2015-16 YE Estimate | 2017-18 Budget |
|---------------------------|---------------------|---------------------|---------------------|------------------------|---------------------|
| Transfers out | \$ 1,766,374 | \$ 2,343,117 | \$ 5,510,000 | \$ 4,541,595 | \$ 6,956,500 |
| Total expenditures | 1,766,374 | 2,343,117 | 5,510,000 | 4,541,595 | 6,956,500 |
| Ending balance | 2,861,805 | 2,604,176 | 1,766,797 | 2,164,695 | 1,134,920 |
| Total uses | \$ 4,628,179 | \$ 4,947,293 | \$ 7,276,797 | \$ 6,706,290 | \$ 8,091,420 |

HBZ Resources



DESCRIPTION OF FUNCTION
LIGHTHOUSE MAINTENANCE

This reserve was established to fund the ongoing repair and maintenance of the Gig Harbor lighthouse situated on the spit at the entrance to the harbor.

Resources

| Category | 2013 | 2014 | 2015-16 | 2015-16 | 2017-18 |
|------------------------|-----------------|-----------------|-----------------|-------------|-------------|
| | Actual | Actual | Budget | Estimate | YE |
| Beginning balance | \$ 2,113 | \$ 1,214 | \$ 1,214 | \$ - | \$ - |
| Miscellaneous | 3 | 1 | - | - | - |
| Total revenues | 3 | 1 | - | - | - |
| Total resources | \$ 2,116 | \$ 1,215 | \$ 1,214 | \$ - | \$ - |

Expenditures By Type

| Category | 2013 | 2014 | 2015-16 | 2015-16 | 2017-18 |
|---------------------------|-----------------|-----------------|-----------------|-------------|-------------|
| | Actual | Actual | Budget | Estimate | YE |
| Supplies | \$ 902 | \$ 1,215 | \$ - | \$ - | \$ - |
| Total expenditures | 902 | 1,215 | - | - | - |
| Ending balance | 1,214 | - | 1,214 | - | - |
| Total uses | \$ 2,116 | \$ 1,215 | \$ 1,214 | \$ - | \$ - |

4. DEBT SERVICE FUND TYPE

| | |
|--|-----|
| Limited Tax General Obligation Bond Redemption – Fund 208..... | 179 |
| 2005 Bond Redemption – Fund 211..... | 182 |

DESCRIPTION OF FUND TYPE
DEBT SERVICE FUND

Debt service funds account for the accumulation of resources to pay principal, interest and related costs on general long-term bonded debt.

These funds include LTGO Bond Redemption, the 2000 Note Redemption, LID No. 99-1 Guaranty and UTGO Bond Redemption Funds. General obligation debt does not include debt for the water, sewer or storm utilities.

Expenditures By Fund

| Category | 2013 Actual | 2014 Actual | 2015-16 Budget | 2015-16 YE Estimate | 2017-18 Budget |
|---------------------------|---------------------|---------------------|---------------------|------------------------|---------------------|
| LTGO Bond Redemption | \$ 1,053,945 | \$ 1,216,497 | \$ 2,245,918 | \$ 2,265,475 | \$ 5,772,043 |
| LID NO. 99-1 | 40,436 | - | - | - | - |
| LID No. 99-1 Guaranty | 95,660 | - | - | - | - |
| UTGO Bond Redemption | 442,449 | 424,210 | 781,519 | 717,472 | 786,126 |
| Total Debt Service | \$ 1,632,490 | \$ 1,640,707 | \$ 3,027,437 | \$ 2,982,947 | \$ 6,558,169 |

**DESCRIPTION OF FUNCTION
LTGO BOND REDEMPTION**

The Limited Tax General Obligation (LTGO) bond fund accounts for debt service on the city's outstanding, non-voted general obligation debt. Debt service consists of principal and interest payments and other miscellaneous charges related to the LTGO debt.

The following debt issues are outstanding for fiscal years 2017 - 2018.

2008 LTGO Bonds:

The 2008 LTGO Bonds provided funding for Harborview Drive, Judson, Stanich and Uddenberg sidewalk and road improvements and other City park improvements. The interest rate for the 2008 bonds is 3.98 percent

Debt service on the 2008 L.T.G.O. Bonds is as follows:

| YEAR | PRINCIPAL | INTEREST | TOTAL | BALANCE |
|--------------|-------------------|------------------|-------------------|------------|
| 2017 | \$ 275,000 | \$ 22,288 | \$ 297,288 | \$ 285,000 |
| 2018 | 285,000 | 11,343 | 296,343 | 0 |
| TOTAL | \$ 560,000 | \$ 33,631 | \$ 593,631 | |

2010 Limited Tax General Obligation and Refunding Bonds (LTGO):

The 2010 LTGO Bonds were issued to refund (refinance) the 2001 bonds maturing in 2012 through 2026 and to finance land acquisition. The refunding portion was \$6,861,964 and the new money portion was \$1,230,269. The city realized a net present value savings of \$439,000 by retiring the 2001 bonds early. Coupon interest rates range from 3.0% to 4.5%.

Debt service on the 2010 LTGO Bonds is as follows:

| YEAR | PRINCIPAL | INTEREST | TOTAL | BALANCE |
|--------------|---------------------|---------------------|---------------------|--------------|
| 2017 | \$ 510,000 | \$ 219,850 | \$ 729,850 | \$ 4,780,000 |
| 2018 | 530,000 | 199,050 | 729,050 | 4,250,000 |
| 2019 | 560,000 | 177,250 | 737,250 | 3,690,000 |
| 2020 | 580,000 | 153,000 | 733,000 | 3,110,000 |
| 2021 | 465,000 | 129,488 | 594,488 | \$ 2,645,000 |
| 2022 to 2026 | 2,645,000 | 308,138 | 2,953,138 | 0 |
| TOTAL | \$ 5,290,000 | \$ 1,186,775 | \$ 6,476,775 | |

2014 WA State Treasurer's Local Option Capital Asset Lending (LOCAL):

In 2014 the city borrowed \$234,227 through the LOCAL program to finance the purchase of six vehicles and a forklift. This is a five year note and carries an interest rate of 1.16%.

Debt service on the 2014 Note is as follows:

| YEAR | PRINCIPAL | INTEREST | TOTAL | BALANCE |
|-------|------------|-----------|------------|------------|
| 2017 | \$ 46,728 | \$ 6,207 | \$ 52,935 | \$ 100,769 |
| 2018 | 49,125 | 3,810 | 52,935 | \$ 51,644 |
| 2019 | 51,644 | 1,291 | 52,935 | 0 |
| TOTAL | \$ 147,497 | \$ 11,308 | \$ 158,805 | |

2015 WA State Treasurer's Local Option Capital Asset Lending (LOCAL):

In 2015 the city borrowed \$218,172 through the LOCAL program to finance the purchase of six vehicles, a boat, a track hoe, and a Z-Trak Lawnmower. This is a five year note and carries an interest rate of 1.46%.

Debt service on the 2015 Note is as follows:

| YEAR | PRINCIPAL | INTEREST | TOTAL | BALANCE |
|-------|------------|-----------|------------|------------|
| 2017 | \$ 41,990 | \$ 9,049 | \$ 51,039 | \$ 138,991 |
| 2018 | 44,089 | 6,950 | 51,039 | 94,902 |
| 2019 | 46,294 | 4,745 | 51,039 | 48,608 |
| 2020 | 48,608 | 2,430 | 51,039 | \$ 0 |
| TOTAL | \$ 180,981 | \$ 23,174 | \$ 204,155 | |

Resources

| Category | 2013 | 2014 | 2015-16 | 2015-16 | 2017-18 |
|------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Actual | Actual | Budget | YE Estimate | Budget |
| Beginning balance | \$ 73,880 | \$ 3,981 | \$ 698 | \$ 18,636 | \$ 7,443 |
| Miscellaneous | 65 | 13 | 20 | 719 | 400 |
| Transfers in | 980,000 | 1,050,550 | 2,245,200 | 2,245,200 | 2,638,700 |
| Other | - | 161,953 | - | 920 | 3,125,500 |
| Total revenues | 980,065 | 1,212,516 | 2,245,220 | 2,246,839 | 5,764,600 |
| Total resources | \$ 1,053,945 | \$ 1,216,497 | \$ 2,245,918 | \$ 2,265,475 | \$ 5,772,043 |

Expenditures By Type

| Category | 2013 | 2014 | 2015-16 | 2015-16 | 2017-18 |
|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Actual | Actual | Budget | YE Estimate | Budget |
| Transfers out | \$ - | \$ 161,953 | \$ - | \$ - | \$ 3,125,500 |
| Debt service | 1,049,964 | 1,035,908 | 2,243,078 | 2,258,032 | 2,641,835 |
| Total expenditures | 1,049,964 | 1,197,861 | 2,243,078 | 2,258,032 | 5,767,335 |
| Ending balance | 3,981 | 18,636 | 2,840 | 7,443 | 4,708 |
| Total uses | \$ 1,053,945 | \$ 1,216,497 | \$ 2,245,918 | \$ 2,265,475 | \$ 5,772,043 |

**DESCRIPTION OF FUNCTION
2005 BOND REDEMPTION**

This fund was created to account for the payment of the principal and interest on the voted bond issued to purchase the Eddon Boatyard.

This is a 20-year, \$3,500,000 bond and carries a fixed interest rate of 3.79%.

Interest payments are due June 1 and December 1 of each year, and principal payments are due December 1 of each year. The final maturity date for the bond is December 1, 2024.

Debt service on the 2005 Bonds is as follows:

| YEAR | PRINCIPAL | INTEREST | TOTAL | BALANCE |
|--------------|---------------------|-------------------|---------------------|--------------|
| 2017 | \$ 198,000 | \$ 68,485 | \$ 266,485 | \$ 1,609,000 |
| 2018 | 205,000 | 60,981 | 265,981 | 1,404,000 |
| 2019 | 213,000 | 53,212 | 266,212 | 1,191,000 |
| 2020 | 221,000 | 45,139 | 266,139 | 970,000 |
| 2021 | 229,000 | 36,763 | 265,763 | \$ 741,000 |
| 2022 to 2024 | 741,000 | 56,850 | 797,850 | 0 |
| TOTAL | \$ 1,807,000 | \$ 321,430 | \$ 2,128,430 | |

Resources

| Category | 2013 Actual | 2014 Actual | 2015-16 Budget | 2015-16 YE Estimate | 2017-18 Budget |
|------------------------|-------------------|-------------------|-------------------|------------------------|-------------------|
| Beginning balance | \$ 231,401 | \$ 176,637 | \$ 180,719 | \$ 157,842 | \$ 185,126 |
| Taxes | 210,681 | 247,359 | 600,000 | 558,497 | 600,000 |
| Miscellaneous | 367 | 214 | 800 | 1,133 | 1,000 |
| Total revenues | 211,048 | 247,573 | 600,800 | 559,630 | 601,000 |
| Total resources | \$ 442,449 | \$ 424,210 | \$ 781,519 | \$ 717,472 | \$ 786,126 |

Expenditures By Type

| Category | 2013 Actual | 2014 Actual | 2015-16 Budget | 2015-16 YE Estimate | 2017-18 Budget |
|--------------------|-------------------|-------------------|-------------------|------------------------|-------------------|
| Debt service | \$ 265,812 | \$ 266,368 | \$ 532,346 | \$ 532,346 | \$ 532,466 |
| Total expenditures | 265,812 | 266,368 | 532,346 | 532,346 | 532,466 |
| Ending balance | 176,637 | 157,842 | 249,173 | 185,126 | 253,660 |
| Total uses | \$ 442,449 | \$ 424,210 | \$ 781,519 | \$ 717,472 | \$ 786,126 |

5. ENTERPRISE FUND TYPE

| | |
|---|-----|
| Water Operating – Fund 401..... | 187 |
| Wastewater Operating – Fund 402..... | 193 |
| Shorecrest Sewer Operating Fund - Fund 403..... | 198 |
| Utility Reserve – Fund 407..... | 201 |
| Utility Bond Redemption – Fund 408..... | 203 |
| Wastewater Capital Construction – Fund 410..... | 207 |
| Storm Water Operating – Fund 411..... | 212 |
| Storm Water Capital – Fund 412..... | 218 |
| Water Capital Assets – Fund 420..... | 222 |

DESCRIPTION OF FUND TYPE
ENTERPRISE FUND

Enterprise funds are used to account for operations that provide goods or services to the general public and are supported primarily through user charges.

Gig Harbor's enterprise funds are broken down into operating funds, debt service and capital construction funds.

The operating funds include water, sewer and storm sewer funds that account for the operation and maintenance of those utilities.

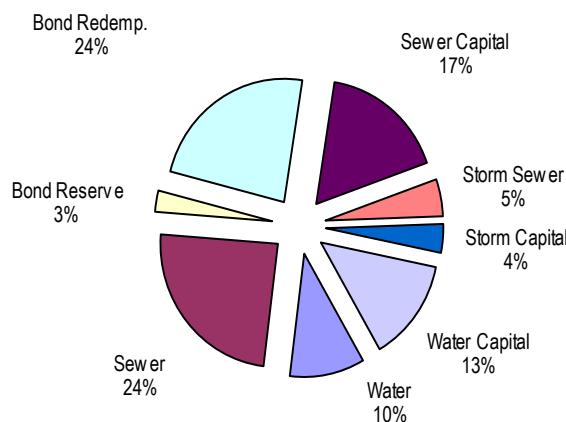
The debt service funds include the Utility Bond Redemption and Utility Reserve Funds that accumulate resources for the payment of various revenue bonds and satisfy the bond covenants.

The capital construction funds include Sewer Capital Construction, Water Capital Assets and Storm Water Capital that account for the accumulation of connection fees and other resources for the purchase or construction of major assets.

Expenditures By Fund

| Category | 2013 Actual | 2014 Actual | 2015-16 Budget | 2015-16 YE Estimate | 2017-18 Budget |
|-------------------------|----------------------|----------------------|----------------------|------------------------|----------------------|
| Water Operating | \$ 1,897,365 | \$ 1,969,662 | \$ 3,690,757 | \$ 4,344,237 | \$ 5,306,391 |
| Sewer Operating | 4,769,782 | 5,308,464 | 9,534,533 | 10,503,980 | 12,325,131 |
| Shorecrest Reserve | 72,527 | 86,501 | 108,990 | 140,223 | 174,613 |
| Utility Reserve | 1,380,370 | 1,391,305 | 1,411,665 | 1,416,241 | 1,435,133 |
| Utility Bond Redemption | 2,106,512 | 2,055,387 | 10,136,630 | 8,563,246 | 12,104,029 |
| Sewer Capital Const. | 7,612,810 | 8,401,428 | 11,654,903 | 14,041,415 | 8,801,923 |
| Storm Sewer Operating | 1,157,967 | 1,482,460 | 2,582,952 | 2,829,745 | 2,510,823 |
| Storm Sewer Capital | 1,294,654 | 321,461 | 1,381,136 | 1,795,665 | 1,940,258 |
| Water Capital Assets | 2,826,126 | 2,246,378 | 4,407,519 | 4,228,065 | 6,934,022 |
| Total | \$ 23,118,113 | \$ 23,263,046 | \$ 44,909,085 | \$ 47,862,817 | \$ 51,532,323 |

2017-18 Budget



DESCRIPTION OF FUNCTION
WATER DIVISION - OPERATING

The function of the Water Division is to provide a water supply, storage, transmission, and distribution system conforming with federal and state requirements, and meeting or exceeding customer expectations in terms of safety, quality (taste and aesthetics), and quantity (fire flow) consistent with the city's Water System Plan. Specific functions include system maintenance, preparing and submitting required system reports, responding to requests to locate water pipes underground, starting and stopping water service, respond to water customer's questions and concerns, fire flow testing, coordination with other area water purveyors, review of private development plans for conformance with the most current version of the city's Water System Plan's applicable rules and regulations, make sure staff is up to date on training as required by state law, and updating the city's Water System Plan as required.

**NARRATIVE OF GOALS 2017 – 2022
WATER DIVISION - OPERATING**

1. **Automated meter reading.** Research programs for installing an automated water meter reading system. **2017 - 2022.**
2. **Annual water meter replacement and testing program.** In accordance with the City's water use efficiency goals, the City's desire is to replace meters exceeding 10 years of age. **2017 - 2022.**
3. **Reservoir Cleaning and Inspections.** Routine cleaning and inspections of five reservoirs with 4.75 million gallons of total storage. **2017 - 2022.**
4. **Conservation Program.** Conduct an ongoing leak detection program for the water distribution system in conjunction with the city's water conservation program as recommended by the Washington State Department of Health. **2017 - 2022.**

NARRATIVE OF OBJECTIVES 2017 – 2018
WATER DIVISION - OPERATING

1. **Newsletter.** Mail newsletter regarding water system performance in accordance with Department of Ecology requirements. **\$5,000 – 2017, \$5,000 - 2018.**
2. **Water Model Calibration and Training.** Assist and train staff with the calibration of the updated water system model due to water system expansion over the preceding seven years. **\$6,000 – 2017, \$4,000 - 2018.**
3. **Annual Water Meter Replacement and Testing Program.** In order to improve efficiency and accuracy, the City will be replacing existing meter registers with radio read registers within 4 years, includes upgrade to existing meter reading software and hardware. **\$100,426 – 2017 (Water \$50,213, Wastewater \$50,213), \$85,576 – 2018 (Water \$42,788, Wastewater \$42,788).**
4. **Seasonal Hire.** Hire eight (8) seasonal help with work in parks, streets, water and storm. **Estimated cost is \$123,000 - 2017 (Parks \$61,500, Streets \$24,600, Water \$12,300, Storm \$24,600), \$123,000 - 2018 (Parks \$61,500, Streets \$24,600, Water \$24,600, Storm \$12,300).**
5. **Water Bottle Filling Station.** Construct two (2) water bottle filling stations. This is used to increase public awareness to carry refillable containers and keep plastic out of the landfills; the station would have information about the advantages of refilling bottles. **\$4,000 – 2017 (Parks \$2,000, Water \$2,000) \$4,000 - 2018 (Parks \$2,000, Water \$2,000).**
6. **Well Head Protection Plan Update.** Create a new well head protection plan to include the City's two newest wells (Well #10 at Crescent Creek Park and Well #11 at the PW Operations Center site) based on information provided by the USGS ground water aquifer model. **\$65,000 – 2017.**
7. **Well No. 3 (Shurgard Storage Facility site) Maintenance.** Remove well pump, video inspect casing, clean **\$70,000 – 2017.**
8. **Video Surveillance.** Purchase two (2) additional wireless monitoring systems for security and safety. We currently have one of these systems which have been effective. Well site and restroom vandalism has been a concern. These systems are portable. **\$10,000 - 2017 (\$5,000 Parks, \$5,000 Water).**
9. **Water main replacement.** Replace aging water main servicing Edwards Avenue, Insel Avenue and Wilkinson Lane. **\$65,000 – 2018.**
10. **Cartegraph OMS Enterprise Platform Licensing.** Public Works citizen request work order and asset management software for facilities, public spaces and infrastructure. Enterprise Platform includes Cloud Shared Hosting Subscription and

Support for 50 users. ArcGIS license pack for 50 users integrates system with Esri to use location to make work, asset request and resource data more useful and accurate. Also obtain further support through AWCs GIS consortium. **\$25,000 – 2017 (Parks \$6,250, Streets \$6,250, Water \$6,250, Storm \$6,250), \$25,000 – 2018 (Parks \$6,250, Streets \$6,250, Water \$6,250, Storm \$6,250).**

11. **Upgrade to Telemetry System Software.** The main terminal unit for the SCADA system was installed over fifteen years ago and is at the end of its life expectancy and needs replacement. There are communication issues with the MTU causing false alarms and unnecessary call outs. **\$15,000 – 2017.**
12. **Upgrade backflow testing computer program.** The existing software does not integrate with newest Microsoft office suite and cannot be installed on new computers. The new software offers expanded reporting capabilities and the ability to send notices and test reports via email. **2018 - \$6,000.**
13. **Backflow program.** The backflow inspection program requires supplies and equipment to meet state compliance standards. **\$10,000 – 2017, \$10,000 – 2018.**
14. **Chlorine Monitors.** Purchase Chlorine Monitors to provide on-line water quality monitoring and control of chlorination systems. **\$10,000 – 2017.**
15. **Sample Stations.** Replace aging sample stations. Functioning sample stations are required to meet state testing guidelines. **\$6,000 – 2017, \$6,000 – 2018.**
16. **Hydrant Replacements.** Replace existing hydrants. **\$10,000 – 2017, \$10,000 – 2018.**
17. **Water Comprehensive Plan Update.** Perform a City Wide water system plan update utilizing the updated water hydraulic model results. **\$80,000 - 2017, \$80,000 - 2018.**
18. **Water Service Line Survey.** Per Section 6 of the Directive by the Governor 16-06, the City will survey its water system to identify all lead service lines and components. **\$75,000 – 2018.**
19. **Public Works Operational Improvement Study.** Consultant review of existing practices and work flow. **\$50,000 – 2017. (Parks \$12,500, Streets \$12,500, Water \$20,000, Storm \$5,000).**

**CAPITAL OUTLAY 2017 – 2018
WATER DIVISION – OPERATING**

1. **Replace existing 18-year old Chevrolet 4x4 ¾ ton pickup truck (#1051) with a new 4x4 ¾ ton pickup truck and new utility box.** This truck was originally purchased at auction in 2001. The vehicle is a high mileage truck with 134,000 miles and has become expensive to maintain and is becoming unreliable. **\$51,000 – 2017 (Parks \$12,750, Streets \$12,750, Water \$12,750, Storm \$12,750).**
2. **Replace 2003 Chevrolet 4x4 ¾ ton pickup with a 4x4 1/2 ton pickup.** This was a bad year for this truck engine with many issues that take up labor and resources. **\$40,000 - 2017 (Parks \$10,000, Streets \$10,000, Water \$10,000, Storm \$10,000).**
3. **Replace existing 1997 small equipment trailer (#2005).** The new trailer is four foot longer and has more capacity than the existing trailer. It will be more versatile for moving existing and newer equipment. **\$12,000 – 2017 (Parks \$3,000, Streets \$3,000, Water \$3,000, Storm \$3,000).**
4. **Replace existing utility meter reading vehicle.** The current vehicle (#1045) has outlived its lifespan and the company is no longer manufacturing parts for this model year. The parts are proprietary and when the need arises if the parts are not readily available they are hard to obtain as they are no longer produced. There is the possibility of purchasing an electric version. **\$40,000 – 2017. (Water \$20,000, Wastewater \$20,000).**
5. **Replace existing hole hog.** The manufacturer of the existing hole hog has gone out of business and parts are no longer available. The hole hog is barely functional and needs to be rebuilt, which cannot occur due to lack of parts. **2017 - \$6,500.**
6. **Purchase Indeco hydraulic breaker.** The hydraulic breaker will be used to remove sidewalk and curb thrust blocks. It can also break concrete into smaller, more manageable chunks. Currently personnel is breaking concrete manually or using a 90 # jack hammer. This equipment will be safer, more efficient and avoid potential employee injuries. **2017 - \$7,100(Streets \$3,550, Water \$3,550).**
7. **Walk behind concrete saw.** Replacement for existing equipment purchased in 1998, repaired several times and no longer viable. **\$6,000 (Parks \$1,500, Streets \$1,500, Storm \$1,500, Water \$1,500) – 2017.**

Total Capital Outlay is \$57,300

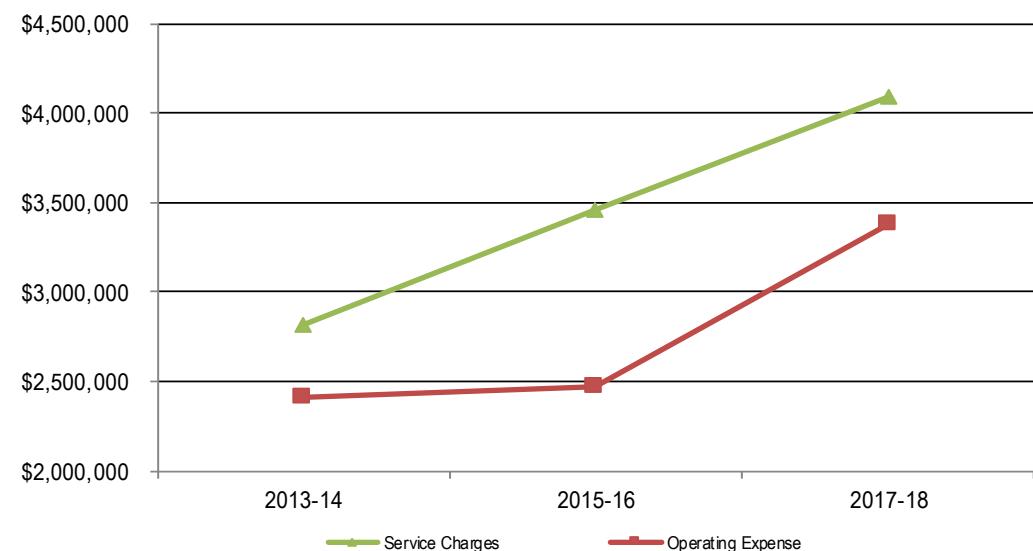
Resources

| Category | 2013 Actual | 2014 Actual | 2015-16 Budget | 2015-16 YE Estimate | 2017-18 Budget |
|------------------------|---------------------|---------------------|---------------------|------------------------|---------------------|
| Beginning balance | \$ 485,382 | \$ 420,190 | \$ 510,574 | \$ 660,323 | \$ 1,012,378 |
| Taxes | 62,938 | 68,625 | 142,079 | 163,508 | 194,881 |
| Charges for services | 1,345,081 | 1,467,437 | 2,992,754 | 3,461,630 | 4,092,932 |
| Miscellaneous | 3,964 | 4,542 | 2,600 | 25,138 | 6,200 |
| Transfers in | - | 8,868 | 42,750 | 30,750 | - |
| Other | - | - | - | 2,888 | - |
| Total revenues | 1,411,983 | 1,549,472 | 3,180,183 | 3,683,914 | 4,294,013 |
| Total resources | \$ 1,897,365 | \$ 1,969,662 | \$ 3,690,757 | \$ 4,344,237 | \$ 5,306,391 |

Expenditures By Type

| Category | 2013 Budget | 2014 Actual | 2015-16 Budget | 2015-16 Actual | 2017-18 Budget |
|---------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Salaries | \$ 464,042 | \$ 466,796 | \$ 1,025,600 | \$ 1,106,767 | \$ 1,117,756 |
| Benefits | 183,334 | 193,551 | 448,400 | 497,072 | 517,444 |
| Supplies | 74,892 | 87,126 | 248,000 | 216,746 | 534,625 |
| Services | 518,214 | 291,053 | 593,361 | 514,258 | 1,064,800 |
| Intergov't charges | 62,365 | 68,281 | 134,285 | 137,337 | 148,335 |
| Capital expenditures | 8,287 | 35,638 | 31,750 | 32,079 | 57,300 |
| Transfers out | 166,041 | 166,894 | 327,600 | 827,600 | 1,423,507 |
| Total expenditures | 1,477,175 | 1,309,339 | 2,808,996 | 3,331,859 | 4,863,767 |
| Ending fund balance | 420,190 | 660,323 | 881,761 | 1,012,378 | 442,624 |
| Total uses | \$ 1,897,365 | \$ 1,969,662 | \$ 3,690,757 | \$ 4,344,237 | \$ 5,306,391 |

Operating Revenues & Expenses



DESCRIPTION OF FUNCTION
WASTEWATER DIVISION – OPERATING

Operation and maintenance of the city's wastewater collection facilities and wastewater treatment plant to provide a reliable, safe, and cost-effective wastewater system with consistent treatment and biosolids processing, meeting or exceeding federal and state requirements and guidelines, and the expectations of Gig Harbor residents. Specific functions include monitoring, inspection, maintenance, and repair of the system, preparing required reports, locating unmapped wastewater pipes, responding to citizen requests, regulatory coordination and certification, review of wastewater plans, conducting inflow\infiltration studies, and periodically updating design standards.

NARRATIVE OF GOALS 2017 – 2022 WASTEWATER DIVISION - OPERATING

1. **Energy Efficiency and Emergency Procedures.** Continue coordination with Peninsula Light Company for installation of energy efficient motors, and emergency operations procedures to minimize energy demand, and the risk of spills or biological upset at the treatment plant during extended power outages. **– 2017 - 2022.**
2. **Lift Stations.** Design, engineer and construct upgrades and rehabilitation of Lift Stations 1, 5, 6, 9, 12 and 13 as referenced in the 2009 Wastewater Comprehensive Plan. Standardize design and equipment whenever possible. **– 2017 - 2022.**
3. **Flow Meters.** Install flow meters at all lift stations as referenced in the 2009 Wastewater Comprehensive Plan. Flow meters to be used as a tool for monitoring inflow and infiltration (I&I) to help establish priority areas for repairs to sewer lines, to help give accurate pump discharge flows, and to enhance maintenance and energy savings. **2017 - 2022.**
4. **Study Reuse Sites.** As described in the 2009 Wastewater Comprehensive Plan. Study and explore potential water reclamation and reuse sites within the UGA. **2017 - 2022.**
5. **Plant Optimization.** To optimize plant operation and performance, staff will continue testing and plant manipulation to encompass all seasonal changes in weather that effect plant operation. The new facility has numerous new components which will require individual testing and operation to optimize performance. **2017 - 2022.**
6. **Cost Cutting Measures.** Optimize electrical and chemical uses to help cut costs. This will give us a clearer picture of more consistent annual operating costs. **2017 - 2022.**
7. **Line Cleaning Program.** Clean at least 40,000 feet of sewer lines per year. Clean the North Harborview sewer mains at least twice per year. **2017 - 2022.**
8. **Manhole Ring and Cover Replacement.** Ongoing replacement program in conjunction with pavement maintenance, water, sewer and storm line installation, repair and replacement projects to save city money and staff time. This is also a loss-prevention measure to reduce manhole cover insurance claims. **2017 - 2022.**
9. **Sewer System-wide GPS.** Capture sanitary sewer manholes and other features through the use of the City's GPS and build the sewer GIS Mapping System. **2017 - 2022.**
10. **Pretreatment Standards.** Develop a comprehensive Pretreatment Ordinance to protect City's POTW and receiving waters. **2017 - 2022.**

NARRATIVE OF OBJECTIVES 2017 – 2018

WASTEWATER DIVISION - OPERATING

1. **Wet Well Recoating.** The initial coatings on wet well #'s 14 and 16 are either in the process of failing or have failed exposing their substrate to gases that deteriorate the concrete. The coatings are in need of reconditioning or full replacement. **\$45,000 – 2017, \$45,000 – 2018.**
2. **Flow Meter Installation.** The purchase and installation of a flow meter at lift stations. **\$20,000 – 2017, \$20,000 - 2018.**
3. **Manhole Repair and Coatings.** Continue repair program of manholes, depending on budget. These manholes are suffering severe degradation nearing the point of replacement if left unrepairs. Repair will add years to the life of these structures. **\$57,000 – 2017, \$57,000 - 2018.**
4. **Level Control for Lift Station 13 and 14.** Replace problematic air bubbler and mercury level systems. **\$25,000 – 2017.**
5. **Manhole Ring and Cover Replacement.** Ongoing replacement program in conjunction with pavement maintenance, water, sewer and storm line installation, repair and replacement projects to save city money and staff time. This is also a loss-prevention measure to reduce manhole cover insurance claims. **\$9,500 – 2017, \$9,500 - 2018.**
6. **Cartograph Software System for Wastewater.** Implementation, data conversion and training of the sewer module. **\$8,000 – 2017.**
7. **Wastewater Comprehensive Plan Update.** As required by the State, this work will initiate and complete the six year plan update and update Comprehensive Plan for demographic forecast allocation model for Wastewater. The results of this updated plan will be utilized in the 2017 or 2018 city-wide Comprehensive Plan update. The model results will also be utilized to update the flow data. **\$120,000 - 2017, \$120,000 – 2018.**
8. **Annual Water Meter Replacement and Testing Program.** In order to improve efficiency and accuracy, the City will be replacing existing meter registers with radio read registers within 4 years, includes upgrade to existing meter reading software and hardware. **\$100,426 – 2017 (Water \$50,213, Wastewater \$50,213), \$85,576 – 2018 (Water \$42,788, Wastewater \$42,788).**

**CAPITAL OUTLAY 2017 - 2018
WASTEWATER DIVISION - OPERATING**

1. **Pump Station 3A SCADA Control.** The existing SCADA control in the recent years has been problematic. The writing of the program has no back up or support, costing us time and money having to have consultants come in repeatedly. We wish to replace with a system compatible with the current plant SCADA system which has back up and support. **\$105,000 - 2017.** (I&C/Software & Hardware Costs).
2. **Trailer Mounted Screwsucker.** Replace existing diesel power/trailer mounted emergency pump with a trailer mounted screwsucker. **\$150,000 – 2017.**
3. **Portable Camera Unit.** Purchase portable camera unit for sewer and storm line inspections, side sewer locations and emergency situations. **\$70,000 – 2017 (Storm \$35,000, Wastewater \$35,000).**
4. **Replace existing 4x4 2007 Ford with a 4x4 truck.** The current 4x4 vehicle has high miles, high maintenance costs, and has reached the end of its useful life. **\$35,000 – 2017.**
5. **Replace existing utility meter reading vehicle.** The current vehicle (#1045) has outlived its lifespan and the company is no longer manufacturing parts for this model year. The parts are proprietary and when the need arises it is either on the shelf or no longer produced. There is the possibility of purchasing an electric version. **\$40,000 – 2017. (Water \$20,000, Wastewater \$20,000).**

Total Capital Outlay is \$345,000

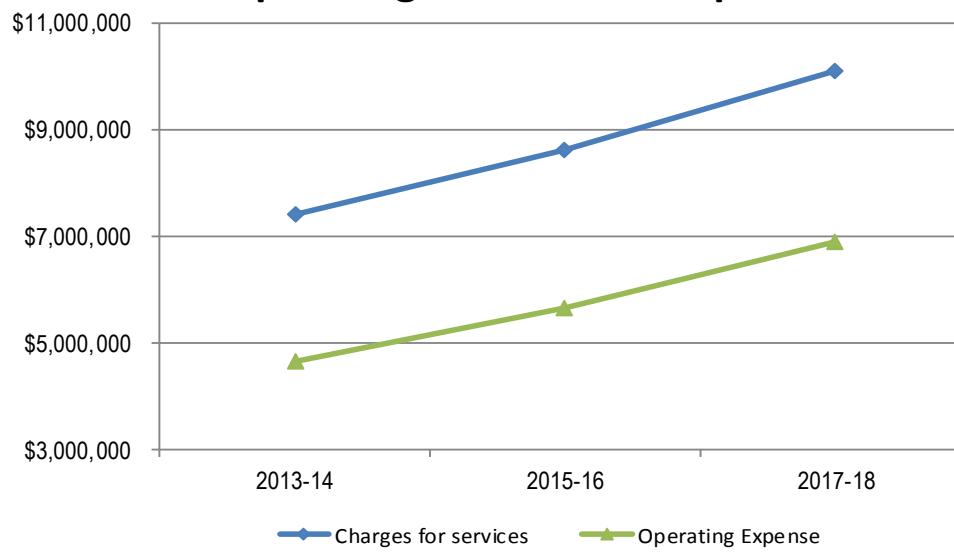
Resources

| Category | 2013 Actual | 2014 Actual | 2015-16 Budget | 2015-16 YE Estimate | 2017-18 Budget |
|------------------------|---------------------|---------------------|---------------------|------------------------|----------------------|
| Beginning balance | \$ 1,018,897 | \$ 1,327,614 | \$ 1,168,806 | \$ 1,559,748 | \$ 1,846,275 |
| Taxes | 128,743 | 135,909 | 290,067 | 311,633 | 365,974 |
| Charges for services | 3,620,499 | 3,773,483 | 8,062,060 | 8,622,536 | 10,107,882 |
| Miscellaneous | 1,643 | 6,986 | 8,000 | 10,063 | 5,000 |
| Transfers in | - | 64,472 | 5,600 | - | - |
| Total revenues | 3,750,885 | 3,980,850 | 8,365,727 | 8,944,232 | 10,478,856 |
| Total resources | \$ 4,769,782 | \$ 5,308,464 | \$ 9,534,533 | \$ 10,503,980 | \$ 12,325,131 |

Expenditures By Type

| Category | 2013 Actual | 2014 Actual | 2015-16 Budget | 2015-16 YE Estimate | 2017-18 Budget |
|---------------------------|---------------------|---------------------|---------------------|------------------------|----------------------|
| Salaries | \$ 869,908 | \$ 893,615 | \$ 1,784,200 | \$ 1,939,948 | \$ 2,051,600 |
| Benefits | 346,760 | 356,860 | 787,500 | 838,288 | 956,700 |
| Supplies | 320,980 | 291,144 | 760,400 | 752,065 | 920,529 |
| Services | 840,021 | 612,859 | 2,106,162 | 1,993,302 | 2,813,336 |
| Intergov't charges | 59,499 | 58,194 | 140,000 | 124,887 | 152,913 |
| Capital expenditures | - | 66,544 | 92,600 | 5,815 | 340,000 |
| Transfers out | 1,005,000 | 1,469,500 | 3,327,544 | 3,003,400 | 4,608,000 |
| Total expenditures | 3,442,168 | 3,748,716 | 8,998,406 | 8,657,705 | 11,843,078 |
| Ending balance | 1,327,614 | 1,559,748 | 536,127 | 1,846,275 | 482,053 |
| Total uses | \$ 4,769,782 | \$ 5,308,464 | \$ 9,534,533 | \$ 10,503,980 | \$ 12,325,131 |

Operating Revenues & Expenses



DESCRIPTION OF FUNCTION
SHORECREST SEWER OPERATING FUND

This fund was established in February 2012 to account for all Shorecrest Sewer revenues and expenditures.

Both regular maintenance and operations and capital replacements are accounted for in this fund.

**NARRATIVE OF OBJECTIVES 2017 – 2018
SHORECREST SEWER - OPERATING**

1. **Shorecrest Sewer Drainfield Access Road.** Permit, design, and construct the new utility access road to the Shorecrest drainfield. **\$ 75,000 – 2017.**

Total Capital Outlay is \$75,000

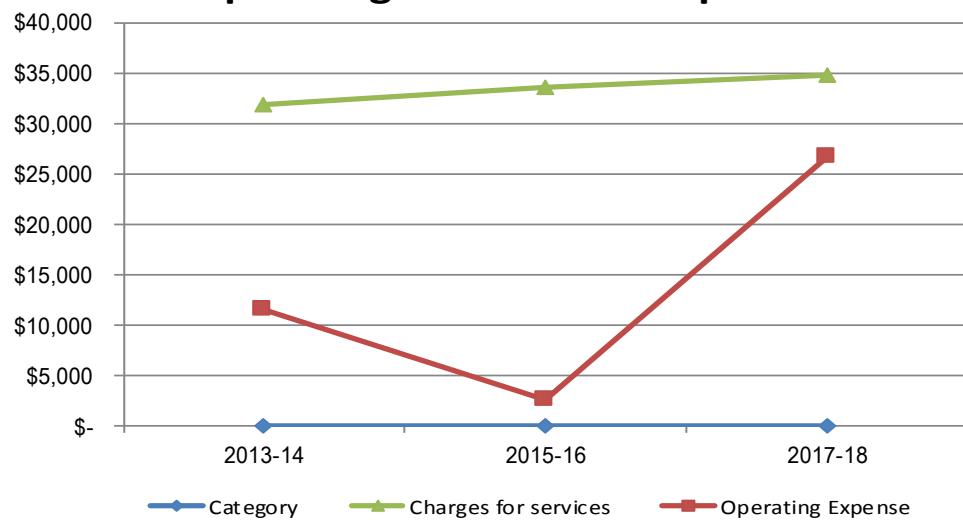
Resources

| Category | 2013 Actual | 2014 Actual | 2015-16 Budget | 2015-16 YE Estimate | 2017-18 Budget |
|------------------------|------------------|------------------|-------------------|------------------------|-------------------|
| Beginning balance | \$ 42,605 | \$ 69,910 | \$ 74,266 | \$ 77,514 | \$ 137,573 |
| Taxes | 612 | 612 | 1,279 | 1,292 | 1,336 |
| Charges for services | 15,900 | 15,900 | 33,245 | 33,546 | 34,704 |
| Miscellaneous | 13,410 | 79 | 200 | 27,871 | 1,000 |
| Transfers in | - | - | - | - | - |
| Total revenues | 29,922 | 16,591 | 34,724 | 62,709 | 37,040 |
| Total resources | \$ 72,527 | \$ 86,501 | \$ 108,990 | \$ 140,223 | \$ 174,613 |

Expenditures By Type

| Category | 2013 Budget | 2014 Actual | 2015-16 Budget | 2015-16 Actual | 2017-18 Budget |
|---------------------------|------------------|------------------|-------------------|-------------------|-------------------|
| Salaries | \$ 1,207 | \$ 3,535 | \$ 13,000 | \$ 1,589 | \$ 13,000 |
| Benefits | 666 | 1,565 | 5,400 | 738 | 8,710 |
| Supplies | - | - | - | - | - |
| Services | 215 | 3,829 | 10,000 | 215 | 5,000 |
| Intergov't charges | 529 | 58 | 1,600 | 108 | - |
| Capital expenditures | - | - | - | - | 75,000 |
| Transfers out | - | - | - | - | - |
| Total expenditures | 2,617 | 8,987 | 30,000 | 2,650 | 101,710 |
| Ending balance | 69,910 | 77,514 | 78,990 | 137,573 | 72,903 |
| Total uses | \$ 72,527 | \$ 86,501 | \$ 108,990 | \$ 140,223 | \$ 174,613 |

Operating Revenues & Expenses



DESCRIPTION OF FUNCTION
UTILITY RESERVE FUND

The Utility Reserve Fund is required under the covenants of the 2003 Revenue and Refunding Bonds, the \$6,035,000 Water and Sewer Revenue Bonds, 2010 (Taxable Build America Bonds), \$5,580,000 Water and Sewer Revenue Bonds, 2010B (Taxable Build America Bonds) and \$2,610,000 Water and Sewer Revenue Bonds, 2010C (Tax-Exempt).

The reserve account is required to be funded to the lesser of (A)% of the net proceeds of each series of Parity Bonds, (B)Annual Debt Service, (C).25 times average Annual Debt Service, or (D)amount as shall be required to maintain the exemption of interest of any series of Parity Bonds from taxation under the Code.

The 2017-2018 biennial budget for this fund meets the reserve requirement as stated above.

Resources

| Category | 2013 Actual | 2014 Actual | 2015-16 Budget | 2015-16 YE Estimate | 2017-18 Budget |
|------------------------|---------------------|---------------------|---------------------|------------------------|---------------------|
| Beginning balance | \$ 1,366,556 | \$ 1,379,961 | \$ 1,390,815 | \$ 1,390,980 | \$ 1,415,633 |
| Miscellaneous | 13,814 | 11,344 | 20,850 | 25,261 | 19,500 |
| Total revenues | 13,814 | 11,344 | 20,850 | 25,261 | 19,500 |
| Total resources | \$ 1,380,370 | \$ 1,391,305 | \$ 1,411,665 | \$ 1,416,241 | \$ 1,435,133 |

Expenditures

| Category | 2013 Budget | 2014 Actual | 2015-16 Budget | 2015-16 Actual | 2017-18 Budget |
|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Other | \$ 409 | \$ 325 | \$ 1,000 | \$ 608 | \$ 700 |
| Total | 409 | 325 | 1,000 | 608 | 700 |
| Ending balance | 1,379,961 | 1,390,980 | 1,410,665 | 1,415,633 | 1,434,433 |
| Total uses | \$ 1,380,370 | \$ 1,391,305 | \$ 1,411,665 | \$ 1,416,241 | \$ 1,435,133 |

DESCRIPTION OF FUNCTION
UTILITY BOND REDEMPTION FUND

This fund accounts for Water and Sewer Fund debt service.

Public Works Board Loan – Phase 1 and Outfall

The city has a Public Works Trust Fund Loan from the state Public Works Board. The loan is for the waste water treatment plant phase 1 expansion and outfall extension projects. The loan is for construction in the amount of \$10 million and is paid off in 2028. The interest rate for the loan is 0.5%.

Debt service for the construction loan is:

| YEAR | PRINCIPAL | INTEREST | TOTAL | BALANCE |
|--------------|---------------------|-------------------|---------------------|--------------|
| 2017 | \$ 529,412 | \$ 31,765 | \$ 561,176 | \$ 5,823,529 |
| 2018 | 529,412 | 29,118 | 558,529 | 5,294,118 |
| 2019 | 529,412 | 26,471 | 555,882 | 4,764,706 |
| 2020 | 529,412 | 23,824 | 553,235 | 4,235,294 |
| 2021 | 529,412 | 21,176 | 550,588 | \$ 3,705,882 |
| 2022 to 2028 | 3,705,882 | 74,118 | 3,780,000 | 0 |
| TOTAL | \$ 6,352,941 | \$ 206,471 | \$ 6,559,412 | |

Water and Sewer Taxable Revenue Build America Bonds Series 2010A:

The city's water/sewer utility issued taxable, Build America Bonds, in the amount of \$6,035,000 in June 2010. These bonds were issued to fund completion of the waste water treatment plant and to replace certain aging water mains in the city's water system. Responsibility for the debt service on the bonds is: Water – 31 percent and Sewer – 69 percent. The bonds are Build America Bonds (BABs). This means that the city receives a 35 percent subsidy on the interest payments over the life of the bonds.

Debt service on the bonds is as follows:

| YEAR | PRINCIPAL | NET INTEREST | TOTAL | BALANCE |
|--------------|---------------------|---------------------|---------------------|--------------|
| 2017 | \$ 265,000 | \$ 165,998 | \$ 430,998 | \$ 4,410,000 |
| 2018 | 275,000 | 158,293 | 433,293 | 4,135,000 |
| 2019 | 285,000 | 149,777 | 434,777 | 3,850,000 |
| 2020 | 290,000 | 140,706 | 430,706 | 4,135,000 |
| 2021 | 300,000 | 131,063 | 431,063 | \$ 3,850,000 |
| 2022 to 2030 | 3,260,000 | 771,900 | 4,031,900 | 0 |
| TOTAL | \$ 4,675,000 | \$ 1,517,737 | \$ 6,192,737 | |

Water and Sewer Taxable Revenue Build America Bonds Series 2010B and Water and Sewer Revenue Bonds – Tax Exempt 2010C:

In August 2010 the city issued Water/Sewer revenue bonds in the amount of \$8,190,000 to finance construction of the waste water treatment plant outfall extension. The bonds are split between Build America Bonds (BABs) - \$5,580,000 and revenue bonds - \$2,610,000. Average annual net debt service over the remaining life of the bonds is \$424,000 (BABs) and \$348,000 (revenue).

Debt service on the BAB (2010B Series) bonds is as follows:

| YEAR | PRINCIPAL | NET INTEREST | TOTAL | BALANCE |
|--------------|---------------------|---------------------|---------------------|--------------|
| 2017 | \$ 0 | \$ 210,762 | \$ 210,762 | \$ 5,580,000 |
| 2018 | 0 | 210,762 | 210,762 | 5,580,000 |
| 2019 | 0 | 210,762 | 210,762 | 5,580,000 |
| 2020 | 420,000 | 210,762 | 630,762 | 5,160,000 |
| 2021 | 0 | 197,665 | 197,665 | \$ 5,160,000 |
| 2022 to 2030 | 5,160,000 | 1,356,742 | 6,516,743 | 0 |
| TOTAL | \$ 5,580,000 | \$ 2,397,445 | \$ 7,977,445 | |

Debt service on the Revenue (2010C Series) bonds is as follows:

| YEAR | PRINCIPAL | NET INTEREST | TOTAL | BALANCE |
|--------------|---------------------|------------------|---------------------|------------|
| 2017 | \$ 385,000 | \$ 9,650 | \$ 424,650 | \$ 805,000 |
| 2018 | 395,000 | 28,100 | 423,100 | \$ 410,000 |
| 2019 | 410,000 | 12,300 | 422,300 | 0 |
| TOTAL | \$ 1,190,000 | \$ 80,050 | \$ 1,270,050 | |

Public Works Board Loan – Phase 2

The city has a Public Works Trust Fund Loan from the state Public Works Board. The loan is for the waste water treatment plant phase 2 expansion project. The loan is for construction in the amount of \$4,845,850 million and is paid off in 2032. The interest rate for the loan is 0.25%.

Debt service for the loan is:

| YEAR | PRINCIPAL | INTEREST | TOTAL | BALANCE |
|--------------|---------------------|-------------------|---------------------|--------------|
| 2017 | \$ 275,909 | \$ 22,073 | \$ 297,982 | \$ 4,138,637 |
| 2018 | 275,909 | 20,693 | 296,602 | 3,862,728 |
| 2019 | 275,909 | 19,314 | 295,223 | 3,586,818 |
| 2020 | 275,909 | 17,934 | 293,843 | 3,310,909 |
| 2021 | 275,909 | 16,555 | 292,464 | \$ 3,035,000 |
| 2022 to 2032 | 3,035,000 | 91,050 | 3,126,050 | 0 |
| TOTAL | \$ 4,414,546 | \$ 187,618 | \$ 4,602,164 | |

Resources

| Category | 2013 Actual | 2014 Actual | 2015-16 Budget | 2015-16 YE Estimate | 2017-18 Budget |
|------------------------|--------------------|---------------------|----------------------|------------------------|----------------------|
| Beginning balance | \$ 33,775 | \$ 24,708 | \$ 1,986 | \$ 411,660 | \$ 4,684 |
| Intergovernmental | 201,511 | 212,835 | 385,000 | 388,410 | 367,638 |
| Miscellaneous | 185 | 200 | 300 | 367 | 200 |
| Transfers in | 1,871,041 | 1,635,394 | 4,155,144 | 3,536,000 | 5,231,507 |
| Other | - | 182,250 | 5,594,200 | 4,226,809 | 6,500,000 |
| Total revenues | 2,072,737 | 2,030,679 | 10,134,644 | 8,151,586 | 12,099,345 |
| Total resources | \$2,106,512 | \$ 2,055,387 | \$ 10,136,630 | \$ 8,563,246 | \$ 12,104,029 |

Expenditures By Type

| Category | 2013 Budget | 2014 Actual | 2015-16 Budget | 2015-16 Actual | 2017-18 Budget |
|-------------------|--------------------|---------------------|----------------------|---------------------|----------------------|
| Transfer out | \$ - | \$ 182,325 | \$ 5,594,200 | \$ 4,226,809 | \$ 6,500,000 |
| Debt service | 2,079,264 | 1,868,954 | 4,464,525 | 4,331,753 | 4,297,993 |
| Total | 2,079,264 | 2,051,279 | 10,058,725 | 8,558,562 | 10,797,993 |
| Ending balance | 27,248 | 4,108 | 77,905 | 4,684 | 1,306,036 |
| Total uses | \$2,106,512 | \$ 2,055,387 | \$ 10,136,630 | \$ 8,563,246 | \$ 12,104,029 |

DESCRIPTION OF FUNCTION
WASTEWATER DIVISION – CAPITAL

This fund accumulates resources for major wastewater capital projects, and accounts for their purchase, construction and financing. Sources of revenue for the fund include wastewater connection fees, transfers from the wastewater operating fund, and interest earnings.

**NARRATIVE OF GOALS 2017 – 2022
WASTEWATER DIVISION – CAPITAL**

1. **Collection System.** Explore the opportunities for Utility Local Improvement District (ULID) expansion of the sewer system to serve all city residents. **2017 - 2022.**
2. **Lift Station and Collection System Improvements.** Develop and implement a plan for replacement and/or improving existing lift stations and collections system infrastructure. **2017 – 2022.**
3. **Reuse and Reclaimed water.** (See Water Capital.)
4. **Burnham/Harborview Connector including Bypass Connector.** Interconnect the sanitary sewer line along Harborview Drive to Burnham Drive to allow flow diversion capability. **2017 - 2022.**
5. **Dri-Prime Diesel Pump Installations.** Installation of Dri-Prime Diesel Pumps to replace aging generators at various lift stations. **2017 - 2022.**

NARRATIVE OF OBJECTIVES 2017- 2018
WASTEWATER DIVISION – CAPITAL

1. Lift Station No. 6 Replacement (Ryan Street). Verify right-of-way and complete final design and permitting for the replacement pump station at the existing site. **\$105,000 – 2017, \$550,000 - 2018.**
2. **Welcome Plaza / Lift Station No. 4 Replacement (Jerisich Park).** Complete the construction of the above ground replacement lift station/Welcome Plaza in accordance with the city's Comprehensive Plan. Paid in part thru a Municipal Bond and Utility Revenues. **\$4,500,000 – 2017.**
3. **Lift Station No. 17 Property or Easement Acquisition (Bujacich Dr.).** Reserved for city procurement of the property or easement. **\$270,000 – 2017.**
4. **Rehabilitation of Lift Station #9 (Longacres Subdivision).** This will be in conjunction with the replacement of the wet well by a private developer and will also include installation of related vaults, piping, controls, etc. **\$306,573 – 2017 (\$227,000 city and \$79,573 developer contribution).**
5. **Rehabilitation of Lift Station #1 (Crescent Creek Park).** Replace existing pumps, electrical and mechanical equipment and coat wet well. **\$85,000 – 2018.**
6. **Public Works Shop – Metal Building.** Install the metal building (72'x40') acquired from the Harbor History Museum property at the Public Works Shop for additional covered storage. This building will need new metal siding, a concrete slab and roofing. **\$100,000 - 2017 (Streets - \$15,000, Parks - \$15,000, Water - \$30,000, Storm - \$10,000, Wastewater - \$30,000).**
7. **Blower Replacement.** Replace a positive displacement blower with high efficiency Neuros Blower and provide a redundant backup blower. **\$700,000 – 2017.**
8. **50th Street Force Main Replacement.** In conjunction with the 50th St. improvement Project, relocate and replace the existing force main. **\$180,000 - 2018.**
9. **Wastewater Outfall Study at the Donkey Creek Delta.** Perform a study of sediment deposition in the Donkey Creek delta related to the installation of the wastewater outfall pipe. Depending on the results of the study this may include designing, permitting, and perform work to mitigate the City's impacts to the delta. **\$125,000 – 2017.**

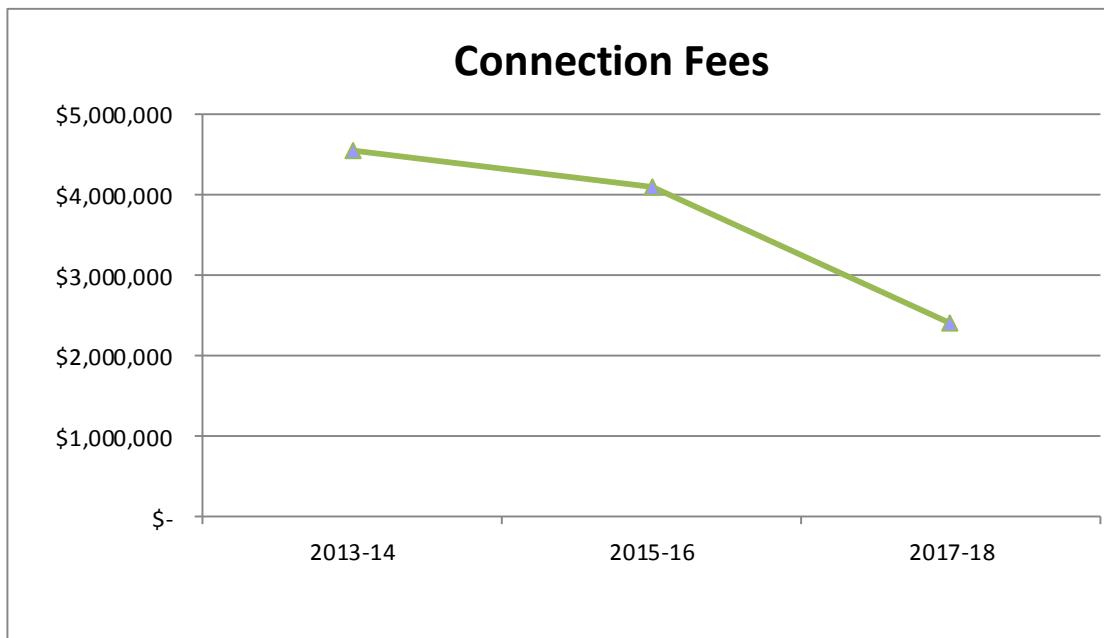
10. **Public Works Maintenance Facility Concrete Pad.** Install concrete pad and two foot concrete walls to re-use back shed area that will be taken down for the metal building. **\$8,500 - 2017 (Parks \$1,275, Streets \$1,275, Water \$2,550, Storm \$850, Wastewater \$2,550).**

Resources

| Category | 2013 Actual | 2014 Actual | 2015-16 Budget | 2015-16 YE Estimate | 2017-18 Budget |
|------------------------|---------------------|---------------------|----------------------|------------------------|---------------------|
| Beginning balance | \$ 4,713,138 | \$ 6,008,111 | \$ 6,591,053 | \$ 5,702,614 | \$ 1,672,350 |
| Charges for services | 2,892,273 | 1,651,726 | 1,708,000 | 4,105,268 | 2,410,000 |
| Miscellaneous | 7,399 | 5,715 | 10,000 | 37,474 | 119,573 |
| Transfers in | - | 735,876 | 3,345,850 | 4,196,059 | 4,600,000 |
| Other | - | - | - | - | - |
| Total revenues | 2,899,672 | 2,393,317 | 5,063,850 | 8,338,801 | 7,129,573 |
| Total resources | \$ 7,612,810 | \$ 8,401,428 | \$ 11,654,903 | \$ 14,041,415 | \$ 8,801,923 |

Expenditures By Type

| Category | 2013 Budget | 2014 Actual | 2015-16 Budget | 2015-16 Actual | 2017-18 Budget |
|----------------------|---------------------|---------------------|----------------------|----------------------|---------------------|
| Salaries | \$ 185,460 | \$ 205,127 | \$ 530,600 | \$ 474,620 | \$ 572,300 |
| Benefits | 92,100 | 101,498 | 243,400 | 245,203 | 252,000 |
| Services | 4,392 | - | 200,000 | - | - |
| Intergov't charges | 50,729 | 24,802 | 29,890 | 65,253 | 60,000 |
| Capital expenditures | 572,018 | 2,367,387 | 9,839,474 | 11,064,298 | 7,878,466 |
| Transfers out | 700,000 | - | 500,000 | 519,691 | - |
| Total | 1,604,699 | 2,698,814 | 11,343,364 | 12,369,065 | 8,762,766 |
| Ending balance | 6,008,111 | 5,702,614 | 311,539 | 1,672,350 | 39,157 |
| Total uses | \$ 7,612,810 | \$ 8,401,428 | \$ 11,654,903 | \$ 14,041,415 | \$ 8,801,923 |



DESCRIPTION OF FUNCTION
STORM WATER DIVISION - OPERATING

Maintain, operate and improve the city's storm water collection, treatment and discharge system to provide cost-effective conveyance and disposal of urban runoff from within the public right-of-way consistent with federal, state and local regulations and guidelines to minimize pollution and physical impacts to downstream properties, groundwater, surface water, and sensitive marine life. This function also includes administration of the NPDES Phase 2 permit, review of private development storm drain systems, and periodic update of the city's storm water standards.

NARRATIVE OF GOALS 2017 – 2022
STORM WATER DIVISION - OPERATING

1. **Storm Water Management Program.** Continue the implementation of a comprehensive city-wide Stormwater Management Program in accordance with the city's current NPDES Phase 2 municipal stormwater permit. The Stormwater Management Program includes the ongoing assessment program for identifying and prioritizing sources of storm water pollution, development of a capital improvement program to identify and resolve storm drainage problems, formal program for coordinating drainage basin issues, community outreach and education, and a program for inspection and enforcement of storm drainage and pollution regulations. Future program objectives will include a comprehensive revision to the city's municipal code, as required by the Washington State Department of Ecology, to remove possible hindrances across all city codes for requirements of future NPDES Phase 2 permits. **2017 – 2022.**
2. **Public Works Standards.** Update the storm section of the Public Works Standards as necessary to reflect the design manual and current policies and procedures as needed. **2017 – 2022.**
3. **Storm Drain Maintenance System Documentation.** Purchase and implement computer software able to record and track storm drain maintenance activities and provide documentation and maintenance schedules. **2017 – 2022.**
4. **Puget Sound Partnership.** In accordance with the new Puget Sound Partnership, become a partner with the new state agency department to be proactive and partner with the efforts to preserve and enhance the quality of adjoining Puget Sound waters. **2017 – 2022.**
5. **Stormwater Outfalls Maintenance. Perform routine** inspections of stormwater outfalls into the Puget Sound. Replace or improve outfalls that have deteriorated due to tidal action or lack of maintenance. **2017 - 2022.**

**NARRATIVE OF OBJECTIVES 2017 – 2018
STORM WATER DIVISION - OPERATING**

1. **NPDES Phase 2 Municipal Stormwater Permit.** Continue the implementation of comprehensive city-wide Stormwater Management Program in accordance with the city's current NPDES Phase 2 municipal stormwater permit, including sustained efforts for community outreach and education, and inspection and enforcement of storm drainage and pollution regulations. **\$15,000 – 2017, \$15,000 - 2018.**
2. **Local Source Control Program.** The City to enter into an Interagency Agreement with Tacoma-Pierce County Health Department with the purpose to reduce pollutants and impacts to surface waters and stormwater system as directed by the City's NPDES Stormwater permit issued by Washington Department of Ecology. To provide pollutant source control inspections and outreach to businesses that will increase operators awareness the necessary stormwater facilities maintenance, the best environmental stewardship practices education, management practices that reduce the pollutants discharging to the stormwater and elimination of illicit discharge connection to the stormwater system. An annual report to be provided itemizing the inspections and results realized **\$25,000 – 2017, \$25,000 - 2018.**
3. **Storm Ditch Cleaning.** Utilize interlocal agreement with Pierce County to clean approximately 5,000 feet of ditch. **\$8,000 – 2017, \$8,000 - 2018.**
4. **Seasonal Hire.** Hire eight (8) seasonal help with work in parks, streets, water and storm. **Estimated cost is \$123,000 - 2017 (Parks \$61,500, Street \$24,600, Water \$12,300, Storm \$24,600), \$123,000 - 2018 (Parks \$61,500, Street \$24,600, Water \$12,300, Storm \$24,600).**
5. **Comprehensive Plan Demographic Forecast Allocation Model (DFAM).** Update Comprehensive Plan for Demographic Forecast Allocation Model for Storm Water, whose results will be utilized in the 2017 city-wide Comprehensive Plan update. The model results will also be used to update the flow projections. **\$15,000 – 2017.**
6. **Cartegraph OMS Enterprise Platform Licensing.** Continue to operate the existing Public Works citizen request work order and advanced asset management software for the City's facilities, public spaces and infrastructure. Enterprise Platform includes Cloud Shared Hosting Subscription and Support for 50 users. ArcGIS license pack for 50 users integrates system with Esri to use location to make work, asset, request and resource data more useful and accurate. Also obtain further support through AWCs GIS consortium. **\$25,000 – 2017 (Parks \$6,250, Streets \$6,250, Water \$6,250, Storm \$6,250) \$25,000 – 2018 (Parks \$6,250, Streets \$6,250, Water \$6,250, Storm \$6,250).**

7. **Low Impact Development Implementation.** In accordance with the new NPDES permit requirements, and where geotechnically practical implement the LID features into both city and private developer sponsored projects. Addressed within the stormwater features of the individual projects. **\$50,000 - 2017, \$50,000 - 2018.**
8. **Storm Water Comprehensive Plan Update.** Utilize the storm water model flow information and complete City wide storm water comprehensive plan update. **\$60,000 – 2017, \$60,000 - 2018.**
9. **Public Works Operational Improvement Study.** Consultant review of existing practices and work flow. **\$50,000 – 2017. (Parks \$12,500, Streets \$12,500, Water \$20,000, Storm \$5,000).**

CAPITAL OUTLAY 2017-2018
STORM WATER DIVISION - OPERATING

- 1. Replace existing 18-year old Chevrolet 4x4 ¾ ton pickup truck (#1051) with a new 4x4 ¾ ton pickup truck and new utility box.** This truck was originally purchased at auction in 2001. The vehicle is a high mileage truck with 134,000 miles and has become expensive to maintain and is becoming unreliable. **\$51,000 – 2017 (Parks \$12,750, Streets \$12,750, Water \$12,750, Storm \$12,750)** 101-017-594-44-64.
- 2. Replace 2003 Chevrolet 4x4 ¾ ton pickup truck with a 4x4 1/2 ton pickup truck.** This was a bad year for this truck engine with many issues that take up labor and resources. **\$40,000 – 2017 (Parks \$10,000, Streets \$10,000, Water \$10,000, Storm \$10,000)** 101-017-594-44-64.
- 3. Replace 2007 street sweeper with a new regenerative or vacuum sweeper.** The existing sweeper has outlived its service life. It is a regenerative air machine and has served the City well, but it will require a major overhaul involving expensive parts within the year. The leaf screen and debris hopper are getting very thin due to work environment and these items are expensive to repair. The pervious concrete and asphalt streets are expanding and the new sweepers meet the needs to maintain the roadways properly. **\$180,000 – 2017 (Streets \$90,000, Storm \$90,000)** 101-017-594-44-64.
- 4. Replace existing 1997 small equipment trailer (#2005).** The new trailer is four foot longer and has more capacity than the existing trailer. It will be more versatile for moving existing and newer equipment. **\$12,000 – 2017 (Parks \$3,000, Streets \$3,000, Water \$3,000, Storm \$3,000)** 101-017-594-44-64.
- 5. Portable Camera Unit.** Purchase portable camera unit for sewer and storm line inspections, side sewer locations and emergency situations. **\$70,000 – 2017 (Wastewater \$35,000, Storm \$35,000)**.
- 6. Sidewalk Vacuum Sweeper.** Due to the expanding amount of pervious sidewalks within the city, there is a need to purchase a riding vacuum sweeper to maintain pervious sidewalks. Vacuum sweepers are able to properly clean the voids in sidewalks allowing storm water to re-enter the ground. **\$30,000 – 2017 (Streets \$15,000, Storm \$15,000)**.
- 7. Walk behind concrete saw.** Replacement for existing equipment purchased in 1998, repaired several times and no longer viable. **\$6,000 (Parks \$1,500, Streets \$1,500, Storm \$1,500, Water \$1,500) – 2017.**

Total Capital Outlay is \$167,250

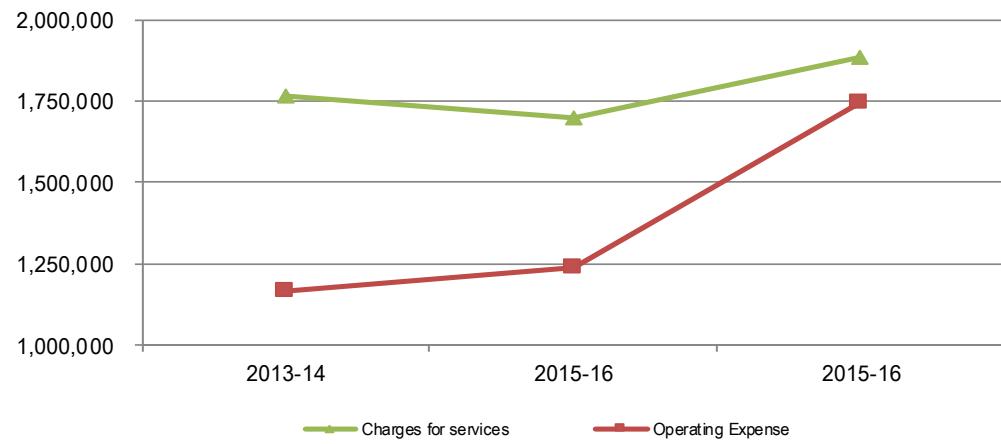
Resources

| Category | 2013 Actual | 2014 Actual | 2015-16 Budget | 2015-16 YE Estimate | 2017-18 Budget |
|------------------------|---------------------|---------------------|---------------------|------------------------|---------------------|
| Beginning balance | \$ 308,689 | \$ 550,058 | \$ 846,799 | \$ 890,773 | \$ 620,212 |
| Taxes | - | - | - | - | - |
| Charges | 848,873 | 917,840 | 1,681,403 | 1,696,548 | 1,886,611 |
| Miscellaneous | 405 | 565 | 1,000 | 5,895 | 4,000 |
| Transfers in | - | 13,997 | - | 189,807 | - |
| Other | - | - | 53,750 | 46,722 | - |
| Total revenues | 849,278 | 932,402 | 1,736,153 | 1,938,972 | 1,890,611 |
| Total resources | \$ 1,157,967 | \$ 1,482,460 | \$ 2,582,952 | \$ 2,829,745 | \$ 2,510,823 |

Expenditures By Type

| Category | 2013 Budget | 2014 Actual | 2015-16 Budget | 2015-16 Actual | 2017-18 Budget |
|---------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Salaries | \$ 287,985 | \$ 293,467 | \$ 708,000 | \$ 627,230 | \$ 757,412 |
| Benefits | 124,789 | 123,688 | 311,300 | 284,979 | 351,488 |
| Supplies | 78,618 | 28,421 | 61,000 | 70,782 | 66,625 |
| Services | 91,186 | 108,484 | 385,722 | 225,643 | 531,604 |
| Intergov't charges | 17,044 | 15,558 | 24,835 | 32,998 | 38,103 |
| Capital expenditures | 8,287 | 19,789 | 48,750 | 51,911 | 167,250 |
| Transfer | - | 2,000 | 900,000 | 900,000 | 400,000 |
| Other | - | 280 | - | 15,990 | 23,450 |
| Total expenditures | 607,909 | 591,687 | 2,439,607 | 2,209,533 | 2,335,932 |
| Ending fund balance | 550,058 | 890,773 | 143,345 | 620,212 | 174,891 |
| Total uses | \$ 1,157,967 | \$ 1,482,460 | \$ 2,582,952 | \$ 2,829,745 | \$ 2,510,823 |

Operating Revenues & Expenses



DESCRIPTION OF FUNCTION
STORM WATER DIVISION - CAPITAL

This fund accumulates resources for major storm water capital projects and accounts for their purchase, construction and financing. Sources of revenue for the fund include connection fees and storm rates.

**NARRATIVE OF GOALS 2017 – 2022
STORM WATER DIVISION - CAPITAL**

1. **50th Street Box Culvert.** Design, permit, and construct a fish friendly box culvert under 50th Street east of 36th Avenue Ct. in anticipation of extending 50th Street improvements in a future project. **2017 – 2018.**
2. **Harborview Drive Stormwater Conveyance Improvements.** Eliminate stormwater conveyance under the Harbor History Museum. **2017 – 2018.**
3. **Wastewater Outfall Trench Cover Berm Regrading.** Design and permit the removal of the trench fish mix backfill over the outfall located in Austin Estuary tide flat. This backfill in the estuary is causing redirection of the outgoing tide to divert into Murphy's Landing Marina. **2017 – 2022.**

**NARRATIVE OF OBJECTIVES 2017 – 2018
STORM WATER DIVISION - CAPITAL**

1. **Public Works Operations Center – Site Development.** Complete the site design and site permitting then construct the frontage improvements and site civil improvements related to the new Public Works Operations Center. **\$1,600,000 - 2017 (Parks \$400,000, Streets \$400,000, Water \$640,000, Storm \$160,000). \$600,000 - 2018 (Parks \$150,000, Streets \$150,000, Water \$240,000, Storm \$60,000).**
2. **Public Works Operations Center – Building Construction.** Complete the building design and building permitting of the new Public Works Operations Center. **\$3,000,000 - 2018 (Parks \$750,000, Streets \$750,000, Water \$1,200,000, Storm \$300,000).**
3. **Public Works Shop – Metal Building.** Install the metal building (72'x40") acquired from the Harbor History Museum property at the Public Works Shop for additional covered storage. This building will need new metal siding, a concrete slab, doors, and roofing. **\$100,000 - 2017 (Streets - \$15,000, Parks - \$15,000, Water - \$30,000, Storm - \$10,000, Wastewater - \$30,000).**
4. **Harborview Drive Stormwater Conveyance Improvements.** Disconnect the combined City-Harbor History Museum stormwater system and redirect the flow along another pipe configuration along Harborview Drive. Design and permitting only. **\$175,000 – 2017.**
5. **50th Street Box Culvert.** Complete the design, permit, and construct a fish friendly box culvert under 50th Street east of 38th Avenue in anticipation of extending 50th Street improvements in a future project. **\$840,000 – 2018.**
6. **Stormwater Outfall Upgrade and Restoration.** This project will upgrade the stormwater outfall and restore the surrounding habitat at one or more locations where the City discharges stormwater into Gig Harbor Bay. This project is planned in part to provide mitigation for environmental impacts at the Ancich Park site. **\$100,000 – 2018.**
7. **Public Works Maintenance Facility Concrete Pad.** Install concrete pad and two foot concrete walls to re-use back shed area that will be taken down for the metal building. **\$8,500 - 2017 (Parks \$1,275, Streets \$1,275, Water \$2,550, Storm \$850, Wastewater \$2,550).**

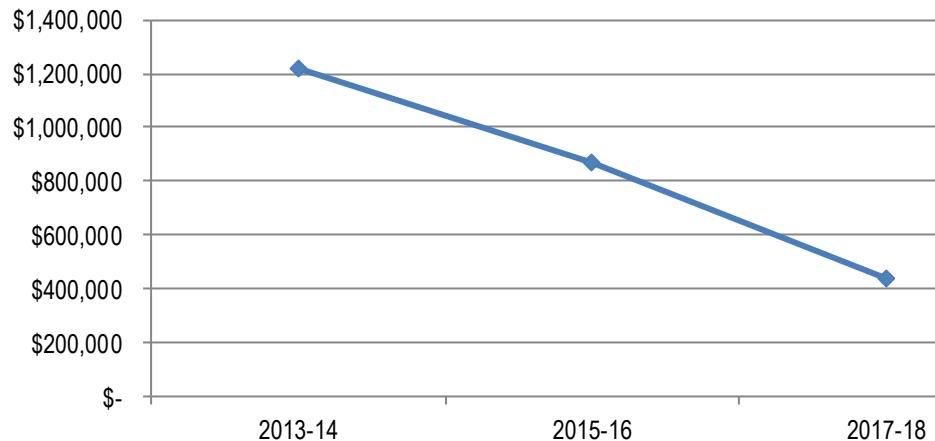
Resources

| Category | 2013 Actual | 2014 Actual | 2015-16 Budget | 2015-16 YE Estimate | 2017-18 Budget |
|------------------------|---------------------|-------------------|---------------------|------------------------|---------------------|
| Beginning balance | \$ 213,451 | \$ 40,500 | \$ 240,936 | \$ 24,765 | \$ 1,095,758 |
| Charges | 944,912 | 276,880 | 240,000 | 868,604 | 442,500 |
| Miscellaneous | 195 | 4,081 | 200 | 2,296 | 2,000 |
| Transfer In | 136,096 | - | 900,000 | 900,000 | 400,000 |
| Total revenues | 1,081,203 | 280,961 | 1,140,200 | 1,770,900 | 844,500 |
| Total resources | \$ 1,294,654 | \$ 321,461 | \$ 1,381,136 | \$ 1,795,665 | \$ 1,940,258 |

Expenditures By Type

| Category | 2013 Budget | 2014 Actual | 2015-16 Budget | 2015-16 Actual | 2017-18 Budget |
|----------------------|---------------------|-------------------|---------------------|---------------------|---------------------|
| Salaries | \$ 33,198 | \$ 47,281 | \$ 85,100 | \$ 99,272 | \$ 108,156 |
| Benefits | 38,166 | 19,051 | 39,400 | 41,372 | 46,144 |
| Capital expenditures | 1,182,790 | 230,364 | 1,174,750 | 559,263 | 1,646,344 |
| Total | 1,254,154 | 296,696 | 1,299,250 | 699,907 | 1,800,644 |
| Ending balance | 40,500 | 24,765 | 81,886 | 1,095,758 | 139,614 |
| Total uses | \$ 1,294,654 | \$ 321,461 | \$ 1,381,136 | \$ 1,795,665 | \$ 1,940,258 |

Storm Connection Fees



DESCRIPTION OF FUNCTION
WATER DIVISION CAPITAL

This fund accumulates resources for major water capital projects and accounts for their purchase, construction and financing. Sources of revenue for the fund include water connection fees, transfers from the Water Operating Fund and interest earnings.

NARRATIVE OF GOALS 2017 – 2022

WATER DIVISION CAPITAL

1. **Gig Harbor North Well Site (Well No 9).** Construct a deep aquifer well as a primary source for the Gig Harbor North Tank and obtain the related primary water rights by working with USGS on the Kitsap peninsula-wide aquifer study, Department of Ecology, and Department of Health. Note: Completion of this well is contingent on receipt of a new additive water right from DOE based on the city's August 2000 water right application. **2017 – 2019.**
2. **Asbestos-Cement Water Main Replacement Program.** Continue to implement a program to identify and replace aging and/or vulnerable portions of the asbestos-cement water transmission and distribution system. Priority will be given to lines within areas identified for other capital improvements, such as pavement replacement or street reconstruction, and especially lines more than 40-years old where high ground water is present and/or areas where lines have historically ruptured. **2017 – 2022.**
3. **Reuse and Reclaimed Water.** Further develop the preliminary groundwater recharge feasibility report to explore the feasibility of recharging groundwater in the future. This refinement to the preliminary report would explore in more specific detail specific recharge sites, sources of recharge water, as well as other potential benefits that may result from performing groundwater recharge. **2017 – 2022.**
4. **Redundant Production Well.** Construct a redundant deep aquifer well in accordance with the City's Water System Plan as a non-additive water source. **2017 – 2022.**
5. **Primary Source Well Development.** As identified in the City Utility Rate Study and Comprehensive Plan, develop the location for this primary source well in the Gig Harbor North area and continue to work towards obtaining the primary water right for this much needed well. **2018 - 2022.**

NARRATIVE OF OBJECTIVES 2017 – 2018

WATER DIVISION CAPITAL

1. **Deep Aquifer Well Development (Well No. 11).** Construct the new well house, water treatment facility, telemetry, and associated appurtenances at the location of the drilled Well No. 11 well casing and place this well into service. Install necessary power supply. **\$3,000,000 – 2017.**
2. **Reuse and Reclaimed Water - Phase 2.** Continue the development of a feasibility report to refine previous reuse and reclaimed water studies to explore specific recharge sites and reuse locations, sources of recharge water, as well as other potential benefits that may result from generating reclaimed water. **\$50,000 – 2018.**
3. **Public Works Shop – Metal Building.** Install the metal building (72'x40') acquired from the History Museum property at the Public Works Shop for additional covered storage. This building will need new metal siding, a concrete slab and roofing. **\$100,000 - 2017 (Streets - \$15,000, Parks - \$15,000, Water - \$30,000, Storm - \$10,000, Wastewater - \$30,000).**
4. **Public Works Operations Center – Site Development.** Complete the site design and site permitting then construct the frontage improvements and site civil improvements related to the new Public Works Operations Center. **\$1,600,000 - 2017 (Parks \$400,000, Streets \$400,000, Water \$640,000, Storm \$160,000). \$600,000 - 2018 (Parks \$150,000, Streets \$150,000, Water \$240,000, Storm \$60,000).**
5. **Public Works Operations Center – Building Construction.** Complete the building design and building permitting of the new Public Works Operations Center. **\$3,000,000 - 2018 (Parks \$750,000, Streets \$750,000, Water \$1,200,000, Storm \$300,000).**
6. **Stinson Avenue Asbestos Cement Water Main Replacement.** Complete the design, permitting, right of way acquisition, and replace the existing asbestos cement (AC) water main with ductile iron water main. **\$1,285,000 – 2018.**
7. **Public Works Maintenance Facility Concrete Pad.** Install concrete pad and two foot concrete walls to re-use back shed area that will be taken down for the metal building. **\$8,500 - 2017 (Parks \$1,275, Streets \$1,275, Water \$2,550, Storm \$850, Wastewater \$2,550).**

Resources

| Category | 2013 Actual | 2014 Actual | 2015-16 Budget | 2015-16 YE Estimate | 2017-18 Budget |
|------------------------|---------------------|---------------------|---------------------|------------------------|---------------------|
| Beginning balance | \$ 1,156,441 | \$ 18,134 | \$ 670,519 | \$ 1,516,513 | \$ 2,764,022 |
| Intergov't revenue | 959,266 | 1,040,734 | - | - | - |
| Charges | 709,310 | 1,186,515 | 1,236,000 | 2,201,105 | 1,460,000 |
| Miscellaneous | 1,109 | 995 | 1,000 | 10,447 | 10,000 |
| Transfers in | - | - | 2,500,000 | 500,000 | 2,700,000 |
| Total revenues | 1,669,685 | 2,228,244 | 3,737,000 | 2,711,552 | 4,170,000 |
| Total resources | \$ 2,826,126 | \$ 2,246,378 | \$ 4,407,519 | \$ 4,228,065 | \$ 6,934,022 |

Expenditures By Type

| Category | 2013 Budget | 2014 Actual | 2015-16 Budget | 2015-16 Actual | 2017-18 Budget |
|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Salaries | \$ 45,776 | \$ 52,294 | \$ 138,900 | \$ 187,091 | \$ 195,500 |
| Benefits | 29,164 | 21,049 | 60,300 | 82,747 | 91,400 |
| Supplies | - | - | - | - | - |
| Services | - | - | - | - | - |
| Intergov't charges | 12,271 | 17,798 | 21,382 | 34,412 | 35,000 |
| Capital expenditures | 2,720,781 | 638,724 | 4,184,250 | 1,159,793 | 6,448,000 |
| Total | 2,807,992 | 729,865 | 4,404,832 | 1,464,043 | 6,769,900 |
| Ending balance | 18,134 | 1,516,513 | 2,687 | 2,764,022 | 164,122 |
| Total uses | \$ 2,826,126 | \$ 2,246,378 | \$ 4,407,519 | \$ 4,228,065 | \$ 6,934,022 |

Water Connection Fees

