

**2015 – 2016
Gig Harbor
Budget**

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, personnel and job description publications. The tradition began with the first poster in 2001 and continues each year.

This year's cover artwork was created by **Erin Hutchinson**, a student at South Kitsap High School.

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 CITY ATTORNEY

Michael Dunn
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 RESOURCE ANALYST

Mary Ann McCool

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Mayor's Budget Message

October 1, 2014

Honorable City Council and Citizens
City of Gig Harbor
3510 Grandview Street
Gig Harbor, Washington

Dear City Council and Citizens of Gig Harbor:

It is my pleasure to present the 2015/2016 biennial budget for the City of Gig Harbor. For the first time, we are submitting a two-year budget as directed by Council through Ordinance #1287, passed in March of 2014. This biennial budget will streamline staff time by concentrating the laborious effort to create a budget only once every two years, instead of annually as in the past.

Our city continues to experience a wave of increased activity, economic and population growth and a growth in tourism. As a result, many of our revenue sources have increased over the last year and a half. We project those increases to continue into the near future, but are being conservative in our revenue projections to keep this budget responsible. Our revenue growth rate is projected to be at five percent for retail sales and lodging tax. In general, our expenses continue to rise with the cost of living, necessitating budgetary constraints.

2014 Highlights

It was a great privilege to host Zoran Milanovic, the Prime Minister of Croatia, for his visit to the City on September 28, 2014. City staff did an outstanding job of arranging and supporting this wonderful event which celebrated the strong Croatian heritage of our City. Continuing that theme, the City was successful in obtaining grants which help preserve Gig Harbor's historic heritage as a maritime community.

For the first time ever, the City joined the Northwest Marine Trade Association and hosted a booth at the Seattle Boat Show in January. The good news is that we learned that recreational boaters love Gig Harbor. The bad news is that many said they haven't been here for years, in part because of the lack of moorage space for visiting boaters, lack of fuel facilities, and lack of a downtown grocery store. We will continue to work with organizations and individuals to see that quality stores and services are available downtown, not just for boaters, but for locals and tourists.

The biennium budget for 2015-2016 totals \$103,869,895. If split in half, this is an 8.6 % decrease from 2014. The capital budget includes funds to:

- Design and construct phase 1 of the Public Works Operations Center
- Install the Public Works Shop metal building
- Continue design on Harbor Hill Drive Extension
- Construct sidewalk improvements along Harborview Drive between North Harborview Drive and Burnham Drive
- Purchase property adjacent to the Public Works shop
- Overlay existing Kimball Drive and Hunt Street from Pioneer Way to Soundview Drive
- Construct pedestrian improvements along Prentice Street
- Design and reconstruct Stinson Avenue improvements between Rosedale Street and Pioneer Way
- Complete Phase 3 of the Eddon Boat Marine Railways project
- Acquire property near Eddon Boat Shop
- Construct Jerisich Dock power and water improvements
- Complete the conceptual design, environmental review and permitting for Maritime Pier Extension
- Design and construct Ancich Waterfront Park Upland Development
- Construct repairs and improvements to the Ancich Netshed
- Develop a master plan for Crescent Creek Park
- Initiate a planning study for Cushman Trail Phase 5 (Borgen Boulevard to Purdy)
- Complete design, permitting, and construction of the Welcome Plaza/Lift Station 4
- Complete design and permitting for Lift Station 17
- Complete construction of Wastewater Treatment Plant Phase 2 improvements
- Replace Pioneer Way sewer main from Kimball Street to Grandview Street
- Construct Well No. 11
- Continue replacement of approximately 3,800 LF of asbestos cement water main

The General fund, if split in two, shows a decrease of 2.8% in 2015 and 2016. The 2016 ending fund balance is projected to be \$1,036,704.

Respectfully submitted,



Jill Guernsey, Mayor
City of Gig Harbor

1. BUDGET SUMMARY

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ORDINANCE NO. 1306

AN ORDINANCE OF THE CITY OF GIG HARBOR, WASHINGTON, ADOPTING THE 2015-2016 BIENNIAL BUDGET; ESTABLISHING APPROPRIATIONS OF FUNDS FOR THE 2015-2016 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 2015-2016 biennium; and

WHEREAS, the City of Gig Harbor published notice that the Gig Harbor City Council would meet on November 10 and November 24, 2014 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 2015-2016 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 2015-2016 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 2015-2016 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 2015-2016 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 2015-2016 biennium are set forth in summary form below, and are hereby appropriated for expenditure during the 2015-2016 biennium as set follows:

2015-2016 BUDGET APPROPRIATIONS

FUND / DEPARTMENT AMOUNT

001	GENERAL GOVERNMENT	
01	Non-Departmental	\$6,884,810
02	Legislative	133,514
03	Municipal Court	846,200
04	Administrative / Financial / Legal	3,030,100
06	Police	6,899,002
14	Building & Fire Safety	1,208,860
14	Planning	2,058,000
15	Park Operating	1,883,600
16	Buildings	916,163
19	Ending Fund Balance	1,138,136
TOTAL GENERAL FUND - 001		\$24,998,385
101	STREET OPERATING	4,065,288
102	STREET CAPITAL	4,090,621
105	DRUG INVESTIGATION STATE	8,706
106	DRUG INVESTIGATION FEDERAL	18,594
107	HOTEL / MOTEL FUND	861,192
108	PUBLIC ART CAPITAL PROJECTS	87,377
109	PARK DEVELOPMENT FUND	7,078,255
110	CIVIC CENTER DEBT RESERVE	1,756,064
111	STRATEGIC RESERVE	577,988
112	EQUIPMENT REPLACEMENT RESERVE	221,302
208	LTGO BOND REDEMPTION	2,245,918
211	UTGO BOND REDEMPTION	781,519
301	CAPITAL DEVELOPMENT FUND	1,202,366
305	GENERAL GOVT. CAPITAL IMPROVEMENT	1,108,916
309	IMPACT TRUST FEE	1,993,811
310	HOSPITAL BENEFIT ZONE REVENUE	7,276,797
401	WATER OPERATING	3,690,755
402	SEWER OPERATING	9,534,531
403	SHORECREST RESERVE	108,991
407	UTILITY RESERVE	1,411,665
408	UTILITY BOND REDEMPTION FUND	10,136,630
410	SEWER CAPITAL CONSTRUCTION	11,654,903
411	STORM SEWER OPERATING	2,582,952
412	STORM SEWER CAPITAL	1,381,136
420	WATER CAPITAL ASSETS	4,407,519
605	LIGHTHOUSE MAINTENANCE TRUST	\$ 1,214
TOTAL ALL FUNDS		\$103,283,395

Section 3. Salary Schedule. Attachment "A" is adopted as the 2015-2016 personnel salary schedule for all employees.

Section 4. Transmittal. The City Clerk is directed to transmit a certified copy of the 2015-2016 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 8th day of December, 2014.

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

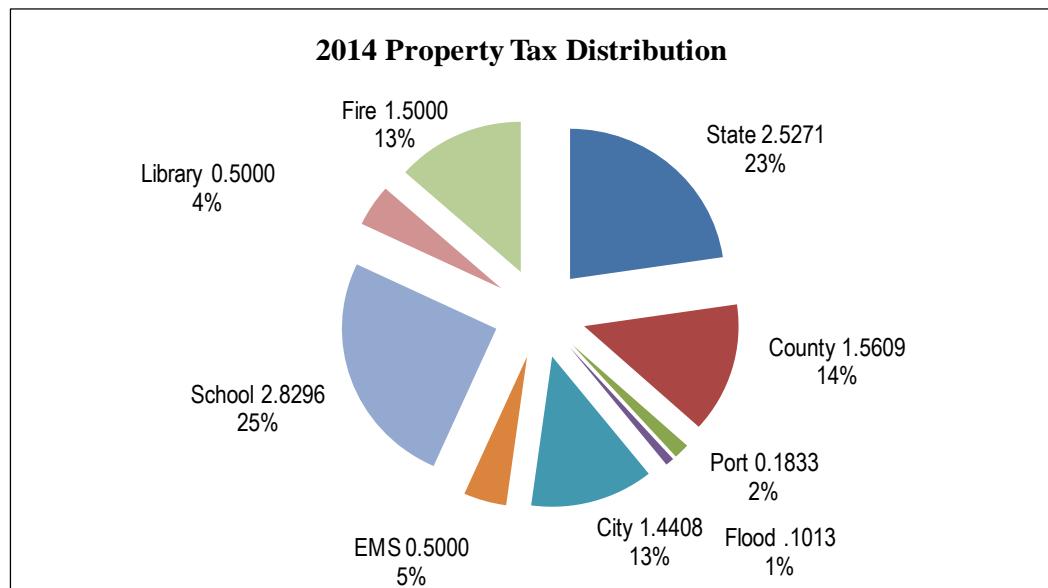
FILED WITH THE CITY CLERK: 11/05/14
PASSED BY THE CITY COUNCIL: 12/08/14
PUBLISHED: 12/10/14
EFFECTIVE DATE: 12/15/14
ORDINANCE NO. 1306

Attachment A

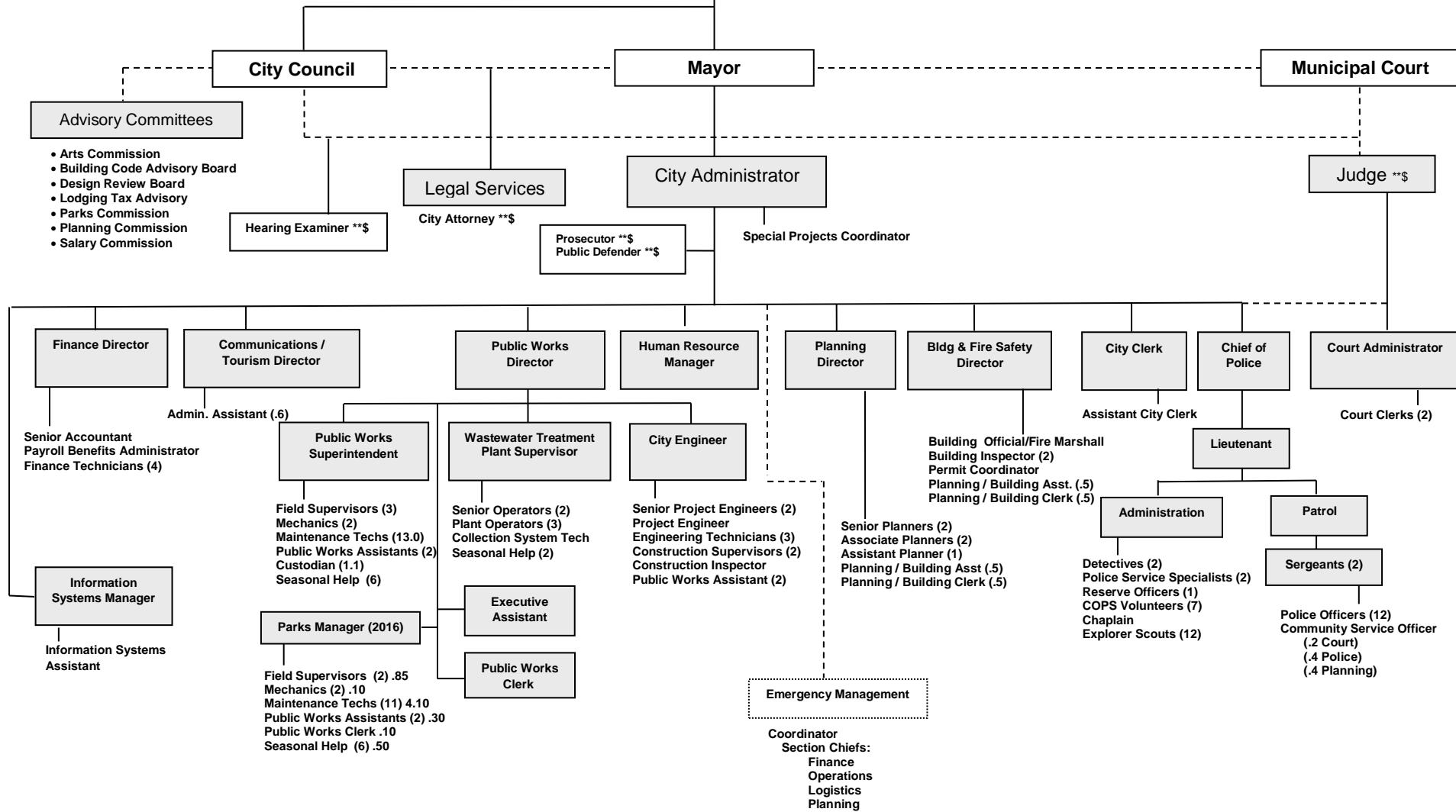
POSITION	2015 RANGE	
	Minimum	Maximum
City Administrator	10,200	12,750
Chief of Police	8,897	11,121
Public Works Director	8,314	10,393
Finance Director	8,229	10,286
Police Lieutenant	7,462	9,328
City Engineer	7,234	9,043
Information Systems Manager	7,234	9,043
Planning Director	7,234	9,043
Building & Fire Safety Director	7,176	8,970
Senior Engineer	6,767	8,458
Police Sergeant	7,181	8,218
City Clerk	6,504	8,131
Tourism & Communications Director	6,491	8,114
Public Works Superintendent	6,408	8,010
Wastewater Treatment Plant Supervisor	6,408	8,010
Senior Accountant	6,242	7,803
Senior Planner	6,238	7,797
Parks Manager	6,221	7,776
Court Administrator	6,119	7,649
Associate Engineer/Project Engineer	5,951	7,439
Assistant Building Official/Fire Marshall	5,885	7,356
Field Supervisor	5,515	6,893
Construction Supervisor	5,515	6,893
Police Officer	5,227	6,534
Senior WWTP Operator	5,193	6,491
Payroll/Benefits Administrator	5,002	6,252
Human Resources Analyst	4,997	6,246
Associate Planner	4,992	6,240
Construction Inspector	4,869	6,087
Planning / Building Inspector	4,869	6,087
Wastewater Treatment Plant Operator	4,646	5,807
Engineering Technician	4,607	5,758
Mechanic	4,547	5,683
Information System Assistant	4,508	5,635
Assistant City Clerk	4,471	5,589
Executive Assistant	4,471	5,589
WWTP Collection System Tech II	4,345	5,431
Maintenance Technician	3,491	5,431
Assistant Planner	4,331	5,414
Permit Coordinator	4,331	5,414
Community Services Officer	4,293	5,367
Building Assistant	4,107	5,134
Planning Assistant	4,107	5,134
Public Works Assistant	4,107	5,134
Finance Technician	4,071	5,089
Administrative Assistant	3,931	4,913
Lead Court Clerk	3,930	4,912
Police Services Specialist	3,552	4,440
Court Clerk	3,504	4,380
Custodian	3,491	4,363
Public Works Clerk	3,489	4,361
Planning/Building Clerk	3,489	4,361

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/\$100 Assessed Value	Population
2015	1,856,265,536	8.75%	58,215,373	-	2,318,351	2,318,351	1.2489	300,000	0.1616	1.4105	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
2002	808,285,193	8.73%	24,377,900	-	1,228,213	1,227,139	1.5182	-	-	1.5182	6,485
2001	743,414,971	7.46%	8,130,100	-	1,177,051	1,169,986	1.5738	-	-	1.5738	6,465



Citizens of Gig Harbor



Key: **\$ = Contracted Position

2015-16 Organizational Chart

** \$ Consultant Services

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 year.

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 year 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 year 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.
- October 7 - 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 20 & 21 - The Council holds budget study sessions.
- November 10 & 24 - 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 2013 and 2014. The General Fund section includes a schedule of budgeted and actual expenditures by department.

REVENUE ANALYSIS

Economic assumptions

As predicted, the strong local economy is continuing through 2014. Sales taxes through August are up 7.3 percent over the prior year and utility taxes are even. The numbers of building permits issued are double the level of the previous year. Development fees are expected to come in at or above 2013 levels.

The September 4, 2014 forecast from the State of Washington Economic and Revenue Forecast Council has reduced its 2014 forecast for real GDP growth to 2.1 from 2.2 percent in the June forecast. Growth in 2015 is expected to accelerate to 3.0 percent in 2015 and 2.9 percent in 2016. Growth rates in 2017, 2018, and 2019 are forecast at 2.8, 2.6, and 2.5 percent respectively.

The downside risks to this forecast are:

- The potential for slower Chinese economic growth
- A slowing of the housing recovery due to rising mortgage rates and house prices
- Global events (Russia/Ukraine, Middle East, European growth)

This forecast, coupled with local development activity leads us to believe that the current level of activity is likely to continue through 2014 and into and through the 2015-16 biennium. The 2015-16 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 general revenue growth is three percent for both 2015 and 2016. The exception being sales taxes; which are forecast at 6.5 percent through 2014 and five percent growth for both 2015 and 2016. 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 \$11.6 million in sales tax budgeted over the 2015-16 period, as much as \$2.9 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.

General Revenues

Taxes provide nearly 60 percent of total city revenues, excluding internal transfers; while charges for services comprise 34 percent of total city revenues. Within the tax category, sales taxes make up 43 percent of all taxes received. In 2013, sales and

property taxes represented 48 and 21 percent respectively of general fund revenues; while utilities taxes were nearly 13 percent.

Development revenues for 2015-16 were budgeted using trend analysis of actual revenues received over the 2005 through 2012 fiscal years. This analysis has permit revenues for 2015-16 at about 78 percent of current 2014 levels.

Lodging tax revenues, which fund the city's tourism development program, are running 18 percent ahead of prior year revenues received through August. These, like sales taxes, are budgeted at five percent growth for both 2015 and 2016.

Real estate excise taxes ended the year in 2013 at \$562,000. In 2014 we are projecting a slightly lower year-end balance of \$528,000, even though this revenue source is running only one percent behind where it was through September 2013.

Utility Revenues

Monthly water fees through August are running about seven percent ahead of the same period in 2013. Connection fees through August 2014 are nearly \$898,000 as compared with \$567,000 for the same period last year.

Through August, monthly sewer charges are running about four percent ahead of the same period in 2013; while connection fees collected are running at 45 percent of what they were for the same period in 2013.

Monthly fees through August for the Storm utility are about three percent ahead of the prior year; while connection fees for the Storm utility are about even with where they were for the same period last year.

Revenue summary

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

Fund	Description	2015	2016	Total
General fund	Sales tax	5,661,867	5,944,961	11,606,828
	Property tax	2,285,542	2,370,944	4,656,486
	Utility tax & franchise fees	1,587,566	1,642,850	3,230,416
	Permit fees	974,718	888,758	1,863,476
Street Operating fund	General fund transfer	1,450,000	1,450,000	2,900,000
Water Operating fund	Customer charges	1,474,199	1,518,554	2,992,753
Sewer Operating fund	Customer charges	3,985,585	4,105,119	8,090,704
Storm Operating fund	Customer charges	816,068	840,535	1,656,603

Major capital projects identified in the city's comprehensive plan are funded from several sources in addition to the General Fund. The city imposes transportation and park impact fees, a one-half of one percent real estate excise tax is charged on the sale of real property, and the city is aggressive in its pursuit of grants.

Impact fees, both transportation and parks, are placed in the Impact Fee Trust Fund.

The city has six years to spend impact fees. The fees are applied to eligible growth-related projects on a “first-in, first-out” basis. The city has received transportation and park impact fees totaling \$179,000 and \$156,000 respectively through September 2014.

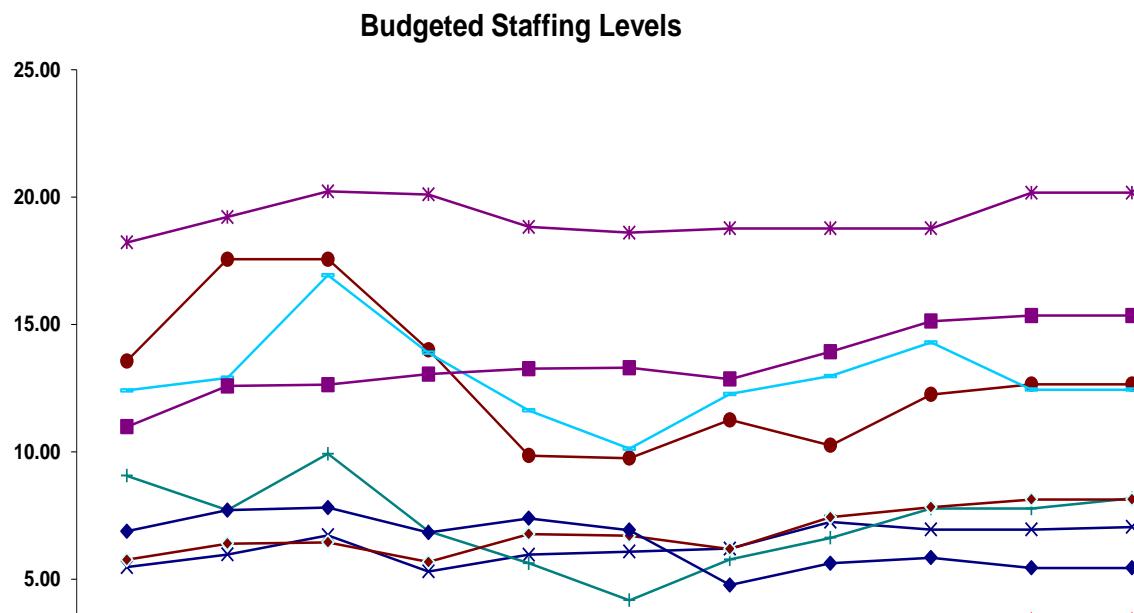
The 2015-16 budget includes a three percent rate increase for water, sewer and storm rates. This increase is expected to be enacted in 2015 and 2016.

SALARY RANGE ADJUSTMENTS

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 2.2% COLA will take effect January 1, 2015. Salaries for non-represented staff are presented in the salary schedule with a 2.2% COLA.

Proposed Budgeted Staffing Levels (In Full Time Equivalents)

General Fund By Department:	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Court	3.23	3.23	3.23	3.20	3.20	3.20	3.20	3.20	3.20	3.40	3.40
Administration / Finance	5.47	5.97	6.72	5.30	5.96	6.08	6.20	7.25	6.95	6.95	7.05
Police	18.22	19.22	20.22	20.10	18.83	18.60	18.77	18.77	18.77	20.17	20.17
Planning/Building & Fire	13.56	17.56	17.56	14.00	9.85	9.75	11.25	10.25	12.25	12.65	12.65
Parks	9.06	7.72	9.92	6.88	5.62	4.17	5.77	6.62	7.77	7.77	8.17
Building	2.65	2.65	2.65	1.70	1.62	1.50	1.35	1.85	2.45	2.45	2.45
Total General Fund	52.19	56.35	60.30	51.18	45.08	43.30	46.54	47.94	51.39	53.39	53.89
Hotel/Motel Fund	2.10	2.10	2.60	2.75	1.98	1.37	1.25	1.45	0.75	0.85	0.85
Street Fund	12.41	12.91	16.93	13.89	11.62	10.12	12.27	12.97	14.29	12.44	12.44
Water Fund	5.76	6.40	6.45	5.68	6.77	6.70	6.18	7.43	7.83	8.13	8.13
Sewer Fund	10.98	12.59	12.64	13.05	13.26	13.30	12.85	13.93	15.13	15.35	15.35
Storm Drainage Fund	6.88	7.71	7.81	6.83	7.39	6.92	4.77	5.62	5.84	5.44	5.44
Total Budgeted Staffing	90.32	98.04	106.72	93.36	86.10	81.71	83.86	89.34	95.23	95.60	96.10



Estimate of Ending Fund Balance By Fund Type

These tables show 2015 and 2016 budgeted ending fund balances for each fund type.

2015

Fund Type	Beginning Balance	Revenues	Expenditures	Transfers In (Out)	Ending Balance
General	\$ 1,489,164	\$ 11,555,649	\$ 9,125,895	\$ (2,465,000)	\$ 1,453,918
Special Revenue	9,794,185	4,782,322	7,169,040	1,372,400	8,779,867
Debt Service	181,417	300,410	1,356,978	1,092,600	217,449
Enterprise	11,495,754	13,010,411	19,268,280	-	5,237,885
Total	\$ 22,960,519	\$ 29,648,792	\$ 36,920,193	\$ -	\$ 15,689,119

2016

Fund Type	Beginning Balance	Revenues	Expenditures	Transfers In (Out)	Ending Balance
General	\$ 1,453,918	\$ 11,773,572	\$ 9,355,353	\$ (2,734,000)	\$ 1,138,137
Special Revenue	8,768,653	6,346,311	8,363,432	1,281,400	8,032,933
Debt Service	216,475	300,410	1,417,472	1,152,600	252,013
Enterprise	5,237,885	9,453,573	11,542,668	300,000	3,448,790
Total	\$ 15,676,931	\$ 27,873,867	\$ 30,678,925	\$ -	\$ 12,871,872

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.

2015 Municipal Debt Capacity					
Debt Type	c (Non-voted)		Councilmanic		Total
	c & Voted	Utility Voted	Parks Voted		
Limit - percentage	1.5%	2.5%	2.5%	2.5%	7.5%
Limit - Amount	27,843,983	46,406,638	46,406,638	46,406,638	139,219,915
outstanding debt @ 1/1/2015	7,564,227	7,564,227	-	2,181,000	9,745,227
Available Capacity	20,279,756	38,842,411	46,406,638	44,225,638	129,474,688

2016 Municipal Debt Capacity					
Debt Type	c (Non-voted)		Councilmanic		Total
	c & Voted	Utility Voted	Parks Voted		
Limit - percentage	1.5%	2.5%	2.5%	2.5%	7.5%
Limit - Amount	27,843,983	46,406,638	46,406,638	46,406,638	139,219,915
outstanding debt @ 1/1/2016	6,796,946	6,796,946	-	1,997,000	8,793,946
Available Capacity	21,047,037	39,609,692	46,406,638	44,409,638	130,425,969

Revenue Debt

Revenue debt is issued for the acquisition of utility facilities and is backed by system revenues. In 2014 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 \$550,000.
- 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 \$441,000.
- 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 \$506,000 (BABs) and \$352,000 (revenue).

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 2015 and 2016. 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

	2015	2016
Operating revenues:		
Charges for sales and services:		
Water sales	\$1,474,199	\$1,518,554
Sewer charges	3,987,885	4,104,628
Connection fees	1,472,000	1,472,000
Other fees and charges	4,000	8,300
Utility taxes	213,529	219,915
Total operating revenues	<u>7,151,612</u>	<u>7,323,397</u>
Operating expenses:		
Operations and maintenance	2,987,196	2,438,082
Administration	1,753,826	1,732,818
Utility taxes	152,395	164,571
Total operating expenses	<u>4,893,417</u>	<u>4,335,471</u>
Operating income (loss)	<u>2,258,195</u>	<u>2,987,926</u>
Nonoperating revenues (expenses):		
Investment interest revenue	17,500	7,050
Miscellaneous non-operating revenue	500	3,000
Total nonoperating revenues (expenses)	<u>18,000</u>	<u>10,050</u>
Revenue Available for Debt Service	<u>\$2,276,195</u>	<u>\$2,997,976</u>
Maximum principal and interest due in succeeding years	\$1,182,608	\$1,182,608
Coverage	<i>1.92x</i>	<i>2.54x</i>
Maximum with Junior Lien Obligations	\$1,677,620	\$1,677,620
Coverage with Junior Lien	<i>1.36x</i>	<i>1.79x</i>

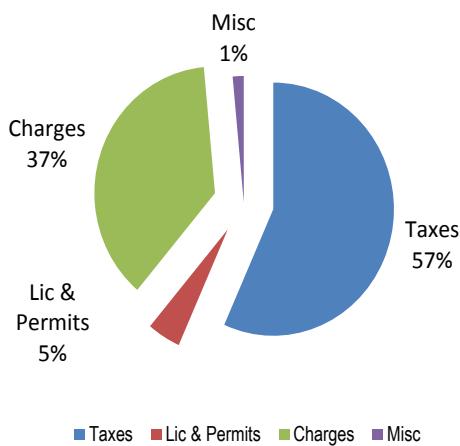
Expenditures By Fund

	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
General Fund	\$ 12,265,925	\$ 12,431,225	\$ 12,763,215	\$ 12,802,870	\$ 24,998,385
Special Revenue Funds					
Street Operating	2,111,310	2,043,976	2,174,604	2,197,237	4,065,288
Street Capital	4,632,800	3,947,436	2,066,808	1,936,057	4,090,621
Drug Investigation State	8,356	8,028	11,145	8,186	8,706
Drug Investigation Federal	30,434	28,242	25,551	21,554	18,594
Hotel - Motel	367,984	370,029	362,230	450,451	861,192
Public Art Capital Projects	92,155	92,195	92,189	92,277	87,377
Park Development	5,364,985	1,422,042	4,293,835	5,371,378	7,078,255
Civic Center Debt Res.	1,226,649	1,546,344	1,454,368	1,617,064	1,756,064
Strategic Reserve	1,089,377	1,090,606	925,794	940,988	577,988
Equipment Repl. Res.	150,339	150,394	200,704	200,582	221,302
Capital Development	374,972	513,143	505,356	671,910	1,202,366
Capital Improvement	277,641	457,295	425,693	614,762	1,108,916
Impact Fee Trust	761,718	1,397,607	1,807,290	1,330,900	1,993,811
Hospital Benefit Zone Revenue	3,820,794	4,628,179	4,277,932	4,864,797	7,276,797
Lighthouse Maintenance	1,908	2,116	1,911	1,214	1,214
Total Special Revenue	20,311,422	17,697,632	18,625,410	20,319,356	30,348,491
Debt Service Funds					
LTGO Bond Redemption	1,053,113	1,053,945	1,214,318	1,054,387	2,245,918
2000 Note Redemption	104,566	79,161	39,526	40,436	-
LID 99-1 Guaranty	194,236	190,922	97,415	95,660	-
UTGO Bond Redemption	600,976	442,449	424,362	447,087	781,519
Total Debt Service	1,952,891	1,766,477	1,775,621	1,637,570	3,027,437
Total General Gov.	34,530,238	31,895,334	33,164,246	34,759,796	58,374,313
Enterprise Funds					
Water Operating	1,494,005	1,897,365	1,873,274	1,910,011	3,690,755
Sewer Operating	4,215,019	4,769,782	5,047,132	5,327,171	9,534,531
Shorecrest Reserve	58,773	72,527	102,919	86,504	108,991
Utility Reserve	1,393,425	1,380,370	1,397,922	1,391,315	1,411,665
Utility Bond Redemption	2,100,778	2,106,512	2,055,387	3,747,590	10,136,630
Sewer Capital Const.	7,246,457	7,612,810	10,757,889	9,334,571	11,654,903
Storm Sewer Operating	1,171,209	1,157,967	983,281	1,407,557	2,582,952
Storm Sewer Capital	1,817,202	1,294,654	219,376	316,892	1,381,136
Water Capital Assets	3,567,618	2,826,126	1,350,263	1,956,771	4,407,519
Total Enterprise	23,064,486	23,118,113	23,787,443	25,478,383	44,909,082
Total Expenditures	\$ 57,594,723	\$ 55,013,446	\$ 56,951,691	\$ 60,238,179	\$ 103,283,395

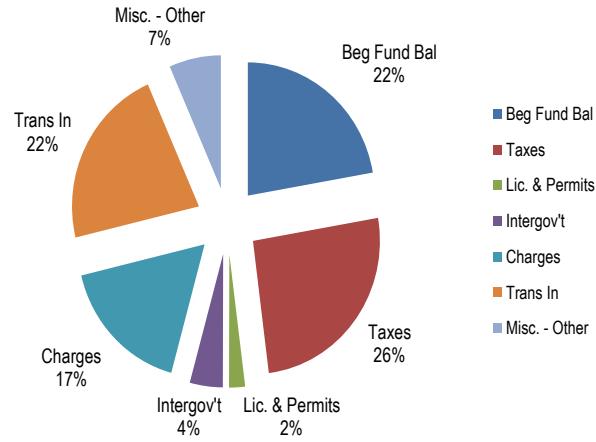
Resources

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Beginning Fund Balance	\$ 16,265,060	\$ 18,182,077	\$ 18,863,210	\$ 19,702,423	\$ 22,960,519
Taxes	11,603,059	12,340,653	12,025,744	12,637,250	26,618,707
Licenses & Permits	1,017,245	1,171,754	952,330	1,175,403	2,103,841
Intergov't Revenues	7,056,689	3,219,804	3,977,935	4,573,935	4,336,661
Charges For Services	8,410,395	11,642,086	8,000,092	9,119,583	17,557,933
Fines & Forfeits	135,660	114,949	136,132	122,802	209,733
Miscellaneous	2,447,634	256,197	178,785	192,751	484,681
Transfers In	9,247,121	7,910,591	8,068,019	10,691,869	22,887,544
Other	1,250,000	41,349	4,612,500	1,886,068	6,123,776
Total Revenues	41,167,803	36,697,383	37,951,538	40,399,660	80,322,876
Total Resources	\$ 57,432,863	\$ 54,879,460	\$ 56,814,748	\$ 60,102,083	\$ 103,283,395

2015-16 Budget Operating Revenues



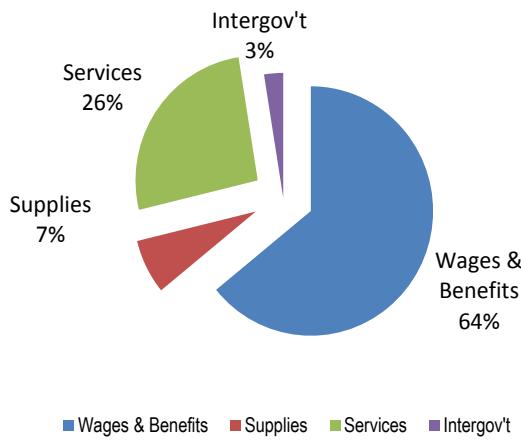
2015-16 Total Resources



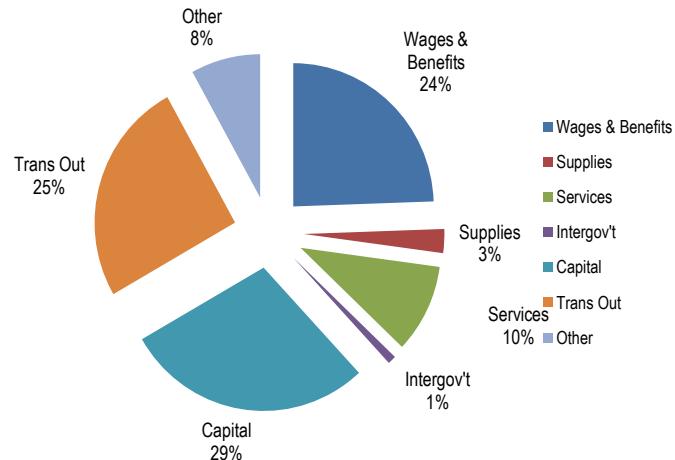
Expenditures By Type

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Salaries	\$ 6,893,362	\$ 6,717,509	\$ 7,155,618	\$ 6,890,500	\$ 15,166,984
Benefits	3,062,763	2,804,631	3,082,210	2,983,778	6,927,269
Supplies	1,071,665	1,064,339	1,088,800	1,080,495	2,441,174
Services	4,458,920	3,852,737	5,106,793	4,031,247	9,059,240
Intergov't charges	368,056	419,607	503,726	384,764	868,138
Capital expenditures	20,766,200	9,106,692	16,491,625	9,361,176	25,820,224
Transfers out	9,208,121	7,780,155	7,885,694	9,219,444	22,887,544
Other	3,434,333	3,435,885	3,369,039	3,190,161	7,240,949
Total expenditures	49,263,420	35,181,555	44,683,505	37,141,564	90,411,523
Ending fund balance	8,169,443	19,697,905	12,131,243	22,960,519	12,871,872
Total uses	\$ 57,432,863	\$ 54,879,460	\$ 56,814,748	\$ 60,102,083	\$ 103,283,395

2015-16 Budget Operating Revenues



2015-16 Total Resources



2. GENERAL FUND

General Fund Revenue Resource Summary	38
Non-Departmental – Dept. 01	42
Legislative / City Council – Dept. 02	44
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DESCRIPTION OF FUNCTION

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.

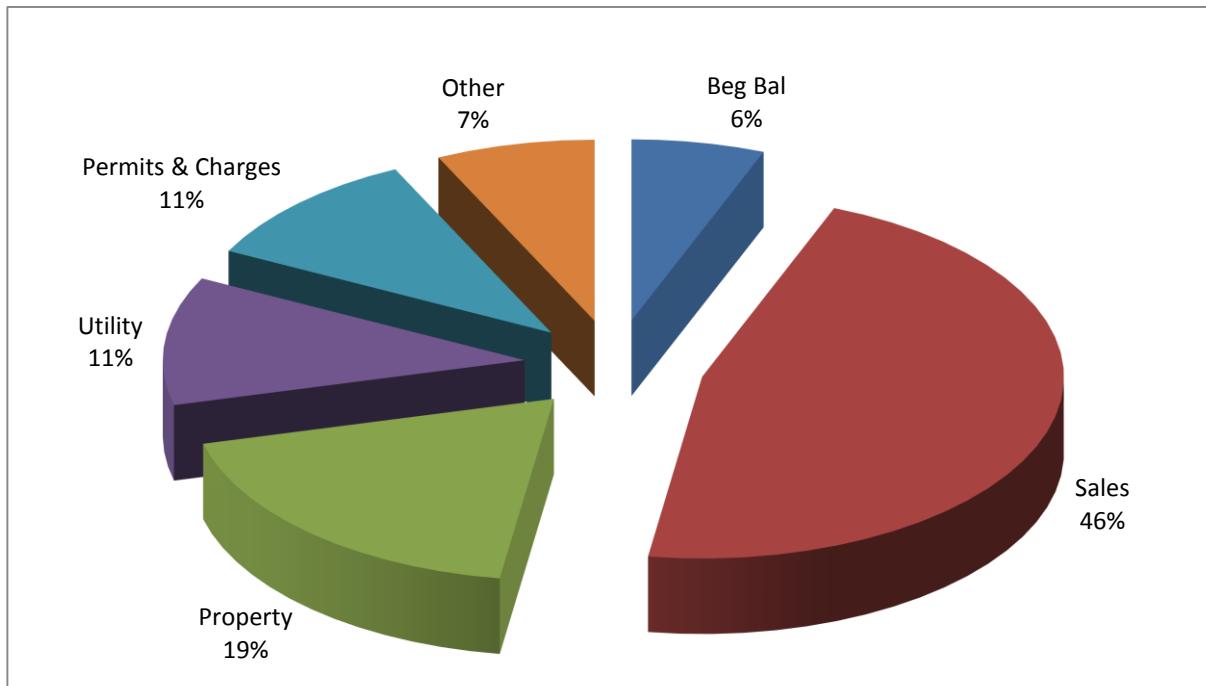
Most of the activities included in the City of Gig Harbor's General Fund are departmentalized and include legislative, municipal court, police, development services, parks, and overall administration. Other miscellaneous expenditures are included in the "non-departmental" department of the General Fund.

The General Fund accounts for 25 percent of 2015-2016 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

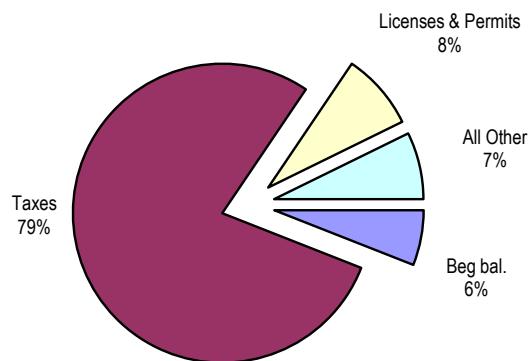
	2015	2016	Total 2015-16
Beginning Fund Balance	\$ 1,489,164	\$ -	\$ 1,489,164
Taxes			
Sales	5,661,867	5,944,961	11,606,828
Property	2,285,542	2,370,944	4,656,486
Utility	1,408,071	1,450,313	2,858,384
Other Taxes	247,558	254,985	502,544
Total Taxes	9,603,039	10,021,203	19,624,242
Licenses and Permits	1,071,283	1,001,293	2,072,576
Intergovernmental	113,695	113,695	227,389
Charges for Services	270,121	267,184	537,305
Fines and Forfeits	105,224	104,009	209,233
Miscellaneous	142,631	142,631	285,262
Other	389,657	163,557	553,214
Total General Fund Revenues	\$ 11,695,649	\$ 11,813,572	\$ 23,509,221
Total General Fund Resources			\$ 24,998,385



Resources

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Beginning balance	\$ 1,825,382	\$ 1,484,782	\$ 2,050,640	\$ 1,612,337	\$ 1,489,164
Taxes	8,824,557	9,013,681	8,969,315	9,250,497	19,624,242
Licenses & permits	1,002,245	1,150,554	937,330	1,159,623	2,072,576
Intergov't revenues	143,691	198,715	127,277	146,351	227,389
Charges for services	236,232	321,902	247,103	254,154	537,305
Fines & forfeits	135,160	114,949	135,642	122,652	209,233
Miscellaneous	98,658	143,674	135,658	94,731	285,262
Transfers In	-	-	160,250	160,250	180,000
Other	-	2,968	-	2,275	373,214
Total Revenues	10,440,543	10,946,443	10,712,575	11,190,533	23,509,221
Total Resources	\$ 12,265,925	\$ 12,431,225	\$ 12,763,215	\$ 12,802,870	\$ 24,998,385

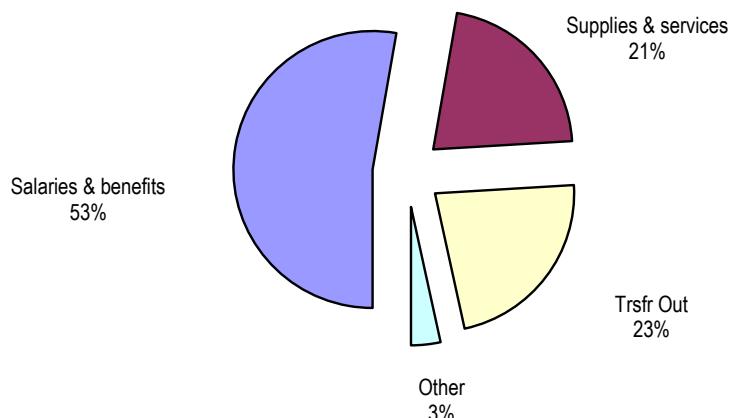
2015-16 Budget



Expenditures By Type

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Salaries	\$ 3,749,550	\$ 3,667,403	\$ 3,923,368	\$ 3,850,716	\$ 8,569,800
Benefits	1,670,112	1,507,529	1,683,210	1,662,660	4,014,257
Supplies	329,700	360,804	376,000	376,833	800,900
Services	1,993,222	1,838,833	2,208,611	1,961,474	4,281,244
Intergov't charges	222,250	217,170	234,726	203,925	466,147
Capital expenditures	127,000	90,069	158,625	168,448	348,900
Transfers Out	3,132,080	3,137,080	3,089,650	3,089,650	5,379,000
Total	11,223,914	10,818,888	11,674,190	11,313,706	23,860,248
Ending balance	1,042,011	1,612,337	1,089,025	1,489,164	1,138,137
Total uses	\$ 12,265,925	\$ 12,431,225	\$ 12,763,215	\$ 12,802,870	\$ 24,998,385

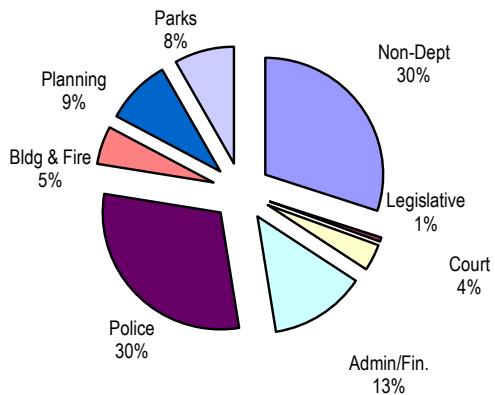
2015-16 Budget



Departmental Expenditures

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Non-Departmental	\$3,715,782	\$ 3,846,437	\$ 3,690,849	\$ 3,729,898	\$ 6,884,810
Legislative	59,432	56,623	65,633	66,169	133,514
Municipal Court	376,000	354,713	402,900	388,101	846,200
Admin/Finance	1,619,850	1,346,495	1,671,650	1,516,085	3,030,100
Police	3,130,050	2,917,536	3,118,658	2,979,097	6,899,002
Buidling & Fire	424,900	450,632	546,275	557,137	1,208,860
Planning	874,025	820,593	955,800	907,599	2,058,000
Parks & Recreation	745,075	755,127	879,025	866,606	1,883,600
Building	278,800	270,732	343,400	303,012	916,161
Total	11,223,914	10,818,888	11,674,190	11,313,704	23,860,247
Ending balance	1,042,011	1,612,337	1,089,025	1,489,164	1,138,137
Total uses	\$ 12,265,925	\$ 12,431,225	\$ 12,763,215	\$ 12,802,868	\$ 24,998,384

2015-16 Budget



DESCRIPTION OF FUNCTION

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

1. **Legislative.** The county auditor's office charges the city for voter registration and election services. **2015 - \$16,000, 2016 - \$18,000.**
2. **Financial.** The annual audit performed by the state auditor's office: **2015 - \$35,000, 2016 - \$38,000.** Insurance for General Governmental activities: **2015 - \$310,000, 2016 - \$341,000.**
3. **Employee benefits.** Payments for LEOFF I retiree costs, workers' compensation and unemployment benefits for former employees. **2015 - \$93,000, 2016 - \$98,000.**
4. **Unemployment benefits.** The city is self-insured; therefore unemployment benefit claims are fully funded by the city. Summer hires and temporary employees are also entitled to unemployment. **2015 - \$88,000, 2016 - \$90,000.**
5. **Fire inspections.** Continue to work with Fire District No. 5 to operate the annual fire prevention inspection program. **2015 - \$52,000, 2016 - \$53,000.**
6. **Operating transfers out.** The schedule below details general fund operating transfers to other funds.

	2015	2016	Total
Street Operating	\$ 1,450,000	\$ 1,450,000	\$ 2,900,000
Street Capital	150,000	360,000	510,000
Strategic Reserve	20,000	20,000	40,000
Equipment Replacement	10,000	10,000	20,000
Park Development	100,000	-	100,000
LTGO Bond	800,000	860,000	1,660,000
Totals	<u>\$ 2,530,000</u>	<u>\$ 2,700,000</u>	<u>\$ 5,230,000</u>

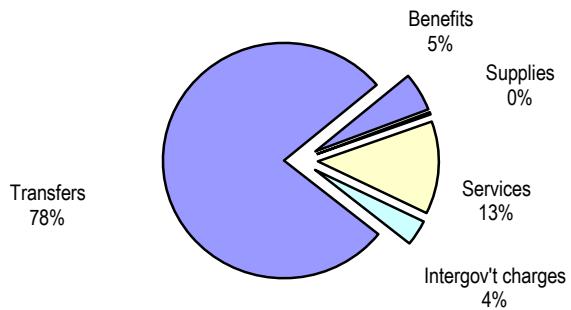
The annual transfers of \$80,000 and \$50,000 to the Strategic Reserve and Equipment Reserve Funds are suspended for the 2015-2016 biennium.

7. **Interfund Loan Repayment.** The third and fourth of five installments to repay the \$312,000 2011-2012 Interfund Loan total \$129,000 for the biennium. This consists of \$125,000 in principle and about \$4,000 in interest.

Expenditures By Type

Category	2013	2013	2014	2014	2015-16
	Budget	Actual	Budget	Actual	Budget
Salaries	\$ 50	\$ -	\$ -	\$ -	\$ -
Benefits	97,980	76,746	81,227	122,938	363,773
Supplies	10,000	8,842	10,000	10,000	23,000
Services	389,922	492,128	414,246	403,133	876,890
Intergov't charges	85,750	131,641	95,726	104,177	242,147
Transfers	3,132,080	3,137,080	3,089,650	3,089,650	5,379,000
Total	\$ 3,715,782	\$ 3,846,437	\$ 3,690,849	\$ 3,729,898	\$ 6,884,810

2015-16 Budget



DESCRIPTION OF FUNCTION

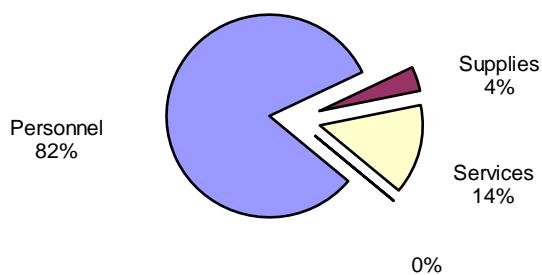
The Legislative Department accounts for the activities of the City Council. These activities include:

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 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Salaries	\$ 50,400	\$ 47,978	\$ 50,400	\$ 50,400	\$ 100,800
Benefits	4,032	4,042	3,983	4,010	8,385
Supplies	2,000	841	2,000	3,822	5,200
Services	3,000	3,762	9,250	7,937	19,129
Total expenditures	\$ 59,432	\$ 56,623	\$ 65,633	\$ 66,169	\$ 133,514

2015-16 Budget



JUDICIAL – MUNICIPAL COURT
DESCRIPTION OF FUNCTION

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. Troubleshoot audio system.
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. **Oversee 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.

JUDICIAL – MUNICIPAL COURT
NARRATIVE OF GOALS 2015 - 2020

1. **Increase City Revenue.** Implement innovative programs in the area of court collections. 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. **Migration 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.

JUDICIAL – MUNICIPAL COURT
NARRATIVE OF OBJECTIVES 2015-2016

1. **Continue Community Outreach Program.** Continue the Court's partnership with the Peninsula School District G.A.P.P. program. Special needs students who work performing general cleaning duties in the Civic Center. **\$2,000.**

Host 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 \$500.00 per year. **\$500 – 2015, \$500 - 2016.**

Recognize Juror Appreciation week and Domestic Violence Awareness Month with posters and display materials.

2. **Replace Computers.** There are two computers currently using Windows XP in the court (court office 3rd work station and CourtSmart server). Replacement of the CourtSmart server is vital in order to receive Windows support and upgrades necessary to protect the server and should be replaced as soon as possible. The PC at the 3rd work station is not as vital and can be replaced in 2016. The cost of a Windows 7 PC is approximately \$1,200. **\$1,200 – 2015, \$1,200 - 2016.**
3. **Replace Copier/Printer.** The court currently utilizes 3 copier/printer machines. They are approximately 10 years old. The two larger copier/printers are diminished and failing and are being repaired continually. The 3rd smaller copier/printer located in the court administrator's office does not need replacement. The cost of repairs exceeds the value of the machines. Parts are more difficult to find and more costly to purchase. In addition to costly repairs and an expired warranty, technology has changed and improved, rendering the copier/printers virtually obsolete. A new all-in-one printer/copier/scanner with the latest technology will allow the court to utilize the cloud for document storage. It is proposed that one of the three machines be replaced. Through the Washington State contract the purchase price of a new machine is \$5,648 plus monthly maintenance fee of \$96. It makes more sense to lease the same machine for five years at \$96 per month which includes service, maintenance, parts, labor and consumables. Under the lease option the annual cost is \$1,152. **\$1,200 – 2015, \$1,200 - 2016.**
4. **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 forms for customers.

5. **Court Security.** Continue to fund court security to allow a competent, trained, armed officer to perform the duties at the security checkpoint. The court security provided will include an armed officer at the courtroom entrance with a hand held metal detector (magnetometer) during court hours only, which is every Wednesday and the 2nd Tuesday, plus jury trials. It is proposed that the role of the Community Services Officer (CSO), which has been missing from the police department since the cutback in 2008, be reinstated and assigned court security duties. Partnering with two other city departments, a cost-efficient solution appears to be creating a CSO who works for the police department (two days per week), performs court security (one day per week) and code enforcement duties (two days per week). The salary for this position would be divided between the respective departments.
\$20,000 – 2015, \$22,000 – 2016.

**JUDICIAL – MUNICIPAL COURT
CAPITAL OUTLAY 2015 - 2016**

Total capital outlay is \$0

2015

STAFF ADJUSTMENTS

I. *Check One:* Request to add a position: Community Service Officer

Request to delete position:

Request to reclassify a position:

*Salary: From \$4,293
To \$5,367*

Change Date: January 1, 2015

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

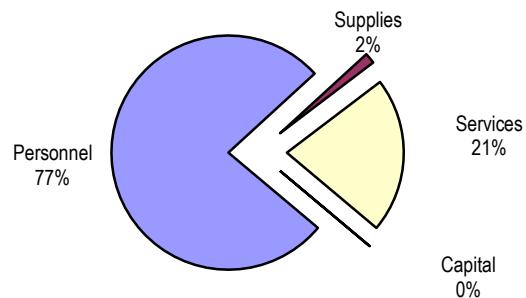
III. *Explanation for adding new position(s) (include description of new positions' responsibilities, impact of office staff and work load, circumstances which resulted in new responsibilities being created, and funding support):*

0.2 FTE Community Service Officer/Code Enforcement Officer. It is proposed that the role of the Community Services Officer (CSO), which has been missing from the police department since the cutback in 2008, be reinstated and assigned court security duties approximately five (5) days per month. Court security duties are currently being fulfilled by patrol officers at overtime rates. By partnering with two other city departments, this position would also be a cost-efficient solution to other departmental needs with the CSO working for the police department (two days per week), code enforcement duties (two days per week), and court security (one day per week). The salary for this position would be divided between the respective departments.

Expenditures By Type

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Salaries	\$ 203,900	\$ 198,615	\$ 209,600	\$ 225,127	\$ 471,700
Benefits	79,000	70,093	78,700	77,420	180,700
Supplies	4,500	5,501	5,000	5,490	12,400
Services	88,600	80,504	109,600	80,064	181,400
Total expenditures	\$ 376,000	\$ 354,713	\$ 402,900	\$ 388,101	\$ 846,200

2015-16 Budget



ADMINISTRATION

DESCRIPTION OF FUNCTION

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 responsibilities.

Historic Preservation. The City Administrator's office also implements 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.

Grants. Administration tracks, applies for, and administers 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.).

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 executive assistant include: management of the city's official records, public disclosure, city council support including agenda development, packets and preparation of official minutes, risk management, legal noticing, compliance with public records retention, boards and committees memberships, business licensing, parks structures and facility reservations, special events permitting, voting center coordination, fireworks stands permitting, and recording of legal documents.

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; and training and development. The Human Resource Manager serves as the Civil Service Secretary/Chief Examiner for the Civil Service Commission.

Information Systems

1. **Information Technology Lifecycle 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. Operational aspects include redundancy, backup, data protection and restoration, archiving and long-term retention; data replication; and day-to-day LAN & WAN processes and procedures necessary to maintain the management of information for the city. The primary focus is to retain 100% uptime for resource availability.
2. **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, 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.
3. **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.
4. **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.
5. **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.
6. **Purchasing.** I.T. performs all purchasing functions for all city departments for anything technology or telephony related.

ADMINISTRATION
NARRATIVE OF GOALS 2015 - 2020

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, and other agencies to attract and retain businesses in the city.
4. Bolster the city's grant seeking process in all aspects of city operations and capital projects. Research, review, and assess grant opportunities for the city.
5. Maintain quality personnel systems through up-to-date personnel regulations, effective recruitment practices, 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.
8. Support downtown businesses in developing a downtown parking strategy, including a potential lease or acquisition of a public parking lot.

City Clerk's Office

1. Provide quality support for the Mayor, City Council, City Administrator's office, and public and internal customers.
2. Facilitate sharing of information with citizens through the city's website and other web-based hosting services.
3. Maintain effective risk and claims management programs.
4. Administer records management program. Streamline social media records capture.
5. Compliance for business licensing, special events permitting, and fireworks stands permitting.

6. Administer facilities use and reservations.
7. Assist with the employee wellness program. Provide backup for the Human Resources Analyst.
8. 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 and continuing to foster a collaborative labor relations environment.
2. Update City Personnel Regulations to incorporate best practices, policies, and procedures.
3. Continue building on the existing Employee Wellness Program to enhance and expand employee involvement, with the goal of earning the AWC Well City designation annually, which will retain the 2% medical premium reduction we earned for our 2014 Well City designation (beginning in 2015.)
4. Design and deliver pertinent and timely employee training, including entry-level supervisory training and performance management.
5. Implement Employee Self Service (ESS) to enable employees to view and print their paystubs (ACH) online, as well as W-2's.

Information Systems

1. **Replace local server applications with internet web based applications whenever possible.**
2. **Tablet and mobile devices to replace laptops to perform tasks and services in the field (outside of city network).**
3. **Cloud Storage:** Replace server hardware with cloud technology for file storage,

ADMINISTRATION

NARRATIVE OF OBJECTIVES 2015 - 2016

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 Business Plan. Continue incremental implementation of the downtown business plan that was produced in 2008. Facilitating the beautification of the entry to Jerisich Park, improving the street furniture and reducing the clutter at the intersection of Pioneer and Harborview; and restoring the Skansie Brothers' house, as well as implementing the Council's vision for the main floor. (See Parks Development.)
 - Downtown Waterfront Alliance. Provide limited funding for the Gig Harbor Downtown Waterfront Alliance and its continued activities to promote downtown businesses. **2015 - \$35,000, 2016 – \$35,000.**
 - 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. **2015 - \$550, 2016 – \$550.**
 - 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. **2015 - \$20,000, 2016 – \$20,000.**
 - Downtown Parking Strategy. Support downtown businesses in developing a downtown parking strategy. Lead the City staff effort to reduce parking requirements for new uses of existing buildings in limited parts of the City's downtown.
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. **2015 - \$40,000, 2016 – \$40,000.**

- Continue the federal lobbying contract through December 31, 2014. **2015 - \$80,000, 2016 – \$80,000.**
4. **State and Federal Grants.** Continue to aggressively seek, pursue, and apply for state and federal grants, as well as grants from the non-profit and private sectors.
 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. **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 to refine 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.

City Clerk's Office

1. **Claims Recovery.** Continue an aggressive approach for reimbursement of costs for damage to city property. **January – December.**
2. **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.**
3. **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. **Department of Enterprise Services (DES) Washington State master contract for cloud storage, file management** replacing antiquated file server equipment Box.com & CloudPwr (includes 4 day onsite training and active directory network setup. (Annual cost is \$168 per user) **\$24,000 – April 2015.**
2. **Replace remaining XP workstations in all departments.** (Department governed) – **June 2015.**
3. **Paladin SMARTGov – PERMITS ONLINE internet cloud based application.** Transfer/convert from the client server Oracle based permit system to the cloud based SMARTGov permitting. **\$38,000 - June 2016.**

ADMINISTRATION

CAPITAL OUTLAY 2015 - 2016

1. **Department of Enterprise Services (DES).** Washington State master contract online file management cloud storage box.com and CloudPwr. (Annual cost \$168 per user per year.) Unlimited file storage/file management system - \$19,000; Training & Active Directory integration - \$5,000. **\$24,000 – 2015.**
2. **SMARTGov – PERMITs ONLINE cloud.** (Parks, 12% - \$3,850; Streets, 12% - \$3,850; Water, 12% - \$3,850; Sewer, 12% - \$3,850; Planning, 27% - \$8,800; Building, 27 % - \$8,800; Building Public Portal, - \$5,000.) **\$38,000 – 2016.**

FINANCE

DESCRIPTION OF FUNCTION

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.

FINANCE

NARRATIVE OF GOALS 2015 - 2020

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. **2015 - 2020.**
2. **Equipment rental fund.** The city may be required to establish an equipment rental and revolving fund upon reaching a population of 8,000. 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. **2015 - 2020.**
3. **Indirect Cost Allocation.** Develop an indirect cost allocation plan in order to equitably distribute costs among benefitted departments. **2015-2016.**

FINANCE

NARRATIVE OF OBJECTIVES 2015 – 2016

1. **Indirect Cost Allocation.** Develop an indirect cost allocation plan in order to equitably distribute costs among benefitted departments. **2015-2016.**
2. **Extended Budgeting.** Coordinate with Springbrook to install the extended budgeting module to our financial accounting system. This will facilitate smoother flow of financial information between departments. **\$15,000 - June 2015.**
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.

FINANCE

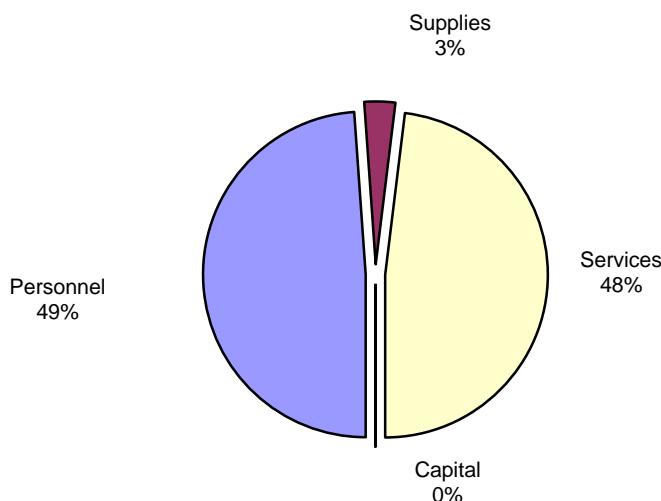
CAPITAL OUTLAY 2015 – 2016

Total Capital Outlay is \$0.

Expenditures By Type

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Salaries	\$ 562,300	\$ 541,390	\$ 564,100	\$ 547,254	\$ 1,024,500
Benefits	239,100	200,760	218,700	219,961	456,400
Supplies	50,700	56,109	37,700	32,573	93,000
Services	742,750	548,236	813,150	678,297	1,456,200
Capital expenditures	25,000	-	38,000	38,000	-
Total expenditures	\$ 1,619,850	\$ 1,346,495	\$ 1,671,650	\$ 1,516,085	\$ 3,030,100

2015-16 Budget



POLICE
DESCRIPTION OF FUNCTION

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.

POLICE

NARRATIVE OF GOALS 2015 - 2020

Our vision is to be known as one of the premier law enforcement agencies in Washington State, recognized by our community and others for providing high quality municipal law enforcement services.

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 2015. **2015 – Ongoing.**
2. **Increase staffing.** The police department has been below peak staffing since the loss of two positions (Police Officer and Community Services Officer) in 2008. Since that time, the population has grown by approximately 1,000 people to 7,985 with a projected increase to 8,700 in 2015 and 9,125 in 2016 (figures provided by Planning Department). Coupled with a notable increase in businesses, the demand for providing “high quality municipal law enforcement services” is being challenged. The department looks to add one new Police Officer in 2015 and another in 2017. One of these positions will be assigned to the Investigations Section in 2016, which has been operating with one detective since 2008.

Although this will keep the ratio of Population to Officers relatively static, it will still be approximately 100:1 higher than 2008 levels. This does not account for the swelling daytime population of the city.

Additionally, the role of the Community Services Officer (CSO) has been missing from the police department since the cutback in 2008. Partnering with two other city departments, a cost-efficient solution appears to be creating a CSO who works for the police department (two days per week), performs court security (one day per week) and code enforcement duties (two days per week). The salary for this position would be divided between the respective departments. Within the police department, the CSO would assist with property room management – a duty currently being performed by a Sergeant and the Lieutenant. Additional police department duties would include processing requests for discovery, crime analysis and community presentations (i.e. Block Watch, crime prevention, etc.).

POLICE

NARRATIVE OF OBJECTIVES 2015-16

1. **Restore vacant Police Officer position in 2015. \$113,000 – 2015, 122,000 – 2016.**
2. **Expand the use of new and emerging technologies.** Explore, implement and refine new criminal justice technologies and best practices aimed at improving the operations of the department. Seek alternative funding mechanisms for acquisition of technologies. **2015 – Ongoing.**
3. **Develop and implement an annual training plan.** Certain state mandates require a specific amount of training hours per officer/year. Our risk managers also require specific recurring training. The goal would be to merge these training requirements into a comprehensive plan that would include mandatory, recurrent training with optional training for career development and department enhancement.
2015 – Ongoing.
4. **Improve communications and transparency between the police department and the community.** Develop and utilize various media and strategies that more effectively and efficiently communicate our mission and purpose to the community, as well as improve interaction with citizens and businesses. **2015 – Ongoing.**
5. **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. **2015 – Ongoing.**
6. **Seek grants and other outside funding options.** Research and secure funding sources outside normal city revenue sources to support police department initiatives. **2015 – 2016.**
7. **Increase use of Case Management tracking program.** Train personnel and expand the use of Case Management tools currently available through South Sound 911 records management software. This will allow more finite data analysis and provide metrics for measuring case load, leading to more efficient deployment of our personnel. **2015 – 2016.**
8. **More accurately track specific budget items.** Past budgeting cycles have not delineated some specific areas that, tracked separately, would provide a clearer

picture of our operational costs. For instance, the police department receives limited funding in the form of reimbursement grants for specialized enforcement (e.g. Marine Services, Impaired Driving Emphasis Patrols, etc.), but those amounts are not tracked separately. Segregating grant-reimbursed overtime would provide a more accurate accounting of actual operationally-driven costs. Other areas to be delineated would include property room, ammunition and range costs. **2015 – Ongoing.**

9. **Provide and maintain necessary equipment.** Continually research and acquire equipment that increases the effectiveness of department personnel and improves the level of safety within the work environment. Replace equipment that has reached its projected life span. **2015 – Ongoing.**
10. **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. **2015 – Ongoing.**
11. **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 – 2015, \$1,500 – 2016.**
12. **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. **2015 – 2016.**
13. **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. **\$6,580 – 2015, \$6,900 – 2016.**
14. **KGHP Radio.** Increase our financial contribution (from \$2,500 in 2014) to our local KGHP radio station in return for public service announcements and emergency warnings and notifications. **\$3,000 – 2015, \$3,000 – 2016.**
15. **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. **\$10,000 – 2015, \$10,000 – 2016.**

POLICE

CAPITAL OUTLAY 2015 - 2016

1. **Upgrade two desktop computers.** Our IT department has identified two desktop computers that need to be replaced due to age and outmoded operating systems. **\$3,000 – 2015.**
2. **Replace ten Mobile Data Computers.** Our IT department has identified ten aging in-car Mobile Data Computers (MDC) that are also running Windows XP. Per the State Office of Chief Information Officer, Windows XP will not be allowed to be used for interface with state databases. IT Manager indicates that it is more cost-effective to replace these older MDCs now with current software than to upgrade the existing ones. **\$36,000 – 2015.**
3. **Purchase five patrol vehicles over two years.** We have been on a schedule to replace two patrol vehicles per year as they age out of service. A fifth vehicle will be required for the restored Police Officer position. **\$135,000 – 2015, \$90,000 – 2016.**
4. **Purchase one staff vehicle.** Our 2003 Ford Taurus has over 109,000 miles on it and has become a maintenance problem. (It is in very poor condition.) The Chief has been driving a drug seizure vehicle that is also in very poor condition. Both of these vehicles would be surplus. The current C.O.P.S. Volunteer van will be assigned to the Community Services Officer in 2015. In keeping with the strategy of only using the Dodge line of products (for maintenance consistency), a Dodge Avenger would be an appropriate replacement for a staff car. **\$25,000 – 2015.**
5. **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 five in 2016. The current cost of a Taser X26P is \$875.00. **\$4,500 – 2016.**

Total Capital Outlay is \$203,500.

2015

STAFF ADJUSTMENTS

I. *Check One:* Request to add a position: Community Services Officer (CSO)

Request to delete position:

Request to reclassify a position:

Salary: From \$4,293

To \$5,367

Change Date: January 1, 2015

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):*

0.4 FTE Community Services Officer (CSO). The role of the Community Services Officer (CSO) has been missing from the police department since the cutback in 2008. Partnering with two other city departments, a cost-efficient solution appears to be creating a CSO who works for the police department (two days per week), performs court security (one day per week) and code enforcement duties (two days per week).

The salary for this position would be divided between the respective departments. Within the police department, the CSO would assist with property room management – a duty currently being performed by a Sergeant and the Lieutenant. Additional police department duties would include processing requests for discovery, crime analysis and community presentations (i.e. Block Watch, crime prevention, etc.).

2015
STAFF ADJUSTMENTS

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

Request to delete position:

Request to reclassify a position:

Salary: From \$5,227

To \$6,534

Change Date: January 1, 2015

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):*

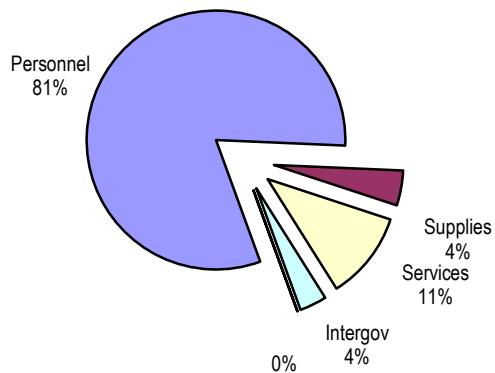
1.0 FTE Police Officer Position. The police department has been below peak staffing since the loss of two positions (Police Officer and Community Services Officer) in 2008. Since that time, the population has grown by approximately 1,000 people to 7,985 with a projected increase to 8,700 in 2015 and 9,125 in 2016 (figures provided by Planning Department). Coupled with a notable increase in businesses, the demand for providing "high quality municipal law enforcement services" is being challenged. The department looks to add one new Police Officer in each of the next two years. One of these positions will be assigned to the Investigations Section in 2016, which has been operating with one detective since 2008.

Although this will keep the ratio of Population to Officers relatively static, it will still be approximately 100:1 higher than 2008 levels. This does not account for the swelling daytime population of the city.

Expenditures By Type

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Salaries	\$ 1,686,900	\$ 1,628,945	\$ 1,695,068	\$ 1,645,457	\$ 3,800,000
Benefits	697,800	618,905	670,800	630,556	1,569,500
Supplies	134,500	141,048	146,000	150,238	288,900
Services	382,350	361,327	384,790	365,568	727,102
Intergov't charges	136,500	85,529	139,000	99,748	224,000
Capital expenditures	92,000	81,782	83,000	87,530	289,500
Total expenditures	\$ 3,130,050	\$ 2,917,536	\$ 3,118,658	\$ 2,979,097	\$ 6,899,002

2015-16
Budget



PLANNING
DESCRIPTION OF FUNCTION

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, 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.**

PLANNING

NARRATIVE OF GOALS 2015 – 2020

1. **Gig Harbor 2030.** Continue with Gig Harbor 2030 update to the Comprehensive plan to meet adopted County-Wide Planning Policies, Vision 2040 and State-mandated changes to the Comprehensive Plan since 2003. Work began on the 2015 periodic review (Gig Harbor 2030) in late 2013, setting the program scope and public outreach timeline. The Periodic review will require complete review and consideration of amendments to the City of Gig Harbor Comprehensive Plan. Consider revisions to the land use element map based upon buildable lands inventory; population and employment allocation; and capacity analysis as required by RCW 36.70B. Review land use map for inconsistencies with zoning code and state law and remedy those inconsistencies. The scheduled work program outlines updates to the Transportation, Capital Facilities, and Utilities Elements during first quarter of 2015. Planning Commission is scheduled to complete their review of the proposed amendments by end of 1st quarter in order to provide for City Council review and final action by June 30, 2015. **2015.**
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 **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. The 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. **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. **Implementing the Harbor Element** Work to implement the recently adopted Harbor Element through a series of code and map amendments and establishment of programmatic work programs. The adopted Harbor Element, found in the City's 2014 Comprehensive Plan identifies opportunities the City can take to amend or adopt new zoning regulations for The Harbor area. **2015 – 2016.**
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. **2015 - 2016.**
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. Centralize code enforcement to 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.**

PLANNING

NARRATIVE OF OBJECTIVES 2015 - 2016

1. **Gig Harbor 2030.** Complete Comprehensive Plan updates required by the state-mandated periodic review due June 2015. The City will review and update the Comprehensive Plan in relation to the Land Use, Housing, Economic Development, Capital Facilities, and other elements as needed. Staff will provide oversight, direct and manage the updates to meet concurrency and consistency requirements between state law, Vision 2040 and the Pierce County Countywide Planning Policies. In order to meet state and regional requirements, the updates will require complete data analysis of current land use, housing, development trends, and infrastructure needs and revenue streams as well as an integration of recent reports. **June 2015.**

Total: \$123,600. This includes other departments' objectives that will inform the 2015 Comprehensive Plan Update, particularly the Transportation and Capital Facilities Elements. Only \$3,600 is solely attributable to the 2015 Update. Department of Commerce provided the City an \$18,000 grant for Gig Harbor 2030 in their 2013-2015 biennial budget; \$3,600 of that grant will be used in 2015. Additional funds are needed in 2015 to complete the Transportation Element update begun in 2014. The DFAM model update scheduled for 2014 will now occur in 2015.

Land Use, Housing, Economic Development, Parks and Recreation, and Capital Facilities Elements. \$3,600 under Department of Commerce grant

Transportation Capacity Availability Report and Traffic Model. \$75,000

Comprehensive Plan Demographic Forecast Allocation Model for Wastewater/Water/Storm (DFAM). \$45,000

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.** A substantial number of code efficiency amendments were adopted in 2010 and 2012; another ordinance is expected to be adopted by the end of 2014. Review the land use code in 2016 to determine if another set of efficiency amendments are needed. Continue to develop text amendments, standard operating procedures and client assistance memos which increase permit processing efficiency and improve customer service. Utilize AV Capture software to improve timeliness of minutes and public access of packets for Planning Commission and DRB meetings. Employ Constant Contact email marketing system to reach and engage citizens through email. Use a consultant or intern to develop a series of client assistance memos on typical permit types and common planning questions to assist citizens in complying with the City's land use code

without the need for hiring consultants. Purchase a tablet for Planning Department use for easy and quick access of reference materials during meetings. **Ongoing.**

Costs:

AV Capture software: \$1000 annually (Planning Department portion; includes maintenance costs)
AV Capture dedicated laptop: \$1500 in 2015
Constatct Contact subscription: \$1000 annually
Client Assistant Memos: \$10,000 in 2015
Planning Department Tablet: \$1000 in 2105

4. **Land Use Text Amendments.** There is currently a substantial backlog of land use text amendments currently pending before the Planning Commission. Work with the Planning Commission and Planning & Building Committee to develop text amendments on cottage housing, residential plat layout, mixed use district overlay, and to respond to State and Federal legislation such as climate change. **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. **Implementing the Harbor Element.** In December of 2012, the City adopted a vision statement for the Harbor. In 2013, after review and recommendation by the Planning Commission, the City Council adopted several zoning code amendments in order to help preserve historic buildings, maintain downtown character and revitalize buildings. Through the 2014 Comprehensive Plan amendment cycle, the City adopted a new Harbor Element of the Plan with goals and policies implementing the vision statement. In 2015 and 2016, it is anticipated that the Planning Commission will develop regulations which will implement that adopted element of the Comprehensive Plan. **By end of 2016.**
7. **Low Impact Development (LID).** Under the requirements of our State stormwater permit, LID will become the required method for managing stormwater in the City after 2016. As such, the City is required to fully integrate LID standards into our zoning code and subdivision code. The Planning department will work the Public Works department to meet the December 31, 2016 deadline. **By end of 2016.**
8. **Programmatic Review for Development in and near Special Flood Hazard Area.** Hire a consultant to prepare an approach for programmatic habitat assessment review of development projects within the Special Flood Hazard Area or within a 200-foot wide buffer, including consulting with FEMA and State agencies. 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. Such programmatic assessment would identify a range of development activities that are subject to the requirements and that through the use of “program,” a standardized range of project thresholds, best management practices and mitigation measures, can meet the “No Effect” or “May effect, not likely to adversely affect” standard of the Environmental Species Act. The city could then offer the programmatic review path to applicants that agree to the approach, decreasing the time and cost associated with a full review per the city’s standard approach. **By end of 2015 - \$15,000**

PLANNING
CAPITAL OUTLAY 2015 - 2016

Total Capital Outlay is \$0

2015

STAFF ADJUSTMENTS

- I. *Check One:*
- (X) *Request to add a position:* CSO/Code Enforcement Officer
() *Request to delete position:*
() *Request to reclassify a position*

*Salary: From \$4,293
To \$5,367*

Change Date: January 1, 2015

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

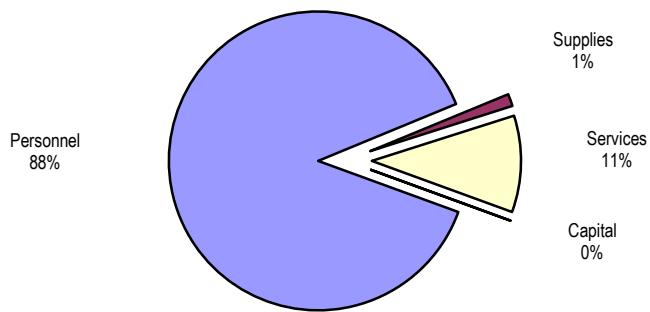
- III. *Explanation for adding new position(s) (include description of new positions' responsibilities, impact of office staff and work load, circumstances which resulted in new responsibilities being created, and funding support):*

0.4 FTE CSO/Code Enforcement Officer. A designated code enforcement officer has been absent from the Planning Department since the layoff of an Associate Planner in the spring of 2009. In 2008, the City adopted junk vehicle provisions and, in 2009, adopted public nuisance provisions which the Planning Department enforces. Furthermore, permit volumes have returned to pre-recession levels. Currently, submitted complaints are assigned across all planners and are given a low priority so that land use permits can be reviewed within the required statutory timeframes. The lack of centralized code enforcement has led to a significant reduction in response time on complaints and does not provide adequate time for educational activities necessary to reduce illegal activities in the City. This 2-day a week position would handle junk vehicle, 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. The position would be a cost-efficient partnership between departments with the Community Service Officer (CSO) working for the police (two days per week), performing court security (one day per week) and code enforcement duties (two days per week). The salary for this position would be divided between the respective departments.

Expenditures By Type

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Salaries	\$ 559,500	\$ 540,821	\$ 572,900	\$ 578,866	\$ 1,276,500
Benefits	217,800	204,069	230,700	221,496	539,200
Supplies	9,225	10,218	11,200	12,442	27,200
Services	87,500	65,485	141,000	94,695	215,100
Capital expenditures	-	-	-	100	-
Total expenditures	\$ 874,025	\$ 820,593	\$ 955,800	\$ 907,599	\$ 2,058,000

2015-16 Budget



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.

BUILDING & FIRE SAFETY
NARRATIVE OF GOALS 2015 – 2020

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. **2015 – 2018.**
2. **Incorporate information technology 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. **2015 - 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. **2015 - 2018.**
4. **Develop 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. **2015 - 2018.**

BUILDING & FIRE SAFETY
NARRATIVE OF OBJECTIVES 2015 - 2016

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. **Replace four obsolete laptops.** Microsoft XP is no longer supported making City systems vulnerable. Replacement will be with more economical tablet type devices and invoiced as small tools. **\$4,000 - January.**

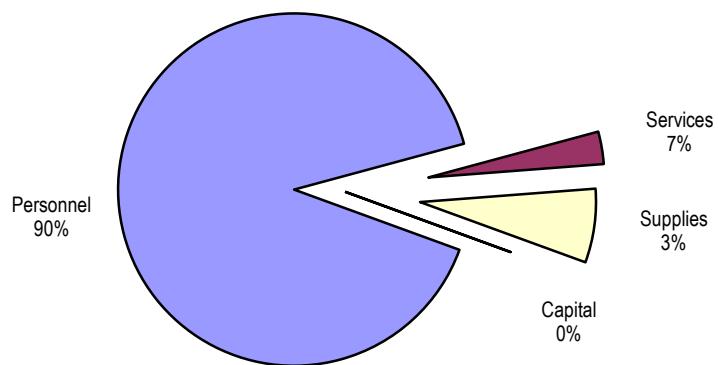
BUILDING & FIRE SAFETY
CAPITAL OUTLAY 2015 - 2016

Replace four obsolete laptops. Microsoft XP is no longer supported making City systems vulnerable. Replacement will be with more economical tablet type devices and invoiced as small tools. **\$4,000 - January.**

Expenditures By Type

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Salaries	\$ 248,800	\$ 280,649	\$ 334,400	\$ 335,433	\$ 737,200
Benefits	120,100	130,133	163,400	154,028	353,800
Supplies	18,000	12,470	15,500	10,146	36,000
Services	38,000	27,380	32,975	32,531	81,860
Capital expenditures	-	-	-	24,999	-
Total expenditures	\$ 424,900	\$ 450,632	\$ 546,275	\$ 557,137	\$ 1,208,860

**2015-16
Budget**



PUBLIC WORKS

DESCRIPTION OF FUNCTION

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.

PUBLIC WORKS
NARRATIVE OF GOALS 2015 – 2020

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. **2015 - 2020.**
2. **Public works standards.** Periodically update the water, storm, wastewater, parks, and transportation elements of the Public Works Standards as needed. **2015 - 2020.**
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. **2015 - 2020.**
4. **Transportation Improvement Plan.** Develop and implement the annual update to the Six Year Transportation Improvement Program, consistent with the Comprehensive Transportation Plan. **2015 - 2020.**
5. **Interagency Partnerships.** Maintain the established partnerships and develop additional partnerships with other local and federal agencies.

Wastewater

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

PUBLIC WORKS

NARRATIVE OF OBJECTIVES 2015 - 2016

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.

PUBLIC WORKS

CAPITAL OUTLAY 2015 - 2016

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.

PARKS DIVISION - OPERATING
DESCRIPTION OF FUNCTION

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 65 acres of city parks and five miles of trails and support facilities, including nine restrooms, 60 garbage cans, 21 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.

PARKS DIVISION - OPERATING

NARRATIVE OF GOALS 2015 - 2020

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. **2015 - 2020.**
2. **Park recycling program.** Continue to expand the recycling program in city parks. **2015 - 2020.**
3. **Volunteer program.** Utilize the volunteer program with a list of pre-determined tasks. **2015 - 2020.**
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. **2015 - 2020.**
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. **2015 - 2020.**

PARKS DIVISION - OPERATING
NARRATIVE OF OBJECTIVES 2015 - 2016

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 – 2015, \$6,000 - 2016.**
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 – 2015, \$26,000 – 2016**
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 – 2015, \$4,000 - 2016.**
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. **\$1,500 – 2015, \$2,000 – 2016. (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 – 2015, \$4,000 - 2016.**
6. **Kenneth Leo Marvin Veterans Park Basketball Court Surfacing.** **\$8,000 - 2015.**
7. **Seasonal Hire.** Hire six (6) seasonal help for the months of June, July, August and September to work in parks, streets, water and storm. **Estimated cost is \$92,000 - 2015 (Parks - \$46,000, Street - \$18,400, Water - \$9,200, Storm - \$18,400), \$92,000 – 2016 (Parks - \$46,000, Street - \$18,400, Water - \$9,200, Storm - \$18,400).**
8. **Cartograph System Migration:** Migrate the Public Works citizen request work order system from Cartograph's WorkDirector program into the Operations Management System (OMS) to more efficiently manage assets, requests and resources in facilities, public spaces and infrastructure. **\$15,800 - 2015 (Parks - \$3,160, Street - \$3,160, Water - \$3,160, Storm - \$3,160), \$6,000 – 2016 (Parks -**

\$1,200, Street - \$1,200, Water - \$1,200, Storm - \$1,200).

9. **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 - 2015 (\$5,000 Parks, \$5,000 Water).**
10. **Kenneth Leo Marvin Veterans Park Concrete.** Install concrete pad under the shelter and sidewalk from past the restrooms to the parking lot. **\$10,000 – 2015.**
11. **Cushman Trail Markings.** Restripe Cushman trail and provide location markers. **\$5,000 – 2015.**
12. **Crescent Creek Ball Field Restoration.** City staff to provide renovations/repairs to the ball field to include re-leveling the field, installing functional drainage system, irrigation upgrades and fencing fabric replacement. **\$15,000 – 2015.**
13. **Maritime Pier Groundwater Monitoring.** Perform groundwater monitoring and submit the results of that report to DOE and begin the process of delisting the property from the hazardous list of State contaminated sites. **\$15,000. - 2015.**
14. **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 - 2015 (Parks \$2,834, Streets \$2,833, Water \$2,833, Storm \$2,833).**

PARKS DIVISION - OPERATING
CAPITAL OUTLAY 2015

1. **Z-Trak Lawn Mower.** Purchase large lawn mower to assist with additional parks and streetscapes. Maintenance of existing mowers has increased and may need to be retired soon. **\$11,000 – 2015.**
2. **Replace Side Mower Head.** Purchase a new side mower head. The head on the mower is a high wear part of the machine. The head that is in use now is from 2008 and needs continuing repairs to keep it operating. **\$12,000 - 2015 (Parks \$3,000, Streets \$3,000, Storm \$6,000)**
3. **Replace existing 18-year old Ranger pickup (#1053) and replace existing 15-year old Chevrolet pickup (#3007), with two (2) new ½ ton pickups.** Both truck #1053 and #3007 are older high mileage trucks that have reached a point where expensive repairs and unreliability is occurring. **\$44,000 (Parks \$11,000, Streets \$11,000, Storm \$11,000, Water \$11,000) – 2015**
4. **Replace existing pickup (#1035) with a ¾ ton pickup with lift gate.** This truck is primarily used by the parks crew. The lift is for loading their mowers and other field equipment. Truck #1035 is a 13-year old truck with over 100,000 miles on it. Because of its age, mileage and the hard use, it is recommended to be replaced. **\$32,000 - 2016 (Parks \$12,800, Streets \$6,400, Storm \$6,400, Water \$6,400)**
5. **Replace existing 2003 pickup (#3008) \$28,000 – 2016 (Parks \$5,600, Streets \$5,600, Storm \$5,600, Water \$5,600, Sewer \$5,600).**
6. **Public Works Boat.** Purchase a vessel for the inspection and maintenance of existing and future waterfront park amenities and stormwater outfalls, and installation and maintenance of oil spill boom deployment facilities. The Department of Ecology is willing, through their stormwater grant, to reimburse the City up to 50% for the cost of a boat. **\$22,000 - 2015. (Storm \$11,000, Parks \$11,000) January.**
7. **Track Hoe.** Purchase Track Hoe to use in small areas and tight spaces. Trade in John Deere 5225, which is rarely used for equipment that is more versatile and usable. **\$35,000 – 2015. (Parks \$8,750, Streets \$8,750, Storm \$8,750, Water \$8,750)**

Total Capital Outlay is \$44,750.

2015-16
STAFF ADJUSTMENTS

- I. *Check One:*
- (X) *Request to add a position*
() *Request to delete a position*
() *Request to reclassify a position*

*Salary: From \$6,408
To \$8,010
Change Date: Mid - 2015*

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):*

Parks Manager. Public Works Department is proposing the creation of a Parks Manager position within the Department. By the very creation of a Park Manager position, the structure of Public Works would change. This position would report directly to the PW Director and have direct supervision over one employee (Public Works Assistant).

The general duties of the Parks Manager would include acquisition, development, and management of park properties. Key tasks of the position would be further subdivided as follows:

Acquisition tasks would include:

- Assist with grant writing for Parks Projects

Development tasks would include:

- Update PROS Plan
- Assist with budget development for Parks Capital Fund
- Lead future Parks visioning/master planning efforts

Management tasks would include:

- Manage leases/agreements within Parks
- Review and make determinations on special use permits affecting Parks
- Manage the agenda for the Parks Commission

- Work with Marketing Dept. on special events

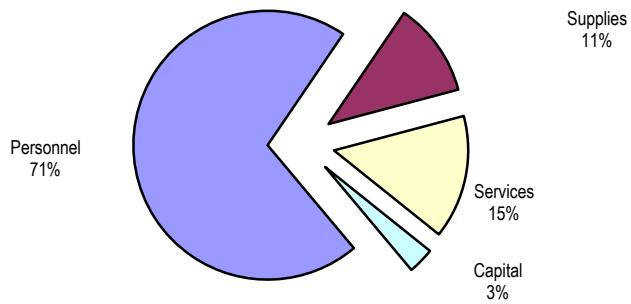
The ideal candidate would have a landscape architect background.

The position would work closely with the City's Planning Dept. and Engineering Division when developing Park properties. The Engineering Division would continue to generate any necessary contract documents and perform construction management for Park Capital projects and manage associated consultants (since contract documents and PW Contract management is within the expertise of the Engineering Division). The operation and maintenance of Parks will continue to be under the supervision of the Public Works Superintendent since much of the equipment and personnel is used (and funded) by the general fund and multiple utilities.

Expenditures By Type

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Salaries	\$ 335,900	\$ 341,635	\$ 382,000	\$ 376,272	\$ 913,200
Benefits	158,400	156,479	178,900	182,380	417,000
Supplies	87,675	94,924	98,000	99,998	214,000
Services	153,100	153,802	182,500	190,137	280,000
Capital expenditures	10,000	8,287	37,625	17,819	59,400
Total expenditures	\$ 745,075	\$ 755,127	\$ 879,025	\$ 866,606	\$ 1,883,600

2015-16 Budget



CITY BUILDING
DESCRIPTION OF FUNCTION

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.

CITY BUILDINGS
NARRATIVE OF GOALS 2015 - 2020

1. **City buildings.** Maintain, and construct minor improvements to the Civic Center and Welcome Center consistent with budgeted objectives and available staff. **2015 - 2020.**
2. **Community service.** Supervision and documentation of the community service participants. **2015 - 2020.**
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. **2015 - 2020.**

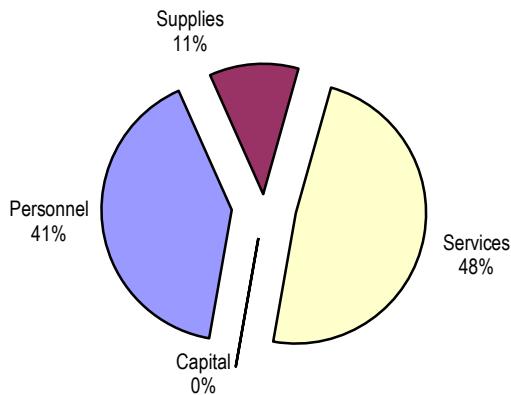
CITY BUILDINGS
NARRATIVE OF OBJECTIVES 2015 - 2016

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. **Window cleaning.** Annually clean all windows at the Civic Center. **\$3,000.**
4. **Civic Center painting.** Paint the Civic Center trim, doors and make repairs to fascia and soffits. **\$40,000 – 2016.**
5. **Energy management system.** Upgrade the computer system that runs the Civic Center building with the current vendor (Allerton). **\$10,000.**
6. **Dumpster enclosure.** City PW staff to re-build trash/recycle dumpster enclosure. **\$9,000.**
7. **Re-Roof Civic Center Buildings.** Replace the Civic Center roof over the Public Works/Planning wing of the Civic Center. The roofs were poorly constructed and leaks continue to be a problem. They have only been patched temporarily. Undetected leaks could cause major damage and repair costs. **\$140,000 – 2015.**
8. **Security equipment (electronic hardware and software).** Install security equipment to provide security for employees as well as the public. **2015 & 2016.**
9. **Security measures.** Provide additional security measures for the offices of the Court Clerks/Cashier and the Finance Cashier. **2015 & 2016.**
10. **Civic Center Landscape Replacement.** Replace failing ornamental vegetation planted at the Civic Center with native vegetation. The work may be completed with public participation and donations for vegetation. **\$20,000 – 2015.**

Expenditures By Type

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Salaries	\$ 101,800	\$ 87,370	\$ 114,900	\$ 91,908	\$ 245,900
Benefits	55,900	46,302	56,800	49,870	125,500
Supplies	13,100	30,851	50,600	52,124	101,200
Services	108,000	106,209	121,100	109,110	443,563
Total expenditures	\$ 278,800	\$ 270,732	\$ 343,400	\$ 303,012	\$ 916,163

2015-16 Budget



3. SPECIAL REVENUE FUND TYPE	107
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DESCRIPTION OF FUND TYPE

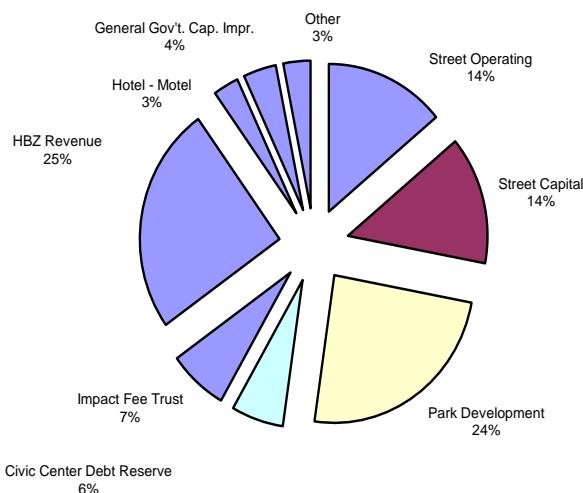
Special revenue funds are used to account for revenues derived from specific taxes or other sources that are designated to finance particular activities of the city.

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 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Street Operating	\$ 2,111,310	\$ 2,043,976	\$ 2,174,604	\$ 2,197,237	\$ 4,065,288
Street Capital	4,632,800	3,947,436	2,066,808	1,936,057	4,090,621
Drug Investigation State	8,356	8,028	11,145	8,186	8,706
Drug Investigation Federal	30,434	28,242	25,551	21,554	18,594
Hotel - Motel	367,984	370,029	362,230	450,451	861,192
Public Art Capital Projects	92,155	92,195	92,189	92,277	87,377
Park Development	5,364,985	1,422,042	4,293,835	5,371,378	7,078,255
Civic Center Debt Reserve	1,226,649	1,546,344	1,454,368	1,617,064	1,756,064
Strategic Reserve	1,089,377	1,090,606	925,794	940,988	577,988
Equipment Repl Reserve	150,339	150,394	200,704	200,582	221,302
Capital Development	374,972	513,143	505,356	671,910	1,202,366
General Gov't. Cap. Impr.	277,641	457,295	425,693	614,762	1,108,916
Impact Fee Trust	761,718	1,397,607	1,807,290	1,330,900	1,993,811
Hospital Benefit Zone Revenue	3,820,794	4,628,179	4,277,932	4,864,797	7,276,797
Lighthouse Maintenance	1,908	2,116	1,911	1,214	1,214
Total Special Revenue	\$ 20,311,422	\$ 17,697,632	\$ 18,625,410	\$ 20,319,356	\$ 30,348,491

2015-16 Budget



STREET DIVISION - OPERATING
DESCRIPTION OF FUNCTION

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.

STREET DIVISION - OPERATING
NARRATIVE OF GOALS 2015 - 2020

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. **2015 - 2020.**
2. **Sign inventory.** Continue to work on the GIS mapping system to include street name and directional signage. **2015 - 2020.**
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. **2015 - 2020.**
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. **2015 - 2020.**
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. **2015 - 2020.**
6. **Streetscapes.** Maintain existing street planters and landscape improvements and provide additional weed control techniques. Enhance city entrances with additional landscape improvements. **2015 - 2020.**
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. **2015 - 2020.**
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. **2015 - 2020.**
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). **2015 - 2020.**

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10. **Roadway Shoulder Maintenance Program.** Develop and institute a periodic and routine roadway shoulder maintenance program utilizing the Interlocal Agreement with Pierce County. **2015 - 2020.**
 11. **Non-motorized Facilities Plan.** Utilizing consultant services, update the existing plan for use in prioritized sidewalk and non-motorized path projects. **2015 - 2020.**
 12. **ADA City Sidewalk and Curb Access Ramp Transition Plan.** Complete the inventory of all the City's sidewalks and ramps, develop and implement the upgrade of those facilities that are non-conforming. **2015 - 2020.**
 13. **Public Works Standards.** Update the streets portion of the Public Works Standards as necessary to reflect the design manual and current policies and procedures. **2015 - 2020.**
 14. **Update Federal Functional Classification Roadway Update.** Annually analyze and update the city's roadway classification through WSDOT. **2015 – 2020.**

NARRATIVE OF OBJECTIVES 2015 - 2016

1. **Pavement Markings.** Install and repaint pavement markings on city streets including the newly annexed areas. **\$50,000 – 2015, \$50,000 - 2016.**
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 and to provide updated information for the City's Transportation Element of the Comprehensive Plan. **\$50,000 – 2015, \$50,000 - 2016.**
3. **Traffic Impact Fee Update.** Based upon the growth traffic demand model, perform an impact fee analysis and adopt those increased fees. **\$25,000 – 2015.**
4. **ADA Self-Evaluation & Transition Planning.** Complete inventory/survey of City facilities for accessibility standards; establish ADA Officer roles and responsible individuals; Coordinate all necessary departments (HR, Bldg, Planning & PW/Operations); analyze inventory for deficiencies; prioritize deficiency corrections; draft construction budget for deficiency corrections; draft Citywide ADA Transition Plan; look for potential funding sources; and begin the replacement of those non-conforming curb ramps. **\$50,000 – 2015, \$100,000 - 2016.**
5. **Transportation Element Plan Update.** Complete the state mandated Comprehensive Plan Update. Also includes funding (up to \$10,000 +/-) for testing scenarios related to the proposed SR16 Corridor Study. **\$75,000 - 2015.**
6. **Transportation Concurrency Modeling.** Reimbursed by developer fees. **\$40,000 – 2015, \$40,000 – 2016.**
7. **Non-Motorized Improvement Program.** Based on the planned "Non-Motorized Plan" update, begin a program to extend, connect gaps and upgrade existing elements in the City's non-motorized system per the plan recommendations. **\$75,000 – 2015.**
8. **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 retroreflectivity on current sign inventory. **\$20,000 – 2015, \$20,000 – 2016.**
9. **2015-2016 Pavement Maintenance and Repair.** Perform repair of the City's

roadways by asphalt overlay on Stinson Avenue and Kimball Drive. These pavement maintenance portions of these projects are part of larger capital improvement projects and therefore are identified in the Streets Capital Fund. **2015- 2016.**

10. **Street Tree Replacements.** Replace tree root damaged street trees as needed. **\$15,000 – 2015, \$15,000 - 2016.**
11. **Sidewalk Replacements.** Replace tree root damaged sidewalks as needed. **\$15,000 – 2015, \$15,000 - 2016.**
12. **Guardrail Inspection and Replacement Program.** Conduct ongoing inspection and replacement program of guardrails throughout the City. **\$15,000 – 2015, \$15,000 - 2016.**
13. **Seasonal Hire.** Hire six (6) seasonal help for the months of June, July, August and September to work in parks, streets, water and storm. **\$92,000 - 2015 (Parks - \$46,000, Streets - \$18,400, Water - \$9,200, Storm - \$18,400), \$92,000 - 2016 (Parks - \$46,000, Streets - \$18,400, Water - \$9,200, Storm - \$18,400).**
14. **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 – 2015. \$35,000 - 2016.**
15. **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 - 2015 (Parks \$2,834, Streets \$2,833, Water \$2,833, Storm \$2,833).**
16. **Roundabout Rapid-Flash Beacon Crosswalk System.** Purchase (2) 2-pole and (2) 3-pole rectangular rapid-flash beacon crosswalk systems for the Borgen/51st Roundabout to replace existing in pavement crosswalk systems. The existing systems require frequent maintenance. **\$35,000 – 2015.**
17. **Mid-Block Rapid-Flash Beacon Crosswalk System.** Purchase two (2) pedestrian crossing rapid-flash crosswalk systems at various locations **\$14,000 – 2015, \$14,000 – 2016.**
18. **Radar Speed Signs.** Purchase one (1) for Peacock Hill Avenue and one (1) for Burnham Drive to remind cars of the speed limit and noticeably slow down traffic. Posts are existing for signs. **\$9,000 – 2015.**
19. **Cartegraph System Migration.** Migrate the Public Works citizen request work order system from Cartegraph's WorkDirector program into the Operations Management System (OMS) to more efficiently manage assets, requests and resources in facilities, public spaces and infrastructure. **\$15,800 - 2015 (Parks -**

\$3,160, Street - \$3,160, Water - \$3,160, Storm - \$3,160), \$6,000 – 2016 (Parks - \$1,200, Street - \$1,200, Water - \$1,200, Storm - \$1,200).

CAPITAL OUTLAY 2015-16

STREET DIVISION - OPERATING

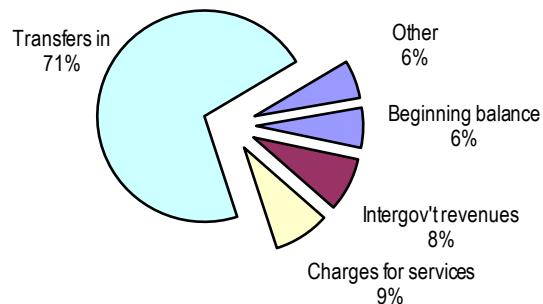
1. **Replace Side Mower Head.** Purchase a new side mower head. The head on the mower is a high wear part of the machine. The head that is in use now is from 2008 and needs continuing repairs to keep it operating. **\$12,000 (Parks \$3,000, Streets \$3,000, Storm \$6,000)**
2. **Replace existing 18-year old Ranger pickup (#1053) and replace existing 15-year old Chevrolet pickup (#3007), with two (2) new ½ ton pickups.** Both truck #1053 and #3007 are older high mileage trucks that have reached a point where expensive repairs and unreliability is occurring. **\$44,000 (Parks \$11,000, Streets \$11,000, Storm \$11,000, Water \$11,000) – 2015**
3. **Replace existing pickup (#1035) with a ¾ ton pickup with lift gate.** This truck is primarily used by the parks crew. The lift is for loading their mowers and other field equipment. Truck #1035 is a 13-year old truck with over 100,000 miles on it. Because of its age, mileage and the hard use, it is recommended to be replaced. **\$32,000 - 2015 (Parks \$12,800, Streets \$6,400, Storm \$6,400, Water \$6,400)**
4. **Replace existing 2003 pickup (#3008).** **\$28,000 – 2015 (Parks \$5,600, Streets \$5,600, Storm \$5,600, Water \$5,600, Sewer \$5,600)**
5. **Replace Vehicle Lift.** The existing lift is outdated and will not lift about 50% of the vehicles we maintain due to configuration and balance of newer vehicles, particularly the police vehicles. **\$14,000 - 2015**
6. **Track Hoe.** Purchase Track Hoe to use in small areas and tight spaces. Trade in John Deere 5225, which is rarely used for equipment that is more versatile and usable. **\$35,000 – 2015. (Parks \$8,750, Streets \$8,750, Storm \$8,750, Water \$8,750)**

Total Capital Outlay is \$48,750.

Resources

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Beginning balance	\$ 434,512	\$ 229,011	\$ 351,936	\$ 281,826	\$ 248,616
Licenses & permits	15,000	21,200	15,000	15,780	31,265
Intergov't revenues	151,498	151,821	156,468	159,700	333,917
Charges for services	110,000	203,267	85,000	183,428	345,059
Miscellaneous	300	802	200	2,710	103,819
Transfers in	1,400,000	1,400,000	1,546,000	1,546,000	2,900,000
Other	-	37,875	20,000	7,793	102,612
Total revenues	1,676,798	1,814,965	1,822,668	1,915,411	3,816,671
Total resources	\$ 2,111,310	\$ 2,043,976	\$ 2,174,604	\$ 2,197,237	\$ 4,065,288

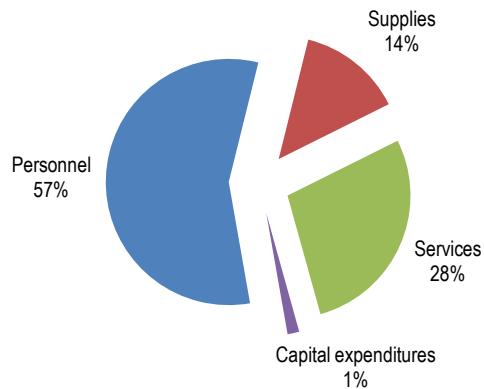
2015-16 Budget



Expenditures By Type

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Salaries	\$ 773,100	\$ 752,682	\$ 803,800	\$ 763,992	\$ 1,571,084
Benefits	348,000	316,629	352,200	304,128	702,212
Supplies	278,665	213,873	277,800	253,358	552,874
Services	663,453	470,679	694,070	598,642	1,124,751
Capital expenditures	10,000	8,287	28,500	28,500	62,000
Transfers out	-	-	-	-	-
Total expenditures	2,073,218	1,762,150	2,156,370	1,948,621	4,012,921
Ending balance	38,092	281,826	18,234	248,616	52,366
Total uses	\$ 2,111,310	\$ 2,043,976	\$ 2,174,604	\$ 2,197,237	\$ 4,065,288

2015-16 Budget



STREET DIVISION - CAPITAL
DESCRIPTION OF FUNCTION

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.

STREET DIVISION - CAPITAL
NARRATIVE OF GOALS 2015 - 2020

1. **Public Works Maintenance Facility 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, decent facility, waste recycling and fleet maintenance. **2015 – 2020.**
2. **50th Street Extension.** Complete the construction of pavement, curb, gutter, sidewalk, and lighting improvements from KLM Veterans Park to 38th Avenue. **2015 – 2020.**
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. **2015 – 2020.**
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. **2015 – 2020.**
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. **2015 – 2020.**
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. **2015 – 2020.**
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. **2015 – 2020.**
8. **Harbor Hill Drive Extension.** Extend Harbor Hill Drive to Burnham Drive. **2015 – 2020.**
9. **Wollochet Drive/Wagner Way Intersection Signalization.** Signalize the intersection at Wollochet and Wagner Way. Maintain SEPA developer contributions in Street Capital fund balance. **2015 – 2020.**
10. **Borgen Boulevard Street Lighting between Burnham and 51st to lower**

roundabout. Install street lighting on Borgen Boulevard. **2015 – 2020.**

11. **Energy Efficient Street Light Conversions.** Systematically Convert Street Lights from Metal Halide to LED to improve energy efficiency while reducing maintenance labor costs. **2015 – 2020.**
12. **Electric Vehicle Charging Stations.** Assess possible vehicle charging station locations in or around the downtown area and install two (2) Level 2 vehicle charging stations. **2015 – 2020.**
13. **50th Street Extension.** Complete the final design and permitting then construct the extension of 50th Street to 38th Avenue. **2015 – 2020.**

STREET DIVISION - CAPITAL

NARRATIVE OF OBJECTIVES 2015 – 2016

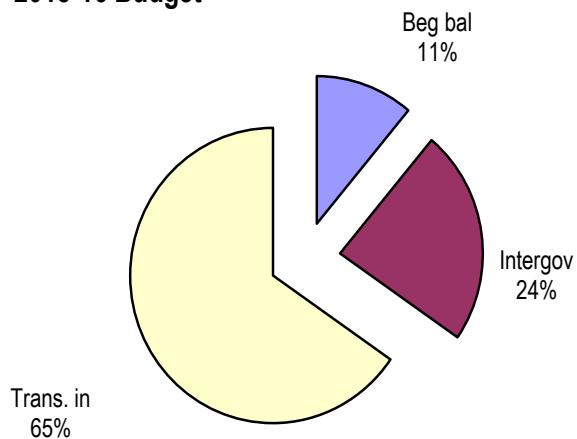
1. **Public Works Shop – Metal Building.** Install the metal building (72'x40") acquired from the History Museum property at the Public Works Shop for additional covered storage. This building will need new metal siding, a concrete slab and roofing. **\$65,000 - 2015. (Street - \$13,000, Parks - \$13,000, Water - \$13,000, Storm - \$13,000, Wastewater - \$13,000).**
2. **Public Works Operations Center Design and Construction.** Complete the design and permitting then construct Phase 1 of the new Public Works Operations Center. The Phase 1 work includes all related site development and frontage improvements. **\$500,000 - 2015 (Parks - \$125,000, Streets - \$125,000, Water - \$125,000, Storm - \$125,000). \$1,450,000 - 2016 (Parks - \$362,500, Streets - \$362,500, Water - \$362,500, Storm - \$362,500).**
3. **Harbor Hill Drive Extension.** Utilizing Hospital Benefit Zone funding, complete the final design and permitting, procure the necessary easements and right-of-way, and construct this extension of Harbor Hill Drive to Burnham Drive. **\$550,000 – 2015, \$200,000 – 2016.**
4. **Harborview Drive Sidewalk Improvement.** Construct sidewalk along east side, complete with Pedestrian Illumination, of Harborview Drive between North Harborview Drive and Burnham Drive. Contingent upon procurement of state grant funding in the amount of \$287,000 with the local City match of \$96,000. **\$383,000 - 2016.**
5. **Lift Station No. 17 Property Acquisition (Bujacich).** In addition to a proposed easement for LS#17, the City will procure the necessary real property in-fee for the future regional pump station with decant facility for vector waste. The cost for property acquisition would be in addition to the cost of LS#17 easement acquisition. **\$350,000 – 2015 (Streets - \$50,000, Water - \$50,000, Storm - \$50,000, Sewer - \$200,000).**
6. **SR16/Burnham Dr. Wetland Mitigation Reporting.** Perform U.S. Army Corps required year 7 reporting on this wetland mitigation site and perform any required replanting and formally request from the Corps that the City has fulfilled its ten year monitoring requirements at that time. **\$15,000 – 2016.**
7. **Kimball Drive / Hunt Street Overlay (2015 Roadway Preservation Project).** Overlay existing Kimball Dr. and Hunt St., from Pioneer Way to Soundview Dr. and upgrade existing crosswalks and associated ramps to meet ADA compliance. This upgrade shall rectangular flashing beacons and signage, and removal of the existing ground-installed crosswalk lighting. This project is contingent on

- successful STP Pavement Preservation Grant. **\$390,000 – 2015 (\$331,000 from grant funds and \$59,000 from local funds).**
8. **Prentice Street Pedestrian Improvements.** Consider requesting funds in anticipation of receiving grant (WSDOT Ped and Bike). Funding amount includes both design and construction contracts. **. \$125,000 2015 (\$90,000 from grant funds and \$35,000 from local funds). \$300,000 – 2016 (\$254,000 from grant funds and \$46,000 from local funds).**
9. **Stinson Avenue Roadway Improvements.** Design and permit the reconstruct the Stinson Avenue between Rosedale Street and Pioneer Way with new curb, gutter and sidewalk and retrofit the non-compliant curb ramps to ADA standards. This project will occur in conjunction with the 2015 watermain replacement on Stinson Avenue. The City will be applying for grant funding opportunities. **\$120,000 – 2015 Design and Permitting (local funds). \$500,000 – 2016 Construction (local funds).**
10. **Street Light LED Retrofits.** Continue the LED retrofits on our 15' Lumec street lights. Retrofits will save the City over 50% on power and minimal maintenance for 20 years for bulb replacement. **\$20,000 – 2015, \$20,000 - 2016.**
11. **Street Lights on Rosedale Street.** Install seven – 20' street lights on Rosedale Street from Cushman Trail to Skansie. **\$52,500 – 2015.**
12. **Street Lights on Peacock Hill.** Install seven – 20' street Lights on Peacock Hill from existing street lights up to Vernhardson. **\$52,500 – 2015.**
13. **Electric Vehicle Charging Station.** Install two Level 2 electric vehicle charging stations. One will be located in the downtown area and one will be located at the Civic Center. **\$25,000 – 2015.**
14. **Wagner Way/Wollochet traffic signal.** Update a previously designed project to install a traffic signal at the intersection of Wagner Way and Wollochet Drive interconnected to other traffic signals along the Wollochet Drive corridor. This project is necessary due to traffic impacts from surrounding private developments that are pending. **\$50,000 – 2016.**
15. **Harborview Drive Master Plan Update.** In 2010 the City generated a draft master plan for the Harborview Drive right-of-way. The draft plan was reviewed by City Council but never adopted. This update would finalize the 2010 draft plan and proceed with adoption of the final plan by City Council. **\$40,000 – 2015.**

Resources

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Beginning balance	\$ 270,500	\$ 200,728	\$ 369,508	\$ 270,045	\$ 452,371
Intergov't revenues	1,400,000	1,432,846	205,000	312,524	962,000
Charges for services	-	-	-	-	-
Miscellaneous	37,300	47,488	300	31,488	6,000
Transfers in	1,675,000	2,266,374	1,492,000	1,322,000	2,670,250
Other	1,250,000	-	-	-	-
Total revenues	4,362,300	3,746,708	1,697,300	1,666,012	3,638,250
Total resources	\$ 4,632,800	\$ 3,947,436	\$ 2,066,808	\$ 1,936,057	\$ 4,090,621

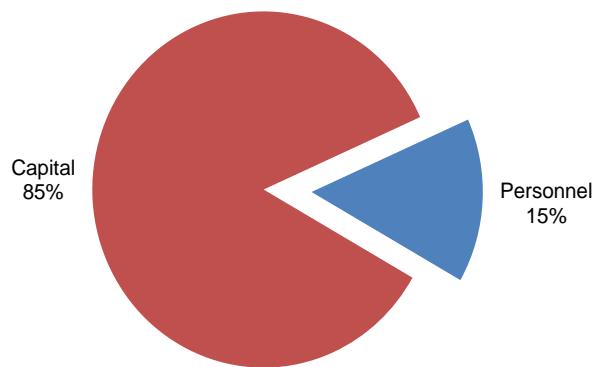
2015-16 Budget



Expenditures By Type

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Salaries	\$ 216,700	\$ 216,493	\$ 233,200	\$ 225,368	\$ 413,700
Benefits	91,400	92,690	98,800	96,318	179,700
Services	-	285	-	-	-
Capital expenditures	4,314,000	3,367,921	1,625,000	1,162,000	3,387,250
Transfers out	-	-	-	-	-
Total expenditures	4,622,100	3,677,389	1,957,000	1,483,686	3,980,650
Ending balance	10,700	270,047	109,808	452,371	109,971
Total uses	\$ 4,632,800	\$ 3,947,436	\$ 2,066,808	\$ 1,936,057	\$ 4,090,621

2015-16 Budget



DESCRIPTION OF FUNCTION

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 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Beginning balance	\$ 7,346	\$ 7,837	\$ 5,837	\$ 8,028	\$ 8,186
Fines & forfeits	500	-	490	150	500
Miscellaneous	510	191	4,817	8	20
Total revenues	1,010	191	5,308	158	520
Total resources	\$ 8,356	\$ 8,028	\$ 11,145	\$ 8,186	\$ 8,706

Expenditures By Type

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Salaries	\$ 4,000	\$ -	\$ 4,000	\$ -	\$ 4,000
Benefits	1,500	-	1,500	-	1,500
Supplies	1,000	-	1,000	-	1,000
Services	-	-	-	-	-
Intergov't charges	1,000	-	1,000	-	-
Total expenditures	7,500	-	7,500	-	6,500
Ending balance	856	8,028	3,645	8,186	2,206
Total uses	\$ 8,356	\$ 8,028	\$ 11,145	\$ 8,186	\$ 8,706

DESCRIPTION OF FUNCTION

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 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Beginning balance	\$ 30,404	\$ 28,209	\$ 25,491	\$ 21,534	\$ 18,554
Miscellaneous	30	33	60	20	40
Total revenues	30	33	60	20	40
Total resources	\$ 30,434	\$ 28,242	\$ 25,551	\$ 21,554	\$ 18,594

Expenditures By Type

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits	-	-	-	-	-
Supplies	5,000	-	-	-	-
Services	5,000	6,708	3,000	3,000	-
Intergov't charges	-	-	-	-	-
Capital	-	-	-	-	-
Total expenditures	10,000	6,708	3,000	3,000	-
Ending balance	20,434	21,534	22,551	18,554	18,594
Total uses	\$ 30,434	\$ 28,242	\$ 25,551	\$ 21,554	\$ 18,594

HOTEL – MOTEL TAX FUND

DESCRIPTION OF FUNCTION

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.

HOTEL – MOTEL TAX FUND
NARRATIVE OF GOALS 2015 - 2020

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 and city website, highly visible travel advertising, editorial media in publications, radio and television presence and collateral materials. **2015-2020.**
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. **2015 - 2020.**
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. **2015 - 2020.**
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, 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. **2015 - 2020.**

HOTEL – MOTEL TAX FUND
NARRATIVE OF OBJECTIVES 2015 - 2016

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 2015 & 2016 through advertising (including TV, print and online), web development, social media, brochure distribution, direct mail, event promotion and trade shows including MPI, WSAE and others, as well as media editorial. This fund focuses on organized meeting and convention planners, tour operators, leisure traveler, group travel, wedding planners and media. Included is also an advertising campaign to increase sales tax revenue and help local business by encouraging residents and businesses to stay and shop in Gig Harbor **\$76,500 – 2015, \$76,500 - 2016.**
2. **Support to the Tacoma Convention and Visitors Bureau.** Continue partnership with the Tacoma CVB to capitalize on shared resources for leisure travel, tour operators, meetings and conventions, and advertising and promotion opportunities. **\$6,000 - 2015, \$6,000 - 2016.**
3. **Support to the Tacoma Sports Commission.** Expand the work we began in 2012 partnering with the Tacoma Sports Commission. Capitalize on opportunities to draw overnight visitors through sporting events to include Paddlers Cup. **\$5,000 – 2015, \$5,000 – 2016.**
4. **Support the Kitsap Peninsula Visitor and Convention Bureau.** Partner with Kitsap VCB on web marketing efforts, collaboration on corporate traveler, adventure sport traveler, leisure traveler campaigns. Included is promotion through National Park Service and Water Trails Program. **\$5,000 – 2015, \$5,000 - 2016.**
5. **Support the Tacoma Narrows Airport.** Implementation of the marketing campaign aimed towards pilots, both corporate and recreational. Promotion and representation at regional airport trade show. **\$5,000 – 2015, \$5,000 – 2016.**
6. **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 – 2015, \$2,000 - 2016.**
7. **Public Relations Consultant.** Public relations and media exposure for US Open to include building of itineraries for and hosting travel writers. **\$25,000 – 2015, \$5,000 – 2016.**
8. **Pierce Transit –** Contribution for Get Around Gig Harbor Trolley operation. **\$35,000 – 2015, \$35,000 – 2016 (\$10,000 each year from General Fund).**

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9. **General Fund salary contribution.** Percentage of General Fund contribution to Tourism and Communications Director and Assistant salary for 2015 & 2016: **50%.**

HOTEL – MOTEL TAX FUND
CAPITAL OUTLAY 2015 - 2016

Computer Equipment. New computer workstation (existing workstation will replace volunteer workstation) and laptop. **\$5,000 – 2016.**

Total Capital Outlay \$5,000.

2015

STAFF ADJUSTMENTS

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

Request to reclassify a position

Salary: From \$6,491

To \$8,114

Change Date: January 1, 2015

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):*

This request is to reclassify (and re-instate) the existing Tourism & Communications Director position to full time status from furloughed position in 2011 and current status of .8FTE. This will reflect the increased duties that will fall upon the office in 2015 and classify it line with other similar department head positions in the City of Gig Harbor and with similar positions of nearby agencies. This position directs all of the city's tourism and non-tourism related functions to do with the media and public relations, advertising, logo development and brand awareness for the community. Newly acquired responsibilities include membership in the Gig Harbor Chamber of Commerce Economic Development US Open subcommittee, membership on the Trolley marketing committee, membership on the Downtown Waterfront Alliance promotions committee, chair of the soon to be created Gig Harbor fish and farmer's market search committee, and new marketing programming with Tacoma Narrows Airport management. Additionally, the position does special projects for the Mayor and City Administrator when called upon. The position is responsible for one staff member, and oversees the visitor information center and the newly acquired visitor information center at Skansie House. With an increase in lodging tax revenue, more emphasis would like to be placed on the meeting planner, small group, and shoulder season market. The additional time will allow for more opportunities to be explored and developed in this area. The Director continues to handle the distribution and development of the lodging tax fund and serves as the liaison between all other similar regional and state positions. The position assists the city administrator with duties in the arena of economic development as well as the city's emergency PIO if ever needed. The position is responsible for creating and carrying out events and activities that stimulate economic development in the community such as concerts, movies, of which attendance has increased upwards of 20% in 2014. The position works directly with other City of Gig Harbor department supervisors on events and activities and media related items

including parks, planning, police, operations, finance, technical and court in which activity has also increased. This position is a member of the Gig Harbor Supervisory Employee Guild.

The position will be funded as follows: Hotel/Motel – 50% General Fund -50%

Category	Resources				
	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Beginning balance	\$ 153,025	\$ 91,694	\$ 112,080	\$ 146,380	\$ 221,414
Taxes	214,809	270,104	250,000	285,913	615,428
Miscellaneous	150	8,231	150	18,158	24,350
Total revenues	214,959	278,335	250,150	304,071	639,778
Total resources	\$ 367,984	\$ 370,029	\$ 362,230	\$ 450,451	\$ 861,192

Category	Expenditures By Type				
	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Salaries	\$ 109,000	\$ 105,406	\$ 58,300	\$ 58,994	\$ 145,900
Benefits	15,000	30,862	16,300	23,052	55,100
Supplies	3,000	9,697	7,500	6,584	17,000
Services	91,650	82,204	106,750	113,407	288,000
intergov	-	-	25,000	25,000	50,000
Capital	-	-	2,000	2,000	5,000
Total expenditures	218,650	228,169	215,850	229,037	561,000
Ending balance	149,334	141,860	146,380	221,414	300,192
Total uses	\$ 367,984	\$ 370,029	\$ 362,230	\$ 450,451	\$ 861,192

DESCRIPTION OF FUNCTION

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 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Beginning balance	\$ 92,055	\$ 92,076	\$ 92,089	\$ 92,195	\$ 67,277
Miscellaneous	100	119	100	82	100
Transfers in	-	-	-	-	20,000
Total revenues	100	119	100	82	20,100
Total resources	\$ 92,155	\$ 92,195	\$ 92,189	\$ 92,277	\$ 87,377

Expenditures By Type

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Capital expenditures	\$ -	\$ -	\$ 25,000	\$ 25,000	\$ -
Total expenditures	\$ -	\$ -	\$ 25,000	\$ 25,000	\$ -
Ending balance	92,155	92,195	67,189	67,277	87,377
Total uses	\$ 92,155	\$ 92,195	\$ 92,189	\$ 92,277	\$ 87,377

PARKS DEVELOPMENT
DESCRIPTION OF FUNCTION

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.

PARKS DEVELOPMENT
NARRATIVE OF GOALS 2015 - 2020

1. **Joint community parks planning.** Participate in joint jurisdictional development of a Gig Harbor/Peninsula park facility in the Gig Harbor North area. **2015 - 2020.**
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. **2015 - 2020.**
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. **2015 - 2020.**
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. **2015 - 2020.**
5. **Cushman Trail.** Complete the construction of the Phase 3 and 4 improvements that were started in 2014 while planning and designing the next phases of the trail. **2015 - 2020.**
6. **Crescent Creek Park- Master Plan.** Develop a master plan for the existing Crescent Creek Park and other possible surrounding opportunities. **2015 - 2016.**
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. **2015 - 2020.**
8. **Wilkinson Farm Park Renovations.** Seek grant funding to renovate the existing barn, expand parking, and improve pedestrian access for Wilkinson Farm Park.
9. **Wilkinson Farm Park Renovation.**
10. **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. **2015 - 2020.**
11. **Ancich Waterfront Park.** Implement results of the results of the Ancich Waterfront Park Visioning Process through grant funds and available city funds. **2015 - 2020.**

PARKS DEVELOPMENT

NARRATIVE OF OBJECTIVES 2015 - 2016

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 Property.** Re-examine the 2013 visioning process and consider further input. Seek additional grant funding for park design and construction. **\$20,000 – September 2015.**
3. **Cushman Trail Phase 3 and 4 (96th Street to Borgen Boulevard).** Complete the construction of these improvements that was started in 2014. **\$150,000 – 2015.**
4. **Cushman Trail Phase 5 Planning Study (Borgen Boulevard to Purdy).** The City will lead the study and coordinate with Tacoma Power and Utilities, Pierce County, PenMet Parks and WSDOT to determine alternative/preferred alignment(s) for a trail between Borgen Boulevard and Purdy. The results of the study would be the basis of future grant applications for the design, permitting, and construction. **\$10,000 – 2016.**
5. **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. **\$30,000 - 2015.**
6. **Public Works Operations Center Design and Construction.** Complete the design and permitting then construct Phase 1 of the new Public Works Operations Center. The Phase 1 work includes all related site development and frontage improvements. **\$500,000 - 2015 (Parks - \$125,000, Streets - \$125,000, Water - \$125,000, Storm - \$125,000). \$1,450,000 - 2016 (Parks - \$362,500, Streets - \$362,500, Water - \$362,500, Storm - \$362,500).**
7. **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. **\$65,000. (Street - \$13,000, Parks - \$13,000, Water - \$13,000, Storm - \$13,000, Wastewater - \$13,000) - 2015.**
8. **Parks, Recreation, and Open Space Plan (PROS) Update.** Update the current PROS Plan consistent with the City's Comprehensive Plan, Six-Year CIP Plan, and Biennial Budget. **\$40,000 – 2015.**
9. **Eddon Boat Park - Marine Railways.** Phase 3 of the Eddon Boat Park Restoration Project includes reconstruction of the marine railways. The City received a Washington State Heritage Capital Projects Fund Grant in 2013 in the

amount of \$128,355. The total Phase 3 costs are \$430,000, which includes \$200,000 spent by the Gig Harbor Boat Shop (Eddon Boat Shop tenant). The Heritage Capital Projects Fund Grant must be expended by June 2015 for the City to remain eligible to receive any 2015 Heritage Capital Projects Fund grant awards. **\$230,000 – June 2015 (\$130,000 from State Heritage Grant, \$200,000 from previously expended Gig Harbor Boat Shop improvements, and \$100,000 from local funds).**

10. **Eddon Boat Park Expansion Parcel Acquisition.** Pursue purchase of the two parcels adjacent to Eddon boat Park and project water access via surface trails. **\$865,000 – 2015. (Parcel Purhcase based on \$262,500 funded by RCO and \$262,500 funded by HBZ.) \$340,000 – 2016. (Possible environmental clean-up based on \$140,000 from DOE and \$200,000 from Federal).**
11. **Jerisich Dock Power and Water Improvements.** Design, permit, and construct improvements along the existing dock to provide electrical and water service to the dock users with reimbursement provided by user fees and install new surfacing on the gangway. **\$190,000 - 2015.**
12. **Maritime Pier Development.** Complete the conceptual site design, perform necessary environmental review, perform permitting, and apply for grant applications. Begin final design if the City is successful with grant applications. Construction would proceed in 2017 or beyond if grant applications are successful. **\$200,000 – 2015, \$1,900,000 – 2016.**
13. **Crescent Creek Park- Master Plan.** Develop a master plan for the existing Crescent Creek Park and other possible surrounding opportunities. **\$30,000 – 2015 (HBZ funded).**
14. **Ancich Waterfront Park Upland Development.** Public input identified the Ancich site as providing a sidewalk viewing platform, water access (stairs and ramp), passive pedestrian amenities (benches, walkways, ADA parking), and boat storage (kayaks and canoes). Two RCO Grants totaling \$1 million have been submitted but funding will not be confirmed until June of 2015. **\$700,000 – 2015, \$1,000,000 – 2016 (\$500,000 from RCO grant, and \$1,200,000 from HBZ funds).**
15. **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. A State Heritage Grant for \$645,000 ranked high in August 2014 but the state budget is not confirmed until June of 2015. This work will include design, permitting, and construction of the necessary improvements. **\$245,000 – 2015, \$600,000 – 2016 (\$660,000 from State Heritage Grant and \$185,000 in local funds).**
16. **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 – 2015.**

Resources

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Beginning balance	\$ 237,985	\$ 86,222	\$ 251,330	\$ 139,326	\$ 915,950
Intergov't revenue	3,147,500	275,645	3,026,355	2,715,834	2,428,355
Miscellaneous	261,500	175	150	218	200
Transfers in	1,718,000	1,060,000	1,016,000	2,516,000	3,733,750
Total revenues	5,127,000	1,335,820	4,042,505	5,232,052	6,162,305
Total resources	\$ 5,364,985	\$ 1,422,042	\$ 4,293,835	\$ 5,371,378	\$ 7,078,255

Expenditures By Type

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Salaries	\$ 92,000	\$ 87,949	\$ 94,300	\$ 85,560	\$ 177,100
Benefits	42,200	41,942	40,400	91,276	78,800
Supplies	-	4,573	-	364	-
Services	25,000	-	-	-	70,000
Capital expenditures	5,195,400	1,148,252	4,150,000	4,278,228	6,645,500
Total expenditures	\$ 5,354,600	1,282,716	\$ 4,284,700	\$ 4,455,428	\$ 6,971,400
Ending balance	10,385	139,326	9,135	915,950	106,855
Total uses	\$ 5,364,985	\$ 1,422,042	\$ 4,293,835	\$ 5,371,378	\$ 7,078,255

DESCRIPTION OF FUNCTION

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 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Beginning balance	\$ 1,145,783	\$ 1,473,972	\$ 1,383,368	\$ 1,546,344	\$ 1,617,064
Miscellaneous	13,786	5,292	5,500	5,220	10,000
Transfers in	67,080	67,080	65,500	65,500	129,000
Total revenues	80,866	72,372	71,000	70,720	139,000
Total resources	\$ 1,226,649	\$ 1,546,344	\$ 1,454,368	\$ 1,617,064	\$ 1,756,064

Expenditures By Type

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Transfers out	\$ -	\$ -	\$ -	\$ -	\$ 180,000
Total expenditures	\$ -	\$ -	\$ -	\$ -	\$ 180,000
Ending balance	1,226,649	1,546,344	1,454,368	1,617,064	1,576,064
Total uses	\$ 1,226,649	\$ 1,546,344	\$ 1,454,368	\$ 1,617,064	\$ 1,756,064

DESCRIPTION OF FUNCTION

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.

The regular \$50,000 per year transfer from the General Fund is reduced to \$20,000 per year for the 2015-2016 biennial budget; and the 2015-2016 budget plans transfers from Strategic Reserve to the Street Capital fund in the amounts of \$284,000 in 2015 and \$250,000 in 2016.

Resources

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Beginning balance	\$ 1,008,927	\$ 1,009,218	\$ 845,794	\$ 860,606	\$ 537,988
Miscellaneous	450	1,388	-	382	-
Transfers in	80,000	80,000	80,000	80,000	40,000
Total revenues	80,450	81,388	80,000	80,382	40,000
Total resources	\$ 1,089,377	\$ 1,090,606	\$ 925,794	\$ 940,988	\$ 577,988

Expenditures By Type

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Transfers out	\$ 648,000	\$ 230,000	\$ 403,000	\$ 403,000	\$ 534,000
Total expenditures	\$ 648,000	\$ 230,000	\$ 403,000	\$ 403,000	\$ 534,000
Ending balance	441,377	860,606	522,794	537,988	43,988
Total uses	\$ 1,089,377	\$ 1,090,606	\$ 925,794	\$ 940,988	\$ 577,988

DESCRIPTION OF FUNCTION

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.

The regular \$50,000 per year transfer from the General Fund is reduced to \$10,000 per year for the 2015-2016 biennial budget.

Resources

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Beginning balance	\$ 100,214	\$ 100,236	\$ 150,454	\$ 150,394	\$ 200,582
Miscellaneous	125	158	250	188	720
Transfers in	50,000	50,000	50,000	50,000	20,000
Total revenues	50,125	50,158	50,250	50,188	20,720
Total resources	\$ 150,339	\$ 150,394	\$ 200,704	\$ 200,582	\$ 221,302

Expenditures By Type

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Transfers out	\$ -	\$ -	\$ -	\$ -	\$ -
Total expenditures	-	-	-	-	-
Ending balance	150,339	150,394	200,704	200,582	221,302
Total uses	\$ 150,339	\$ 150,394	\$ 200,704	\$ 200,582	\$ 221,302

DESCRIPTION OF FUNCTION

This fund accounts for the proceeds of the first one-quarter percent of the locally imposed real estate excise tax. 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.

CAPITAL DEVELOPMENT
NARRATIVE OF OBJECTIVES 2015-2016

Operating transfers out. Transfer \$146,300 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 2015 and 2016.

Resources

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Beginning balance	\$ 190,873	\$ 222,826	\$ 321,068	\$ 363,143	\$ 523,210
Taxes	183,899	289,953	184,088	308,467	678,556
Miscellaneous	200	364	200	300	600
Total revenues	184,099	290,317	184,288	308,767	679,156
Total resources	\$ 374,972	\$ 513,143	\$ 505,356	\$ 671,910	\$ 1,202,366

Expenditures By Type

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Transfers out	\$ 150,000	\$ 150,000	\$ 313,700	\$ 148,700	\$ 292,600
Total expenditures	\$ 150,000	\$ 150,000	\$ 313,700	\$ 148,700	\$ 292,600
Ending balance	224,972	363,143	191,656	523,210	909,766
Total uses	\$ 374,972	\$ 513,143	\$ 505,356	\$ 671,910	\$ 1,202,366

DESCRIPTION OF FUNCTION

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.

CAPITAL IMPROVEMENT
NARRATIVE OF OBJECTIVES 2015-2016

Operating transfers out. Transfer \$146,300 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 2015 and 2016.

Resources

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Beginning balance	\$ 126,041	\$ 175,594	\$ 263,579	\$ 307,295	\$ 466,062
Taxes	151,450	281,409	161,914	307,167	642,255
Miscellaneous	150	292	200	300	600
Total revenues	151,600	281,701	162,114	307,467	642,855
Total resources	\$ 277,641	\$ 457,295	\$ 425,693	\$ 614,762	\$ 1,108,916

Expenditures By Type

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Transfers out	\$ 150,000	\$ 150,000	\$ 313,700	\$ 148,700	\$ 292,600
Total expenditures	150,000	150,000	313,700	148,700	292,600
Ending balance	127,641	307,295	111,993	466,062	816,316
Total uses	\$ 277,641	\$ 457,295	\$ 425,693	\$ 614,762	\$ 1,108,916

DESCRIPTION OF FUNCTION

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.

Resources

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Beginning balance	\$ 410,718	\$ 642,476	\$ 1,435,178	\$ 1,017,607	\$ 1,244,900
Charges	350,000	753,736	371,612	312,089	746,911
Miscellaneous	1,000	1,395	500	1,204	2,000
Total revenues	351,000	755,131	372,112	313,293	748,911
Total resources	\$ 761,718	\$ 1,397,607	\$ 1,807,290	\$ 1,330,900	\$ 1,993,811

Expenditures By Type

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Transfers out	\$ 350,000	\$ 380,000	\$ 86,000	\$ 86,000	\$ 50,000
Total expenditures	\$ 350,000	\$ 380,000	\$ 86,000	\$ 86,000	\$ 50,000
Ending balance	411,718	1,017,607	1,721,290	1,244,900	1,943,811
Total uses	\$ 761,718	\$ 1,397,607	\$ 1,807,290	\$ 1,330,900	\$ 1,993,811

DESCRIPTION OF FUNCTION

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. The eligible projects are identified in ordinance no. 1057, which established the HBZ. The project list is subject to amendment by the city.

HOSPITAL BENEFIT ZONE REVENUE FUND
NARRATIVE OF GOALS 2015 - 2020

The Harbor Hill Drive extension will extend Harbor Hill Drive from its current point of termination southerly across the existing adjacent Gig Harbor Gun Club property to a point of connection at Burnham Drive. **2015 - 2020.**

HOSPITAL BENEFIT ZONE REVENUE FUND
NARRATIVE OF OBJECTIVES 2015 - 2016

Hospital Benefit Zone matching funds may be applied to the following projects in 2015-2016:

List of HBZ Funded Projects and Amounts

Project	2015	2016	Total
Street Capital			
Public Works Operations Center Design and Construction, Phase 1	\$ 125,000	\$ 362,500	\$ 487,500
Public Works Shop Metal Building	13,000	-	13,000
Public Works Shop Property	43,750	-	43,750
Harborview Drive Sidewalk	-	96,000	96,000
Harbor Hill Drive Extension	550,000	200,000	750,000
Prentice St. Pedestrian Improvements	35,000	46,000	81,000
Rosedale Streetlights	52,500	-	52,500
Peacock Hill Streetlights	52,500	-	52,500
Subtotal Street	871,750	704,500	1,576,250
Park Development			
Public Works Operations Center Design and Construction, Phase 1	125,000	362,500	487,500
Public Works Shop Metal Building	13,000	-	13,000
Crescent Creek Master Plan	30,000	-	30,000
Cushman Trail Phases 3 & 4	150,000	-	150,000
Cushman Trail Phase 5	-	10,000	10,000
Eddon Boat Marine Railways	110,000	-	110,000
Eddon Boat Parcels	262,500	-	262,500
Jerisich Dock Power & Water	190,000	-	190,000
Maritime Pier Development	200,000	795,750	995,750
Ancich Park Development	245,000	955,000	1,200,000
Ancich Netshed	185,000	-	185,000
Subtotal Parks	1,510,500	2,123,250	3,633,750
Sewer Capital			
Lift Station 17	-	300,000	300,000
Subtotal Sewer	-	300,000	300,000
Grand Total	\$ 2,382,250	\$ 3,127,750	\$ 5,510,000

Category	Resources				
	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Beginning balance	\$ 1,862,340	\$ 2,555,455	\$ 2,273,932	\$ 2,861,805	\$ 3,270,797
Taxes	1,956,454	2,068,865	2,000,000	2,000,000	4,000,000
Miscellaneous	2,000	3,859	4,000	2,992	6,000
Total revenues	1,958,454	2,072,724	2,004,000	2,002,992	4,006,000
Total resources	\$ 3,820,794	\$ 4,628,179	\$ 4,277,932	\$ 4,864,797	\$ 7,276,797

Category	Expenditures By Type				
	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Transfers out	\$ 2,625,000	\$ 1,766,374	\$ 1,594,000	\$ 1,594,000	\$ 5,510,000
Total expenditures	2,625,000	1,766,374	1,594,000	1,594,000	5,510,000
Ending balance	1,195,794	2,861,805	2,683,932	3,270,797	1,766,797
Total uses	\$ 3,820,794	\$ 4,628,179	\$ 4,277,932	\$ 4,864,797	\$ 7,276,797

DESCRIPTION OF FUNCTION

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	2013	2014	2014	2015-16
	Budget	Actual	Budget	Actual	Budget
Beginning balance	\$ 1,908	\$ 2,113	\$ 1,911	\$ 1,214	\$ 1,214
Miscellaneous	-	3	-	-	-
Total revenues	-	3	-	-	-
Total resources	\$ 1,908	\$ 2,116	\$ 1,911	\$ 1,214	\$ 1,214

Expenditures By Type

Category	2013	2013	2014	2014	2015-16
	Budget	Actual	Budget	Actual	Budget
Supplies	\$ -	\$ 902	\$ -	\$ -	\$ -
Total expenditures	-	902	-	-	-
Ending balance	1,908	1,214	1,911	1,214	1,214
Total uses	\$ 1,908	\$ 2,116	\$ 1,911	\$ 1,214	\$ 1,214

4. DEBT SERVICE FUND TYPE

Limited Tax General Obligation Bond Redemption – Fund 208	169
2005 Bond Redemption – Fund 211	172

DESCRIPTION OF FUND TYPE

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 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
LTGO Bond Redemption	\$ 1,053,113	\$ 1,053,945	\$ 1,214,318	\$ 1,054,387	\$ 2,245,918
LID NO. 99-1	104,566	79,161	39,526	40,436	-
LID No. 99-1 Guaranty	194,236	190,922	97,415	95,660	-
UTGO Bond Redemption	600,976	442,449	424,362	447,087	781,519
Total Debt Service	\$ 1,952,891	\$ 1,766,477	\$ 1,775,621	\$ 1,637,570	\$ 3,027,437

DESCRIPTION OF FUNCTION

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 2015 - 2016.

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
2015	\$ 250,000	\$ 42,586	\$ 292,586	\$ 820,000
2016	260,000	32,636	292,636	560,000
2017	275,000	22,288	297,288	\$ 285,000
2018	285,000	11,343	296,343	0
TOTAL	\$1,070,000	\$108,853	\$1,178,853	

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
2015	\$ 475,000	\$ 259,350	\$ 734,350	\$ 5,785,000
2016	495,000	239,950	734,950	5,290,000
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	\$4,250,000
2020 to 2026	3,690,000	590,625	4,280,625	0
TOTAL	\$6,260,000	\$1,686,075	\$7,946,075	

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
2015	\$ 42,281	\$ 10,654	\$ 52,935	\$191,946
2016	44,449	8,486	52,935	147,497
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	\$234,227	\$30,448	\$264,675	

Resources

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Beginning balance	\$ 78,063	\$ 73,880	\$ 3,418	\$ 3,981	\$ 698
Miscellaneous	50	65	100	6	20
Transfers in	975,000	980,000	1,050,550	1,050,400	2,245,200
Other	-	-	160,250	-	-
Total revenues	975,050	980,065	1,210,900	1,050,406	2,245,220
Total resources	\$ 1,053,113	\$ 1,053,945	\$ 1,214,318	\$ 1,054,387	\$ 2,245,918

Expenditures By Type

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Transfers out	\$ -	\$ -	\$ 160,250	\$ -	\$ -
Debt service	1,050,163	1,049,964	1,050,892	1,053,689	2,243,078
Total expenditures	1,050,163	1,049,964	1,211,142	1,053,689	2,243,078
Ending balance	2,950	3,981	3,176	698	2,840
Total uses	\$ 1,053,113	\$ 1,053,945	\$ 1,214,318	\$ 1,054,387	\$ 2,245,918

DESCRIPTION OF FUNCTION

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
2015	\$ 184,000	\$ 82,660	\$ 266,660	\$1,997,000
2016	190,000	75,686	265,686	1,807,000
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 to 2024	1,191,000	138,752	1,329,752	0
TOTAL	\$2,181,000	\$479,776	\$2,660,776	

Resources

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Beginning balance	\$ 400,676	\$ 231,401	\$ 173,912	\$ 176,637	\$ 180,719
Taxes	200,000	210,681	250,000	270,100	600,000
Miscellaneous	300	367	450	350	800
Total revenues	200,300	211,048	250,450	270,450	600,800
Total resources	\$ 600,976	\$ 442,449	\$ 424,362	\$ 447,087	\$ 781,519

Expenditures By Type

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Debt service	\$ 265,811	\$ 265,812	\$ 266,368	\$ 266,368	\$ 532,346
Total expenditures	265,811	265,812	266,368	266,368	532,346
Ending balance	335,165	176,637	157,994	180,719	249,173
Total uses	\$ 600,976	\$ 442,449	\$ 424,362	\$ 447,087	\$ 781,519

5. ENTERPRISE FUND TYPE

Water Operating – Fund 401	177
Wastewater Operating – Fund 402	183
Shorecrest Sewer Operating Fund - Fund 403	188
Utility Reserve – Fund 407	190
Utility Bond Redemption – Fund 408	192
Wastewater Capital Construction – Fund 410	196
Storm Water Operating – Fund 411	201
Storm Water Capital – Fund 412	206
Water Capital Assets – Fund 420	210

DESCRIPTION OF FUND TYPE

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.

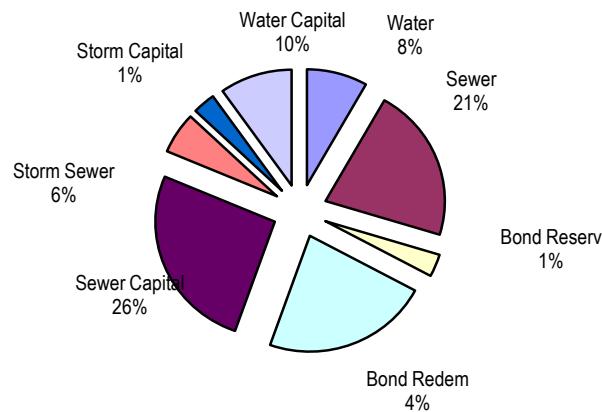
The debt service funds include the Utility Bond Redemption and Utility Reserve Funds that accumulate resources for the payment of various revenue bonds and satisfy the bond covenants.

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 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Water Operating	\$ 1,494,005	\$ 1,897,365	\$ 1,873,274	\$ 1,910,011	\$ 3,690,755
Sewer Operating	4,215,019	4,769,782	5,047,132	5,327,171	9,534,531
Shorecrest Reserve	58,773	72,527	102,919	86,504	108,991
Utility Reserve	1,393,425	1,380,370	1,397,922	1,391,315	1,411,665
Utility Bond Redemption	2,100,778	2,106,512	2,055,387	3,747,590	10,136,630
Sewer Capital Const.	7,246,457	7,612,810	10,757,889	9,334,571	11,654,903
Storm Sewer Operating	1,171,209	1,157,967	983,281	1,407,557	2,582,952
Storm Sewer Capital	1,817,202	1,294,654	219,376	316,892	1,381,136
Water Capital Assets	3,567,618	2,826,126	1,350,263	1,956,771	4,407,519
Total	\$ 23,064,486	\$ 23,118,113	\$ 23,787,443	\$ 25,478,383	\$ 44,909,082

2015-16 Budget



WATER DIVISION - OPERATING
DESCRIPTION OF FUNCTION

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.

**WATER DIVISION - OPERATING
NARRATIVE OF GOALS 2015 - 2020**

1. **Public Works Standards.** Update the water portion of the Public Works Standards as necessary to reflect the design manual and current policies and procedures. **2015 - 2020.**
2. **Automated meter reading.** Research programs for installing an automated water meter reading system. **2015 - 2020.**
3. **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. **2015 - 2020.**
4. **Reservoir Cleaning and Inspections.** Routine cleaning and inspections of five reservoirs with 4.75 million gallons of total storage. **2015 - 2020.**
5. **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.

WATER DIVISION - OPERATING

NARRATIVE OF OBJECTIVES 2015 - 2016

1. **Newsletter.** Mail newsletter regarding water system performance in accordance with Department of Ecology requirements. **\$5,000 – 2015, \$5,000 - 2016.**
2. **Water Model Calibration.** Assist staff with the calibration of the updated water system model due to water system expansion over the preceding five years. **\$3,000 – 2015, \$3,000 - 2016.**
3. **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 in a sustainable and beneficial method. **\$20,000 – 2015, \$20,000 - 2016.**
4. **Seasonal Hire.** Hire six (6) seasonal help for the months of June, July, August and September to work in parks, streets, water and storm. **Estimated cost is \$92,000 - 2015 (Parks - \$46,000, Street - \$18,400, Water - \$9,200, Storm - \$18,400), \$92,000 - 2016 (Parks - \$46,000, Street - \$18,400, Water - \$9,200, Storm - \$18,400).**
5. **Woodworth Water Tank.** Remove old 60,000 gallon water tank. **\$25,000 – 2015.**
6. **Water Bottle Filling Station.** Construct a water bottle filling station. This would be 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 - 2015.**
7. **Comprehensive Plan Demographic Forecast Allocation Model (DFAM).** Update Comprehensive Plan for Demographic Forecast Allocation Model for Water, whose results will be utilized in the 2015 city-wide Comprehensive Plan update. The results from the model will be used to update the flow data. **\$15,000 - 2015.**
8. **Water Tank Clips.** Install clips or center ladder for fall protection for inspecting water tanks. **\$30,000 – 2015**
9. **Replace Existing 2" Poly Water Line on Secor Place.** This is an old 2" poly line that has been developing small leaks. **\$15,000 – 2016.**
10. **Well Head Protection Plan Update.** Create a new well head protection plan to include the City's two newest wells (Well #10 and Well #11) based on information provided by the USGS ground water aquifer model. **\$65,000 – 2016.**
11. **Well No. 3 Maintenance.** Remove wall pump, video inspect casing, clean **\$70,000 – 2015.**

12. **Cartegraph System Migration.** Migrate the Public Works citizen request work order system from Cartegraph's WorkDirector program into the Operations Management System (OMS) to more efficiently manage assets, requests and resources in facilities, public spaces and infrastructure. **\$15,800 - 2015 (Parks - \$3,160, Street - \$3,160, Water - \$3,160, Storm - \$3,160), \$6,000 – 2016 (Parks - \$1,200, Street - \$1,200, Water - \$1,200, Storm - \$1,200).**
13. **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 - 2015 (\$5,000 Parks, \$5,000 Water).**
14. **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 - 2015 (Parks \$2,834, Streets \$2,833, Water \$2,833, Storm \$2,833).**
15. **Well No. 4 Power Relocation.** Relocate the existing overhead power lines to underground to enhance reliability. **\$3,000 – 2015.**

**WATER DIVISION - OPERATING
CAPITAL OUTLAY 2015 - 2016**

1. **Replace existing 18-year old Ranger pickup (#1053) and replace existing 15-year old Chevrolet pickup (#3007), with two (2) new ½ ton pickups.** Both truck #1053 and #3007 are older high mileage trucks that have reached a point where expensive repairs and unreliability is occurring. **\$44,000 (Parks \$11,000, Streets \$11,000, Storm \$11,000, Water \$11,000) – 2015**
2. **Replace existing pickup (#1035) with a ¾ ton pickup with lift gate.** This truck is primarily used by the parks crew. The lift is for loading their mowers and other field equipment. Truck #1035 is a 13-year old truck with over 100,000 miles on it. Because of its age, mileage and the hard use, it is recommended to be replaced. **\$32,000 – 2015 (Parks \$12,800, Streets \$6,400, Storm \$6,400, Water \$6,400).**
3. **Replace existing 2003 pickup (#3008) \$28,000 – 2016 (Parks \$5,600, Streets \$5,600, Storm \$5,600, Water \$5,600, Sewer \$5,600).**
4. **Track Hoe.** Purchase Track Hoe to use in small areas and tight spaces. Trade in John Deere 5225, which is rarely used for equipment that is more versatile and usable. **\$35,000 – 2015. (Parks \$8,750, Streets \$8,750, Storm \$8,750, Water \$8,750)**

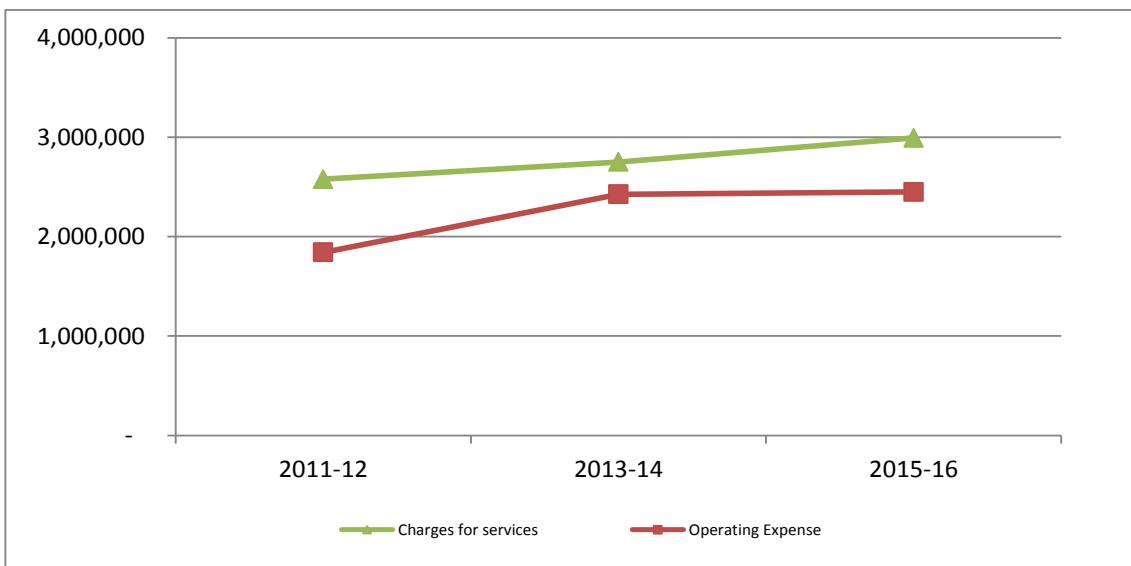
Total Capital Outlay is \$31,750

Resources

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Beginning balance	\$ 196,485	\$ 485,382	\$ 375,699	\$ 420,190	\$ 510,574
Taxes	58,293	62,938	66,591	66,619	142,079
Charges for services	1,238,127	1,345,081	1,416,784	1,405,075	2,992,753
Miscellaneous	1,100	3,964	1,500	5,428	2,600
Transfers in	-	-	12,700	12,700	42,750
Total revenues	1,297,520	1,411,983	1,497,575	1,489,821	3,180,181
Total resources	\$ 1,494,005	\$ 1,897,365	\$ 1,873,274	\$ 1,910,011	\$ 3,690,755

Expenditures By Type

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Salaries	\$ 464,112	\$ 464,042	\$ 470,400	\$ 466,032	\$ 1,025,600
Benefits	206,601	183,334	204,300	189,712	448,400
Supplies	83,500	74,892	95,300	95,190	248,000
Services	266,063	518,214	737,323	309,610	593,361
Intergov't charges	60,000	62,365	60,000	63,000	134,285
Capital expenditures	10,000	8,287	19,000	19,000	31,750
Transfers out	166,041	166,041	256,894	256,894	327,600
Total expenditures	\$ 1,256,317	1,477,175	1,843,217	1,399,438	2,808,995
Ending fund balance	237,688	420,190	30,057	510,574	881,760
Total uses	\$ 1,494,005	\$ 1,897,365	\$ 1,873,274	\$ 1,910,011	\$ 3,690,755



WASTEWATER DIVISION - OPERATING
DESCRIPTION OF FUNCTION

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.

WASTEWATER DIVISION - OPERATING NARRATIVE OF GOALS 2015 – 2020

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. **2015 - 2020.**
2. **Lift Stations.** Design, engineer and construct upgrades and rehabilitation of Lift Stations 1, 4, 5, 6, 8, 12 and 13 as referenced in the 2009 Wastewater Comprehensive Plan. Standardize design and equipment whenever possible. **2015 - 2020.**
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. **2015 - 2020.**
4. **Study Reuse Sites.** As described in the 2009 Wastewater Comprehensive Plan. Study and explore potential water reclamation and reuse sites within the UGA. **2015 - 2020.**
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. **2015 - 2020.**
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. **2015 – 2020.**
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.
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. **2015 – 2020.**
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. **2015 – 2020.**
10. **Pretreatment Standards.** Develop a comprehensive Pretreatment Ordinance to protect City's POTW and receiving waters. **2015 – 2020.**

WASTEWATER DIVISION - OPERATING
NARRATIVE OF OBJECTIVES 2015 - 2016

1. **Wet Well Recoating.** The initial coatings on wet well #'s 1, 12, 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. **\$77,000 – 2015, \$80,000 – 2016.**
2. **Flow Meter Installation.** The purchase and installation of a flow meter at Lift Station 14. **\$20,000 – 2015, \$20,000 - 2016.**
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 – 2015.**
4. **Comprehensive Plan Demographic Forecast Allocation Model and Wastewater Modeling (DFAM).** Update Comprehensive Plan for Demographic Forecast Allocation Model for Wastewater, whose results will be utilized in the 2015 city-wide Comprehensive Plan update. The model results will also be utilized to update the flow data as well. **\$15,000 – 2015.**
5. **Level Control for Lift Station 13 and 14.** Replace problematic air bubbler and mercury level systems. **\$25,000 – 2015.**
6. **Canterwood and 96th Street Right of Way Clearing.** Clearing and grubbing to provide access for Vactor truck and sewer/line cleaning maintenance. **\$15,000 - 2015.**
7. **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 – 2015, \$9,500 - 2016.**

**WASTEWATER DIVISION - OPERATING
CAPITAL OUTLAY 2015 - 2016**

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. **\$80,000.** (I&C/Software & Hardware Costs).
2. **Sludge Hauling Semi Trailer.** Sludge trailer has gone from a cost cutting measure to a need, since the change of disposal site. We are left with no capability of loading or hauling sludge if hauler has any issues. Utilizing the trailer will avoid the charge for rental from hauler as trailers are rotated. **\$87,000**
1. **Replace existing 2003 pickup (#3008) \$28,000 – 2015 (Parks \$5,600, Streets \$5,600, Storm \$5,600, Water \$5,600, Sewer \$5,600).**

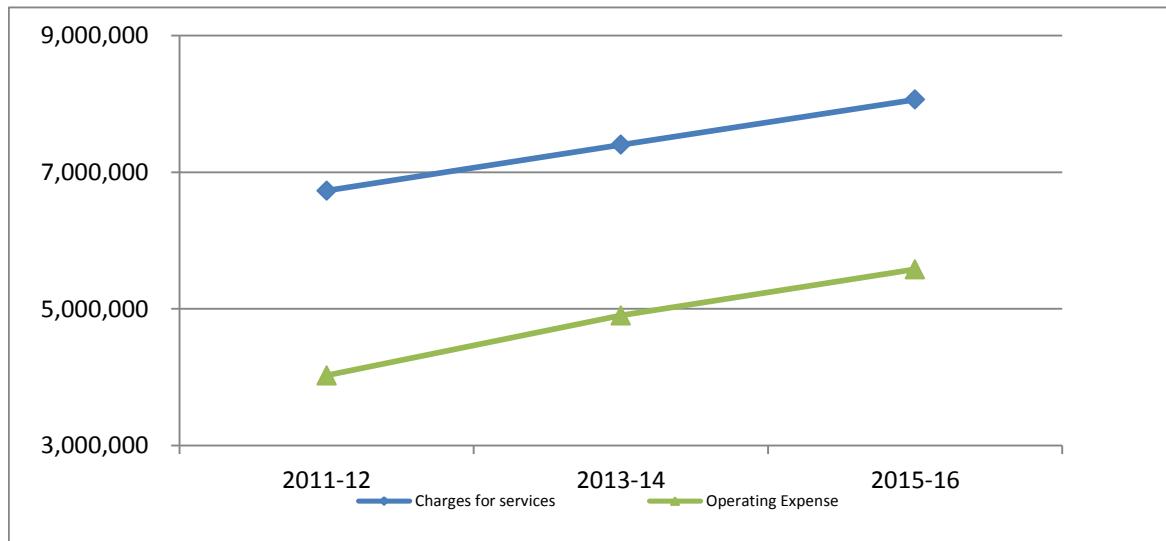
Total Capital Outlay is \$172,600

Resources

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Beginning balance	\$ 730,721	\$ 1,018,897	\$ 1,077,311	\$ 1,327,614	\$ 1,168,806
Taxes	-	128,743	128,224	136,008	290,067
Charges for services	3,483,448	3,620,499	3,688,097	3,781,025	8,062,058
Miscellaneous	850	1,643	1,500	6,524	8,000
Transfers in	-	-	152,000	76,000	5,600
Total revenues	3,484,298	3,750,885	3,969,821	3,999,557	8,365,726
Total resources	\$ 4,215,019	\$ 4,769,782	\$ 5,047,132	\$ 5,327,171	\$ 9,534,531

Expenditures By Type

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Salaries	\$ 832,900	\$ 869,908	\$ 859,950	\$ 871,476	\$ 1,784,200
Benefits	390,350	346,760	378,200	354,946	787,500
Supplies	338,300	320,980	286,900	310,885	760,400
Services	1,245,903	840,021	966,287	871,325	2,106,162
Intergov't charges	59,806	59,499	70,000	57,234	140,000
Capital expenditures	-	-	163,200	76,000	92,600
Transfers out	950,000	1,005,000	1,616,500	1,616,500	3,327,544
Total expenditures	3,817,259	3,442,168	4,341,037	4,158,366	8,998,406
Ending balance	397,760	1,327,614	706,095	1,168,806	536,125
Total uses	\$ 4,215,019	\$ 4,769,782	\$ 5,047,132	\$ 5,327,171	\$ 9,534,531



SHORECREST SEWER OPERATING FUND
DESCRIPTION OF FUNCTION

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.

Resources

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Beginning balance	\$ 58,136	\$ 42,605	\$ 86,307	\$ 69,910	\$ 74,266
Taxes	612	612	612	612	1,280
Charges for services	-	15,900	15,900	15,900	33,245
Miscellaneous	25	13,410	100	82	200
Transfers in	-	-	-	-	-
Total revenues	637	29,922	16,612	16,594	34,725
Total resources	\$ 58,773	\$ 72,527	\$ 102,919	\$ 86,504	\$ 108,991

Expenditures By Type

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Salaries	\$ 2,000	\$ 1,207	\$ -	\$ 6,056	\$ 13,000
Benefits	700	666	-	2,568	5,400
Supplies	-	-	-	-	-
Services	-	215	-	3,614	10,000
Intergov't charges	-	529	-	-	1,600
Capital expenditures	-	-	-	-	-
Transfers out	-	-	-	-	-
Total expenditures	2,700	2,617	-	12,238	30,000
Ending balance	56,073	69,910	102,919	74,266	78,991
Total uses	\$ 58,773	\$ 72,527	\$ 102,919	\$ 86,504	\$ 108,991

DESCRIPTION OF FUNCTION

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 2015-2016 biennial budget for this fund meets the reserve requirement as stated above.

Resources

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Beginning balance	\$ 1,371,125	\$ 1,366,556	\$ 1,382,322	\$ 1,379,961	\$ 1,390,815
Miscellaneous	22,300	13,814	15,600	11,354	20,850
Total revenues	22,300	13,814	15,600	11,354	20,850
Total resources	\$ 1,393,425	\$ 1,380,370	\$ 1,397,922	\$ 1,391,315	\$ 1,411,665

Expenditures

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Other	\$ 200	\$ 409	\$ 500	\$ 500	\$ 1,000
Total	200	409	500	500	1,000
Ending balance	1,393,225	1,379,961	1,397,422	1,390,815	1,410,665
Total uses	\$ 1,393,425	\$ 1,380,370	\$ 1,397,922	\$ 1,391,315	\$ 1,411,665

DESCRIPTION OF FUNCTION

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
2015	\$ 529,412	\$ 37,059	\$ 566,471	\$6,882,353
2016	529,412	34,412	563,824	6,352,941
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 to 2028	4,764,706	119,118	4,883,824	0
TOTAL	\$7,411,765	\$277,941	\$7,689,706	

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
2015	\$ 255,000	\$ 179,118	\$ 434,118	\$4,935,000
2016	260,000	172,942	432,942	4,675,000
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	433,293	\$3,850,000
2020 to 2030	3,850,000	1,043,669	5,328,446	0
TOTAL	\$5,190,000	\$1,869,797	\$7,059,797	

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
2015	\$ 0	\$ 210,762	\$ 210,762	\$5,580,000
2016	0	210,762	210,762	5,580,000
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 to 2030	5,580,000	1,765,160	7,345,160	0
TOTAL	\$5,580,000	\$2,818,969	\$8,398,969	

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

YEAR	PRINCIPAL	NET INTEREST	TOTAL	BALANCE
2015	\$ 360,000	\$ 61,550	421,550	1,560,000
2016	370,000	50,750	420,750	1,190,000
2017	385,000	39,650	424,650	805,000
2018	395,000	28,100	423,100	\$ 410,000
2019	410,000	12,300	422,300	0
TOTAL	\$1,920,000	\$192,350	\$2,112,350	

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 2033. The interest rate for the loan is 0.25%.

Debt service for the loan is:

YEAR	PRINCIPAL	INTEREST	TOTAL	BALANCE
2015	\$ 321,429	\$ 5,223	\$326,651	\$4,178,571
2016	436,813	13,884	450,897	5,241,758
2017	627,353	17,868	645,221	6,900,880
2018	627,353	17,252	644,605	6,273,527
2019	627,353	15,684	643,037	\$5,646,174
2020 to 2028	5,646,174	70,577	5,716,751	0
TOTAL	\$8,286,474	\$140,488	\$8,426,962	

Resources

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Beginning balance	\$ 70,237	\$ 33,775	\$ 24,708	\$ 27,248	\$ 1,986
Intergovernmental	214,000	201,511	212,835	198,792	385,000
Miscellaneous	500	185	200	156	300
Transfers in	1,816,041	1,871,041	1,635,394	1,645,394	4,155,144
Other	-	-	182,250	1,876,000	5,594,200
Total revenues	2,030,541	2,072,737	2,030,679	3,720,342	10,134,644
Total resources	\$ 2,100,778	\$ 2,106,512	\$ 2,055,387	\$ 3,747,590	\$ 10,136,630

Expenditures By Type

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Transfer out	\$ -	\$ -	\$ -	\$ 1,876,000	\$ 5,594,200
Debt service	2,079,159	2,079,264	2,051,279	1,869,604	4,464,525
Total	2,079,159	2,079,264	2,051,279	3,745,604	10,058,725
Ending balance	21,619	27,248	4,108	1,986	77,905
Total uses	\$ 2,100,778	\$ 2,106,512	\$ 2,055,387	\$ 3,747,590	\$ 10,136,630

WASTEWATER DIVISION - CAPITAL
DESCRIPTION OF FUNCTION

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.

**WASTEWATER DIVISION – CAPITAL
NARRATIVE OF GOALS 2015 - 2020**

1. **Collection System.** Explore the opportunities for Utility Local Improvement District (ULID) expansion of the sewer system to serve all city residents. **2015 - 2020.**
2. **Wastewater Treatment Plant Expansion Phase II.** Construct phase II of the wastewater treatment plant expansion. Improvements will consist of UV disinfection, new laboratory and operations building, including long term file retention storage and a vactor waste facility. **2015 - 2020.**
3. **Lift Station and Collection System Improvements.** Develop and implement a plan for replacement and/or improving existing lift stations and collections system infrastructure. **2015 - 2020.**
4. **Reuse and Reclaimed water.** (See Water Capital.)
5. **Burnham/Harborview Connector including Bypass Connector.** Interconnect the sanitary sewer line along Harborview Drive to Burnham Drive to allow flow diversion capability. **2015 - 2020.**
6. **Dri-Prime Diesel Pump Installations.** Installation of Dri-Prime Diesel Pumps to replace aging generators at various lift stations. **2015 - 2020.**

WASTEWATER DIVISION – CAPITAL
NARRATIVE OF OBJECTIVES 2015- 2016

1. **Lift Station No. 6 Replacement (Ryan Street).** Verify right-of-way and continue with design and permitting. **\$50,000 - 2015.**
2. **Lift Station No. 4 Replacement (Jerisich Park).** Complete the design and permitting, then construct the above ground replacement lift station in accordance with the city's Comprehensive Plan. **\$2,510,000 – 2015.**
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. **\$65,000 - 2015 (Street - \$13,000, Parks - \$13,000, Water - \$13,000, Storm - \$13,000, Wastewater - \$13,000).**
4. **Wastewater Treatment Plant Expansion Phase 2.** Complete the construction of the phase 2 of the wastewater treatment plant expansion. Improvements will consist of UV disinfection, new laboratory and operations building, including long term file retention storage, and a vactor waste facility. Funding through a Public Works Trust Fund low interest loan and utility funds. **\$4,000,000 – 2015, 2,300,000 - 2016.**
5. **Lift Station No. 17 Final Design and Permitting (Bujacich).** Complete the final design and permitting for the future regional pump station. **\$100,000 – 2015.**
6. **Lift Station No. 17 Easement Acquisition (Bujacich).** Procure the necessary easement in-fee for the future regional pump station. **\$200,000 - 2015.**
7. **Lift Station No. 17 Property Acquisition – Adjacent to Shop (Bujacich).** In an addition to the proposed easement for LS#17, the City will procure the necessary real property in-fee for the future regional pump station with a decant facility for vactor waste. The cost for property acquisition would be in addition to the cost of easement acquisition. **\$350,000 – 2015. (Streets - \$50,000, Water - \$50,000, Storm - \$50,000, Sewer - \$200,000).**
8. **Permit Update for Treatment / Discharge.** After completion of the UV system in Phase II of the WWTP upgrade, which is scheduled to begin mid-2014, the WWTP will be capable of treating 2.4 MGD (million gallons day). Applying for the additional discharge volume from 1.6 MGD to the desired 2.4 MGD can be lengthy. The application will require additional staff time, consultants and legal counsel to complete the process. Application should begin mid to late 2014 once UV construction is complete. **\$200,000 – 2015 - 2016.**
9. **Pioneer Way Sewer Main Replacement Kimball St. to Grandview St.** This

section of gravity line has settled and will result in backup and potential flooding of local businesses. Currently this section maintains nearly 40% water level in the main. **\$400,000 – 2015.**

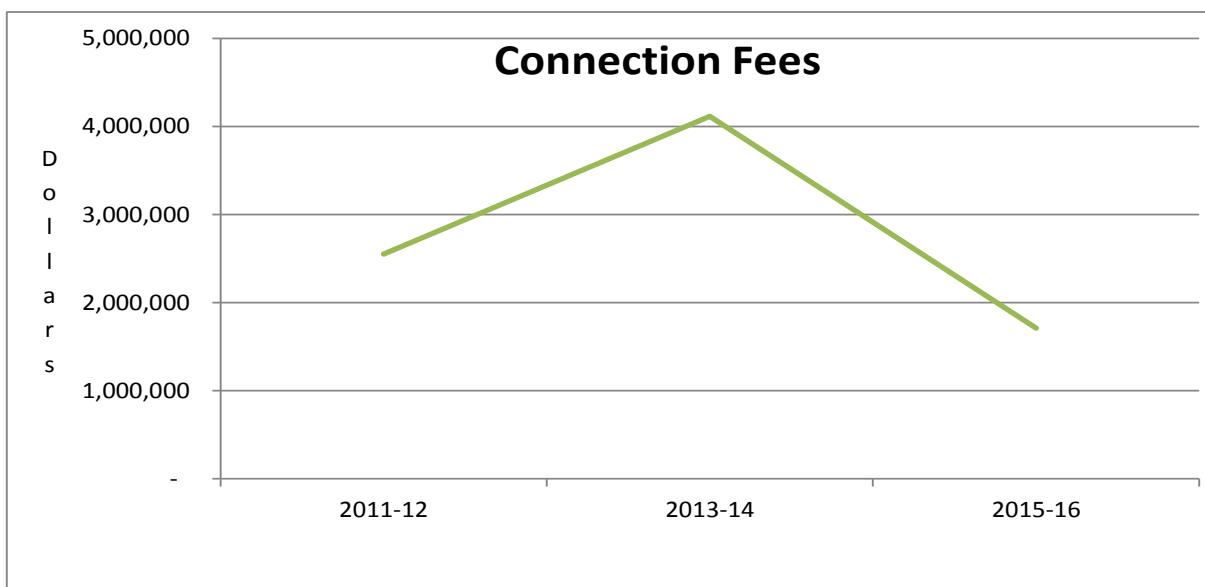
10. **Install Dri-Prime Diesel Pump at Lift Station #9.** This will be in conjunction with the replacement of the wet well by a private developer and will also include installation of related vaults, piping, controls, etc. **\$105,000 – 2015.**

Resources

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Beginning balance	\$ 3,987,457	\$ 4,713,138	\$ 4,998,889	\$ 6,008,111	\$ 6,591,053
Charges for services	854,000	2,892,273	854,000	1,220,802	1,708,000
Miscellaneous	2,005,000	7,399	5,000	5,658	10,000
Transfers in	400,000	-	650,000	2,100,000	3,345,850
Other	-	-	4,250,000	-	-
Total revenues	3,259,000	2,899,672	5,759,000	3,326,460	5,063,850
Total resources	\$ 7,246,457	\$ 7,612,810	\$ 10,757,889	\$ 9,334,571	\$ 11,654,903

Expenditures By Type

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Salaries	\$ 204,500	\$ 185,460	\$ 263,500	\$ 196,744	\$ 530,600
Benefits	95,500	92,100	116,400	100,410	243,400
Services	-	4,392	200,000	50,000	200,000
Intergov't charges	-	50,729	80,000	21,364	29,890
Capital expenditures	5,798,000	572,018	9,010,000	2,375,000	9,839,474
Transfers out	710,000	700,000	-	-	500,000
Total	6,808,000	1,604,699	9,669,900	2,743,518	11,343,364
Ending balance	438,457	6,008,111	1,087,989	6,591,053	311,539
Total uses	\$ 7,246,457	\$ 7,612,810	\$ 10,757,889	\$ 9,334,571	\$ 11,654,903



STORM WATER DIVISION - OPERATING
DESCRIPTION OF FUNCTION

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.

STORM WATER DIVISION - OPERATING NARRATIVE OF GOALS 2015 – 2020

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 **2015 – 2020.**
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. **2015 – 2020.**
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. **2015 – 2020.**
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. **2015 – 2020.**
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. **2015 - 2020.**

**STORM WATER DIVISION - OPERATING
NARRATIVE OF OBJECTIVES 2015 - 2020**

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 – 2015, \$15,000 - 2016.**
2. **Storm Ditch Cleaning.** Utilize interlocal agreement with Pierce County to clean approximately 5,000 feet of ditch. **\$8,000 – 2015, \$8,000 - 2016.**
3. **Seasonal Hire.** Hire six (6) seasonal help for the months of June, July, August and September to work in parks, streets, water and storm. **Estimated cost is \$92,000 - 2015 (Parks - \$46,000, Street - \$18,400, Water - \$9,200, Storm - \$18,400), \$92,000 - 2016 (Parks - \$46,000, Street - \$18,400, Water - \$9,200, Storm - \$18,400).**
4. **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 2015 city-wide Comprehensive Plan update. The model results will also be used to update the flow projections. **\$15,000 – 2015.**
5. **GPS Modem Conversion.** Convert the problematic GPS internal modem to one that is more compliant with the current City's cell phone carrier provider. This is Grant reimbursable by DOE Grant. **\$1,500 - 2015.**
6. **Cartograph System Migration.** Migrate the Public Works citizen request work order system from Cartograph's WorkDirector program into the Operations Management System (OMS) to more efficiently manage assets, requests and resources in facilities, public spaces and infrastructure. **\$15,800 - 2015 (Parks - \$3,160, Street - \$3,160, Water - \$3,160, Storm - \$3,160), \$6,000 – 2016 (Parks - \$1,200, Street - \$1,200, Water - \$1,200, Storm - \$1,200).**
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 - 2015 (Parks \$2,834, Streets \$2,833, Water \$2,833, Storm \$2,833).**
8. **Low Impact Development Code GAP Analysis.** In accordance with the new NPDES permit requirements, conduct a "GAP" analysis and code revisions to cross check the City Municipal Code, the City's Stormwater Manual, and the Public Works Standards for congruence with the new and required LID permit requirements, and implement the associated Code revisions. This work will likely be performed by a consultant. **\$60,000 – 2015, \$40,000 – 2016.**

**STORM WATER DIVISION - OPERATING
CAPITAL OUTLAY 2014**

1. **Replace Side Mower Head.** Purchase a new side mower head. The head on the mower is a high wear part of the machine. The head that is in use now is from 2008 and needs continuing repairs to keep it operating. **\$12,000 (Parks \$3,000, Streets \$3,000, Storm \$6,000)**
2. **Replace existing 18-year old Ranger pickup (#1053) and replace existing 15-year old Chevrolet pickup (#3007), with two (2) new ½ ton pickups.** Both truck #1053 and #3007 are older high mileage trucks that have reached a point where expensive repairs and unreliability is occurring. **\$44,000 (Parks \$11,000, Streets \$11,000, Storm \$11,000, Water \$11,000) – 2015**
3. **Replace existing pickup (#1035) with a ¾ ton pickup with lift gate.** This truck is primarily used by the parks crew. The lift is for loading their mowers and other field equipment. Truck #1035 is a 13-year old truck with over 100,000 miles on it. Because of its age, mileage and the hard use, it is recommended to be replaced. **\$32,000 - 2015 (Parks \$12,800, Streets \$6,400, Storm \$6,400, Water \$6,400)**
4. **Replace existing 2003 pickup (#3008) \$28,000 – 2015 (Parks \$5,600, Streets \$5,600, Storm \$5,600, Water \$5,600, Sewer \$5,600).**
5. **Public Works Boat.** Purchase a vessel for the inspection and maintenance of existing and future waterfront park amenities and stormwater outfalls, and installation and maintenance of oil spill boom deployment facilities. The Department of Ecology is willing, through their stormwater grant, to reimburse the City up to 50% for the cost of a boat. **\$22,000 (Storm \$11,000, Parks \$11,000) - January.**
6. **Track Hoe.** Purchase Track Hoe to use in small areas and tight spaces. Trade in John Deere 5225, which is rarely used for equipment that is more versatile and usable. **\$35,000 – 2015. (Parks \$8,750, Streets \$8,750, Storm \$8,750, Water \$8,750)**

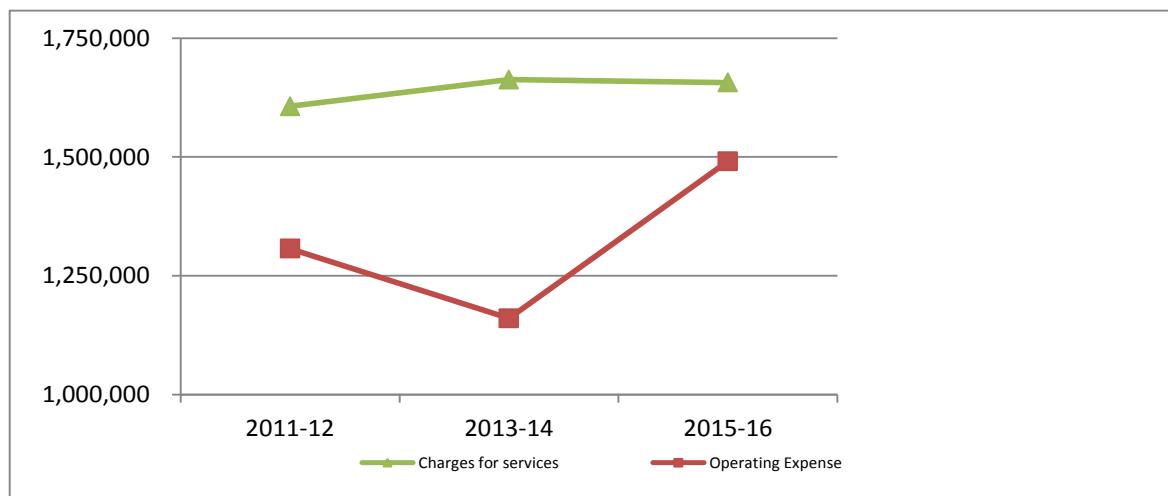
Total Capital Outlay is \$48,750

Resources

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Beginning balance	\$ 336,390	\$ 308,689	\$ 216,685	\$ 550,058	\$ 846,799
Taxes	12,985	13,667	15,000	11,867	24,800
Charges	821,784	835,206	733,471	827,525	1,656,603
Miscellaneous	50	405	500	482	1,000
Transfers in	-	-	17,625	17,625	-
Other	-	-	-	-	53,750
Total revenues	834,819	849,278	766,596	857,499	1,736,153
Total resources	\$ 1,171,209	\$ 1,157,967	\$ 983,281	\$ 1,407,557	\$ 2,582,952

Expenditures By Type

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Salaries	\$ 398,300	\$ 287,985	\$ 350,300	\$ 274,946	\$ 708,000
Benefits	181,300	124,789	150,500	120,096	311,300
Supplies	32,500	78,618	44,300	37,280	61,000
Services	168,629	91,186	190,752	120,176	385,722
Intergov't charges	20,000	17,044	23,000	8,260	24,834
Capital expenditures	10,000	8,287	24,300	-	48,750
Transfer	230,000	-	52,000	-	900,000
Total expenditures	1,040,729	607,909	835,152	560,758	2,439,606
Ending fund balance	130,480	550,058	148,129	846,799	143,346
Total uses	\$ 1,171,209	\$ 1,157,967	\$ 983,281	\$ 1,407,557	\$ 2,582,952



STORM WATER DIVISION - CAPITAL
DESCRIPTION OF FUNCTION

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.

**STORM WATER DIVISION - CAPITAL
NARRATIVE OF GOALS 2015 – 2020**

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. **2015 - 2020.**
2. **Harborview Drive Stormwater Conveyance Improvements.** Eliminate stormwater conveyance under the Harbor History Museum. **2015 – 2016.**

STORM WATER DIVISION - CAPITAL
NARRATIVE OF OBJECTIVES 2015 - 2016

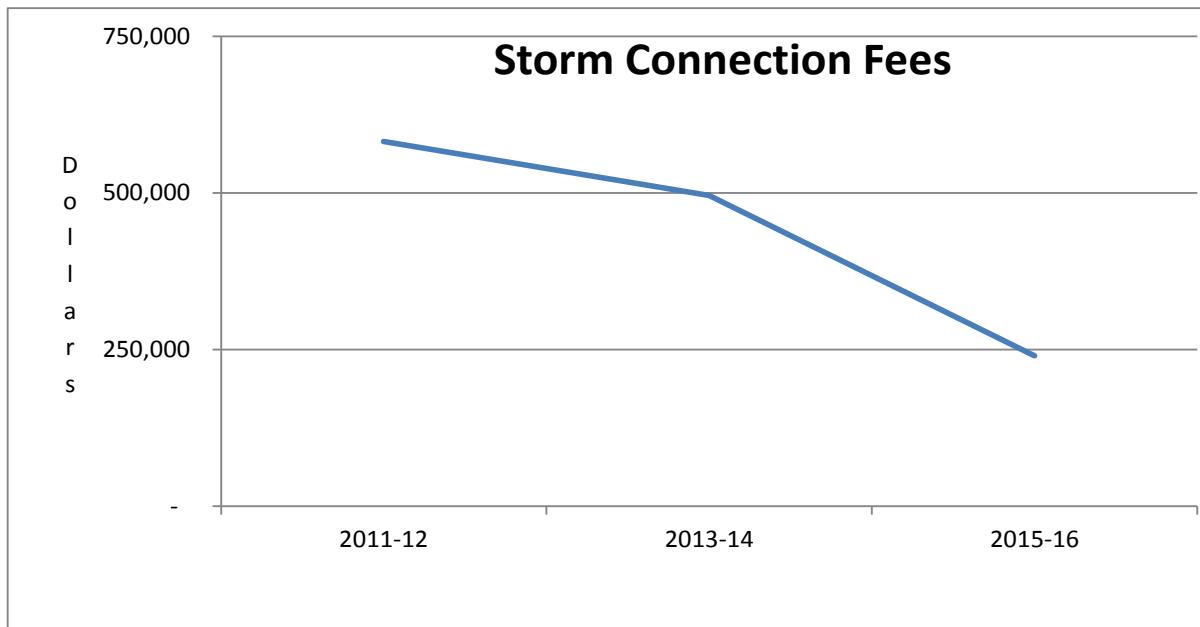
1. **Public Works Operations Center Design and Construction.** Complete the design and permitting then construct Phase 1 of the new Public Works Operations Center. The Phase 1 work includes all related site development and frontage improvements. **\$500,000 - 2015 (Parks - \$125,000, Streets - \$125,000, Water - \$125,000, Storm - \$125,000). \$1,450,000 - 2016 (Parks - \$362,500, Streets - \$362,500, Water - \$362,500, Storm - \$362,500).**
2. **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. **\$65,000 - December. (Street - \$13,000, Parks - \$13,000, Water - \$13,000, Storm - \$13,000, Wastewater - \$13,000).**
3. **Relocate Storm Drain Inlets on Briarwood.** Relocate 9 storm drain inlets and straighten out the curb sections, which will allow the sweeper to clean the storm drains without having to manually broom out the inlets. This will save time and reduce the potential for accidents. **\$5,500 – 2015.**
4. **Harborview Drive Stormwater Conveyance Improvements.** Remove the redundant stormwater conveyance connection through the Harbor History Museum from west of Harborview Drive. Redirect to the existing Harborview Drive stormwater infrastructure and upsize as necessary. **\$250,000 – 2016.**
5. **50th Street Box Culvert.** 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. **\$375,000 – 2015.**
6. **Lift Station No. 17 Property Acquisition (Bujacich).** In addition to a proposed easement for LS#17, the City will procure the necessary real property in-fee for the future regional pump station with decant facility for vector waste. The cost for property acquisition would be in addition to the cost of LS#17 easement acquisition. **\$350,000 – 2015 (Streets - \$50,000, Water - \$50,000, Storm - \$50,000, Sewer - \$200,000).**

Resources

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Beginning balance	\$ 52,098	\$ 213,451	\$ 13,601	\$ 40,500	\$ 240,936
Charges	698,804	944,912	155,525	222,312	240,000
Miscellaneous	300	195	250	4,080	200
Transfer In	1,066,000	136,096	50,000	50,000	900,000
Total revenues	1,765,104	1,081,203	205,775	276,392	1,140,200
Total resources	\$ 1,817,202	\$ 1,294,654	\$ 219,376	\$ 316,892	\$ 1,381,136

Expenditures By Type

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Salaries	\$ -	\$ 33,198	\$ 41,700	\$ 41,128	\$ 85,100
Benefits	-	38,166	18,100	17,828	39,400
Capital expenditures	1,809,400	1,182,790	28,000	17,000	1,174,750
Total	1,809,400	1,254,154	87,800	75,956	1,299,250
Ending balance	7,802	40,500	131,576	240,936	81,886
Total uses	\$ 1,817,202	\$ 1,294,654	\$ 219,376	\$ 316,892	\$ 1,381,136



WATER DIVISION - CAPITAL
DESCRIPTION OF FUNCTION

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.

WATER DIVISION – CAPITAL
NARRATIVE OF GOALS 2015 – 2020

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. **2015 – 2020.**
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. **2015 – 2020.**
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. **2015 – 2020.**
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. **2015 – 2016.**

WATER DIVISION – CAPITAL
NARRATIVE OF OBJECTIVES 2015 – 2016

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. **\$2,000,000 – 2015.**
2. **Water Rights Annual Advocate/Permitting.** Continue the city's efforts on water rights permitting and advocacy, including the ongoing support of the USGS peninsula-wide aquifer study. **\$20,000 – 2015, \$20,000 - 2016.**
3. **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 – 2015.**
4. **Asbestos Cement Water Main Replacement.** Replace existing asbestos cement (AC) water main with ductile iron water main at the following locations: , Tarabochia Street (800 LF) and Stinson Avenue from Pioneer Way to Edwards Street (1,500 LF) in 2015; and Stinson Avenue from Edwards Street to Rosedale Street (1,500 LF) in 2016. An estimated 35 miles of AC water mains exist within the city. The city has initiated a goal to replace approximately 4,300 feet of main per year. This work includes design, permitting and construction. **\$750,000 – 2015, \$450,000 - 2016.**
5. **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. **\$65,000. (Street - \$13,000, Parks - \$13,000, Water - \$13,000, Storm - \$13,000, Wastewater - \$13,000).**
6. **Public Works Operations Center Design and Construction.** Complete the design and permitting then construct Phase 1 of the new Public Works Operations Center. The Phase 1 work includes all related site development and frontage improvements. **\$500,000 - 2015 (Parks - \$125,000, Streets - \$125,000, Water - \$125,000, Storm - \$125,000). \$1,450,000 - 2016 (Parks - \$362,500, Streets - \$362,500, Water - \$362,500, Storm - \$362,500)**
7. **Lift Station No. 17 Property Acquisition (Bujacich).** In addition to a proposed easement for LS#17, the City will procure the necessary real property in-fee for the future regional pump station with decant facility for vector waste. The cost for property acquisition would be in addition to the cost of LS#17 easement acquisition.

\$350,000 – 2015 (Streets - \$50,000, Water - \$50,000, Storm - \$50,000, Sewer - \$200,000).

8. **East Tank Repainting.** Repaint the interior and exterior of this tank. **\$150,000 – 2015.**
9. **East Tank Structural Improvements.** Continue the seismic retrofit project that began in 2014. **\$200,000 – 2015.**

Resources

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Beginning balance	\$ 949,118	\$ 1,156,441	\$ 576,163	\$ 18,134	\$ 670,519
Intergov't revenue	2,000,000	959,266	250,000	1,040,734	-
Charges	618,000	709,310	432,600	897,273	1,236,000
Miscellaneous	500	1,109	1,500	630	1,000
Transfers in	-	-	90,000	-	2,500,000
Total revenues	2,618,500	1,669,685	774,100	1,938,637	3,737,000
Total resources	\$ 3,567,618	\$ 2,826,126	\$ 1,350,263	\$ 1,956,771	\$ 4,407,519

Expenditures By Type

Category	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015-16 Budget
Salaries	\$ 47,200	\$ 45,776	\$ 52,800	\$ 49,488	\$ 138,900
Benefits	20,100	29,164	22,300	20,784	60,300
Supplies	-	-	-	-	-
Services	-	-	-	-	-
Intergov't charges	5,000	12,271	10,000	5,980	21,383
Capital expenditures	3,492,400	2,720,781	1,258,000	1,210,000	4,184,250
Total	3,564,700	2,807,992	1,343,100	1,286,252	4,404,833
Ending balance	2,918	18,134	7,163	670,519	2,686
Total uses	\$ 3,567,618	\$ 2,826,126	\$ 1,350,263	\$ 1,956,771	\$ 4,407,519

