

City of Port
Townsend 

2020
Annual Report

Vision:

A thriving community for all.

Mission:

Champion aspirations for a thriving community as envisioned in our Comprehensive Plan.

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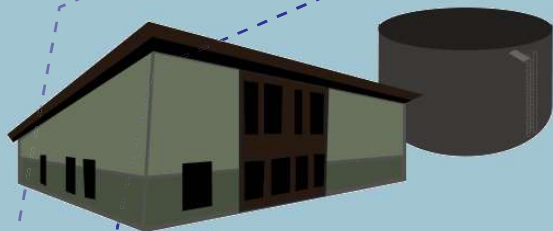
City Hall



The utility tax revenue is allocated 45% to General Government, 39% to Street Maintenance, 9% to Parks & Recreation, and 7% to Police

The City manages 200 acres of parks and over 31 miles of trails

Water Treatment Facility



There are 755 fire hydrants, 110 miles of water pipe, and 2,137 valves within City limits

Port Townsend Library



Summer reading participants read a total of 5,571 hours

City Shops



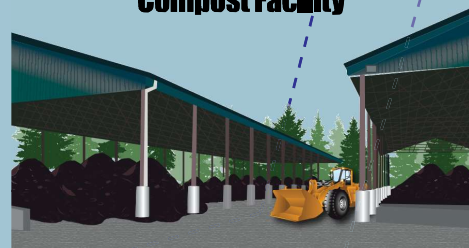
Port Townsend

PT Library has 46,385 physical items in the collection

Wastewater Treatment Plant

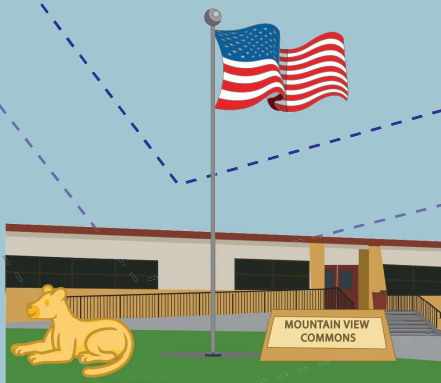


Compost Facility



In 2020, 1,217 tons of yard waste was collected and processed with biosolids from the wastewater treatment plant to produce high quality compost

Mountain View Facility



Mountain View Pool was originally built as an outdoor pool (no roof!) in 1963

Introduction

The year 2020 was not an ordinary year. It was a year of major and universal disruption, challenge and uncertainty at all scales to organizations, businesses, institutions, and people – all of us. Not only was a pandemic raging, but, among other things, we also saw a transition in City political and executive leadership; a local and national dialogue about race, social justice, and white supremacy; and a long, complex and highly contested national election with a series of events that have played out locally and shaken our democracy to its core.

While we didn't get it all right and we're not there yet, by and large the City team and our entire community did well to navigate through strong winds and heavy seas, working together to deliver the services you depend on and are getting closer to safer harbor.

This brief annual report is meant to deliver a high-level 2020 retrospective to give the Port Townsend community a clear and concise sense of:

- Our financial position
- How we've served the community through our services, projects and initiatives
- Fun facts to help communicate what each City department does
- Lessons learned that will help us do better into the future
- 2021 outlook

We welcome your thoughts on this new report, reflections on the year and ideas for how we can work together this year and beyond to deliver a better, fairer and more sustainable community for us all.



Photo courtesy of Port Townsend Main Street Program

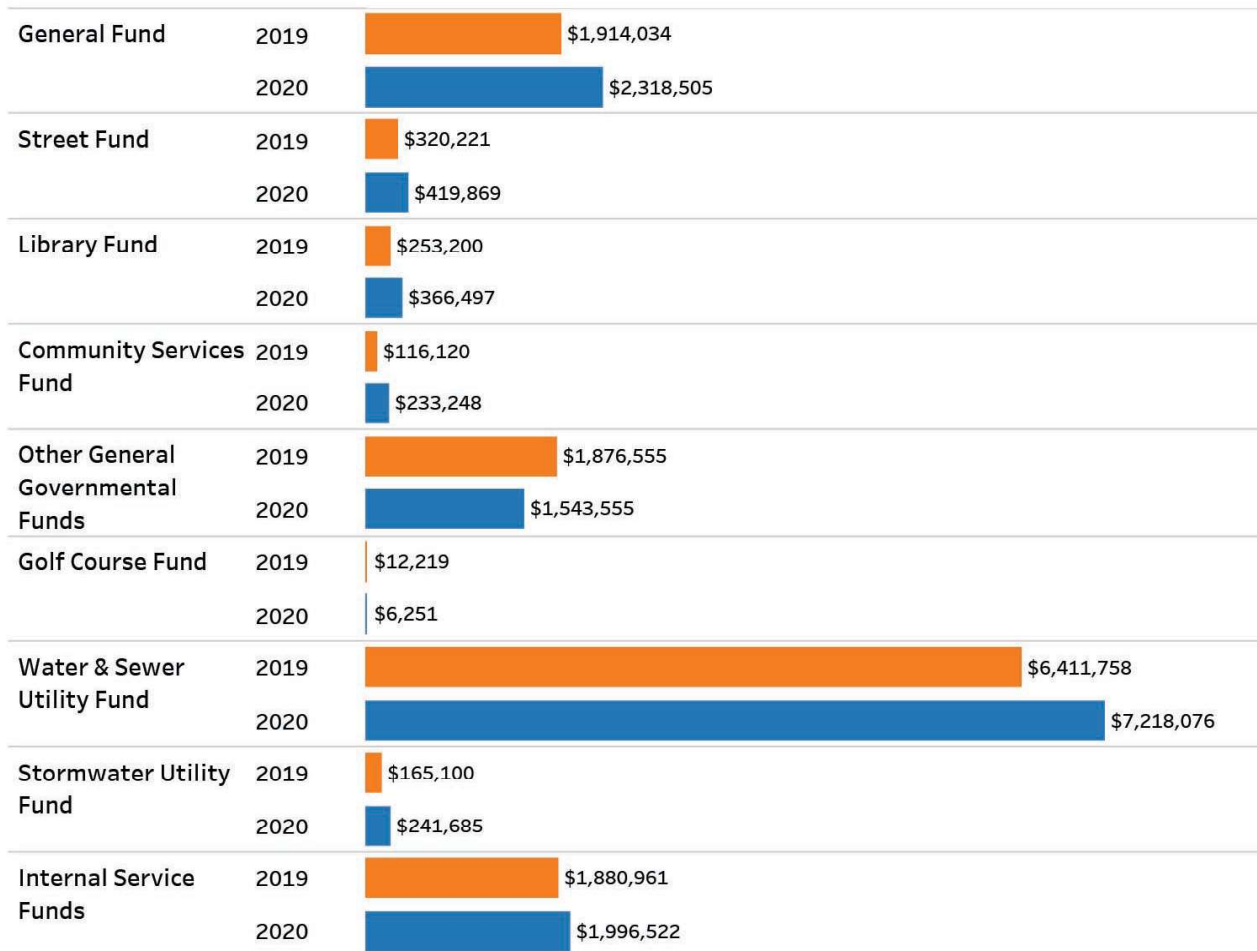
Open Streets Initiative

Financial Position

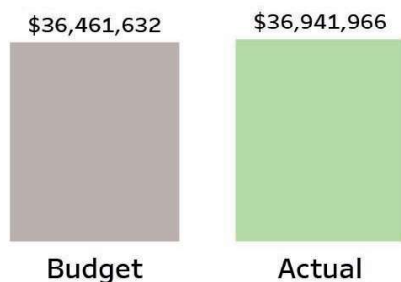
While 2020 presented extraordinary financial challenges to the City as an organization, early and decisive action helped mitigate the worst impacts and helped us end the year in the same stable financial condition that we started in (see illustration below for a breakdown of the financial condition by fund). There were reductions in some levels of service due to temporary staff furloughs and freezing some positions and spending. This was balanced by creative new approaches that helped overcome some of the challenges presented by COVID guidelines and restrictions.

2020 FINANCIAL RECAP

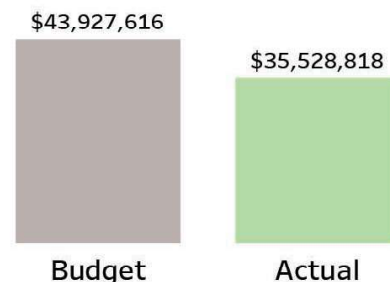
YEAR END CASH POSITION



REVENUES



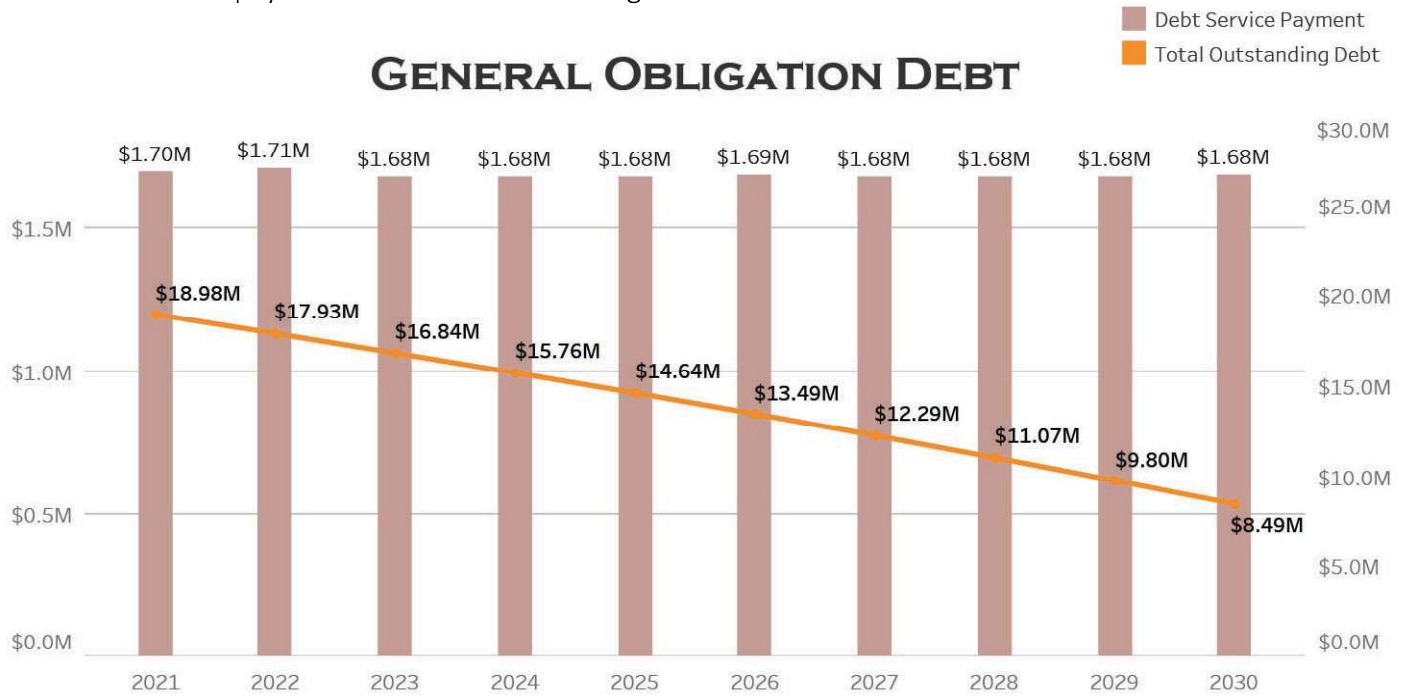
EXPENDITURES



• Other General Governmental Funds consists of the Contingency Fund, Real Estate Excise Tax Fund, Lodging Tax Fund, Affordable Housing Fund, Community Development Block Grant Fund, Debt Service Fund, and General Capital Funds.

•• All Figures are Unaudited ••

In 2020 the City refinanced the \$2.74m still outstanding on the 2010 Limited Tax General Obligation Bonds resulting in a gross savings of \$556k over the next 10 years. This savings allowed for the City to pay off a \$900k line-of-credit, used for funding various capital projects, without dramatically increasing the current annual debt service payment. The City ended 2020 with \$16.34m non-voted debt and \$2.64m voted debt for a total of \$18.98m of General Obligation debt, which is due over the course of the next 20 years. The chart below portrays the next 10 years of General Obligation annual debt service payments and total outstanding debt.



The table below depicts the City’s current General Obligation debt capacity. The City has \$13.85m available for non-voted (Council approval only) debt and \$17.49m available for voted (Public approval needed) debt. Although the City has ample debt capacity remaining, the City maintains a fiscal policy on annual General Obligation debt service payments to not exceed 15% of General Government revenues. In 2021, it is anticipated to be at 12.8%.

GENERAL OBLIGATION DEBT CAPACITY	
2020 Assessed Valuation (1)	\$ 2,012,639,062
General Purposes - Non-Voted	
Non-voted General Obligation Debt Capacity (1.50% of AV)	\$ 30,189,586
Less: Outstanding Non-voted General Obligation Debt	\$ (16,341,454)
Less: Outstanding Line of Credit Balance	\$ -
Remaining Non-Voted General Obligation Debt Capacity	\$ 13,848,132
Percent of Non-Voted Debt Capacity Remaining	45.87%
General Purposes - Requires Voter Approval	
Voted General Obligation Debt Capacity (1.00% of AV)	\$ 20,126,391
Less: Outstanding Voted General Obligation Debt	\$ (2,640,000)
Less: Outstanding Line of Credit Balance	\$ -
Remaining Voted General Obligation Debt Capacity	\$ 17,486,391
Percent of Voted Total Debt Capacity Remaining	86.88%
(1) Estimate from County Assessor's Preliminary Valuations 2020 Assessments for 2021 Taxes	

Serving the Community

The City of Port Townsend aims to deliver the services you depend on, services that underpin our collective success and well-being as a community. 2020 was no different. We do this under considerable constraints in terms of human and financial resources, state and federal requirements, and time. Serving the community as a whole means sometimes balancing the general needs of many with the specific needs of a few. Serving may mean not fully meeting an individual's or the community's expectations, but it does mean that whatever the request or issue and subsequent outcome, we aim for a respectful, transparent, productive and positive experience for us all.

Over the course of 2020, we delivered continuity to core services as well as range of projects, initiatives and outcomes. They are grouped below by five key themes: accessibility, creativity, continuity, collaboration, and sustainability.



Accessibility

Created new and integrated opportunities for engagement, involvement and dialogue

- Engage PT campaign designed, launched and implemented as a platform for broad community participation in major initiatives through surveys, events, story-maps, in-person events, and virtual meetings.
- City's first social media page (Facebook) launched and used for regular communication with residents, gaining over 1,400 followers.
- City Hall front lobby redesigned as a safe, efficient and customer-friendly one-stop shop for the public with a new team of Public Experience Liaisons.
- Coffee with the City Manager and, subsequent to COVID, KPTZ's Brewocracy Now! radio show for regular weekly exchange and Q & A with the City Manager.

Creativity

Adapted continually & almost daily to ensure continuity of services and staffing through the pandemic

- New and evolving policies (COVID screenings, exposure protocol) and procedures (facility cleaning, split crews) to keep staff and our community safe during the pandemic, as well as ongoing quick response to frequently changing state and federal programs and guidelines.
- Innovative continuation of operations – like virtual inspections, online programs and events, curbside book delivery, online City Council meetings – despite required physical closure of facilities.
- New programs like the Open Streets Initiative to meet urgent community and business needs by re-purposing public space; new virtual all-ages Library programming; a mini-roundabout pilot on Washington Street to reflect community needs, input and shared investment.



Continuity

Consistent and ongoing delivery of core services that residents, businesses and visitors depend on

- Public records requests, public meetings, risk management, and internal legal services.
- Code compliance, permitting, building inspections, and planning.
- Budgets and financial reporting, financial forecasting and analysis, utility billing, business licenses, purchasing and accounts payable.
- Recruitment, bargaining and internal human resource policies.
- I.T. network security and user support.
- Books and material circulation including curbside delivery, databases, e-books and audio e-books, children's web resources, grab bags, interlibrary loan, programs and events, staff response to patron requests.
- Management of parks and trails systems, maintenance of Mountain View Pool, and facilities and property management.
- Emergency response, law enforcement patrol, investigation, special events, and emergency preparedness.
- Street maintenance, operations and programming.
- Stormwater operation and maintenance, wastewater collections and treatment, compost.
- Management of trash collection and recycling.
- Drinking water treatment and distribution.
- Engineering, major capital projects and development review for infrastructure extension.
- Right of way management including urban forestry.
- Fleet operations, maintenance and replacement.
- Community leadership, agency partnerships, workplan and budget development, performance evaluation and coaching and stewardship of political decision-making.



Streets crew trimming vegetation



Curbside pick-up at the Library



Loading compost at our Compost Facility

Collaboration

Established, invested in and leveraged partnerships to deliver more lasting benefits into the future

- Created the Intergovernmental Collaborative Group (ICG) to galvanize widespread community and institutional support for a COVID-19 Recovery and Resilience Action Plan.
- Joined Jefferson County to collectively award federal CARES Act funding to a set of near-term community-developed and ICG-vetted and approved COVID relief projects and initiatives.
- Joined the North Olympic Legislative Alliance (NOLA) alongside Clallam and Jefferson County partners to coordinate advocacy for economic development and the well-being of the North Olympic Peninsula.
- Drew together housing providers alongside Jefferson County to deliver a Housing Strategy supported by a successful vote by City Council and the Jefferson Board of County Commissioners to levy 1/10th of 1% sales and use tax for affordable housing.
- Advanced discussions with the Port Townsend Paper Company, committing to a value engineering study and a path forward to address and invest in the next 100 years of the Port Townsend water supply system through the forthcoming Mill agreement.
- Joined the Port, PUD and Jefferson County to commission an economic analysis to help protect the Port Townsend -Coupeville and Kingston-Edmonds ferry routes.



Sustainability

Led a strategic, integrated & long-term approach to creating social, economic & environmental value

- Developed a balanced 2021 budget despite the prediction of historic revenue loss, and put the City on a sustainable path toward even greater stability into the future.
- Delivered the PROS Plan, reflecting hundreds of community perspectives and setting a clear vision for sustainable parks, recreation and open space in Port Townsend.
- Created and launched the Library Strategic Plan to guide delivery of core services, steward assets and resources and amplify impact through partnerships while living within our means.
- Determined the future of the golf course with a three-year transition to alternative use.
- Launched and substantially completed the work of the Ad Hoc Committee on Public Safety and Law Enforcement to take a deep dive into our community's needs of law enforcement and how law enforcement can continue to evolve in the face of structural racism.
- Completed and communicated the greenhouse gas emissions inventory in partnership with other agencies and volunteers and sought grants and partnerships to address climate adaptation.

Lessons Learned

No one could have anticipated the challenges of 2020. We made decisions and took actions to the best of our abilities, but missteps are inevitable. With the right attitude and courage for honest introspection, missteps are also an opportunity for significant learning and improvement.

Measured that way, 2020 was rich in lessons. Six key points among many:

1

Partnerships prevail – but can slow things down. The difference between trying to work in isolation and doing so in partnership is tremendous. Well-executed partnerships enable far greater progress on complex issues, but working together takes extra time and effort. While the ICG process was a great success of 2020 (with an action plan, funded projects and deepened relationships), the necessary quick action occasionally strained and tested our abilities to stick together and stay focused.

2

Community goals are challenged by structural problems outside of direct City control. While housing affordability and supply is a core strategic goal for the City of Port Townsend and our community, the required funding and policies are not in place to ensure success. Moreover, relative isolation, small scale and cost of infrastructure create additional challenges. The troubled Cherry Street project required more City subsidy than anticipated – approximately \$1.8m in total – and this strained budgets and community expectations.

3

Expect infrastructure to fail – eventually. Port Townsend has been relatively lucky in getting extra years from very old infrastructure. The watermain break on Water Street late 2020 was a reminder that without continual renewal, infrastructure will fail. We will likely need to identify new revenue sources and to discuss the community's ability and willingness to invest in infrastructure to turn the tide and make steady progress to ensure service continuity.

4

Good people make all the difference – if we can find and keep them. Recruitment and retention of quality talent is challenging for most organizations, but even more so when the cost and availability of housing make living in Port Townsend increasingly difficult. Port Townsend is committed to recruiting, training and retaining excellent staff, despite reasonable limits to compensation and benefits. A number of major recruitments happened or began in 2020, and there are still vacancies across many departments. Those and future staffing decisions have long-term legacies and impacts so need to be taken with the utmost focus and thoughtfulness.

5

Measurement matters. Completion of initiatives is important and one way to measure success, but without a clear definition of what success looks like, it's nearly impossible to measure short and long-term progress toward goals and to be sure those initiatives are the right ones. There was no clear, integrated and quantitative system for measuring what matters in 2020. While quantitative assessments and metrics have clear limits, the lack of such baselines or regular assessments allows for wildly varying interpretations of performance – at the individual, organizational and community levels.

6

Expect the unexpected. As soon as COVID-19 hit, much of the 2020 workplan was immediately irrelevant. A number of initiatives, from parking management to deer management, were paused indefinitely to re-prioritize and ensure continued delivery of core services. By some community accounts, this was a failure since there was no delivery of those commitments, by other community accounts, this shows a high degree of necessary agility. Either way, identifying core priorities and building some degree of flexibility and uncertainty into future workplans may allow for easier pivoting and reduced disappointments.

2021 Outlook

While still unsteady, the storm clouds are dispersing and 2021 already looks brighter. A range of vaccines are being rolled out across the region, nation and world. Financial and programmatic relief to employees, employers, individuals and communities is being sized up at federal and state levels. The Port Townsend community has drawn closer together and worked hard to survive the cold and dark winter with aspirations of returning activities, services, events and visitors for later in the year. The City of Port Townsend has a skinny but sturdy 2021 budget, a clear set of 2021 priorities and strong political leadership and partnerships with an eye on the next several years.

Thank you to all of our community members who worked tirelessly, selflessly and in strong partnership with us this past challenging year and who have committed to doing so in 2021. There are many opportunities to get involved by supporting local businesses, by volunteering time or money, by staying informed and engaged in issues that matter to you, by joining a board or commission, or by running for local office. We encourage you to continue to invest in our collective future.

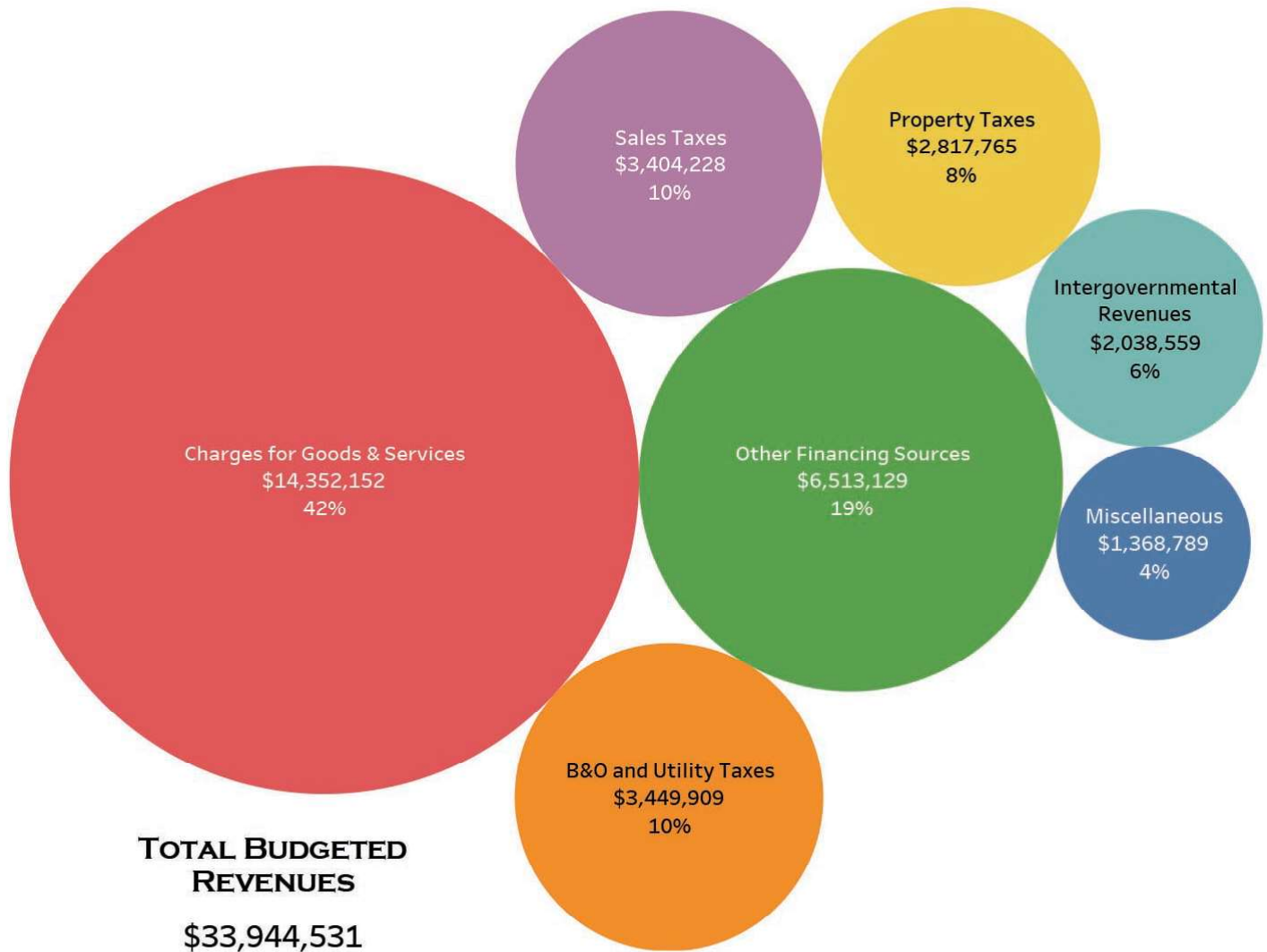
The goal isn't to survive or even to recover – it's to build back, bounce forward and thrive. It will take time, and 2021 will likely be another transition year, but it will be a transition forward and a step toward a better, fairer and more sustainable community for us all.



Photo courtesy of Port Townsend Main Street Program

2021 Budgeted Revenues

WHERE DOES THE MONEY COME FROM?



2021 BUDGETED CITY CHARGES FOR GOODS & SERVICES REVENUE (BY TYPE)

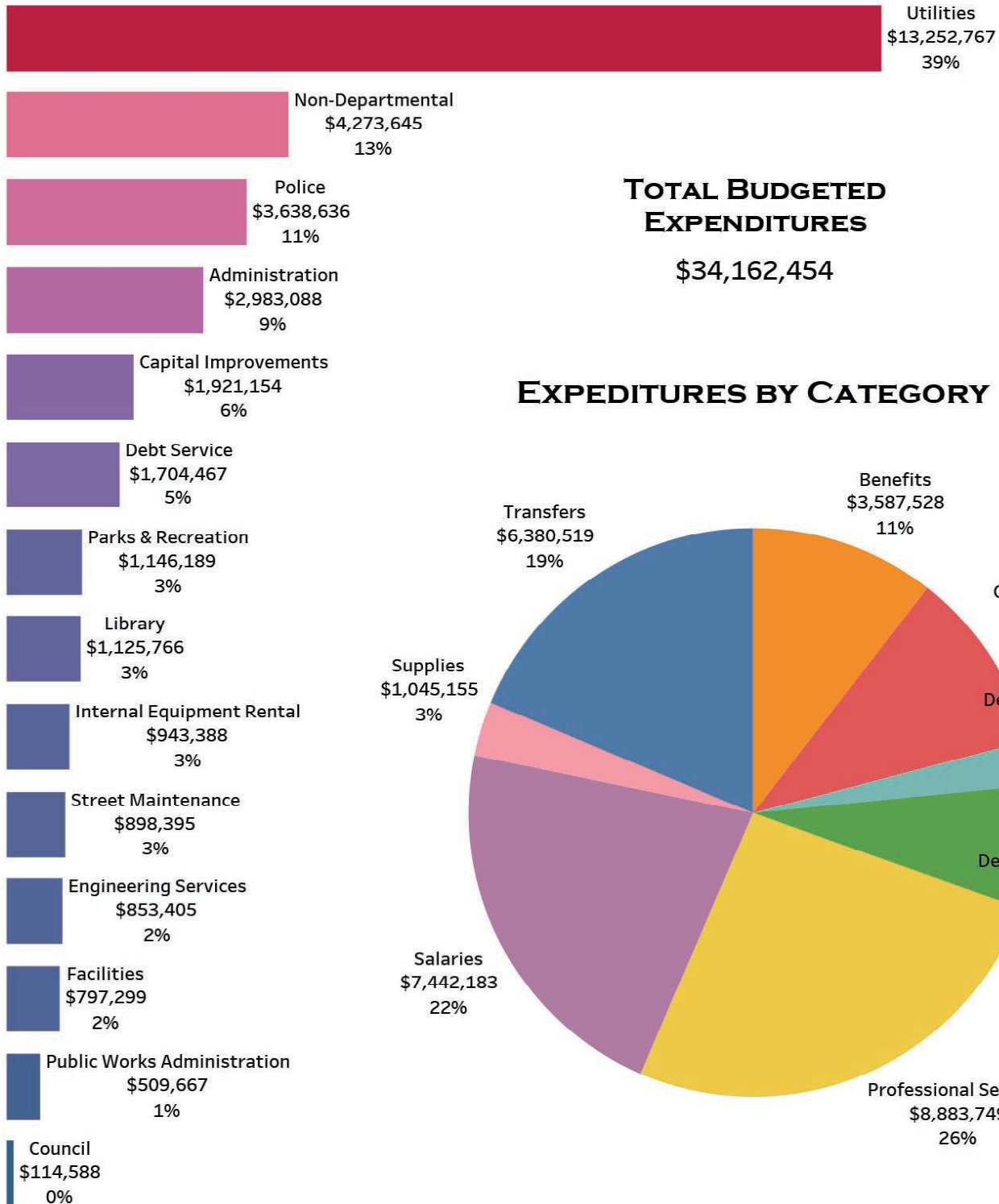
Charges for Goods & Services	Water & Sewer Utility	\$8,602,503	60%
	General Government	\$1,926,620	13%
	Internal Equipment Rental	\$1,121,991	8%
	Stormwater Utility	\$1,119,788	8%
	Engineering Services	\$984,493	7%
	Public Works Administration	\$509,669	4%
	Parks & Recreation	\$86,588	1%
	Transportation	\$500	0%
Total Service Charge Revenue		\$14,352,152	100%

* Due to rounding, percentages may not equal 100%.

- Intergovernmental Revenues consists of Grants and State Shared Revenues.
- Miscellaneous consists of Licenses, Permits, Real Estate & Leasehold Taxes, Fines, Interest, etc.
- Other Financing Sources consists of Interfund Transfers, which are the exchange of cash between funds to fulfill an obligation (e.g. the General Fund transfers cash to the Debt Services Fund to make debt payments).

2021 Budgeted Expenditures

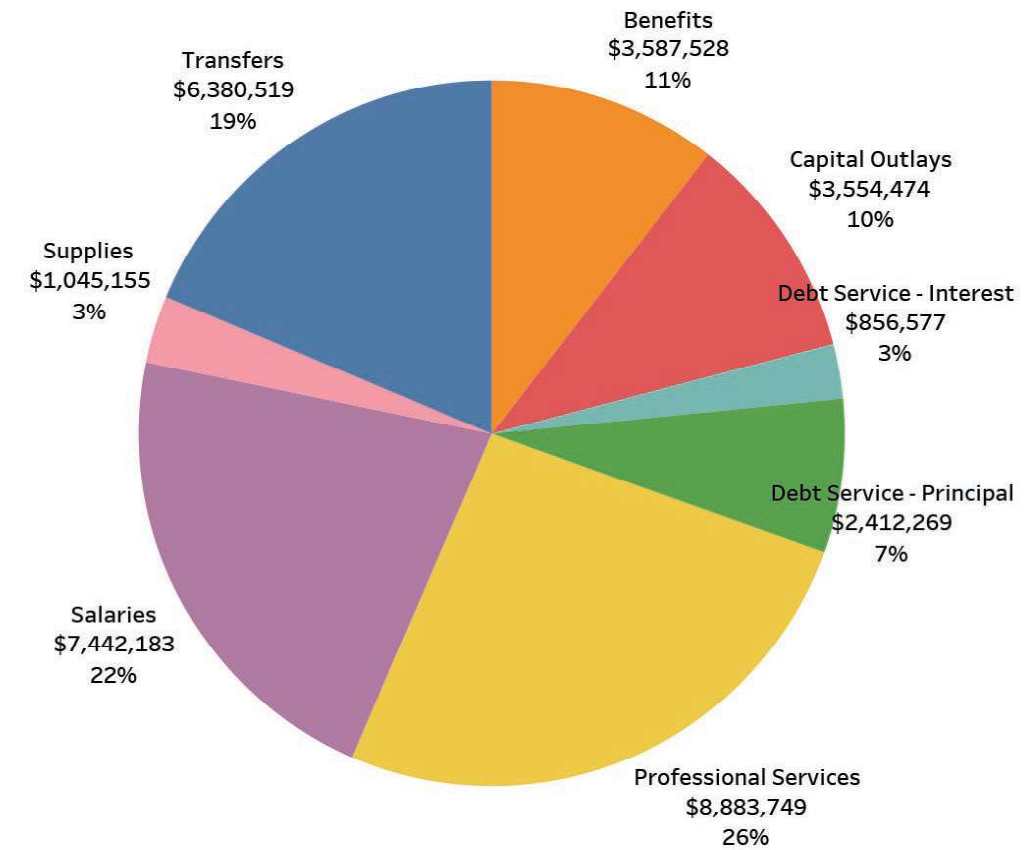
WHERE DOES THE MONEY GO?



TOTAL BUDGETED EXPENDITURES

\$34,162,454

EXPEDITURES BY CATEGORY



* Due to rounding, percentages may not equal 100%.

- Administration consists of City Manager, City Attorney, City Clerk, Development Services, Finance, and Human Resources.
- Non-Departmental consists of Interfund Transfers, Insurance, Lodging Tax Expenditures, Firemen's Pension, etc.
- Transfers are the exchange of cash between funds to fulfill an obligation (e.g. the General Fund transfers cash to the Debt Services Fund to make debt payments).

What Does all This Mean?

Revenues originate from three main sources

Taxes - Sales Tax, Property Tax, Business & Occupation Tax, Utility Tax, and Excise Tax

These revenues fund many of the core services:

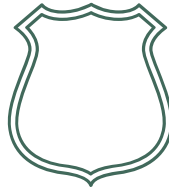
- City Administration
- Library
- Parks, Pool, & Trails
- Police
- Street Maintenance

Charges for Goods & Services - mainly Utility User Fees

The portion generated by utility user fees are restricted to the operation, maintenance and infrastructure improvement of the water, sewer, and stormwater systems.

Intergovernmental Revenues – Grants & State Subsidies

Restricted to the purpose for the funding.



Expenditures are based on the appropriations authorized by City Council.

The City Manager presents a budget to Council each year around November. The budget provides an expectation on revenues the City will receive, along with the anticipated costs to effectively delivery services to the community.

Each fund is budgeted separately and has its own dedicated revenue source, which in most cases the revenue may only be used for the purpose or service the fund provides (e.g. the utility funds collect revenue that is restricted to providing utility services and infrastructure).

The fund budgets can either be balanced (revenues = expenditures) or the Council may approve the drawdown of fund reserves, which may lead to a reduction in the year end cash position.

Once all funds are budgeted, they are rolled up into one city-wide budget and presented to Council for adoption by the last Council meeting in December.

Utilities has the largest budget due to the cost to operate and maintain the system, along with the cost to provide the necessary infrastructure.

The main expenditures across all funds are staff costs (salaries & benefits) and professional services (goods and services provided by third parties in the normal course of operations).

**The Library has given out
1,043 Craft and STEAM Kits**

**Our Wastewater Treatment
Plant has earned an award
from the Department of
Ecology (DOE) for the last
22 years in a row**

**The City water
department
filtered and
distributed 350
million gallons of
water in 2020**

Top five adult fiction Books in 2020:
1. Whiskey When We're Dry
2. Where the Crawdads Sing
3. City of Girls
4. Blue Moon : A Jack Reacher Novel
5. A Gentleman in Moscow

Did you know?

**Chetzemoka Park is
over 100 years old!
The park was
established in 1904
as Port Townsend's
first community
park**

**The garbage, recycling
and yard waste trucks
make approximately
190,000 stops combined
each year as part of the
City's collections
contract with Waste
Connections**

**The City pays over
\$140,000 per year for
over 600 street lights**

**The Library
has had
29,067
curbside
pickups**

**City street crews spent
nearly 2,200 employee
hours performing
vegetation maintenance
in the right of ways**

**The
Library had
76,751 check
outs in
2020**

Top Five DVDs in 2020:
1. Downton Abbey
2. The Bookshop
3. Harry Potter and the Deathly Hallows - Part 1
4. Harry Potter and the Half-Blood Prince
5. Agatha Christie's Poirot: The Definitive Collection

Volunteers

Thank you to our many volunteers for your time helping make our community better!

Volunteers are a very important part of the City, and we welcome interest from individuals who would like to volunteer their time and experience providing support for the services that keep us running! If you are interested in volunteering for the City visit our website and fill out an application to get started:

www.cityofpt.us/parksrec/page/be-volunteer

Parks or Trails

You may be interested in working with a group to Adopt A Park (provide monthly upkeep and general care of a specific park). Or you may wish to work with a group to Adopt A Trail with the same goal in mind. Some maintenance items include: taking care of a specific favorite garden, weeding and planting, and clearing brush and providing trail maintenance.

Library

In the past, volunteers at the library have done a variety of tasks such as checking in returned items, assisting with book repair and mending, assist with the Books on Wheels Program, etc. Currently, there are opportunities to join the Bookworms to care for the gardens and landscaping around the library.

Police Department

Members of this team work to assist officers and supplement police services in tasks ranging from office help to citizen patrols and emergency/disaster preparation. Volunteers will receive extensive training prior to working, and all candidates will be carefully screened prior to acceptance. This is an excellent opportunity to get involved in your community and gain valuable job experience.

Community Advisory Board/Commission

Serving on a City board or commission is an important way for the public to engage with City government. Community advisory boards are established by the City Council to assist their decision-making by providing specific advice on issues from a resident perspective.



Your Elected Officials

Mayor	Michelle Sandoval	msandoval@cityofpt.us
Deputy Mayor	David Faber	dfaber@cityofpt.us
Council Member	Amy Howard	ahoward@cityofpt.us
Council Member	Ariel Speser	aspeser@cityofpt.us
Council Member	Monica MickHager	mmickhager@cityofpt.us
Council Member	Owen Rowe	orowe@cityofpt.us
Council Member	Pam Adams	padams@cityofpt.us

City Organizational Chart



Directory

City Hall General Front Desk	(360) 385-3000
Compost Facility	(360) 385-7908
Development Services Department	(360) 379-5095
Finance Department	(360) 385-2700
Golf Course	(360) 385-4547
Library	(360) 385-3181
Mountain View Pool	(360) 385-7665
Parks, Recreation & Community Services	(360) 344-3064
Police Department	(360) 385-2322
Public Works Department	(360) 379-5096

Ways to stay Engaged

- Sign up for our digital online newsletter: www.cityofpt.us/newsletter/subscriptions
- Listen to KPTZ's Brewocracy Now with John Mauro every Thursday at 12:10 pm.
- Stay up to date on current City initiatives: www.cityofpt.us/engagept
- Follow us on Facebook: www.facebook.com/CityofPT

For more information on any topics from our annual report, please call the front desk (360) 385-3000

City of Port Townsend | Annual Report 2020

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