

City of Port  
Townsend 

2022

**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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# *Your Elected Officials*



**Mayor  
David Faber**



**Deputy Mayor  
Amy Howard**



**Council Member  
Aislinn Diamanti**



**Council Member  
Ben Thomas**



**Council Member  
Libby Wennstrom**



**Council Member  
Monica MickHager**



**Council Member  
Owen Rowe**

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# Introduction

As we set sail into another year, it's satisfying to confidently chart our course forward. It's also important to glance at our wake to see how we did this past year and to incorporate what we've learned so that we carry those lessons with us into this year.

While the waters of the pandemic remain a bit murky, 2022 was a year that they started to clear. With hard work and a collaborative spirit, our community bounced back – and even forward – from some of the most difficult years in memory. For instance, our renown festivals, events, performances, and general activities came fully alive after a bit of dormancy the last few years, igniting our imaginations, spirits, and the kind of cohesiveness that brings a great community together.

The City team put in some hard work and collaboration this past year as well. For instance, we onboarded talented new staff, successfully drew in millions of dollars of federal and state funding for infrastructure, revamped how we develop our budget and workplan, and kicked off planning of strategic initiatives like parks, streets, and housing. We even worked through a plan to start paying down some of our debt early.

This brief Annual Report provides a clear and transparent accounting of how we did in 2022 with an eye forward to 2023, including:

- Challenges and lessons learned in 2022
- Our key accomplishments in serving the community in 2022
- Our current financial position
- The outlook to 2023 and beyond

Our community's success depends on all of us. With more favorable winds, the sweeping arc of velocity made good speeds us together toward our desired future. We invite you to have a read of this report, learn more about how our city works, and actively engage with us to build and sustain what makes this place and our people special.



# Challenges and Lessons Learned

Like any year, 2022 had its challenges. In committing ourselves to learning from those challenges – and mistakes – we continually improve our ability to navigate together to the future we want. The following are but eight examples of broad challenges we worked through in 2022 and general lessons we learned in doing so.

1. Infrastructure unpredictably fails – *so we need to start getting ahead in preventative maintenance and replacement of our community's assets*
2. Recruiting and retaining staff is difficult – *so we need to use new tools and approaches to attract and keep great talent who best serve our community*
3. Supply chains and labor are disrupted – *so we need to use patience, timing, and preparedness to anticipate uncertainty and ensure we have backup plans*
4. Success can outstrip our ability to deliver – *so we need to prioritize and be agile so that we balance successful grant awards with project completion*
5. Coordinating interest and action on housing takes time and energy – *so we need to focus on the levers with maximum and lasting positive impact for our community*
6. There's always too much to do – *so we need to prioritize with discipline and do so in real time as big things change*
7. Misinformation and disruptive behavior causes division and stagnation – *so we need to listen, inform, and proceed with confidence in decision-making about our future*
8. Complaints are easy, change is hard – *so we need to refocus, communicate, and commit to working constructively and patiently together to achieve our goals*



# Key Accomplishments in Serving the Community in 2022

Every year, you depend on the services we deliver and that underpins our success and wellbeing. We continue to balance short-term needs with long-term vision, individual concerns and desires with wider community benefits, and our priorities with a range of constraints.

These accomplishments are drawn from our 2022 workplan and grouped into the five focus areas of our 2019-2022 strategic plan. A few key accomplishments are listed as examples under each theme.

## Housing

Like in other areas of Washington State and the nation, the lack of local affordable housing supply has devastating ripple effects on families, critical services, our education system, and our local economy. Rapidly rising house prices have driven our individuals and families who have long lived and worked in Port Townsend. A higher percentage of residents here live in poverty than in either Jefferson County or the USA and are significantly burdened by the cost of housing. Diverse, affordable, and stable housing in Port Townsend is an underpinning success factor for our collective well-being and quality of life. To those ends, achievements in 2022 include:



- Advanced Evans Vista affordable/workforce housing initiative, building partnerships, engagement and vision – including securing \$2.5m in federal funding and \$500,000 in regional funding in 2022
- Code changes including ADU Parking, Temporary Encampment code (Pat's Place), and pre-approved ADUs
- Advanced Cherry Street project
- Launched and collaborated on new Housing Fund Board to leverage local/regional funding to support housing
- Continued to waive and defer fees for affordable housing

## Infrastructure

Infrastructure is the set of fundamental facilities and systems that support functioning households and businesses. Examples of infrastructure include transportation systems, communication networks, sewage, water, and electric systems. These systems tend to require capital-intensive and high-cost investments, and are vital to a city's economic development and prosperity. A detailed accounting of infrastructure needs and a comprehensive narrative are available in the City's 2023 - 2028 Capital Facilities Plan. To those ends, achievements in 2022 include:



- Created a new Capital Facilities Plan
- Completed major projects like the Gaines Street pump station
- Completed asset mapping for climate resilience
- Prepared for Discovery Road walking/cycling project construction
- Delivered local trails and parks 'Banked Capacity' projects
- Advanced the Comprehensive Streets Program
- Secured hundreds of thousands of dollars of funding for local street improvements through state and federal funding sources

## Economic Development

Our community depends on a resilient and sustainable regional economy. Economic development attracts, sustains and retains businesses and industries which provide jobs and services as well as a tax base for municipalities like the City of Port Townsend that deliver basic services. To those ends, achievements in 2022 include:



- Delivered infrastructure and infrastructure renewals
- Worked with the Lodging Tax Advisory Board, the Jefferson County Chamber of Commerce, Port Townsend Main Street, and others to market Port Townsend with a focus on sustainable tourism
- Collaborated as part of new EDC Team Jefferson model
- Utilized the Intergovernmental Collaborative Group (ICG) and economic development framework to coordinate investment; ICG was also awarded an Association of Washington Cities (AWC) Municipal Excellence award
- Served on the North Olympic Development Council (NODC) for coordinated regional approach

## Quality of Life

Port Townsend benefits from a stunning location, rich natural and cultural amenities, and a vibrant quality of life that is enjoyed by many residents and admired by many visitors. The City of Port Townsend provides basic services like public spaces, clean drinking water, public safety, and access to information and programs that contribute to and underpin the quality of life. Enjoyment of a meaningful life, including health, happiness, and general well-being, is something we almost universally strive for, even if it takes different shapes and forms. To those ends, achievements in 2022 include:



- Kicked off community and stakeholder engagement around the future of Parks and Recreation, including the future of aquatics, the golf course, the Mountain View campus, and our volunteer capacity
- Delivered Sims Gateway Project decision-making in partnership with the Port and the PUD including extensive public and stakeholder engagement
- Bolstered programming at Mountain View Pool through the YMCA operational agreement and at the Library through increased hours and partnerships
- Awarded \$217,200 AWC award in partnership with EJFR for the EJFR CARES program

## The City Organization

A smart, sustainable, efficient, and effective City government organization supports a great community and our aspirations. Ensuring the City has the staffing, resources, tools, and infrastructure to deliver the services our community depends on – both today and for the long-haul – is paramount for our collective success. To those ends, achievements in 2022 include:



- Recruited new director-level leadership: Police, People & Performance, Parks Strategy, Finance and Technology Services, Planning & Community Development
- Made improvements and innovations in recruitment, retention, recognition, evaluation, and wage review
- Re-energized and relaunched the Volunteer Program
- Created a “How Your City Works” program alongside Engage PT
- Launched the Financial Sustainability Project and Task Force

# Our Current Financial Position

## Banked Capacity Projects: Investing in our Trails, Parks, and Streets

Banked capacity projects initiated in 2022 and expected to complete in 2023 are:

PROJECT TYPE	NAME	PROJECT COST
Street restoration/Non-motorized	Pacific Avenue	\$66,581.00
Non-motorized	Spruce Trail	\$21,300.00
Non-motorized	Lawrence & MTN View ADA Curb Ramps	\$60,000.00
Non-motorized	Sidewalks (9th St between McPherson & Hancock)	\$227,500.00
Parks	Chetzemoka Kitchen Shelter	\$100,000.00
Parks	Bishop Swingset (Hancock St. & Parkside Dr.)	\$30,000.00
Parks	Parks Kiosks, Interpretive, and Trail Signage (Citywide)	\$61,000.00
	<b>Subtotal</b>	<b>\$566,381.00</b>
	<b>Contingency</b>	<b>\$38,619.00</b>
	<b>TOTAL</b>	<b>\$605,000.00</b>

Banked capacity project for 2023 focus on street repairs with a small amount of funding supporting Kah Tai Nature Park. 2023 banked capacity projects are included in the 2023 budget as follows:

PROJECT TYPE	NAME	PROJECT COST
Street restoration	Residential Street Repair Projects	\$800,000.00
Parks	RCO Grant Match	\$40,000.00
	<b>Subtotal</b>	<b>\$840,000.00</b>
	<b>Contingency</b>	<b>\$68,000.00</b>
	<b>TOTAL</b>	<b>\$908,000.00</b>





# Our Current Financial Position

## American Rescue Plan Act Federally-Funded Projects

The City received \$2.7 million in funds from the American Rescue Plan Act (ARPA) and the first half of the funds were received in 2022. Approved projects are underway focusing on staff support, financial stability, and a vision for parks and recreation.

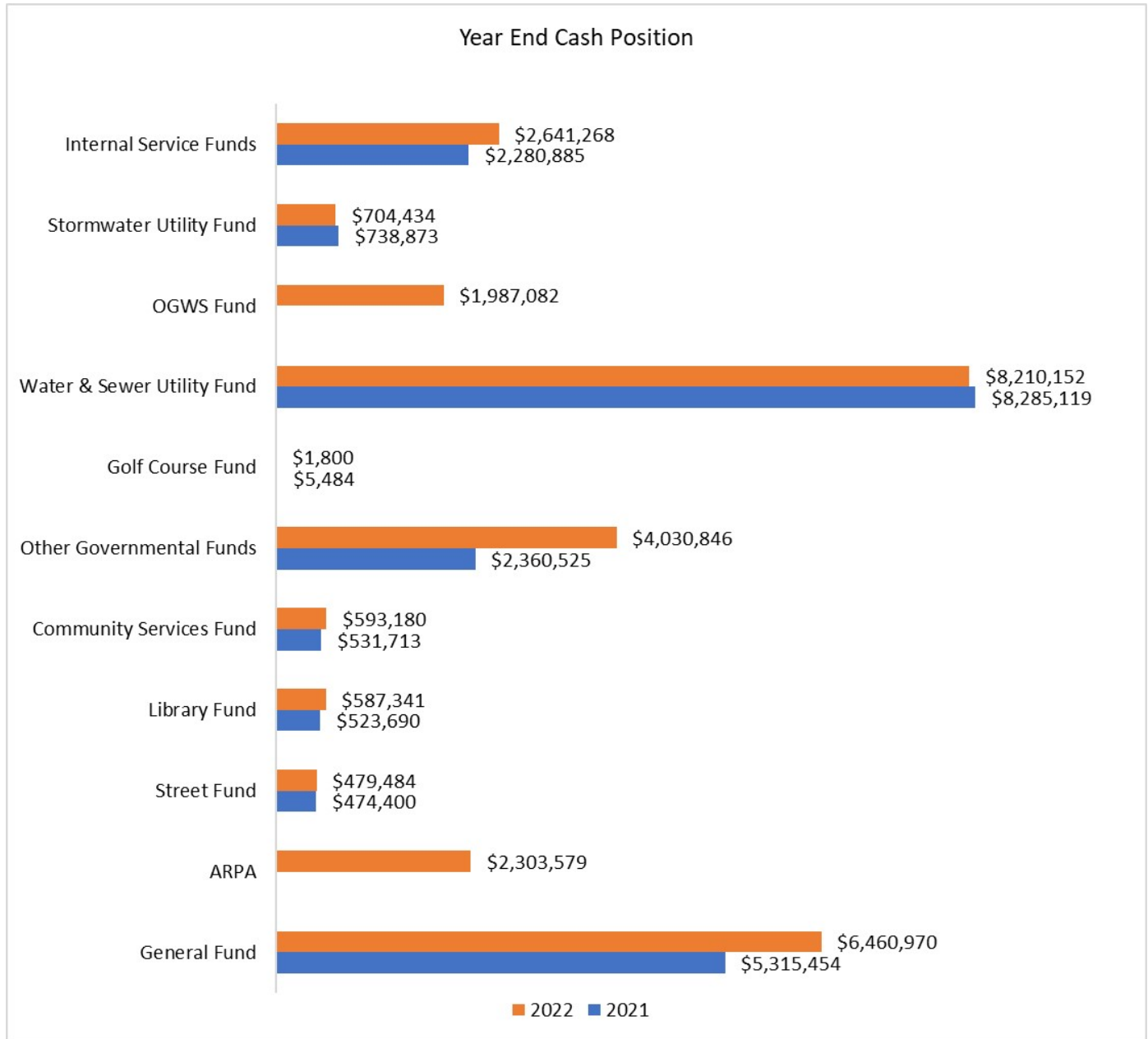
AMERICAN RESCUE PLAN ACT (ARPA) FUNDS				
Priority Pillar	Project	2022 Allocation	2023-2024 Allocation	Category
Staff Support	Public Records Scanning	\$ 50,000	\$ 50,000	Professional Services
Staff Support	Strategic Department Reviews	\$ 22,500		Professional Services
Staff Support	Advanced police recruitment	\$ 4,155		Professional Services
Staff Support	Engagement Survey	\$ 40,000		Professional Services
Staff Support	Key position recruitment	\$ 5,500	\$ 34,500	Professional Services
Staff Support	Improve IT Infrastructure		\$ 100,000	Machinery & Equipment
Staff Support	Police Admin vehicle replacement		\$ 25,000	Machinery & Equipment
Staff Support	Two-year term Long Range Planner		\$ 225,000	Salaries & Benefits
Financial Sustainability	Library Window/Bathroom		\$ 100,000	General Capital
Financial Sustainability	Pink House renovations	\$ 10,000	\$ 100,000	General Capital
Financial Sustainability	Kah Tai Restrooms		\$ 35,000	General Capital
Financial Sustainability	Parking Management		\$ 83,533	Professional Services
Financial Sustainability	Sims Way		\$ 50,000	Professional Services
Financial Sustainability & Staff Support	Chamber Upgrades	\$ 35,000	\$ 85,500	Machinery & Equipment
Financial Sustainability & Staff Support	Electronic permit submittal/plan review	\$ 8,200		Machinery & Equipment
Financial Sustainability & Staff Support	Police Patrol vehicles x2	\$ 178,000	\$ 178,000	Machinery & Equipment
Financial Sustainability & Staff Support	Kick off broom	\$ 23,500		Machinery & Equipment
Financial Sustainability & Staff Support	Kubota for use with rebooted volunteer program	\$ 25,000		Machinery & Equipment
Financial Sustainability & Staff Support	Mini-excavator	\$ 65,000		Machinery & Equipment
Financial Sustainability & Staff Support	Parks lift gate	\$ 6,000		Machinery & Equipment
Financial Sustainability & Staff Support	Parks Vehicles		\$ 85,000	Machinery & Equipment
Financial Sustainability & Staff Support	Pickup	\$ 31,000		Machinery & Equipment
Financial Sustainability & Staff Support	Tree pruning at Chetz/Gateway	\$ 15,000		Professional Services
Financial Sustainability & Staff Support	Facility planning, phase 1: DSD/PW shades, furniture, climate control, door locks	\$ 130,000		Professional Services
Financial Sustainability & Staff Support	City Hall Carpet Floor 1 and 3		\$ 90,000	Professional Services
Financial Sustainability & Staff Support	Construct City Hall Phase 3 improvements to support staff work environment		\$ 310,000	General Capital
Vision for Parks & Recreation	Communications and professional consultant support	\$ 25,000		Professional Services
Vision for Parks & Recreation	Development and implementation of a Community Health and Wellness Center plan	\$ 30,000		Professional Services
Vision for Parks & Recreation	Director of Parks and Recreation Strategy	\$ 100,000	\$ 400,000	Salaries & Benefits
	<b>TOTAL 2022 - 2024 ARPA Requests</b>	<b>\$ 803,855</b>	<b>\$ 1,951,533</b>	



# Our Current Financial Position

## 2022 Financial Recap

Fund balances recovered during 2022 with receipt of the second tranche of federal funds from the American Recovery Plan Act (\$1.3m), increases in key revenues such as sales tax and real estate excise tax, and under-spending largely due to vacancies and timing of capital projects.



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\*\***

# The Outlook to 2023 . . .

We all worked hard to deliver in 2022 and we look with renewed confidence to 2023 and our strategic workplan. With better and more integrated workplanning and budgeting processes, new staff and department leadership, foundational documents like the Capital Facilities Plan, and major strategic initiatives in housing, parks, streets, and financial sustainability underway, we continue to make up on lost ground and sail ahead.

## 2023 Strategic Workplan Framework

<b>INVEST IN OUR PEOPLE</b> - Build and nurture the capacity of our staff, teams, volunteers, advisory board members, Councilmembers and partnerships and provide them the toolsets, skillsets, and mindsets to achieve more together
<b>ENGAGE OUR COMMUNITY</b> - Build beyond notification and response to more deeply and inclusively engage our community in decisions that affect their lives and livelihoods as well as ground civic dialogue in civility and kindness
<b>STRENGTHEN OUR FINANCIAL POSITION</b> - Set the City and community up for sustained success by deliberately choosing to build financial sustainability to address the challenges of today and prepare for tomorrow
<b>ENVISION OUR SUSTAINABLE FUTURE</b> - Determine the future of parks, streets, facilities, community assets, as well as our strategic direction as an organization and community
<b>EMBRACE AND RESOLVE OUR COMMUNITY'S CHALLENGES</b> - Work through additional challenging decisions previously deferred that help shape our community's well-being, including many that have been put off for years or decades
<b>DELIVER THE BASICS</b> - Advance additional capital & operational departmental priorities with needed City Council policy or budget action(s)
<b>SERVE OUR COMMUNITY</b> - Deliver on critical operations, ongoing statutory responsibilities, and core City functions



### Invest in Our People

Initiatives include rolling out better training, a skills enhancement program, an engagement survey, new recruitment tools, better IT infrastructure and security, disaster preparedness, a handbook and training for advisory boards, a relaunched volunteer program, and Equity-Diversity-Inclusion Advisory Board, and improved staff working environments.

### Engage Our Community

Initiatives include creating a communications and marketing function, developing and launching “How Your City Works” version 2, developing a city theme and program, broadening our relationship and reach with local media, and developing a volunteer day for staff to engage locally.

### Strengthen Our Financial Position

Initiatives include completing the Financial Sustainability Initiative and Task Force report, planning and delivering on that report’s actions as directed by City Council, revising and improving the budget schedule and process, analyzing our debt load and policies, addressing stormwater and sewer rates, assessing opportunities to take advantage of federal funding, and addressing and prioritizing Streets, Parks, and Facilities funding needs.

# . . . and Beyond

## **Envision Our Sustainable Future**

Initiatives include determining the future of Evans Vista and delivering on related infrastructure, engaging and making decisions on the future of the Golf Course and Mountain View, developing sustainable parks funding, launching engagement and decision-making on future of community health and wellness/aquatics, developing a capital facilities plan with a parks element, developing an open space plan, revisiting the tree conservation ordinance, coordinating with the Intergovernmental Collaborative Group (ICG) on capital funding, nurturing our relationship with PT Main Street to deliver new placemaking initiatives, and assessing and delivering upgrades to fleets, facilities and infrastructure for climate resilience and emissions reductions.

## **Embrace and Resolve Our Community's Challenges**

Initiatives include prioritizing and delivering impactful zoning code changes to unlock and inspire affordable and quality infill development, deciding the future of the Carmel Building, determining the strategic direction and approach to implementing parking management, and determining the approach to deer management in partnership with State Fish and Wildlife.

## **Deliver the Basics**

Initiatives include completing Discovery Road, delivering \$908,000 for local street projects (banked capacity projects 2023), delivering library capital projects, assessing the condition of our water pipeline, stewarding successful and potential grant funding and legislative coordination, anticipating unforeseen interjurisdictional/regional projects, helping partner agencies in their planning (the Port's West Boatyard expansion, Jefferson County's Transfer Station planning, Port/PUD Sims Way construction, WSDOT's Kearney construction), transitioning to the National Pollutant Discharge Elimination System (NPDES) Phase 2 stormwater permit, advancing the sewer outfall project, doing preventative pipe rehabilitation, applying hot patch pavement repair, advancing the Urban Wildland Interface Code, updating Park rules, inventorying public art, and developing an ADA transition plan.

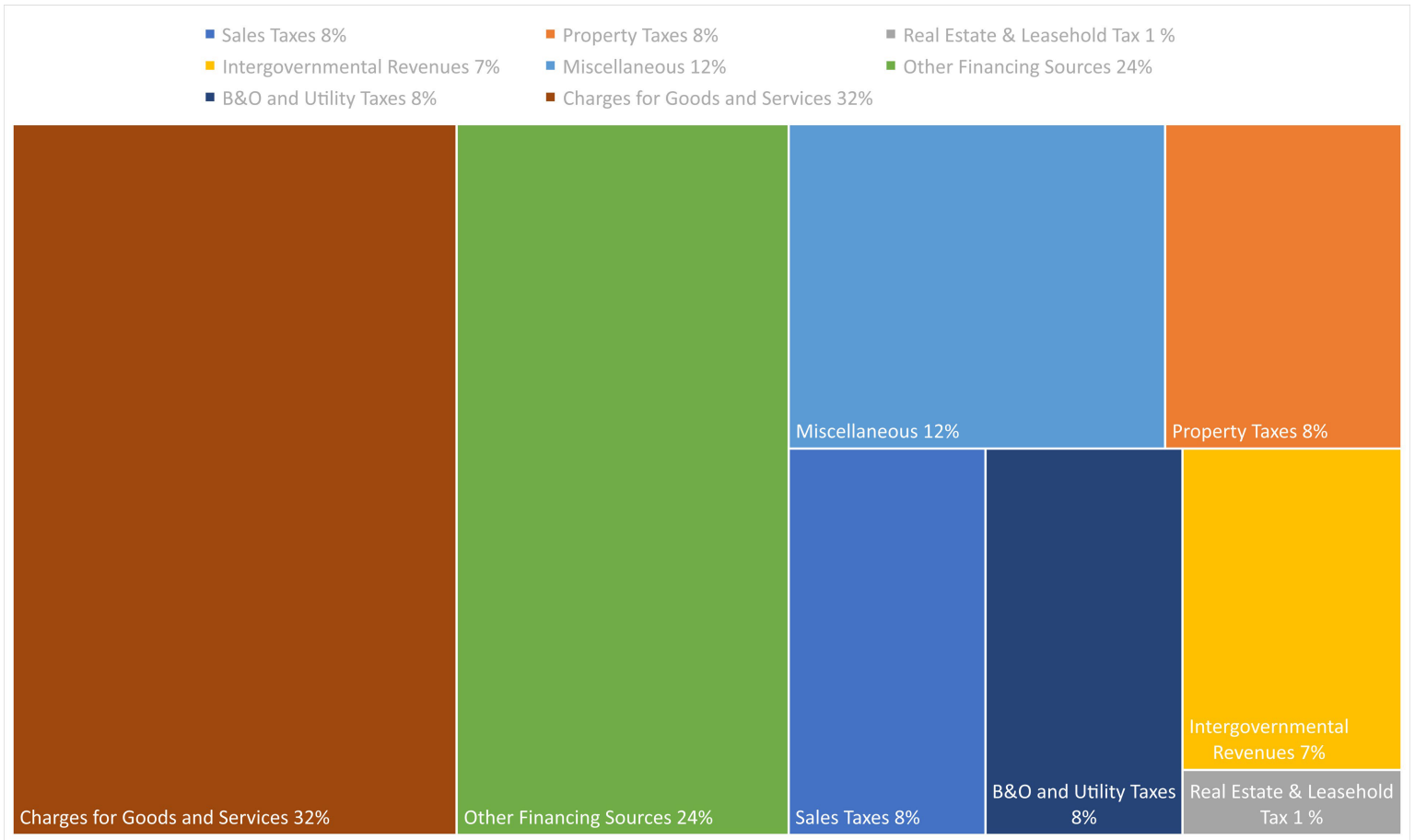
## **Serve Our Community**

It takes huge efforts to keep a city running and those details do not fit in these pages. Suffice to say, core service operations make up 80-90% of what we do, making the long list above look short in comparison. Together, the core services, programs, partnerships, and strategic initiatives help us catch the wind and chart our future for a better, more equitable, and more sustainable community for us all.



# 2023 Budgeted Revenues

## Where Does the Money Come From?



## 2023 Budgeted City Charges for Goods and Services Revenue (by type)

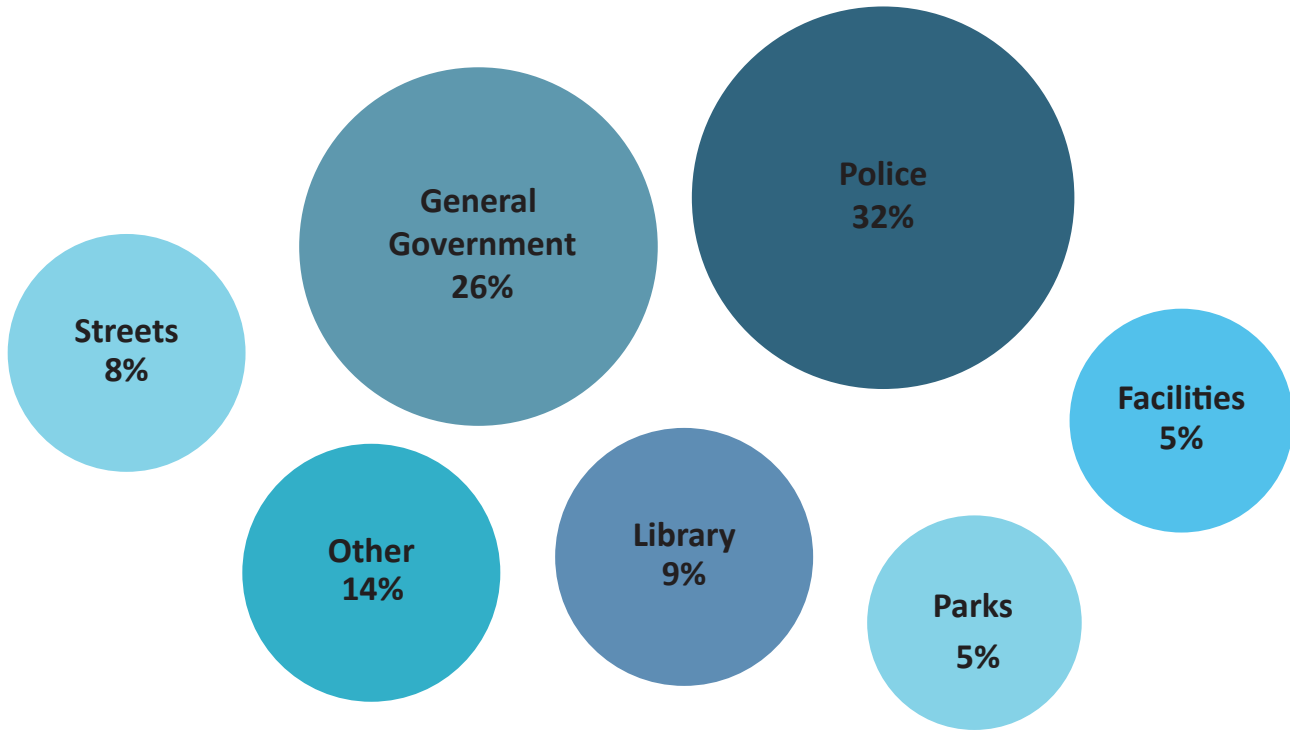
CHARGES FOR GOODS AND SERVICES		
Engineering Services	\$ 1,474,484.00	9%
General Government	\$ 2,038,568.00	13%
Internal Equipment Rental	\$ 1,216,225.00	8%
Parks & Recreation	\$ 4,000.00	0%
Public Works Administration	\$ 680,346.00	4%
Stormwater Utility	\$ 1,173,073.00	7%
Transportation	-	0%
Water & Sewer Utility	\$ 9,366,553.00	59%
<b>TOTAL *</b>	<b>\$ 15,953,249.00</b>	<b>100%</b>

(\*Includes overhead recovery.)

# 2023 Budgeted Expenditures

(for tax supported funds)

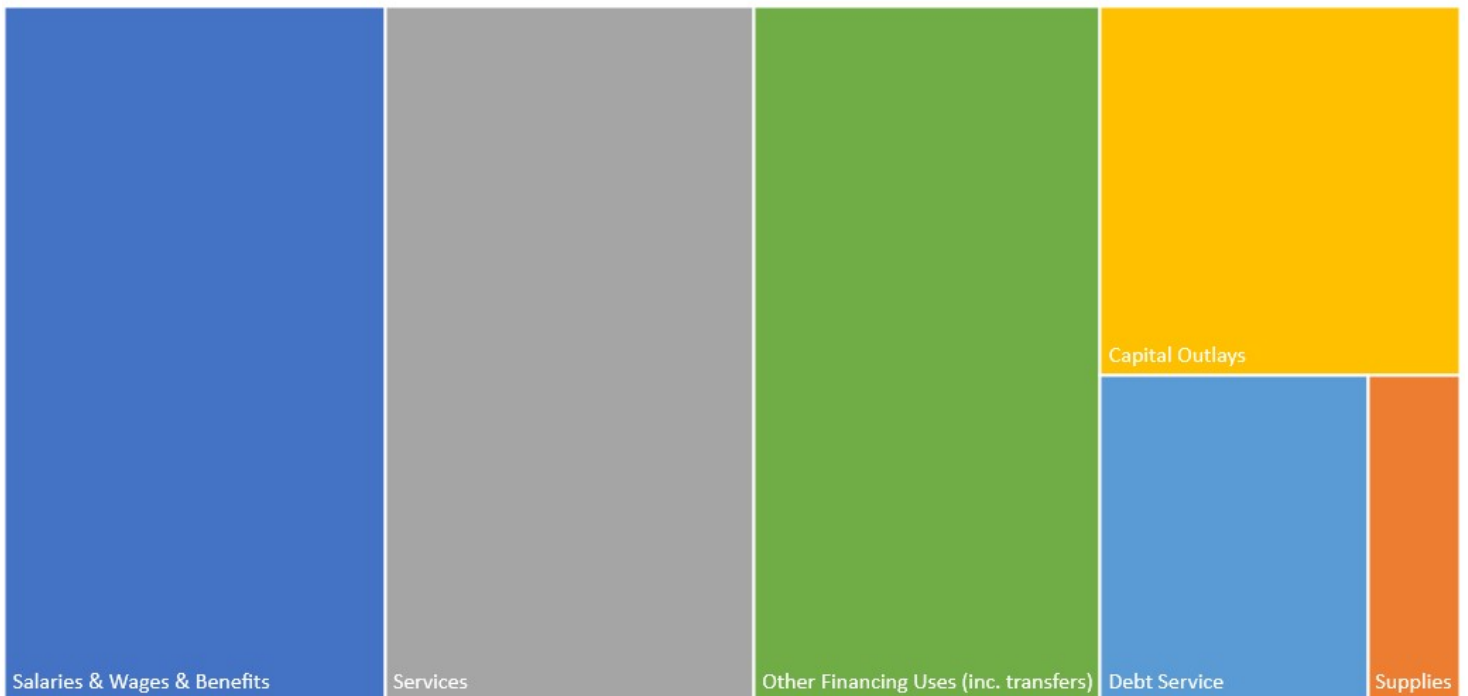
## Where Does the Money Go?



## Expenditures By Category

2023

- Salaries & Wages & Benefits
- Supplies
- Services
- Capital Outlays
- Debt Service
- Other Financing Uses (inc. transfers)



# *Budget 101*

## *What Does This All 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**

These revenues are 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 estimate of revenues the City will receive, along with the anticipated costs to effectively deliver services to the community.

Each fund is budgeted separately and has its own dedicated revenue source. 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 have the largest budgets due to the cost to operate and maintain the systems, 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).



# Thank You to Our Many Wonderful Volunteers!!



Washington Conservation Corps Belfair volunteers



Library Bookworms

The City has over 240 volunteers who work all around our community. Volunteer work varies from weeding, planting, trimming bushes, laying gravel on trails, graffiti clean-up and trash pick-up, as well as DVD cleaning and book repair at the Library.

There are a lot of volunteer opportunities available. If you are interested in volunteering at the City you can fill out our online volunteer form at:

<https://cityofpt.us/community/page/do-volunteer-opportunities>

## Adopt-A-Park Program

The City Adopt-A-Park program is a more in-depth volunteer program and allows a group or organization to adopt a park, trail or street. If you are interested in this program, you can send an email to [frontdesk@cityofpt.us](mailto:frontdesk@cityofpt.us) for more information.

### Adopt-A-Park Organization:

Admiralty Audubon  
Friends of Steve Corra  
Jefferson County Master Gardeners  
Kiwanis  
PT Main Street Program  
Rotary Club PT #77  
The Rotary Club  
Trash Task Force  
Washington Native Plant Society  
(Olympic Peninsula Division)

### Park:

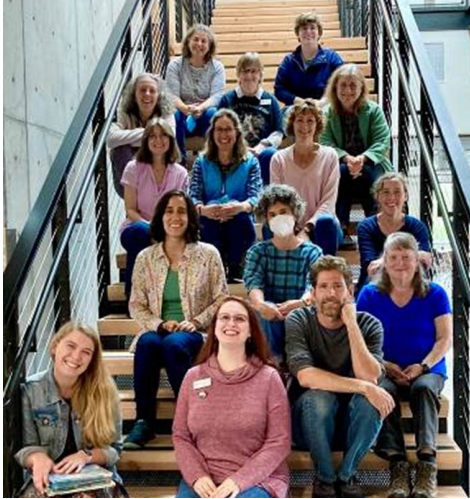
Kah Tai Lagoon Nature Park  
Haller Fountain / Terrace Stairs  
Dahlia Park  
Visitor Center Garden  
Adams Street Park  
Gateway Park & Rotary Park  
Rotary Park  
City / County Public Areas  
Kah Tai Prairie @ PT Golf Course



Adopt A Park



# City Staff



# Directory

City Hall General Front Desk	(360) 385-3000
City Council	(360) 379-2980
Compost Facility	(360) 385-7908
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
Planning and Community Development	(360) 379-5095
Police Department	(360) 385-2322
Public Works Department	(360) 379-5096

**City Manager, John Mauro**

(360) 379-5043

[jmauro@cityofpt.us](mailto:jmauro@cityofpt.us)



## Ways to Stay Engaged

- Sign up for our digital online newsletter: [www.cityofpt.us/newsletter/subscriptions](http://www.cityofpt.us/newsletter/subscriptions)
- Listen to KPTZ's Brewocracy Now with John Mauro every Thursday from 12:30 pm - 12:55 pm
- Stay up to date on current City initiatives: [www.cityofpt.us/engagept](http://www.cityofpt.us/engagept)
- Follow us on Facebook: [www.facebook.com/CityofPT](http://www.facebook.com/CityofPT)

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

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