



JANUARY CITY COUNCIL MEETINGS:

01/03/23
Regular Business Meeting
6:30 p.m.
Council Chambers

01/9/23
Special Meeting
6:30 p.m.
Council Chambers

01/17/23
Regular Business Meeting
6:30 p.m.
Council Chambers

LIBRARY DIGITAL LITERACY CLASSES:

1/5/23
Basic Computer Skills - Last Class
4:30 - 6:00 p.m.

1/19/23
Connecting to the Internet
5 - 6:00 p.m.

1/26/23
Navigating Websites
5 - 6:00 p.m.

CITY OF PORT TOWNSEND
250 MADISON STREET
(360)385-3000
WWW.CITYOFPT.US

A NOTE FROM CITY MANAGER JOHN MAURO

Happy New Year, Everyone!

As we set sail into another year, I'd like to acknowledge the hard work that our community has done together to bounce back – and even forward – from some of the most difficult years in memory. Our renowned 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. My deep appreciation to partners in all sectors that put your energies, inspiration, hard work and creativity to the task of breathing this new life into Port Townsend. Thank you.

I'm appreciative that the City team also has been doing the same. Alongside the work of keeping the City running, we've also been planning ahead. For instance, we've focused squarely and holistically on making the budget *better*, since the budget underpins everything we do. We initiated better processes, like starting our work plan process a half-year early to inform the budget. We honed *better collaboration*, working as teams to do a full Capital Facilities Plan and linking to our sister agencies of the Intergovernmental Collaborative Group (City, County, Port, PUD) on major capital investments. We provided *better delivery*, including delivery of new projects, new agreements, new programs, and new investments. We forged *better tools*, including new forecasting and approaches to one-time federal revenue sources. Finally, we thought through *better strategy*, like launching our Financial Sustainability Initiative to strengthen our financial position over the long term, so we can continue to provide the services you depend on indefinitely.

When you look at the 2023 budget – and I invite you to do so – you'll see a few new things worth noting, including new positions, new equipment and resources, new collaborations/projects, new savings, new revenue, and a new approach to paying down debt. You can dive into more detail here: <https://cityofpt.us/finance/page/financial-reports-documents>

While 102 pages with lots of numbers might not speak to everyone, there's a clear storyline to it, especially in the first few pages: we are moving together past difficult years to put ourselves in a better financial position for the long-term. Read on to the next pages of this newsletter for brief budget highlights and let us know what you think.

Meanwhile, may 2023 bring you and yours connection, joy, and satisfaction! I look forward to seeing many of you around town. And thank you for your interest and involvement in both making our community the special place it is and helping to steward a bright future for all.

RATE INCREASE

Effective January 1, 2023, a 3% rate increase will be reflective on the January 31, 2023 billing. Rates will vary for each class of water customer and water meter size. The average residential base rate will increase from \$122.84 to \$126.82. The City anticipates additional utility rate and surcharge increases over the next several years to fully fund utility requirements. For additional details and projected rates through 2026, visit Port Townsend Municipal Code Chapter 13.05: <https://www.codepublishing.com/WA/PortTownsend/#!/PortTownsend13/PortTownsend1305.html#13.05>

BUDGET IN BRIEF 2023



OUR VISION

A thriving community for all.

OUR MISSION

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

SEVEN AREAS OF STRATEGIC FOCUS:

- INVEST IN OUR PEOPLE
- ENGAGE OUR COMMUNITY
- STRENGTHEN OUR FINANCIAL POSITION
- ENVISION OUR SUSTAINABLE FUTURE
- EMBRACE AND RESOLVE OUR COMMUNITY'S CHALLENGES
- DELIVER THE BASICS
- SERVE OUR COMMUNITY

The City's 2023 budget was adopted unanimously by the City Council on December 5, 2022. The total budget for 2023 includes appropriations of just under \$49 million. The General Government portion of the budget supports many services including Police, Parks & Recreation, Library, Streets, City Facilities and General City Government. General Government appropriations are budgeted at just over \$16 million for 2023. Water, Sewer, and Storm Utilities, Capital Projects, Debt Service and Internal Service funds make up approximately \$32 million of the budget.

This budget overview provides some highlights of where our funding comes from and how it is being spent. The challenge for us as a City is strategically allocating our resources to deliver much needed services to our residents, in 2023 and into the future.

Highlights of a few of General Government activities, City staffing and aggregate spending on capital projects are reflected on the next two pages. For additional details, the full budget can be found on our website:

<https://cityofpt.us/finance/page/financial-reports-documents>



2023 BUDGET:

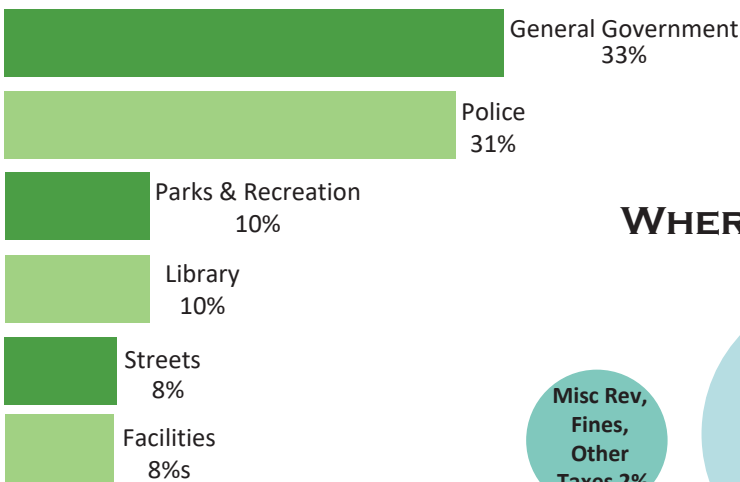
General Government Expenditures	\$14,081,332
General Government Revenues	\$15,643,031

HOW IS THE MONEY BEING SPENT?

Operations	40%
Personnel	40%
Debt	11%
Capital	9%

WHICH DEPARTMENTS ARE FUNDED?

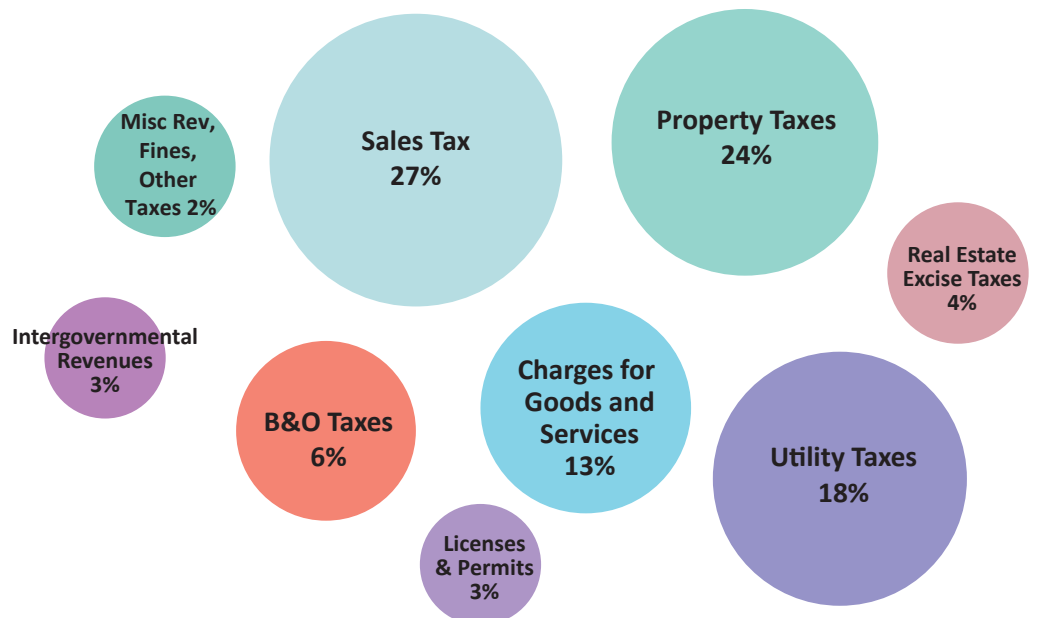
* Non-departmental expenses (e.g. debt payments, liability insurance, LTAC expenditures, etc.) of approximately \$2.5m & capital of \$1.3m are not reflected in this graph.



DID YOU KNOW?

- General Fund departments include: City Council, City Manager, City Attorney, City Clerk, Planning & Community Development, Finance and Human Resources.
- Library operations are funded by a separate property tax levy.
- The property tax levy increase is limited by the state to 1% each year, which results in \$26,618 more property tax than in 2022.
- Full-time equivalents include all employee hours for full-time and part-time staff.

WHERE DOES THE MONEY COME FROM?



CAPITAL IMPROVEMENTS



Streets

Sims Way and Boatyard Expansion Project, Pacific & Spruce, 9th Street sidewalk, Kearney Street, 2023 banked capacity street repair projects.

Water/Sewer Projects

1 MG standpipe coating, general water capital replacement, improvements, and repairs, OGWS master meters, Lords Lake, Big Quilcene main control valve - building replacement, 1928 OGWS pipeline - pipeline condition assessment and cathodic protection, sewer outfall, general sewer plan, wastewater nutrient, and affordable housing.

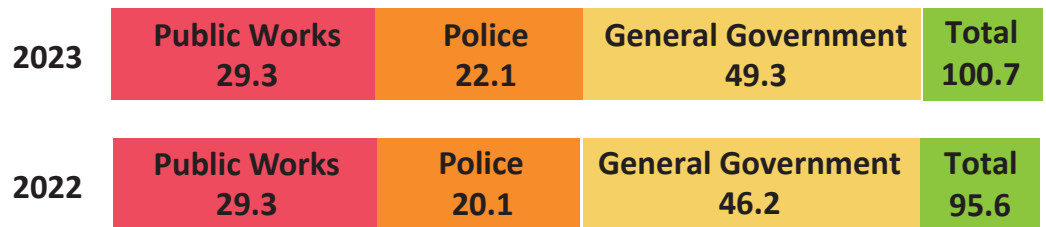
Facilities

Library annex window replacement, Chetzemoka kitchen shelter, Kai Tai restrooms.

General

Evans Vista site master planning and permitting.

CITY FULL-TIME EQUIVALENTS



Number of Full-Time Equivalentss

GENERAL FUND RESERVE BALANCE

