



Financial Sustainability Task Force Meeting Agenda

June 16, 2023 – 1-3 p.m.

City Council Chambers, 540 Water Street, Port Townsend, WA

- *Join virtually via computer or tablet at <http://joinwebinar.com> enter the 9-digit Webinar ID 229-232-163*
- *Join by phone in listen-only mode United States: Local Dial In – (360) 390-5064 ext. 11 access code: 725-353-128#*

- I. Call to Order/Roll Call
- II. Approval of May 19, 2023 Minutes
- III. Review Agenda and Meeting Objectives
- IV. Review Draft Report and Suggested Funding Packages
- V. Roundtable Discussion on Tax and Non-Tax Financial Options
to Fund No Net Loss and Enhanced Packages
- VI. Determine Final Recommendations to Present to Council
- VII. Next Steps
- VIII. Adjourn

FINANCIAL SUSTAINABILLY TASK FORCE MEETING MINUTES

DATE: May 19, 2023

START TIME: 1:00 p.m.

LOCATION: City Hall (In person and virtual)

VOTING MEMBERS PRESENT: Rick Jahnke, Earll Murman, John Nowak

NON-VOTING MEMBERS PRESENT: Berk Consulting Staff: Project Manager Katherine Goetz, Lead Facilitator Julia Tesch, Financial Analyst Oliver Hirn.

MEMBERS EXCUSED: MEMBERS ABSENT: Catharine Robinson

CITY STAFF PRESENT: City Manager John Mauro, Director of Finance and Technology Services Connie Anderson, Public Works Director Steve King, Director of Parks, and Recreation Strategy Carrie Hite, and Planning and Community Development Director Emma Bolin, Marketing and Communications Manager Shelly Leavens.

Topic	Action
<p>Welcome, Meeting Overview, and Minutes: City Manager John Mauro welcomed the task force and provided a meeting overview.</p>	<p>Motion: Rick Jahnke made a motion to approve the April 6, 2023 minutes. John Nowak seconded. Vote: Motion passed 3 to 0.</p>
<p>Roundtable reflecting on joint meeting with City Council: Berk Consulting Project Manager Katherine Goetz provided the City of Port Townsend Financial Sustainability Taskforce presentation which included Objective, Project Schedule, and Meeting Arc.</p> <p>BERK Consulting Lead Facilitator Julia Tesch explained the Roundtable Reflection: Joint Meeting with Council.</p> <p>The Taskforce and staff discussed takeaways from the Joint City Council/Financial Sustainability Taskforce meeting which included systems perspective in context of community impact, strategic level of thinking, being impressed with agreement on document, opposition to impact fees, taxes, excitement for upcoming conversations, whitepaper, and density impact fee.</p>	
<p>Review principles for recommendations:</p> <p>Ms. Tesch continued with presentation which included Our Final Product: Recommendations to Council.</p>	

Topic	Action
<p>The Taskforce discussed packets including systems, holistic view, the term “indefinitely,” importance of non-tax options, Growth Management, idea of preamble, graphically showing how each recommendation contributes to overall goal, and impact fees.</p> <p>Ms. Tesch continued with presentation which included Path to Developing Recommendations.</p>	
<p>Discussion of options: Ms. Tesch continued the presentation which included Discussion of Options, Process to Analyze Options Tax Options (17 Options).</p> <p>Discussion ensued around Taskforce rankings vs. staff rankings, Transportation Benefit District vehicle license fee, reason for staff not providing a ranking, staff process, table data manipulation, intention of table, and Pool Stakeholder Committee.</p> <p>Ms. Goetz continued with presentation which included Level of Service.</p> <p>Discussion ensued around numbers not being exact, importance of fundamentals, General Obligation Debt, only counting expense, A La Carte items.</p> <p>Ms. Goetz continued with presentation which included Options Discussion.</p> <p>Discussion ensued around lack of options in City, whitepaper, attainable housing, efficient use of existing resources, Planning Commission involvement, economic development, Parking Fee revenue, Pool Use Fee, Impact Fees-Transportation, Impact Fees in relation to Affordable Housing, Property Tax burdens, Metropolitan Park District property tax, Salish Coast Elementary process, and tax levy trend.</p> <p>Discussion continued around general property tax increase not being well received, general property tax levy vs. Metropolitan Park District, Parks and Recreation/Parks and Recreation Service being removed from options list,</p>	

Topic	Action
<p>Property tax increase moving to bottom of options list, and importance of combining with non-tax options.</p> <p>Ms. Goetz continued on with presentation which included Non-Tax Options.</p> <p>Discussion ensued around Glen Cove UGA process and rating, combination of library services, phasing exercise, efficiency improvements as a non-tax option, structured performance/process improvement, staff burn out, reserve balance process and strategies, and spreadsheet ranking process.</p> <p>Ms. Goetz continued with presentation which included Summary Discussion.</p> <p>Discussion ensued around maintaining services and including some enhanced services, “do nothing” not being an option, importance of communication with community, Taskforce to see early draft of report to allow for comments, and valuing staff opinions.</p>	
<p>Next Steps and Adjourn:</p> <p>Ms. Goetz continued with the presentation which included Next Steps.</p> <p>Discussion ensued around additional spreadsheet in packet and rates at Mountain View.</p> <p>Mr. Mauro shared the Financial Sustainability video.</p> <p>There being no further business, the meeting adjourned 3:00pm.</p>	
<p>Next Regular Meeting:</p>	

City of Port Townsend Financial Sustainability Initiative:
Financial Sustainability Task Force Draft Report to City Council

v 6.14.23



I. Purpose

The purpose of this report is to present the findings and efforts of the Financial Sustainability Task Force to City Council, including a set of recommendations and options for the City on its journey toward greater financial sustainability. The report is meant to inform the near-term and longer-term decisions by the City Council and the community meant to deliver sustained, efficient, fair, and affordable provision of basic infrastructure and services that underpin a healthy natural environment, meaningful economic development, and a high quality of life for residents. The Task Force recommendations focus holistically on all city services with an emphasis on priorities determined through widespread community engagement and planning over a number of years. The two proposed packages either sustain current levels of service or enhance current levels of service.

II. Executive Summary

Financial sustainability is critically important for the City to meet ongoing and evolving community needs over the long-term. The aim is to deliver sustained, efficient, fair, and affordable provision of basic infrastructure and services that underpin a healthy natural environment, meaningful economic development, and a high quality of life for residents. This means carefully balancing the community's ability to generate revenues to match the cost of services and obligations over the long-term. This work has an impact on each and every one of us. The City owes it to our current and future generations to get that balance right.

The purpose of this report is to present the findings and efforts of our 4-member Council-appointed Financial Sustainability Task Force to City Council, including a set of recommendations and options for the City on its journey toward greater financial sustainability. The report is meant to inform the near-term and longer-term decisions by the City Council and the community on its journey toward greater financial sustainability.

Our Task Force recommendations focus holistically on all city services with an emphasis on strategic priorities determined through widespread community engagement and planning over a number of years, including core services, housing, streets, and parks.

While nearly infinite interrelated choices exist to move forward in some way with financial sustainability, there are three most basic scenarios for how to move forward: do nothing, sustain current services, and enhance services. After review of copious materials, robust discussions, and applying criteria to various choices, the Task Force has concluded that doing nothing is not an option. Thus, this report focuses on packages of inter-related and interdependent tax and non-tax options to sustain current services and, in some cases, enhance services. These two packages are described briefly below and further in Section IV of the report.

Staff has prepared packages that are the most feasible for meeting the service levels for both sustaining current services as well as providing enhanced services.

Package A: Sustain Current Service

Core services reliant on economic development initiatives, including support of diverse commercial growth, possible future annexation of Glen Cove, implementation of a parking management program, increasing the utility tax an additional 2% above the current 2023 rate, and utilizing the banked capacity revenue. *Estimated revenue: \$2.21m - \$2.77m.*

Comprehensive Streets reliant on Transportation Benefit District (TBD) sales tax, Real Estate Excise Tax (REET), Fees for Service, and Fee in Lieu or Impact Fees. *Estimated revenue: \$1.06m.*

Parks reliant on utility tax, parks foundation, impact fees, and to some degree, Glen Cove annexation. *Estimated revenue: \$365k.*

Pool reliant on regional Metropolitan Parks District (MPD) property tax and Fee for Services. *Estimated revenue: \$3.05m.*

Affordable Housing reliant on Fee in Lieu program, affordable housing grants, and sale of City property. *Estimated revenue: \$1.15m.*

Library operations reliant on levy lid lift on general property tax revenues. *Estimated revenue: \$260k.*

Package B: Enhance Services

Core services reliant on economic development initiatives, including support of diverse commercial growth, possible future annexation of Glen Cove, implementation of a parking management program, increasing the utility tax an additional 2% above the current 2023 rate, and utilizing the banked capacity revenue. *Estimated revenue: \$2.21m - \$2.77m.*

Comprehensive Streets reliant on Transportation Benefit District (TBD) sales tax, Real Estate Excise Tax, Fees for Service, and Fee in Lieu or Impact Fees, Lodging Tax. *Estimated revenue: \$1.08m.*

Parks reliant on utility tax, parks foundation, impact fees, Real Estate Excise Tax (REET) and to some degree, Glen Cove annexation. *Estimated revenue: \$465k.*

Pool reliant on regional Metropolitan Parks District (MPD) property tax and Fee for Services. *Estimated revenue: \$4.35m.*

Affordable Housing reliant on Fee in Lieu program, affordable housing grants, and sale of City property. *Estimated revenue: \$1.15m.*

Library operations reliant on levy lid lifts on general property tax revenues. *Estimated revenue: \$520k.*

The City Council will receive these recommendations in July when the report is final. Deliberations are expected over the coming months with consideration of policy decisions and future budgets. Deliberations and community engagement is also expected into the coming years, as it will likely take many years to craft and implement sustainable solutions. One thing is certain: inaction will only put us further at risk and potentially jeopardize a more sustainable future for us all. In contrast, proactive, sustained, collaborative efforts will help us balance our community's aspirations with financial realities and prepare us for the future that we choose – a future that is more stable, more sustainable, fairer, and better for us all.

III. Introduction & Background

Financial sustainability is critically important for the City to meet ongoing and evolving community needs over the long-term. Providing basic infrastructure and services that underpin a healthy natural environment, meaningful economic development, and a high quality of life for residents means carefully balancing the community's ability to generate revenues to match the cost of services and obligations over the long-term. This work has an impact on each and every one of us. The City owes it to our current and future generations to get that balance right.

The City of Port Townsend is in a solid financial position at the current time due to a number of unusual circumstances. Even with significant challenges and substantial revenue reductions caused by the COVID-19 pandemic, the City managed to adapt, innovate, and collaborate to sustain operations and to stay within its budgetary constraints. Additionally, federal and state COVID support provided funding to help the City navigate these last three years. This current financial condition provides the perfect timing and context to evaluate the long-term financial sustainability of the City.

Pre-COVID outlooks showed significant future financial challenges threatening the public services we all depend on and enjoy. Disinvestment in streets and parks are two of the largest indicators illustrating these challenges. Sustaining services and service quality in the face of increasing service costs and while tax revenues are not keeping pace with those costs defines the fundamental problem. That said, this problem may not be fully understood by the public who depend on those services. The problem is compounded by the present need to address numerous deferred maintenance projects such as streets, city buildings, parks, and fleet for which limited or no direct revenue is currently available. Finally, the current labor and housing market put additional stresses and challenges on the Port Townsend City government as well as on our local businesses, organizations, and the public we serve.

It will take many years to craft and implement sustainable solutions. The longer we delay action, the more likely we are to suffer a major setback and the more difficult the work will be to ensure our financial sustainability well into the future. However, working together closely as a community will help us balance our diverse aspirations with financial realities and prepares us for the future. Doing so is also a promising opportunity to align expectations, build strong and productive partnerships, develop lasting trust, and draw our community closer together as we chart a course to a better future for all.

Vision and Desired Outcomes

While every individual's vision for the future may be different, the general vision for this work is for the sustained, efficient, fair, and affordable provision of basic infrastructure and services that underpin a healthy natural environment, meaningful economic development, and a high quality of life for residents. Put another way, the work aims to carefully balance the community's overall needs for services that deliver important outcomes with our ability to generate corresponding revenues over the long-haul.

The vision and outcomes require thoughtful, deliberate, proactive, and courageous collaboration and decision-making by the City Council and the community at large. Solving for the future our community wants also means a systems-approach to solve for the whole instead of individual pieces; this is represented by interconnected intervention packages and recommended actions described in Section IV below. It is meant to weave together core service needs for a functioning and effective city government alongside specific community-identified funding priorities of housing, streets, and parks.

The specific outcome of this Financial Sustainability Initiative effort is a 10+ year implementation strategy meant to ensure:

- Core services are sustained in order to provide a baseline level of service for an effective and functioning city government.
- Investment in housing to address the current housing crisis and improve housing attainability so that all income levels have access to quality, attainable housing.
- Investment in the street system is initiated in a preventative maintenance program and to claw back from lack of investment over the past 20+ years.
- Investment in the parks system to address a pool that needs to be replaced and improvement/development of parks and recreational facilities over the long term while sustaining maintenance of the facilities the City already is responsible for maintaining.

Financial Sustainability Task Force and Members

The City of Port Townsend established a four-member Financial Sustainability Task Force, appointed by the Mayor and Council through an application system, to assist the City with a review of the City's current financial position and to identify options for the future. The Task Force began its work at their first meeting on November 18, 2022. They have met six subsequent times, usually for 2-hour blocks and with deep review of significant materials in-between meetings. The Task Force also met jointly with the City Council on May 8, 2023, to discuss the work they had completed to date and to provide City Council a chance to ask questions and dialogue around findings to date. That meeting is not included in the graphic below.

Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	June 2023	July 2023
1 Taskforce Meeting		2 Taskforce Meeting		3 Taskforce Meeting	4 Taskforce Meeting	5 Taskforce Meeting	6 Taskforce Meeting	
							★ Draft Report to Council	★ Final Report to Council
						In-person & virtual public engagement		

The Task Force has been working toward a recommendation of long-term financial sustainability options to City Council in mid-2023, represented by this report.

The Task Force has reviewed information and materials regarding municipal budgeting, the City’s current department budgets and service levels, community engagement, financial forecasting, priority initiatives, peer city comparisons, level of service considerations, revenue options and strategies, and evaluation criteria for funding strategies. A selection of those materials can be found in the Appendix (Section VI) and all meeting minutes, agendas, materials, and video recordings can be found at: <https://cityofpt.us/engagept/page/financial-sustainability-initiative>.

All the meetings have been open to the public. Public comment was available during all these meetings.

Members of the Task Force include:

- Catharine Robinson
- EarlI Murman
- John Nowak
- Rick Jahnke

Brief Descriptions of Services, Core Service Needs, and Areas of Priority

Services and Cost

The City of Port Townsend directly provides a number of important services to the community. The City also works in partnership with other agencies who may play a more direct role in some service provision, as per below:

WHAT SERVICES DOES THE BUDGET PROVIDE FOR?

SERVICES PROVIDED BY THE CITY

- **Development Services:** Planning, permitting, inspections
- **General Government:** City management, legal services, finance, human resources, IT
- **Library:** Library services
- **Parks, Recreation & Community Services:** Park maintenance, recreational activities
- **Police:** Public safety services
- **Public Works:** Maintenance of physical infrastructure and transportation systems
- **Solid Waste:** Garbage and recycling services
- **Water/Sewer:** Drinking water, sewer treatment services

SERVICES PROVIDED BY JEFFERSON COUNTY

- **Assessor:** Assessment of real property
- **Economic Development:** Business attraction and retention
- **Emergency Management:** Disaster planning, mitigation, and recovery
- **Environmental Public Health:** Water quality maintenance, preservation of open space, per-mitting of waste systems
- **Municipal Court:** Processing of cases and collection of fines
- **Public Health:** Communicable disease management, family health services

SERVICES PROVIDED BY OTHER ENTITIES

- **Electricity** (via Jefferson County PUD)
- **Fire prevention and emergency response** (via East Jefferson Fire and Rescue)
- **K-12 education** (via Port Townsend School District)
- **Port maintenance** (via Port of Port Townsend)
- **Public transit** (via Jefferson Transit Authority)
- **911 services** (via [JeffCom](#))

A few key examples of services provided by the City are above. This is not an exhaustive list. The following provides the next layer of deeper detail – but is also not an exhaustive list:

Deliver on critical operations, ongoing statutory responsibilities, and core City functions

- Legal services
- Insurance and risk management
- Records management
- Responding to public records requests
- Public meetings
- Training of elected members, staff and volunteers
- Liaison with Councilmembers and stewardship of political decision-making
- Community leadership and partnership with other agencies and organizations
- Workplan and budget development; integration and oversight of City operations
- Compliance with internal and external policies, regulations and requirements
- Coaching, mentoring and performance evaluation of employees
- Special projects, communication, engagement and advocacy
- Code compliance
- Permitting review and approval
- Building inspections
- Current planning
- Long-range planning
- Recruitment, including development of a recruitment strategy
- Union contract negotiations
- Retention, including a retention strategy and employee recognition program
- Performance evaluation
- Employee engagement, engagement survey and manager follow up
- Coaching, mentoring and training programs
- Internal HR-related policy development, application and evaluation
- Facilities management, oversight, property management, rentals and event permitting
- City Volunteer Program, including adopt-a-trail, adopt-a-park and Library/Police volunteers
- Budgets and financial reporting
- Forecasting and financial analysis
- Utility billing and cashing for variety of City services
- Annual reporting and municipal audits
- Business license compliance and business and occupation tax reporting
- Purchasing administration and accounts payable
- Payroll
- Information Technology – including network security and user support
- Books & material circulation including curbside delivery, databases, e-books and e-audiobooks, children's web resources, grab bags, interlibrary loan
- Programs and events, including virtual programming, youth programming and adult programming
- Staff response to patron requests and associated services
- Access to technology
- Emergency response
- Patrol, investigation
- Special events
- Emergency preparedness
- Records requests
- Training
- Policy development and refinement
- Street maintenance, operations and programming
- Stormwater operation and maintenance
- Wastewater collections and treatment and compost
- Management of trash collection and recycling
- Drinking water treatment and distribution
- Engineering, major capital projects
- Development review for infrastructure extension
- Right of way management including urban forestry
- Fleet operations, maintenance, and replacement
- Management of parks and trails systems

The cost of city services broken down by department is below. Note that the utilities/enterprise funds like water and wastewater are not included since they are required to be separate self-sustaining budgets based on rates:

THE COST OF CITY SERVICES

Primary Services: 2023 Budget



Finally, given local, regional, statewide and federal complexities, it is no wonder that funding sources and recipient services are often misunderstood. For instance, only 11% of local (Port Townsend) sales tax revenue and 16% of property tax revenue go directly to the City of Port Townsend. A range of other regional municipalities as well as the State of Washington receive the remaining majority of sales and property tax funding generated locally in Port Townsend.



This means that those services provided above are not funded to the degree that many in our community believe they are, which often creates a mis-match in community expectations with ability to provide services based on revenue.



Core Services

Core services are fundamental to a functioning city. They include attending to critical operations, ongoing statutory responsibilities, and core functions that individuals, businesses, and organizations rely on to survive and thrive. For instance, City provides for public health and safety through necessary infrastructure for safe transportation. The City provides community policing to ensure an environment where community members can safely engage in day-to-day activities. The City supports a public library that provides community programming, services and safe places for everyone. Planning and Community Development provides planning, permitting and inspections for needed housing services. All core services are managed through the general government of the City. The City also provides for public health and safety through necessary infrastructure like water and sewer systems and solid waste removal. These systems are required to be self-sustaining through rates, so we are not considering them as core services as part of this work.

Core services also underpin the success of all city departments and all other city initiatives. Simply put, without core services, all other initiatives and services suddenly or eventually fail. For instance, the City relies on functioning buildings and facilities – from the carpet to the roof – to ensure other services, from police to permitting, can be provided. Historically, the City has not funded repair and replacement of key building systems like replacement of roofs, HVAC systems, painting, elevators, and carpets. Therefore, facilities needs arise as large surprise cost items every 20 years or so and either require emergency funding or further deferral, often to the point of failure and subsequent disruption of the other systems under the same roof that rely on those core services. Other examples of core service needs where deferral may create significant risk or disruption from failure include cybersecurity and IT systems, fleet, financial audits, public records management, human resource management, and union agreements.

Housing

Housing is vital to community prosperity. Multiple types of housing at many different affordability levels was historically key to sustaining a healthy workforce contributing to the City’s growth. However, over time increasingly restrictive zoning practices in conjunction with inflation, high labor costs, and the 2008 recession has limited housing with trends towards larger market rate units. The City’s population has only grown to 10,000 people even though the pre-platted historic lots in the City were designed for more than 20,000 people.

Housing uniquely generates revenue in the form of property taxes, construction tax, and real estate excise taxes, but there is little revenue from the City to reinvest or subsidize missing middle “attainable” housing, which the City defines as affordable to those earning between 80-200% Area Median Income (AMI). Adding more housing in a dense urban pattern can help reduce utility costs for ratepayers. The City has a minimal source of money, \$25,000 annually, generated from 0.1% of sales tax that helps fund affordable housing and homeless housing programs targeting those earning less than 80% of area median income for a family of four. The funding is pooled with money from Jefferson County and allocated through a Housing Fund Board grant program and is insufficient to meet City affordable housing unit targets. There is no other dedicated revenue source to support housing and the infrastructure (streets, sewer, water line extension) needed for construction, particularly funding to help construct missing middle “attainable” housing. Several tools described in this report as well as the White Paper *Exploration of Strategies for Supporting Infill and Affordable Housing Related to Infrastructure Development* (link to draft report in the Appendix, Section VI) could provide more funding such as an infill affordability strategy that links zoning reform (already in progress) to in lieu density fee payments, which charge a fee for homes that do not meet minimum density used to pay for middle housing infrastructure. The revenue source would need to subsidize fee payment for affordable and middle housing, which would require a budget of \$1.78 million annually assuming \$30,000 in fees waived per eligible unit.

The actual number of units that are supported will depend on the revenue and the amount of subsidy needed per unit. As a program develops, success will depend on the City’s ability to generate revenue to meet the demands associated with the number of units requesting support. The primary method for the City to provide this support is through the development of infrastructure, which is often lacking and a fundamental requirement for the development of housing. In addition to supporting the development of attainable units through subsidizing infrastructure, a second key housing strategy is to support housing through the development of land. It is estimated that direct reoccurring investment in preparing City property for neighborhood development such as the 150-unit neighborhood the City is planning for Evans

Vista would require an enhanced budget of \$442,000 per year. By supporting housing growth in a carefully planned manner, the City can balance the development of private attainable housing to support middle income and wage earner households and further support public or non-profit owned affordable housing. This balance of providing diverse affordability options also impacts tax revenues since most social housing is exempt from property tax. All housing provides the benefit of construction sales tax; however, the main source of revenue to support housing likely comes in the form of fees. A common objective for all housing is to prioritize density in order to reduce the overall tax and utility rate burden for the entire community in an effort to facilitate a more sustainable future.

Streets

The City is developing a Comprehensive Streets Program in response to the rapid deterioration of the 81 miles of City-maintained streets. The current investment in streets of \$1.2 million per year does not include funds for preservation and repair of street surfaces or funds for matching grants. This pattern of deficient investment has resulted in increasing debt and many streets falling into a state of disrepair that requires complete and costly reconstruction. The City Council Infrastructure and Development Committee reviewed options for street investments including a no-net loss alternative where an additional investment of \$750,000 per year maintains what we have but does not make improvements to the streets that are in disrepair. The Infrastructure and Development Committee's preliminary evaluations recommends increasing street investments by \$1.5 million per year to a total of \$2.7 million per year in order to claw back the condition of city streets to a state of good repair. This claw back period is likely on the order of 30 years of sustained investment.

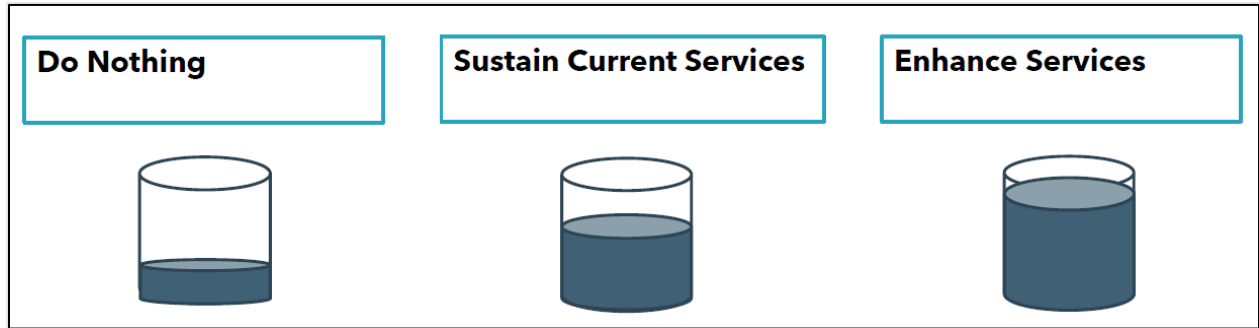
Parks

Port Townsend has continued to love its parks, recreation, and trail system. The City manages 190 acres of publicly owned land, maintains and contracts operations for an old pool, hosts a nature park, maintains two dog parks and 33 miles of public trails, contracts operations for a 9-hole community golf course, hosts the pickleball club with five permanent and more temporary courts, and enjoys a great collaboration with Jefferson County Parks and Recreation. This is done on a minimal budget, about 1/3rd of the nationwide median for communities the size of Port Townsend. The City does not have dedicated funding for parks and recreation. The general fund budget currently maintains all our parks and recreation assets along with police, streets, and city administration. Funding in this manner is never guaranteed and must be approved annually by City Council. Approximately \$1M is spent currently to maintain what we have, contract the pool and golf course operations, and work to keep our parks open. A budget of approximately \$3M would keep parks and playgrounds open, establish a capital program to take care of deferred maintenance and replacements of tired assets. A budget of about \$4.5M would be required to establish a Parks Department dedicated to maintaining and enhancing the current level of service, including replacement of the current Mountain View pool.

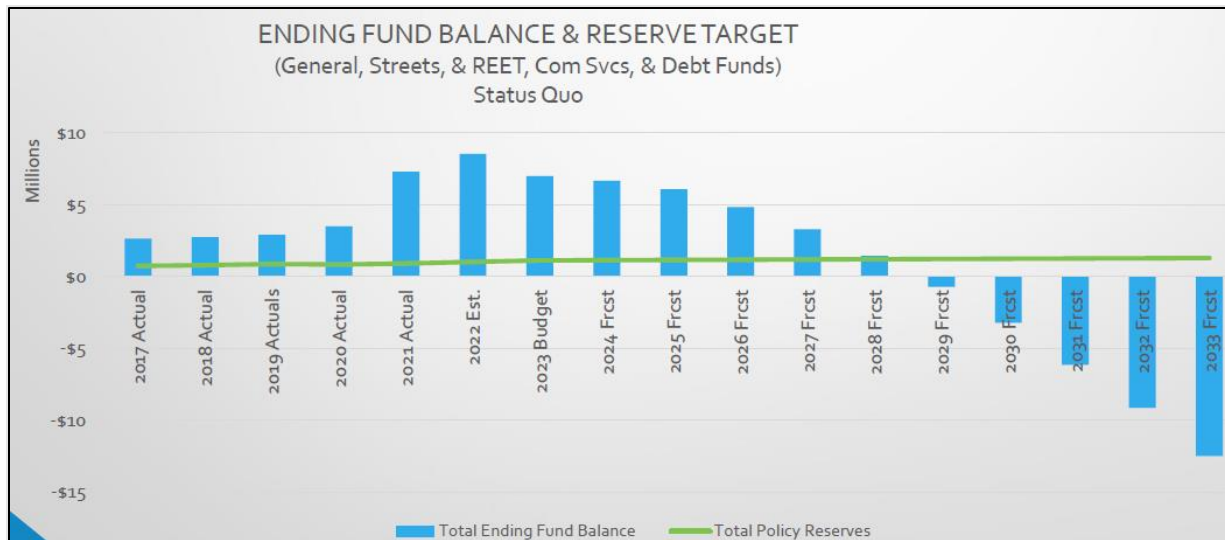
Level of Service

While nearly infinite interrelated choices exist to move forward in some way with financial sustainability, there are three most basic scenarios for how to move forward. Each scenario is a pathway with particular

impacts to our community, both in the short and long-term. Each pathway results in a level of service for those services and needs requested and required by our community, as described above.



The first pathway is to do nothing. This means no new revenue and reductions of current service levels since current funding does not keep pace with inflation and costs. While the City is required to balance a budget each year, under the *do nothing* scenario, the current service level would drop significantly by 2029 as reserve funds would be utilized to plug the interim gaps (see chart below). This looks like a “fiscal cliff.” It means things like significant service cuts, cuts to hours, and cessation of certain functions currently provided by the City, as the City is required by state law to balance the budget. The City has previously made such service level reductions to balance the budget. As an example of the *do nothing* pathway, city streets would continue deterioration and become worse over a short time period. This is largely because revenues for streets fell significantly with the state initiatives of the late 1990s related to reduction of car tabs. While some cities have developed new revenue sources in order to avoid a *do nothing* pathway, Port Townsend has not yet developed new revenue sources for streets.



The second pathway is to sustain current services. This means “no net loss” of current services and yet still requires an increase in investments to keep service levels constant. It likely means no new services, but also no “fiscal cliff” like the *do nothing* pathway above. This pathway requires efficiencies, as do all of them. Using the streets example, decay of city streets would slow and then mostly stop with sustained investment, but they would not become better than they are today. This “sustain” pathway for streets

would require approximately \$750,000 of new annual investment. At the City-wide scale, sustaining current services would require an additional investment of approximately \$4.9m above current funding levels across all general government functions.

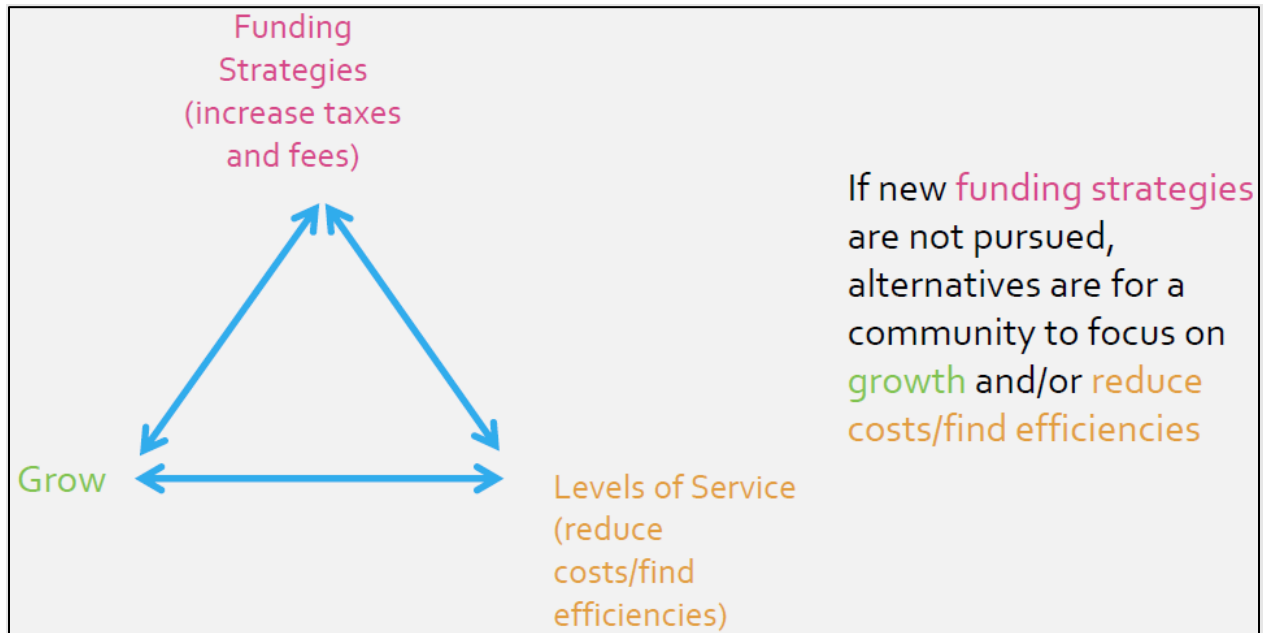
The third pathway is to enhance services. While efficiency continues to remain important and necessary and there are trade-offs between desired services, new revenue allows for enhancement of services. Increasing investments above the sustain services level allows the community to realize the vision that the community desires. Using the streets example again, city streets would gradually improve over time, eventually leading to a system-wide improvement over the coming decades. The approximate investment beyond current levels to enhance streets is estimated to be \$1.5m. Enhancing all general government services results in an increase of \$10.4m in revenue above the current funding levels. Overall, the enhancement of services has been quantified by community feedback through development of a Comprehensive Streets Program, exploration of housing initiatives, and evaluation of parks improvements such as the Healthier Together initiative for a new pool, and the Envision the Golf Course discussion.

The following table illustrates approximations for various functions of general government. The three columns of the table illustrate current investment levels, the level of investment to sustain services, and the level of investment needed to enhance services. These figures are expressed in totals with the delta provided at the bottom of the table.

	Bucket		
	Do Nothing	No net Loss	Enhance Services
Funding Description	Current Inv.	Inc. Inv.	Inc. Inv.
Level of Service Impacts	Lower	Sustain	Increase
General Fund			
Police	\$ 4,213,400	\$ 4,213,400	\$ 4,463,400
Finance / Inf. Technology	\$ 1,047,215	\$ 1,047,215	\$ 1,207,215
Legal/Clerk/Records	\$ 989,543	\$ 989,543	\$ 1,150,000
City Manager/City Council/Communications	\$ 393,000	\$ 393,000	\$ 658,000
Human Resources	\$ 475,072	\$ 475,072	\$ 510,072
Planning and Community Development	\$ 1,550,000	\$ 1,550,000	\$ 1,680,000
Fleet Replacement (Police, Parks, Eng., Admin, Fac.)	\$ -	\$ 264,000	\$ 394,600
Facilities Repair and Replacement	\$ -	\$ 395,492	\$ 612,977
Labor Inflation/Shortage/Vacancy		\$ 605,000	\$ 725,000
Pool	\$ 400,000	\$ 2,200,000	\$ 2,950,000
Parks	\$ 600,000	\$ 890,000	\$ 1,365,000
Streets	\$ 1,200,000	\$ 1,950,000	\$ 2,700,000
Library	\$ -	\$ 300,000	\$ 450,000
Debt Service	\$ 1,700,000	\$ 1,700,000	\$ 1,700,000
Housing direct investment	\$ 62,000	\$ 442,000	\$ 442,000
Attainable Housing Incentive Program - Rev. Source Impact fees and/or fee in lieu	\$ 40,000	\$ 100,000	\$ 1,780,000
Parking Management and Event Management	\$ 101,000	\$ 150,000	\$ 300,000
GIS programs (general fund services)	\$ 30,000	\$ 100,000	\$ 130,000
Total	\$ 12,801,230	\$ 17,764,722	\$ 23,218,264
Increase in Revenue	\$ -	\$ 4,963,492	\$ 10,417,034

Options and Balance

The three basic options above can also be considered as balanced trade-offs between three concepts: growth, funding strategies, and level of service. For the second (sustain current services) and third (enhance services) pathways, if new funding strategies are not pursued, the options are for a community to focus on growth and/or reduce costs or find efficiencies:



While the Task Force and this report does not take a direct stance on the current state and federal tax policy or on growth, for better or worse, it is a growth-based tax system and growth is likely to happen whether we direct it, plan it, or not. Thus, it often requires non-tax (growth) policies to achieve desired outcomes.

Efficiencies

Finding efficiencies is a critical element for any pathway forward. Not only does the landscape of service provision continually change – demanding an ability to anticipate change and adapt accordingly – but delivering value to our community simply requires a mindset of continual quality and process improvement. To those ends, a few examples of City efficiencies in the past few years:

- Contracting for pool services
- Enhanced volunteer programs for parks and other areas in the city
- Online permitting
- Public Experience Liaisons and new City Hall front counter
- On-call permitting services
- Change to mowing
- Lean thinking
- Electronic City Council and Advisory Board materials
- Updated financial software and electronic payment options

The need for efficiencies is eternal; the above list only denotes an ongoing challenge, commitment, and efforts to gain efficiencies and make best use of existing and future resources.

Criteria

The Task Force used six general criteria to evaluate a set of tax and non-tax revenue options. Those criteria included:

- **Magnitude.** How much net revenue could this option generate?
- **Growth:** How is this revenue source expected to grow or decline in the future?
- **Stability:** How stable is this revenue source?
- **Equity:** How much does the revenue option align the burden of who pays with who benefits?
- **Political feasibility:** How politically feasible is the option?
- **Restrictions/Alignment with needs:** What can the revenue be used for? Can it meet the City's needs?

As an exercise to help bolster the conversation and discussion, the Task Force used the criteria to evaluate and score options. The tax and non-tax revenue options can be found in the Appendix (Section VI).

IV. Packages/Options/Recommendations

After review of copious materials, robust discussions, and applying criteria to various choices, the Task Force has concluded that doing nothing is not an option. Thus, the following are two packages of inter-related and interdependent tax and non-tax options to A) sustain current services and B) enhance services. As of the current draft of this report, a suitable combination of strategies has not yet been identified that is fully able to meet the funding requirements of the enhance services package.

Package A: Sustain Current Services

A1: Core Services

Long-term general government (core services) are reliant on economic development strategies to increase revenues in excess of inflation for financial sustainability. These include support of diverse commercial growth as well as a possible future annexation of Glen Cove. Proposed strategies also include the implementation of a parking management program, increasing the utility tax an additional 2% above the current 2023 rate, and utilizing the banked capacity revenue. Even with these proposed strategies, the City will not be able to sustain current services beyond 2030.

Revenue Option	Annual Amount	Note
Glen Cove Annexation	\$680k	Est. to begin in 2030
Diverse Commercial Growth	\$50k - \$610k	Est. to begin in 2025; grows considerably with commercial development
Planning-Fees for Services	\$100k	Est. to begin in 2025
Parking Management Program	\$150k net	Est. to begin in 2025
Utility Tax-Councilmanic	\$152k	Raise to 24% effective rate (includes continuing 2% for Parks)
Infill Development Strategy	\$95k	Est. to begin in 2025
Multi-family development-Sales Tax	\$76k	Est. to begin in 2025
Multi-family development-Property Tax	\$7k	Est. to begin in 2025
Banked Capacity	\$900k	Est. to begin in 2024; unrestricted use
Total Revenue Options	\$2.21m - \$2.77m	

A2: Comprehensive Streets

A comprehensive streets program requires identifying a new revenue source in order to begin the process of rebuilding our street infrastructure. Proposed strategies include implementing a Transportation Benefit District funded through sales tax. Additional strategies include Fees for Services, Fee in lieu or Impact Fees and Real Estate Excise Tax (REET) for federal or state grants. With this funding package, the City would be able to meet the financial objective to sustain current services.

Revenue Option	Annual Amount	Note
Transportation Benefit District (TBD) Sales Tax 0.1%	\$225k	Councilmanic Est. to begin January 1, 2024
Transportation Benefit District (TBD) Sales Tax 0.2%	\$550k	Voted Est. to begin April 1, 2024
Real Estate Excise Tax (REET)	\$100k	Est. to begin in 2025; For grant match
Fees for Service (Permit fees)	\$85k	Est. to begin in 2024
Fee in lieu of or Impact Fees	\$100k	Est. to begin in 2024
Total Revenue Options	\$1.06m	

A3: Parks

Long-term operations of the Parks and Trails system rely on general government revenues. Additional proposed revenues include the future Glen Cove annexation, reinstatement of the dedicated 2% Utility Tax for Parks, creating Impact Fees and establishing a Parks Foundation that would encourage legacy donations as well as public / private partnerships. With these additional funding options, the City’s Parks and Trails will remain reliant on general government revenues and are not able to sustain current services independently.

Revenue Option	Annual Amount	Note
Glen Cove Annexation	\$13k	Est. to begin in 2030
Utility Tax-Councilmanic	\$152k	Reinstate 2% Utility Tax set to expire December 31, 2023
Parks Foundation	\$100k	Est. to begin in 2024
Impact Fees	\$100k	Est. to begin in 2024
Total Revenue Options	\$365k	

A4: Pool

The Mountain View pool is beyond its useful life and will require the full support of the community and region to establish a new funding source to replace the existing pool. The proposed strategy is to establish a Metropolitan Parks District (MPD) through an additional property tax levy. Other proposed revenues include establishing Fees for Services. With this funding option, the City and partners would be able to build and sustain a pool similar to the existing pool.

Revenue Option	Annual Amount	Note
Metropolitan Parks District (MPD) (.50 per 1,000) Regional District	\$2.6m	Voted Est. to begin in 2025
Fees for Services	\$450k	Est. to begin in 2025
Total Revenue Options	\$3.05m	

A5: Affordable Housing

Developing a program for Affordable Housing requires establishing new revenue sources and policies that that will be dedicated to the creation of both affordable and attainable housing. Proposed strategies include the creation of In Lieu Fees (at \$5,000/unit) for housing units greater than above market rate, obtaining affordable housing grants and the sale of City property to provide a direct investment in housing. The sale of City property is a limited resource as it is dependent on available land inventory. These proposed resources do not adequately provide for the level of housing required to sustain the City's workforce housing needs.

Revenue Option	Annual Amount	Note
In Lieu fees (\$5,000 per unit for above market units)	\$150k	Est. to begin in 2025
Affordable Housing Grants	\$500k	Est. to begin in 2026
Sale of property – to support direct investment in housing	\$500k	Est. to begin in 2025 Limited City resource, dependent upon available land inventory
Total Revenue Options	\$1.15m	

A6: Library Operations

Long-term library operations are reliant on general property tax revenues as the primary revenue source to sustain services. Strategies are limited to increase revenues that keep pace with inflation for financial sustainability.

Revenue Option	Annual Amount	Note
Levy Lid Lift (.10 per 1,000) City Only	\$260k	Voted Est. to begin in 2027
Total Revenue Options	\$260k	

Package B: Enhance Services

B1: Core Services

Long-term general government (core services) are reliant on economic development strategies in both packages to increase revenues in excess of inflation for financial sustainability. These include support of diverse commercial growth as well as a possible future annexation of Glen Cove. Proposed strategies also include the implementation of a parking management program, increasing the utility tax an additional 2% above the current 2023 rate, and utilizing the banked capacity revenue. Even with these proposed strategies, the City will not be able to sustain current services beyond 2030.

Revenue Option	Annual Amount	Note
Glen Cove Annexation	\$680k	Est. to begin in 2030
Diverse Commercial Growth	\$50k - \$610k	Est. to begin in 2025; grows considerably with commercial development
Planning-Fees for Services	\$100k	Est. to begin in 2025
Parking Management Program	\$150k net	Est. to begin in 2025
Utility Tax-Councilmanic	\$152k	Raise to 24% effective rate (includes continuing 2% for Parks)
Infill Development Strategy	\$95k	Est. to begin in 2025
Multi-family development– Sales Tax	\$76k	Est. to begin in 2025
Multi-family development- Property Tax	\$7k	Est. to begin in 2025
Banked Capacity	\$900k	Est. to begin in 2024; unrestricted use
Total Revenue Options	\$2.21m - \$2.77m	

B2: Comprehensive Streets

A comprehensive streets program requires identifying a new revenue source in order to begin the process of rebuilding our street infrastructure. Proposed strategies include implementing a Transportation Benefit District funded through sales tax. Additional strategies include Fees for Services, Fee in lieu or Impact Fees, Real Estate Excise Tax (REET) for federal or state grants, and Lodging Tax. Even with this funding package, the City would not yet be able to fully meet the financial objective to enhance current services.

Revenue Option	Annual Amount	Note
Transportation Benefit District (TBD) Sales Tax 0.1%	\$225k	Councilmanic Est. to begin January 1, 2024
Transportation Benefit District (TBD) Sales Tax 0.2%	\$550k	Voted Est. to begin April 1, 2024
Real Estate Excise Tax (REET)	\$100k	Est. to begin in 2025; For grant match
Fees for Service (Permit fees)	\$85k	Est. to begin in 2024
Fee in lieu of or Impact Fees	\$100k	Est. to begin in 2024
Lodging Tax	\$20k	For Place Making/Tourism Est. to begin in 2024
Total Revenue Options	\$1.08m	

B3: Parks

Long-term operations of the Parks and Trails system rely on general government revenues. Additional proposed revenues include the future Glen Cove annexation, reinstatement of the dedicated 2% utility tax for parks, creating impact fees, using Real Estate Excise Tax (REET) and establishing a Parks Foundation that would encourage legacy donations as well as public / private partnerships. With these additional funding options, the City's Parks and Trails will remain reliant on general government revenues and are not able to sustain current services independently.

Revenue Option	Annual Amount	Note
Glen Cove Annexation	\$13k	Est. to begin in 2030
Utility Tax-Councilmanic	\$152k	Reinstate 2% Utility Tax set to expire December 31, 2023
Parks Foundation	\$100k	Est. to begin in 2024
Impact Fees	\$100k	Est. to begin in 2024
Real Estate Excise Tax (REET)	\$100k	Est. to begin in 2025; For grant match
Total Revenue Options	\$465k	

B4: Pool

The Mountain View pool is beyond its useful life and will require the full support of the community and region to establish a new funding source to replace the existing pool. The proposed strategy is to establish a Metropolitan Parks District (MPD) through an additional property tax levy. Other proposed revenues include establishing Fees for Services. With this funding option, the City and partners would be able to build and sustain a pool with modest enhancements to the existing pool (e.g., regulation length lanes).

Revenue Option	Annual Amount	Note
Metropolitan Parks District (MPD) (.75 per 1,000) Regional District	\$3.9m	Voted Est. to begin in 2025
Fees for Services	\$450k	Est. to begin in 2025
Total Revenue Options	\$4.35m	

B5: Affordable Housing

Developing a program for Affordable Housing requires establishing new revenue sources and policies that that will be dedicated to the creation of both affordable and attainable housing. Proposed strategies include the creation of significant In Lieu Fees (greater than the sustain package at \$50,000/unit) for housing units greater than above market rate, obtaining affordable housing grants and the sale of City property to provide a direct investment in housing. The sale of City property is a limited resource as it is dependent on available land inventory. These proposed resources do not adequately provide for the level of housing required to sustain the City's workforce housing needs.

Revenue Option	Annual Amount	Note
In Lieu fees (\$50,000 per unit for above market units)	\$1.5m	Est. to begin in 2025
Affordable Housing Grants	\$500k	Est. to begin in 2026
Sale of property – to support direct investment in housing	\$500k	Est. to begin in 2025 Limited City resource, dependent upon available land inventory
Total Revenue Options	\$2.5m	

B6: Library Operations

Long term Library Operations are reliant on general property tax revenues as the primary revenue source to sustain services or to provide increased level of services or programs. Strategies are limited to increase revenues that keep pace with inflation for financial sustainability.

Revenue Option	Annual Amount	Note
Levy Lid Lift (.10 per 1,000) City Only	\$260k	Voted Est. to begin in 2027
Additional Levy Lid Lift (.10 per 1,000) City Only	\$260k	Voted Est. to begin in 2025
Total Revenue Options	\$520k	

V. Conclusion/Next Steps

This section is forthcoming. We anticipate it to include:

- **Areas still under development.** Where are there still areas where we do not meet desired funding levels and why?
- **Timeline and milestones.** When are key decisions over multiple months and years? How does this report work itself into the 2024 workplan and beyond? Is there a corresponding implementation matrix that firms up based on further Task Force conversations/direction and City Council feedback?
- **Call to action/engagement.** How can community members get involved? What visual elements from existing engagement like the videos can be repeated/underscored here?
- **Concluding message.** Recap of why this initiative is important and reiterate a positive, sustainable, collaborative future for all in our community.

VI. Appendix

Select Task Force Background Materials

A selection of slides from the Task Force meetings is below. For a full set of agendas, minutes, presentation materials, and video recordings, visit: <https://cityofpt.us/engagept/page/financial-sustainability-initiative>.

WHAT IS A BUDGET?

- The budget is an **economic plan** that focuses the entity's financial and human resources on the accomplishment of specific goals and objectives established by the policy makers.
- The budget establishes the annual revenue and expenditure levels, called **appropriations**, for departments and funds.
- A city budget must be balanced: **revenues ≥ expenditures**
- Port Townsend currently operates on an annual budget and all appropriations are for that calendar year alone.

What is the purpose of a budget?

- Legal requirement
- Accountability and transparency
 - How the City spends taxpayer and ratepayer money
- Sharing accomplishments
 - Performance evaluation
 - Performance measures
- Management tool
- Planning document

WHAT SERVICES DOES THE BUDGET PROVIDE FOR?

SERVICES PROVIDED BY THE CITY

- **Development Services:** Planning, permitting, inspections
- **General Government:** City management, legal services, finance, human resources, IT
- **Library:** Library services
- **Parks, Recreation & Community Services:** Park maintenance, recreational activities
- **Police:** Public safety services
- **Public Works:** Maintenance of physical infrastructure and transportation systems
- **Solid Waste:** Garbage and recycling services
- **Water/Sewer:** Drinking water, sewer treatment services

SERVICES PROVIDED BY JEFFERSON COUNTY

- **Assessor:** Assessment of real property
- **Economic Development:** Business attraction and retention
- **Emergency Management:** Disaster planning, mitigation, and recovery
- **Environmental Public Health:** Water quality maintenance, preservation of open space, per-mitting of waste systems
- **Municipal Court:** Processing of cases and collection of fines
- **Public Health:** Communicable disease management, family health services

SERVICES PROVIDED BY OTHER ENTITIES

- **Electricity** (via Jefferson County PUD)
- **Fire prevention and emergency response** (via East Jefferson Fire and Rescue)
- **K-12 education** (via Port Townsend School District)
- **Port maintenance** (via Port of Port Townsend)
- **Public transit** (via Jefferson Transit Authority)
- **911 services** (via [JeffCom](#))

THE COST OF CITY SERVICES

Primary Services: 2023 Budget



Levy Rate	Tax Rate	% of Total	Tax on a \$100 Purchase
State of WA	6.40%	70%	\$6.40
City of Port Townsend	0.98%	11%	\$0.98
Jefferson Transit Authority	0.90%	10%	\$0.90
Jefferson County	0.73%	8%	\$0.73
JeffCom	0.10%	1%	\$0.10
Total Tax Rate	9.10%	100%	\$9.10



Levy Rate	Levy rate per \$1,000 Valuation	% of Levy	Tax on a \$300K home
State Levies (School)	\$2.734	28%	\$820
Local Schools	\$2.026	21%	\$608
City of Port Townsend	\$1.5678	16%	\$300
County Current Expense*	\$1.2178	13%	\$128
Fire District	\$0.999	10%	\$12
Port of Townsend	\$0.521	5%	\$470
Emergency Medical Services	\$0.425	4%	\$156
Public Utility District	\$0.0815	1%	\$24
Hospital District	\$0.0399	0.4%	\$365
Totals	\$9.6120	100%**	\$2,884

*includes Mental Health, Veteran's Relief, Developmental Disabilities

** Totals may not sum to 100% due to rounding

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LEVEL OF SERVICE OVERVIEW

- Level of service is a function of 2 primary factors:
 - The amount of services provided (which is in turn a function of the **cost of service** and the **budget for services**)
 - The number of people receiving services

- Parks example:

	Amt of services provided	# of people receiving services	Level of Service
Scenario A: Fewer people	1,000 acres of parkland	100,000 residents	10 acres per 1,000 residents
Scenario B: More people	1,000 acres of parkland	125,000 residents	8 acres per 1,000 residents

Key takeaway: Increasing the # residents receiving services without increasing the amount of services provided decreases the level of service for the community.

WHAT SERVICES DOES THE BUDGET PROVIDE FOR?

SERVICES PROVIDED BY THE CITY

- **Development Services:** Planning, permitting, inspections
- **General Government:** City management, legal services, finance, human resources, IT
- **Library:** Library services
- **Parks, Recreation & Community Services:** Park maintenance, recreational activities
- **Police:** Public safety services
- **Public Works:** Maintenance of physical infrastructure and transportation systems
- **Solid Waste:** Garbage and recycling services
- **Water/Sewer:** Drinking water, sewer treatment services

SERVICES PROVIDED BY JEFFERSON COUNTY

- **Assessor:** Assessment of real property
- **Economic Development:** Business attraction and retention
- **Emergency Management:** Disaster planning, mitigation, and recovery
- **Environmental Public Health:** Water quality maintenance, preservation of open space, per-mitting of waste systems
- **Municipal Court:** Processing of cases and collection of fines
- **Public Health:** Communicable disease management, family health services

SERVICES PROVIDED BY OTHER ENTITIES

- **Electricity** (via Jefferson County PUD)
- **Fire prevention and emergency response** (via East Jefferson Fire and Rescue)
- **K-12 education** (via Port Townsend School District)
- **Port maintenance** (via Port of Port Townsend)
- **Public transit** (via Jefferson Transit Authority)
- **911 services** (via [JeffCom](#))

THE COST OF CITY SERVICES

Primary Services: 2023 Budget



FUNDING STRATEGIES AND PEER CITIES

	Levy lid lift	TBD* sales tax or license fee	Park district property tax	Impact Fees	Business & Occupation Tax	Lodging Tax
Anacortes		Yes		Yes		Yes**
Leavenworth		Yes	Part of a park service area			Yes
Port Orchard		Yes		Yes		
Port Townsend					Yes	Yes
Poulsbo		Yes		Yes		Yes
Sequim			Part of a park district	Yes		Yes

Select Tax and Non-Tax Revenue Options

General Purpose Tax Revenue Options

Revenue Options with Evaluation Criteria	Level of Service Impact	Estimated potential revenue	Growth potential	Sustainability	Equity	Political Feasibility	Alignment with Needs
General Purpose							
Property tax increase - temporary, permanent or limited purpose	Could fund no-net loss or enhancements	\$.50/\$1000 = \$900,000	Subject to 1% budgetary growth	Can be ongoing	Impacts all property owners	Requires voter approval	Can be used for any purpose
Water, Sewer & Stormwater Utility tax increases	Could fund no-net loss or enhancements	1% increase = \$76,000	Would grow as development grows	Current 22% rate eff to 12/2023; Jan 2024 reverts to 20% (\$152k reduction in revenue)	Impacts all utility users	Can be implemented without voter approval	Can be used for any purpose
Electric and Telephone	Could fund no-net loss or enhancements	1% = \$8,500	Would grow as development grows	Ongoing	Impacts all utility users	Requires voter approval	Can be used for any purpose
B&O Tax	Could fund no-net loss	Current rate 0.2%, maximum allowed	Would grow with increased economic development	Ongoing	Impacts all business owners	Already implemented	Can be used for any purpose
Parking fees	Allows implementation of a parking management program (assume 500 out of 1,000 stalls at 50% occupancy at \$5 per day)	\$312,500	Would grow with time and inflation	Self-sustaining	Impacts tourism. Concern over accessibility and upper story housing	Needs study, community buy-in, and council decision	Can be used for any purpose
User Fees	Fees must be attributed directly to a provider's service	TBD	Would grow with use	Ongoing	Impacts specific users	Can be implemented without voter approval	16

General Purpose Non-Tax Revenue Options

Options with Evaluation Criteria	Level of Service Impact	Estimated potential revenue	Growth potential	Sustainability	Equity	Political Feasibility	Alignment with Needs
General Purpose							
Charge lease rates for City Space at Mtn. View/City Hall	Could reduce the ability to provide subsidized services for public benefit	10,000 sf of leased space at \$15/year NNN, est. = \$150,000 per year. (\$F is estimated and needs to be verified)	N/A	Stable	Current leased spaces do not pay rent for public benefit. The City subsidizes services like the food bank, historical society, YMCA.	Council decision	Current subsidy supports community
Increase reserve fund balance requirements.	Stabilizes City services	Addresses reduction of services and saves on unexpected infrastructure costs. Helps city weather recessions.	Investment pool	Improves sustainability. Recessions are prime times for government to build infrastructure instead of laying people off.	Equitable to employees and provides better services.	Council decision	Sustainable Services and Community
Re-instate Fleet Replacement Reserves with one time funds	Creates consistent funding for replacement of vehicles. Allows transition to electric fleet.	Saves one time unexpected expenses when equipment fails. Also saves maintenance costs for old vehicles	N/A	High sustainability strategy	Allows good year funding to be applied to community projects instead of fleet replacement		Sustainable Services and Community
Establish a Facilities Repair Reserve with one time funds	Creates consistent funding for maintenance of buildings such as roof replacements, carpet, painting, etc.	Saves one time unexpected expenses when building systems fails. Also saves unintended damage to buildings by staying ahead of repairs.	N/A	High sustainability strategy	Allows good year funding to be applied to community projects instead of building repairs	Council Decision	Sustainable Services and Community

General Purpose Non-Tax Revenue Options (continued)

Contract Engineering Services - Jefferson Co.	Loss of local control and tailored services for urban needs (i.e., non-motorized). Still requires management. Reduction in public process.	No savings to general fund because internal service fund. Could be more efficient, but may lose local control and public process associated with key features like non-motorized transportation. Also would require contract manager(s). Saves Overhead.	N/A	No guarantee of staffing given labor market	Concern over lack of attention for city specific problems	Council and County decision	Operational and may not be strategic. May have misalignment between urban and rural goals.
Contract Planning Services - Jefferson Co.	Loss of local control and tailored services for urban needs (i.e., non-motorized). Still requires management. Reduction in public process.	Savings undetermined. Not likely a cost saving unless programs like historic preservation are eliminated. Saves overhead	N/A	No guarantee of staffing given labor market	Concern over lack of attention for city specific problems	Council and County decision	Operational and may not be strategic. May have misalignment between urban and rural goals.
Contract Police Services - Jefferson Co.	Rural versus urban policing	Savings undetermined. Requires analysis. Saves overhead, equipment, and other potential efficiencies.	N/A	No guarantee of staffing given labor market	Concern over lack of attention for city specific problems	Council and County decision	Operational and may not be strategic. May have misalignment between urban and rural goals.
Contract Library Services - Jefferson County Library	Delamarter report, considered the annexation of PT Library to Jefferson County Library (November 2001)	No savings determined. Would result in a revenue/expense gap of est. \$400k + annually based on taxing authority. Currently, no general fund subsidy of the library. In the future, may require general fund contribution due to inflation.	N/A	Sustainable for the City finances. May not be sustainable for library services.	Maintains access for everyone.	Council and Jefferson County Library decision	Current Structure (CLEO Cooperative Libraries of Eastern Olympics) aligns the needs of City and County by working together to make seamless services for community
Contract Park Services - Jefferson Co.	Absent creating a metro parks district, could create efficiency of service.	Savings could result in no increase in operational costs. Assume \$1 m per year continues.	N/A	Sustainable for the City finances. May not be sustainable for parks.	Maintains access for everyone. Concern over the ability to build new parks as the city grows.	Council and County decision	May help with park maintenance deficiencies. Could expand recreational programs with Jefferson Co.

Transportation, Roads, Trails, Tax Revenue Options

Revenue Options with Evaluation Criteria	Level of Service Impact	Estimated potential revenue	Growth potential	Sustainability	Equity	Political Feasibility	Alignment with Needs
Transportation, Roads, Trails							
Transportation Benefit District sales tax	Could fund no-net loss or enhancements	0.2% = \$550,000	Would grow with increased economic development	Sales tax available for 10 years with indefinite number of renewals	Impacts all purchases	May require voter approval	For transportation projects
Transportation Benefit District sales tax	Could fund no-net loss or enhancements	0.1% = \$275,000	Would grow with increased economic development	Sales tax available for 10 years with indefinite number of renewals	Impacts all purchases	Can be implemented without voter approval	For transportation projects
Transportation Benefit District vehicle license fee	Could fund no-net loss or enhancements	\$20 fee = \$186,000	Would grow with more vehicles registered	Sales tax available for 10 years with indefinite number of renewals	Same fee for all vehicle owners	Can be implemented without voter approval	For transportation projects
Impact Fees - Transportation	Impact Fees strategy to achieve attainable housing goal.	\$5,000/housing unit x 50 units per year = \$250,000 per year current levels of development. \$5,000 would need to be justified by study for non-motorized facilities	Growth could be reduced by attainable housing incentive program for additional units. If all new units are market rate (75 per year), then growth in revenue goes up to \$375,000.	Ongoing until strategy is achieved.	Impacts specific users	Can be implemented without voter approval	For capital projects specific to the fee (housing, streets, parks)
Capital Bond	Could fund no-net loss or enhancements	Based on Capital Improvement Plan	One time money	Improves and maintains infrastructure	Impacts all property owners	Requires voter approval	For capital projects specific to the bond

Parks, Pools, Public Facilities Tax Revenue Options

Revenue Options with Evaluation Criteria	Level of Service Impact	Estimated potential revenue	Growth potential	Sustainability	Equity	Political Feasibility	Alignment with Needs
Parks, Pools, Public Facilities							
Metropolitan Park District property tax	Could fund no-net loss or enhancements	\$0.75 per \$1,000 = ~\$1,600,000	Subject to 1% budgetary growth	Ongoing	Impacts all property owners	Requires voter approval	For park projects
Parks and Recreation District	Could fund no-net loss or enhancements	6 year levy	Subject to 1% budgetary growth; limited to 6 years	Limited to 6 years	Impacts all property owners	Requires voter approval	For parks services, limited term
Parks and Recreations Service Area	Could fund no-net loss or enhancements	6 year levy	Subject to 1% budgetary growth; limited to 6 years	Limited to 6 years	Impacts all property owners	Requires voter approval	For parks services, limited term
Public Facilities District sales tax	Could fund no-net loss or enhancements	0.2% = \$550,000	Would grow with increased economic development	Ongoing	Impacts all purchases	Requires voter approval	For a regional facility
Impact Fees - Parks / Open Space	Impact Fees strategy to achieve attainable housing goal.	\$5,000/housing unit x 50 units per year = \$250,000 per year current levels of development. \$5,000 would need to be justified by study for non-motorized facilities	Growth could be reduced by attainable housing incentive program for additional units. If all new units are market rate (75 per year), then growth in revenue goes up to \$375,000.	Ongoing until strategy is achieved.	Impacts specific users	Can be implemented without voter approval	For capital projects specific to the fee (housing, streets, parks)
Pool Use fees	Fees must be attributed directly to user	Current fees, \$100k Current cost to run existing pool, \$600k Increase fees, \$100k	Would grow with use	Ongoing	Impacts specific users	Can be implemented without voter approval	Specific for O&M of facility

Housing Tax Revenue Options

Revenue Options with Evaluation Criteria	Level of Service Impact	Estimated potential revenue	Growth potential	Sustainability	Equity	Political Feasibility	Alignment with Needs
Housing							
Affordable Housing Sales Tax	Implemented at County level; ILA with the County through the Housing Fund Board	\$500k	Grows with increased economic development	Ongoing	Impacts all purchases	Already implemented	Provides Affordable Housing and Homeless Housing Programs
Affordable Housing Sales Tax	Implemented by the City; ILA with the County through the Housing Fund Board	\$25k	Grows with increased economic development	Ongoing	Impacts all purchases	Already implemented	Provides Affordable Housing and Homeless Housing Programs
Development Services Fees	Provide higher level of responsiveness for permit processing by funding staff positions. Fees must be attributed directly to a providers service	TBD	Would grow as development grows	Ongoing	Impacts specific users	Can be implemented without voter approval	Supports critical attainable housing needs

Housing Tax Non-Revenue Options

Options with Evaluation Criteria	Level of Service Impact	Estimated potential revenue	Growth potential	Sustainability	Equity	Political Feasibility	Alignment with Needs
Housing							
Sale of Land	Reduce remnant ownership potentially for housing	Estimated market value = \$2,000,000 based on estimated 20 lots with net value of \$100,000	No growth potential	One time	Could be for affordable housing. Equitable strategy	Council decision. Neighborhood concerns to be considered.	Seed fund or use for affordable housing
Glen Cove UGA - Expansion	Expansion of sewer for housing and industry. Potential UGA swap. More efficient urban services based on existing development patterns and potential for infill.	100 acres existing industrial. Potential for 300 acres additional housing and light industry. Estimated annual \$1 m in revenue growth over 20 year period	Growth with time	High growth potential with utility tax, B&O, sales, and propert tax. Need subarea plan to drive density for most efficient services.	Perceived gentrification with increase business opportunity. Cost to run business could increase with urban services. Also opportunity for more family wage jobs.	Requires County and City Council approval. Requires UGA change approval by Commerce.	Supports housing and jobs
City initiated housing (Evans Vista)	Provides housing	Ongoing annual revenue resulting from workforce housing = \$15,000/yr for 150 units. Other non-tangible community value	Inflationary growth potential. Also there one time tax revenue	Continued development of attainable housing is required for a sustainable community	Provides needed access to attainable housing. Need mix of housing. TBD	Requires Council approval	Supports critical attainable housing needs
Infill Development Strategy: Examples include financial, marketing and zoning policy, ie tactical infill	Lowers tax burden on residents infrastructure. We need 75 units per year on average going forward plus 400 units right now because of backlog of not enough units being constructed over the last 20 years. (Current unit count per year is 50)	Est \$330,000 per year for new revenue associated with construction sales tax and property tax. Also, there is a density tax burden reduction of 20% for 100 miles of water, sewer, and streets.	Yes, depending on density and local capacity to build.	High level of sustainability if housing is infill compared to sprawl. Ongoing with new housing units. Will vary with market conditions and funding. Need to address building cycle problem.	Infill is equitable. Could include program to achieve attainable housing needs.	Planning process, requires Planning Commission and City Council	Critical need for housing backlog needs, climate, and infrastructure sustainability
Support diverse Commercial Business Growth	Possible new and additional jobs. Makes use of commercially zoned property. Vitality in commercial districts supports better services.	Total gross commercial activity is \$450 m for the city or \$1.3 m/acre of commercial land space (325 acres). For Example Room to increase commercial activity on land by 20% which generates \$640k additional annual revenue.	Growth can occur depending community appetite for increasing business activity and workforce housing availability.	Cyclic based on economy. However, on average very sustainable based on WA State tax structure. Commercial activity is what drives city revenue. This includes professional services, trades, small business, manufacturing, etc.	Depends on job types	Requires dedicated investment in economic development and housing	Balancing good paying jobs with community needs is the key strategy for commercial growth. (ie arts community)
Support Market Multifamily Housing	Improves level of service for housing and infrastructure due to maximum density opportunity.	High revenue potential for market rate apartments due to utility tax, sales tax, and property tax revenue.	High growth potential if MF development can be established as the norm for unit creation.	Creates long term financial sustainability for cities.	Huge improvement in equity in housing. Apartments serve all people at different stages of life and don't discriminate.	Zoning is the key driver for making land available for apartments. Council decision	Best return on investment is apartment complexes. - Strong Towns.
Reduce or eliminate off-street parking requirements	Helps with housing density, increases cost of street maintenance	Not estimated yet. May be a net zero if housing density is achieved.	Depends on housing density development	N/A	Equitable use of the right of way for housing purposes	Council decision	Growth potential for housing density
150% AMI Multi Family Tax Exemption Program	Increase attainability of housing from 120% to 150% AMI qualified households.	revenue neutral , but transfers property tax costs to rest of property tax base	Goal to maximize development of new attainable units. We need 80% of all new units to be attainable or affordable. Based on Dept. of Commerce 20 yr projection	N/A	Makes housing available for more people.	Marking and strategy development.	growth potential for housing = >1176 eligilbe units out of 1448 units needed by 2044

Select Resources of Relevance

White Paper: *Exploration of Strategies for Supporting Infill and Affordable Housing Related to Infrastructure Development*

City staff produced a white paper that is related in particular to the housing component and briefly referenced in the report above. The draft white paper, dated May 3, 2023, and presented to the City Council Infrastructure and Development Committee, can be found here:

https://cityofpt.granicus.com/MetaViewer.php?view_id=4&clip_id=2663&meta_id=215676

Housing Initiatives

A general overview of City housing initiatives can be found here:

<https://cityofpt.us/engagept/page/housing>.

Streets Initiatives: Comprehensive Streets Program

A general overview of City streets initiatives, including the Comprehensive Streets Program, can be found here: <https://cityofpt.us/engagept/page/comprehensive-streets-program>.

Parks Initiatives: Healthier Together (Pool) and Envision the Golf Course/Mountain View

An overview of the Healthier Together (Pool) initiative can be found here:

<https://cityofpt.us/engagept/page/healthier-together>.

An overview of the Envision Port Townsend Golf Course and Mountain View Commons can be found here:

<https://cityofpt.us/engagept/page/envision-port-townsend-golf-course-and-mountain-view-commons>

Video Series

A new video series providing a brief overview of core services and the three priority areas of housing, streets, and parks can be found:

- On the City Facebook Page: <https://www.facebook.com/CityofPT>
- On the City YouTube Channel: <https://www.youtube.com/@CityofPortTownsend/videos>
- On the City website: <https://cityofpt.us/engagept/page/videos>



No Net Loss

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Core Services											
Beginning Fund Balance	7,379,830	5,995,035	5,965,540	6,250,296	5,707,129	4,919,671	3,870,893	2,543,086	1,497,846	201,057	(1,360,413)
Revenue	15,058,582	15,359,754	15,666,949	15,980,288	16,299,893	16,625,891	16,958,409	17,297,577	17,643,529	17,996,399	18,356,327
Expense	13,989,999	15,039,248	15,640,818	16,266,451	16,917,109	17,593,793	18,297,545	19,029,447	19,790,625	20,582,250	21,405,540
LTGO Debt	2,799,016	1,100,000	1,100,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000
Ending Fund Balance	5,995,035	5,215,540	4,891,671	4,264,132	3,389,913	2,251,769	831,757	(888,784)	(2,349,250)	(4,084,794)	(6,109,625)

No Net Loss Revenue Options

y	Glen Cove Annexation - incr. property tax, other tax revenues and utility connections (assume 10% growth per year for results of sewer)											
n			75,000	76,500	78,030	79,591	81,182	82,806	84,462	86,151	87,874	
y			50,000	120,000	190,000	260,000	330,000	400,000	470,000	540,000	610,000	
y			100,000	102,000	104,040	106,121	108,243	110,408	112,616	114,869	117,166	
n	Contract Services - Police											
n	Contract Services - Planning											
n	Contract Services - Engineering											
y			200,000	220,000	242,000	266,200	292,820	322,102	354,312	389,743	428,718	
n	Utility Tax - Councilmanic 2% - Raise to 22% effective rate - if not in parks											
y			152,000	155,040	158,141	161,304	164,530	167,820	171,177	174,600	178,092	
y	Utility Tax - Councilmanic 2% - Raise to 24% effective rate including parks											
y			95,625	100,406	105,427	110,698	116,233	122,044	128,147	134,554	141,282	
y	Multi-family development (Ave of 30 units per year) - Sales Tax											
y			76,500	78,795	81,159	83,594	86,101	88,684	91,345	94,085	96,908	
y	Multi-family development (Ave of 30 units per year) - General Property Tax											
n			6,600	13,398	20,196	26,994	33,792	40,590	47,388	54,186	60,984	
n	Property Tax Levy - Voted											
y		900,000	909,000	918,090	927,271	936,544	945,909	955,368	964,922	974,571	984,317	
y	Banked Capacity for increased debt payment + achieve No Net Loss											
		900,000	909,000	918,090	927,271	936,544	945,909	955,368	964,922	974,571	984,317	
	Total ALL No Net Loss Revenue Options	0	1,800,000	2,725,725	2,857,359	2,991,675	3,128,891	3,269,249	4,093,012	4,308,467	4,534,731	4,772,830
	Total SELECTED No Net Loss Revenue Options	0	900,000	1,589,725	1,707,729	1,828,233	1,951,454	2,077,628	2,887,017	3,087,907	3,299,409	3,522,546

No Net Loss Expenses

y		80,000	110,000	140,000	170,000	200,000	230,000	260,000	290,000	320,000	350,000	
n	Facilities Repair & Replacement											
		395,492	407,357	419,577	432,165	445,130	458,484	472,238	486,405	500,997	516,027	
n	Planning & Community Development											
		0	0	0	0	0	0	0	0	0	0	
y	Parking Management & Event Management											
		49,000	50,470	51,984	53,544	55,150	56,804	58,509	60,264	62,072	63,927	
y	subtract Glen Cove expenses (Streets)											
y	GIS programs (general fund services)											
		70,000	72,100	74,263	76,491	78,786	81,149	83,584	86,091	88,674	91,334	
	Total ALL No Net Loss Expenses	0	545,492	638,457	684,310	730,640	777,459	824,783	972,626	1,024,005	1,076,025	1,128,706
	Total SELECTED No Net Loss Expense Options	0	150,000	231,100	264,733	298,475	332,329	366,299	500,388	537,600	575,028	612,679

Total No Net Loss Change w-SELECTED Financial Options	0	750,000	1,358,625	1,442,996	1,529,758	1,619,124	1,711,329	2,386,629	2,550,307	2,724,381	2,909,868
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Ending Fund Balance w/ Financial Options	5,995,035	5,965,540	6,250,296	5,707,129	4,919,671	3,870,893	2,543,086	1,497,846	201,057	(1,360,413)	(3,199,758)
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Minimum Reserve Requirement (8% Revenue)	1,204,687	1,372,780	1,471,414	1,507,012	1,543,325	1,580,383	1,618,213	1,711,247	1,756,160	1,802,490	1,850,333
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STREET OPS & CAPITAL

Beginning Fund Balance	415,414	292,913	219,278	349,093	444,839	504,446	525,747	506,480	444,278	336,666	181,059
Revenue	1,171,775	1,195,211	1,219,115	1,243,497	1,268,367	1,293,734	1,319,609	1,346,001	1,372,921	1,400,380	1,428,387
Expense	1,294,275	1,391,346	1,447,000	1,504,880	1,565,075	1,627,678	1,692,785	1,760,497	1,830,916	1,904,153	1,980,319
Ending Fund Balance	292,913	96,778	(8,607)	87,710	148,131	170,502	152,571	91,985	(13,717)	(167,108)	(370,873)

No Net Loss Revenue Options

y	TBD 0.1% (Councilmanic)										
		275,000	280,500	286,110	291,832	297,669	303,622	309,695	315,889	322,206	328,650
y	TBD 0.2% (Voted)										
		412,500	561,000	572,220	583,664	595,338	607,244	619,389	631,777	644,413	657,301
n	TBD 0.3%										
		581,250	790,500	806,310	822,436	838,885	855,663	872,776	890,231	908,036	926,197
n	TBD tabs										
		186,000	189,720	193,514	197,385	201,332	205,359	209,466	213,656	217,929	222,287
y	Real Estate Excise Tax (for grants match)										
		0	100,000	102,000	104,040	106,121	108,243	110,408	112,616	114,869	117,166
n	LTAC (for Place Making/Tourism)										
		20,000	20,400	20,808	21,224	21,649	22,082	22,523	22,974	23,433	23,902
y	Fees for Service (Permit fees)										
		85,000	86,700	88,434	90,203	92,007	93,847	95,724	97,638	99,591	101,583

Fin Sustainability No Net Loss

y	Fee in lieu of or Impact Fees	100,000	102,000	104,040	106,121	108,243	110,408	112,616	114,869	117,166	119,509
n	Parking fees (Implementation over time)		200,000	220,000	242,000	266,200	292,820	322,102	354,312	389,743	428,718
n	Property Tax Levy - Voted	900,000	909,000	918,090	927,271	936,544	945,909	955,368	964,922	974,571	984,317
n	Banked Capacity	0	0	200,000	202,000	204,020	206,060	208,121	210,202	212,304	214,427
	Total ALL No Net Loss Revenue Options	0	2,559,750	3,239,820	3,511,526	3,588,176	3,668,007	3,751,257	3,838,188	3,929,085	4,024,261
	Total SELECTED No Net Loss Revenue Options	0	872,500	1,130,200	1,152,804	1,175,860	1,199,377	1,223,365	1,247,832	1,272,789	1,298,245
	No Net Loss Expenses										
	Capital Expense Increase										
	Comprehensiv Streets Capital Projects	750,000	772,500	795,675	819,545	844,132	869,456	895,539	922,405	950,078	978,580
	Total No Net Loss Expenses	0	750,000	772,500	795,675	819,545	844,132	869,456	895,539	922,405	978,580
	Total No Net Loss Change w-SELECTED Financial Options	0	122,500	357,700	357,129	356,315	355,246	353,909	352,293	350,383	348,167
	Ending Fund Balance w/ SELECTED Financial Options	292,913	219,278	349,093	444,839	504,446	525,747	506,480	444,278	336,666	181,059
											(25,243)
	COMMUNITY SERVICES - OVERALL FUND										
	Beginning Fund Balance	652,494	0	0	0	0	0	0	0	0	0
	Revenue (GF Transfer, All Areas)	2,479,904	2,529,502	2,580,092	2,631,694	2,684,328	2,738,014	2,792,775	2,848,630	2,905,603	2,963,715
	No Net Loss Revenue Options										
	Remove Parks Strategy (one time ARPA funding)	(125,000)	(50,000)								
	Move Facilities out of Community Services?										
	* Reduce Revenue Transfer	(1,012,215)	(1,113,436)	(1,146,840)	(1,181,245)	(1,216,682)	(1,253,183)	(1,290,778)	(1,329,501)	(1,369,386)	(1,410,468)
	Total No Net Loss Revenue Option	(1,137,215)	(1,163,436)	(1,146,840)	(1,181,245)	(1,216,682)	(1,253,183)	(1,290,778)	(1,329,501)	(1,369,386)	(1,410,468)
	Adjusted Beginning Fund Balance	1,342,689	1,366,066	1,433,253	1,450,449	1,467,646	1,484,832	1,501,997	1,519,129	1,536,216	1,553,247
	COMMUNITY SERVICES - CITY FACILITIES										
	Revenue (see above, Transfer for ALL Community Services										
	Expense	1,012,215	1,088,131	1,131,656	1,176,923	1,223,999	1,272,959	1,323,878	1,376,833	1,431,906	1,489,183
	No Net Loss Expenses										
	* Reduce / Remove Expense	1,012,215	1,088,131	1,120,775	1,154,398	1,189,030	1,224,701	1,261,442	1,299,285	1,338,264	1,378,412
	Total No Net Loss Change w-Financial Options		2,176,262	2,252,431	2,331,321	2,413,030	2,497,661	2,585,320	2,676,118	2,770,170	2,867,594
	COMMUNITY SERVICES-PARKS										
	Revenue	17,000	17,340	17,687	18,041	18,401	18,769	19,145	19,528	19,918	20,317
	Ord 3203 2% Utility Tax Expires in 2024 - Nom rate decrease to 16%		(150,000)	(153,000)	(156,060)	(159,181)	(162,365)	(165,612)	(168,924)	(172,303)	(175,749)
	Expense	1,049,882	1,154,870	1,201,065	1,249,107	1,299,072	1,351,035	1,405,076	1,461,279	1,519,730	1,580,519
	No Net Loss Revenue Options										
n	MPD (.60 per 1,000) City Only		1,950,000	1,969,500	1,989,195	2,009,087	2,029,178	2,049,470	2,069,964	2,090,664	2,111,571
n	MPD (.50 per 1,000) City Only		1,300,000	1,313,000	1,326,130	1,339,391	1,352,785	1,366,313	1,379,976	1,393,776	1,407,714
n	MPD (.40 per 1,000) City Only		1,040,000	1,050,400	1,060,904	1,071,513	1,082,228	1,093,050	1,103,981	1,115,021	1,126,171
n	Real Estate Excise Tax	338,000	88,000								
y	Reinstate 2% Utility Tax Expires set to expire Dec 31, 2023	150,000	153,000	156,060	159,181	162,365	165,612	168,924	172,303	175,749	179,264
n	Levy Lid Lift (.10 per 1,000) City Only	260,000	262,600	265,226	267,878	270,557	273,263	275,995	278,755	281,543	284,358
n	Glen Cove Annexation - incr. property tax, other tax revenues and utility connections (assume 10% growth per year for results of sewer)							13,000	14,300	15,730	17,303
y	Impact Fees	100,000	102,000	104,040	106,121	108,243	110,408	112,616	114,869	117,166	119,509
y	Fees for Service (Golf Course?)										
y	Parks Foundation	100,000	102,000	104,040	106,121	108,243	110,408	112,616	114,869	117,166	119,509
n	Banked Capacity	0	0	0	0	0	0	0	0	0	0
	Total ALL No Net Loss Revenue Options	0	948,000	4,997,600	4,962,266	5,015,530	5,069,400	5,123,882	5,191,985	5,249,017	5,306,814
	Total SELECTED No Net Loss Revenue Options	0	350,000	357,000	364,140	371,423	378,851	386,428	394,157	402,040	410,081

Fin Sustainability No Net Loss

No Net Loss Expenses											
y	Additional Park Expenses	280,000	291,200	302,848	314,962	327,560	340,663	354,289	368,461	383,199	398,527
n	Golf Course, Hybrid Plan Enhanced	338,000	88,000	88,000	88,000	88,000	88,000	88,000	88,000	88,000	88,000
Total ALL No Net Loss Expenses		0	618,000	379,200	390,848	402,962	415,560	428,663	442,289	456,461	471,199
Total SELECTED No Net Loss Expense Options		0	280,000	291,200	302,848	314,962	327,560	340,663	354,289	368,461	383,199
Total No Net Loss Change w-SELECTED Financial Options		0	70,000	65,800	61,292	56,461	51,291	45,765	39,868	33,579	26,881
Net Amount Parks No Net Loss Options		(1,032,882)	(1,217,530)	(1,270,578)	(1,325,835)	(1,383,391)	(1,443,339)	(1,505,778)	(1,570,808)	(1,638,536)	(1,709,070)

COMMUNITY SERVICES-POOL & MOUNTAIN VIEW FACILITIES

Revenue											
Expense											
		389,490	418,702	435,450	452,868	470,983	489,822	509,415	529,791	550,983	573,022

No Net Loss Revenue Options

n	MPD (.75 per 1,000) Regional District		3,900,000	3,939,000	3,978,390	4,018,174	4,058,356	4,098,939	4,139,929	4,181,328	4,223,141
Y	MPD (.50 per 1,000)Regional District		2,600,000	2,626,000	2,652,260	2,678,783	2,705,570	2,732,626	2,759,952	2,787,552	2,815,427
n	MPD (.40 per 1,000) Regional District		2,080,000	2,100,800	2,121,808	2,143,026	2,164,456	2,186,101	2,207,962	2,230,042	2,252,342
n	Public Facilities District Sales Tax 0.2%	412,500	561,000	572,220	583,664	595,338	607,244	619,389	631,777	644,413	657,301
n	Impact Fees	100,000	102,000	104,040	106,121	108,243	110,408	112,616	114,869	117,166	119,509
n	Property Tax Levy - Voted	900,000	909,000	918,090	927,271	936,544	945,909	955,368	964,922	974,571	984,317
y	Fees for Service		450,000	459,000	468,180	477,544	487,094	496,836	506,773	516,909	527,247
n	Pool Foundation										
n	Banked Capacity										
n	one time contributions (will be used to buy down construction loan, reducing long-term debt obligations)										
n	* City, County, School, Hospital, other										
n	* specific construction sales ie, hospital										
n	* private donations										
Total ALL No Net Loss Revenue Options		0	1,412,500	4,102,000	4,154,150	4,207,044	4,260,694	4,315,112	4,370,311	4,426,303	4,483,100
Total SELECTED No Net Loss Revenue Options		0	0	3,050,000	3,085,000	3,120,440	3,156,326	3,192,665	3,229,462	3,266,725	3,304,460

No Net Loss Expenses

y	Debt Service Pool Expenses			300,000	900,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
y	Increased Operational Costs				400,000	412,000	424,360	437,091	450,204	463,710	
Total ALL No Net Loss Expenses		0	0	0	300,000	900,000	2,200,000	2,212,000	2,224,360	2,237,091	2,250,204
Total SELECTED No Net Loss Expense Options		0	0	0	300,000	900,000	2,200,000	2,212,000	2,224,360	2,237,091	2,250,204
Total No Net Loss Change w-SELECTED Financial Options		0	0	3,050,000	2,785,000	2,220,440	956,326	980,665	1,005,102	1,029,635	1,054,257
Net Amount Parks No Net Loss Options		(389,490)	(418,702)	2,614,550	2,332,132	1,749,457	466,504	471,250	475,311	478,652	481,235

Ending Fund Balance w/ SELECTED Financial Options

(79,683)	1,906,096	5,029,656	4,788,067	4,246,742	3,005,658	3,052,789	3,099,750	3,146,503	3,193,006	3,239,217
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AFFORDABLE HOUSING

Beginning Fund Balance	55,862	63,067	70,416	627,912	1,187,058	1,747,902	2,460,493	3,024,883	3,841,123	4,409,267	5,279,372
Revenue	100,101	102,103	104,145	106,228	108,353	110,520	112,730	114,985	117,284	119,630	122,023
Expense	92,896	94,754	96,649	98,582	100,554	102,565	104,616	106,708	108,842	111,019	113,240
Ending Fund Balance	63,067	70,416	77,912	635,558	1,194,857	1,755,857	2,468,607	3,033,159	3,849,565	4,417,878	5,288,154

No Net Loss Revenue Options

Housing initiatives - could incr property tax and other shared tax revenues

Evans Vista											
y	In lieu fees (\$5,000 per unit for above market units)		150,000	154,500	159,135	163,909	168,826	173,891	179,108	184,481	190,016
n	In lieu Fees (\$30,000 per unit for above market units)		900,000	927,000	954,810	983,454	1,012,958	1,043,347	1,074,647	1,106,886	1,140,093
n	In lieu Fees (\$50,000 per unit for 30 above market units)		1,500,000	1,545,000	1,591,350	1,639,091	1,688,263	1,738,911	1,791,078	1,844,811	1,900,155
y	Affordable Housing Grants		500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
y	Sale of property - to support direct investment in housing		500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total ALL No Net Loss Revenue Options		0	0	3,050,000	3,126,500	3,205,295	3,436,454	3,370,047	3,706,149	3,544,833	3,936,178
Total SELECTED No Net Loss Revenue Options		0	0	650,000	654,500	659,135	813,909	668,826	923,891	679,108	984,481

Fin Sustainability No Net Loss

No Net Loss Expenses											
Attainable Housing Incentive Program-Rev Source Impact Fees and/or fee in lieu			100,000	103,000	106,090	109,273	112,551	115,927	119,405	122,987	126,677
Housing Direct Investment			442,000	455,260	468,918	482,985	497,475	512,399	527,771	543,604	559,912
Total ALL No Net Loss Revenue Options	0	0	542,000	558,260	575,008	592,258	610,026	628,327	647,176	666,592	686,589
Total SELECTED No Net Loss Revenue Options	0	0	100,000	103,000	106,090	109,273	112,551	115,927	119,405	122,987	126,677
Total No Net Loss Change w-SELECTED Financial Options	0	0	550,000	551,500	553,045	704,636	556,275	807,964	559,703	861,494	63,339
Ending Fund Balance w/ SELECTED Financial Options	63,067	70,416	627,912	1,187,058	1,747,902	2,460,493	3,024,883	3,841,123	4,409,267	5,279,372	5,351,493
LIBRARY OPERATIONS											
Beginning Fund Balance	605,776	592,386	542,343	453,820	324,914	413,639	460,530	463,459	420,210	328,471	185,837
Revenue	1,203,905	1,215,944	1,228,103	1,240,385	1,252,788	1,265,316	1,277,969	1,290,749	1,303,657	1,316,693	1,329,860
Expense	1,217,295	1,265,987	1,316,626	1,369,291	1,424,063	1,481,025	1,540,266	1,601,877	1,665,952	1,732,590	1,801,894
Ending Fund Balance	592,386	542,343	453,820	324,914	153,639	197,930	198,233	152,331	57,914	(87,426)	(286,197)
No Net Loss Revenue Options											
Levy Lid Lift (.10 per 1,000) City Only					260,000	262,600	265,226	267,878	270,557	273,263	275,995
GF Contribution					1	1	1	1	1	1	1
Banked Capacity			200,000	220,000	242,000	266,200	292,820	322,102	354,312	389,743	428,718
Library Foundation	0	0	0	0	0	0	0	0	0	0	0
Private Donations	0	0	0	0	0	0	0	0	0	0	0
Total ALL No Net Loss Revenue Options	0	0	200,000	220,000	502,001	528,801	558,047	589,981	624,870	663,007	704,714
Total SELECTED No Net Loss Revenue Options	0	0	0	0	260,000	262,600	265,226	267,878	270,557	273,263	275,995
No Net Loss Expenses											
Total No Net Loss Expenses	0	0	0	0	0	0	0	0	0	0	0
Total No Net Loss Change w-SELECTED Financial Options	0	0	0	0	260,000	262,600	265,226	267,878	270,557	273,263	275,995
Ending Fund Balance w/ SELECTED Financial Options	592,386	542,343	453,820	324,914	413,639	460,530	463,459	420,210	328,471	185,837	(10,201)



Enhanced Services

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Core Services											
Beginning Fund Balance	7,379,830	5,995,035	5,095,083	4,294,563	2,622,710	661,419	(1,608,146)	(4,205,572)	(6,571,216)	(9,241,224)	(12,230,842)
Revenue	15,058,582	15,359,754	15,666,949	15,980,288	16,299,893	16,625,891	16,958,409	17,297,577	17,643,529	17,996,399	18,356,327
Expense	13,989,999	15,039,248	15,640,818	16,266,451	16,917,109	17,593,793	18,297,545	19,029,447	19,790,625	20,582,250	21,405,540
LTGO Debt	2,799,016	1,100,000	1,100,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000
Ending Fund Balance	5,995,035	5,215,540	4,021,214	2,308,400	305,494	(2,006,483)	(4,647,282)	(7,637,442)	(10,418,312)	(13,527,075)	(16,980,054)
No Net Loss Revenue Options											
y Glen Cove Annexation - incr. property tax, other tax revenues and utility connections (assume 10% growth per year for results of sewer)								680,000	748,000	822,800	905,080
n City space lease at Mtn. View and City Hall			75,000	76,500		78,030	79,591	81,182	82,806	84,462	86,151
y Support Diverse Commercial Business Growth			50,000	120,000	190,000	260,000	330,000	400,000	470,000	540,000	610,000
y Planning-Fees for Services			100,000	102,000	104,040	106,121	108,243	110,408	112,616	114,869	117,166
n Contract Services - Police											
n Contract Services - Planning											
n Contract Services - Engineering											
y Parking fees (Implementation over time)			200,000	220,000	242,000	266,200	292,820	322,102	354,312	389,743	428,718
n Utility Tax - Councilmanic 2% - Raise to 22% effective rate - if not in parks			152,000	155,040	158,141	161,304	164,530	167,820	171,177	174,600	178,092
y Utility Tax - Councilmanic 2% - Raise to 24% effective rate including parks			152,000	155,040	158,141	161,304	164,530	167,820	171,177	174,600	178,092
y Infill Development Strategy - attainable (inc. of 25 housing units per year from 50 to 75)			95,625	100,406	105,427	110,698	116,233	122,044	128,147	134,554	141,282
y Multi-family development (Ave of 30 units per year) - Sales Tax			76,500	78,795	81,159	83,594	86,101	88,684	91,345	94,085	96,908
y Multi-family development (Ave of 30 units per year) - General Property Tax			6,600	13,398	20,196	26,994	33,792	40,590	47,388	54,186	60,984
n Property Tax Levy - Voted		900,000	909,000	918,090	927,271	936,544	945,909	955,368	964,922	974,571	984,317
y Banked Capacity for increased debt payment + achieve No Net Loss		900,000	909,000	918,090	927,271	936,544	945,909	955,368	964,922	974,571	984,317
Total ALL No Net Loss Revenue Options	0	1,800,000	2,725,725	2,857,359	2,991,675	3,128,891	3,269,249	4,093,012	4,308,467	4,534,731	4,772,830
Total SELECTED No Net Loss Revenue Options	0	900,000	1,589,725	1,707,729	1,828,233	1,951,454	2,077,628	2,887,017	3,087,907	3,299,409	3,522,546
No Net Loss Expenses											
y Fleet Replacement		80,000	110,000	140,000	170,000	200,000	230,000	260,000	290,000	320,000	350,000
n Facilities Repair & Replacement		395,492	407,357	419,577	432,165	445,130	458,484	472,238	486,405	500,997	516,027
y Planning & Community Development			180,000	187,200	194,688	202,476	210,575	218,998	227,757	236,868	246,342
y Add'l Core Services (Police, Finance, IT, Legal, CM, HR)		870,457	905,275	941,486	979,146	1,018,312	1,059,044	1,101,406	1,145,462	1,191,281	1,238,932
y Parking Management & Event Management			49,000	50,470	51,984	53,544	55,150	56,804	58,509	60,264	62,072
y subtract Glen Cove expenses (Streets)								100,000	103,000	106,090	109,273
y GIS programs (general fund services)		70,000	72,100	74,263	76,491	78,786	81,149	83,584	86,091	88,674	91,334
Total ALL No Net Loss Expenses	0	1,415,949	1,723,732	1,812,997	1,904,474	1,998,246	2,094,401	2,293,030	2,397,224	2,504,173	2,613,980
Total SELECTED No Net Loss Expense Options	0	1,020,457	1,316,375	1,393,419	1,472,309	1,553,116	1,635,918	1,820,791	1,910,819	2,003,176	2,097,953
Total No Net Loss Change w-SELECTED Financial Options	0	(120,457)	273,350	314,310	355,924	398,337	441,710	1,066,226	1,177,087	1,296,233	1,424,594
Ending Fund Balance w/ Financial Options	5,995,035	5,095,083	4,294,563	2,622,710	661,419	(1,608,146)	(4,205,572)	(6,571,216)	(9,241,224)	(12,230,842)	(15,555,461)
<i>Minimum Reserve Requirement (8% Revenue)</i>	1,204,687	1,372,780	1,471,414	1,507,012	1,543,325	1,580,383	1,618,213	1,711,247	1,756,160	1,802,490	1,850,333
STREET OPS & CAPITAL											
Beginning Fund Balance	415,414	292,913	(616,972)	(1,290,257)	(2,021,398)	(2,813,173)	(3,668,476)	(4,590,321)	(5,581,847)	(6,646,325)	(7,787,159)
Revenue	1,171,775	1,195,211	1,219,115	1,243,497	1,268,367	1,293,734	1,319,609	1,346,001	1,372,921	1,400,380	1,428,387
Expense	1,294,275	1,391,346	1,447,000	1,504,880	1,565,075	1,627,678	1,692,785	1,760,497	1,830,916	1,904,153	1,980,319
Ending Fund Balance	292,913	96,778	(844,857)	(1,551,640)	(2,318,106)	(3,147,117)	(4,041,652)	(5,004,816)	(6,039,843)	(7,150,099)	(8,339,091)
No Net Loss Revenue Options											
y TBD 0.1% (Councilmanic)		168,750	229,500	234,090	238,772	243,547	248,418	253,387	258,454	263,623	268,896
y TBD 0.2% (Voted)		412,500	561,000	572,220	583,664	595,338	607,244	619,389	631,777	644,413	657,301
n TBD 0.3%		581,250	790,500	806,310	822,436	838,885	855,663	872,776	890,231	908,036	926,197
n TBD tabs		186,000	189,720	193,514	197,385	201,332	205,359	209,466	213,656	217,929	222,287
y Real Estate Excise Tax (for grants match)		0	100,000	102,000	104,040	106,121	108,243	110,408	112,616	114,869	117,166
y LTAC (for Place Making/Tourism)		20,000	20,400	20,808	21,224	21,649	22,082	22,523	22,974	23,433	23,902

Fin Sustainability Enhanced

y Fees for Service (Permit fees)	85,000	86,700	88,434	90,203	92,007	93,847	95,724	97,638	99,591	101,583
y Fee in lieu of or Impact Fees	100,000	102,000	104,040	106,121	108,243	110,408	112,616	114,869	117,166	119,509
n Parking fees (Implementation over time)		200,000	220,000	242,000	266,200	292,820	322,102	354,312	389,743	428,718
n Property Tax Levy - Voted		500,000	505,000	510,050	515,151	520,302	525,505	530,760	536,068	541,428
n Banked Capacity	0	0	200,000	202,000	204,020	206,060	208,121	210,202	212,304	214,427
Total ALL No Net Loss Revenue Options	0	1,553,500	2,779,820	3,046,416	3,117,895	3,192,492	3,270,446	3,352,017	3,437,489	3,527,175
Total SELECTED No Net Loss Revenue Options	0	786,250	1,099,600	1,121,592	1,144,024	1,166,904	1,190,242	1,214,047	1,238,328	1,263,095
No Net Loss Expenses										
Capital Expense Increase										
Comprehensive Streets Capital Projects	1,500,000	1,545,000	1,591,350	1,639,091	1,688,263	1,738,911	1,791,078	1,844,811	1,900,155	1,957,160
Total No Net Loss Expenses	0	1,500,000	1,545,000	1,591,350	1,639,091	1,688,263	1,738,911	1,791,078	1,844,811	1,900,155
Total No Net Loss Change w-SELECTED Financial Options	0	(713,750)	(445,400)	(469,758)	(495,067)	(521,359)	(548,669)	(577,031)	(606,483)	(637,060)
Ending Fund Balance w/ SELECTED Financial Options	292,913	(616,972)	(1,290,257)	(2,021,398)	(2,813,173)	(3,668,476)	(4,590,321)	(5,581,847)	(6,646,325)	(7,787,159)
COMMUNITY SERVICES - OVERALL FUND										
Beginning Fund Balance	652,494	0	0	0	0	0	0	0	0	0
Revenue (GF Transfer, All Areas)	2,479,904	2,529,502	2,580,092	2,631,694	2,684,328	2,738,014	2,792,775	2,848,630	2,905,603	2,963,715
No Net Loss Revenue Options										
Remove Parks Strategy (one time ARPA funding)	(125,000)	(50,000)								
Move Facilities out of Community Services?										
* Reduce Revenue Transfer	(1,012,215)	(1,113,436)	(1,146,840)	(1,181,245)	(1,216,682)	(1,253,183)	(1,290,778)	(1,329,501)	(1,369,386)	(1,410,468)
Total No Net Loss Revenue Option	(1,137,215)	(1,163,436)	(1,146,840)	(1,181,245)	(1,216,682)	(1,253,183)	(1,290,778)	(1,329,501)	(1,369,386)	(1,410,468)
Adjusted Beginning Fund Balance	1,342,689	1,366,066	1,433,253	1,450,449	1,467,646	1,484,832	1,501,997	1,519,129	1,536,216	1,553,247
COMMUNITY SERVICES - CITY FACILITIES										
Revenue (see above, Transfer for ALL Community Services)	1,012,215	1,088,131	1,131,656	1,176,923	1,223,999	1,272,959	1,323,878	1,376,833	1,431,906	1,489,183
Expense										
No Net Loss Expenses										
* Reduce / Remove Expense	(1,012,215)	(1,088,131)	(1,120,775)	(1,154,398)	(1,189,030)	(1,224,701)	(1,261,442)	(1,299,285)	(1,338,264)	(1,378,412)
Total No Net Loss Change w-Financial Options	0	10,881	22,524	34,969	48,258	62,436	77,548	93,642	110,771	128,986
COMMUNITY SERVICES-PARKS										
Revenue	17,000	17,340	17,687	18,041	18,401	18,769	19,145	19,528	19,918	20,317
Ord 3203 2% Utility Tax Expires in 2024 - Nom rate decrease to 16%		(150,000)	(153,000)	(156,060)	(159,181)	(162,365)	(165,612)	(168,924)	(172,303)	(175,749)
Expense	1,049,882	1,154,870	1,201,065	1,249,107	1,299,072	1,351,035	1,405,076	1,461,279	1,519,730	1,580,519
No Net Loss Revenue Options										
n MPD (.60 per 1,000) City Only			1,950,000	1,969,500	1,989,195	2,009,087	2,029,178	2,049,470	2,069,964	2,090,664
n MPD (.50 per 1,000) City Only			1,300,000	1,313,000	1,326,130	1,339,391	1,352,785	1,366,313	1,379,976	1,393,776
n MPD (.40 per 1,000) City Only			1,040,000	1,050,400	1,060,904	1,071,513	1,082,228	1,093,050	1,103,981	1,115,021
y Real Estate Excise Tax (grant match)	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
y Reinstate 2% Utility Tax Expires set to expire Dec 31, 2023	150,000	153,000	156,060	159,181	162,365	165,612	168,924	172,303	175,749	179,264
n Levy Lid Lift (.10 per 1,000) City Only	260,000	262,600	265,226	267,878	270,557	273,263	275,995	278,755	281,543	284,358
y Glen Cove Annexation - incr. property tax, other tax revenues and utility connections (assume 10% growth per year for results of sewer)							13,000	14,300	15,730	17,303
y Impact Fees	100,000	102,000	104,040	106,121	108,243	110,408	112,616	114,869	117,166	119,509
y Fees for Service (Golf Course?)										
y Parks Foundation	100,000	102,000	104,040	106,121	108,243	110,408	112,616	114,869	117,166	119,509
n Banked Capacity	0	0	0	0	0	0	0	0	0	0
Total ALL No Net Loss Revenue Options	0	710,000	5,009,600	5,062,266	5,115,530	5,169,400	5,223,882	5,291,985	5,349,017	5,406,814
Total SELECTED No Net Loss Revenue Options	0	450,000	457,000	464,140	471,423	478,851	486,428	507,157	516,340	525,811

No Net Loss Expenses											
y	Additional Park Expenses	765,000	795,600	827,424	860,521	894,942	930,739	967,969	1,006,688	1,046,955	1,088,834
n	Golf Course, Hybrid Plan Enhanced	338,000	88,000	88,000	88,000	88,000	88,000	88,000	88,000	88,000	88,000
	Total ALL No Net Loss Expenses	0	1,103,000	883,600	915,424	948,521	982,942	1,018,739	1,055,969	1,094,688	1,134,955
	Total SELECTED No Net Loss Expense Options	0	765,000	795,600	827,424	860,521	894,942	930,739	967,969	1,006,688	1,046,955
	Total No Net Loss Change w-SELECTED Financial Options	0	(315,000)	(338,600)	(363,284)	(389,098)	(416,091)	(444,311)	(460,812)	(490,348)	(521,145)
	Net Amount Parks No Net Loss Options	(1,032,882)	(1,602,530)	(1,674,978)	(1,750,411)	(1,828,950)	(1,910,721)	(1,995,855)	(2,071,488)	(2,162,463)	(2,257,096)

COMMUNITY SERVICES-POOL & MOUNTAIN VIEW FACILITIES

Revenue											
Expense											
		389,490	418,702	435,450	452,868	470,983	489,822	509,415	529,791	550,983	573,022

No Net Loss Revenue Options											
y	MPD (.75 per 1,000) Regional District		3,900,000	3,939,000	3,978,390	4,018,174	4,058,356	4,098,939	4,139,929	4,181,328	4,223,141
n	MPD (.50 per 1,000)Regional District		2,600,000	2,626,000	2,652,260	2,678,783	2,705,570	2,732,626	2,759,952	2,787,552	2,815,427
n	MPD (.40 per 1,000) Regional District			2,080,000	2,100,800	2,121,808	2,143,026	2,164,456	2,186,101	2,207,962	2,230,042
n	Public Facilities District Sales Tax 0.2%		412,500	561,000	572,220	583,664	595,338	607,244	619,389	631,777	644,413
n	Impact Fees		100,000	102,000	104,040	106,121	108,243	110,408	112,616	114,869	117,166
n	Property Tax Levy - Voted		900,000	909,000	918,090	927,271	936,544	945,909	955,368	964,922	974,571
y	Fees for Service			450,000	459,000	468,180	477,544	487,094	496,836	506,773	516,909
y	Pool Foundation										
n	Banked Capacity										
n	one time contributions (will be used to buy down construction loan, reducing long-term debt obligations)										
n	* City, County, School, Hospital, other										
n	* specific construction sales ie, hospital										
n	* private donations										
	Total ALL No Net Loss Revenue Options	0	1,412,500	4,102,000	4,154,150	4,207,044	4,260,694	4,315,112	4,370,311	4,426,303	4,483,100
	Total SELECTED No Net Loss Revenue Options	0	0	4,350,000	4,398,000	4,446,570	4,495,718	4,545,450	4,595,776	4,646,702	4,698,236

No Net Loss Expenses											
y	Debt Service Pool Expenses				750,000	1,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
y	Increased Operational Costs						400,000	412,000	424,360	437,091	450,204
	Total ALL No Net Loss Expenses	0	0	0	750,000	1,500,000	2,900,000	2,912,000	2,924,360	2,937,091	2,950,204
	Total SELECTED No Net Loss Expense Options	0	0	0	750,000	1,500,000	2,900,000	2,912,000	2,924,360	2,937,091	2,950,204
	Total No Net Loss Change w-SELECTED Financial Options	0	0	4,350,000	3,648,000	2,946,570	1,595,718	1,633,450	1,671,416	1,709,611	1,748,033
	Net Amount Parks No Net Loss Options	(389,490)	(418,702)	3,914,550	3,195,132	2,475,587	1,105,896	1,124,035	1,141,624	1,158,628	1,175,011

	Ending Fund Balance w/ SELECTED Financial Options	(79,683)	(655,166)	3,683,706	2,917,695	2,149,253	728,265	692,613	666,813	626,024	581,932
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AFFORDABLE HOUSING

	Beginning Fund Balance	55,862	63,067	70,416	135,912	188,298	227,179	402,149	412,788	658,665	639,336
	Revenue	100,101	102,103	104,145	106,228	108,353	110,520	112,730	114,985	117,284	119,630
	Expense	92,896	94,754	96,649	98,582	100,554	102,565	104,616	106,708	108,842	111,019
	Ending Fund Balance	63,067	70,416	77,912	143,558	196,097	235,134	410,263	421,064	667,107	647,946

No Net Loss Revenue Options											
Housing initiatives - could incr property tax and other shared tax revenues											
Evans Vista											
n	In lieu fees (\$5,000 per unit for above market units)		150,000	154,500	159,135	163,909	168,826	173,891	179,108	184,481	190,016
n	In lieu Fees (\$30,000 per unit for above market units)		900,000	927,000	954,810	983,454	1,012,958	1,043,347	1,074,647	1,106,886	1,140,093
y	In lieu Fees (\$50,000 per unit for 30 above market units)		1,500,000	1,545,000	1,591,350	1,639,091	1,688,263	1,738,911	1,791,078	1,844,811	1,900,155
y	Affordable Housing Grants			500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
y	Sale of property - to support direct investment in housing			500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
	Total ALL No Net Loss Revenue Options	0	0	3,050,000	3,126,500	3,205,295	3,436,454	3,370,047	3,706,149	3,544,833	3,936,178

Fin Sustainability Enhanced

Total SELECTED No Net Loss Revenue Options	0	0	2,000,000	2,045,000	2,091,350	2,289,091	2,188,263	2,488,911	2,291,078	2,644,811	1,900,155
No Net Loss Expenses											
y Attainable Housing Incentive Program-Rev Source Impact Fees and/or fee in lieu (20 units at \$75k per unit)			1,500,000	1,545,000	1,591,350	1,639,091	1,688,263	1,738,911	1,791,078	1,844,811	1,900,155
y Housing Direct Investment			442,000	455,260	468,918	482,985	497,475	512,399	527,771	543,604	559,912
Total ALL No Net Loss Revenue Options	0	0	1,942,000	2,000,260	2,060,268	2,122,076	2,185,738	2,251,310	2,318,850	2,388,415	2,460,067
Total SELECTED No Net Loss Revenue Options	0	0	1,942,000	2,000,260	2,060,268	2,122,076	2,185,738	2,251,310	2,318,850	2,388,415	2,460,067
Total No Net Loss Change w-SELECTED Financial Options	0	0	58,000	44,740	31,082	167,015	2,525	237,601	(27,771)	256,396	(559,912)
Ending Fund Balance w/ SELECTED Financial Options	63,067	70,416	135,912	188,298	227,179	402,149	412,788	658,665	639,336	904,342	353,213
LIBRARY OPERATIONS											
Beginning Fund Balance	605,776	592,386	392,343	407,820	379,274	564,496	703,786	794,774	834,989	821,857	752,692
Revenue	1,203,905	1,215,944	1,228,103	1,240,385	1,252,788	1,265,316	1,277,969	1,290,749	1,303,657	1,316,693	1,329,860
Expense	1,217,295	1,265,987	1,316,626	1,369,291	1,424,063	1,481,025	1,540,266	1,601,877	1,665,952	1,732,590	1,801,894
Ending Fund Balance	592,386	542,343	303,820	278,914	207,999	348,787	441,489	483,646	472,694	405,960	280,658
No Net Loss Revenue Options											
y Levy Lid Lift (.10 per 1,000) City Only					260,000	262,600	265,226	267,878	270,557	273,263	275,995
y Levy Lid Lift (.10 per 1,000) City Only			260,000	262,600	265,226	267,878	270,557	273,263	275,995	278,755	281,543
n GF Contribution					1	1	1	1	1	1	1
n Banked Capacity			200,000	220,000	242,000	266,200	292,820	322,102	354,312	389,743	428,718
n Library Foundation	0	0	0	0	0	0	0	0	0	0	0
n Private Donations	0	0	0	0	0	0	0	0	0	0	0
Total ALL No Net Loss Revenue Options	0	0	460,000	482,600	767,227	796,679	828,604	863,244	900,865	941,762	986,257
Total SELECTED No Net Loss Revenue Options	0	0	260,000	262,600	525,226	530,478	535,783	541,141	546,552	552,018	557,538
No Net Loss Expenses											
y Add'l Library Services or Program		150,000	156,000	162,240	168,730	175,479	182,498	189,798	197,390	205,285	213,497
Total No Net Loss Expenses	0	150,000	156,000	162,240	168,730	175,479	182,498	189,798	197,390	205,285	213,497
Total SELECTED No Net Loss Expense Options	0	150,000	156,000	162,240	168,730	175,479	182,498	189,798	197,390	205,285	213,497
Total No Net Loss Change w-SELECTED Financial Options	0	(150,000)	104,000	100,360	356,496	354,999	353,285	351,343	349,163	346,732	344,041
Ending Fund Balance w/ SELECTED Financial Options	592,386	392,343	407,820	379,274	564,496	703,786	794,774	834,989	821,857	752,692	624,700