Whidbey Island's Premiere Waterfront Community

City of Oak Harbor

Biennial Budget
For the Years Ending 2015-2016

865 S.E. Barrington Drive ~ Oak Harbor, WA 98277
360 279-4500 ~ www.oakharbor.org

CITY OF
Oak Harbor
WHIDBEY ISLAND, WASHINGTON

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Vision Statement

Oak Harbor…a vibrant Whidbey Island waterfront community where everyone is welcome and encouraged to thrive.

Mission Statement

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Goals

Goal 1: Promote a healthy and growing business community.

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Goal 3: Encourage a safe community.

Goal 4: Build and enhance community partnerships.

Goal 5: Deliver superior quality service to our customers.

Goal 6: Protect and enhance capital investment in the City.

Goal 7: Promote a healthy work environment and employee excellence.

Council Members and Management Team

Council Members

Mayor	Scott Dudley
Mayor Pro-tem	Danny Paggao
Council Member	Rick Almberg
Council Member	James Campbell
Council Member	Tara Hizon
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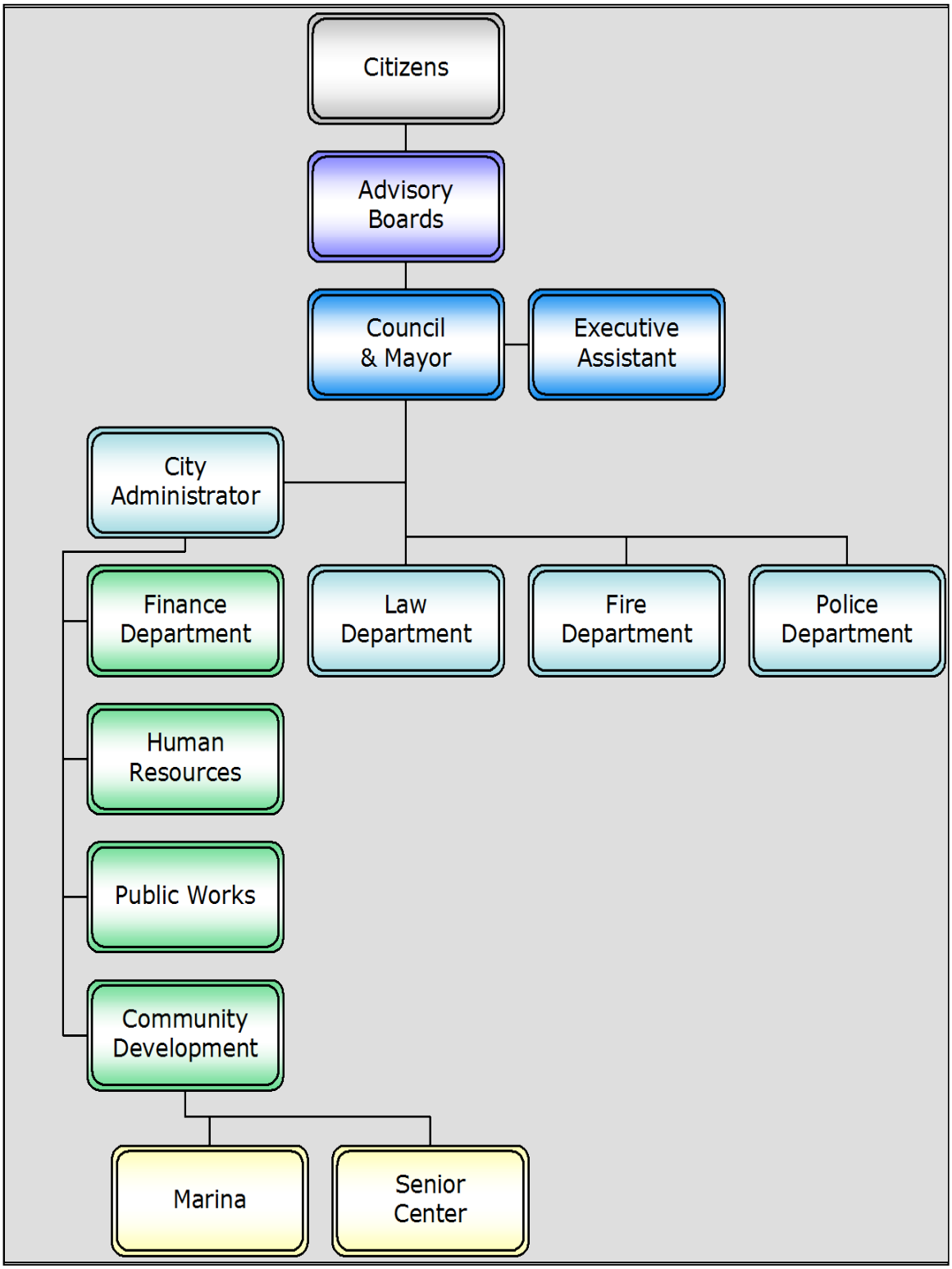
Organizational Chart



Department Functions

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- Administration of City
- Interdepartmental Relations
- Public Relations

Community Development

- Development Services
- Community Planning
- Permit Services
- Building Services
- City Marina
- Senior Center

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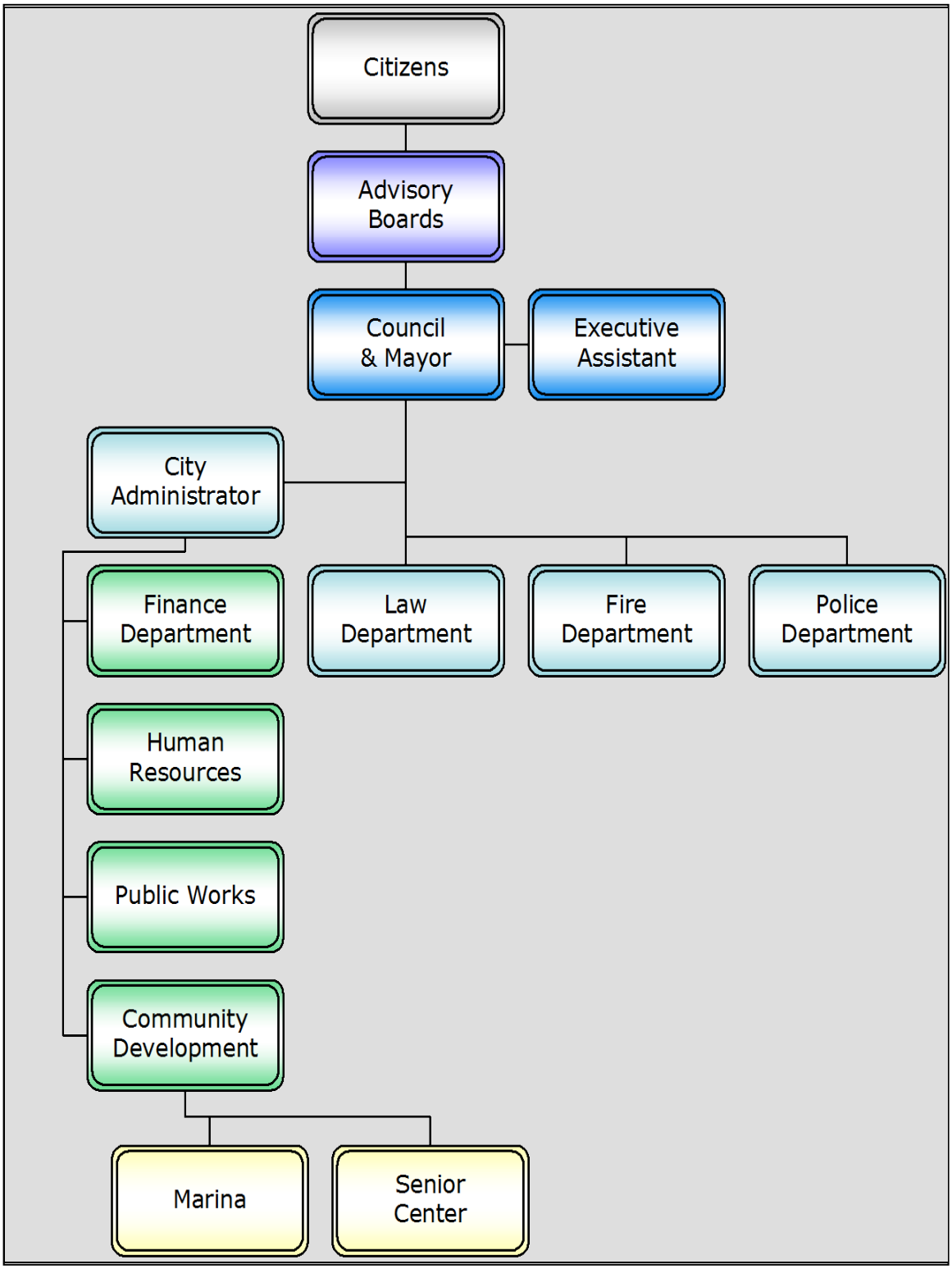

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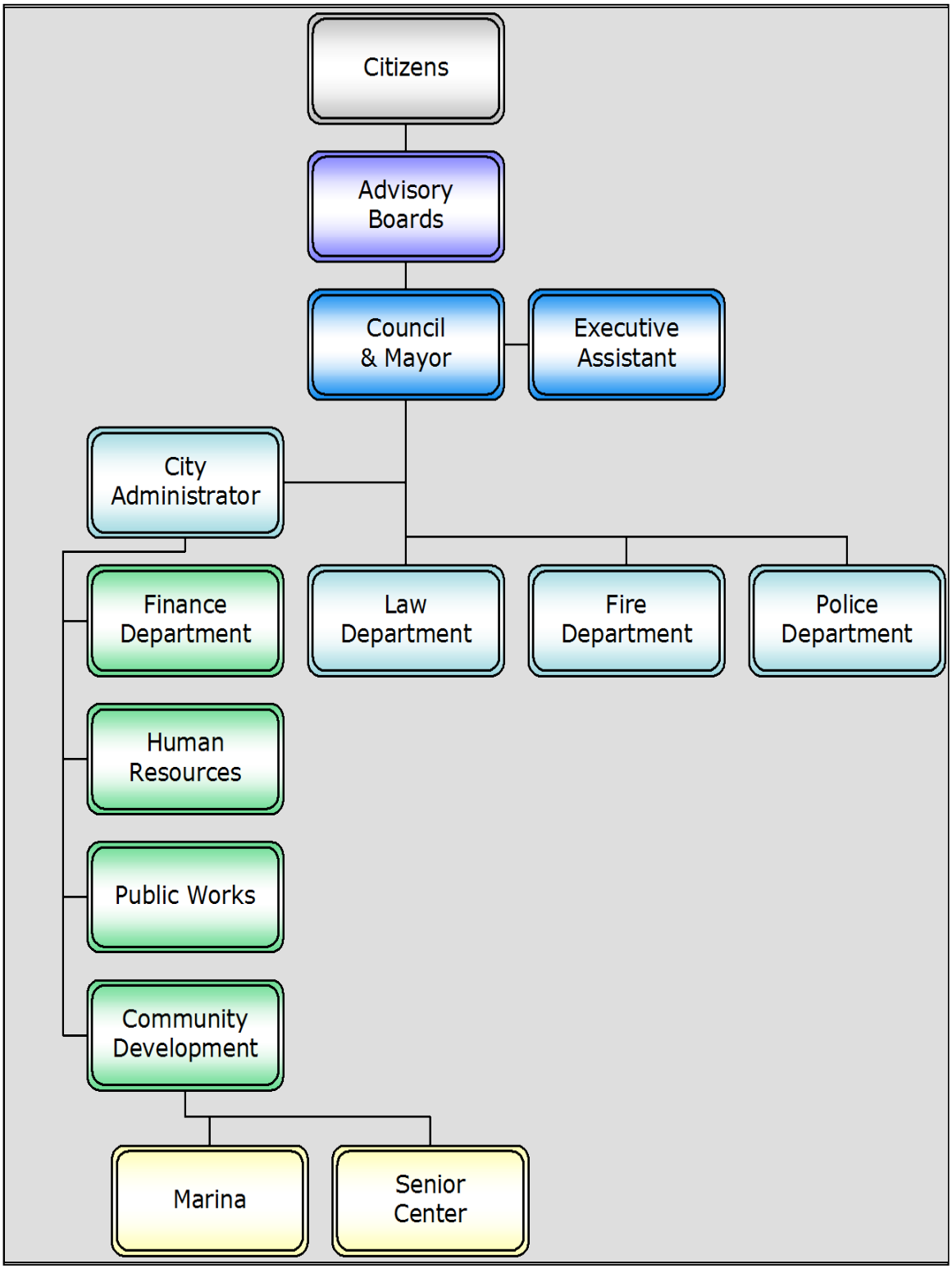

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Introduction

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Oak Harbor's Organizational Structure & Budget Responsibility

The City of Oak Harbor has a Mayor-Council form of government. The Mayor is elected by the citizens for a four-year term and serves as the chief executive officer of the municipality. The Mayor is responsible for carrying out the policies, which are set by the Council, and supervises the other executive and administrative officers in the performance of their official duties. The Council has the authority to set the municipality's policies and the Mayor is responsible for carrying out these policies.

The City Council consists of seven elected members, each for four year, staggered terms. The Council is the legislative body of the City and is responsible for all legislative actions and policy-making for the City. The Council is empowered with the authority to enact ordinances and policies to protect the rights of the citizens of the community. The City Council meets twice per month to review, direct and legislate on matters of land use, finance and general governance. Council members also serve on committees, which include community members, to review specialized areas and make recommendations to the Mayor and Council.

The City Administrator is appointed by the Mayor, subject to confirmation by the City Council. The City Administrator is the chief administrative officer for the City, under the direction and authority of the Mayor, and is responsible for the management and administration of all City functions and personnel. The Office of the City Administrator is responsible for carrying out all City policies through the supervision and coordination of City departments, the preparation of the annual budget, the preparation of City Council agendas, and a variety of programming, organizing and negotiating activities. The City Administrator is responsible for managing the affairs of the City to maximize efficiency, economy and public confidence.

The Finance Department is responsible for coordinating all aspects of the budget process on behalf of the City Administration. To do this, the Finance Department issues budget instructions, conducts budget preparation training sessions, and communicates regularly with department staff. A primary responsibility of the Finance Director is to provide and analyze department budget information; financial data review the accuracy of financial data, and assist with fiscal elements of the planning process. The Finance Department is also responsible for the actual assembly of the budget document. Furthermore, throughout the year, the Finance Department assists department heads in identifying budget problems formulating solutions and alternatives, and implementing corrective action by the City Administration.

Department heads submit budget requests for the coming fiscal year and provide information that supports their requests for more resources. Each operating department prepares narrative explanations to accompany budget requests. They are necessary to explain exceptions and/or analyze estimated revenues and expenditures.

Budgeting Procedures

Biennial budgets are legally permitted by RCW 35.34.010. In consideration of the lengthy and intense process associated with the adoption of a budget, the Washington State Legislature provided, in 1985, for biennial budgets for cities and towns. The process for adopting a biennial appropriated operating budget is the same as that for an annual budget. The schedule for submitting budget estimates, the proposed preliminary budget, budget hearings and budget adoption is also the same.

The Preliminary Budget

The budget process for the City of Oak Harbor is year-round activity. Formal budget preparation begins in August, with projection of City reserves, revenues, expenditures and financial capacity. Budget worksheets, manpower reports, instructions and other materials are provided to the departments at this time.

During September, staff in each department is responsible for developing an annual operating budget for their department that meets the general policy direction provided by City Administration. During this time, the Finance Department develops and updates revenue estimates for the coming year. During October the City Administrator meets with representatives from the Finance Department and other departments to discuss specific changes to department budgets. In late October or early November a balanced budget is prepared and submitted to the Mayor for review. A budget is in balance when revenues plus available resources are equal to or greater than planned expenditures plus reserves.

The preliminary budget is available for City Council and citizen review. The Council holds formal public hearings and conducts a series of workshops to examine the budget in detail while deliberating on the preliminary budget proposal.

The Final Budget

A public hearing is held the second Council meeting in December. Final budget adoption must occur before the December 31 deadline. The Council, by a majority plus one of members, approves the final budget following a public hearing and final discussions.

Comprehensive Financial Management Policies

Introduction

Sound financial stewardship and the prudent use of public funds are two of the primary responsibilities given to the officials and managers of the City of Oak Harbor. Having been entrusted with this responsibility by our citizens, the establishment and maintenance of wise fiscal policy enables City officials to protect public interests and ensure public trust. The overall financial strategy of the City of Oak Harbor is to develop a sound financial resource base for the purpose of ensuring public safety, maintaining the physical infrastructure and surroundings of the City, and promoting the social well-being of the citizens of Oak Harbor.

This Comprehensive Financial Management Policy document incorporates past financial practices in defining the current policies to be used by the City to meet its obligations and operate in a financially prudent manner. These policies have been established to provide general fiscal guidelines and are intended to provide sound direction in the management of the City's financial affairs.

Purpose

The Comprehensive Financial Management Policy assembles a summary of all of the City's financial policies in one document. These policies are a tool to ensure that the City maintains a high level of financial solvency in order to meet the City's immediate and long-term service objectives. The purpose of the individual policies contained herein is to serve as guidelines for both the strategic long-term-financial planning and internal financial management processes of the City.

The City of Oak Harbor is accountable to its citizens for the use of public funds. The City's resources must be wisely used to ensure adequate funding for the services, public facilities, and infrastructure necessary to meet the community's present and future needs. The importance of sound financial management makes it desirable for a City to establish goals and targets for its financial operations, so that policies will be consistent and complete, and performance can be monitored on an ongoing basis. Because a fiscally sound City government is in the best interests of the citizens of the City of Oak Harbor, this Comprehensive Financial Management Policy has been adopted as the guiding management principle to be applied in the management of the City's finances.

The City's policies are categorized in the following sections:

General Financial Goals
Operating Budget Policies
Revenue Policies
Expenditure Policies
Reserve Policies
Performance Measurement Policies
Investment Policy
Accounting, Financial Reporting and Auditing Policies

General Financial Goals

a) To provide a financial base sufficient to sustain municipal services to maintain the social well-being and physical conditions of the City.

b) To be able to withstand local and regional economic trauma, to adjust to changes in the services delivery requirements, and to respond to other changes as they affect the community.

c) To maintain an excellent credit rating in the financial community and assure taxpayers that Oak Harbor city government is maintained in sound fiscal condition.

Operating Budget Policies

a) The base operating budget is the City's comprehensive two-year financial plan which provide for the desired level of city services as defined by the City's priorities. A budget will be developed every two years using a "budgeting by priorities" process.

b) The goals of the budgeting by priorities process are:
   - Align the budget with citizen priorities
   - Measure progress towards priorities
   - Get the best value for each tax dollar
   - Foster continuous learning in the City
   - Build regional cooperation

c) "One-time" expenses require specific authority to be carried forward into subsequent budgets.

d) Revenues and expenditures for the General Fund and all operating funds shall be projected for the ensuing biennium.

e) Biennial operating budgets should provide for design, construction, maintenance and replacement of the City's capital, plant, and equipment consistent with the Capital Facilities Plan including the related cost for operating such new facilities.

f) The City will maintain all its assets at a level such that it protects the City's capital investment and minimizes future maintenance and replacement costs.

Revenue Policies

a) Current revenues will be sufficient to support current expenditures.

b) A well-diversified and stable revenue system will be maintained to shelter public services from short-run fluctuations in any particular revenue source. Because revenues, especially those of the General Fund, are sensitive to both local and regional economic activities and legislation, revenue estimates should be calculated using an objective, analytical process, and will be neither overly optimistic nor overly conservative. Revenue estimates will be as realistic as possible based on the best available information.

c) Revenue forecasts will encompass all resources that can be utilized for public services. Should economic downturns develop which could result in revenue shortfalls or fewer available resources, the City will immediately compensate by making adjustments in anticipated expenditures.

d) Revenues of a one-time, limited or indefinite term will be used for capital projects or one-time operating expenditures to ensure that no ongoing service program is lost when such revenues are reduced or discontinued.

e) The City will project revenues for the next three years and will update this projection annually. The Finance Department will annually review and make available to the Finance Committee an analysis of each revenue source.

f) The City will not utilize deficit financing or short-term borrowing as a revenue source to finance current operating needs without full financial analysis and prior approval of the City Council. Interfund loans are permissible to cover temporary gaps in cash flow, but only when supported by a well-documented repayment schedule of short duration.

g) In order to assist decision makers in prioritizing support for various City program alternatives, and tier system consisting of three levels shall be utilized. Tier 1 programs will consist of programs critical to core business functions of the City. Tier 2 programs shall consist of programs not necessarily belonging to a core business function, but shall consist of those programs assigned a high priority in meeting specific City objectives. Tier 3 programs shall consist of those programs receiving consideration as funds are available and after all business core functions and high priority programs have been considered. As part of Council's mission statement objectives, and specific dollar amount or percentage of the annual operating budget shall be established as a not to exceed threshold for the aggregate cost of Tier programs.

Grant Revenues

a) All potential grants shall be carefully examined for matching requirements. If local matching funds are not available, some grants may not be accepted. Grants may also be rejected if programs must be entirely funded with local resources after the grant program is completed.

b) When considering grants for the purposes of capital construction or other projects of an acquisition nature, an analysis will be made of the City's ongoing ability to maintain, repair, or commit the facilities to a specific economic purpose. In all cases, an analysis will be performed regarding the City's ability to comply with any restrictions or long-term commitments included as a stipulation of receiving the grant award.

Enterprise Revenues

a) To ensure that the enterprise funds remain self-supporting, user fees and rate structures will be incorporated to support the total direct and indirect costs of operations, capital facilities maintenance, debt service, depreciation, and pass-through rate increases from source of supply vendors.

b) Revenues received for enterprise purposes will be restricted to the respective funds.

User Fee Revenues

a) The City will establish all user fees and charges at a level related to the cost of providing the service. Every year, the City will regularly revise user fees with a review by the Mayor to adjust for the effects of inflation and increases in operating costs.

b) As much as is reasonably possible, authorized City services that provide direct benefit to a specific group, organization, or citizen should be supported by fees and charges to recover the costs of providing such benefit. The goal of this is to provide maximum flexibility in the use of general City taxes to meet the cost of services of broader public benefit. Charges for services that benefit specific users should recover full costs, including all direct costs, capital costs, department overhead, indirect cost allocation, and City-wide overhead. Departments that impose fees or service charges should prepare and periodically update cost-of-service studies for such services.

Expenditure Policies

a) A high level of priority will given to expenditures that will reduce future operating costs, such as increased utilization of technology, equipment, personnel, and prudent business methods.

b) The City of Oak Harbor strives to ensure its service programs are of high quality. If expenditure reductions are necessary, complete elimination of a specific service is preferable to lowering the quality of programs provided.

c) All City personnel share in the responsibility of looking at and understanding the City's long-term financial viability, its general spending trends, its projected incomes, and educating themselves, division heads, and employees on the necessary short and long-term balance between revenues and expenditures. Department heads are responsible for ensuring departmental expenditures under their control are in accordance with City Council's authorized expenditure authorization.

d) Before the City undertakes any agreements that would create fixed ongoing expenses, the cost implications of such agreements will be fully determined for current and future years through the use of strategic financial planning models.

e) Organizations that are not part of the City, but which receive funding from the City, shall not have their appropriation carried forward from year to year unless expressly authorized and directed by City Council. Performance measures will be established for each program receiving to ensure support is in conformance with City objectives. Annual review to include a report from the program sponsor and reauthorization of funding is required.

f) All externally mandated services provided by one fund for another, for an outside source, or for which full or partial funding is available will be fully costed out to allow for reimbursement of expenses. The estimated direct costs of providing the service will be budgeted and actual costs charged to the fund performing the service. Interfund service fees charged to recover these direct costs will be recognized as revenue to the providing fund.

g) The City will maintain expenditure categories according to state statute and administrative regulation.

<u>Personnel</u>

a) Emphasis is placed on improving individual and workgroup productivity rather than adding to the work force. The City will hire additional personnel only after the need for a new employee is substantiated and documented.

b) All compensation negotiations will focus on total compensation including direct salary, health care premiums, pension contributions, and other benefits of a non-

salary nature. Cost analysis of salary increases will include the effect of such increases on the employer-share of related fringe benefits.

Maintenance and Replacement

The budget process will include a multi-year projection of vehicle replacement requirements. The budget will provide sufficient funding for adequate maintenance and orderly replacement of capital plant, equipment, and vehicles. Future maintenance needs for all new capital facilities will be costed out and included as decision criteria.

Short-term Debt Policies

a) Short-term debt covers a period of one year or less.

b) The City may use short-term debt to cover temporary cash flow shortages that may be caused by a delay in receipting tax revenues or issuing long-term debt.

c) The City may issue interfund loans rather than outside debt instruments to meet short-term cash flow needs. Interfund loans will be permitted only if an analysis of the affected fund indicates excess funds are available and the use of these funds will not impact the fund's current operations. All short-term borrowing will be subject to Council approval by ordinance or resolution, and will bear interest based upon prevailing rates.

Long-term Debt Policies

a) The City will confine long-term borrowing to capital improvements that cannot be financed from current revenues.

b) Acceptable uses of bond proceeds can be viewed as items that can be capitalized and depreciated. Refunding bond issues designed to restructure currently outstanding debt is also an acceptable use of bond proceeds.

c) Where possible, the City will use special assessment revenue, or other self-supporting bonds instead of general obligation bonds.

d) The City will not use long-term debt for current operations.

e) The City will maintain good communications with bond rating agencies about its financial condition. The City will follow a policy of full disclosure on every financial report and bond prospectus.

f) General Obligation Bond Policy

1) Every project proposed for financing through general obligation debt should be accompanied by a full analysis of the future operating and maintenance costs associated with the project.

2) Bonds cannot be issued for a longer maturity schedule than a conservative estimate of the useful life of the asset to be financed.

g) Limited Tax General Obligation Bond Policies

1) As a precondition to the issuance of limited tax general obligation bonds, all alternative methods of financing should have been exhausted.

2) Limited tax general obligation bonds should only be issued under certain conditions:

- A project in progress requires monies not available from alternative sources;
- Matching fund monies are available which may be lost if not applied for in a timely manner; or
- Catastrophic conditions.

Reserve Policies

General Fund Stabilization Reserve

The General Fund shall maintain a Stabilization Reserve in the amount of $3,000,000 or 25% of General Fund Budgeted Expenditures, net of ending fund balance, whichever is greater.

Operating Fund Balance Policy

One of the most significant policies envisioned for the City's budget is to begin each year with a targeted fund balance. The long-term goal is to obtain a rolling beginning fund balance in each operating fund equal to 16.67% percent of the fund's operating budget, excluding building permit revenue and any significant one-time revenues.

Equipment Replacement Reserve Fund

The Equipment Replacement Reserve Fund is to be utilized as a sinking fund to set aside the necessary resources to finance the purchase or replacement of vehicles, equipment, and technology for the operational needs of the City. For each listed piece of equipment, a schedule will be made outlining the project future cost of replacement, a listing of the current contributions made towards replacement, and the estimated service charges for maintenance. Funds or departments that participate will make regularly scheduled payments to ensure that adequate funds are available. Should a department require equipment that has not previously been scheduled; the initial acquisition of the equipment will be budgeted for and purchased from the department's own budgetary schedule. The equipment will then be donated to the equipment replacement fund. Under no circumstances will funds be withdrawn from the reserve for other operating purposes unless a corresponding reduction in the equipment listing is made be the department requesting the withdrawal.

Rainy Day Reserve Fund

The Rainy Day Reserve's primary purposes are to protect the City's essential service programs during periods of economic downturn that may temporarily reduce actual resources or cut the growth rate of City resources below that necessary to maintain pre-existing service levels. Disbursement of funds will only be made upon approval of Council.

LEOFF I Post-retirement Benefit Fund

The LEOFF I Post-retirement Benefit Fund is to provide actuarial-sound fund balances to match the post-retirement liabilities accrued for covered fire and police personnel. An actuarial study is commissioned every five years to assess the status of the pension plan and to set new reserve targets as required. The pension plan is expected to service retirees until approximately the year 2040.

Cumulative Reserve 1st Quarter Percent REET Fund

The City created the Cumulative Reserve 1st Quarter Percent REET Fund to finance the repair, maintenance, and acquisition of park, library, recreational, cultural, and civic improvements; and land. The proceeds from the 1st Quarter Percent REET are authorized by RCW 82.46.010.

Cumulative Reserve 2nd Quarter Percent REET Fund

The City created the Cumulative Reserve 2nd Quarter Percent REET Fund to finance a package of improvements that will be funded from a second 1/4 percent real estate excise tax. This tax was specifically enacted as a part of the state's growth management statutes, which call for the provision of resources for capital facilities that relate directly to growth. The long-term goal of this fund is to accumulate sufficient cash for capital needs deemed appropriate within the scope of the Growth Management Act.

Cumulative Reserve Enterprise Funds

A cumulative reserve shall be established by the Water, Wastewater, Solid Waste, Storm Drain, and Marina Funds to replace utility capital, plant and equipment. This reserve will be adjusted biennially by the current year's depreciation expense less bond reserves, principal paid on outstanding debt, and purchases of replacement capital. The long-term goal of this fund is to accumulate sufficient cash for capital needs deemed appropriate within the scope operations and the Growth Management Act.

Bond reserves shall be created and maintained by the Water, Wastewater, Solid Waste, and Stormwater Utilities and the Marina in accordance with the provisions set forth in the bond covenants.

Paths and Trails Fund

The purpose of this reserve fund is to establish and maintain paths and trails for bicyclists, equestrians and pedestrians. The basis for revenue is a one-half of one percent of Motor Vehicle Fuel Taxes received by the Street Fund. Funds must be expended for the purpose required within ten years of receipt.

Performance Measurement Policies

As the demands for new services and improvements to existing programs have strained the City's capacity to provide these in an era of fiscal restraint, new techniques for stretching resources have been developed and tested by municipalities throughout the country.

To this end, it is the policy of the City of Oak Harbor to develop a comprehensive productivity/work measurement program throughout City government to improve the efficiency and effectiveness of service delivery. The primary objectives of this City initiative should be:

a) Developing accurate and fair measures of quality and effectiveness of service delivery in each City department and agency.

b) Training City managers and employees to conduct performance measurement studies, to help design and implement an overall performance evaluation program, and to utilize this program on an ongoing basis.

c) Integrating the work standards and measures produced by the performance evaluation effort into the City's existing budgetary and accounting systems.

d) Saving City dollars and resources in providing existing and new municipal services.

In implementing each of the phases of this performance measurement program, the City will seek to maximize the reporting and analysis of data that demonstrates progress and area for further refinement. The City believes the development of accurate and realistic productivity measures, and the integration of these measures into its budgetary and accounting systems, will enable future City Councils, City Administrations, and management personnel to make resource allocation decisions which reflect the financial requirements of all activities as well as hard information on the quality and quantity of services being delivered.

Investment Policy

The Finance Director will biennially submit any recommended amendments to the City's investment policy to the City Council for review.

Special Revenue Policies

a) The City will establish and maintain Special Revenue Funds in accordance with Generally Accepted Accounting Principles which will be used to account for the proceeds of specific revenue sources to finance specified activities which are required by statute, ordinance, resolution, or executive order.

b) The City will comply with GASB Statement 54 which defines the appropriate use of Special Revenue Funds for reporting purposes. The City Council may determine to separate the General Fund into supporting "sub-funds" for budgeting and management purposes. These "sub-funds" will be combined for financial reporting purposes to comply with GASB Statement 54.

c) Special Revenue Funds having biennial operating budgets will be reviewed by the City during the budget process.

Accounting, Auditing, and Financial Reporting Policies

a) The City will establish and maintain a high standard of internal controls and accounting practices. The City budgets and accounts for revenues and expenditures on a modified accrual basis in its day to day operations.

b) The accounting system will maintain records on a basis consistent with accepted standards for local government accounting and the State of Washington Budgeting, Accounting, and Reporting Systems.

c) Regular monthly and annual financial reports will present a summary of financial activity by major types of funds.

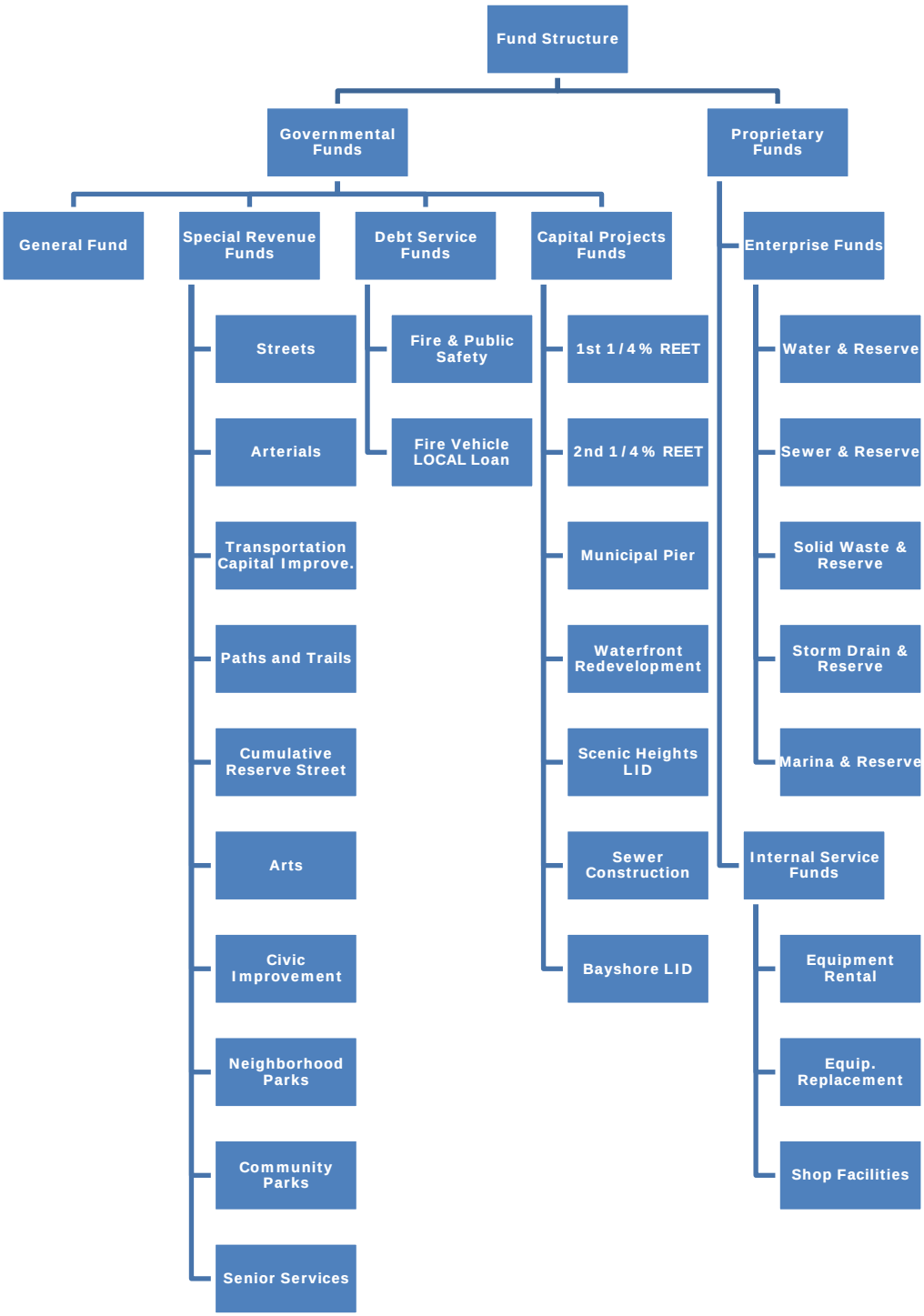
d) The annual financial report shall conform to Generally Accepted Accounting Principles and be in the form of a Comprehensive Annual Financial Report as described by the GFOA.

e) A fixed asset system will be maintained to identify all City assets, their location, condition, and disposition.

f) The City will ensure that City records are audited annually and which will result in the issuance of a financial opinion. The results of such audit are to be available to the public via the City's website.

Fund Descriptions

The financial operations of the City are organized into funds and account groups, each of which is a separate fiscal and accounting entity. All revenues received or expenditures made by the City are accounted for through one of the funds or account groups listed below.



Governmental Funds

Most City functions are financed through what are called governmental funds. There are five types of governmental funds:

1. General Fund
2. Special Revenue Fund
3. Debt Service Fund
4. Capital Projects Fund
5. Expendable Trust Fund

General Fund

The General Fund is the major operating fund of the City government and it accounts for the vast majority of City operations. The General Fund pays for police and fire services, parks and recreation, development services, building inspection, general city administration, legal, and finance among other city functions.

Major revenues are local sales taxes, property taxes, state shared revenue, fines and forfeitures, license and permit fees, charges for services, interest, and other fees.

The General Fund is considered unrestricted, and can be used for any governmental purpose. All other City funds are used to account for revenues that are restricted under either federal, state, or local law, including generally accepted accounting principles.

Special Revenue Funds

Special Revenue funds are used to account for those types of revenues that are legally restricted to be spent for a specific purpose (except for expendable trusts or major capital projects). These revenues must be accounted for separately from the General Fund for a variety of reasons. Special revenue funds pay for street and arterial improvements funded through motor vehicle fuel tax, path and trail improvements funded through motor vehicle fuel tax, civic improvements paid for with the 2% hotel lodging tax, neighborhood and community park improvements paid for with impact fees, and the Senior Center which is funded through restricted contributions from both the City General Fund and Island County, and through program revenues.

Debt Service Funds

The following are the types of debt generally issued by the City for general government purposes:

Unlimited Tax General Obligation Bonds represent debt that was approved by voters for a specific purpose. In this case, citizens have agreed to levy property taxes to repay the debt, generally over specified period of time.

Legal Debt Limits Legal Debt Limits established in state statute are as follows: Councilmanic Bonds (non-voted) 1.5% of assessed property valuation; Unlimited Tax General Obligation Bonds (voted), Utility Purposes with a 3/5 public vote, and Open Spaces and Parks Facilities with a 3/5 public vote are all 2.5% assessed property valuation. The 2014 assessed property valuation is $1,590,666,301. The Councilmanic Legal limit is $23,859,995. The Unlimited Tax G.O. Bond, Utility and Parks legal limit are all $39,766,658.

Limited Tax General Obligation Bonds (also called "Councilmanic Bonds") can be issued with approval of the City Council. The debt is repaid from general revenues of the City.

Local Improvement District (LID) Bonds represent debt that is repaid by the property owners who benefited from the capital improvement through annual assessments paid to the City. LIDs are formed by the City Council after a majority of property owners agree to the assessment.

Capital Projects Funds

The Capital Projects funds are used to account for the monies used for the acquisition or construction of major capital facilities (such as buildings or roads).

The City's Capital Projects funds are funded by grants, private sources, and transfers from other City funds or from the receipt of bond proceeds resulting from the City's issuance of bonds for a specific project.

Expendable Trust Funds

These funds are used to account for monies received by the City in a trustee capacity, where both the principal and earnings of the fund may be expended. The City currently does not utilize any Expandable Trust Funds

Governmental Funds and The City's Financial Structure

The City's financial structure is consistent with Washington State's Budget, Accounting, and Reporting System (BARS), as required for all Washington local governments. The financial statement is prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units.

Expenditure budgets are prepared at the "line item" or object-of-expense level. (An example is wages, uniforms and clothing, office supplies, professional services, etc.) Summary totals are provided for object groups (such as wages, benefits, supplies, and capital outlay). Further subtotals are provided for organizational units within departments (divisions), which are an approximation of costs by function. Finally, department and fund totals provide a broader viewpoint of the budget. The financial overview page contained within each operating department section provides summary level financial data with comparative years.

Governmental funds use the modified-accrual basis of accounting. Under this basis, revenues are recognized when received in cash and earned. Expenditures are accounted for on the accrual basis with the exception of employee leave benefits and long-term debt, which are recognized when due.

Proprietary Funds

Proprietary operations of the City, enterprise and internal service functions, are accounted for using the accrual basis of accounting in a manner comparable to private industry. Proprietary funds are used to account for the City's activities that are similar to those found in the private sector. These activities are not financed by taxes, but rather by fees charged to the users of the service. The accounting principles used for proprietary funds are the same as those applicable to similar businesses in the private sector.

Utility Enterprise Funds

These funds accounts for the activities of providing utility services to citizens within the City's certificated area of service. The City recognizes that enterprise activities are most advantageous to the City when supported fully by fees. As more customers are connected to the system, user charges are expected to cover the full cost of providing these services to the system customers.

Internal Service Funds

Internal Service funds are used to account for the financing of goods or services provided by one department to another, or to other governments, on a cost-reimbursement basis. By reporting such goods and services in this manner, the City is able to:

- Account for the total cost of the activity,
- Accumulate resources for replacing fixed assets, and
- Isolate interfund services so that governmental fund types do not report related revenues and expenditures twice within the same fund type (once by the department furnishing the goods or services, and once by the department receiving the goods or services).

Though not required by law, annual budgets for internal service funds are prepared for internal management purposes. Revenue for such funds is derived from the charges assessed to each user department.

Budget Organization – Fund Numbering System

The funds of the city are organized following the guidance provided in the Budgeting Accounting Reporting System (BARS) maintained by the Washington State Auditors Office. The fund numbers correspond to the use of the fund's revenues. The numbering system is as follows:

General Fund **001 Series**

This fund is the general operating fund of the City. It accounts for all financial resources and transactions except those required to be accounted for in another fund. The activities of fire and police service, legal, finance, planning, parks and recreation, administration, and other general activities are included.

The ***Current Expense Fund #001*** receives property taxes, sales taxes, and other revenues to cover the cost of general city operations.

The ***Current Expense Reserve Fund #002*** is the holding fund for reserve funds. Currently the fire department reserve funding is the major revenue source.

The ***Discovery Fund #003*** is used to account for the activities of the employee unreimbursed medical plan.

The ***Seizure Fund #005*** holds funds from drug seizures.

The ***Marathon Fund #006*** is used to account for the activities of the City's marathon.

Special Revenue Funds **100 Series**

Special Revenue funds account for revenues derived from specific taxes, grants, or other sources, which are designated to finance particular activities of the City. The City's Special Revenue Funds include the following fund accounting entities:

The ***Street Fund #101*** receives State-shared unrestricted gasoline tax revenues and Capron funds. Capron funds are State-shared revenues comprised of gasoline taxes and motor vehicle license fees. Island and San Juan Counties and municipalities within these counties are the only recipients of Capron funds. Revenues are used for maintenance of the City streets.

The ***Arterial Street Fund #104*** receives State-shared restricted gasoline tax revenues and State grants for capital improvements to the City's arterial system.

The ***Transportation Capital Improvement Fund #105*** collects revenue from development activity and grants to be used for expenditures on improvements to public streets and roads.

The ***Paths and Trails Fund #106*** collects revenues equal to ½ of 1% of the motor vehicle fuel tax. These revenues are for the dedicated use of constructing and maintaining the city's pedestrian and bicycle paths and trails.

The ***Cumulative Reserve Street Fund #110*** reserves matching funds for grant requirements and as a contingency reserve for unanticipated expenditures

The ***Arts Acquisition and Maintenance Fund #115*** collects ¼% of the 6¼% utility tax to foster the creative arts in the City.

The ***Civic Improvement Fund #116*** receives hotel/motel tax revenues for expenditure on promotion of tourism. The City receives both the basic 2% and the additional 2% lodging taxes.

The ***Neighborhood Parks Fund #125*** receives revenue from developers for constructing and maintaining new and established neighborhood parks.

The ***Community Parks Fund #126*** receives revenue from developers for constructing and maintaining new and established larger scale community parks.

The ***Parks Impact Fee Fund #127*** receives revenue from developers for constructing and maintaining new and established parks. This fund is the result of combining Neighborhood and Community Park funds.

The ***Senior Services Fund #129*** receives participant fees, grant revenues, and contributions from The City's General Fund and Island County for expenditures associated with providing services and activities for the senior citizens in Oak Harbor and Island County.

Debt Service Funds **200 Series**

Debt Service funds account for the accumulation of resources and the payment of general long-term debt principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the government is obligated in some manner for the payment.

Fire and Public Safety Bond Fund #201 accounts for the advance refunding of the callable portion of the City's 1987 General Obligation Bond and advance refunding of the City's 1991 General Obligation Bond (totaling $2,680,000). These bonds were retired in the year 2010.

Fire Vehicle LOCAL Loan Fund #230 accounts for the debt service on the purchase of two new fire trucks ($192,000). These bonds were retired in the year 2012.

Capital Projects Funds **300 Series**

Capital Projects funds account for financial resources, which are, designated for the acquisition and construction of general government capital improvements (other than those financed by proprietary funds).

The ***Cumulative Reserve – Municipal Fund #311*** receives the first ¼ of 1% of the Real Estate Excise Taxes. These revenues are to be used for municipal capital improvement projects necessary to implement Growth Management Act-related improvements.

The ***Cumulative Reserve – Capital Fund #312*** receives the second ¼ of 1% of the Real Estate Excise Taxes. These revenues are to be used for general capital improvement projects identified in the City's Capital Facilities Plan.

The ***Municipal Pier Fund #320*** was established to record the expenditures for the construction of the Municipal Pier project.

The ***Waterfront Redevelopment Fund #325*** receives funding from various grant, lodging tax, and subsidy sources to be used in the redevelopment of Windjammer Park project.

The ***Scenic Heights LID Fund #361*** accounts for the financial activity related to the Scenic Heights LID project. There are no balances or activity in this fund.

The ***Sewer Construction Fund #362*** accounts for the financial activity related to upgrades to the City's sewer system. There are no balances or activity in this fund.

The ***Bayshore LID Fund #363*** accounts for the financial activity related to the Bayshore LID project. There are no balances or activity in this fund.

Enterprise Funds **400 Series**

Enterprise funds account for operations (a) that are normally financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. Enterprise funds include:

The ***Water Fund #401*** accounts for the operations of the City-owned water utility. The water department maintains three storage tanks, approximately 103 miles of water mains, three booster pumps and associated facilities. The distribution system

serves the City of Oak Harbor and supplies water to the U.S. Naval Air Station at Whidbey Island.

The ***Wastewater Fund #402*** accounts for the operations of the City-owned sanitary sewer utility. The City's sewer treatment plant and sewer treatment lagoons provide secondary treatment. The sewer department maintains approximately 70 miles of sanitary sewer mains, 11 remote lift stations and associated appurtenances. The collection and treatment system serves the City of Oak Harbor and a portion of the U.S. Naval Air Station at Whidbey Island.

The ***Solid Waste Fund #403*** accounts for the operations of the City-owned solid waste utility. The solid waste utility provides full service solid waste, recycling and yard waste. This utility serves the City of Oak Harbor.

The ***Storm Drain Fund #404*** accounts for the operations of the City-owned Storm Drain utility. The storm drain utility consists of 10 City-owned detention facilities and control structures and maintains approximately 49 miles of storm drain pipe, roadside ditches and bio-swales. This utility serves the City of Oak Harbor.

The ***Marina Fund #410*** accounts for the operations of the City-owned Marina. This full-service marina has moorage berths, dry storage sheds and dry landing storage. Other services provided are: temporary moorage, electricity, fuel, and launcher.

The ***Water Cumulative Reserve Fund #411*** is the Water Fund's reserve account and will collect monies to be used for future capital improvements.

The ***Wastewater Cumulative Reserve Fund #412*** is the Wastewater Fund's reserve account and collects monies to be used for future capital improvements.

The ***Storm Drainage Cumulative Reserve Fund #414*** is the Storm Drainage Fund's reserve account and collects monies to be used for future capital improvements.

The ***Marina Fund Cumulative Reserve #420*** is the Marina Fund's reserve account and will collect monies to be used for future capital improvements.

Internal Service Funds **500 Series**

Internal Service funds account for operations that provide goods and services to other departments or funds within the City or to other governmental units on a cost-reimbursement basis.

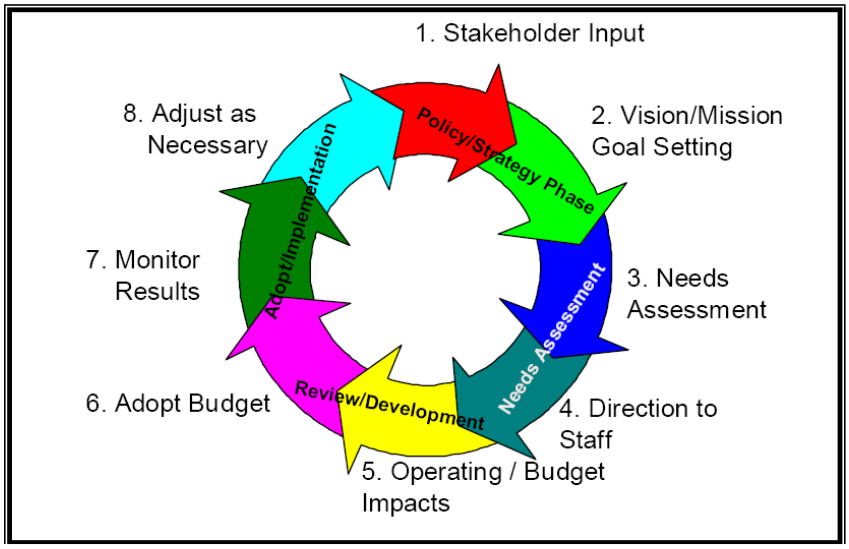
The ***Equipment Rental Fund #501*** accounts for the motor-pool operations of the City. Maintenance, operation, and depreciation costs are charged to each user department on a monthly basis. Equipment Rental finances replacement of all vehicles and heavy equipment. Cash reserves or "sinking funds" are established to fully fund vehicle and major equipment needs at the time of purchase.

The ***Equipment Replacement Fund #502*** accumulates funds for future purchases of larger pieces of equipment, technology and all vehicles for the City.

The ***Shop Facility Fund #510*** serves two purposes. First, it accounts for the cost of operating the Public Works Facility Campus and supervision of the various Public Works divisions. Each division that is housed at the facility is charged space rent,

with the annual proceeds used to pay maintenance and overhead. Secondly it charges out for the Special Labor Pool to the other funds that use these employees.

Budget Process Calendar



Process	Date
Stakeholder Input Process	March
Council Retreat	Early April
Early Budget Hearing	Early June
Deadline for City Council Suggestions & Proposals	June 30
Mid-Year Financial Review	Mid-July
Proposed Preliminary Budget	Late September
Proposed Biennial Budget and Planning Calendar	2nd Week September
Budget Workshops on Departmental Proposals	October
Budget Estimates – Revenue & Expenditure	1st October Meeting
Budget hearing - Motion to Adopt the Preliminary Budget	1st November Meeting
Council Work Session – Review of Budget	November
Public Hearing – Final Budget (as defined by RCW 35A.33.070)	Final November Meeting
Mid-Biennium Review Commences Process for Mid-Biennium Review - review with City Council	Sept. 1, through Aug 31

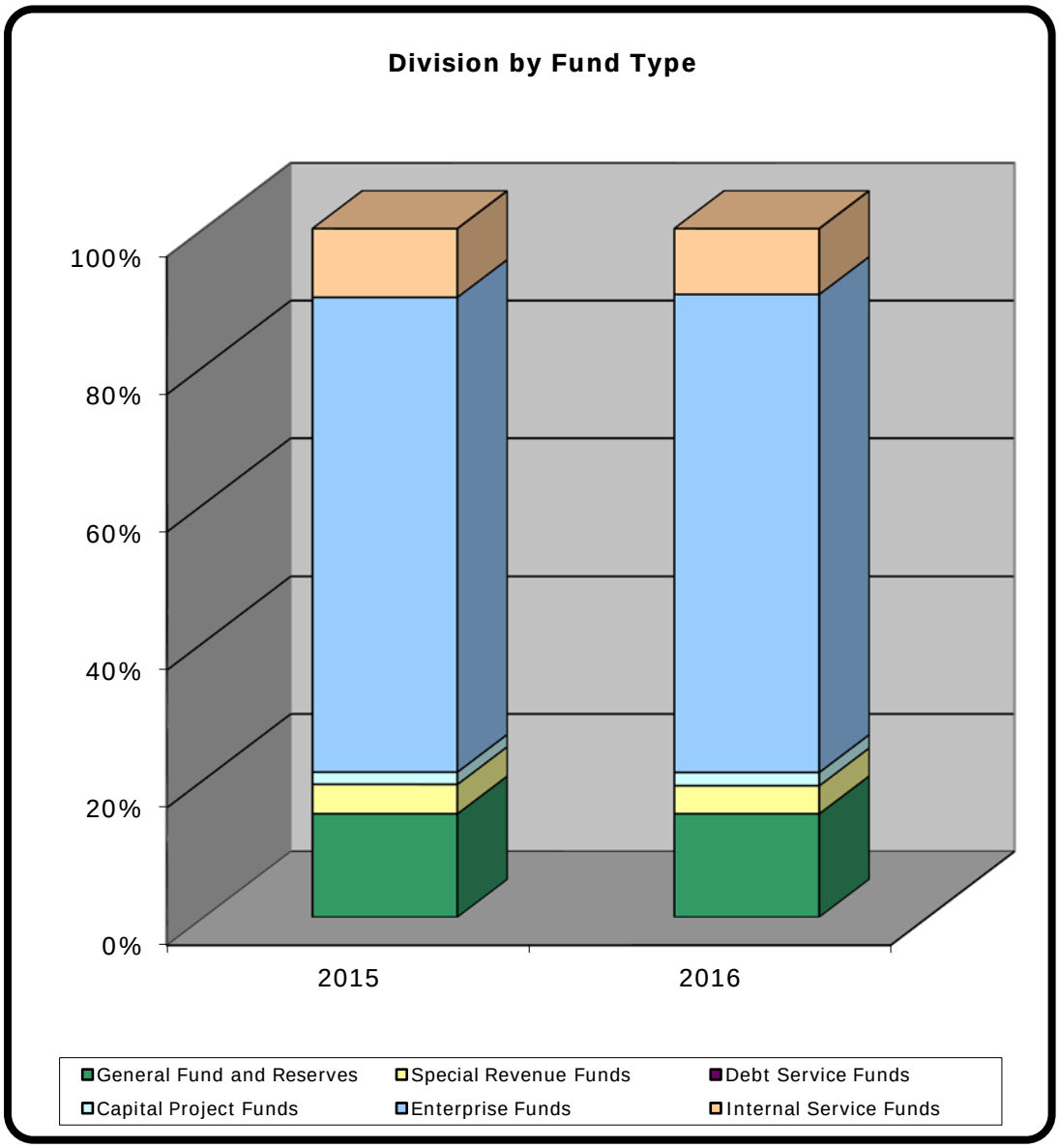
Overall Budget Summary

2015 - 2016 Operating Budget by Fund

Fund		Actuals 2013	Amended 2014	Adopted 2015	Adopted 2016
001	CURRENT EXPENSE	$12,165,962	$12,917,482	$16,440,080	$16,448,784
002	CURRENT EXPENSE RESERVES	80,594	3,278,622	3,864,506	4,150,094
003	CURRENT EXP - AMERIFLEX	17,033	42,000	15,000	15,000
005	CURRENT EXP - SEIZURE	18,636	10,000	10,000	10,000
006	WHIDBEY ISLAND MARATHON	166,425	335,473	127,628	132,972
101	STREETS	947,687	1,431,294	1,998,836	1,869,735
104	ARTERIALS	(1,019,620)	940,000	943,087	838,898
105	TRANSPORTATION CAPITAL IMPROVE	-	1,031,344	1,123,591	1,165,559
106	PATHS & TRAILS 1/2 OF 1% MVFT	-	26,548	29,037	26,459
110	CUMULATIVE RESERVE STREETS	34	-	-	-
115	ART ACQUISITION & MAINTENANCE	3,278	78,818	48,923	19,023
116	CIVIC IMPROVEMENT (2%)	131,527	719,375	801,172	722,072
125	PARK IMPROV-NEIGHBORHOOD PARKS	11,306	101,842	99,154	99,404
126	PARK IMPROV COMMUNITY PARKS	147,027	271,161	274,488	275,138
127	PARK IMPACT FEES	-	-	60,250	121,500
129	SENIOR CENTER	355,832	439,108	442,154	485,940
311	CUM RESERVE (M) 1ST 1/4% REET	-	1,931,993	1,174,364	1,319,914
312	CUM RESERVE MCI 2ND 1/4% REET	-	980,069	584,226	759,776
320	CONSTRUCTION - DOCK PROJECT	-	-	167,814	167,814
325	WATERFRONT REDEVELOPMENT FUND	-	451,778	504,499	425,849
401	WATER	4,836,649	8,693,755	8,078,122	9,649,368
402	SEWER	3,878,035	13,849,259	67,737,926	67,397,128
403	SOLID WASTE	3,109,761	4,471,989	5,804,123	6,083,560
404	STORM DRAIN	1,114,818	3,615,849	1,913,214	2,120,915
410	MARINA	1,633,686	1,465,118	1,718,409	1,662,474
411	CUMULATIVE RESERVE WATER	5,678	3,755,736	2,768,571	2,982,071
412	CUMULATIVE RESERVE SEWER	3,331	5,117,272	5,285,732	5,406,232
413	CUMULATIVE RESERVE - SOLID WASTE	-	117,146	116,796	117,106
414	CUMULATIVE RESERVE STORM DRAIN	-	438,203	416,105	416,605
420	CUMULATIVE RESERVE MARINA	46,224	50,000	8,530	8,730
501	EQUIPMENT RENTAL	843,274	1,292,782	1,262,729	1,181,886
502	EQUIPMENT REPLACEMENT	700,989	7,841,731	9,144,094	9,159,850
510	SHOP FACILITY	2,107,811	2,786,539	3,177,331	2,854,142
	Total	**$31,305,977**	**$78,482,286**	**$136,140,491**	**$138,093,998**

2015 - 2016 Operating Budget by Fund Type

Fund Type	Actuals 2013	Amended 2014	Adopted 2015	Adopted 2016
General Fund and Reserves	$12,448,650	$16,583,577	$20,457,214	$20,756,850
Special Revenue Funds	577,071	5,039,490	5,820,692	5,623,728
Debt Service Funds	-	-	-	-
Capital Project Funds	-	3,363,840	2,430,903	2,673,353
Enterprise Funds	14,628,182	41,574,327	93,847,528	95,844,189
Internal Service Funds	3,652,074	11,921,052	13,584,154	13,195,878
Total	**$31,305,977**	**$78,482,286**	**$136,140,491**	**$138,093,998**



General Fund

CITY OF
Oak Harbor
WHIDBEY ISLAND, WASHINGTON

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General Fund Revenues

Major Revenue Sources

Property Taxes

Property taxes are levied on the assessed valuation of real and personal property within the city limits. State law limits the amount of property tax the city may levy to no more than $3.60 per $1,000 of assessed valuation. In addition there are limitations on the amount of property tax increases from one year to another.

Sales Tax

Sales tax is imposed on the sale of goods and services occurring within the municipal boundaries of the city, or when certain goods ordered from other jurisdictions are delivered to customers residing in Oak Harbor. Currently, the City's total sales tax rate is 8.7% of which the City is allowed to receive, by law, an amount equal to 1% of sales. The sales tax is collected by the State of Washington, remitted to Island County, which in turn remits to Oak Harbor its 1% revenue portion, less a 15% fee retained by the County for administration. The net effect being that the City of Oak Harbor receives sales tax in the amount of 0.85% of sales – equaling approximately 9.77 cents of each sales tax dollar collected at the point of sale.

Business & Cable Taxes

The City imposes a tax on business within the city limits based on their gross operating revenues.

Gambling Taxes

These taxes are assessed upon gambling operations within the City of Oak Harbor and cover punch- boards, pull tabs, bingos, and raffles.

Business Licenses

This revenue is from the issuance of licenses to conduct business in the City of Oak Harbor. The fees charged are a direct reflection of the type of business and number of employees.

Building & Other Permits

Building permit fees represent a cost recovery fee established to reimburse the City for the time spent by staff in reviewing construction projects. Also included in the figures below are small amounts collected for animal licenses and other miscellaneous permits.

State Shared Revenue

The State of Washington collects certain revenues and then shares these funds with local government, with distribution based on population. These monies include Motor Vehicle Fuel Tax, CAPRON funds, Liquor Excise Taxes, Liquor Profits, and others.

Municipal Court Collections

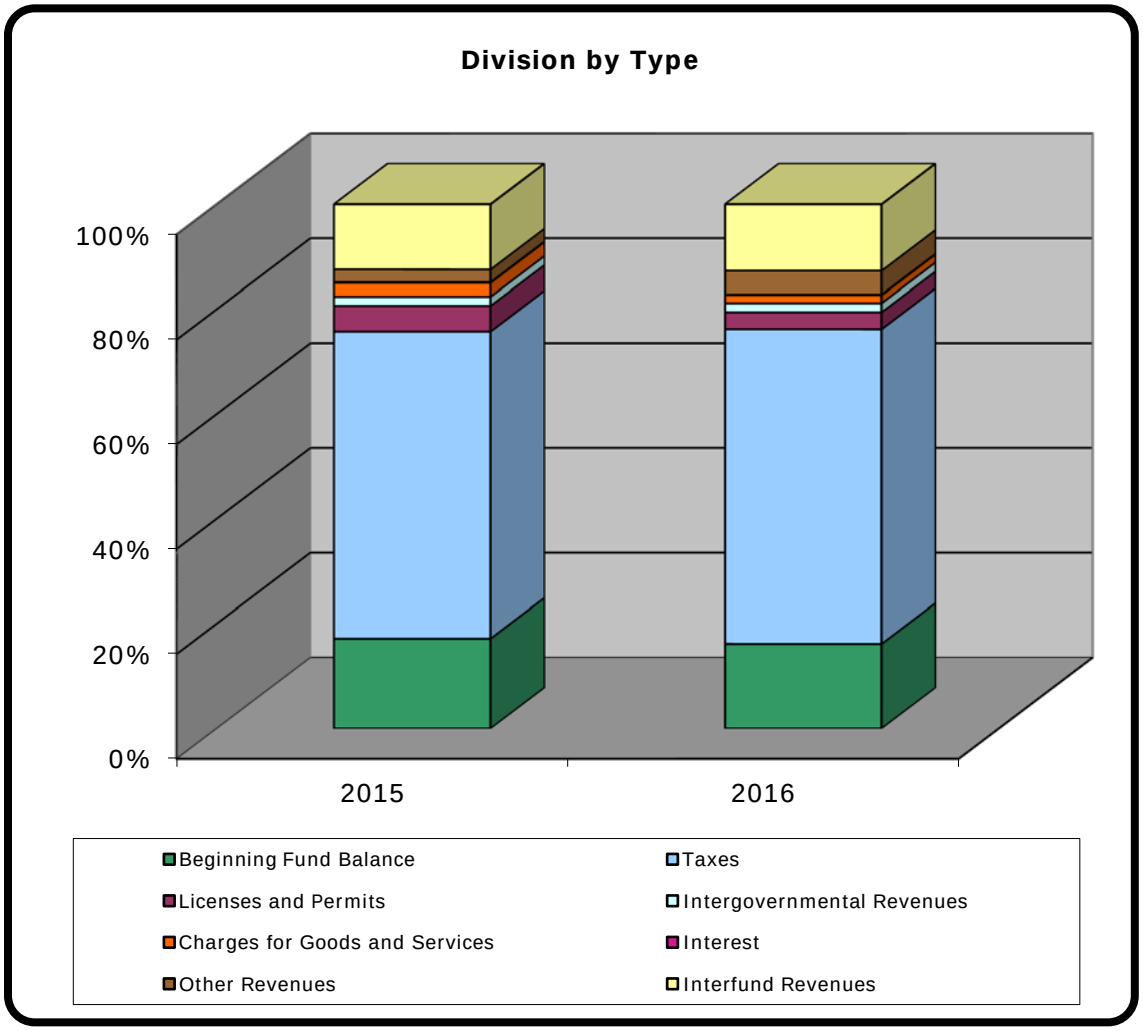
The City of Oak Harbor collects and retains a portion of the fines levied to individuals who appear in the municipal court and also is reimbursed for a portion of some costs and expenses such as probation fees and court appointed attorney fees.

Camping Fees

The City owns and operates a recreational vehicle campground and these fees represent the camping fees related to this operation.

Revenues by Type

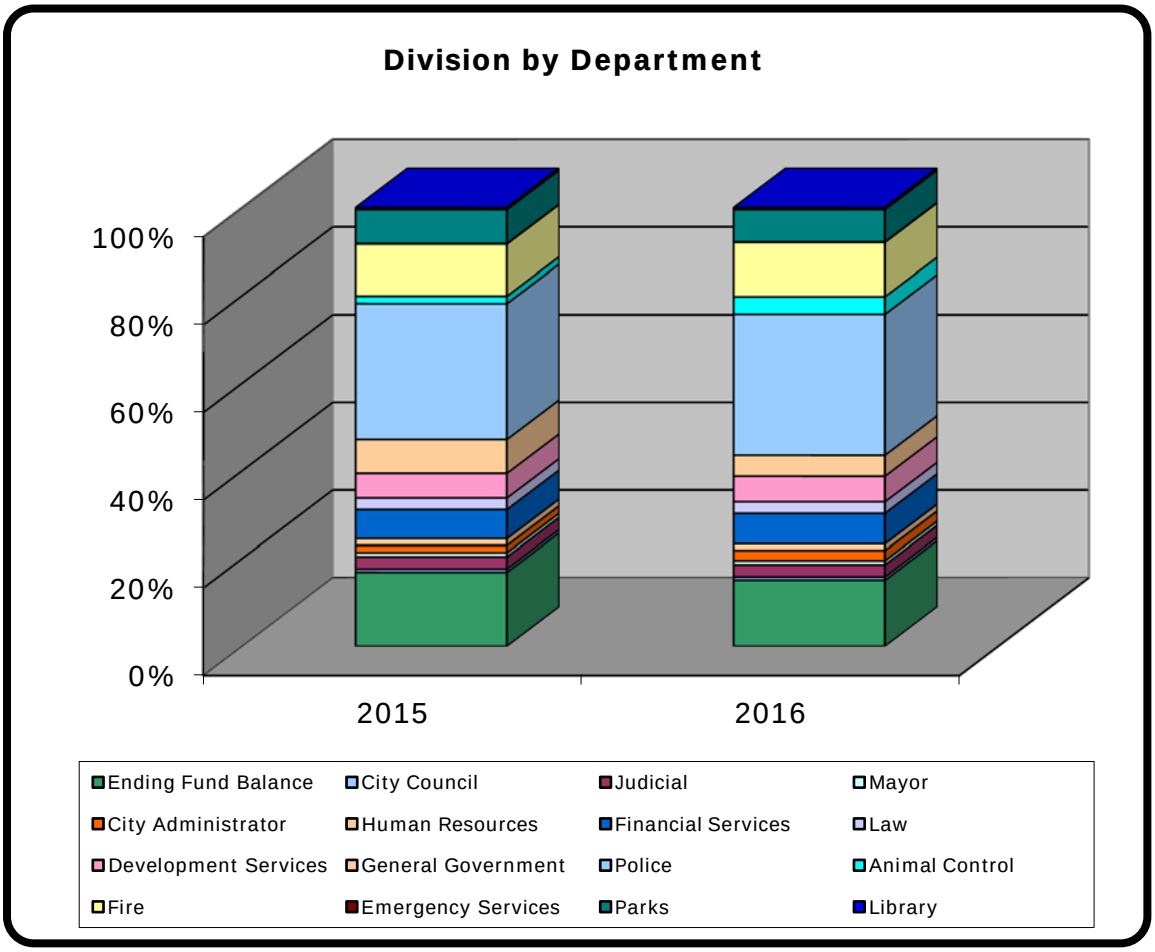
Source	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Beginning Fund Balance	$ 1,077,356	$ 559,214	$ 2,819,799	$ 2,655,814
Taxes	9,223,673	9,468,326	9,634,200	9,879,343
Licenses and Permits	537,460	493,150	805,390	530,640
Intergovernmental Revenues	271,914	297,700	282,450	282,650
Charges for Goods and Services	224,900	272,150	437,450	253,200
Interest	27,373	5,700	18,500	17,600
Other Revenues	426,651	290,200	400,400	747,000
Interfund Revenues	1,625,404	1,531,042	2,041,891	2,082,537
Total	$13,414,731	$12,917,482	$16,440,080	$16,448,784



Current Expense Summary

Expenditures by Department

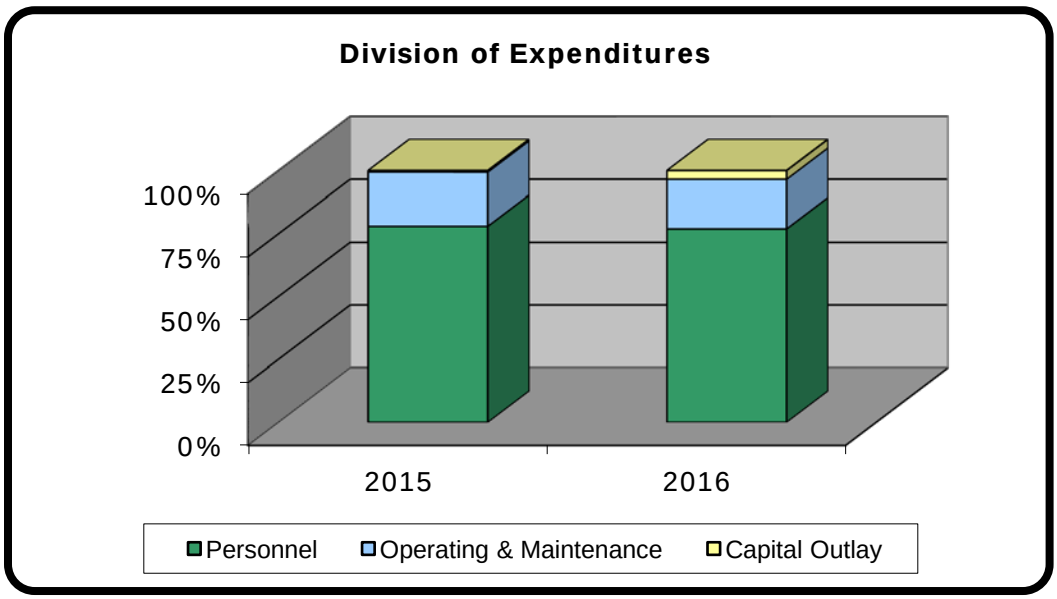
Fund	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Ending Fund Balance	$ -	$ 498,782	$ 2,771,386	$ 2,479,735
City Council	128,365	132,230	119,340	121,100
Judicial	326,761	353,570	459,575	451,575
Mayor	197,574	186,454	152,749	156,193
City Administrator	180,865	189,391	278,346	380,683
Human Resources	172,814	194,102	255,708	256,046
Financial Services	939,649	1,051,167	1,085,315	1,137,864
Law	546,653	623,696	431,075	432,861
Development Services	754,357	774,887	926,157	959,581
General Government	693,240	433,144	1,270,841	787,120
Police	4,978,182	5,038,267	5,097,175	5,294,294
Animal Control	272,895	243,914	278,631	654,653
Fire	1,802,490	1,962,718	1,952,348	2,036,465
Emergency Services	1,805	5,700	18,600	19,090
Parks	1,098,561	1,155,860	1,269,783	1,208,451
Library	71,752	73,600	73,051	73,073
Total	$ 12,165,963	$ 12,917,482	$ 16,440,080	$ 16,448,784



Fund Balance Reconciliation

Fund balance represents the amount of financial resources available to be used during a given budget cycle. At the start of a fiscal year, beginning fund balance represents primarily liquid assets such as cash, investments, and certain receivables which will be converted to cash during the next twelve month period, less claims or restrictions against those assets, and which will be available to be spent on appropriated expenditures. And the end of a fiscal year, ending fund balance represents the beginning fund balance plus cash revenues received during the year, less cash expenditures. There are certain times when fund balances will not reconcile from year to year. This occurs when non-cash transactions, prompted by such actions as resolutions, ordinances, or the write-off of certain receivables, add or remove certain classes of assets from the fund balance equation without an actual cash transaction taking place. Accordingly, the actual ending balance for one year may not equal the beginning balance of the subsequent year if it is anticipated that some form of action may be taken that might adjust the future projection of resources available to be appropriated in that year.

Fund Balance Reconciliation	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Beginning Fund Balance	$ 1,077,356	$ 559,214	$ 2,819,799	$ 2,655,814
Operating Revenues	10,631,377	10,827,226	11,512,890	11,300,433
Expenditures				
Personnel	8,532,817	8,920,371	9,132,149	9,623,477
Operating & Maintenance	2,654,598	2,453,374	2,515,339	2,458,392
Capital Outlay	10,000	34,545	70,501	430,000
Total Expenditures	11,197,415	11,408,290	11,717,989	12,511,869
Operating Surplus (Deficit)	(566,038)	(581,064)	(205,099)	(1,211,436)
Other Sources (Uses)				
Net Interfund Transactions	778,132	637,632	959,664	1,045,945
Net Operating Transfers	(40,681)	(117,000)	(802,978)	(10,588)
Sources Over (Under) Uses	737,451	520,632	156,686	1,035,357
Change in Fund Balance	171,413	(60,432)	(48,413)	(176,079)
Ending Fund Balance	$ 1,248,769	$ 498,782	$ 2,771,386	$ 2,479,735


Division of Expenditures
100%
75%
50%
25%
0%
2015
2016
Personnel
Operating & Maintenance
Capital Outlay

Department Expenditure Budgets

City Council

Mission:

The City Council consists of seven elected members, each for four year, staggered terms. The Council is the legislative body of the City and is responsible for all legislative actions and policy-making for the City. The Council is empowered with the authority to enact ordinances and policies to protect the rights of the citizens of the community. The City Council meets twice per month to review, direct and legislate on matters of land use, finance and general governance. Council members also serve on committees with staff, community members, and other advisors to review specialized functions and make recommendations to the Mayor.

The Oak Harbor City Council is the legislative branch of city government, and each member is elected to represent all the citizens of Oak Harbor. The responsibilities of the Council are set forth by state law and the City of Oak Harbor Municipal Code. The principal function of the Council is policy-making for the City organization and the population it serves, usually by resolution or ordinance. The Council adopts annual priorities and goals and regularly reassesses community needs. When making policy, the Council relies on ideas from many sources, including staff, citizens' groups, advisory committees, individuals, and various local organizations. It is the Council's responsibility to consider the merits of each item before them, and then approve, modify, or reject it. This process allows Council members to analyze community needs, program alternatives and available resources. The principal forum for local government policy-making is the City Council meeting that takes place on Tuesday evenings approximately two times a month. Standing committee meetings take place on various days of the week. In addition, several special meetings and work sessions are scheduled as needed during the course of the year. The biennial budget process defines departmental objectives and goals for the following year. The key to the budget process is the Council's focus on developing policy, targeting issues and establishing multi-year goals. Goals reflect community vision, and budgets and programs make those goals reality.

Responsibilities:

- Set forth the powers vested in legislative bodies.
- Represent citizens through legislation and policy direction.
- Anticipate and target issues that affect the community.
- Set community direction and goals for the future.
- Monitor performance of the administration in achieving goals.
- Provide a policy framework for municipal operations and services.
- Serve on standing committees, which act as work sessions.
- Represent the City in regional and intergovernmental affairs.
- Inspire our citizens to become a part of the City's future.

2014 Accomplishments:

- ✓ Approved 2015-2016 Biennial Budget
- ✓ Adopted revisions and improvements to the City's Personnel Code
- ✓ Adopted 6-year Transportation Plan

- ✓ Lifted Fiscal Emergency Status
- ✓ Approved Agreement to retain the Oak Harbor School District High School Resource Officer
- ✓ Held community informational meetings on the proposed Wastewater Treatment Facility.
- ✓ Approved Reorganization of the Human Resources Department
- ✓ Approved construction of the 42" outfall project.
- ✓ Approved final location of the proposed Wastewater treatment facility
- ✓ Extended reduction of Impact Fees for a 12 month period
- ✓ Adopted enhanced Indigent Defense Standards.
- ✓ Met with federal and state legislative representatives to promote City's legislative priority list.

2015 – 2016 Goals:

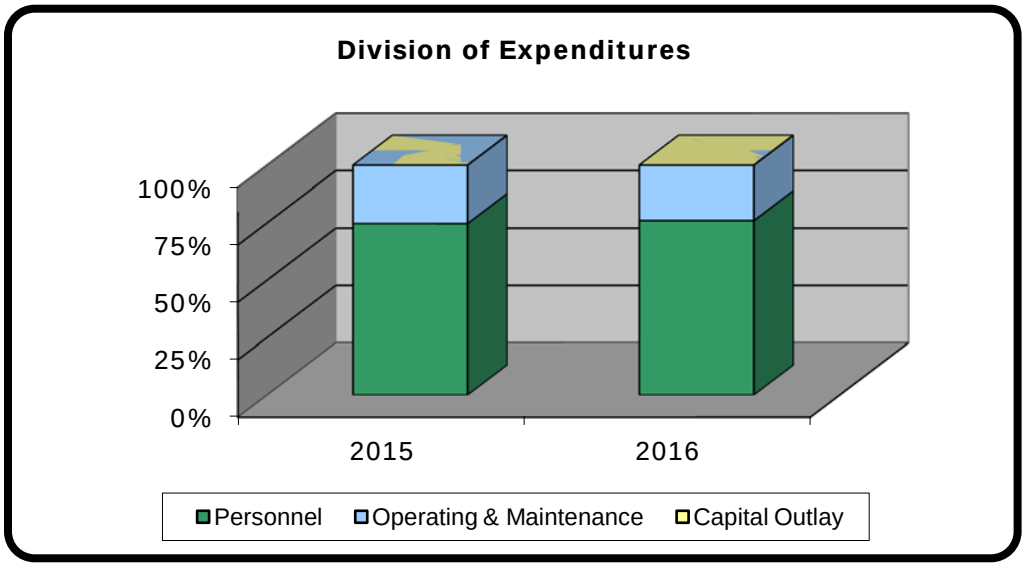
- **Goal: Continue with the Wastewater Treatment Plant planning and development, scheduled to be complete in 2017.**
  - Objective: For this two-year period, objectives include selecting and acquiring the final location for the plant, designing the facility, performing environmental review, construction a new outfall, and substantial completion of the project.
- **Goal: Complete the 42" Storm Water Outfall Project.**
  - Objective: Implement this major enhancement to the City's stormwater system.
- **Goal: Develop and Adopt Economic Development Plan.**
  - Objective: Assemble an action plan to implement a wide range of the economic development objectives. Hire an economic development coordinator.
- **Goal: Establish and implement a response to marijuana law changes.**
  - Objective: Develop effective local regulations for land use, policing and prosecution that are consistent with State law on marijuana possession and use.

Personnel Schedule

	Authorized Positions				
Classification	2012	2013	2014	2015	2016
City Council Member	7.00	7.00	7.00	7.00	7.00
Total	7.00	7.00	7.00	7.00	7.00

Summary of Financial Information

Use of Funds	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Expenditures				
Personnel	$ 92,701	$ 93,864	$ 83,271	$ 86,031
Operating & Maintenance	28,500	31,200	28,200	27,200
Capital Outlay	-	-	-	-
Total Expenditures	121,201	125,064	111,471	113,231
Other Uses				
Interfund Transactions	7,164	7,166	7,869	7,869
Operating Transfers Out	-	-	-	-
Total Uses	$ 128,365	$ 132,230	$ 119,340	$ 121,100



Discussion of Key Elements

Personnel Expenditures:

Benefits costs are no longer available to dependants as of 2015.

Operating and Maintenance Expenditures:

The majority of the operating and maintenance budget is for travel.

Judicial

Mission:

The mission of the Judicial department is to administer the operations of the judicial branch of City government in a neutral and effective manner and to ensure access to justice for all citizens.

Responsibilities:

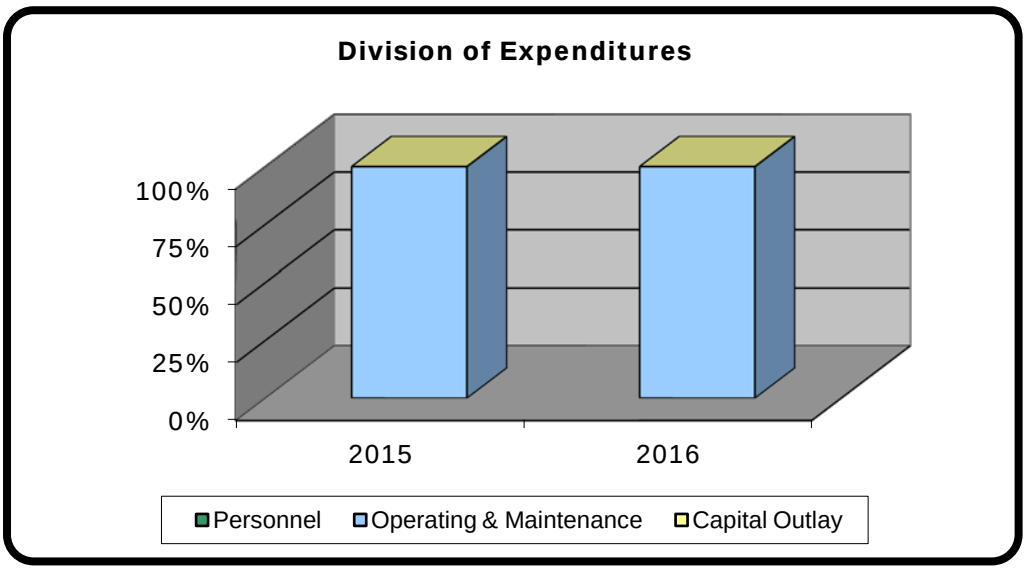
Municipal Court has jurisdiction over criminal, traffic, parking, and civil matters, which arise from violation of municipal ordinances. The City's Municipal Court function is contracted to Island County under an interlocal agreement. The City also provides public defense services consistent with Chapter 10.101 RCW.

2015 – 2016 Goals:

- **Goal: Continue providing fair and equitable prosecution and public defense services.**
  - Objective: A strong and vibrant community relies on a sound and fair judicial system.
  - Objective: Evaluate and adjust as appropriate the public defense services program to insure an effective legal defense.
- **Goals: Continue to provide and improve the Work Crew Program.**
  - Objective: The Work Crew Program represents an alternative to incarceration which benefits the efficiency of the judicial system as well as enhances general revenue.

Summary of Financial Information

Use of Funds	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Expenditures				
Personnel	$ -	$ -	$ -	$ -
Operating & Maintenance	326,761	353,570	459,575	451,575
Capital Outlay	-	-	-	-
Total Expenditures	326,761	353,570	459,575	451,575
Other Uses				
Interfund Transactions	-	-	-	-
Operating Transfers Out	-	-	-	-
Total Uses	$ 326,761	$ 353,570	$ 459,575	$ 451,575



Discussion of Key Elements

Operating and Maintenance Expenditures:

The majority of the operating and maintenance budget is for professional services which represent the City's portion of operating the courts, including indigent defense fees.

Mayor

Mission:

The City of Oak Harbor is committed to delivering quality services to its citizens in the most effective manner possible.

Responsibilities:

- Maintain accountability, integrity and communication with the citizens of Oak Harbor.
- Responsive stewardship of the tax dollars collected and spent to deliver City services. And to ensure the City's continued financial health through sound financial management.
- Oversee and command administrative duties of City government.
- Provide leadership to Council concerning the direction and future needs of the City.
- Build quality into the future and purpose into our actions.
- Ensure compliance with all laws, ordinance47s and policies and respond to emerging issues of policy development and immediate needs.
- Promote healthy relations between business, schools, military and government by identifying and initiating "partnering" opportunities.
- Maintain open communications with Federal, State and local elected officials.

2014 Accomplishments:

- ✓ Public safety continues to be a top priority. At the Police Department, a School Resource Officer was reinstated in order to help improve safety at the High School. A Community Service Officer was established for better public outreach, which has included the formation of fifteen (15) Neighborhood Watch groups capable of providing additional patrol and prevention around the City.
- ✓ Successfully negotiated a contract with Naval Air Station Whidbey Island and Forest City to provide improved animal control services, including an upgraded Animal Holding Facility.
- ✓ n a move to increase economic development, appointed a half-time staff member to work specifically with local citizens and business owners. As a result, the Economic Development Committee was formed, a community-formulated strategic economic plan was created, and the creation of a Main Street Organization was spurred.
- ✓ In order to improve communication and transparency between the City and citizens, City Council meetings were streamed live and anyone can view a Council meeting or a Planning Commission meeting via video-on-demand from our website, www.oakharbor.org. Also, we added "Oak Harbor City Updates" tapings focusing on city-related subjects of community interest to our Channel 10 line-up. We continued to broadcast Council meetings, Council workshops, Planning Commission meetings, and community announcements on Comcast Cable Channel 10.
- ✓ Initiated assessment of the current information technology system of the City of Oak Harbor
- ✓ Established a stabilization fund in order for the City to be fully prepared for any possible future downturns in the economy.
- ✓ Secured funding for multiple one-time projects in grant funding for projects such as the Whidbey Avenue Pedestrian Crossing and Veterans Park Improvements project.

- ✓ Met with Federal legislators and Pentagon officials to discuss issues relative to the City's new Wastewater Treatment Facility project and our unique partnership with Naval Air Station Whidbey Island.
- ✓ Presented our Legislative Priorities to State Senator-Elect Barbara Bailey, State Representative Norma Smith and State Representative-Elect Dave Hayes.
- ✓ Served on the I-COM Board of Directors, Island County Board of Health, Island County Council of Governments, Island County Regional Transportation Planning Organization and Island County Law and Justice Council.

2015 – 2016 Goals:

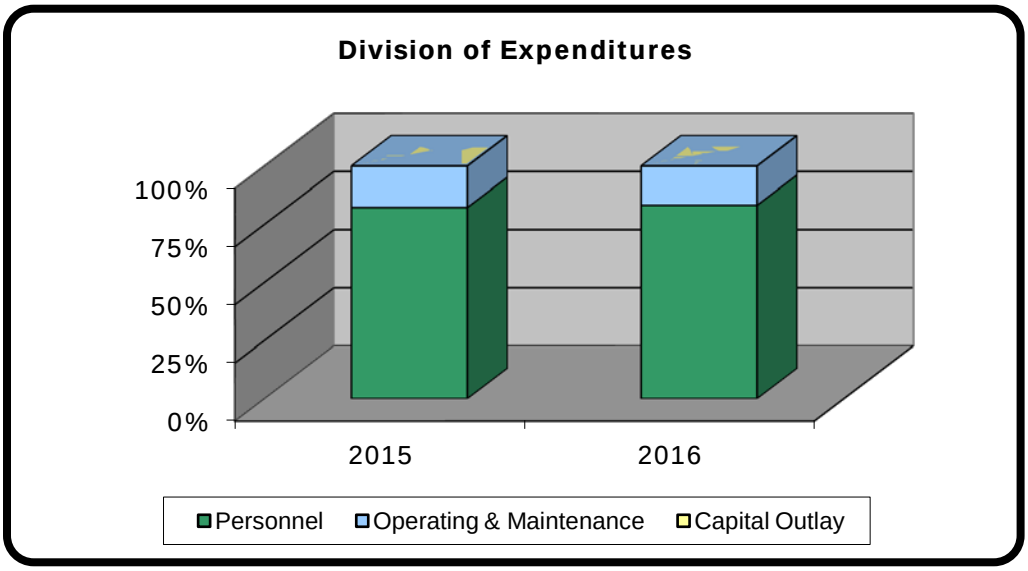
- **Goal: Improve communication with our citizens.**
  - Objective: Seek ways to more effectively provide information to our citizens and to bring more citizens into a contributing role in their government.
- **Goal: Make Oak Harbor a destination for visitors.**
  - Objective: Implement a Main Street Program with our Downtown merchants.
- **Goal: Continued financial strength and sound fiscal policy.**
  - Objective: To maintain a deliberate and responsible approach to financial management, to live within budget and maintain adequate financial services in case of unseen expenses, economic downturn or emergency.
- **Goal: Remain strongly focused on infrastructure projects.**
  - Objective: Systematically complete essential public works projects, with emphasis on strong infrastructure. Old and aging infrastructure threatens the City's finances and our ability to deliver City services.
- **Goal: Meet with Pentagon Officials regarding Naval Air Station Whidbey Island.**
  - Objective: To discuss items of mutual interest and mutual partnership such as police, fire protection, water, sewer, solid waste, zoning, noise and encroachment.
- **Goal: Increase transparency of city budget, revenues and expenditures**
  - Objective: Create the ability for our citizens to see where the city receives funding and how the city spends their tax dollars
- **Goal: Improve technology to better serve our citizens**
  - Objective: Improve technology to better serve our citizens

Personnel Schedule

	Authorized Positions				
Classification	**2012**	**2013**	**2014**	**2015**	**2016**
Mayor	1.00	1.00	1.00	1.00	1.00
Executive Assistant	1.00	1.00	1.00	1.00	1.00
Total	2.00	2.00	2.00	2.00	2.00

Summary of Financial Information

Use of Funds	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Expenditures				
Personnel	$ 156,571	$ 167,105	$ 122,349	$ 126,628
Operating & Maintenance	38,015	16,360	26,530	25,695
Capital Outlay	-	-	-	-
Total Expenditures	194,586	183,465	148,879	152,323
Other Uses				
Interfund Transactions	2,988	2,989	3,870	3,870
Operating Transfers Out	-	-	-	-
Total Uses	$ 197,574	$ 186,454	$ 152,749	$ 156,193



Discussion of Key Elements

Personnel Expenditures:

Benefits costs are no longer available to dependants as of 2015.

Operating and Maintenance Expenditures:

The majority of the operating and maintenance budget is for travel.

City Administrator

Mission:

The mission of the City's Administrator's Office is to maintain effective relationships with the Mayor, City Council, operating departments and other agencies. Assist the Mayor, City Council and City Staff in policy formation and in the implementation of policy decisions and directions. Provide professional leadership and management practices that create an organizational culture that results in the delivery of excellent services to our customers and our community and ensure operational accountability to the public, Mayor and City Council.

Responsibilities:

- Chief Administrative Officer of the City.
- Management and administration of the day-to-day operations of the City.
- Coordination of inter-departmental projects and programs.
- Coordination of departmental programs.
- Liaison between the Mayor, City Council, Boards/Committees, City staff and the general public.
- Provide clear, timely and accurate information to the public, Mayor and City Council.
- Ensure that City services are cost effective and efficiently provided.

2014 Accomplishments:

- ✓ Assisted in the transition from Council Standing Committees to regular monthly workshops of the Council of the whole.
- ✓ Initiated a change in the process by which the biennial budget and six-year capital improvement program are developed to establish goals prior to developing departmental budgets and project lists.
- ✓ Assisted in settling the lawsuit filed by the Swinomish Indian Tribal Community related to the Pioneer Way Reconstruction Project.
- ✓ Completed recruitment and hiring process for senior management officials, including the transition from contract city attorney to in-house City Attorney.
- ✓ Re-organized the Human Resources Department to better serve City employees and the public.
- ✓ Oversaw the 2014 Whidbey Island Marathon which featured a record number of registrations.
- ✓ Assisted in the final site selection of the planned wastewater treatment plant and initiated a Bayshore Corridor Master Plan and Development Strategy.

2015 – 2016 Goals:

- ❖ **Goal: Provide creative, accountable and effective support to the Mayor and City Council to help achieve the City's short- and long-range goals.**
  - ➢ Objective: Anticipate and respond to the City Council on requests for information on current projects and new initiatives in a timely manner.
  - ➢ Objective: Implement 2015/2016 Budget as the primary document to achieve the City's goals.

- Objective: Communicate clearly and comprehensively to the Mayor and City Council on staff recommendations and the basis for the recommendations.

- **Goal: Provide consistent and positive leadership to the organization.**
  - Objective: Seek staff ideas for improving the overall working culture at the City and to better deliver quality customer service to our citizens.
  - Objective: Clearly communicate and discuss with staff the policies, directions, and goals of the Mayor and City Council to assure successful implementation.
  - Objective: Provide information and support that is consistent with the practices of sound public administration to successfully provide the intended outcomes and maintain the delivery of high quality municipal services.

- **Goal: Align departmental performance expectations with the available resources.**
  - Objective: Implement the 2015/2016 work program based on approved biennial budget. Communicate with the City Council and community the desired outcomes and report progress.
  - Objective: Provide ongoing communication to the Mayor and City Council on potential emerging policy directions for enhancing revenue and program delivery.
  - Objective: Work with Human Resources Department to build and retain a highly qualified staff, promote ongoing technical and customer service training and insure that human resources are managed in the most effective manner.

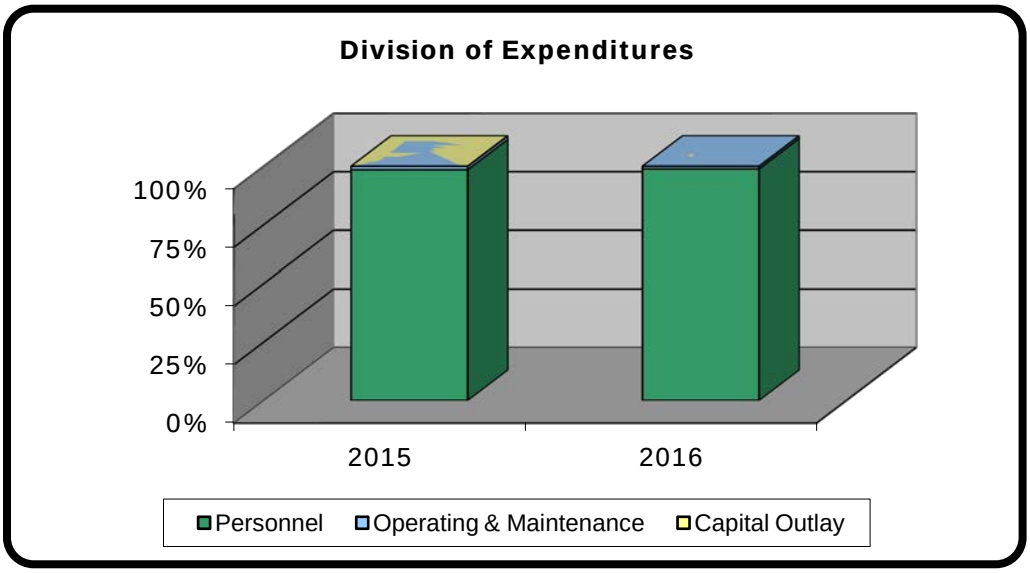
- **Goal: Promote economic development opportunities in partnership with local and regional entities.**
  - Objective: Maintain staffing and financial resources to support ongoing economic development activities.
  - Objective: Provide support to the business community through City participation in a Main Street initiative, through economic and demographic data gathering and through business assistance when possible.

Personnel Schedule

	Authorized Positions				
Classification	**2012**	**2013**	**2014**	**2015**	**2016**
City Administrator	1.00	1.00	1.00	1.00	1.00
Economic Development Coordinator	0.00	0.00	0.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Total	2.00	2.00	2.00	3.00	3.00

Summary of Financial Information

Use of Funds	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Expenditures				
Personnel	$ 175,523	$ 182,177	$ 270,476	$ 372,713
Operating & Maintenance	2,354	4,225	4,000	4,100
Capital Outlay	-	-	-	-
Total Expenditures	177,877	186,402	274,476	376,813
Other Uses				
Interfund Transactions	2,988	2,989	3,870	3,870
Operating Transfers Out	-	-	-	-
Total Uses	$ 180,865	$ 189,391	$ 278,346	$ 380,683



Discussion of Key Elements

Personnel Expenditures:

The Executive Assistant to the City Administrator position was not funded for the 2013-2014 biennium. This position will be funded in 2015-2016.

Operating and Maintenance Expenditures:

The majority of the operating and maintenance budget is for travel and miscellaneous expenditures.

Human Resources

Mission:

The mission of the Human Resources department is to support the City's mission of premier public service by providing services which promote a work environment that is characterized by fair treatment of staff, open communications, personal accountability, trust and mutual respect. We will seek and provide solutions to workplace issues that support and optimize the principles of the City.

The Human Resources department is a cohesive, collaborative team dedicated to creating partnerships by supporting all programs and departments. We strive to support, guide and maintain requirements to create a healthy and positive work environment in order to assist staff in accomplishing individual program goals as well as overall organizational goals. Because we care about our employees, we stand for integrity, efficiency, problem solving, equity and character in all of our relationships and interactions. We do this to promote growth, accountability and empowerment in our representation of our City.

Responsibilities:

- Strategic human resource planning
- Organizational development
- Policy development and maintenance
- Recruitment and retention
- Compensation and classification
- Training and development
- Employee relations
- Labor relations
- Performance management
- Personnel records
- Workforce planning and development
- Administering Federal/State employment law
- Promoting communications
- Promoting wellness and morale
- Workers Compensation claims management

Day-to-day activities include; support to managers in cases of disciplinary issues, providing counsel and assistance to employees at all levels in the organization, assisting departments in meeting current and anticipated needs by providing the leadership, direction and support to attract, retain and develop quality employees and facilitate conflict resolution.

Human resources strives to provide the best people through effective recruitment, selection, retention and development of all City employees and to ensure compliance with applicable state, federal and City laws, regulations and policies.

2014 Accomplishments:

- ✓ Created an online application process to electronically and efficiently manage the recruitment and hiring processes in a professional manner.
- ✓ Promoted a healthy/safe work environment with a quality repeat AWC award-winning wellness program. which promotes a commitment to healthy employees and a safe workplace.

2015 – 2016 Goals:

- **Goal: Transition the Human Resources department through a change in leadership while continuing to support all City Programs and Departments in an efficient and effective manner**
  - Objective: Gain efficiencies within the HR Department and better assist City departments in meeting human resources needs and serve citizens in a professional, cost-effective and timely manner.
- **Goals: Create procedure manual for internal HR processes.**
  - Objective: Document processes within the department to ensure processes are not lost when staff turnover.
  - Objective: Provide cross-training opportunities within the Human Resource department to increase efficiencies and customer service to the departments/customers we serve.
- **Goal: Update and re-write current Employee Handbook.**
  - Objective: Provide staff with clear policies that have been updated to reflect legislative changes and City policy changes.
  - Legal and clear employee polices protect both the City and the employees.
- **Goal: Research functionality and implementation of electronic timekeeping system.**
  - Objective: Provide up-to-the minute personnel data as well as providing accurate historical data on positions and employees. Create a check and balance process between Human Resources and payroll.
  - Objective: Provide a tracking system for positions that will better enable the City to manage costs and utilize position budgeting.
  - Objective: Create a two- step process for all payroll changes that will ensure a check and balance to transactions.
  - Objective: Provide a clear process for all personnel changes.
- **Goals: Promote a healthy/safe work environment**
  - Objective: Repeat a quality, AWC award-winning wellness program. Encourage continued commitment to healthy employees and a safe workplace by providing onsite wellness programs to help reduce employee health risks and health care costs.
  - Pursuing this will improve morale, retain and attract quality employees and improve productivity.
  - Human resources will fully investigate all accidents. The goal will be to provide information that will eventually lead to an improved L&I Experience Rating thus decreasing L&I rates for the City.

Measurement Results

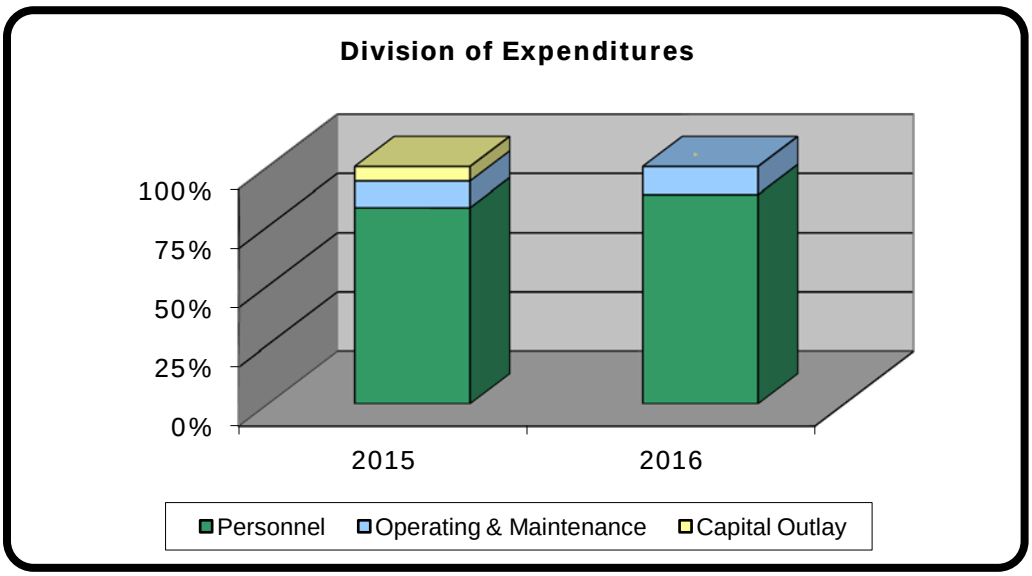
Measures	Actual 2013	Actual 2014	Projected 2015	Projected 2016
Qualitative Measures				
Promote wellness and morale	100%	100%	100%	100%
Align City salaries with comparables	100%	100%	100%	100%
Quantitative Measures				
Improve L&I Experience Factor	.7511	.7778	.7168	.7168
Number of positions filled	15	10	10	10
Number of internal training programs	1	8	8	8

Personnel Schedule

Classification	Authorized Positions 2012	2013	2014	2015	2016
Human Resources Director	1.00	1.00	1.00	1.00	1.00
Administrative Assistant	0.00	1.00	0.50	0.50	0.50
Human Resources Analyst	0.45	0.45	0.50	0.50	0.50
Total	1.45	2.45	2.00	2.00	2.00

Summary of Financial Information

Use of Funds	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Expenditures				
Personnel	$ 145,121	$ 168,127	$ 204,662	$ 218,589
Operating & Maintenance	20,920	19,625	27,760	29,169
Capital Outlay	-	-	15,001	-
Total Expenditures	166,041	187,752	247,423	247,758
Other Uses				
Interfund Transactions	6,773	6,350	8,285	8,288
Operating Transfers Out	-	-	-	-
Total Uses	$ 172,814	$ 194,102	$ 255,708	$ 256,046



Discussion of Key Elements

Personnel Expenditures:

There have been no significant changes to the personnel expenditures.

Operating and Maintenance Expenditures:

The majority of the operating and maintenance budget is for professional services.

Capital Outlay:

Human Resources has requested an HRIS for a 2015 Capital Outlay. Utilizing an HRIS can positively affect the City's internal work environment by creating time for HR staff to allocate toward more impactful employee programs or issues. Managers can streamline their HR-related tasks by utilizing an HRIS for time and attendance tracking, employee data collection, benefits administration, performance reviews and application processing for potential employees.

Financial Services

Mission:

The mission of the Financial Services department is to promote the efficient and effective use of the City's financial resources, to provide excellent customer service to the citizens, Administration, City Council, and all departments, to present accurate and relevant financial information that is the basis for sound decision making, and to maintain the public trust through integrity and sound financial practices.

Responsibilities:

- Managing and investing public funds.
- Budget management and fiscal compliance.
- Financial reporting for both public information and management decision-making purposes.
- Strategic financial planning and revenue projecting for all City operations.
- Utility rate structure analysis.
- Utility and Business Licensing billing.
- Coordinating and publishing the City's biennial budget and Annual Financial Report.
- Collecting and recording City revenues.
- Liaison for State Auditors office.
- Payroll and accounts payable and audits of all payments.
- Coordinating and regulatory reporting of City grants
- Providing the City Council, City Administrator, and all departments with financial support services
- Coordination of the City audit and establishing financial policies and instituting internal controls.

The bulk of the day-to-day activities of Finance department employees include the processing of accounts payable, accounts receivable, general accounting, utility billing and collection, improving district payment and collection, processing cash payments, purchasing, administering City travel, business licenses, and handling petty cash requests.

Finance strives to provide the highest quality services at the lowest possible cost to the City taxpayers. Employees are committed to the primary goal of protecting and securing City assets for their proper and authorized use.

2014 Accomplishments:

- ✓ Received authorization for and staffed the Finance Manager – Utilities position.
- ✓ Developed and received WPTA certification of the City's investment policy.
- ✓ Recommended and received approval of the lifting of the City's fiscal emergency status.
- ✓ Developed and delivered for adoption to City Council the 2015-2016 Biennial Budget
- ✓ Compiled a list of funding sources for the Wastewater Treatment Facility for City Council adoption.

- ✓ Applied for approximately $20 million in federal funding for the proposed Wastewater Treatment Facility.
- ✓ Amended OHMC to consolidated the City's Park Impact Fees
- ✓ Drafted and received City Council adoption of the Enhanced Indigent Defense Standards.
- ✓ Negotiated new Public Defender contract per new Indigent Defense Standards.
- ✓ Negotiated and settled the 2015-2016 OHFF Local 4505 IAFF collective bargaining agreement.

2015 – 2016 Goals:

- **Goal: 2015 - Review and rewrite City Debt policy.**
  - Objective: Review APTUS&C Debt Issue Program.
  - Objective: Rewrite Debt Issue Policy to include issuance of LTGO, Revenue, Assessment, and interfund loan scenarios.
  - Objective: Submit Debt Policy to WMTA peer review program for certification.
- **Goal: 2015 - Submit City Comprehensive Annual Report (CAFR) for GFOA Certificate of Achievement for Excellence in Financial Reporting program.**
  - Objective: Convert existing CAFR document to required standards.
  - Objective: Convert EXCEL based compilation to EDENs CAFR application.
  - Objective: Obtain supplemental information from Island County, if possible.
  - Objective: Submit final document to GFOA for peer review and certification.
- **Goal: 2016 – Design and prepare 2017-2018 Biennial Budget for Distinguished Budget Presentation Award**
  - Objective: Finalize budget reporting format.
  - Objective: Design process to incorporate eligibility requirements.
  - Objective: Submit final document to GFOA for peer review and certification.
- **Goal: 2015 and 2016 - Update program for city-wide document archival and retention.**
  - Objective: Establish city-wide technology standards for hardware/software.
  - Objective: Match current standards against State retention schedule and adjust.
  - Objective: Draft a record retention policy/train staff on procedures.
- **Goal: 2015 and 2016 - Restructure Finance Department: Treasury and Accounting Operations Divisions.**
  - Objective: Perform efficiency/needs analysis on financial reporting, and operational sections of division.
  - Objective: Restructure treasury function from cross-division assignments.
  - Objective: Develop website conventions and assignment of duties.
  - Objective: Migration of Finance Manager-Utilities position to Treasury Manager.
  - Objective: Obtaining funding and authorized staffing addition for Accounting Manager position.

Measurement Results

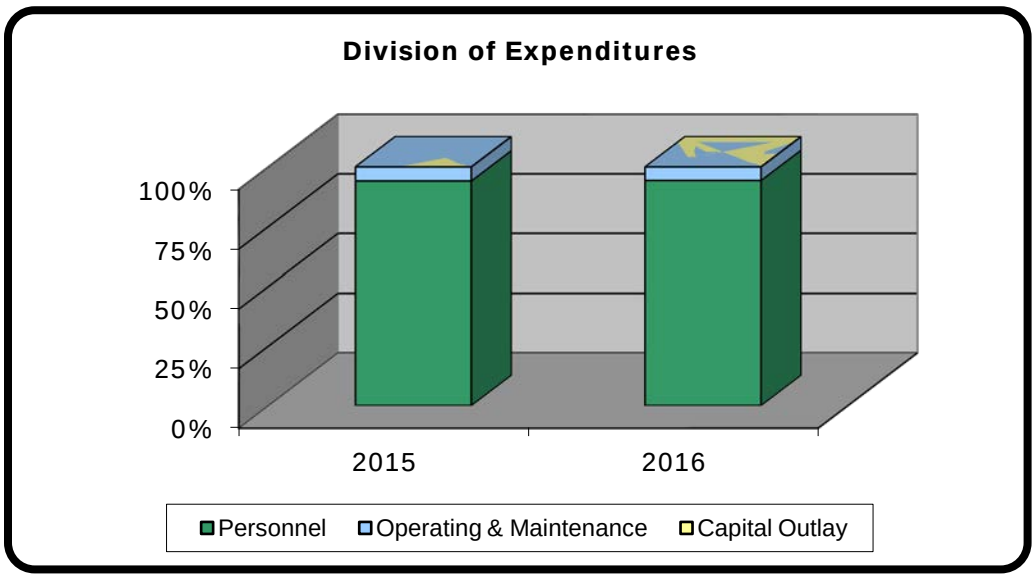
Measures	Actual 2013	Actual 2014	Projected 2015	Projected 2016
Qualitative Measures				
State Auditor findings	0	0	0	0
Quantitative Measures				
Number of accounts payable invoices processed	9,154	8,699	9,500	9,750
Size of expenditure budget managed	$83 mil	$78 mil	$136 mil	$138 mil
Number of utility accounts maintained	6,0126	6,148	6,200	6,250

Personnel Schedule

Classification	Authorized Positions 2012	2013	2014	2015	2016
Finance Director	1.00	1.00	1.00	1.00	1.00
City Clerk	1.00	1.00	1.00	1.00	1.00
Financial/Systems Accountant	3.00	3.00	3.00	3.00	3.00
Finance Manager - Utilities	1.00	1.00	1.00	1.00	1.00
Accounting Technician	2.00	2.00	2.00	2.00	2.00
Cashier	2.00	2.00	2.00	2.00	2.00
Receptionist	1.00	1.00	1.00	1.00	1.00
Total	11.00	11.00	11.00	11.00	11.00

Summary of Financial Information

Use of Funds	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Expenditures				
Personnel	$ 839,300	$ 959,176	$ 993,467	$ 1,045,166
Operating & Maintenance	74,501	66,150	62,050	62,900
Capital Outlay	-	-	-	-
Total Expenditures	913,801	1,025,326	1,055,517	1,108,066
Other Uses				
Interfund Transactions	25,848	25,841	29,798	29,798
Operating Transfers Out	-	-	-	-
Total Uses	$ 939,649	$ 1,051,167	$ 1,085,315	$ 1,137,864



Discussion of Key Elements

Personnel Expenditures:

The unfilled Accountant position will be filled.

Operating and Maintenance Expenditures:

The majority of the operating and maintenance budget is for professional services for auditing fees.

Law

Mission:

The Law department's mission is to deliver excellent legal services to the City of Oak Harbor by providing sound legal advice to the Mayor, Council and City department managers, to help them achieve their goals; represent or oversee outside counsel for the City in litigation; and protect public health, safety, and welfare by effectively prosecuting violations of City ordinances.

Responsibilities:

- Provides legal advice to the Mayor, City Council and other City officials.
- Prepares ordinances, resolutions and related documents and provides information for City Council decisions.
- Drafts and reviews City contracts as requested by Mayor and City Administrator.
- Negotiates contracts and legal disputes to resolve issues in a fair and cost effective manner.
- Oversees outside counsel retained to carry out City's litigation requirements.
- Prosecutes violations of City code.

The areas of law in which these activities are primarily carried out are municipal governance, constitutional land use, employment, contract, criminal and tort law.

2014 Accomplishments:

- ✓ Assisted outside counsel in resolving a complicated lawsuit – Swinomish.
- ✓ Transitioned from outside Interim City Attorney to in-house City Attorney.
- ✓ Made changes to Latecomers Agreement per statutory requirements.
- ✓ Successfully secured dismissals on two foreclosure lawsuits where City was named as defendant and secured payment of liens.
- ✓ Continued support to all City departments regarding advice on contract drafting and review.
- ✓ Prosecuted 494 cases in 2014 This does not include 255 bench warrants that were issued.
- ✓ Engaged in Officer training.
- ✓ Maintained positive work relationship with Oak Harbor Police Department.

2015 – 2016 Goals:

- ❖ **Goal: Up-to-date records retention and decreased use of physical space to store records.**
  - ➢ Objective: Research the use of digital record retention software for legal files. If appropriate, obtain software and train staff in its use. Scan records still within retention period to create electronic records.
  - ➢ Objective: Significantly decrease the amount of retained files in the “Little White House”, our legal department office and the vault by dedicating a full day of staff time at least two Wednesdays per month to record retention/destruction work.

- **Goal: Maintain a fully trained legal staff.**
  - Objective: Increase the number of risk management trainings undertaken by the office Paralegal.
  - Objective: Obtain victim/witness interview training for office Legal Assistant.
  - Objective: Ensure that City Attorney and Assistant City Attorney stay up-to-date on municipal law issues by attending WCIA and MRSC sponsored trainings.
  - Objective: Locate and secure training related to ordinance and resolution drafting for Legal Department and other department heads.
  - Objective: Increase the safety of office personnel by engaging in trainings geared towards dealing with angry or unstable subjects.
- **Goal: Assist in maintaining and improving the system in place for responding to public records requests.**
  - Objective: Ensure that the Legal Department is aware of changes in public records case law or changes to best practice recommendations by attending public records training a minimum of one time per year.
  - Objective: Work closely with the City Clerk to continuously improve the City's public record response system.
- **Goal: Up-to-date legal forms.**
  - Objective: Review and update legal forms and ensure that the forms comply with WCIA requirements.
- **Goal: Continue to minimize the impacts of transition from outside counsel to in-house City Attorney and create an efficient in-house legal department.**
  - Objective: Continue to try and meet the needs of the City by meeting individually with each department on a regular basis to obtain feedback.
- **Goal: Up-to-date prosecution standards.**
  - Objective: Review and make significant changes to the dated Oak Harbor prosecution standards.
- **Goal: Up-to-date criminal code**
  - Objective: Eliminate conflicting language in Title 6 and Title 9A

Measurement Results

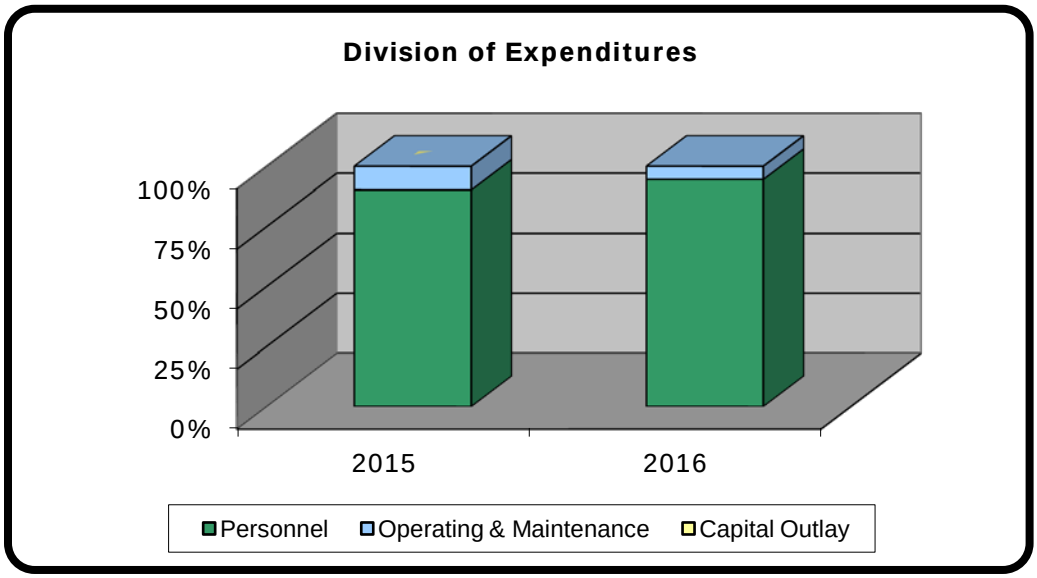
Measures	Actual 2013	Actual 2014	Projected 2015	Projected 2016
Quantitative Measures				
Criminal cases:				
Filed/cited	576	494	539	589
Declined	4	6	12	15

Personnel Schedule

Classification	Authorized Positions 2012	2013	2014	2015	2016
City Attorney	1.00	1.00	1.00	1.00	1.00
Assistant City Attorney/Prosecutor	1.00	1.00	1.00	1.00	1.00
Paralegal	1.00	1.00	1.00	1.00	1.00
Administrative Assistant	0.00	1.00	1.00	1.00	1.00
Admin Assistant/Chief Examiner/ Civil Service Secretary	1.00	0.00	0.00	0.00	0.00
Total	4.00	4.00	4.00	4.00	4.00

Summary of Financial Information

Use of Funds	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Expenditures				
Personnel	$ 276,470	$ 416,560	$ 382,544	$ 402,829
Operating & Maintenance	265,068	202,100	41,700	23,200
Capital Outlay	-	-	-	-
Total Expenditures	541,538	618,660	424,244	426,029
Other Uses				
Interfund Transactions	5,115	5,036	6,831	6,832
Operating Transfers Out	-	-	-	-
Total Uses	$ 546,653	$ 623,696	$ 431,075	$ 432,861



Discussion of Key Elements

Personnel Expenditures:

The Legal Department is now fully staffed in-house. Nikki Esparza was hired as our in-house City Attorney in August 2014. The Legal Department will not be adding new positions in 2015-2016.

Operating and Maintenance Expenditures:

While the majority of the operating and maintenance budget is for professional services, the amounts anticipated to be expended in 2015-2016 should be less than in previous years since we now have an in-house City Attorney and will not be using Grant Weed as our Interim City Attorney. We will be using Weed, Graafstra & Benson on an "as-needed" basis.

Development Services

Mission:

The mission of the Development Services department is to help the community articulate and carry out its vision for Oak Harbor. This is accomplished through the ongoing refinement and implementation of the community's Comprehensive Plan and its related development regulations and design standards. To ensure that the vision becomes a reality, staff conscientiously applies and administers the City's development regulations to public and private development projects. The department also plans and assists with the implementation of community-enhancing projects, such as parks, streets and utility infrastructure. Staff courteously works with the community to preserve and safeguard public health, safety and welfare through the provision of accurate technical information and the professional, efficient and timely evaluation and inspection of construction projects within the City.

Responsibilities:

- To protect the public by reducing the potential hazards of unsafe construction and ensuring public health, safety and welfare.
- Provide basic permit and code information to the public and other city departments; issuing permits; plan reviews; site plan reviews; issuing certificate of occupancies; maintaining records on all projects; performing inspections; and enforcing city codes.
- Promote compliance with the Growth Management Act through the monitoring and implementation of the Comprehensive Plan.
- Guide the growth and appearance of Oak Harbor through thoughtful administration of community design guidelines and development standards.
- Administer and enforce city codes as they pertain to land development, infrastructure construction and building construction.
- Assure proper and timely processing of land use applications, utility construction permits and building permits.
- Safeguard the community's environmental features by ensuring compliance with the City's environmental regulations and policies, the State Environmental Policy Act and the State Shoreline Management Act.
- Serve as liaison with other departments and agencies involved in growth management, transportation and other infrastructure development.
- Manage and update the City's permit tracking system, various project files and related databases.
- Provide a public process intended to promote public participation in the land use decision-making process.

2014 Accomplishments:

- ✓ Completed a code amendment to the Binding Site Plan code which provides a process for altering or vacating previously approved binding site plans.
- ✓ A new chapter was added to the Oak Harbor Municipal Code, Chapter 19.22, Marijuana Related Uses.
- ✓ Completed an update to the City's sign code to allow for electronic message center signs with video, animation, graphic and image capabilities.

- ✓ A public participation program was developed to inform the public as to how they may have an opportunity to participate in the review and suggest needed revisions to the Comprehensive Plan and regulations.
- ✓ Completed flow chart process of the Code Enforcement process for public handout.
- ✓ Implemented records retention schedule requirements for archival of pertinent records and construction drawings to Washington State Archives.
- ✓ Updated and indexed in house historical drawings and records.

2015 – 2016 Goals:

- **Goal: Maintain the City's compliance with the Growth Management Act.**
  - Objective: Working with the Planning Commission, continue steps towards completion of the State-mandated update to the Comprehensive Plan by June 30, 2016.
- **Goal: Continue implementation of the Oak Harbor Comprehensive Plan.**
  - Objective: Assist in implementation of community development and capital improvement projects identified in the Comprehensive Plan, the Marina Redevelopment Program and the Capital Improvements Plan.
  - Objective: Assume a lead role in updating and refining the City's Capital Improvement Plan with the intent of creating a document that is an effective project planning and financing tool for the community and the City.
- **Goals: To provide timely and accurate planning review of permit applications and information to the public.**
  - Objective: Review land use and development permit applications for code compliance within prescribed timeframes.

Measurement Results

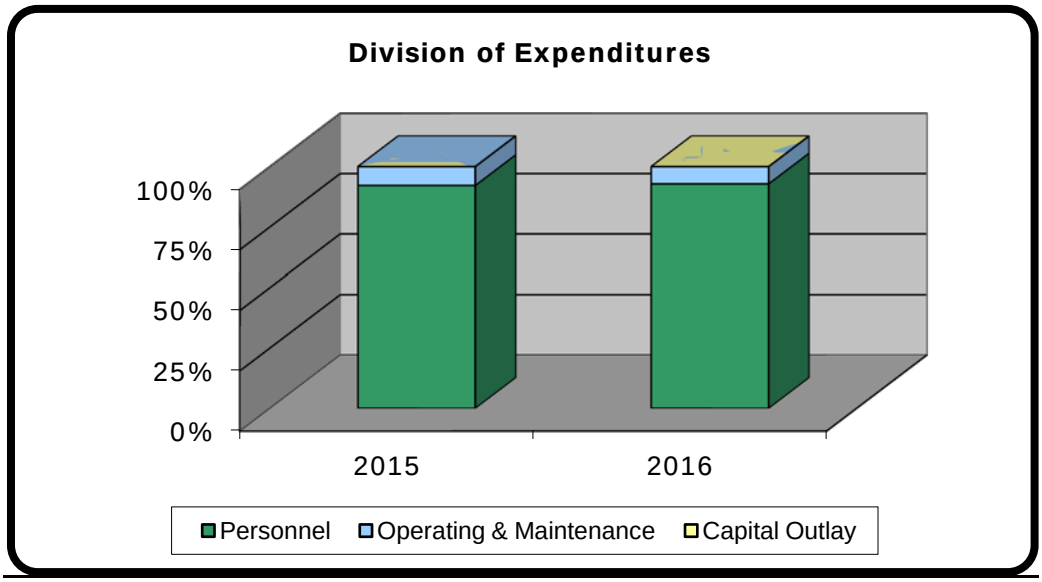
Measures	Actual 2013	Actual 2014	Projected 2015	Projected 2016
Qualitative Measures				
Percent of customer service responses within prescribed timelines	95%	95%	95%	95%
Percent of planning reviews completed within 120-day timeline	95%	95%	95%	95%
Percent of preliminary plat reviews completed within 90-day timeline	100%	100%	100%	100%
Percent of single-family home permits issued within two weeks	100%	100%	100%	100%
Quantitative Measures				
Number of land use applications reviewed	19	18	17	20
Number of customer feedback surveys returned or received	1	0	0	0

Personnel Schedule

Classification	Authorized Positions 2012	2013	2014	2015	2016
Development Services Director	1.00	1.00	1.00	1.00	1.00
Senior Planner	2.00	2.00	2.00	2.00	2.00
Associate Planner	1.00	1.00	1.00	1.00	1.00
Permit Coordinator	1.00	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Building Official	1.00	1.00	1.00	1.00	1.00
Plans Examiner	1.00	1.00	1.00	1.00	1.00
Building Inspector	1.00	1.00	1.00	1.00	1.00
Total	9.00	9.00	9.00	9.00	9.00

Summary of Financial Information

Use of Funds	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Expenditures				
Personnel	$ 701,795	$ 700,098	$ 777,793	$ 812,568
Operating & Maintenance	34,458	57,965	65,577	62,226
Capital Outlay	-	-	-	-
Total Expenditures	736,253	758,063	843,370	874,794
Other Uses				
Interfund Transactions	18,104	16,824	82,787	84,787
Operating Transfers Out	-	-	-	-
Total Uses	$ 754,357	$ 774,887	$ 926,157	$ 959,581



Discussion of Key Elements

Personnel Expenditures:

Staffing levels for 2015-2016 included an increase from 1.5 Senior Planners to 2.0 Senior Planners. This step was necessary in order to keep pace with increased workload for the Department.

Operating and Maintenance Expenditures:

The majority of the operating and maintenance budget is for professional services.

General Government

Mission:

The mission of the General Governmental department is to provide funding for the various components of administrative and overhead costs that are not directly attributable to one of the other specific General Fund departments. Thus, the General Governmental department acts as a catch all for those activities within the General Fund that cannot be categorized to other defined departments.

Responsibilities:

- Monitor those congruent activities, such as special event against the intended purpose.
- Review all activities for any significant or unintended expenses.
- Act as an indicator for General Fund supporting costs.

2014 Accomplishments:

✓ Continued monitoring and developed further changes in general governmental activities in line with diminishing resources.

✓ Identified funding required to offset revenue loss at Senior Center.

2015 – 2016 Goals:

❖ **Goal: Better identify those needed services and demonstrate true cost for services as we move through this budget cycle.**

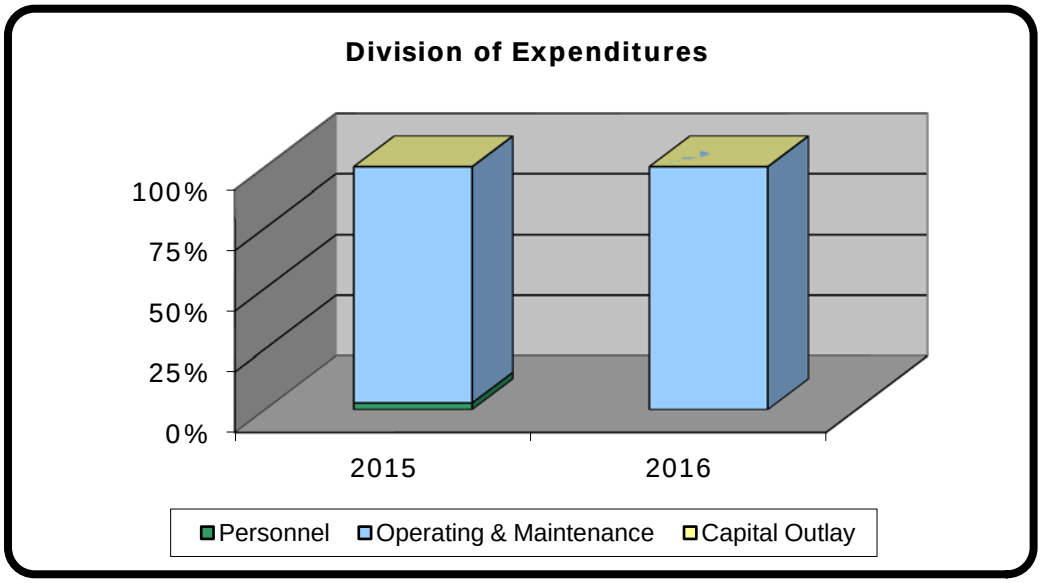
➢ Objective: Utilizing the General Government fund to assist in developing policies to better respond to the community needs of those general activities.

Personnel Schedule

	Authorized Positions				
Classification	**2012**	**2013**	**2014**	**2015**	**2016**
Web Specialist	0.00	0.00	0.00	0.30	0.30
Total	0.00	0.00	0.00	0.30	0.30

Summary of Financial Information

Use of Funds	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Expenditures				
Personnel	$ (30)	$ (60,089)	$ 11,045	$ -
Operating & Maintenance	554,199	355,850	384,500	359,550
Capital Outlay	-	-	-	-
Total Expenditures	554,169	295,761	395,545	359,550
Other Uses				
Interfund Transactions	17,796	20,383	6,818	6,982
Operating Transfers Out	121,275	117,000	868,478	420,588
Total Uses	$ 693,240	$ 433,144	$ 1,270,841	$ 787,120



Discussion of Key Elements

Personnel Expenditures:

The 0.3 FTE that was assigned to support the Whidbey Island Marathon has been moved to General Government as an acknowledgement that this position provides web, social media and electronic support to most departments.

Operating and Maintenance Expenditures:

The most significant item of the operating and maintenance expenditures is insurance.

Operating Transfers:

Operating transfers consist of transfers out to the Senior Center for operations and to the Reserve fund for stabilization.

Police

Mission:

The mission of the Police department is to provide law enforcement services within the City, to include service assistance to Base Housing within the corporate limits of the City. This service involves responding to calls for service, resolution of disputes, apprehension of individuals responsible for criminal activity, enforcement of traffic laws, development of community programs that enhance community safety/service, as well as pro-active and reactive police responses.

Responsibilities:

- Overall management of all police operations, labor relations, budget, community interaction, crisis management, community issues.
- Responding to calls for service, self-initiation of enforcement, traffic enforcement, preventive patrol, initial follow-up on minor offenses.
- Follow-up on criminal activity, attempt to identify and develop prosecutable cases against those that commit crime within our jurisdiction.
- Responsible for the entering of case information into the Records Management System (RMS), transcribing taped interviews, entering traffic citations into RMS.
- Operation of our 12-bed, thirty-day facility.

The Police department is committed to providing the highest level of service to the citizens of our community, while at the same time being cognizant of our responsibility of stewardship.

2014 Accomplishments:

- ✓ Institute replacement cycle for patrol vehicles.
- ✓ New in-car video system operational (newer stable system purchased with cars).
- ✓ Fully staffed (hired a combination of eight officers / civilians).
- ✓ Promoted two patrol sergeants.
- ✓ Promoted one captain.
- ✓ Maintained School Resource Officer.
- ✓ Continuation of jail bed space rental program.
- ✓ Increased participation in the department by the community.
- ✓ Assumed responsibility of and overhauled the City's event permits process.
- ✓ Washington State Criminal Justice Training Commission training standards met affording all commissioned officers with 24+ hours of training.

2015 – 2016 Goals:

- **Goal: Focus on "Community Safety and Service"**
  - Objective: Get the department to focus on policing with an emphasis on keeping the community safe. Also provide a service to the community in ways such as the Bike Patrols, Foot Patrols, working with the Residents, Neighborhoods and Businesses to establish watch programs and crime alerts.

- **Goal: Lexipol Policy System**
  - Objective: Continue to maintain this system and ensure officers are trained in its use.
- **Goal: Police Facility**
  - Objective: facilitate the necessary repairs and maintenance to ensure the long term viability of the police facility.
- **Goal: Enhance the role of the police volunteers**
  - Objective: Continue to get the volunteers more actively involved in the department and City events.
- **Goal: Continue to Work with Neighborhood Groups**
  - Objective: Foster growth in these groups to better serve the community and prevent crime / reports crimes.
- **Goal: Work with Business / Merchant Associations**
  - Objective: Continue to have an officer (Community Service Officer) work with the businesses to determine their needs and educate them with regard to the services we can provide in an effort to make them feel secure and be successful.
- **Goal: CAB Board**
  - Objective: Have members increase their involvement, and interact with the public on a regular basis; Work with them so they understand their "mandates" as dictated by the Oak Harbor Municipal Code; Conduct the necessary community surveys; Collect data and information from the community as it pertains to police department in an effort to measure our successes and weaknesses.

Measurement Results

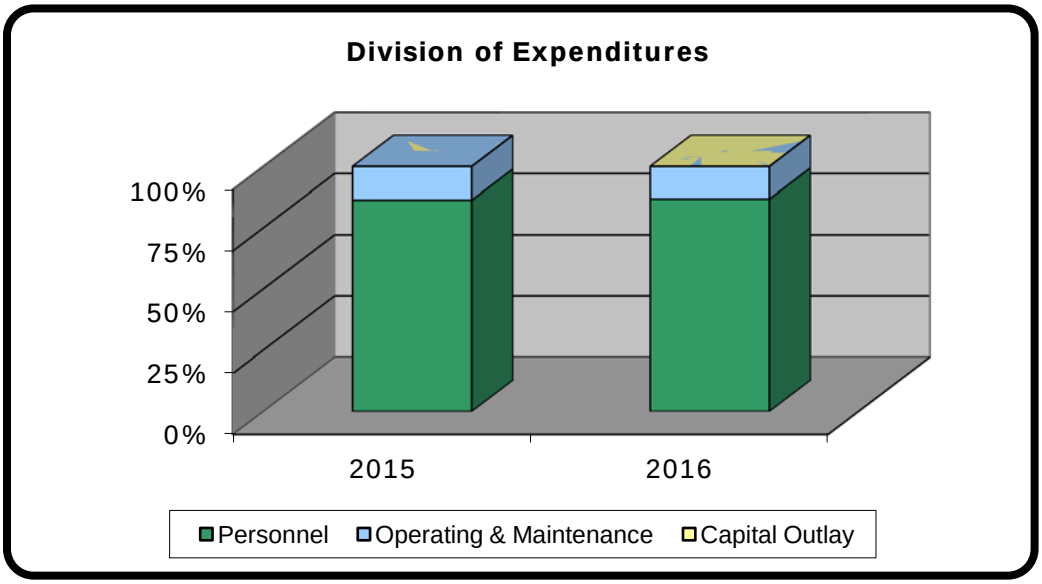
	Actual		Projected	
Measures	**2013**	**2014**	**2015**	**2016**
Qualitative Measures				
Part one crimes	432	344	388	388
Cases taken	3,475	3,573	3,524	3,524
Quantitative Measures				
Calls for service	12,747	13,516	13,131	13,131
Misdemeanor/felony arrests	1,573	1,534	1,553	1,553
Traffic stops:	5,428	6,439	5,933	6,933
NOI's	808	1,289	1,048	1,048
Citations	230	220	225	225

Personnel Schedule

Classification	Authorized Positions 2012	2013	2014	2015	2016
Chief of Police	1.00	1.00	1.00	1.00	1.00
Captain	0.00	1.00	1.00	1.00	1.00
Lieutenant	2.00	1.00	1.00	1.00	1.00
Administration Assistant	1.00	1.00	1.00	1.00	1.00
Sergeant	5.00	5.00	5.00	5.00	5.00
Police Officer	19.00	19.00	19.00	19.00	19.00
Jail Sergeant	1.00	1.00	1.00	1.00	1.00
Jailer	6.00	6.00	6.00	6.00	6.00
ID/Evidence Technician	1.00	0.00	0.00	0.00	0.00
Support Services Supervisor	1.00	1.00	1.00	1.00	1.00
Records Information Specialist	2.00	2.00	2.00	2.00	2.00
Civil Service Secretary	0.00	0.30	0.30	0.30	0.30
Receptionist	1.00	1.00	1.00	1.00	1.00
Total	40.00	39.30	39.30	39.30	39.30

Summary of Financial Information

Use of Funds	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Expenditures				
Personnel	$ 4,027,014	$ 4,043,227	$ 4,083,986	$ 4,275,512
Operating & Maintenance	634,298	648,294	649,768	655,280
Capital Outlay	-	-	-	-
Total Expenditures	4,661,312	4,691,521	4,733,754	4,930,792
Other Uses				
Interfund Transactions	316,869	346,746	363,421	363,502
Operating Transfers Out	-	-	-	-
Total Uses	$ 4,978,182	$ 5,038,267	$ 5,097,175	$ 5,294,294



Discussion of Key Elements

Personnel Expenditures:

In 2013-2014 we experienced a turnover in our force which occurred through attrition. These positions were filled during this budget cycle. In 2015-2016 we are expecting significant growth in the City as a result of the expanding military presence. For that reason we are approaching this budget cycle with the hopes of increasing our staff size to cope with the increased demand for services.

Operating and Maintenance Expenditures:

2015-2016 will see an increase in expenses in the operating and maintenance budget is for dispatch services to the ICOM 911 Dispatch Center. Approximately $349,000 had been budgeted for 2013-2014; it is anticipated in 2015-2016 we will see an increase of approximately 3-5% bringing that budget line to $359,470 to $366,450.

Animal Control

Mission:

The mission of the Animal Control department is to provide enforcement of State and Municipal laws relating to the care and custody of animals within our jurisdiction, as well as ensuring that an appropriate level of care is given to animals that are under our care through shelter operations.

Responsibilities:

- Enforcement of Title Seven of the Oak Harbor Municipal Code.
- Shelter operations, which include the impounding and release of animals, adoptions of animals.
- Partnering with the Navy and WAIF for the utilization and operation of the animal shelter.

2014 Accomplishments:

- ✓ Opened new animal control holding facility.
- ✓ Enhanced and continued use of Facebook Stray Page for animals.
- ✓ Partnered with Forest City, US Navy housing contractor, for animal services.

2015 – 2016 Goals:

- ❖ **Goal: Maintain Professional Animal Control Services**
  - ➢ Objective: continue to train Animal Control Officer to ensure they are up to date with the current case law, practices and procedures for handling animals.
- ❖ **Goal: Facilitate the long term repairs and purchase of the Animal Control Facility**
  - ➢ Objective: determine if the repairs of the animal control facility are warranted in absence of the purchase of the building. If needed, start the process to assist the City in completing the purchase of the facility and completing repairs to ensure its long term viability to the City and the public.

Measurement Results

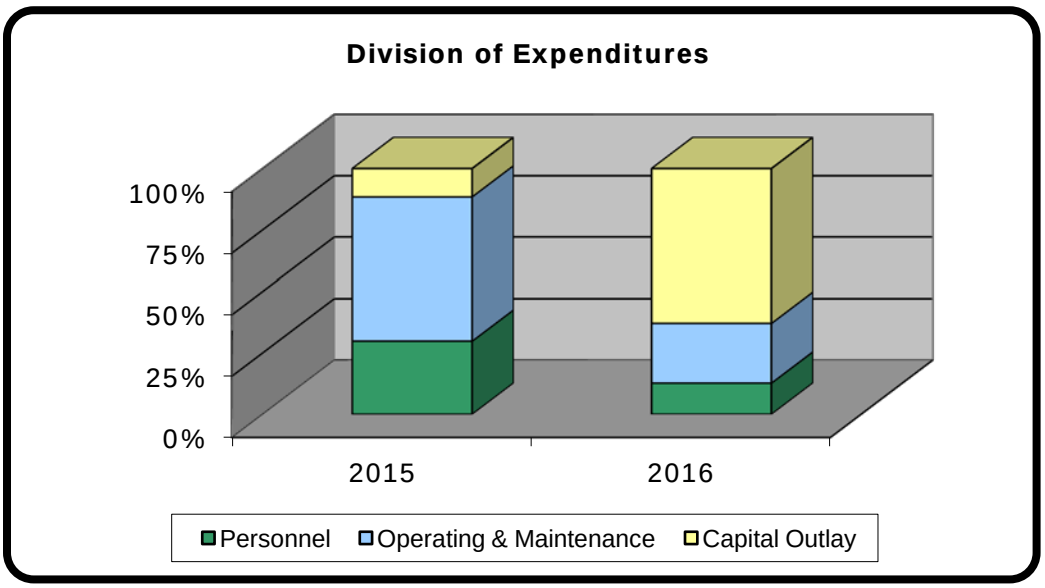
Measures	Actual 2013	Actual 2014	Projected 2015	Projected 2016
Qualitative Measures				
Animal control public education (animals returned to owner/owner educated):				
Cats	151	132	141	141
Dogs	20	13	16	16
Quantitative Measures				
Number of animal licenses sold	1,176	1,107	1,141	1,141
Number of animals impounded:				
Cats	91	137	114	114
Dogs	161	71	116	116

Personnel Schedule

Classification	Authorized Positions 2012	2013	2014	2015	2016
Animal Control/Code Enforcement Officer	1.00	1.00	1.00	1.00	1.00
Total	1.00	1.00	1.00	1.00	1.00

Summary of Financial Information

Use of Funds	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Expenditures				
Personnel	$ 74,316	$ 75,713	$ 77,429	$ 80,774
Operating & Maintenance	147,913	152,886	152,304	154,752
Capital Outlay	10,000	-	30,000	400,000
Total Expenditures	232,229	228,599	259,733	635,526
Other Uses				
Interfund Transactions	40,666	15,315	18,898	19,127
Operating Transfers Out	-	-	-	-
Total Uses	$ 272,895	$ 243,914	$ 278,631	$ 654,653



Discussion of Key Elements

Personnel Expenditures:

There have been no significant changes.

Operating and Maintenance Expenditures:

The most significant item of the operating and maintenance budget is professional services for the Whidbey Animal Improvement Foundation (WAIF) which operates the Oak Harbor Animal Shelter.

Capital Outlay:

The City intends to purchase a holding facility for animals.

Fire

Mission:

The mission of the Fire Department is to provide emergency and non-emergency services within the city limits of Oak Harbor and auto aid areas with North Whidbey Fire and Rescue. Emergency services include responding to all hazards ranging from fire suppression, medical, hazardous materials, marine, fire investigation, and technical rescue incidents.

Non-emergency services include functions that support fire and life safety inspections, fire code enforcement, facility maintenance, apparatus and equipment maintenance, record keeping, and all other administrative and public education activities.

Responsibilities:

- Management of department operations, budgeting, personnel relations, and community interaction.
- The suppression division is primarily responsible for responding to emergency incidents. Other functions include fire and life safety inspections and assisting with public education activities.
- Our prevention division is the code enforcement arm of the department. Primary duties include the management of fire and life safety inspections, new construction and development plan review and inspections.
- The training division is tasked with managing the training of department personnel. These duties include the scheduling of all training to meet federal, state, and local requirements. The coordination of public education requests is also included in the responsibilities of the training division.
- All divisions participate in managing inventories and the care and maintenance of the station and training facilities, apparatus and equipment, and working closely with the public works maintenance personnel to assure the readiness of all apparatus and equipment.

2014 Accomplishments:

- ✓ Sponsored seven (7) Paid on Call firefighters through the Joint Recruit Academy with North Whidbey Fire and Rescue. All members to become certified as Fire Fighter 1's.
- ✓ Sponsored four (4) Paid on Call firefighters to the Washington State Emergency Medical Technician training program.
- ✓ Maintained all required International Code Council Certifications for Fire Inspector 1 and 2, as well as having one employee obtain a Certified Plans Examiner Certification.
- ✓ Hosted Region 3 Arson Task Force Burn Cell Testing for Certified Fire Investigators.
- ✓ Implemented Active Shooter Emergency Medical Response Team
- ✓ Conducted a promotional exam for career Lieutenant's position.
- ✓ Participated at Holland Happening, 4th of July, National Night Out,

2015 – 2016 Goals:

- **Goal: Re-rate the City's insurance rating from a class 4 to class 3, per the Washington Surveying and Rating Bureau's standard rating scale.**
  - A lower rating reflects the abilities and preparedness of the department to respond to emergency incidents.
  - Lower rating reduces property insurance ratings.
  - Insurance rates for businesses and some residences may be decreased when the City has earned a lower insurance rating.
- **Goal: Sponsor six / eight Paid-on-call Recruit Firefighters per year to attend the Certified Recruit Firefighting Academy and certify to the IFSAC Firefighter 1 standard.**
  - Objective: Increase the total number of paid-on-call personnel.
- **Goal: Continued effort in Public Education on fire safety and disaster preparedness.**
  - Objective: Reduce loss and prepare for disasters that are likely to occur in the Oak Harbor area.
- **Goal: Continue certification process for Fire Fighter 2, Fire Officer 1 and 2, Fire Investigator, Driver/Operator.**
  - Objective: To maintain highly qualified personnel.
- **Goal: Complete a revised and accurate organizational chart of the fire department.**
  - Objective: To develop and maintain the hierarchy of the fire department. To maintain the vital positions of the department and show the reporting structure of the department.
- **Goal: To design, fund, construct, and staff a new fire department facility in the southwest quadrant of the City.**
  - Objective: Build a fire station to better serve the residents in the southwest quadrant of the City.
  - Provide for additional staffing at the existing station and to provide for around the clock coverage at the new fire station.
  - Be prepared for the anticipated growth in the southwest quadrant.
- **Goal: To purchase a 75 foot 'Quint style' fire apparatus.**
  - Objective: To specify, and purchase a 75 foot quint ladder/fire engine to full fill a Washington Surveying and Rating Bureau requirement to have two ladder trucks for the City of Oak Harbor.
- **Goal: Hire additional staffing**
  - Objective(s): Options #1) Hire, as a minimum, four (4) career firefighters to staff Station 81 in order to provide 24-7 coverage on two (2) fire engines. OR option #2) Hire, as a minimum, six (6) career firefighters to staff Station 812 in order to provide 24-7 coverage at that station. Positions can be staggered on the hiring, 2 or 3 in 2015 and 2 or 3 in 2016.

- Hire a full time Office Assistant to assist with data entry, payroll, training, maintenance, and operational reports.

- **Goal: Replace the current MTR2000 analog base station / transmitter for the fire department. Purchase and install at ICOM a GTR 8000**
  - Objective: Replace the current MTR2000 analog base radio that is more than 15 years old. The current radio / transmitter will not operate on the new P-25 Federal guidelines as required for the digital band. Parts will become obsolete within the next 2-3 years. A AFG grant will be applied for.

- **Goal: Purchase replacement and new firefighting tools and equipment for suppression activities.**
  - Objective: to replace old and nearly worn out fire suppression tools and equipment to include portable circular saws, Blitz Fire Monitors, Thermal Imaging Cameras and ventilation fans.

Measurement Results

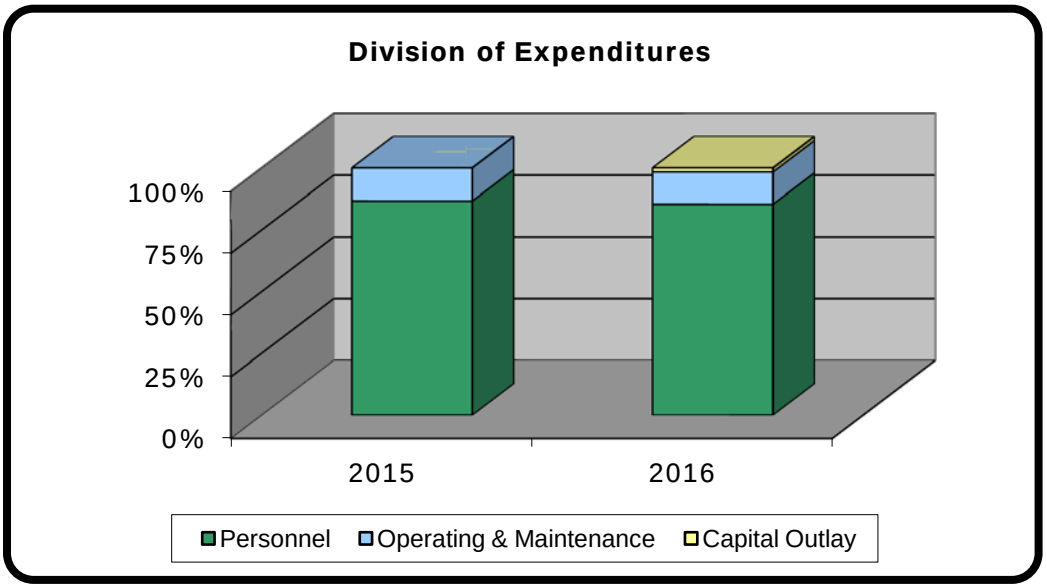
Measures	Actual 2013	Actual 2014	Projected 2015	Projected 2016
Qualitative Measures				
Surveying & Rating Bureau: Rating	4	4	3	3
Quantitative Measures				
Fire & Life Safety Inspections Complete	98%	98%	98%	98%
Percentage Tested: Hose, Ladders, Pumps, and Self Contained Breathing Apparatus	100%	100%	100%	100%

Personnel Schedule

Classification	Authorized Positions 2012	2013	2014	2015	2016
Fire Chief	0.90	0.90	0.90	0.90	0.90
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Office Assistant	1.00	0.00	0.00	0.00	0.00
Career Lieutenant	4.00	4.00	4.00	4.00	4.00
Career Firefighter	4.00	4.00	4.00	4.00	4.00
Paid On Call Captain	2.00	2.00	2.00	2.00	2.00
Paid on Call Lieutenant	4.00	4.00	4.00	4.00	4.00
Paid On Call Firefighter	36.00	36.00	36.00	36.00	36.00
Deputy Chief	2.00	2.00	2.00	2.00	2.00
Fire Prevention Specialist/Public Educator/ Public Information Officer	1.00	1.00	1.00	1.00	1.00
Total	55.90	54.90	54.90	54.90	54.90

Summary of Financial Information

Use of Funds	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Expenditures				
Personnel	$ 1,485,795	$ 1,569,177	$ 1,528,082	$ 1,577,028
Operating & Maintenance	173,616	218,025	235,300	240,470
Capital Outlay	-	-	-	30,000
Total Expenditures	1,659,411	1,787,202	1,763,382	1,847,498
Other Uses				
Interfund Transactions	143,079	175,516	188,966	188,967
Operating Transfers Out	-	-	-	-
Total Uses	$ 1,802,490	$ 1,962,718	$ 1,952,348	$ 2,036,465



Discussion of Key Elements

Personnel Expenditures:

All current staffing levels are maintained by this budget. 2015: Two (2) additional firefighter positions have been requested. 2016: Two (2) additional firefighter positions have been requested.

Reference the Personnel Schedule: The current schedule denotes two (2) Deputy Chief Positions – currently one position is funded and filled, the second position is unfunded and is not scheduled to be funded in this budget cycle.

The position of Fire Prevention Specialist is currently unfunded and is not scheduled to be funded during this budget cycle.

Operating and Maintenance Expenditures:

The majority of the operating and maintenance budget is for office and operating supplies, fire suppression tools, safety equipment, communications, and utilities.

Capital Outlay:

2016: The purchasing of two (2) Motorola GTR 8000 P-25 compliant digital radio base stations. Our current MTR 2000 analog radios are between 15 and 20 years old. These radios are no longer serviceable or supported by Motorola. In accordance with Federal requirements all public service radios must be P-25 compliant, the MTR 2000 is not.

Emergency Services

Mission:

The mission of Emergency Services is to plan and prepare for hazards that threaten the lives, property, and environment of our citizens. This includes the maintenance of a Comprehensive Emergency Management Plan (CEMP) that provides the direction for city departments to mitigate the hazards and emergency preparedness training for our citizens.

Responsibilities:

Preparing for all types of hazards our city can encounter is the prime concern of the Department of Emergency Services. They include all events from civil disorder to earthquakes. A top priority is the training of City employees and to promote and provide public education to prepare our citizens.

2014 Accomplishments:

- ✓ Completed the Comprehensive Emergency Management Plan semi-annual update and submit to the State Department of Emergency Management.
- ✓ In joint partnership with Island County DEM updated the 2006 Island County Hazard Mitigation Plan.
- ✓ Planning to host Emergency Operations Center training for Elected Offical's.

2015 – 2016 Goals:

- ❖ **Goals: Conduct an annual training exercise.**

- ➢ Objective: An annual exercise will allow for practice and evaluation of the effectiveness of the CEMP and the readiness of City departments.
- ➢ Objective: Conduct training sessions entitled: Emergency preparedness for Elected Officials in 2015.
- ➢ Objective: Conduct a full scale EOC drill in 2015.
- ➢ Objective: Conduct a full scale disaster drill in 2016.

Measurement Results

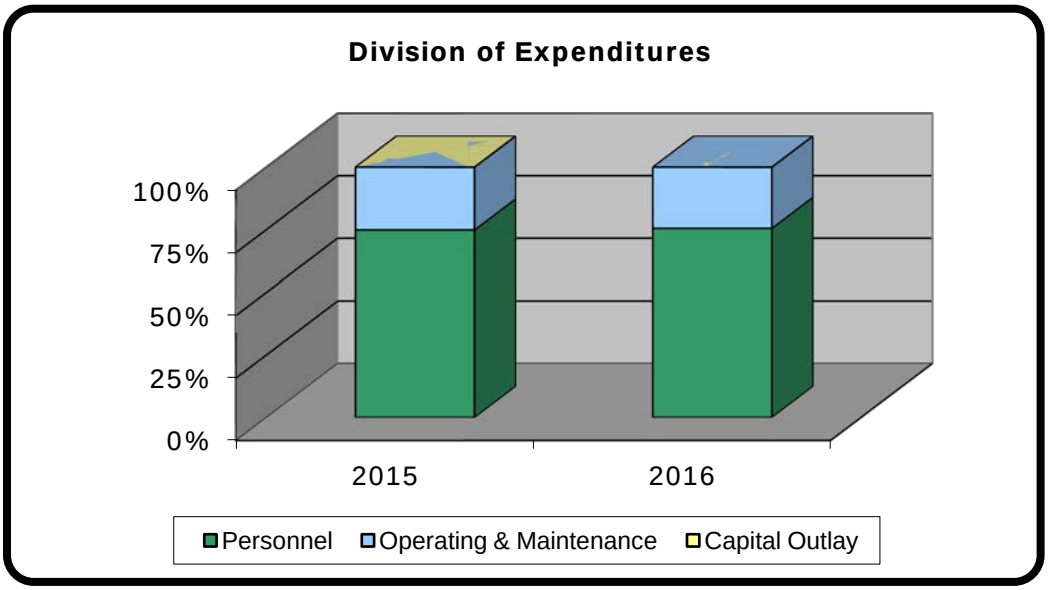
Measures	Actual 2013	Actual 2014	Projected 2015	Projected 2016
Qualitative Measures				
Percentage of CEMP updated	0	100%	0	0
Quantitative Measures				
Number of training exercises	1	1	1	1

Personnel Schedule

Classification	Authorized Positions 2012	2013	2014	2015	2016
Director of Emergency Services	0.10	0.10	0.10	0.10	0.10
Total	0.10	0.10	0.10	0.10	0.10

Summary of Financial Information

Use of Funds	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Expenditures				
Personnel	$ 1,025	$ 1,025	$ 13,925	$ 14,415
Operating & Maintenance	780	4,675	4,675	4,675
Capital Outlay	-	-	-	-
Total Expenditures	1,805	5,700	18,600	19,090
Other Uses				
Interfund Transactions	-	-	-	-
Operating Transfers Out	-	-	-	-
Total Uses	$ 1,805	$ 5,700	$ 18,600	$ 19,090



Discussion of Key Elements

Personnel Expenditures:

No changes or significant items to this category.

Operating and Maintenance Expenditures:

The most significant expenditure of the operating and maintenance budget is for communications.

Parks

Mission:

The mission of the Parks department is to create and maintain attractive and safe parks, open spaces and trails that conserve and enhance our relationship with nature and provide the citizens with leisure time, relaxing and active recreational opportunities.

Responsibilities:

- To provide for active and passive recreational opportunities through a network of parks and trails totaling 124 developed acres and 72.6 acres of open space.
- To develop and maintain attractive parks, greenbelts and community spaces through the use of City staff and volunteers.
- To promote tourism through the efficient operation of the Windjammer Staysail RV Park, which includes 56 full hook-ups and 23 overflow sites.
- To collaborate with athletic leagues, to make facility improvements, plan for future growth and coordinate field usage.
- To improve the appearance of the community through partnerships with volunteers in the Adopt-A-Park program, the Gift Catalog program, the Oak Harbor Garden Club and service organizations.
- To promote tourism and community involvement by working with the Chamber of Commerce, service organizations and other agencies to host special events and activities in the parks.
- To collaborate with the Development Services Department to identify and implement capital improvement projects that meet the needs identified in the Parks Comprehensive Plan and growth in the community.
- To maintain public art and memorials throughout the community in cooperation with the Oak Harbor Arts Commission.

2014 Accomplishments:

- ✓ Assisted volunteers with the planting of a Food Forest at Hal Ramaley Park.
- ✓ New gravel was placed in the Staysail RV Park sites. Wi-Fi, surveillance cameras and an on-line reservation program were also added to the RV Park.
- ✓ New borders and safety play chips were added to the playground at Windjammer Park.
- ✓ A new picket fence was installed on the north and south sides of Smith Park.
- ✓ A Rick Nash art piece was added to Windjammer Park. A garden area was created around the art piece and was dedicated to retired teachers of Oak Harbor.
- ✓ The planter area at the intersection of 8th Street and Midway Boulevard was re-landscaped. Pavers were installed and raised planters were brought in and planted.
- ✓ The wading pools at Windjammer Park were filled in and “Diggables”, an archeological experience for children, was installed in place of the east side wading pool. Funds are being raised for the “music experience” that will be installed in place of the west side wading pool.

2015 – 2016 Goals:

- **Goal: Promote recreational activities for all residents.**
  - Objective: To increase recreational opportunities available to the public by promoting the use of our facilities to both organized and casual park users. Encourage traditional recreational activities as well as non-traditional, such as disc golf, Frisbee football and skateboarding. Purchase additional property for the development of athletic fields to meet the increased needs of youth and adults sports leagues.
- **Goal: Protect and enhance capital investment in City parks and facilities.**
  - Objective: To repair kitchen C and replace the lagoon bridge at Windjammer Park and replace the smokehouse that was removed 3-4 years ago with a covered picnic shelter; replace aging playground equipment in neighborhood parks and install underground irrigation at Catalina Park. Construct a splash park to replace the two wading pools at Windjammer Park that were closed due to safety concerns and costs.
  - Objective: To continue to control vandalism and graffiti and other crimes that occur within the City parks by strengthening our partnership with the Oak Harbor Police Department. Install additional cameras and connect our surveillance cameras to the City's computer network and Police patrol laptops for better recording capabilities and quicker response to crimes.
  - Objective: to work collectively with civic clubs, school groups and community volunteers to establish future Garry Oak tree planting and to protect the existing Garry Oaks within the City.
- **Goal: Promote community pride and tourism in Oak Harbor.**
  - Objective: To collaborate and coordinate with the Chamber of Commerce, athletic leagues and service groups to organize and support community events and activities as well as athletic tournaments in our parks.
  - Objective: To collaborate with the Garden Club and other service organizations to develop and implement community beautification projects. Continue to develop the waterfront trail and install additional interpretive signage and kiosks.
- **Goal: High quality maintenance and operation of parks, greenbelts and public open spaces in a cost-effective manner.**
  - Objective: To evaluate maintenance methods, schedules and standards to determine if modification is necessary to meet desired levels of service. Consider alternative staffing structures as well as volunteer and contract opportunities. Evaluate the value of the City owned RV Park and explore renovation, relocation or leasing options for the facility.
  - Objective: To increase the number of parks adopted within the community through the City's Adopt-A-Park program.

Measurement Results

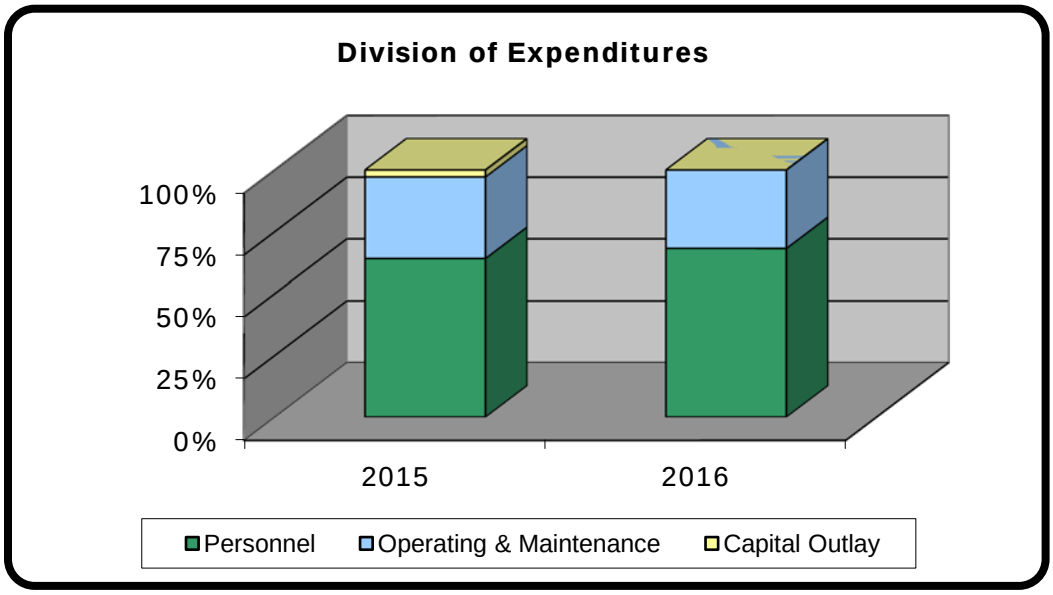
Measures	Actual 2013	Actual 2014	Projected 2015	Projected 2016
Qualitative Measures				
Percent of capital project funds spent in year allocated	100%	100%	100%	100%
Percent of grant and/or sponsorship funds received	0%	0%	0%	0%
Quantitative Measures				
Acres of open space maintained	72.6	72.6	72.6	72.6
Community parks (acres)	87	87	87	87
Neighborhood parks (acres)	37	37	37	37
Linear miles of trails maintained	4.5	4.5	4.5	4.5
Total number of sports camps and tournaments in City parks	6	7	6	7
Sports leagues participation	1,200	1,264	1,270	1,280
Number of volunteer groups participating in Parks projects	17	24	26	28
Total number of community events held in parks	46	51	50	50
Number of visitors to the RV Park (full hookups)	6,620	6,300	0	0
Number of visitors to tent sites	400	370	400	400
Number of parks adopted	11	18	20	22
Public art pieces/memorials	14	16	18	20
Kitchen facility rentals	290	307	307	310
Banners hung at Beeksma Park	32	39	12	0

Personnel Schedule

Classification	Authorized Positions 2012	2013	2014	2015	2016
Parks Operations Manager	1.00	1.00	1.00	1.00	1.00
Lead Parks Specialist	1.00	1.00	1.00	1.00	1.00
Parks Specialist II	1.00	1.00	1.00	1.00	1.00
Parks Specialist I	4.00	3.00	3.00	3.00	3.00
Parks Laborer (Part Time)	0.20	0.20	0.20	0.20	0.20
Seasonal Laborer	2.00	2.00	2.00	2.00	2.00
Total	9.20	8.20	8.20	8.20	8.20

Summary of Financial Information

Use of Funds	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Expenditures				
Personnel	$ 557,218	$ 604,211	$ 583,120	$ 611,224
Operating & Maintenance	283,403	249,849	300,900	285,100
Capital Outlay	-	34,545	25,500	-
Total Expenditures	840,621	888,605	909,520	896,324
Other Uses				
Interfund Transactions	257,939	267,255	360,263	312,127
Operating Transfers Out	-	-	-	-
Total Uses	$ 1,098,561	$ 1,155,860	$ 1,269,783	$ 1,208,451



Discussion of Key Elements

Personnel Expenditures:

Parks is requesting to hire one additional five month seasonal employee primarily to assist with the Staysail RV Park operations and the facility reservation program. Funds are also added for sick leave and vacation payouts for a long term employee's anticipated retirement in 2015.

Operating and Maintenance Expenditures:

The most significant item in operating and maintenance continues to be the utility costs of approximately $150,000, which includes water for irrigating and electricity for the parks. The professional services line item includes funding to hire a Structural Engineer to evaluate the lagoon bridge; we also intend to implement a Garry Oak Tree Inventory and Preservation program. Lastly, a consultant will be requested to assist in the identification of potential sites for new baseball fields.

Capital Outlay:

The 2015 budget includes $12,000 for the installation of an irrigation system at Catalina Park (Marina); and $13,500 for repairs to the kitchens and restrooms at Windjammer Park.

In 2016, includes $150,000 to replace the lagoon bridge.

Library

The Library fund accounts for expenditures related to the City support of the Sno-Isle Regional Library System. This entity, separate and apart from the City, receives support in the form of funding for shared janitorial and security services at the Library located at the Skagit Valley College campus.

Sources of Revenue:

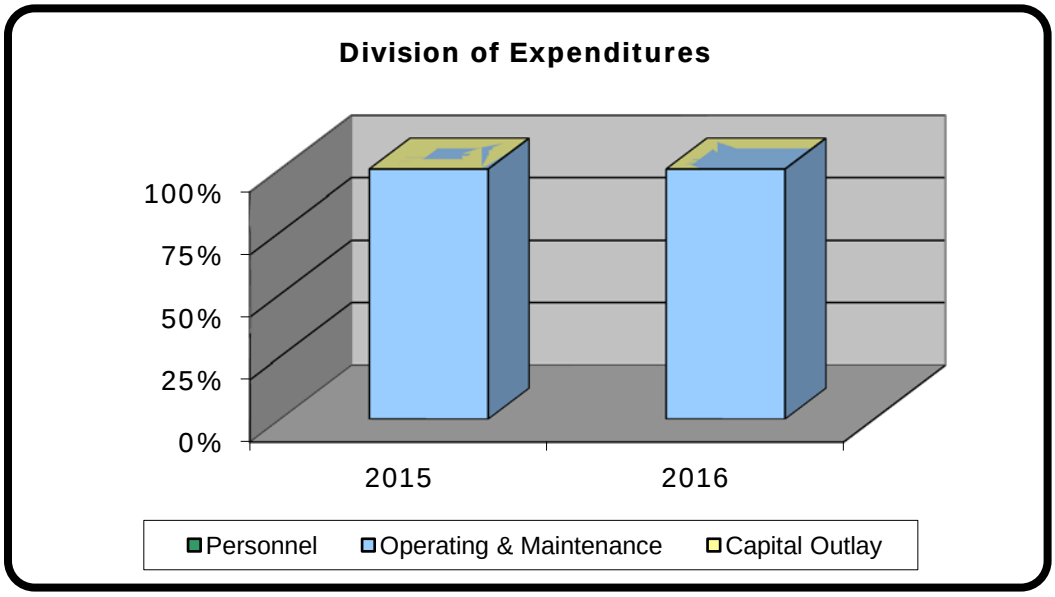
There are no sources of revenue from this operation.

Personnel Schedule

There are no employees charged to this fund.

Summary of Financial Information

Use of Funds	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Expenditures				
Personnel	$ -	$ -	$ -	$ -
Operating & Maintenance	69,810	72,600	72,500	72,500
Capital Outlay	-	-	-	-
Total Expenditures	69,810	72,600	72,500	72,500
Other Uses				
Interfund Transactions	1,942	1,000	551	573
Operating Transfers Out	-	-	-	-
Total Uses	$ 71,752	$ 73,600	$ 73,051	$ 73,073



Discussion of Key Elements

Operating and Maintenance Expenditures:

The most significant item of the operating and maintenance budget is professional services and utilities for the City's portion of the operations of the Library.

Capital Outlay:

A new HVAC system will be installed.

Reserves

General Fund Reserves

General Fund Reserves consists of a number of General Fund sub-funds utilized as depositories for the portion of beginning fund balance that exceeds the City policy of 15% of the annual expenditure budget for the General Fund. Sub-fund #002 is used as a stabilization fund for the purpose of identifying, reserving, and accumulating unexpended General Fund resources for use in mitigating impacts of non-routine unanticipated General Fund revenue shortfalls, budgetary imbalances, and shortages in working capital segregate. In addition, sub-funds #003 through #006 are used as conduit or special purpose type accounts for certain "pass thru" transactions or entrepreneurial operations that are not specific operational activities of another General Fund Department. These activities pertain to the Ameriflex Section 125 medical reimbursement plan, the DARE program, the City's Drug Seizure Program, and the Whidbey Island Marathon.

Sources of Revenue:

There are no sources of revenue from this operation.

Personnel Schedule

There are no employees charged to this fund.

Summary of Financial Information

Fund Balance Reconciliation	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Beginning Fund Balance	$ 3,214,372	$ 3,278,622	$ 3,131,028	$ 3,864,506
Operating Revenues	-	-	-	-
Expenditures				
Personnel	-	-	-	-
Operating & Maintenance	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Operating Surplus (Deficit)	-	-	-	-
Other Sources (Uses)				
Net Interfund Transactions	-	-	-	-
Net Operating Transfers	(80,594)	-	733,478	285,588
Sources Over (Under) Uses	(80,594)	-	733,478	285,588
Change in Fund Balance	(80,594)	-	733,478	285,588
Ending Fund Balance	$ 3,133,778	$ 3,278,622	$ 3,864,506	$ 4,150,094

The following 3 divisions, while part of the general fund, are related to separate funding accounts that do not require performance standards.

Ameriflex/Discovery

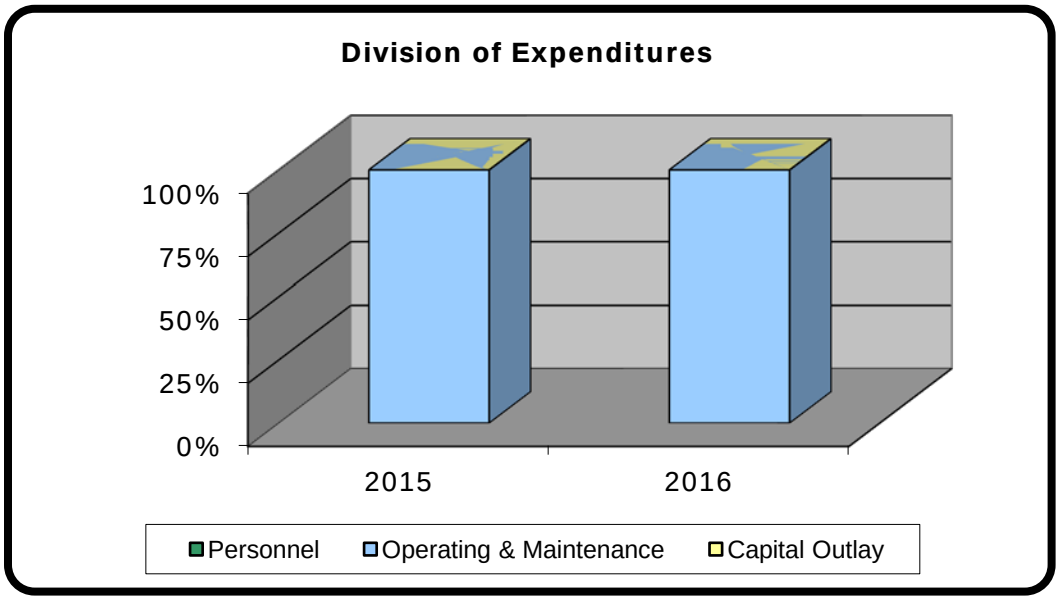
Ameriflex/Discovery fund accounts for employee contributions into a tax deferred Section 125 fund.

Sources of Revenue:

Revenues consist of employee contributions.

Summary of Financial Information

Fund Balance Reconciliation	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Beginning Fund Balance	$ -	$ -	$ -	$ -
Operating Revenues	17,033	42,000	15,000	15,000
Expenditures				
Personnel	-	-	-	-
Operating & Maintenance	17,033	42,000	15,000	15,000
Capital Outlay	-	-	-	-
Total Expenditures	17,033	42,000	15,000	15,000
Operating Surplus (Deficit)	-	-	-	-
Other Sources (Uses)				
Net Interfund Transactions	-	-	-	-
Net Operating Transfers	-	-	-	-
Sources Over (Under) Uses	-	-	-	-
Change in Fund Balance	-	-	-	-
Ending Fund Balance	$ -	$ -	$ -	$ -



Seizure

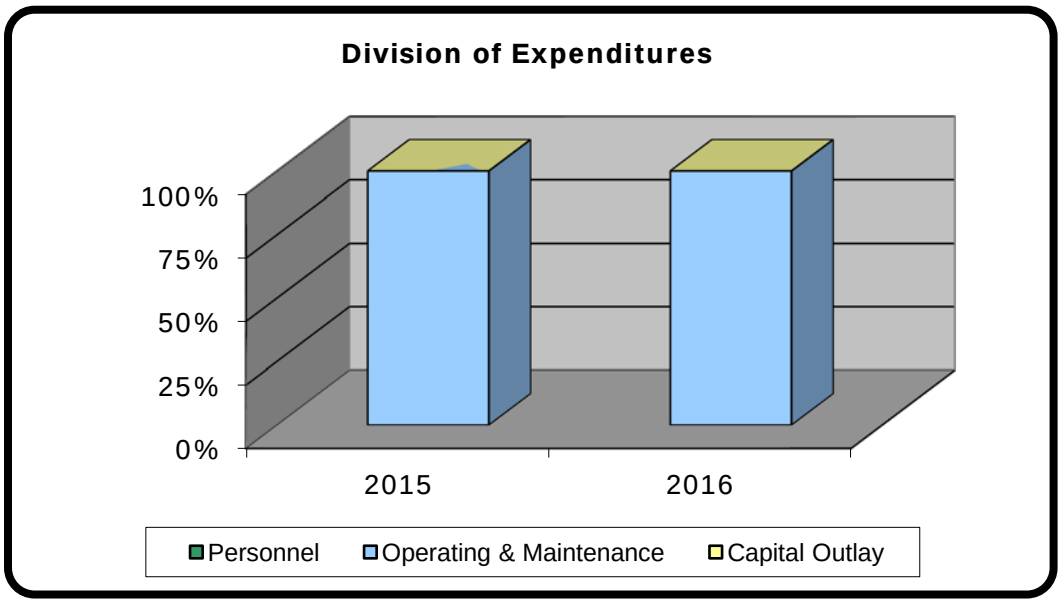
The Seizure fund accounts for expenditures in support of the City's confidential Drug Seizure program.

Sources of Revenue:

Revenues consist of funds confiscated from drug seizure arrests.

Summary of Financial Information

Fund Balance Reconciliation	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Beginning Fund Balance	$ -	$ -	$ -	$ -
Operating Revenues	17,321	10,000	10,000	10,000
Expenditures				
Personnel	-	-	-	-
Operating & Maintenance	18,636	10,000	10,000	10,000
Capital Outlay	-	-	-	-
Total Expenditures	18,636	10,000	10,000	10,000
Operating Surplus (Deficit)	(1,315)	-	-	-
Other Sources (Uses)				
Net Interfund Transactions	-	-	-	-
Net Operating Transfers	-	-	-	-
Sources Over (Under) Uses	-	-	-	-
Change in Fund Balance	(1,315)	-	-	-
Ending Fund Balance	$ (1,315)	$ -	$ -	$ -



Whidbey Island Marathon

Mission:

The mission of the Whidbey Island Marathon is to promote community vitality and economic development through the promotion and hosting of a quality athletic event which draws not only athletes from around the world, but worldwide attention for tourism. Coupled with the associated Health and Fitness Expo, the event promotes opportunities for community wellness throughout the year as entrants plan and train for their participation

Responsibilities:

- To provide a safe, well organized recreation event for participants and spectators.
- To ensure the Whidbey Island Marathon maintains itself as a top quality event for its continued success

2014 Accomplishments:

- ✓ Included crossing the Deception Pass Bridge as part of the full marathon course.
- ✓ Over 600 volunteers were recruited and coordinated.
- ✓ 90% increase in race participation between 2013 and 2014.
- ✓ Added 1K Kids' Run and 10K, all events run on the same date.
- ✓ Transitioned to new Race Director, the Oak Harbor Elks Lodge, in August 2014.

2015 – 2016 Goals:

- ❖ **Goal: Continue to build the Marathon event both in terms of quantity of runners and the quality of the runner's experience.**
  - ➢ Objective: To continue to promote and advertise through local, national and international media.
- ❖ **Goals: Increase the number of Expo vendors and sponsors.**
  - ➢ Objective: To continue to provide a quality event that would draw increased vendor participation.

Measurement Results

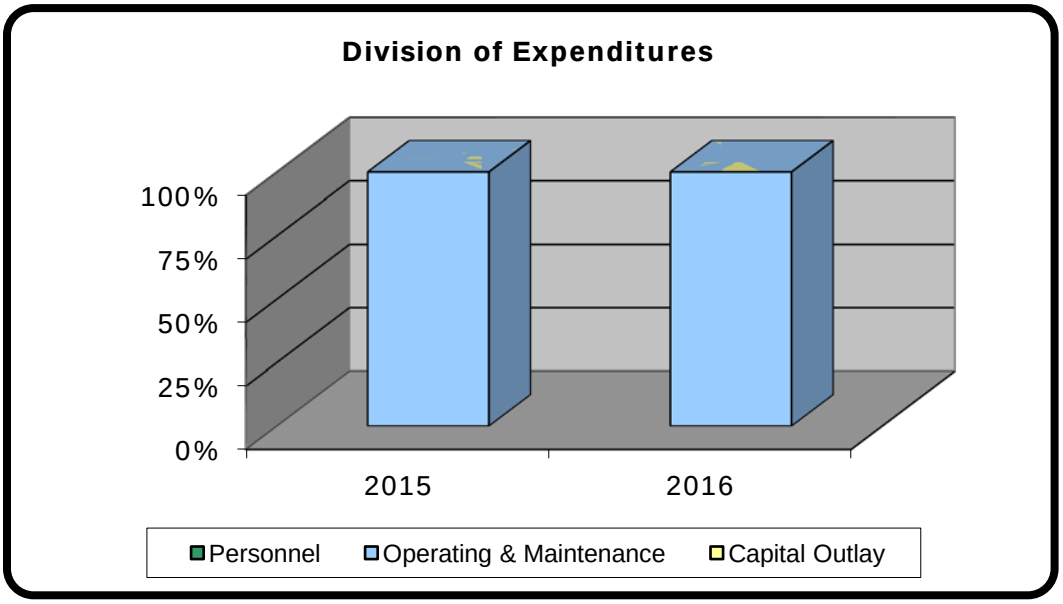
Measures	Actual 2013	Actual 2014	Projected 2015	Projected 2016
Quantitative Measures				
Number of participants:				
Full marathon	252	421	350	400
Half marathon	1,100	1,657	1,570	1,730
10-K	N/A	344	350	370
5-K	164	264	260	280
1-K	N/A	121	120	125
Number of vendors	10	12	14	15

Personnel Schedule

Classification	Authorized Positions 2012	2013	2014	2015	2016
Web Specialist	0.30	0.30	0.30	0.00	0.00
Total	0.30	0.30	0.30	0.00	0.00

Summary of Financial Information

Fund Balance Reconciliation	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Beginning Fund Balance	$ 131,069	$ 185,973	$ (23,201)	$ (22,372)
Operating Revenues	161,306	149,500	150,829	155,344
Expenditures				
Personnel	19,715	21,884	-	-
Operating & Maintenance	146,710	119,700	150,000	150,000
Capital Outlay	-	-	-	-
Total Expenditures	166,425	141,584	150,000	150,000
Operating Surplus (Deficit)	(5,119)	7,916	829	5,344
Other Sources (Uses)				
Net Interfund Transactions	-	-	-	-
Net Operating Transfers	-	-	-	-
Sources Over (Under) Uses	-	-	-	-
Change in Fund Balance	(5,119)	7,916	829	5,344
Ending Fund Balance	$ 125,950	$ 193,889	$ (22,372)	$ (17,028)



Discussion of Key Elements

Personnel Expenditures:

The 0.3 FTE that was assigned to support the Whidbey Island Marathon has been moved to General Government as an acknowledgement that this position provides web, social media and electronic support to most departments.

Operating and Maintenance Expenditures:

Approximately $42,000 relates to professional fees for the following services:

» Marathon Coordinator – duties include general organization, securing of sponsorships, coordination of promotion and marketing, expo coordination, race course coordination, start/finish line coordination and 5K coordination.

» Marathon Contractor – duties include working with the Marathon Coordinator in marketing/promotion, sponsorships, expo planning and management and race logistics and operations.

» Timing Contractor – duties include registration/packet pickup services, chip and race bib preparation and timing/scoring services.

6

CITY OF
Oak Harbor
WHIDBEY ISLAND, WASHINGTON

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Special Revenue Funds

CITY OF
Oak Harbor
WHIDBEY ISLAND, WASHINGTON

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Streets

Mission:

The mission of the Streets division is to maintain streets, rights-of-way and related facilities in a safe manner that complies with local, state and federal standards and regulations.

Responsibilities:

- To maintain approximately 73 miles of paved roadways and associated shoulders including crack sealing, pothole patching and grading of shoulders.
- To provide and maintain traffic control devices including more than 2,750 traffic and street signs, 8 signalized intersections, 35 School Zone flashing lights, 10 pedestrian activated lighted crosswalks, 2 radar activated speed reader boards and channelization (striping and pavement markings).
- To manage and fund the energy costs for 857 Street lights through Puget Sound Energy and to operate and maintain 271 City-owned street lights.
- To improve and promote safety in the community by trimming trees and vegetation for sight distance and vehicular and pedestrian clearance, and by repairing sidewalks that have been raised or damaged by tree roots.
- To support community events through the installation of banners on the Welcome to Oak Harbor Signs on SR 20, providing assistance with the installation and removal of the lighted holiday decorations on Midway Boulevard and Pioneer Way, maintaining street light pole banners along SR 20 and Pioneer Way, and coordinating with the Police Department regarding road closures and traffic control during special events.
- To be accountable for snow and ice removal, respond to emergency calls and provide assistance during inclement weather and natural disasters.
- To support the Engineering division by collecting traffic data for Engineering Studies and installing traffic calming devices.

2014 Accomplishments:

- ✓ Installed ADA Ramps NE Ronhaar & NE 6th Ave, , W Whidbey & Bosun along with 20ft new side walk, and NW 2nd Ave & NW Quest ST with 25 ft of new sidewalk, replaced ADA detectable warning panels at SR20 and Midway Blvd.
- ✓ Removed trip hazards by grinding joints in the sidewalks at NE 10th Ave, SR20, SW Barrington Dr, SW Barlow, SW Whidbey, NE O'Leary, NE 8th Ave, NE Whidbey, NW Dory St, NW 1st Ave, SE Ireland, NW Faber St, NW 2nd Ave, SW 13th Ave, SW Kalama Loop, NE 10th Ave, NW Ilahee, Clipper, Heller, Senior Center, SW 10th Ct, Columbia, SW 3rd Ave, SW Kimball, Harrier Circle and eleven locations 0n Midway Blvd.
- ✓ Patched potholes using (1) ton of cold patch
- ✓ Patched full depth or skin patched bad areas of pavement or water leaks repair with 84 tons of asphalt
- ✓ Crack sealed pavement cracks with (5.4) tons of rubber sealant
- ✓ Striping re-alignment of W Whidbey Ave. from SW Fairhaven Dr. to SW Jib St.
- ✓ Installed reflectors and road markers on 90 degree corners of NE Koetje St., NW 1st Ave., NE Tafston St, and NE Sumner St to increase visibility.

- ✓ Installed reflective and non-reflective lane markers at the four way intersection of SW Thornberry & SW Sunnyside Ave
- ✓ Upgraded the way-finding signage to include the historic down town district and other updated destinations.
- ✓ Upgraded street signage to the new retro-reflectivity standards on all City arterial streets. Regulatory and Warning signs (80% Complete) and guide /street names signs (40% complete).
- ✓ Completed physical inventory of all of the Cities 2,750 street signs on 1,225 sign posts.
- ✓ In one year Streets Division has closed streets downtown for 7 main events, 6 parades, and 5 runs.
- ✓ Installed (8) school zone solar powered flashing crosswalks and related ADA upgrades through a grant.
- ✓ Replaced batteries in 22 of the 35 solar powered flashing school zone lights.
- ✓ In 2014 we striped center lines, fog lines crosswalks and stop bars using 410 gallons of Yellow paint and 573 gallons of white paint and 5,376 lbs. of glass beads. The crew also painted parking lot lines at the parks facilities and the Marina using 50 gallons of white paint.

2015 – 2016 Goals:

- **Goal: Meet retro-reflectivity requirements mandated by the WSDOT.**
  - Objective: Planned upgrade of all signage to new retro-reflectivity standards mandated by the Washington State Department of Transportation by 2018.
- **Goal: Maintain safety of public streets and related infrastructure.**
  - Objective: To provide annual striping of public streets; maintain roadway surface in good repair; assist property owners in repair and maintenance of sidewalks; maintain signage and signals to regulatory standards; maintain street lighting for safety; coordinate with the Engineering Division on annual pavement management program; and respond to customer concerns in a timely manner.
  - Objective: To control vegetation in order to maintain sight distance and pedestrian clearance; remove sidewalk trip hazards.
  - Objective: To maintain street signage and lighted devices to enhance pedestrian and vehicle awareness by programming and maintenance of School Zone flashing lights, radar warning signage and lighted crosswalks.
  - Objective: To implement the use of salt and salt brine as an alternative to sanding City streets during snow and ice events. Using salt brine will help the Streets Division to be more pro-active to control of ice and snow. Using sand is labor intensive due to application and cleans up, and is not as environmentally safe.
- **Goal: Maintain Pavement Management Program.**
  - Objective: Objective: To reduce operation and maintenance costs and long term replacement costs through timely rehabilitation and maintenance projects; extend the life of the City's pavement and related infrastructure including identifying and securing a revenue source for the program.

- **Goal: Secure stable funding source for Streets Division operations.**
  - Objective: To assist the Administration and Finance Departments in identifying and securing stable sources of funding for Streets division functions due to the possible elimination of the special allotted gas tax revenue (Capron Funds) which is 63% of the Street operations budget. Securing funding to assist the Streets Division with costs associated with special event support such as street closures and banners would make more funds available for on-going maintenance activities which are funded by the Streets Division.

Measurement Results

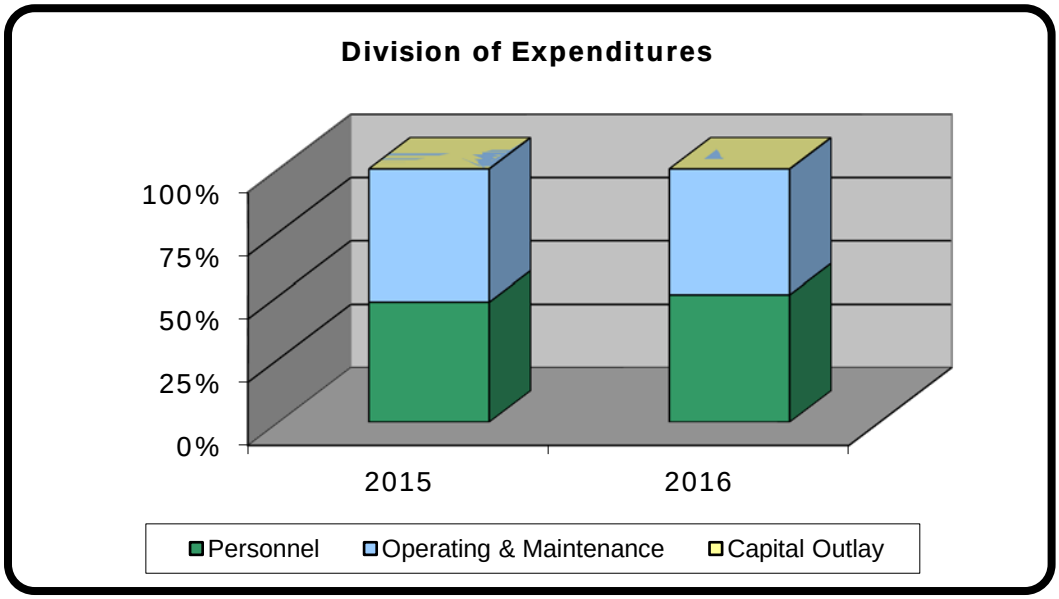
Measures	Actual 2013	Actual 2014	Projected 2015	Projected 2016
Qualitative Measures				
Overall street rating (4-year rating cycles for residential) (2-year rating cycles for arterials)	100%	100%	100%	100%
Repair potholes within 72 hours	100%	100%	100%	100%
Quantitative Measures				
Linear feet of sidewalks repaired and/or installed	215’	30’	300’	350’
Grinding trip hazards on existing sidewalks	382’	308’	400’	400’

Personnel Schedule

Classification	Authorized Positions 2012	2013	2014	2015	2016
Lead Streets Specialist	1.00	1.00	1.00	1.00	1.00
Streets Specialist I	0.00	1.00	1.00	1.00	1.00
Streets Specialist II	4.00	4.00	4.00	4.00	4.00
Seasonal Laborer	0.25	0.50	0.50	0.50	0.50
Total	5.25	6.50	6.50	6.50	6.50

Summary of Financial Information

Fund Balance Reconciliation	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Beginning Fund Balance	$ 1,208,984	$ 511,094	$ 983,436	$ 847,735
Operating Revenues	1,035,533	915,200	996,400	1,002,500
Expenditures				
Personnel	364,917	348,893	344,370	367,330
Operating & Maintenance	294,367	350,692	381,600	362,700
Capital Outlay	-	160,000	-	-
Total Expenditures	659,284	859,585	725,970	730,030
Operating Surplus (Deficit)	376,249	55,615	270,430	272,470
Other Sources (Uses)				
Net Interfund Transactions	(257,505)	(383,005)	(406,131)	(370,216)
Net Operating Transfers	34	-	-	-
Sources Over (Under) Uses	(257,471)	(383,005)	(406,131)	(370,216)
Change in Fund Balance	118,778	(327,390)	(135,701)	(97,746)
Ending Fund Balance	$ 1,327,762	$ 183,704	$ 847,735	$ 749,989



Discussion of Key Elements

Sources of Revenue:

The Streets division receives revenues primarily from a portion of the State Motor Vehicle Fuel Tax and a special Capron Fund, which is also funded from Motor Vehicle Fuel Tax.

Personnel Expenditures:

The wages, salaries, overtime costs and related employee benefits included in this budget support the current level of staffing. The continued aging of City streets and infrastructure as well as new construction has understandably increased the demand for manpower to

maintain City street facilities. Due to limited revenue, the Streets division will not fill an authorized staff position for 2015-2016. The Streets division will hire a five-month temporary employee in 2015-2016.

Operating and Maintenance Expenditures:

All supplies, professional services, training, communication and other regular, on-going costs of operation are included in the expenditure category. Increased costs are reflected in the substantial cost increase of office and operating supplies in the traveled way portion of the budget. Electricity for street and signal lighting will increase with the proposed addition to new planned street lighting, payment of the loan for LED upgrades and possible energy rate increases. Approximately 17% of the streets operations budget is dedicated for energy costs for street lighting.

In 2015 and 2016, the General Fund will not allocate funds to support special events, including the Banner Program that is managed by the Streets division and funds to continue ADA upgrades and Street overlays.

Streets Cumulative Reserve

The Streets Cumulative Reserve fund was established to reserves matching funds for grant requirements and as a contingency reserve for unanticipated expenditures As streets construction projects are authorized, these funds will be transferred into the Streets fund (or a specially created utility construction fund) for expenditure.

Summary of Financial Information

Fund Balance Reconciliation	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Beginning Fund Balance	$ 34	$ -	$ -	$ -
Operating Revenues	-	-	-	-
Expenditures				
Personnel	-	-	-	-
Operating & Maintenance	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Operating Surplus (Deficit)	-	-	-	-
Other Sources (Uses)				
Net Interfund Transactions	-	-	-	-
Net Operating Transfers	(34)	-	-	-
Sources Over (Under) Uses	(34)	-	-	-
Change in Fund Balance	(34)	-	-	-
Ending Fund Balance	$ -	$ -	$ -	$ -

Discussion of Key Elements

Sources of Revenue:

There are no revenues budgeted for 2015 or 2016.

Capital Outlay:

There are no capital projects budgeted for 2015 or 2016.

Arterials

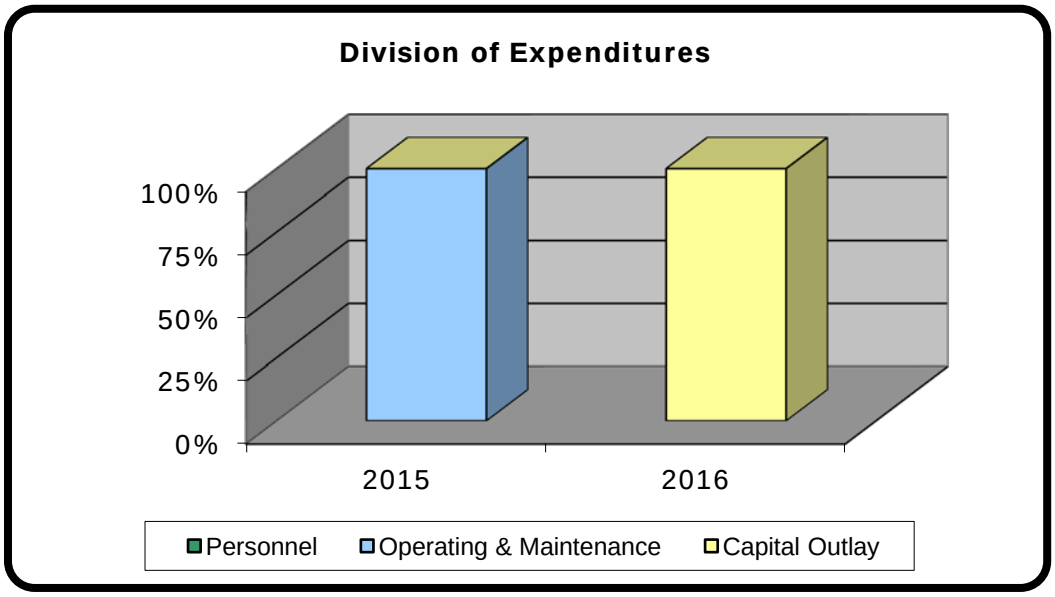
The Arterial Street fund accounts for the operation, maintenance, and minor improvements to the City's arterial streets. Within the City of Oak Harbor, SR 20 is the only principal arterial street. Minor arterials include Bayshore Drive, Fort Nugent Road, Whidbey Avenue, NE 16th Avenue, Heller Street, Midway Boulevard, Goldie Street and SE Regatta Drive.

Personnel Schedule

There are no employees charged to this fund.

Summary of Financial Information

Fund Balance Reconciliation	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Beginning Fund Balance	$ 587,287	$ -	$ 820,087	$ 715,298
Operating Revenues	127,506	115,000	123,000	123,600
Expenditures				
Personnel	-	-	-	-
Operating & Maintenance	(1,263,945)	690	200,000	-
Capital Outlay	171,084	-	-	224,500
Total Expenditures	(1,092,861)	690	200,000	224,500
Operating Surplus (Deficit)	1,220,367	114,310	(77,000)	(100,900)
Other Sources (Uses)				
Net Interfund Transactions	(73,241)	(443,346)	(27,789)	(27,667)
Net Operating Transfers	-	825,000	-	-
Sources Over (Under) Uses	(73,241)	381,654	(27,789)	(27,667)
Change in Fund Balance	1,147,126	495,964	(104,789)	(128,567)
Ending Fund Balance	$ 1,734,413	$ 495,964	$ 715,298	$ 586,731



Discussion of Key Elements

Sources of Revenue:

All Transportation Impact Fees collected from developers are deposited into this fund. In addition, this fund receives State-shared restricted gasoline tax revenues and State grants for capital improvements to the City's arterial systems.

Operating and Maintenance Expenditures:

Operating expenditures consist of professional services.

Capital Outlay:

The 2015 budget includes $224,500 for the Whidbey Avenue Pedestrian Crossing. This capital outlay request will be funded 100% with a grant obtained from the WSDOT Transportation Alternatives Program.

Transportation Capital Improvement

The Transportation Capital Improvement fund accounts for activities relates to improvements to public streets and roads.

Personnel Schedule

There are no employees charged to this fund.

Summary of Financial Information

Fund Balance Reconciliation	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Beginning Fund Balance	$ 983,246	$ 995,425	$ 1,082,447	$ 1,123,591
Operating Revenues	35,764	35,919	41,144	41,968
Expenditures				
Personnel	-	-	-	-
Operating & Maintenance	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Operating Surplus (Deficit)	35,764	35,919	41,144	41,968
Other Sources (Uses)				
Net Interfund Transactions	-	(200,000)	-	-
Net Operating Transfers	-	-	-	-
Sources Over (Under) Uses	-	(200,000)	-	-
Change in Fund Balance	35,764	(164,081)	41,144	41,968
Ending Fund Balance	$ 1,019,010	$ 831,344	$ 1,123,591	$ 1,165,559

Discussion of Key Elements

Sources of Revenue:

The Transportation Capital Improvement fund receives revenue from development activity, motor vehicle tax and grants.

Paths and Trails

The Paths and Trails fund accounts for revenues and expenditures related to identified projects of a multi-modal nature. The City uses these funds primarily for the funding or certain pathway projects such as the Windjammer and Freund Marsh Trails.

Personnel Schedule

There are no employees charged to this fund.

Summary of Financial Information

Fund Balance Reconciliation	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Beginning Fund Balance	$ 22,186	$ 24,348	$ 26,742	$ 24,037
Operating Revenues	2,356	2,200	2,295	2,422
Expenditures				
Personnel	-	-	-	-
Operating & Maintenance	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Operating Surplus (Deficit)	2,356	2,200	2,295	2,422
Other Sources (Uses)				
Net Interfund Transactions	-	-	-	-
Net Operating Transfers	-	-	(5,000)	(5,000)
Sources Over (Under) Uses	-	-	(5,000)	(5,000)
Change in Fund Balance	2,356	2,200	(2,705)	(2,578)
Ending Fund Balance	$ 24,542	$ 26,548	$ 24,037	$ 21,459

Discussion of Key Elements

Sources of Revenue:

The source of revenue for this fund is a operating transfer-in of 1% of all Motor Vehicle Fuel Tax proceeds received by the City's Streets and Arterials funds. Under State law, the funds must be spent within a ten year period from receipt.

Operating Transfers:

Operating transfers consist of transfers out to the General Fund for trail improvements.

Arts Acquisition and Maintenance

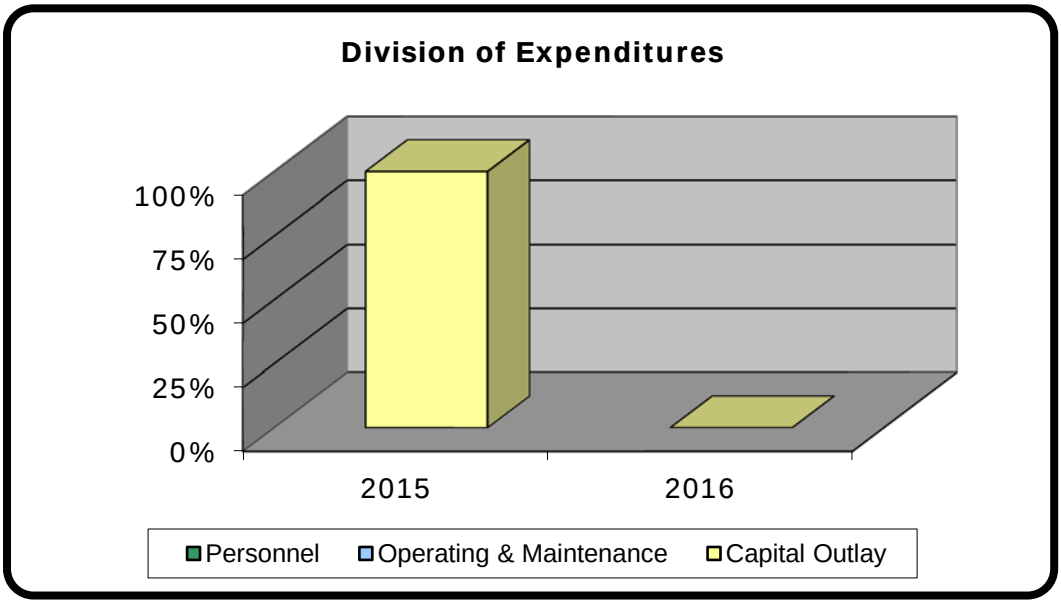
The Arts Acquisition and Maintenance fund accounts for revenues and expenditures related to purchase and preservation of art within the City. The Arts Commission researches and suggests potential projects for the Council's authorization.

Personnel Schedule

There are no employees charged to this fund.

Summary of Financial Information

Fund Balance Reconciliation	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Beginning Fund Balance	$ 20,613	$ 44,365	$ 48,823	$ 18,923
Operating Revenues	33,803	34,453	100	100
Expenditures				
Personnel	-	-	-	-
Operating & Maintenance	278	-	-	-
Capital Outlay	3,000	36,500	30,000	-
Total Expenditures	3,278	36,500	30,000	-
Operating Surplus (Deficit)	30,525	(2,047)	(29,900)	100
Other Sources (Uses)				
Net Interfund Transactions	-	-	-	-
Net Operating Transfers	-	-	-	-
Sources Over (Under) Uses	-	-	-	-
Change in Fund Balance	30,525	(2,047)	(29,900)	100
Ending Fund Balance	$ 51,138	$ 42,318	$ 18,923	$ 19,023



Discussion of Key Elements

Sources of Revenue:

The source of funds is a portion of the City's Utility Tax. The amount of the allocations is set by Council through the adoption of the budget and currently is 0.25% of the gross revenue on the supply of water; collection and treatment of sewer; and the collection of solid waste. These proceeds must be utilized for the promotion of art.

Capital Outlay:

$30,000 has been designated to purchase art.

Civic Improvement

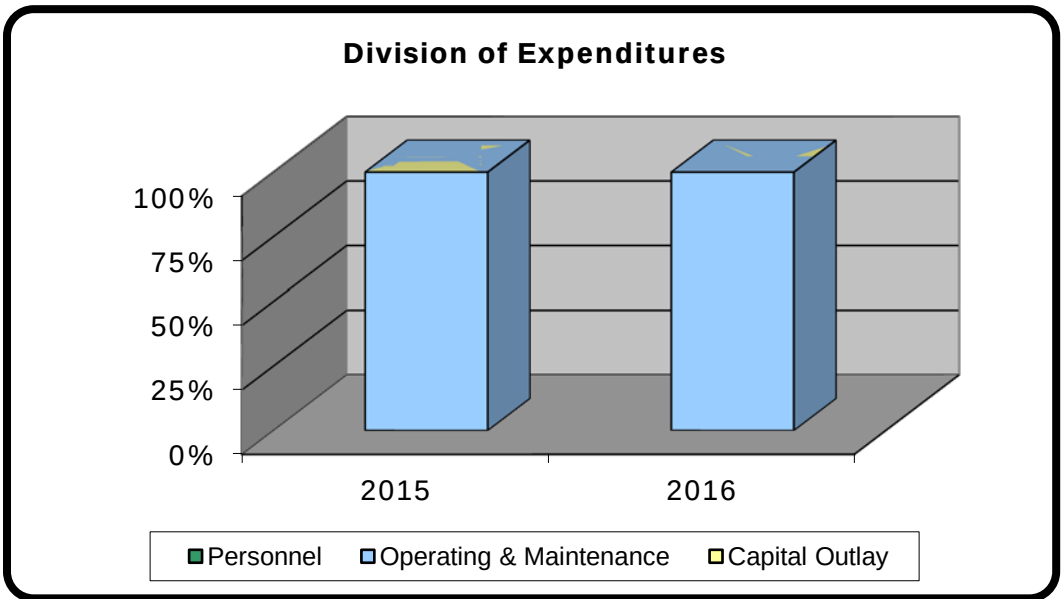
The Civic Improvement fund accounts for revenues and expenditures related to tourism. The City utilizes a Lodging Tax Advisory Committee consisting of representatives from two entities that collect the 2% Hotel Motel Tax funds (hoteliers) and two entities that use the funds in the promotion of tourism. The Committee is chaired by one City Council member, with the City's Finance Director attending in an ex officio advisory capacity.

Personnel Schedule

There are no employees charged to this fund.

Summary of Financial Information

Fund Balance Reconciliation	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Beginning Fund Balance	$ 433,229	$ 431,375	$ 601,272	$ 521,172
Operating Revenues	200,194	162,000	199,900	200,900
Expenditures				
Personnel	-	-	-	-
Operating & Maintenance	107,527	164,000	280,000	165,000
Capital Outlay	-	-	-	-
Total Expenditures	107,527	164,000	280,000	165,000
Operating Surplus (Deficit)	92,667	(2,000)	(80,100)	35,900
Other Sources (Uses)				
Net Interfund Transactions	-	-	-	-
Net Operating Transfers	(24,000)	102,000	-	-
Sources Over (Under) Uses	(24,000)	102,000	-	-
Change in Fund Balance	68,667	100,000	(80,100)	35,900
Ending Fund Balance	$ 501,896	$ 531,375	$ 521,172	$ 557,072



Discussion of Key Elements

Sources of Revenue:

The source of funds is the City's 2% Hotel Motel Tax. These proceeds must be utilized for the promotion of tourism.

Operating and Maintenance Expenditures:

Operating and maintenance expenditures consist of the promotion of tourism.

Neighborhood Parks

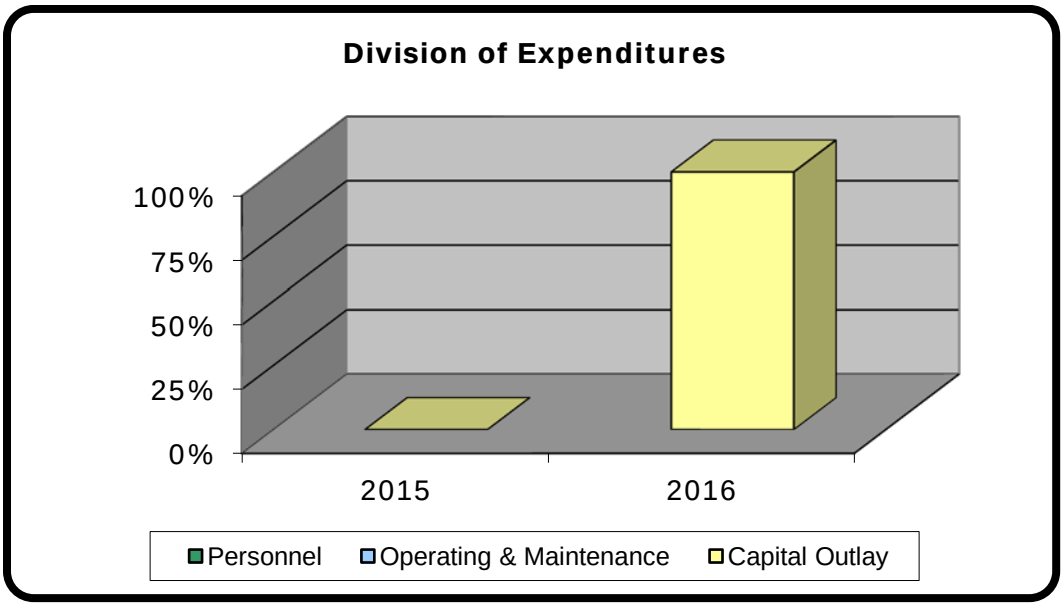
The Neighborhood Parks Improvement fund accounts for revenues and expenditures related to acquisition and/or construction of neighborhood parks.

Personnel Schedule

There are no employees charged to this fund.

Summary of Financial Information

Fund Balance Reconciliation	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Beginning Fund Balance	$ 85,071	$ 89,842	$ 98,904	$ 99,154
Operating Revenues	13,138	12,000	250	250
Expenditures				
Personnel	-	-	-	-
Operating & Maintenance	10,703	-	-	-
Capital Outlay	-	-	-	99,404
Total Expenditures	10,703	-	-	99,404
Operating Surplus (Deficit)	2,435	12,000	250	(99,154)
Other Sources (Uses)				
Net Interfund Transactions	(604)	-	-	-
Net Operating Transfers	-	-	-	-
Sources Over (Under) Uses	(604)	-	-	-
Change in Fund Balance	1,831	12,000	250	(99,154)
Ending Fund Balance	$ 86,902	$ 101,842	$ 99,154	$ -



Discussion of Key Elements

Sources of Revenue

Neighborhood and Community Parks Impact Fees are now combined in the Park Impact Fee Fund.

Capital Outlay:

Capital outlay is for park improvements.

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Community Parks

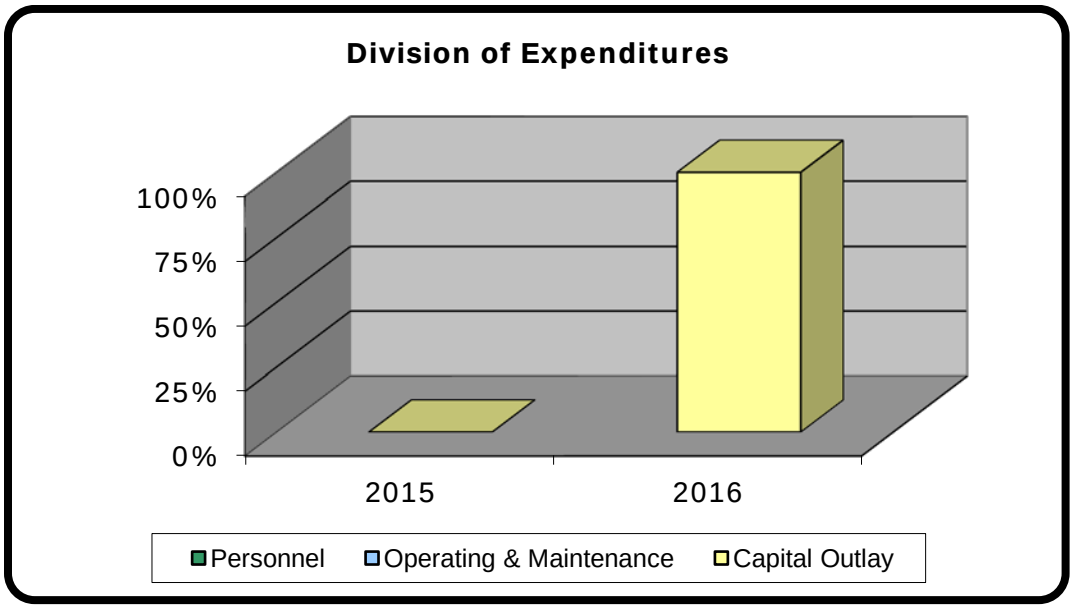
The Community Parks Improvement fund accounts for revenues and expenditures related to acquisition and/or construction of community parks.

Personnel Schedule

There are no employees charged to this fund.

Summary of Financial Information

Fund Balance Reconciliation	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Beginning Fund Balance	$ 347,998	$ 236,381	$ 273,838	$ 274,488
Operating Revenues	38,088	34,780	650	650
Expenditures				
Personnel	-	-	-	-
Operating & Maintenance	5,657	-	-	-
Capital Outlay	141,370	-	-	275,138
Total Expenditures	147,027	-	-	275,138
Operating Surplus (Deficit)	(108,939)	34,780	650	(274,488)
Other Sources (Uses)				
Net Interfund Transactions	-	-	-	-
Net Operating Transfers	-	-	-	-
Sources Over (Under) Uses	-	-	-	-
Change in Fund Balance	(108,939)	34,780	650	(274,488)
Ending Fund Balance	$ 239,059	$ 271,161	$ 274,488	$ -



Discussion of Key Elements

Sources of Revenue

Neighborhood and Community Parks Impact Fees are now combined in the Park Impact Fee Fund.

Capital Outlay:

Capital outlay is for park improvements.

Parks Impact fees

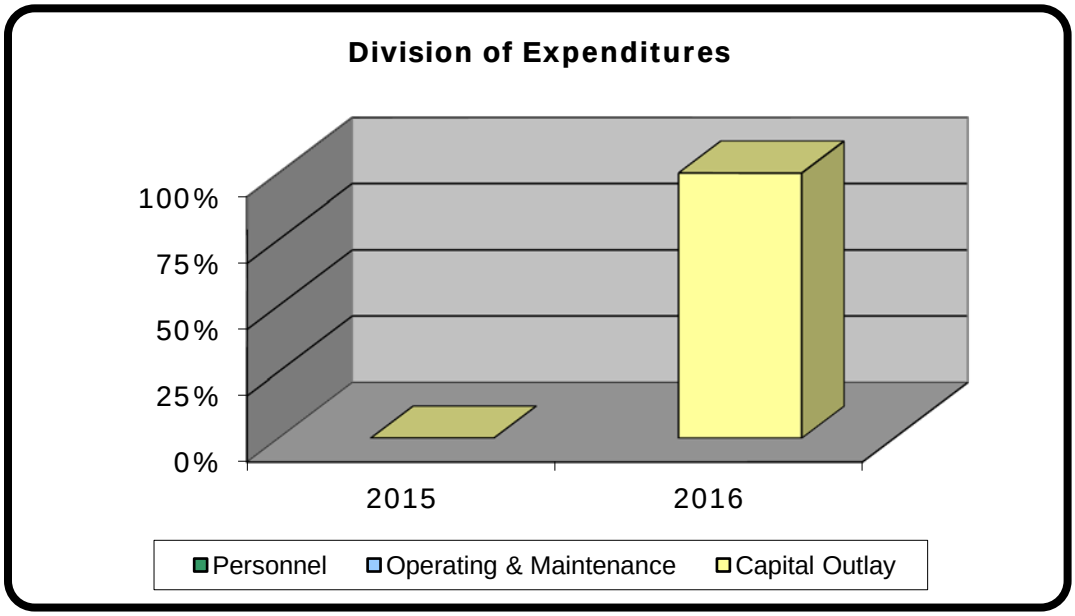
The Parks Impact Fee fund is a new fund. It represents the consolidation for the Neighborhood Parks and Community Parks funds. It accounts for revenues and expenditures related to acquisition and/or construction of all types of parks.

Personnel Schedule

There are no employees charged to this fund.

Summary of Financial Information

Fund Balance Reconciliation	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Beginning Fund Balance	$ -	$ -	$ -	$ 60,250
Operating Revenues	-	-	60,250	61,250
Expenditures				
Personnel	-	-	-	-
Operating & Maintenance	-	-	-	-
Capital Outlay	-	-	-	120,500
Total Expenditures	-	-	-	120,500
Operating Surplus (Deficit)	-	-	60,250	(59,250)
Other Sources (Uses)				
Net Interfund Transactions	-	-	-	-
Net Operating Transfers	-	-	-	-
Sources Over (Under) Uses	-	-	-	-
Change in Fund Balance	-	-	60,250	(59,250)
Ending Fund Balance	$ -	$ -	$ 60,250	$ 1,000



Discussion of Key Elements

Sources of Revenue:

Park Impact Fees collected from developers are deposited here.

Capital Outlay:

Capital outlay is for park improvements.

Senior Services

Mission:

The mission of the Senior Services Center is to deliver the highest possible level of service to citizens of Oak Harbor and North and Central Whidbey Island who are age 50 and over. Senior Services is dedicated to improving quality of life, fostering community partnerships, responding to diverse needs and interests, enhancing dignity, supporting independence and encouraging members to be involved in and with the community.

Responsibilities:

- Provide programs that promote healthy aging and stimulate mental, intellectual, emotional and spiritual processes that promote balance in healthy aging.
- Provide and then document program use, operations and outcomes to improve service and develop reports for both public information and management decision-making purposes.
- Strategically plan to ensure Senior Services financial, material, and people resources are efficiently used and are in keeping with City goals.
- Promote Senior Services programs and activities to eligible participants through the monthly newspaper, Chamber of Commerce meetings and publications, personal contact with service and community organizations and the local newspaper.
- Maintain facilities that are attractive, safe, welcoming and optimized for housing older adult support programs.
- Develop programs that promote enhancement of independent living capabilities and facilitate optimizing senior population community volunteer involvement/work.
- Advocate for our older adults in all aspects of community life.

2014 Accomplishments:

- ✓ Completed installation of new senior center ventilation system. Have experienced energy savings (approximately $1,500/year) with significant reduction in repair costs.
- ✓ Continued State certification caregiver training (in concert with Bellingham Community College) to help fill local in-residence demand for caregiver support (over 320 trained/certified participants).
- ✓ Following loss of Island County government funding support ($87,000/year), new and better partnering with local profit/non-profit groups used to help reduce operating and center member costs (Senior Services of Island County-SSIC, fitness facility, banks, older adult housing groups, OHSC Foundation, various businesses). Examples include: formed working agreements with local publisher resulting in a $5000 per year reduction in cost of producing/distributing monthly newspapers; partnership initiated with local fitness organization resulting in increased exercise opportunities/facilities at reduced costs for center members; increased coordination with SSIC provided additional revenue of $81,000 over last two year period.

2015 – 2016 Goals:

- ❖ **Goals: Promote a healthy and growing business community.**
  - ➢ Objective: Develop support of our local business community for Senior Center activities.

- Objective: Ensure that local business organizations are aware of the support services of which owners/employees may avail themselves.
- Objective: Introduce and advertise to our increasing older adult population information regarding goods and services offered by local businesses and non-profit groups.

- **Goals: Encourage a safe community.**
  - Objective: Increase the attendance at safety, emergency and disaster preparedness events.
  - Objective: Participate in meetings, maintain current materials for distribution and support planning efforts relating to safety and emergency preparedness.
  - Objective: Provide adequate number of safety and preparedness articles published in the Newspaper, flyers and posters.
  - Objective: Keep the number and type of discrepancies noted on annual safety and fire inspections at a minimum.

- **Goals: Promote a healthy work environment and employee/volunteer excellence.**
  - Objective: Obtain feedback from employees and volunteers.
  - Objective: Increase volunteer recruitment and training.
  - Objective: Observation of employees and volunteers in daily work.
  - Objective: Provide formal employee and volunteer recognition.

- **Goals: Deliver superior quality service to our customers.**
  - Objective: Increase number of people who are members.
  - Objective: Maintain/improve passport services for members and the community.
  - Objective: Increase meal site and meals-on-wheels nutrition services/support.
  - Objective: Increase and vary as needed the number and types of activities in which the members participate, including but not limited to health and travel related activities.
  - Objective: Support as feasible the work of social services organizations looking to assist local older adult with health, quality of life and other important issues.

- **Goals: Protect and enhance capital investment in the City of Oak Harbor.**
  - Objective: Modify existing plans for design of enhanced facility(ies) based on community input.
  - Objective: Create a “business plan” for operation of future facility(ies).
  - Objective: Develop plans for raising funds for construction of facility(ies)
  - Objective: Continue to plan, monitor and perform as needed ongoing maintenance of existing structures

- **Goals: Build and enhance community partnerships.**
  - Objective: Optimally maintain current partnerships.
  - Objective: Actively seek/develop new partnership opportunities.

Measurement Results

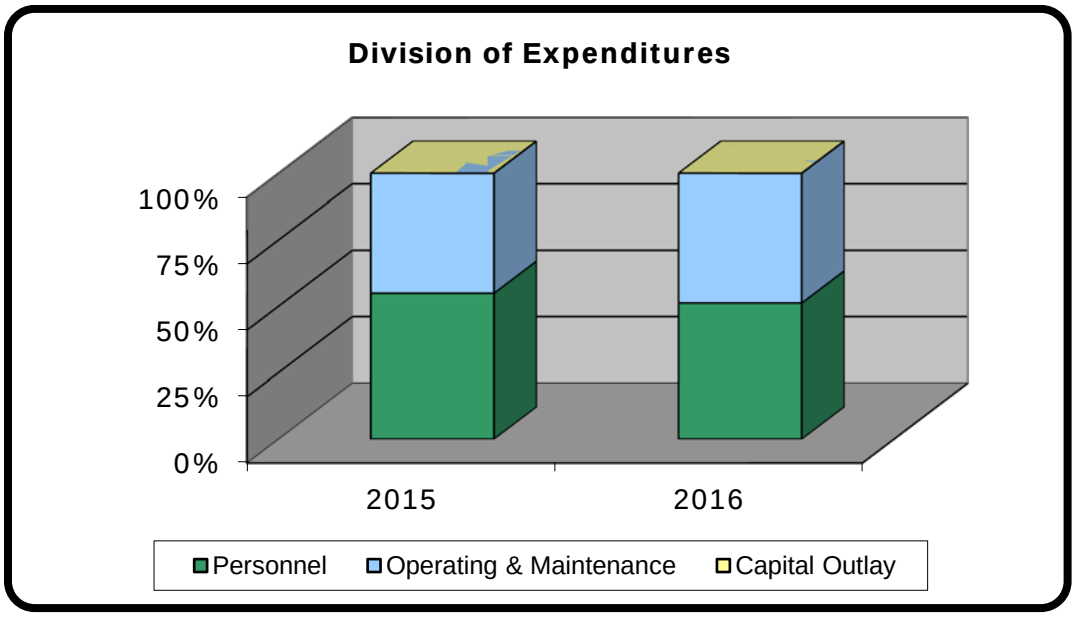
Measures	Actual 2013	Actual 2014	Projected 2015	Projected 2016
Qualitative Measures				
Modify new facility design per community input	N/A	N/A	X	N/A
Develop operational plan for new facility	N/A	N/A	N/A	X
Quantitative Measures				
Passports processed	965	985	985	985
Meals served (Site/MOWs)	21,787	22,300	22,000	22,000
Membership funds	$26,855	$27,500	$35,000	$35,000
Volunteer hours	5,553	5,800	5,700	5,700
Trip participants	1,754	1,727	1,750	1,750

Personnel Schedule

Classification	Authorized Positions 2012	2013	2014	2015	2016
Senior Services Administrator	1.00	1.00	1.00	1.00	1.00
Program Coordinator	1.00	1.00	0.87	0.87	0.87
Admin Assistant/Volunteer Coordinator	0.75	0.75	0.00	0.00	0.00
Program Assistant/Travel Coordinator	0.00	0.00	0.88	0.88	0.88
Total	2.75	2.75	2.75	2.75	2.75

Summary of Financial Information

Fund Balance Reconciliation	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Beginning Fund Balance	$ 29,108	$ 53,174	$ 51,459	$ 50,968
Operating Revenues	230,907	268,934	255,695	299,972
Expenditures				
Personnel	200,514	208,146	198,196	207,700
Operating & Maintenance	115,943	187,400	162,650	197,650
Capital Outlay	-	-	-	-
Total Expenditures	316,457	395,546	360,846	405,350
Operating Surplus (Deficit)	(85,550)	(126,612)	(105,151)	(105,378)
Other Sources (Uses)				
Net Interfund Transactions	(39,375)	(37,738)	(30,340)	(30,453)
Net Operating Transfers	117,000	117,000	135,000	135,000
Sources Over (Under) Uses	77,625	79,262	104,660	104,547
Change in Fund Balance	(7,925)	(47,350)	(491)	(831)
Ending Fund Balance	$ 21,183	$ 5,824	$ 50,968	$ 50,137



Discussion of Key Elements

Sources of Revenue:

Revenues are generated through membership dues, the travel program, passport processing and a variety of fundraising efforts. An increase in membership dues (contingent upon City Council approval) is planned for implementation January 2015.

Personnel Expenditures:

Restructuring of Program Coordinator (1.0 FTE) and Admin Assistant (.75 FTE) job classifications resulted in 2014 changes in responsibilities and hours (.875 FTE) for each position. These changes resulted in the Senior Services division maintaining its authorized positions FTE level of 2.75 overall.

Operating and Maintenance Expenditures:

A significant portion of the operating and maintenance budget is for the senior travel program, which is a revenue generating program that makes trips available for older adults and also includes the passport program.

Operating Transfers:

Operating transfers consist of transfers in from the General Fund for operations.

Debt Service Funds

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Long-term Debt

In Washington State, City long-term debt can take one of four basic forms. For each form of debt there are dollar limitations on the amounts that can be issued. Discussed below are the basic types of debt, their dollar limitations, and current outstanding balances for the City of Oak Harbor.

Councilmanic Debt

This generally refers to long-term debt that, following a majority vote of the City Council, is authorized. No public vote is necessary for the issuance of councilmanic debt and repayment must come from the existing revenue sources of the City. There is no separate tax levy to support councilmanic bonds. The limitation on councilmanic debt is 1½% of the City's tax assessed valuation.

Currently the City has one councilmanic debt. The 2011 Marina bond has an outstanding balance of $2,145,000. Repayment comes from the Marina Fund.

Voter Approved Debt

This is the most common type of general long-term debt for cities. A 60% voter approval is necessary for the issuance of General Obligation Debt and, subject to certain limitations; the debt is restricted to 2½% of the city's tax assessed valuation.

The City currently has no voter-approved bonds outstanding.

Revenue Debt

This type of long-term debt can only be issued by those funds that can generate user fees for the repayment of the debt. Water and sewer capital projects are often times financed through revenue debt. Naturally the water or sewer service fees are adjusted to generate sufficient cash flow to service the debt.

Currently revenue debt is outstanding from the Sewer fund. The OAKWA04 Bond has an outstanding balance of $1,670,000.

Assessment Debt

This type of debt frequently funds capital projects wherein there are specific pieces of property that benefit from the improvements. These properties are assessed an annual tax to pay for these improvements. Common types of assessment debt are street/sidewalk extensions, new water lines and sewer service extensions.

Currently the City has no outstanding assessment debt.

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Capital Projects Funds

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Cumulative Reserve 1st 1/4% REET

The Cumulative Reserve 1st ¼% REET fund accounts for revenues and expenditures related to the collection and disbursement of the first quarter percent Real Estate Excise Tax.

Sources of Revenue:

The 1st ¼% Real Estate Excise Tax is received from the State of Washington. The tax is collected on the sale of real property within the City limits of Oak Harbor. Uses of the funds are designated by City Council, and pertain to projects within the City's Capital Improvement Plan (CIP).

Personnel Schedule

There are no employees charged to this fund.

Summary of Financial Information

Fund Balance Reconciliation	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Beginning Fund Balance	$ 619,098	$ 1,831,993	$ 1,003,864	$ 1,144,364
Operating Revenues	160,456	100,000	170,500	175,550
Expenditures				
Personnel	-	-	-	-
Operating & Maintenance	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Operating Surplus (Deficit)	160,456	100,000	170,500	175,550
Other Sources (Uses)				
Net Interfund Transactions	-	-	-	-
Net Operating Transfers	-	(425,000)	(30,000)	(400,000)
Sources Over (Under) Uses	-	(425,000)	(30,000)	(400,000)
Change in Fund Balance	160,456	(325,000)	140,500	(224,450)
Ending Fund Balance	$ 779,554	$ 1,506,993	$ 1,144,364	$ 919,914

Operating Transfers:

Operating transfers consist of transfers out to the General fund for an new Animal Shelter.

Cumulative Reserve 2nd 1/4% REET

The Cumulative Reserve 2nd ¼% REET fund accounts for revenues and expenditures related to the collection and disbursement of the second quarter percent Real Estate Excise Tax.

Sources of Revenue:

The 2nd ¼% Real Estate Excise Tax is received from the State of Washington. The tax is collected on the sale of real property within the City limits of Oak Harbor. Uses of the funds are designated by City Council, and pertain to projects within the City's Capital Improvement Plan (CIP).

Personnel Schedule

There are no employees charged to this fund.

Summary of Financial Information

Fund Balance Reconciliation	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Beginning Fund Balance	$ 30,500	$ 880,069	$ 413,726	$ 584,226
Operating Revenues	158,915	100,000	170,500	175,550
Expenditures				
Personnel	-	-	-	-
Operating & Maintenance	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Operating Surplus (Deficit)	158,915	100,000	170,500	175,550
Other Sources (Uses)				
Net Interfund Transactions	-	-	-	-
Net Operating Transfers	-	(200,000)	-	-
Sources Over (Under) Uses	-	(200,000)	-	-
Change in Fund Balance	158,915	(100,000)	170,500	175,550
Ending Fund Balance	$ 189,415	$ 780,069	$ 584,226	$ 759,776

Municipal Pier

The Municipal Pier fund accounts for revenues and expenditures related to any acquisition, construction, permitting, and other related costs incurred for the possible building of a City pier adjacent to Flintstone Park on Bayshore Drive. To date, the fund is operating as a reserve fund to set aside funding for future additions when and if they occur.

Sources of Revenue:

The primary sources of revenue are contributions from the General Fund, and various grant revenues.

Personnel Schedule

There are no employees charged to this fund.

Summary of Financial Information

Fund Balance Reconciliation	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Beginning Fund Balance	$ 167,377	$ -	$ 167,814	$ 167,814
Operating Revenues	437	-	-	-
Expenditures				
Personnel	-	-	-	-
Operating & Maintenance	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Operating Surplus (Deficit)	437	-	-	-
Other Sources (Uses)				
Net Interfund Transactions	-	-	-	-
Net Operating Transfers	-	-	-	-
Sources Over (Under) Uses	-	-	-	-
Change in Fund Balance	437	-	-	-
Ending Fund Balance	$ 167,814	$ -	$ 167,814	$ 167,814

Waterfront Redevelopment

The Waterfront Redevelopment fund accounts for revenues and expenditures related to acquisitions and improvements to Windjammer Park (formerly known as City Beach Park).

Sources of Revenue:

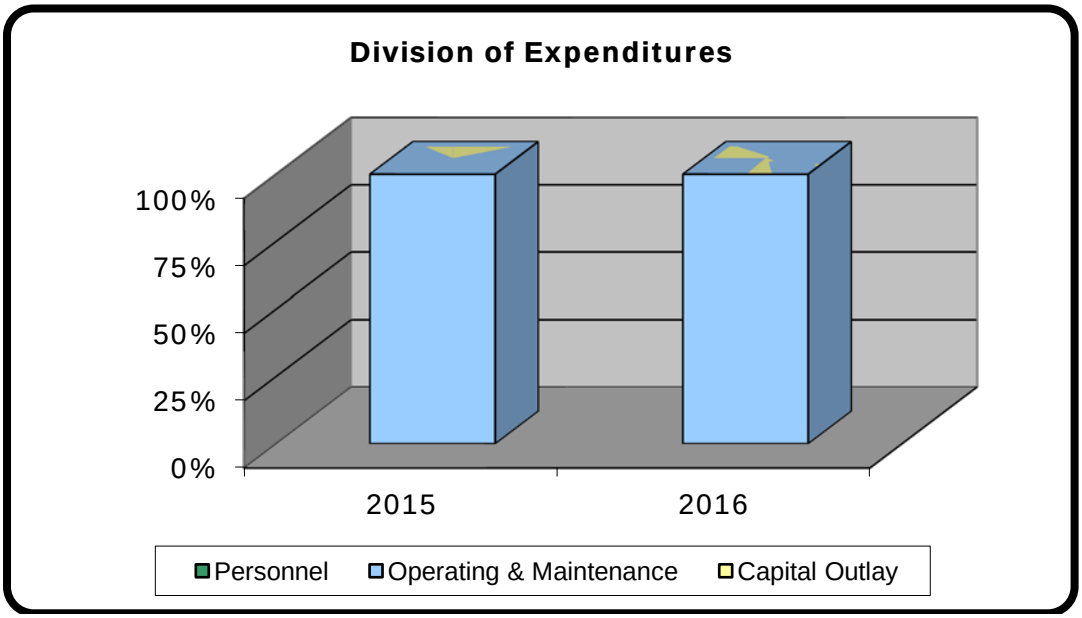
The sources of funds are General Fund contributions, grants, and 2% hotel motel tax.

Personnel Schedule

There are no employees charged to this fund.

Summary of Financial Information

Fund Balance Reconciliation	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Beginning Fund Balance	$ 476,778	$ 426,278	$ 403,199	$ 404,499
Operating Revenues	1,283	1,500	101,300	21,350
Expenditures				
Personnel	-	-	-	-
Operating & Maintenance	-	-	100,000	20,000
Capital Outlay	-	60,000	-	-
Total Expenditures	-	60,000	100,000	20,000
Operating Surplus (Deficit)	1,283	(58,500)	1,300	1,350
Other Sources (Uses)				
Net Interfund Transactions	-	-	-	-
Net Operating Transfers	24,000	(102,000)	-	-
Sources Over (Under) Uses	24,000	(102,000)	-	-
Change in Fund Balance	25,283	(160,500)	1,300	1,350
Ending Fund Balance	$ 502,061	$ 265,778	$ 404,499	$ 405,849



Enterprise Funds

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Water

Mission:

The mission of the Water division is to provide safe, uninterrupted, quality water to our customers now and in the future and build confidence with our customers through education and efficient operation and maintenance programs.

Responsibilities:

- To comply with all regulations regarding the quality and distribution of potable water through daily sampling and testing and timely response to customer concerns.
- To reliably distribute and maintain potable water through a system of four storage tanks, 108 miles of water mains, three booster pump stations and associated facilities.
- To maintain and be accountable for the City's emergency water supply through maintaining seven million gallons of storage and three existing deep wells, and actively seeking additional sources for emergency supplies.
- To promote community safety by providing adequate water pressure for fire flow and coordination with the Fire department to ensure a well-maintained network of more than 875 fire hydrants.
- To support the Finance department operations through accurate and dependable meter reading and meter repairs of the 5,927 water service connections, as well as addressing customer service related questions and issues.
- To protect public health and safety through administration and enforcement of the City's Cross Connection Control Program and state mandated water quality sampling.
- To promote community awareness of water conservation through public education, identification and notification of unusually high customer consumption and timely repairs of leaks in the City's water mains.
- To coordinate and communicate with the Development Services department regarding review of development plans and inspection of water infrastructure installed by developers.
- To collaborate with the Development Services department to identify and implement capital projects that will improve reliability, safety and accommodate growth.

2014 Accomplishments:

- ✓ Replacement of the 10 inch Master meter to NASWI.
- ✓ Design and construction of the North Reservoir
- ✓ Construction of the Gun Club /North Reservoir water main connection.
- ✓ Installation of radio communications between the North Reservoir, Gun Club PRV station, Goldie Rd. PRV station and the Public Works Facility.
- ✓ Collaboration with Oak Harbor Fire Department on sharing fire hydrant maintenance management programs. To improve efficiency in data collection and retainage.
- ✓ Replacement of failed Fluoride injection pump.
- ✓ Installed new cross connection control management software.

2015 – 2016 Goals:

- **Goal: Educate and assist customers concerning existing rate structure and billing policy and procedures.**
  - Objective: To assist the City water customers to understand the new rate structure as it pertains to type of use. To assist customers in making educated water use decisions and assist in leak detection and water use trending to conserve water.
- **Goal: Maintain optimum flows and ensure system reliability and dependability.**
  - Objective: To service and maintain all 1,250 of the City water main valves every two years; perform meter installations, service and repairs in a timely manner to ensure accurate meter readings; perform daily inspection of all pump stations, tank sites and critical facilities and services as needed; closely monitor and track unaccounted for water; and repair and maintain fire hydrants in a timely manner.
  - Objective: To maintain water system reliability during future related infrastructure upgrades, as indicated in our current Water System Plan.
  - Objective: To secure emergency supply of water by updating emergency response procedures, maintaining existing wells and pursuing additional sources of supply through reactivation of old wells. Design and construction of replacement for well #9.
  - Objective: To use existing resources available to inventory and map all water infrastructure including water mains, water services and meters, fire hydrants and valves. The information will be used for better asset management, locating of utilities and mapping and maintenance activities.
  - Objective: To improve redundancy of our water main grid in critical areas.
  - Objective: To improve fire flow while maintaining minimum pressures in deficient sections of our water system as identified in our 2014 Water System Plan.
- **Goal: Minimize water main breaks/leaks.**
  - Objective: To perform quality repairs; maintain a proactive program of water main replacement activities for substandard lines, connections and services; be proactive in investigating high water consumption for possible water leaks on customer water services.
- **Goal: Protect the public from the introduction of potential contamination hazards through the City water system.**
  - Objective: To maintain security and integrity of the system at reservoirs. Immediately investigate and address water quality concerns of customers.
  - Objective: To manage the City Cross Connection Control Program to protect the water system from contamination due to cross connections. Ensure the 932 backflow assemblies are properly inspected, maintained and tested.
- **Goal: Continue to expand the Water Conservation and Efficiency Program.**
  - Objective: To educate the public regarding environmental benefits of water conservation to protect our resources and minimize unaccountable water loss, which is a requirement of the State of Washington.

- **Goal: Maintain "Green" Operating Permit.**
  - Objective: To comply with all water quality standards and to meet and/or exceed the level of service required by the Department of Health.

Measurement Results

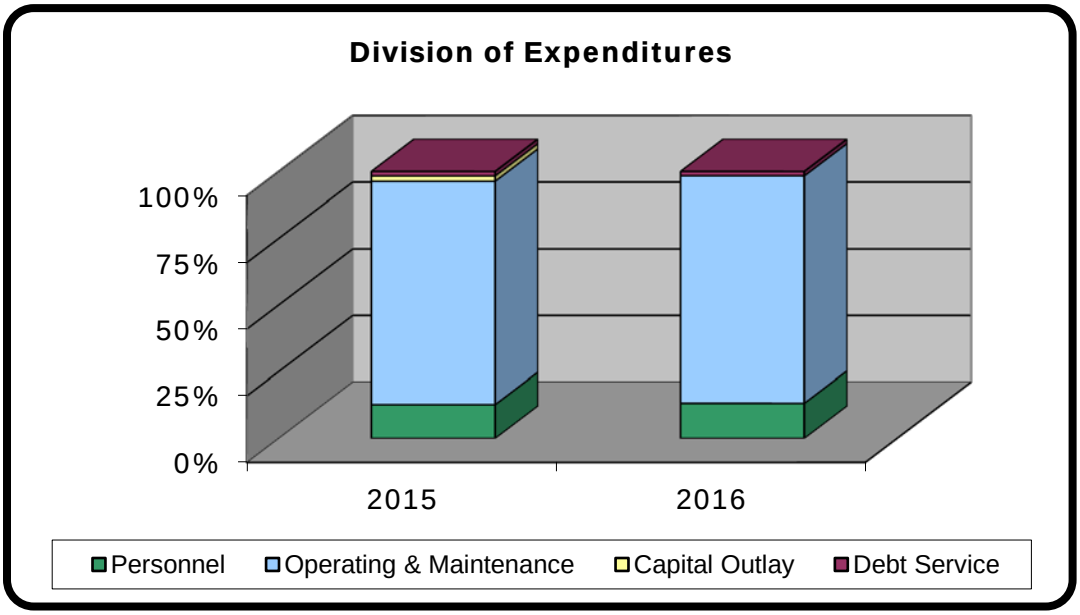
Measures	Actual 2013	Actual 2014	Projected 2015	Projected 2016
Qualitative Measures				
Water quality sampling compliance	100%	100%	100%	100%
Quantitative Measures				
Number of water line breaks/leaks repaired	31	19	<12	<12
Number of undesirable water quality concern	10	5	<10	<10
Percentage of water unaccounted for	6.76%	5.43%	<10%	<10%

Personnel Schedule

Classification	Authorized Positions 2012	2013	2014	2015	2016
Lead Water Specialist	1.00	1.00	1.00	1.00	1.00
Water Specialist II	5.00	5.00	5.00	5.00	5.00
Water Specialist I	1.00	1.00	1.00	1.00	1.00
Water Service Lead	1.00	1.00	1.00	1.00	1.00
Seasonal Laborer	0.50	0.50	0.50	0.50	0.50
Total	8.50	8.50	8.50	8.50	8.50

Summary of Financial Information

Fund Balance Reconciliation	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Beginning Fund Balance	$ 3,835,804	$ 4,016,055	$ 2,754,549	$ 4,167,204
Operating Revenues	5,121,284	4,672,700	5,322,573	5,481,164
Expenditures				
Personnel	484,494	519,214	414,489	437,487
Operating & Maintenance	3,073,396	2,178,556	2,739,666	2,830,410
Capital Outlay	-	1,500,000	65,000	-
Debt Service	54,695	54,568	54,311	54,054
Total Expenditures	3,612,585	4,252,338	3,273,466	3,321,951
Operating Surplus (Deficit)	1,508,699	420,362	2,049,107	2,159,213
Other Sources (Uses)				
Net Interfund Transactions	(1,198,315)	(919,659)	(612,452)	(583,463)
Net Operating Transfers	(24,000)	(224,000)	(24,000)	(24,000)
Sources Over (Under) Uses	(1,222,315)	(1,143,659)	(636,452)	(607,463)
Change in Fund Balance	286,384	(723,297)	1,412,655	1,551,750
Ending Fund Balance	$ 4,122,188	$ 3,292,758	$ 4,167,204	$ 5,718,954



Discussion of Key Elements

Personnel Expenditures:

There are three authorized positions in the Water division that are vacant and were not filled in 2014. There will be a restructure of the water division in 2015 requiring a supervisor's position to be filled in 2015. A Water Specialist will be hired in 2015. The salary and benefits for two positions were removed from the 2015/2016 budget.

The Water division budgeted for a 5 month temporary laborer in 2015/2016. This position is necessary to address seasonal maintenance, fire hydrant painting and assist full time employees in water related tasks.

Operating and Maintenance Expenditures:

Significant items in operating and maintenance include the purchase of water from the City of Anacortes, the State B&O Tax and the City Utility Tax that the Water division must pay.

Capital Outlay:

The 2015 budget includes the purchase of an automatic valve exerciser

Debt Service:

The Water division has Public Works Trust Fund loans related to the improvement of infrastructure.

Operating Transfers:

Operating transfers consist of transfers out to the Water Cumulative Reserve Fund for future capital projects.

Water Cumulative Reserve

The Water Cumulative Reserve fund was established to accumulate excess water revenue for anticipated future capital projects. As water construction projects are authorized, these funds will be transferred into the Water fund (or a specially created utility construction fund) for expenditure.

Summary of Financial Information

Fund Balance Reconciliation	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Beginning Fund Balance	$ 5,841,904	$ 3,606,736	$ 2,556,571	$ 2,766,071
Operating Revenues	178,815	125,000	188,000	192,000
Expenditures				
Personnel	-	-	-	-
Operating & Maintenance	(5,678)	-	(2,500)	(2,500)
Capital Outlay	-	-	-	-
Total Expenditures	(5,678)	-	(2,500)	(2,500)
Operating Surplus (Deficit)	184,493	125,000	190,500	194,500
Other Sources (Uses)				
Net Interfund Transactions	-	-	-	-
Net Operating Transfers	24,000	24,000	(2,349,000)	24,000
Sources Over (Under) Uses	24,000	24,000	(2,349,000)	24,000
Change in Fund Balance	208,493	149,000	(2,158,500)	218,500
Ending Fund Balance	$ 6,050,397	$ 3,755,736	$ 398,071	$ 2,984,571

Discussion of Key Elements

Sources of Revenue:

System Development Fees and transfers from the Water fund are the two major revenues sources for this fund.

Operating Transfers:

Operating transfers consist of transfers in from the Water Fund for future capital projects.

Wastewater

Mission:

The mission of the Wastewater division is to serve the community by protecting public health, property and the environment. To provide efficient and reliable service by utilizing sound financial and resource management practices. Encourage the support of the public and recognize that our employees are the key to success.

Responsibilities:

- To work with the City's engineering staff as well with Carollo Engineering and Hoffman Construction to develop a new wastewater facility that will be able to treat City wastewater flows until at least 2060.
- To provide wastewater collection and treatment in compliance with the City's NPDES discharge permit as issued by the Washington State Department of Ecology.
- To effectively treat an average of 2.02 million gallons of wastewater each day.
- To provide dependable collection and conveyance of wastewater to both City Wastewater Treatment Plants through a network of more than 70 miles of sewer mains, 11 remote lift stations and appurtenant structures.
- To perform regularly scheduled inspections and be proactive in the maintenance and repairs of the treatment plant and collection system components.
- To administer the City's pretreatment regulations through public education regarding the impacts of fats, oils and grease in the wastewater system and regular inspection of grease traps in restaurants and other food preparation facilities. The Wastewater division currently conducts three annual grease trap inspections of 70 businesses per year.
- To coordinate and communicate with the Development Services department regarding review of development plans and inspection of wastewater facilities installed by developers.
- To collaborate with the Development Services department to identify and implement capital projects that will improve reliability, safety and accommodate growth.

2014 Accomplishments:

- ✓ The Wastewater Division upgraded the alarm and response system at the RBC plant to radio communication from a wire line system.
- ✓ City council selected and authorized the purchase of the Whidbey Island Bank property on Pioneer Way for the site of the new treatment plant.
- ✓ Several demolition plans for the existing RBC facility were developed and reviewed. These options will be further analyzed by Carollo and Hoffman before action is taken.
- ✓ RBC processes considered unnecessary have been secured and tagged offline.
- ✓ DOE awarded the Wastewater Plant with a letter and plaque signifying full compliance with the NPDES permit for 2013. This is the second year in a row winning this award.
- ✓ Evironix did an evaluation of the RBC plant for asbestos and Environmental Abatement Inc. evaluated the plant for the presence of lead paint. A similar evaluation was performed on the Whidbey Island Bank building.

2015 – 2016 Goals:

- **Goal: Continue the process to build a new wastewater treatment facility.**
  - Objective: Continue to remain in compliance with the City's National Pollution Discharge Elemination System (NPDES) permit number WA-0020567 by improving our wastewater treatment capacity by December 31, 2017.
  - Objective: A capital facilities plan element consisting of: (a) An inventory of existing capital facilities owned by public entities, showing the locations and capacities of the capital facilities; (b) a forecast of the future needs for such capital facilities; (c) the proposed locations and capacities of expanded or new capital facilities; (d) at least a six-year plan that will finance such capital facilities within projected funding capacities and clearly identifies sources of public money for such purposes; and (e) a requirement to reassess the land use element if probable funding falls short of meeting existing needs and to ensure that the land use element, capital facilities plan element, and financing plan within the capital facilities plan element are coordinated and consistent. Park and recreation facilities shall be included in the capital facilities plan element.
- **Goal: Effectively convey wastewater to the treatment plants.**
  - Objective: Lift station maintenance – service and provide preventive maintenance on all sanitary sewer lift stations within the City system; inspect and repair all pumps, motors, valves, wet wells, and appurtenances; maintain and ensure system reliability and dependability; optimize usable life of the facilities; and ensure dependability and reliability through proper preventive maintenance activities.
  - Objective: Inspect the condition of sewer lines on a regular basis, utilizing remote video camera system.
  - Objective: Clean all sewer lines on a regular schedule, and increase frequency if needed, based on inspections.
- **Goal: Compliance with all health and environmental regulations.**
  - Objective: Meet all NPDES discharge permit parameters; maintain lab accreditation; and successfully implement biological pretreatment at the RBC.
  - Objective: Improve operations of the Lagoon WWTP by operational controls and engineered controls. With the use of a fluorescence microscope we continued to identify indicator bacteria the may forewarn us of an imminent upset to process.
  - Objective: With the implementation of a new NPDES permit in 2011 the Laboratory will have new challenges. To address this challenge the wastewater staff will modify bench sheets and reporting tools to align with the anticipated changes. New responsibilities will be defined such as process analysis and data correlation.
- **Goal: Ensure discharge compliance through our pretreatment Fats, Oils and Grease (FOG) program.**
  - Objective: We will formalize a new pretreatment standard and data collection system which will involve the City Compliance Officer. With training and thoughtful customer consideration we feel this enhanced program will be a positive to the transition into our new plant and help preserve its longevity and effectiveness.
  - Objective: Enforce compliance by making regular site visits and adhering to our program rules and requirements.

Measurement Results

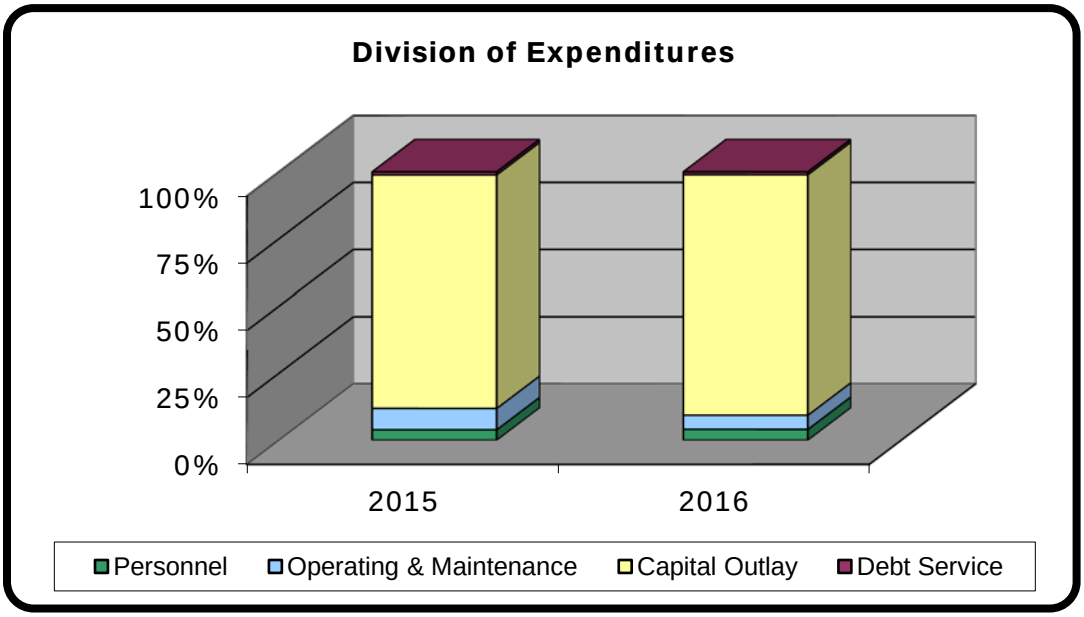
Measures	Actual 2013	Actual 2014	Projected 2015	Projected 2016
Qualitative Measures				
Permit compliance violations	0	0	0	0
Quantitative Measures				
Number of grease traps inspected	90	100	110	120
Millions of gallons of wastewater treated	684	700	710	720

Personnel Schedule

Classification	Authorized Positions 2012	2013	2014	2015	2016
Operations Manager	0.33	0.33	0.33	0.33	0.33
Lead WWC Specialist	0.50	0.50	0.50	0.50	0.50
WWC Specialist II	2.00	2.00	2.00	2.00	2.00
WWTP Supervisor	1.00	1.00	1.00	1.00	1.00
Lead WWTP Operator	2.00	1.00	1.00	1.00	1.00
WWTP Lab Coordinator	1.00	1.00	1.00	1.00	1.00
WWTP Operator II	1.00	1.00	1.00	1.00	1.00
WWTP Operator I	0.00	1.00	1.00	1.00	1.00
WWTP Operator In Training	1.00	1.00	1.00	1.00	1.00
Total	8.83	8.83	8.83	8.83	8.83

Summary of Financial Information

Fund Balance Reconciliation	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Beginning Fund Balance	$ 8,649,149	$ 8,994,259	$ 5,710,794	$ 45,880,823
Operating Revenues	4,881,430	4,855,000	62,027,132	21,516,305
Expenditures				
Personnel	689,406	771,649	754,524	833,967
Operating & Maintenance	1,906,994	981,220	1,535,053	1,082,263
Capital Outlay	-	2,225,000	16,730,460	18,340,735
Debt Service	210,573	212,410	212,348	211,888
Total Expenditures	2,806,973	4,190,279	19,232,385	20,468,853
Operating Surplus (Deficit)	2,074,457	664,721	42,794,747	1,047,452
Other Sources (Uses)				
Net Interfund Transactions	(1,071,062)	(886,473)	(2,624,718)	(2,600,686)
Net Operating Transfers	-	-	-	-
Sources Over (Under) Uses	(1,071,062)	(886,473)	(2,624,718)	(2,600,686)
Change in Fund Balance	1,003,395	(221,752)	40,170,029	(1,553,234)
Ending Fund Balance	$ 9,652,544	$ 8,772,507	$ 45,880,823	$ 44,327,589



Discussion of Key Elements

Personnel Expenditures:

The Wastewater Division has one unfilled authorized position in the budget and there are no plans at this time to fill this position until the new treatment plant is substantially completed.

Operating and Maintenance Expenditures:

A significant portion of the operating and maintenance budget is for utilities and taxes, including the State B&O Tax and the City Utility Tax that the Wastewater division must pay.

Capital Outlay:

2015 Capital Outlay:

» $125,815 Engineering services during construction

» $3,018,257 Final design

» $2,958,387 Outfall construction

» $7,108,257 Phase 1 construction of WWTP

» $1,242,703 Phase 2 construction of WWTP

» $377,282 Pre-con services for WWTP project

» $150,000 Replace sewer line SW6TH / Erie St.

2016 Capital Outlay:

» $250,000.00 to upgrade sewer lines that cause maintenance problems for the department. A 15” main on Ely Street has a major sag in the line, so it needs to be replaced. This project was not completed during the last budget cycle, so it is re-budgeted for 2016$150,000 to upgrade sewer mains

» $250,000 to extend the gravity line to NE Taftson Street and that will allow us to remove the lift station and save on operation and maintenance.

» $150,000 Sewer line rehabilitation

» $1,635,600 Engineering services during construction of new WWTP

» $16,155,135 Phase 3 construction of WWPT

Debt Service:

The Wastewater division has bonding related to the repair of the liner that forms a protective layer from the soil and the construction of a anaerobic line cell which digests the sludge.

Wastewater Cumulative Reserve

The Wastewater Cumulative Reserve fund was established to accumulate excess wastewater revenue for anticipated future capital projects. As wastewater construction projects are authorized, these funds will be transferred into the Wastewater fund (or a specially created utility construction fund) for expenditure.

Summary of Financial Information

Fund Balance Reconciliation	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Beginning Fund Balance	$ 4,953,745	$ 5,029,772	$ 5,161,732	$ 5,283,732
Operating Revenues	116,986	87,500	124,000	122,500
Expenditures				
Personnel	-	-	-	-
Operating & Maintenance	3,331	-	2,000	2,000
Capital Outlay	-	-	-	-
Total Expenditures	3,331	-	2,000	2,000
Operating Surplus (Deficit)	113,655	87,500	122,000	120,500
Other Sources (Uses)				
Net Interfund Transactions	-	-	-	-
Net Operating Transfers	-	-	-	-
Sources Over (Under) Uses	-	-	-	-
Change in Fund Balance	113,655	87,500	122,000	120,500
Ending Fund Balance	$ 5,067,400	$ 5,117,272	$ 5,283,732	$ 5,404,232

Discussion of Key Elements

Sources of Revenue:

System Development Fees and transfers from the Wastewater fund are the two major revenues sources for this fund.

Solid Waste

Mission:

The mission of the Solid Waste division is to provide excellent full service solid waste, recycling and yard waste programs to our customers at a reasonable cost.

Responsibilities:

- To provide dependable and efficient collection of residential and commercial solid waste.
- To coordinate with the Finance department regarding changes in solid waste account status and other customer service related issues.
- To promote community waste reduction through a residential and commercial curbside recycling program and through public education regarding the environmental and cost saving benefits of recycling.
- To provide cost effective alternatives for the disposal of yard waste through subscription roll cart or prepaid yard waste bag programs.
- To support community events and involvement by providing solid waste and recycling services; Adopt-A-Street program, timely clean-up of illegal dumping and regularly scheduled litter collection along arterial streets.
- To coordinate with the Development Services department regarding review of development plans as related to Solid Waste division functions.
- To continually research methods to improve service and reduce solid waste and recycling costs.

2014 Accomplishments:

✓ Expanded commercial recycling.

✓ Expanded yard waste into established and future annexed areas.

✓ Continued upkeep of dumpsters and updating dumpster enclosures closely working with development services department.

2015 – 2016 Goals:

❖ **Goal: Increase public awareness and education.**

- Objective: Provide sources of educational information using our web site, and informational pamphlets sent out with utility bills and using channel 10.

❖ **Goal: Dumpster replacement**

- Objective: In 2015, the Solid Waste division will need to start replacing most of its 13 year old metal dumpsters. Many of our dumpsters have already had the bottoms replaced once.

❖ **Goal: Implement Bi-weekly recycling**

- Objective: In 2015 if our pilot program the City is working on now is successful, we would like to implement a City wide bi-weekly pickup recycling program. Once implemented this program could potentially have a significant cost saving for the department.

- **Goal: Continue to look for ways to be more efficient**
  - Objective: Find better and cheaper ways to export our commodities off island. As transportation methods change, we need to continue to evaluate ways to reduce our transportation cost.

Measurement Results

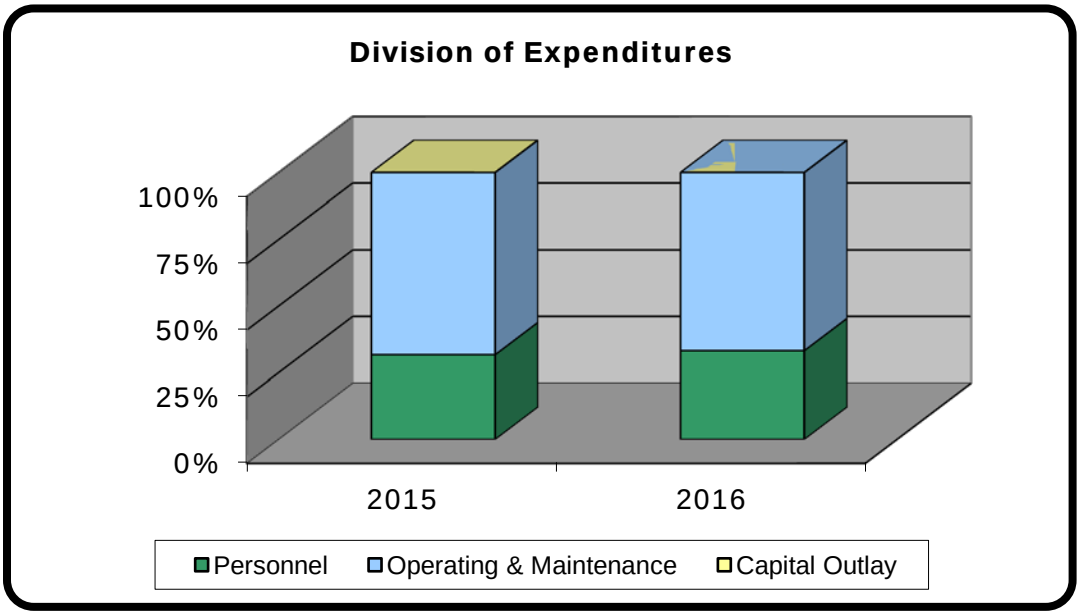
Measures	Actual 2013	Actual 2014	Projected 2015	Projected 2016
Qualitative Measures				
Number of households participating in curbside recycling program	86%	86%	86%	86%
Percent of solid waste stream diverted	39%	41%	42%	44%
Number of households participating in curbside subscription yard waste program	1,338	1,580	1,700	1,900
Quantitative Measures				
Tons of solid waste collected	7,881	7,900	8,000	8,200
Tons of recycling	1,266	1,332	1,400	1,500
Tons of yard waste	937	1,074	1,100	1,200
Number of commercial accounts with recycle rollcarts	123	156	178	200

Personnel Schedule

Classification	Authorized Positions 2012	2013	2014	2015	2016
Operations Manager	0.33	0.33	0.33	0.33	0.33
Lead Solid Waste Specialist	1.00	1.00	1.00	1.00	1.00
Solid Waste Specialist II	5.00	5.00	5.00	6.00	6.00
Solid Waste Specialist I	1.00	1.00	1.00	0.00	0.00
Total	7.33	7.33	7.33	7.33	7.33

Summary of Financial Information

Fund Balance Reconciliation	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Beginning Fund Balance	$ 1,828,169	$ 1,305,329	$ 2,467,823	$ 2,713,910
Operating Revenues	3,162,770	3,166,660	3,336,300	3,369,650
Expenditures				
Personnel	611,307	645,245	629,720	660,968
Operating & Maintenance	1,604,342	1,376,925	1,358,170	1,329,211
Capital Outlay	-	-	-	-
Total Expenditures	2,215,649	2,022,170	1,987,890	1,990,179
Operating Surplus (Deficit)	947,121	1,144,490	1,348,410	1,379,471
Other Sources (Uses)				
Net Interfund Transactions	(894,112)	(850,767)	(1,102,323)	(1,061,193)
Net Operating Transfers	-	-	-	-
Sources Over (Under) Uses	(894,112)	(850,767)	(1,102,323)	(1,061,193)
Change in Fund Balance	53,009	293,723	246,087	318,278
Ending Fund Balance	$ 1,881,178	$ 1,599,052	$ 2,713,910	$ 3,032,188



Discussion of Key Elements

Personnel Expenditures:

There are no significant changes to the personnel expenditures.

Operating and Maintenance Expenditures:

A significant portion of the operating and maintenance budget is for utilities.

Solid Waste Cumulative Reserve

The Solid Waste Cumulative Reserve fund was established to accumulate excess solid waste revenue for anticipated future capital projects, including a possible future solid waste transfer station and a recycle center. As solid waste construction projects are authorized, these funds will be transferred into the Solid Waste fund (or a specially created utility construction fund) for expenditure.

Summary of Financial Information

Fund Balance Reconciliation	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Beginning Fund Balance	$ 116,193	$ 116,546	$ 116,496	$ 116,796
Operating Revenues	303	600	300	310
Expenditures				
Personnel	-	-	-	-
Operating & Maintenance	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Operating Surplus (Deficit)	303	600	300	310
Other Sources (Uses)				
Net Interfund Transactions	-	-	-	-
Net Operating Transfers	-	-	-	-
Sources Over (Under) Uses	-	-	-	-
Change in Fund Balance	303	600	300	310
Ending Fund Balance	$ 116,496	$ 117,146	$ 116,796	$ 117,106

Discussion of Key Elements

Sources of Revenue:

Transfers from the Solid Waste fund are the major revenue source for this fund.

Storm Drain

Mission:

The mission of the City's Storm Drain division is to protect and preserve the community public health and the environment through implementation of activities to reduce and eliminate urban runoff pollution from industrial, commercial, new development/construction, and residential areas that may enter the storm drainage system.

Responsibilities:

- To protect the public through efficient collection and conveyance of storm water runoff through a well-maintained network of 10 City-owned detention facilities and control structures and 63+ miles of storm drain pipe, roadside ditches and bio-swales.
- To protect and enhance the quality of storm and surface water runoff through a proactive program of regularly scheduled catch basin cleaning, street sweeping and public education activities.
- To inspect privately owned detention facilities and control structures to ensure proper operation, and coordinate with the Engineering division regarding maintenance needs of these privately owned facilities.
- To coordinate and communicate with the Development Services department regarding review of development plans and inspection of storm water facilities installed by developers.

2014 Accomplishments:

- ✓ A new 42 outfall was installed in Windjammer Park.
- ✓ Inspected 2,626 detention ponds and control devices.
- ✓ Public education programs were prepared and conducted throughout the City.
- ✓ Began design of a new outfall on Scenic Heights.

2015 – 2016 Goals:

- ❖ **Goal: Provide pollution prevention public education and outreach.**
  - ➢ Objective: Provide sources of educational information using our web site, informational pamphlets sent out with utility bills, and volunteers and local organizations.
  - ➢ Objective: Inspect businesses for elicit discharges into the City's storm drain system.
- ❖ **Goal: Protect and preserve ocean, shoreline/beaches, and ecosystems from pollutants.**
  - ➢ Objective: Utilizing the ordinance entitled Elicit Discharge Elimination 12.50 the Storm Drain division has the ability to inspect and require organizations to use proper Best Management Practices (BMPs) to reduce the amount of urban runoff pollution from various activities.
  - ➢ Objective: Perform street sweeping on a regular schedule and increase frequency as needed to reduce leaves and debris entering the storm water system.

- **Goal: Complete two major projects that have been on the capital Projects list for several years.**
  - Objective: Install a new over the bank outfall on Scenic Heights Rd. This outfall has eroded the bank for several years creating an undesirable situation for maintenance and for property owners near this outfall. The current situation allows storm water to cascade off the bank eroding the base of the hillside.
  - Objective: Complete the outfall project at Windjammer Park. This outfall has needed to be replaced for many years.
- **Goal: Develop dedicated Operators, well trained staff, involved management, a great maintenance program and contingency plans**
  - Objective: Provide training to Operators, focused on NPDES Stormwater Permit, Illicit discharges and Spill identification. Encourage self-directed study using books, trade magazines, internet webcasts and local training opportunities. Share knowledge and experiences with coworkers and colleagues.

Measurement Results

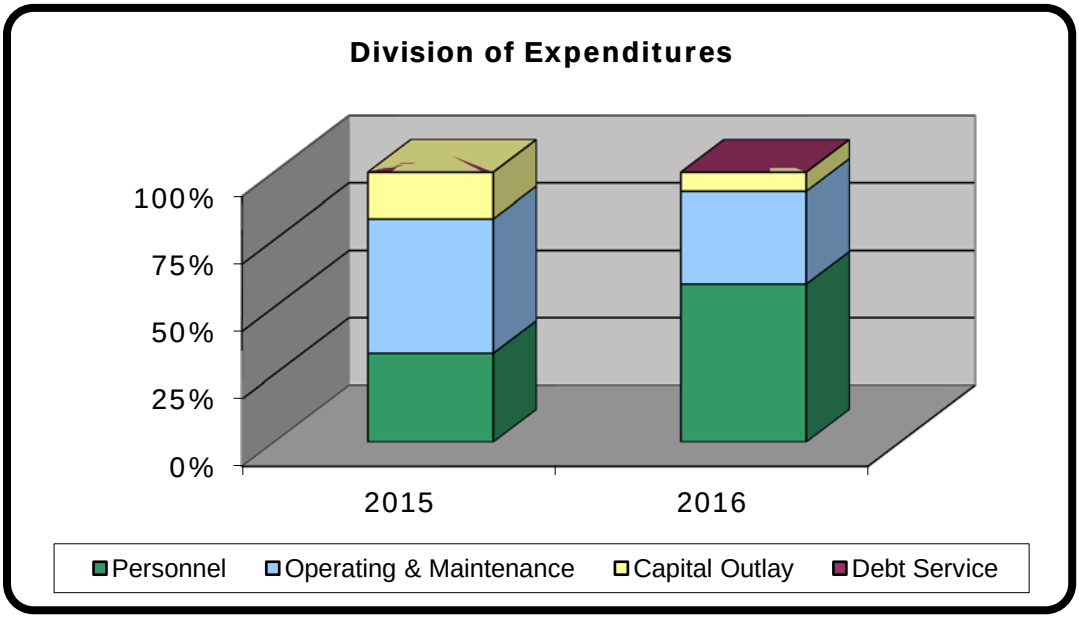
Measures	Actual 2013	Actual 2014	Projected 2015	Projected 2016
Qualitative Measures				
Environmental activities	13	15	16	16
Quantitative Measures				
Street sweeping (hours)	945	508	950	950
Control devices/detention pond inspections	278	285	280	280
Catch basins cleaned	240	283	350	350

Personnel Schedule

Classification	Authorized Positions 2012	2013	2014	2015	2016
Operations Manager	0.34	0.34	0.34	0.34	0.34
Lead Storm Drain Specialist	0.50	0.50	0.50	0.50	0.50
Storm Drain Specialist II	3.00	3.00	3.00	3.00	3.00
Environmental Educator	1.00	0.00	0.00	0.00	0.00
Code Compliance Officer	0.25	0.25	0.25	0.25	0.25
Seasonal Laborer	0.25	0.50	0.50	0.50	0.50
Total	5.34	4.59	4.59	4.59	4.59

Summary of Financial Information

Fund Balance Reconciliation	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Beginning Fund Balance	$ 300,431	$ 244,249	$ 175,875	$ 331,570
Operating Revenues	1,446,500	3,346,600	1,736,339	1,788,345
Expenditures				
Personnel	365,839	449,280	390,754	413,430
Operating & Maintenance	396,214	214,567	594,187	242,284
Capital Outlay	-	1,850,000	205,000	50,000
Debt Service	-	-	-	-
Total Expenditures	762,053	2,513,847	1,189,941	705,714
Operating Surplus (Deficit)	684,447	832,753	546,398	1,082,631
Other Sources (Uses)				
Net Interfund Transactions	(343,076)	(503,388)	(390,703)	(354,036)
Net Operating Transfers	-	-	-	-
Sources Over (Under) Uses	(343,076)	(503,388)	(390,703)	(354,036)
Change in Fund Balance	341,371	329,365	155,695	728,595
Ending Fund Balance	$ 641,802	$ 573,614	$ 331,570	$ 1,060,165



Discussion of Key Elements

Personnel Expenditures:

There are no significant changes to the personnel expenditures.

Operating and Maintenance Expenditures:

A significant portion of the operating and maintenance budget is for taxes, including the City Utility Tax that the Storm Drain division must pay.

Capital Outlay:

Capital outlay include the following:

2015 Capital Outlay:

» $50,000 annual main replacements

» $175,000 Lasik Outfall

2016 Capital Outlay:

» $50,000 annual main replacements

Debt Service:

A new Public Works Trust Fund loan was issued for the construction of the 42" Outfall. The City is still drawing on this loan and there is no debt service schedule at this time.

Storm Drain Cumulative Reserve

The Storm Drain Cumulative Reserve fund was established to accumulate excess storm drain revenue for anticipated future capital projects. As storm drain construction projects are authorized, these funds will be transferred into the Storm Drain fund (or a specially created utility construction fund) for expenditure.

Summary of Financial Information

Fund Balance Reconciliation	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Beginning Fund Balance	$ 414,223	$ 436,203	$ 415,305	$ 416,105
Operating Revenues	1,082	2,000	800	500
Expenditures				
Personnel	-	-	-	-
Operating & Maintenance	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Operating Surplus (Deficit)	1,082	2,000	800	500
Other Sources (Uses)				
Net Interfund Transactions	-	-	-	-
Net Operating Transfers	-	-	-	-
Sources Over (Under) Uses	-	-	-	-
Change in Fund Balance	1,082	2,000	800	500
Ending Fund Balance	$ 415,305	$ 438,203	$ 416,105	$ 416,605

Discussion of Key Elements

Sources of Revenue:

Transfers from the Storm Drain fund are the major revenue source for this fund.

Marina

Mission:

The mission of the Oak Harbor Marina is to provide the highest quality boating and recreational facilities for both permanent tenants and visitors, and to provide outstanding service to our customers, all while maintaining safe, fiscally sound and efficient operations.

Responsibilities:

- Provide quality, in-water moorage for our permanent tenants and visiting boaters, to include electrical power, water service, sound floats and cleats for mooring, and a clean and safe environment in which to store, maintain and operate their boats.
- Provide efficient and professional services to the public through operation of storage sheds for lease by the public and marina tenants, in which they may store boats, equipment, etc; operation of a marine fueling dock, at which we provide fuel and lubricants to all boaters, both transient and permanent; and safe and efficient launch and recovery of boats utilizing our overhead sling hoist.
- Accomplish effective maintenance and repair of all marina facilities, so that we provide for all of our customers grounds and facilities that are safe, clean, properly functioning and in good repair, and by so doing, to ensure the longest possible service life for these facilities.
- Plan and execute an effective facilities improvement, upgrade and expansion program.
- Provide recycling opportunities and facilities for our tenants and guests, with the objective of eliminating any adverse impact on the environment that might result from our marina operation.
- Ensure sound accounting and bookkeeping through professional maintenance of customer accounts, including accurate billing, correct and timely processing of payments, and proper reporting of revenues and expenditures to the City Finance department.

It is our vision that the Oak Harbor Marina will continue to earn its reputation as one of the premier marinas in the Northwest, through friendly, quality and professional service to the boating public. The Marina will continue to grow and improve in both quality and quantity of facilities and services, and will realize its full potential as a key component of the City's waterfront through thoughtful planning and careful analysis of the needs of the boaters in this area and in the Puget Sound. The Marina will continue to operate on a sound fiscal basis.

2014 Accomplishments:

- ✓ Installed and implemented free Wifi service to be used by all marina tenants and guests.
- ✓ Implemented a free loaner bicycle program to be used by guests.
- ✓ Removed a storm damaged roof from C dock, opening the slips up to be used by both power and sail boats.
- ✓ Purchased and installed new washers and dryers to be used by all tenants and guests.
- ✓ Improved customer service by having greeters on F dock during the busy summer weekends and holidays.
- ✓ Rebuilt and installed select power pedestals on A and B docks.

2015 – 2016 Goals:

- **Goal: Continue implementation of the Marina Redevelopment Program.**
  - Objective: Adopt a Marina Improvement Plan that identifies the sequencing and funding for future phases of work.
  - Action: Work with the Marina Advisory Committee to complete a plan for City Council review and approval.
  - Action: Replace existing PVC water pipes with HDPE.
  - Action: Replace select whalers, rub boards and pile hoops.
- **Goals: Continue modernizing Marina facilities and operations.**
  - Objective: Improve customer service and customer satisfaction in targeted areas.
  - Action: Update and improve WI-FI service for Marina tenants and visitors.
  - Action: Purchase and install credit/debit card readers system at the fuel dock to simplify transactions and provide better financial controls.
  - Action: Purchase and install new computer software that will expand the Marina's capabilities in moorage management and guest moorage reservations.
- **Goals: Maintain Marina facilities to a high standard to extend their useful life and to provide quality facilities for our customers.**
  - Objective: Complete major maintenance projects.
  - Action: Replace the sewer lift station located near the Harbormasters office to ensure reliability and reduce maintenance costs.
  - Action: Install central trash and recycling enclosure that will allow access to only tenants and guests.
  - Action: Rebuild and replace select power pedestals to ensure safety and increased accurate monthly usage measurements.

Measurement Results

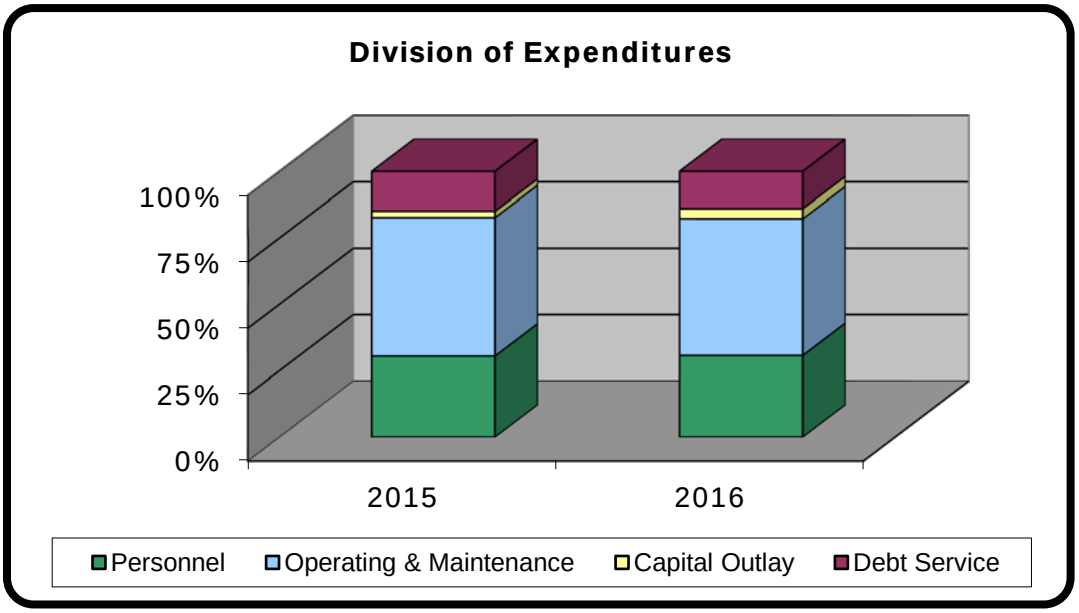
Measures	Actual 2013	Actual 2014	Projected 2015	Projected 2016
Qualitative Measures				
Improve marina sewage/waste water capacity	N/A	N/A	X	N/A
Adopt Marina Improvement Plan	N/A	N/A	X	X
Improve moorage management through new computer software	N/A	N/A	N/A	X
Improve marina cash/credit card handling	N/A	N/A	N/A	X
Quantitative Measures				
Gallons of fuel pumped	104,052	108,967	110,388	113,700
Yacht clubs hosted	14	16	16	18

Personnel Schedule

Classification	Authorized Positions 2012	2013	2014	2015	2016
Harbormaster	1.00	1.00	1.00	1.00	1.00
Assistant Harbormaster	1.00	1.00	1.00	1.00	1.00
Marina Maintenance Attendant I, II, III	2.00	2.00	2.00	2.00	2.00
Marina Operations Specialist	1.00	1.00	1.00	1.00	1.00
Seasonal Laborer	0.66	0.66	0.66	0.66	0.66
Total	5.66	5.66	5.66	5.66	5.66

Summary of Financial Information

Fund Balance Reconciliation	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Beginning Fund Balance	$ 294,130	$ 288,153	$ 385,529	$ 314,094
Operating Revenues	1,360,321	1,130,741	1,332,880	1,348,380
Expenditures				
Personnel	339,162	350,424	379,762	403,710
Operating & Maintenance	899,987	497,354	650,159	676,371
Capital Outlay	-	-	30,000	50,000
Debt Service	184,478	182,903	186,403	184,040
Total Expenditures	1,423,627	1,030,681	1,246,324	1,314,121
Operating Surplus (Deficit)	(63,306)	100,060	86,556	34,259
Other Sources (Uses)				
Net Interfund Transactions	(210,059)	(212,597)	(157,991)	(161,699)
Net Operating Transfers	46,224	46,224	-	-
Sources Over (Under) Uses	(163,835)	(166,373)	(157,991)	(161,699)
Change in Fund Balance	(227,141)	(66,313)	(71,435)	(127,440)
Ending Fund Balance	$ 66,989	$ 221,840	$ 314,094	$ 186,654



Discussion of Key Elements

Personnel Expenditures:

The vacant Assistant Harbormaster position will likely be filled in 2015 to bring the marina staff up to full capacity.

Operating and Maintenance Expenditures:

Significant operating and maintenance expenditures anticipated include the purchase of fuel for resale at the Marina and purchase of marina modernization items such as new marina management software and new credit/debit card readers at the fuel dock.

Capital Outlay:

Capital outlay purchases include new credit and debit card readers at the fuel dock, new point of sale software that will improve moorage management capabilities and a new lift station that will service the marina.

Debt Service:

The Marina has bonding related to the dredging.

Marina Cumulative Reserve

The Marina Cumulative Reserve fund was established to accumulate marina funds for anticipated future capital projects. As marina construction projects are authorized, these funds will be transferred into the Marina fund (or a specially created utility construction fund) for expenditure.

Summary of Financial Information

Fund Balance Reconciliation	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Beginning Fund Balance	$ 100,580	$ 50,000	$ 8,330	$ 8,530
Operating Revenues	198	-	200	200
Expenditures				
Personnel	-	-	-	-
Operating & Maintenance	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Operating Surplus (Deficit)	198	-	200	200
Other Sources (Uses)				
Net Interfund Transactions	-	-	-	-
Net Operating Transfers	(46,224)	(46,224)	-	-
Sources Over (Under) Uses	(46,224)	(46,224)	-	-
Change in Fund Balance	(46,026)	(46,224)	200	200
Ending Fund Balance	$ 54,554	$ 3,776	$ 8,530	$ 8,730

Discussion of Key Elements

Sources of Revenue:

Transfers from the Marina fund are the major revenue source for this fund.

Internal Service Funds

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Oak Harbor
WHIDBEY ISLAND, WASHINGTON

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Equipment Rental

Mission:

The mission of the Equipment Rental division is to provide safe, efficient and economical fleet services for the City and to be recognized by our customers as improving their efficiency and effectiveness by providing the highest level of fleet services at the lowest possible cost.

Responsibilities:

- To support the mission of all City departments by providing cost effective and dependable vehicles and equipment, by performing timely maintenance, repairs and safety inspections.
- To be accountable for the on-site fuel system and communication needs.
- To cooperate with State and local agencies to establish cooperative purchasing agreements that will reduce costs and improve efficiency and effectiveness.
- To maintain a fleet replacement program that adequately funds vehicle replacement without having to borrow funds.
- To oversee the City auction and sale of City assets in accordance with RCW 39.

2014 Accomplishments:

- ✓ Provided an effective fleet management program.
- ✓ Mechanics and operators are regularly trained on equipment. Mechanics have continually increased their training on fire apparatuses, 6 liter diesel engines, big truck brake clinics and clutch repair and replacement.
- ✓ Improved customer relationships with all City departments/divisions through open communication and transparent records.

2015 – 2016 Goals:

- ❖ **Goal: Continue to provide an effective Fleet Management program.**
  - ➢ Objective: Schedule preventive maintenance services on all vehicles/equipment, provide high quality maintenance for all City vehicles and equipment, and service all vehicles and equipment within the scheduled maintenance period. Prepare and maintain an accurate and effective replacement program.
- ❖ **Goals: Continue to develop a comprehensive fleet policy guide.**
  - ➢ Objective: To continue to develop a comprehensive fleet policy guide which will allow Equipment Rental staff to educate customers on the City's policies and procedures related to fleet operations. This will increase the operator's knowledge of the care, maintenance and operation for vehicles and equipment, as well as fulfill State and Federal safety requirements. Operator safety will increase and the essential care and operation of vehicles and equipment will extend the life of the fleet. This is a continuing goal and one that we are striving to obtain and constantly enhance.

- **Goal: Pursue opportunities with City departments and other agencies to improve operations and to lower overhead costs to our internal customers.**
  - Objective: Through new inter-local agreements we will be able to decrease our overhead and operating costs. Perhaps in the future create a revenue source through outside customers and possible fueling opportunities.

Measurement Results

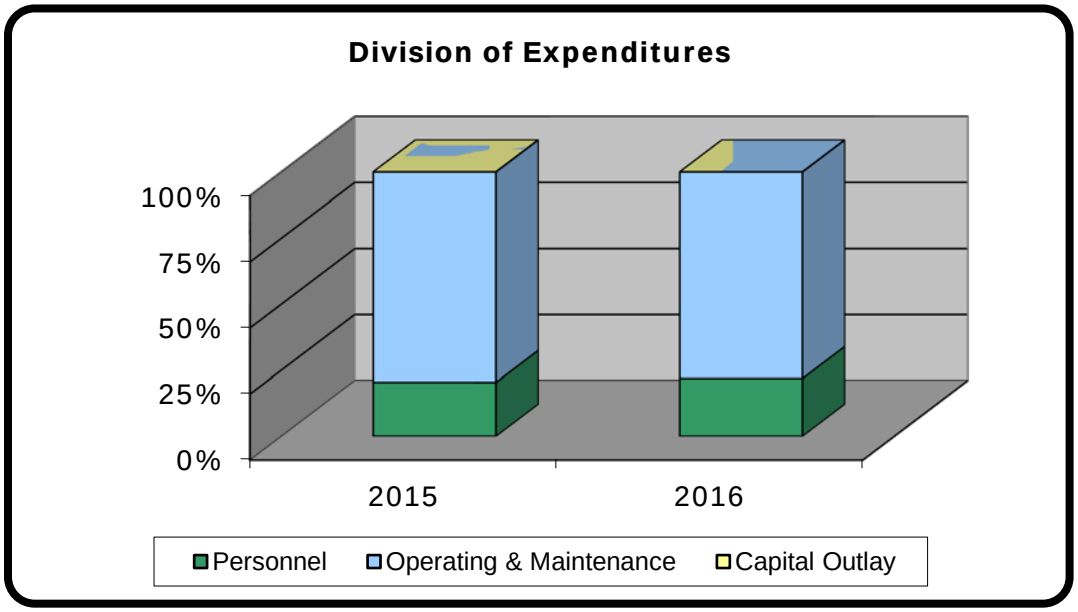
Measures	Actual 2013	Actual 2014	Projected 2015	Projected 2016
Qualitative Measures				
Scheduled preventive maintenance orders completed within 30 days	100%	100%	100%	100%
Scheduled equipment repairs completed within 20 days	100%	100%	100%	100%
Non-billable department costs (overhead percentage)	42%	49%	49%	49%
Quantitative Measures				
Ratio of vehicles to mechanics	62	60	60	60
Number of vehicles in fleet	123	119	119	119
Number of equipment in fleet	92	94	94	94
Number of preventive maintenance orders performed monthly	437	440	450	450
Number of work orders performed	1,252	1,300	1,300	1,300
Gallons of diesel fuel used	40,083	40,000	40,000	40,000
Gallons of unleaded fuel used	30,404	31,000	31,000	31,000
Total cost of fuel	$267,080	$255,000	$250,000	$250,000

Personnel Schedule

Classification	Authorized Positions 2012	2013	2014	2015	2016
Lead Mechanic	1.00	1.00	1.00	1.00	1.00
Mechanic	1.00	1.00	1.00	1.00	1.00
Seasonal Laborer	0.50	0.50	0.50	0.50	0.50
Total	2.50	2.50	2.50	2.50	2.50

Summary of Financial Information

Fund Balance Reconciliation	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Beginning Fund Balance	$ 108,359	$ 398,162	$ 138,513	$ 143,863
Operating Revenues	8,066	3,000	5,350	5,470
Expenditures				
Personnel	170,021	196,804	166,355	173,412
Operating & Maintenance	514,637	573,506	650,000	620,000
Capital Outlay	-	-	-	-
Total Expenditures	684,658	770,310	816,355	793,412
Operating Surplus (Deficit)	(676,592)	(767,310)	(811,005)	(787,942)
Other Sources (Uses)				
Net Interfund Transactions	639,514	648,510	816,355	793,412
Net Operating Transfers	-	-	-	-
Sources Over (Under) Uses	639,514	648,510	816,355	793,412
Change in Fund Balance	(37,078)	(118,800)	5,350	5,470
Ending Fund Balance	$ 71,281	$ 279,362	$ 143,863	$ 149,333



Discussion of Key Elements

Personnel Expenditures:

There are two full time mechanics budgeted in this fund and a five month temporary help if needed.

Operating and Maintenance Expenditures:

A significant portion of the operating and maintenance budget is for fuel and parts for City vehicles. Included in 2015, are funds to repaint the shop floors for heat and safety issues.

Equipment Replacement

Mission:

The mission of the Equipment Replacement fund is to provide safe, efficient and economical fleet replacements and effective and economical technology services for the City and to be recognized by our customers as improving their efficiency and effectiveness. Individual departments contribute towards future purchases over time in order to have adequate cash to fully fund the purchase of the asset with no short term borrowing.

In 2012, the Technology Fund and Equipment Replacement Fund were combined based on guidance in the State BARS manual, which indicates that you should work with the fewest number of funds necessary. Finance Department and Equipment Rental staff determined that it would be in the City's best interest to combine the funds due to the similar nature of their functions.

Responsibilities:

- To cooperate with State and local agencies to establish cooperative purchasing agreements that will reduce costs and improve efficiency and effectiveness.
- To maintain a fleet replacement program that adequately funds vehicle replacement without having to borrow funds.
- To oversee the City auction and sale of City assets in accordance with RCW 39.
- To support the mission of all City departments by providing cost effective and dependable computers and high tech assets.
- To be accountable for the maintenance and upkeep of all City software.
- To maintain a technology replacement program that adequately funds hardware and software replacements without having to borrow funds.
- To provide reliable communication through the upkeep of the internal and external network system.

2014 Accomplishments:

- ✓ Continued to implement a fleet procurement program that matches the needs and resources for each division/department.
- ✓ Purchased vehicles that would allow the divisions to move towards their goals such as a street sweeper capable of maintaining pervious pavement.
- ✓ Increased the motor pool program by moving needed, but infrequently used vehicles into the motor pool fleet so that they may be utilized more efficiently. In addition, equipment has been moved to the motor pool program so that it may be utilized by all divisions in order to remove any redundancy issues that would result in unnecessary expenditures.
- ✓ Implemented a technology procurement program that matches the needs and resources.
- ✓ Implemented new technology, such as mobile hotspots for our wireless needs.

2015 – 2016 Goals:

- **Goal: Continue to implement a fleet procurement program that matches the needs and resources for each division/department.**
  - Enhance communication among departments, assess with departments the condition of assigned equipment, work with departments to identify their needs and resources, purchase new equipment in a cost effective manner, purchase multi-use vehicles whenever feasible and utilize alternative fuel and electric vehicles when available.
- **Goals: Continue to enhance the motor pool program.**
  - Objective: By doing so the City will save money and also provide adequate equipment for all division/department needs.
- **Goals: Continue to enhance our existing technology fund.**
  - Implement new technology and procedures to assist the departments in meeting their daily needs.
  - Implement cloud based technology to share and access files remotely.
  - Implement the use of tablets to enhance our efficiency in the field and to save costs in the long run.

Measurement Results

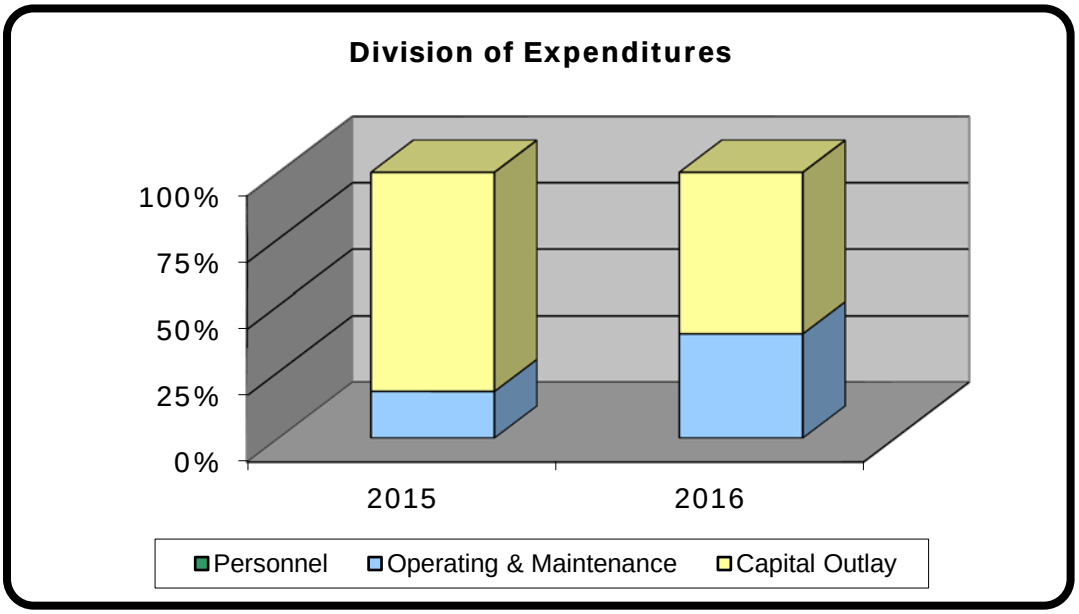
Measures	Actual 2013	Actual 2014	Projected 2015	Projected 2016
Qualitative Measures				
Ongoing completion of a schedule for all technology assets	100%	100%	100%	100%
Review needs annually and implement	100%	100%	100%	100%
Respond to service calls in 24 hours	90%	90%	90%	90%
Respond to supply calls in 24 hours	95%	95%	95%	95%
Percent of replacements completed	29%	100%	100%	100%
Quantitative Measures				
Number of workstations replaced	12	8	10	10
Number of IT tickets placed	306	218	300	300
Number of motor pool vehicles	19	19	19	19
Number of replacements completed	4	8	24	4

Personnel Schedule

There are no employees charged to this fund.

Summary of Financial Information

Fund Balance Reconciliation	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Beginning Fund Balance	$ 6,966,456	$ 6,690,312	$ 7,453,338	$ 7,469,094
Operating Revenues	3,650	-	-	-
Expenditures				
Personnel	-	-	-	-
Operating & Maintenance	700,989	280,000	295,000	295,000
Capital Outlay	-	295,000	1,380,000	455,000
Total Expenditures	700,989	575,000	1,675,000	750,000
Operating Surplus (Deficit)	(697,339)	(575,000)	(1,675,000)	(750,000)
Other Sources (Uses)				
Net Interfund Transactions	1,151,460	1,151,419	1,690,756	1,690,756
Net Operating Transfers	4,275	-	-	-
Sources Over (Under) Uses	1,155,735	1,151,419	1,690,756	1,690,756
Change in Fund Balance	458,396	576,419	15,756	940,756
Ending Fund Balance	$ 7,424,852	$ 7,266,731	$ 7,469,094	$ 8,409,850



Discussion of Key Elements

Operating and Maintenance Expenditures:

The majority of the operating and maintenance budget is for software licensing.

Capital Outlay:

Capital asset purchases include replacements for the following:

2015 Capital Acquisitions:

- 1997 Chevrolet S-10
- 1993 Godwin Pump
- 1995 Chevrolet S-10
- 1999 Ford Straddle Tractor
- 2005 Ford Ranger Pick up
- 2000 Chevrolet Pick up
- 1999 Dodge Pick up
- 2015 Tycrop Topdresser
- 1990 Trailer with water tank
- 2003 Polaris
- 2007 Chevrolet Impala
- 2008 Ford Crown Victoria
- 2008 Ford Crown Victoria
- 2008 Ford Crown Victoria
- 2001 Curotto Can
- 2008 Peterbilt Front Loader
- 2000 Ford Tractor
- 1988 Cleasby Oil Sprayer
- 2000 Wagner Striper
- 1996 Gilcrest Paver
- 2007 SASE Grinder
- 1999 Ford Flatbed
- 1990 Intl. Vactor
- 2001 Dodge Pick up

2016 Capital Acquisitions:

- 1996 Generator
- 2004 Chevrolet pick up
- 2001 Dodge Pick Up
- 2008 Peterbilt Front Loader

Shop Facility

Mission:

The mission of the Shop Facility division is to effectively manage and maintain several of the City facilities, as well as provide for the administrative functions necessary to support all of the Public Works divisions.

The Engineering Division budget is included in the Shop Facility Fund. The mission of the Engineering Division is to provide the essential engineering support for the City of Oak Harbor. Many of the functions of the Engineering Division are required by state statute and regulations, such as traffic engineering and water system planning.

Responsibilities:

- To maintain City facilities at a level which achieves or surpasses the design life and to be proactive in implementing preventive maintenance measures while tracking inventory, work orders and other costs through a facility maintenance program.
- To be accountable for a safe workplace in compliance with State and Federal safety regulations.
- To establish maintenance contracts which provide reliable and cost effective repairs and maintenance.
- To manage the central purchasing function for the City and reduce the cost of supplies and goods.
- To provide dependable support and service to all City departments by providing accurate fixed asset and purchasing records; future replacement needs for budgetary consideration; as well as other documents such as invoices, handouts, and financial reports.
- To promote compliance with City codes as they relate to City-owned and privately-owned properties.
- To plan, organize, supervise, control, direct and evaluate the engineering functions of the City.
- To develop or supervise development of plans, specifications, cost estimates and bid documents for utility and street projects and other projects and/or supervise individuals engaged in these activities.
- To administer the review and approval of plans for municipal and private development and stamp plans for municipal development produced in-house. Analyze proposals for technical adequacy and compliance with City codes, policy requirements and safety needs and/or provide direction and guidance to individuals or groups involved in the projects.
- To meet with citizens, developers, consultants and contractors to discuss projects or proposals and explain/negotiate needed changes. Review proposals with City staff and make public presentations. Recommend contract awards and other actions to the City Council.
- To conduct or supervise studies to determine future City needs and capital improvement priorities. Review utility systems for operational characteristics, impacts or needed changes.
- To plan, organize and direct major utility studies, including transportation.

- To coordinate and oversee engineering support to other divisions and departments by serving as technical liaison.
- To prioritize public infrastructure needs for the City and assist in securing funding for such improvements.
- To prepare maps and utility inventories and provides asset management support.
- To serve as the statutory traffic safety engineer.
- To act as liaison with other agencies such as State DOT, Island County and other cities.
- To procure, negotiate and administer consultant contracts.

2014 Accomplishments:

- ✓ Replaced heating systems in the Mechanics building due to unavailability of parts for the old system.
- ✓ Replaced HVAC roof top unit for the Public Works conference rooms due to a cracked heat exchanger.
- ✓ Completed construction of a large vehicle scale to weigh trucks and material in and out of the facility.
- ✓ Lowered the cost of goods and services by utilizing inter-local agreements with outside agencies and vendors.

2015 – 2016 Goals:

- ❖ **Goals: Provide effective management and implementation of the directives established by the Mayor, City Administrator and City Council.**
  - ➢ Objective: Maintain accountability and open communication with other City Departments and all employees in Public Works.
- ❖ **Goals: Implement and oversee a preventive maintenance program for City owned facilities.**
  - ➢ Objective: Identify deficiencies and maintain a schedule for repair and replacement.
- ❖ **Goals: Continue to provide a safe, clean and comfortable place for City of Oak Harbor employees to work and citizens to participate.**
  - ➢ Objective: Respond to service requests in a timely and efficient manner utilizing the Facility Dude Program. Establish and manage required maintenance service contracts for HVAC, janitorial, fire alarms and others as needed.
- ❖ **Goals: Continue to lower the cost of goods to the City through existing inter-local agreement and through the establishment of new inter-local agreements with additional agencies.**
  - ➢ Objective: Lower cost of goods. Establish and manage inter-local agreements with agencies willing to help us meet this goal.
- ❖ **Goals: Update the purchasing policies and procedures that will improve the purchasing process.**
  - ➢ Objective: It is time to update the policies and procedures that will help streamline and improve the purchasing process.

- **Goals: Implement new policies and procedures that will improve the surplus process for real property and buildings.**
  - Objective: The City does not have an established internal policy on how to surplus and dispose of real property and buildings that is no longer of use. A policy is necessary to streamline this process.

Measurement Results

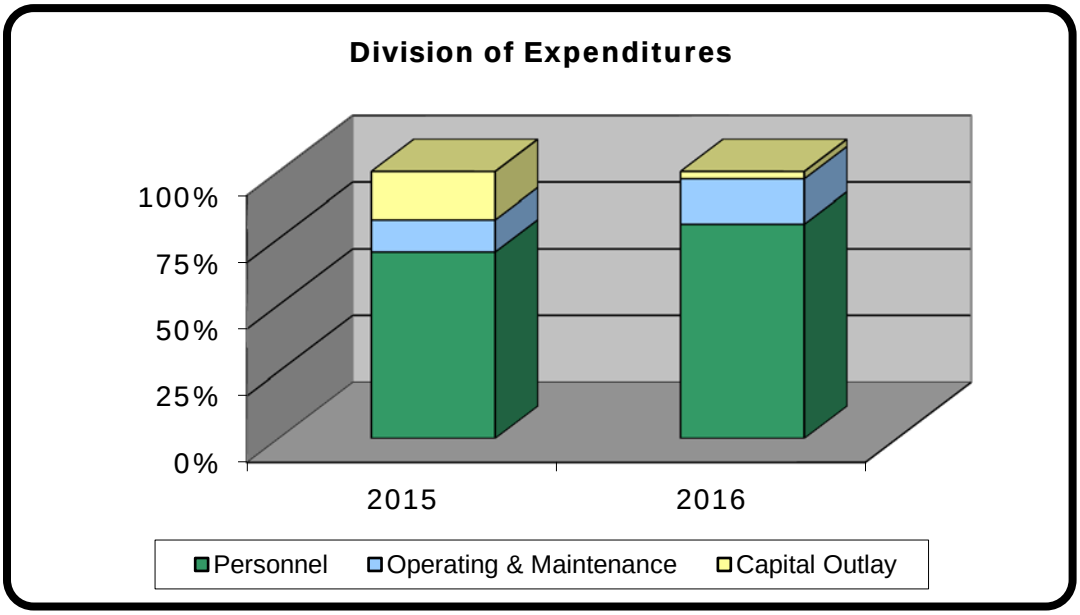
Measures	Actual 2013	Actual 2014	Projected 2015	Projected 2016
Qualitative Measures				
Audit and develop a replacement schedule for City facilities, equipment and property	75%	75%	75%	75%
Percent of maintenance staff hours devoted to preventative maintenance	50%	50%	50%	50%
Percent of maintenance staff hours devoted to on call maintenance issues	25%	25%	25%	25%
Response to service calls in 24 hours	90%	90%	90%	90%
Maintenance requests completed in five days	90%	90%	90%	90%
Quantitative Measures				
Hours spent at City Hall/I-Com	280	283	300	300
Hours spent at Police Dept/Animal Shelter	215.5	170.5	200	200
Hours spent at Senior Center	50	35	50	50
Hours spent at Library	41	10.5	25	25
Hours spent with PW divisions	101.5	83.5	100	100

Personnel Schedule

Classification	Authorized Positions 2012	2013	2014	2015	2016
Public Works Director	1.00	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Budget & Purchasing Specialist	1.00	1.00	1.00	1.00	1.00
Operations Manager	1.00	1.00	1.00	1.00	1.00
Facilities/Utility Worker	1.00	1.00	1.00	1.00	1.00
City Engineer	1.00	1.00	1.00	1.00	1.00
Project Engineer	1.00	1.00	3.00	3.00	3.00
Civil Engineer	2.00	2.00	1.00	2.00	2.00
Engineering Technician	1.00	1.00	1.00	1.00	1.00
Archaeologist	0.00	1.00	1.00	1.00	1.00
Associate Planner-Engineering	0.00	1.00	1.00	0.00	0.00
Construction Inspector	1.00	1.00	1.00	1.00	1.00
Project Specialist	1.00	0.00	0.00	0.00	0.00
Administrative Assistant-Engineering	1.00	1.00	1.00	1.00	1.00
Total	13.00	14.00	15.00	15.00	15.00

Summary of Financial Information

Fund Balance Reconciliation	Actual 2013	Amended 2014	Adopted 2015	Adopted 2016
Beginning Fund Balance	$ 89,807	$ 587,603	$ 339,161	$ 345,660
Operating Revenues	8,313	-	6,500	6,600
Expenditures				
Personnel	1,264,930	1,613,408	1,519,032	1,494,506
Operating & Maintenance	374,636	249,058	261,250	315,550
Capital Outlay	-	-	392,000	50,000
Total Expenditures	1,639,566	1,862,466	2,172,282	1,860,056
Operating Surplus (Deficit)	(1,631,253)	(1,862,466)	(2,165,782)	(1,853,456)
Other Sources (Uses)				
Net Interfund Transactions	1,518,241	1,800,331	2,172,281	1,860,056
Net Operating Transfers	-	-	-	-
Sources Over (Under) Uses	1,518,241	1,800,331	2,172,281	1,860,056
Change in Fund Balance	(113,012)	(62,135)	6,499	6,600
Ending Fund Balance	$ (23,205)	$ 525,468	$ 345,660	$ 352,260



Discussion of Key Elements

Personnel Expenditures:

A new Staff Archaeologist position has been added to assist the City with management of cultural resources.

The Project Specialist position was restructured and is now an Associate Planner/Engineering.

Operating and Maintenance Expenditures:

A significant portion of the operating and maintenance budget is for professional services and utilities.

Capital Outlay:

2015 Capital Outlay

» $60,000 Sealing and striping the public works parking lot.

» $10,000 Purchase of used areal lift.

» $250,000 construction or covered equipment/vehicle bays.

» $12,000 Purchase of wide format copier for Engineering Department.

» $60,000 Security camera for the Public Works Facility.

2016 Capital Outlay

» $50,000 Public works facility parking lot extension

Supplemental Information

CITY OF
Oak Harbor
WHIDBEY ISLAND, WASHINGTON

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Glossary

Accrual Basis. The basis of accounting under which transactions are recognized when they occur, regardless of the timing of related cash receipts and disbursements.

Actuarial Basis. A basis used in computing the amount of contributions to be made periodically to a fund or account so that the total contributions plus the compounded earnings thereon will equal the required payments to be made out of the fund. A pension trust fund for a public employee retirement system is an example of a fund concerned with actuarial basis data.

Ad Valorem Taxes. Commonly referred to as property taxes levied on both real and personal property according to the property's valuation and the tax rate.

Agency Fund. A governmental accounting classification used to describe those situations where one jurisdiction is acting on behalf of another. In this context, the City of Oak Harbor is providing accounting services for D.A.R.E. and Drug Seizure Funds via an agency fund.

Amortization. (1) Gradual reduction, redemption, or liquidation of the balance of an account according to a specified schedule of times and amounts. (2) Provisions for the extinguishment of a debt by means of a debt service fund.

Appropriation. A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. Spending should not exceed this level without approval by the legislative body.

Assessed Valuation. A value assigned to real estate or other property by a government as a basis for levying taxes.

Assessment. (1) The process of making the official valuation of property for purposes of taxation. (2) The valuation placed upon property as a result of this process.

Assets. Resources owned or held by a government which have monetary value.

Balanced Budget. The budget is in balance when revenues plus available resources are equal to or greater than planned expenditures plus reserves.

BARS. The State of Washington Budget, Accounting and Reporting System required for all governmental entities in the State.

Benefits. Benefits provided for employees, such as Social Security, retirement, worker's compensation, life insurance, and medical insurance.

Biennial Budget. A budget applicable to two fiscal years.

Bond. A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date or dates in the future, called the maturity date(s), together with periodic interest at a specified rate. The difference between a note and a bond is that the latter runs for a longer period of time and requires greater legal formality.

Bonded Debt. That portion of indebtedness represented by outstanding bonds.

Budget. A forecast of expected resources and the purposeful distribution of those scarce resources. When a budget is appropriated by ordinance or resolution, it provides both the right to spend and limits the amount to be spent.

Budgetary Control. The control or management of a government or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.

Budget Document. The instrument used by the budget-making authority to present a comprehensive financial program to the appropriating body.

Budget Message. A general discussion of the proposed budget as presented in writing by the budget-making authority to the legislative body.

Capital Improvement. Expenditures related to the acquisition, expansion or rehabilitation of public facilities, equipment, and infrastructure.

Capital Plan/Program. A plan for capital expenditures to be incurred each year over a fixed number of years to meet capital needs arising from the government's long-term needs.

Capital Outlay. Expenditures which result in the acquisition of or addition to fixed assets.

Capital Project. The largely one-time cost for acquisition, construction, improvement, replacement, or renovation of land, structures, and improvements thereon. Capital project budgets are adopted at the time the project is authorized and continue until completion.

Cash Basis. A basis of accounting under which transactions are recognized only when cash is received or disbursed.

Collective Bargaining Agreement. A legal contract between the employer and a verified representative of a recognized bargaining unit for specific terms and conditions of employment (e.g. hours, working conditions, salary, fringe benefits, and matters affecting health and safety of employees).

Comprehensive Budget. An entity-wide budget that includes all resources the government expects and everything it intends to spend or encumber during a fiscal period. The comprehensive budget contains annual/biennial appropriated budgets, the annual/biennial portion of continuing appropriations such as capital improvement projects, debt amortization schedules, and grant projects, flexible budgets and all non-budgeted funds.

Consumer Price Index (CPI). A statistical description of price levels provided by the U.S. Department of Labor. The index is used as measure of the increase in cost of living (i.e. economic inflation).

Contingency. The appropriation of reserve funds for emergencies, unforeseen expenditures not otherwise budgeted, or for future allocation in the event specific budget allotments have expired and additional funds are needed.

Contributed Capital. An equity account recording resources externally restricted for the acquisition or construction of capital assets, contributions from developers and customers, and tax levies restricted to capital purposes.

Cost Allocation. Assignment of applicable costs and charges from one fund to another required by treating each fund as an independent entity.

Coverage. Percent of revenues which covers expenditures.

Current Assets. (1) In governmental funds, those assets which are available or can be made readily available to finance current operations or to pay current liabilities. (2) In proprietary funds, those assets which will be used up or converted into cash within next operating cycle (e.g. one year). Some examples are cash, temporary investments, and taxes receivable.

Current Expense Fund. Same as General Fund.

Current Liabilities. Liabilities which are payable within next operating cycle (e.g. one year).

Debt Limit. The maximum amount of gross or net debt which is legally permitted.

Debt Service. The annual payment of principal and interest according to a predetermined payment schedule on the City's bonded indebtedness. Bonds are issued to finance the construction of capital projects such as utility facilities and expansion.

Deficit. (1) The excess of the liabilities of a fund over its assets. (2) The excess of expenditures or expenses over revenues during an accounting period; or, in the case of proprietary funds, the excess of expense over income during an accounting period.

Depreciation. Expiration in the service life of fixed assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence.

Direct Costs/Expensed. Those expenses which can be charged directly as a part of the cost of a product, service, department, operating unit or activity, as distinguished from indirect costs (overhead) which must be prorated among several products, services, departments, operating units or activities.

Employee (or Fringe) Benefits. Contributions made by a government to meet commitments or obligations for employee fringe benefits. Included are the government's share of costs for Social Security and the various pension and medical plans.

Encumbrances. The amount of funds committed to vendors for goods or services received or to be received by the City as specified in a City purchase order.

Enterprise Fund. A fund established to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed primarily through user charges. Examples include the utility funds.

Entitlement. The amount of payment to which a state or local government is entitled as determined by the federal government pursuant to an allocation formula contained in applicable statues.

Estimated Revenue. The amount of projected revenue to be collected during the fiscal year.

Expenditures. Decreases in net current assets. Expenditures include debt service, capital outlays, and those current operating costs which require the use of current assets.

Expenses. Decreases in net total assets. Expenses represent the total cost of operations during a period regardless of the timing of related expenditures.

Fees. A general term for any charge for services levied by government associated with providing a service, permitting an activity, or imposing a fine or penalty. Major types of fees include business licenses, fines, and user charges.

Fiduciary Fund Type. The trust and agency funds used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other government units and/or other funds.

Fiscal Policy. A government's policies with respect to revenues, spending, and debt management as these relate to government services, programs and capital investment. Fiscal policy provides an agreed-upon set of principles for the planning and programming of government budgets and their funding.

Fixed Assets. Assets which are intended to be held or used for a long term, such as land, buildings, improvements other than buildings, machinery and equipment.

Fixed Budget. Used to describe those budgets which set an absolute maximum or ceiling on the expenditures of a particular fund, department, or other specific category. A fixed budget can be either an annual/biennial appropriated budget or a continuing appropriation. Fixed budgets must be adopted by ordinance or resolution, either for the government's fiscal period or at the outset of a service project, debt issue, grant award, or capital project.

Franchise. A special privilege granted by a government permitting a monopoly or the continuing use of public property, such as city streets.

Full-time Equivalent Position (FTE). A part-time position converted to the decimal equivalent of a full-time position based on 2,080 hours per year.

Function. A group of related activities aimed at accomplishing a major service or regulatory program for which a government is responsible.

Fund. A fiscal and accounting entity with a self-balancing set of accounts (revenues and expenses) which are segregated for the purpose of carrying out a specific purpose or activity.

Fund Balance. The excess of the assets of a fund over its liabilities, reserves, and carryover.

GAAP. Generally Accepted Accounting Principles. Uniform minimum standards and guidelines used for financial accounting and reporting. They govern the form and content of the financial statements of an entity. They include not only broad guidelines, but also detailed practices and procedures. The primary authoritative body on the application of GAAP to state and local governments is the Governmental Accounting Standards Board.

GASB. Governmental Accounting Standards Board. Established in 1985 it is the authoritative accounting and financial reporting standard-setting body for government entities.

General Fund. The fund used to account for all financial resources except those required to be accounted for in another fund.

General Ledger. A book, file, or other device which contains the accounts needed to reflect the financial position and the results of operations of an entity.

General Long-term Debt. Long-term debt expected to be repaid from governmental funds. This includes general assessment debt for which the government is obligated in some manner.

General Obligation (G.O.) Bonds. Bonds for which the full faith and credit of the issuing government has been pledged for repayment.

Goal. A statement of broad direction, purpose or intent based on the needs of the community. A goal is general and timeless.

Grants. External contributions or gifts of cash or other assets to be used or expended for a specified purpose, activity, or facility.

Impact Fees. Fees assessed to developers to help mitigate costs associated with the impact of growth and development.

Indirect Costs. A cost necessary for the functioning of the organization as a whole, but which cannot be directly assigned to one service.

Infrastructure. The physical assets of a government (e.g. streets, water, sewer, public buildings and parks).

Interfund Transfers. The movement of monies between funds of the same governmental entity.

Intergovernmental Revenue. Funds received from federal, state and other local government sources in the form of grants, entitlements, shared revenues, or payments in lieu of taxes.

Internal Control. The system of controls established by the City to protect the assets from misappropriation and ensure accurate reporting of financial transactions.

Internal Service Fund. A fund used to account for the financing of goods or services provided by one department or agency to other departments or agencies on a cost-reimbursement basis. The City's Equipment Rental Fund is an example of an internal service fund.

LEOFF. Law Enforcement Officers and Firefighters Retirement System provided in the State of Washington.

Levy. *(Verb)* To impose taxes, special assessments, or service charges for the support of governmental activities. *(Noun)* The total amount of taxes, special assessments, or service charges imposed by a government.

Liabilities. Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed, or refunded at some future date. The term does not include encumbrances.

Licenses and Permits. Revenue category that include building permits, business licenses, and any other miscellaneous license.

LID. Local Improvement District or Special Assessments made against certain properties to defray part or all of the cost of a specific improvement or service deemed to primarily

benefit those properties. The City is not directly responsible for the debt but is obligated to the extent that it is required to establish a guaranty fund to guaranty payments.

Long-term Debt. Debt with a maturity of more than one year after the date of issuance.

Mission Statement. A broad statement of the purpose, in terms of meeting public service needs, that a department is organized to meet.

Net Income/Revenue. The excess of operating revenues, nonoperating revenues, and operating transfers-in over operating expenses, nonoperating expenses, and transfers-out.

Nonoperating Expenses. Those expenses which are not directly related to the fund's primary service activities.

Nonoperating Revenues. Those revenues which are incidental to, or by-products of, the fund's primary service activities.

Objective. Something to be accomplished in specific, well-defined, and measurable terms and that is achievable within a specific time frame.

Obligations. Amounts which a government may be required legally to meet out of its resources.

Operating Budget. Plans of current expenditures and the proposed means of financing them. The annual/biennial operating budget is the primary means by which most of the financing, acquisition, spending, and service delivery activities of a government are controlled.

Operating Expenses. Those costs including expenditures for salaries and wages, benefits, supplies, services, and charges which are necessary to support the primary services of the operation.

Operating Revenues. Those revenues which are directly related to the fund's primary service activities. They consist primarily of user charges for service.

Other Financing Sources. Governmental fund general long-term debt proceeds, operating transfers-in, and material proceeds of fixed asset dispositions. Such amounts are classified separately from revenues.

Other Financing Uses. Governmental fund operating transfers-out. Such amounts are classified separately from expenditures.

Outlays. Synonymous with expenditures.

Overhead. All costs other than direct costs.

Performance Indicators. Specific quantitative and qualitative measures of work performed as an objective of specific departments or programs.

Performance Measure. Data collected to determine how effective or efficient a program is in achieving its objectives.

PERS. Public Employees Retirement System provided for employees other than police and fire personnel in the State of Washington.

Policy. A principle or course of action chosen to guide decision making.

Preliminary Budget. The recommended and unapproved City budget submitted to the City Council and the public.

Refunding Bonds. Bonds issued to retire bonds already outstanding. The refunding bonds may be sold for cash and outstanding bonds redeemed in cash, or the refunding bonds may be exchanged with holders of outstanding bonds.

Reserve. (1) An account used to segregate a portion of fund balance to indicate that it is not available for expenditure; and (2) an account used to segregate a portion of fund equity as legally set aside for a specific future use.

Restricted Assets. Monies or other resources, the use of which is restricted by legal or contractual requirements. These are sometimes called restricted "funds" but such terminology is not preferred.

Resolution. A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.

Resources. Total amounts available for appropriation including estimated revenues, fund transfers, and beginning balances.

Revenue. Sources of income financing the operations of government.

Revenue Bonds. Bonds whose principal and interest are payable exclusively from earnings of an enterprise fund. In addition to a pledge of revenues, such bonds sometimes contain a mortgage on the enterprise fund's property.

Special Assessment. A compulsory levy made against certain properties to defray part or all of the cost of a specific improvement or service deemed to primarily benefit those properties.

Tax Levy. The resultant product when the tax rate per one hundred dollars is multiplied by the tax base.

Taxes. Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people. This term does not include specific charges made against particular persons or property for current or permanent benefit such as special assessments. Neither does the term include charges for services rendered only to those who pay, for example, sewer service charges.

Trust Funds. Funds used to account for assets held by a government in a trustee capacity for individuals, private organizations, other governments, and/or other funds.

Unreserved Fund Balance. The portion of fund's balance that is not restricted for a specific purpose and is available for general appropriation.

User Fees. The payment of a fee for direct receipt of a public service by the party who benefits from the services.

Working Capital. The year-end balance of current assets less current liabilities in the Enterprise and Internal Service Funds. The unencumbered balance at year-end is available for appropriation in the next year's budget.

ORDINANCE NO. 1705

AN ORDINANCE TO ENCUMBER RESOURCES AND TO ESTABLISH EXPENDITURE AUTHORITY THROUGH THE ADOPTION OF THE CITY OF OAK HARBOR 2015-2016 BIENNIAL BUDGET.

WHEREAS, the City of Oak Harbor has elected to utilize a biennial budget as provided in RCW 35A.34.040; and

WHEREAS, a public hearing was held August 6, 2014 regarding revenue sources for the 2015-2016 biennial period, including consideration of possible increases in property tax revenues as required by RCW 84.55.120; and

WHEREAS, budget estimates from each department of City government were provided to the City Clerk as required by RCW 35A.34.050 setting forth the complete financial program of the City for the ensuing fiscal biennium; and

WHEREAS, a proposed preliminary budget was prepared setting out the complete financial program of the City for the ensuing fiscal biennium as required by RCW 35A.34.070; and

WHEREAS, the preliminary budget was prepared in detail on November 1, 2014, making revisions or additions to the reports of the department heads and is made available to the public at least six weeks prior to the City's new fiscal biennium, beginning January 1, 2015; and

WHEREAS, the City Clerk has published notice of a final public hearing on the final 2015-2016 biennial budget in the Whidbey News Times on November 22 and November 29, 2014; and,

WHEREAS, the Oak Harbor City Council held the final public hearing at the December 2, 2014 City Council meeting to receive discussion and input from the public; and,

WHEREAS, the City of Oak Harbor desires to set forth and establish expenditure authority for the purpose of continuing operations for the biennial period commencing January 1, 2015 through December 31, 2016;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OAK HARBOR do hereby ordain as follows:

Section 1: The 2015-2016 Biennial Budget as presented at the December 2, 2014 public hearing is hereby adopted as the revenue and expenditure authority for years 2015-2016 for the City of Oak Harbor. The City Clerk is instructed to file the same with the minutes of this meeting. Set forth in summary form are the totals of the estimated revenues and encumbrances for each separate fund and the aggregate totals for all such funds combined:

FUND		2015 Budget	2016 Budget
Fund: 001	CURRENT EXPENSE	$16,440,080	$16,448,784
Fund: 002	CURRENT EXPENSE RESERVES	3,864,506	4,150,094
Fund: 003	CURRENT EXP - DISCOVERY	15,000	15,000
Fund: 005	CURRENT EXP - SEIZURE	10,000	10,000
Fund: 006	WHIDBEYISLAND MARATHON	127,628	132,972
Fund: 101	STREETS	1,998,836	1,869,735
Fund: 104	ARTERIALS	943,087	838,898
Fund: 105	TRANSPORTATION CAPITAL IMPROVE	1,123,591	1,165,559
Fund: 106	PATHS & TRAILS 1/2 OF 1% MVFT	29,037	26,459
Fund: 110	CUMULATIVE RESERVE STREETS	-	-
Fund: 115	ART ACQUISITION & MAINTENANCE	48,923	19,023
Fund: 116	CIVIC IMPROVEMENT (2%)	801,172	722,072
Fund: 125	PARK IMPROV-NEIGHBORHOOD PARKS	99,154	99,404
Fund: 126	PARK IMPROV COMMUNITY PARKS	274,488	275,138
Fund: 127	PARK IMPACT FEE	60,250	121,500
Fund: 129	SENIOR CENTER	442,154	485,940
Fund: 311	CUM RESERVE (M) 1ST 1/4% REET	1,174,364	1,319,914
Fund: 312	CUM RESERVE MCI 2ND 1/4% REET	584,226	759,776
Fund: 320	CONSTRUCTION - DOCK PROJECT	167,814	167,814
Fund: 325	WATERFRONT REDEVELOPMENT FUND	504,499	425,849
Fund: 401	WATER	8,078,122	9,649,368
Fund: 402	SEWER	67,737,926	67,397,128
Fund: 403	SOLID WASTE	5,804,123	6,083,560
Fund: 404	STORM DRAIN	1,913,214	2,120,915
Fund: 410	MARINA	1,718,409	1,662,474
Fund: 411	CUMULATIVE RESERVE WATER	2,768,571	2,982,071
Fund: 412	CUMULATIVE RESERVE SEWER	5,285,732	5,406,232
Fund: 413	CUMULATIVE RESERVE - SOLID WASTE	116,796	117,106
Fund: 414	CUMULATIVE RESERVE STORM DRAIN	416,105	416,605
Fund: 420	CUMULATIVE RESERVE MARINA	8,530	8,730
Fund: 501	EQUIPMENT RENTAL	1,262,729	1,181,886
Fund: 502	EQUIPMENT REPLACEMENT	9,144,094	9,159,850
Fund: 510	SHOP FACILITY	3,177,331	2,854,142
		$136,140,491	$138,093,998

Section 2: This ordinance shall be in full force and effect on January 1, 2015, at least five days after passage and upon legal publication.

PASSED and approved by the City Council this 2nd day of December, 2014.

CITY OF OAK HARBOR

SCOTT DUDLEY, MAYOR

Attest:

Anna Thompson, Esq., City Clerk

Approved as to Form:

Nikki Esparza, City Attorney

Introduction:
Adopted:
Published:

CITY OF
Oak Harbor
WHIDBEY ISLAND, WASHINGTON

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