City of Sequim
Adopted Budget 2024



Last updated 11/28/23

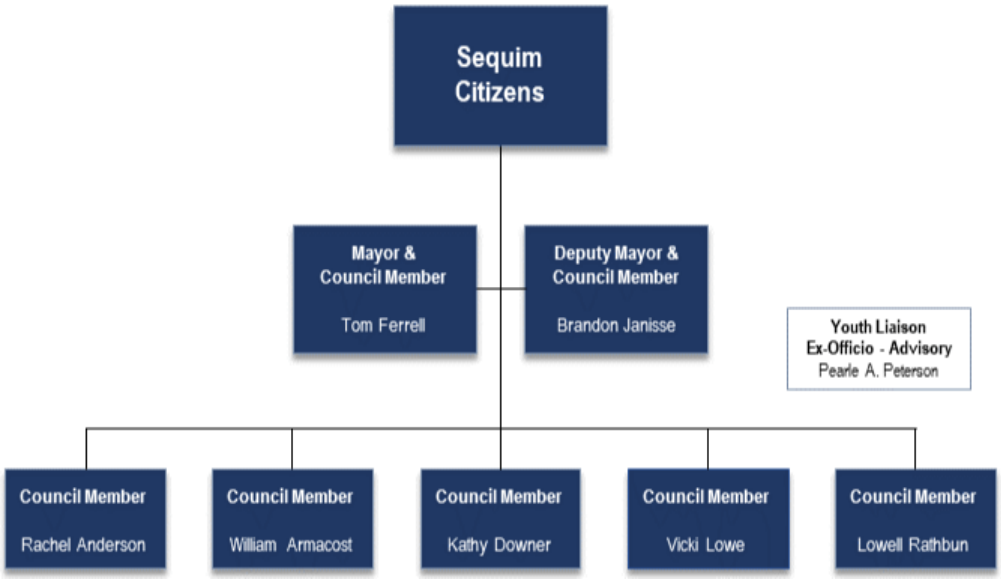
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DEPARTMENTS

City Council Organization



- Adopts local ordinances & resolutions
- Approves contracts
- Establishes policy
- Approves the budget
- Approves various legislative land use action
- Listens to concerns/suggestions from residents
- Appoints the City Manager
- Establishes various committees and confirms appointments to those committees
- Mayor serves as the ceremonial head of the city



City Council

Department Description
The City of Sequim operates under the council-manager form of government. Under the council–manager form of government for municipalities, the elected governing body (City Council) is responsible for the legislative function of the municipality such as establishing policy, adopting local ordinances, establishing an annual budget, and developing an overall vision.

The Council is made up of seven members elected at large on a non-partisan basis for overlapping four-year terms. Every two years Council members elect a Mayor and Deputy Mayor from among their membership to lead the Council's business meetings and represent the City at official functions.

Work by the Council involves considerable interaction with citizens, commissions, other governmental agencies, and staff. Regular meetings of the Council are held every second and fourth Monday evening starting at 6:00 p.m. Work sessions are held prior to the regular meeting, if necessary, to devote extra study to an issue.

Mission
The mission of the City Council is to provide quality, cost-effective services and facilities to build an exceptional community and a great place to live.

Key Goals

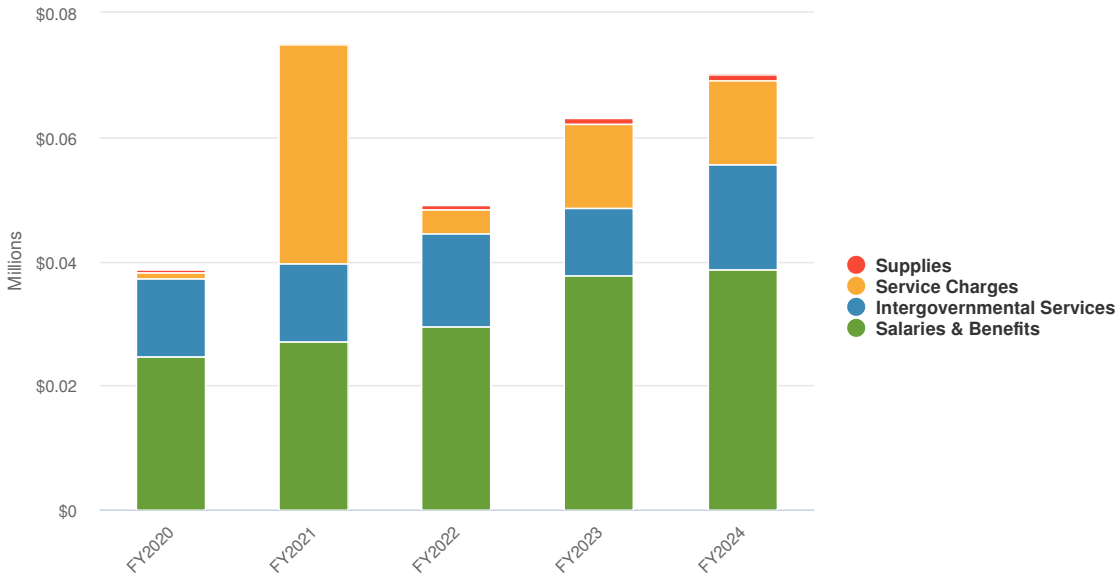
- Economic Development
- Housing
- Parks
- Transportation

Summary

Expenditure Summary
This budget increased by $7k (11%) from the 2023 Budget due an increase in Council member stipends (as determined by the Council Salary Commission to be more equitable and in line with comparable cities) and increases in election and voter registration costs.

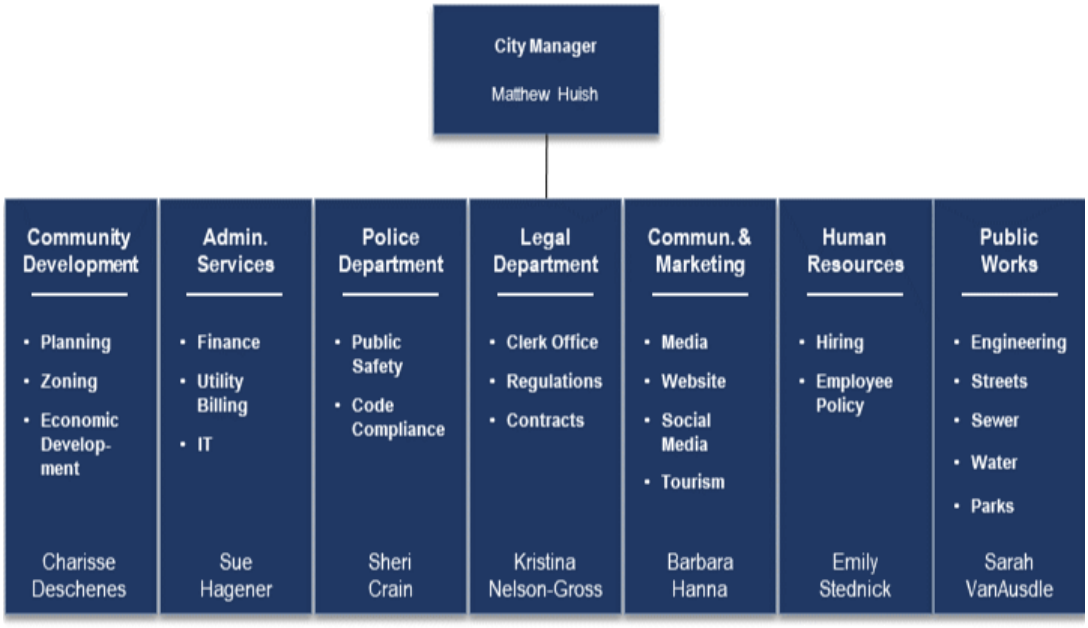
City Council Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Expense Objects							
Salaries & Benefits	$24,721	$27,124	$29,499	$37,689	$38,624	$935	2.5%
Supplies	$708	$17	$890	$1,000	$1,000	$0	0%
Service Charges	$773	$35,378	$3,714	$13,450	$13,450	$0	0%
Intergovernmental Services	$12,572	$12,461	$15,055	$11,000	$17,000	$6,000	54.5%
Total Expense Objects:	**$38,775**	**$74,981**	**$49,158**	**$63,139**	**$70,074**	**$6,935**	**11%**

City Administration Organization

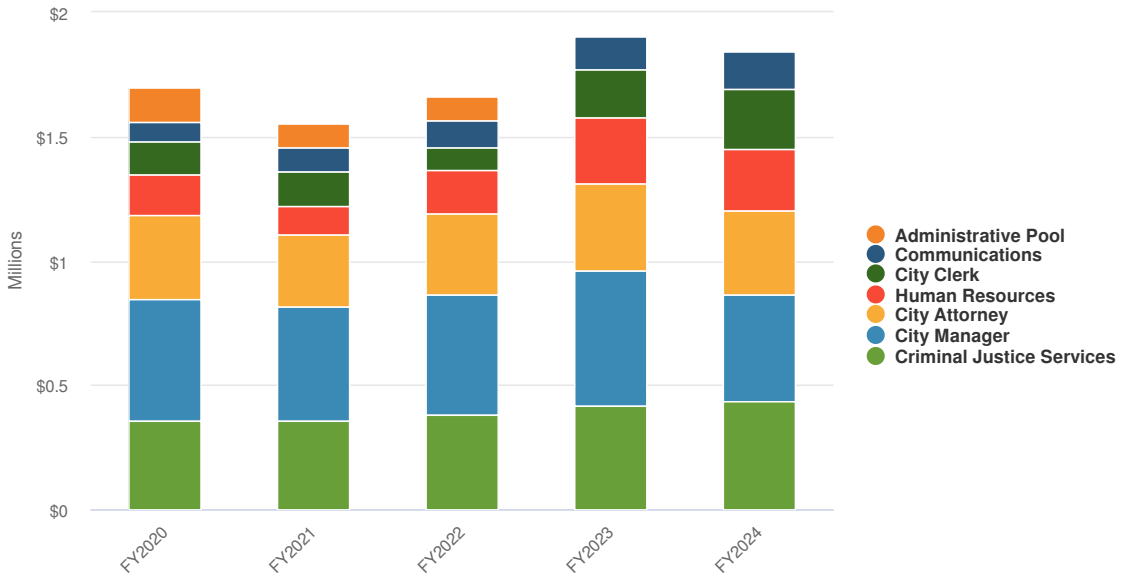




City Administration Department Overview

City Administration Expenditures

Budgeted and Historical Expenditures by Function



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Expenditures							
Council / City Administration							
City Clerk	$133,754	$138,914	$89,671	$189,307	$239,915	$50,608	26.7%
City Manager	$494,109	$457,978	$485,319	$541,857	$426,053	-$115,804	-21.4%
City Attorney	$333,717	$292,698	$321,690	$353,773	$341,403	-$12,370	-3.5%
Communications	$82,036	$92,993	$112,164	$136,296	$154,206	$17,910	13.1%
Human Resources	$162,010	$113,034	$177,878	$266,485	$248,560	-$17,925	-6.7%
Administrative Pool	$139,803	$99,450	$93,700			$0	N/A
Criminal Justice Services	$354,605	$357,808	$380,502	$416,426	$435,581	$19,155	4.6%
Total Council / City Administration:	**$1,700,034**	**$1,552,875**	**$1,660,925**	**$1,904,144**	**$1,845,718**	**-$58,426**	**-3.1%**
Total Expenditures:	**$1,700,034**	**$1,552,875**	**$1,660,925**	**$1,904,144**	**$1,845,718**	**-$58,426**	**-3.1%**

City Manager

Department Description

The City Manager's Office (CMO) implements and operationalizes policy decisions from the City Council. The CMO provides organizational, management and strategic support and direction to all city departments and staff. Additionally, the CMO is responsible for preparing a proposed annual budget and long-range financial plan to City Council for their review and approval. The CMO is committed to its vision, mission and foundational values which drive all business decisions. Utilizing data and analytics for decision support are key. The CMO also works closely with elected officials, community businesses, public agencies, Tribal leadership, resident/volunteer groups, other organized entities as well as city designated commissions and committees.

Vision

To be Washington's most sought-after city to work and live in.

Mission

To provide maximum VALUE to our community by:

- Providing high-quality municipal services
- Ensuring superb customer (co-workers, citizens, businesses) satisfaction
- Decreasing costs through technology and improved efficiencies discovered through continual process improvement

Foundational Values

- Honesty, Integrity, Fairness
- Customer Centric, Clear Communication
- Teamwork, Collaboration
- State-of-the-art Technology, Equipment, Tools
- Data Analytics, CQI, Decision Support, Subject Matter Expertise
- Engagement, Ownership, Solution Orientation
- Strong Work, Commitment, Ethics
- Ongoing Personal, Professional Learning
- Professional Competency, Subject Matter Expertise

Key Goals

- **Improved Municipal Infrastructure:** Execution of an extensive Capital Improvement Program (CIP) per the identified infrastructure needs regarding city streets, water, sewer, parks, and facilities.
- **Community Engagement:** Increased resident and business communications through satisfaction surveying, improved website and social media initiatives, community (comprehensive/master) planning opportunities, park development, and quality-of-life interactions.
- **Digital Transformation:** Implementation of a smart city, e-government automation plan to decrease operational costs while increasing efficiencies, access, cybersecurity, employee satisfaction and productivity.
- **Workforce Stabilization:** Investing in staff retention through competitive salaries, benefits, and skill-set development while also ensuring a seamless succession of senior management transitioning into planned retirement.
- **Continual Process Improvement**: Evaluating all processes for improvement opportunities by implementing efficiencies and eliminating waste in time and materials. Evaluating return on investment with every decision, mandating data-driven decisions, and expansion of analytics and business intelligence across all departments.

Summary

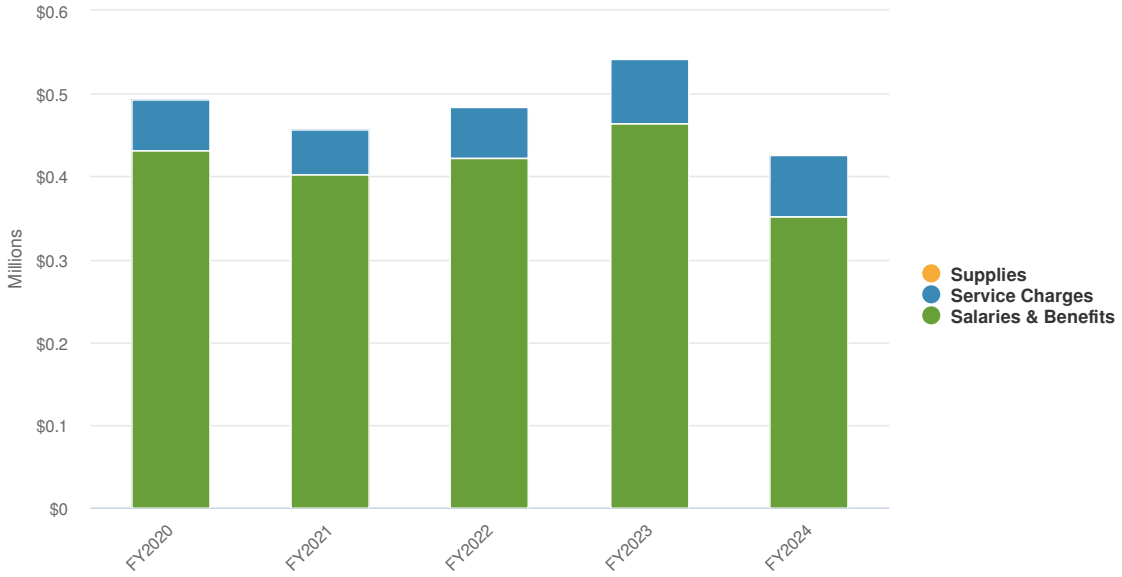
Expenditure Summary

This budget decreased by $116k (21%) from the 2023 Budget primarily due to a .5 net reduction in FTE which included the removal of the Assistant City Manager position (1 FTE) from this department, movement of the Assistant City Clerk (.5 FTE) to the Clerk's Office, and the addition of an Executive Administrative Assistant (1FTE). An appropriate decrease in training/travel was made to accompany the reduction in staffing.



City Manager Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Expense Objects							
Salaries & Benefits	$432,227	$402,318	$422,466	$463,271	$352,318	-$110,953	-23.9%
Supplies	$551	$534	$728	$121	$270	$149	123.1%
Service Charges	$61,332	$55,127	$62,126	$78,465	$73,465	-$5,000	-6.4%
Total Expense Objects:	**$494,109**	**$457,978**	**$485,319**	**$541,857**	**$426,053**	**-$115,804**	**-21.4%**

City Clerk

Department Description
The City Clerk serves as a link between the public and policy formation and facilitates the City's legislative process. The City Clerk assists the City Council in fulfilling responsibilities by administering required procedures involved in Council operations. The Clerk is the liaison to Clallam County Elections, conducts City Council elections and the appointment process for Council vacancies, verifies notices have been posted or published, and completes necessary tasks for effective and compliant public meetings. The Clerk records Council decisions in meeting minutes and oversees the preservation and protection of ordinances, resolutions, the municipal code, and other vital public records.

The Clerk promotes efficient management of all public records in accordance with state laws through written procedure and staff training. By improving the organization of and access to information the Clerk assists all members of staff in carrying out duties efficiently. The Clerk is the City's Public Records Officer required by RCW 42.56.580 who serves as a point of contact for members of the public requesting records disclosure. The position oversees the City's compliance with state public records disclosure requirements.

The City Clerk recognizes the need to professionalize key processes within the organization and provide greater standards for boards, commissions, and committees. Through 2023 and beyond this Division will work with City Council and Staff to evaluate current procedures and develop streamlined improvements.

Mission
The mission of the City Clerk’s office is to maintain open government and preserve the public record.

Key Goals

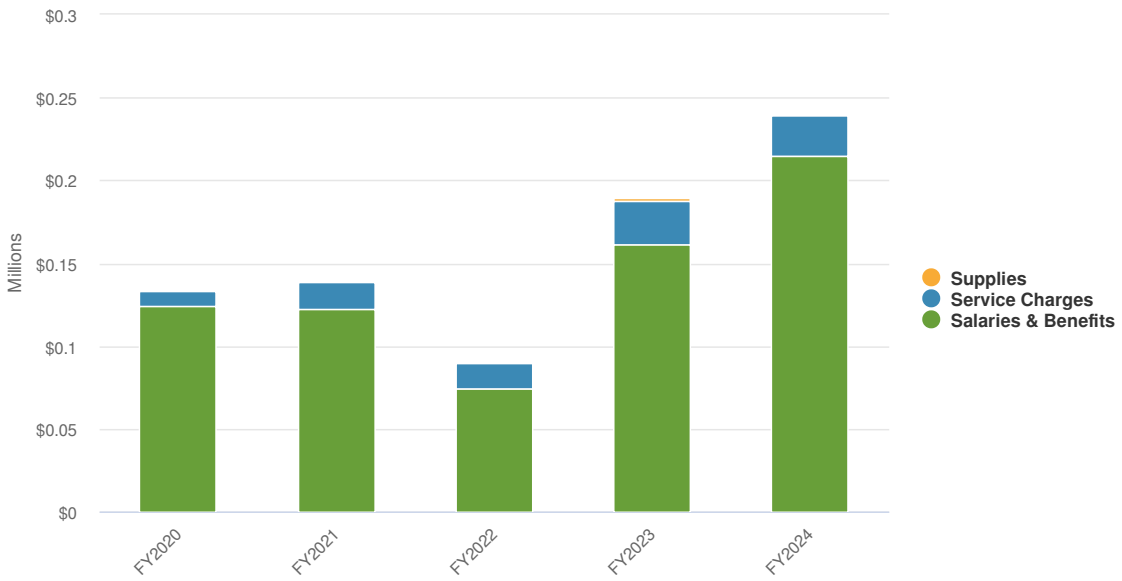
- Use technology and improved procedures to provide greater public access to public meetings, records, and information.
- Process and respond to public records requests in a timely, accurate, and complete manner.
- Standardize and streamline the operation of all City Council advisory commissions, committees, and boards.
- Update and create key internal processes and procedures for records management.
- Develop a public records training program for all members of staff and specialized records training for identified staff members.
- Develop and oversee a records inventory that includes a review of digital and paper files.

Summary

Expenditure Summary
The 2024 Budget increased by $51k (27%) from the 2023 Budget primarily due to the addition of a partial position (creating a full-time Assistant City Clerk) due to mounting administrative and records management needs.

City Clerk Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Expense Objects							
Salaries & Benefits	$124,303	$122,710	$74,511	$161,522	$214,965	$53,443	33.1%
Supplies	$919	$130	$260	$1,500	$500	-$1,000	-66.7%
Service Charges	$8,532	$16,074	$14,900	$26,285	$24,450	-$1,835	-7%
Total Expense Objects:	**$133,754**	**$138,914**	**$89,671**	**$189,307**	**$239,915**	**$50,608**	**26.7%**



City Attorney

Department Description

The City Attorney serves as legal advisor to the City Council, City Manager, City boards and commissions, and to City staff on issues related to City business. This Department helps conduct City business and reduces risk of loss caused by legal issues. It pursues civil litigation authorized by Council, statute, or ordinance; defends the City in civil litigation; prepares and reviews Council agenda items, contracts, and interlocal agreements; assesses compliance with statutes, regulations, and rules; recommends and drafts changes to the Sequim Municipal Code, internal policies, and procedures; and advises staff and Council on a variety of City issues. The Department continues to work closely with Human Resources in the City's collective bargaining processes.

The Legal Department took over the primary responsibility for risk management/claims, code revisions, and overall contract management in 2019 with Council's approval of a new paralegal position. Claims that do not reach risk pool deductible levels are handled internally by the Legal Department. Total claims for 2023 (as of June 30) are 28 property claims and 3 tort claims. The 3 tort claims are closed, and of the property claims 3 claims remain open. Of those 28 property claims, 19 were graffiti and 7 were small property damage claims. Total property claims started to increase in 2022 (41) due to a large up-swing in graffiti and "small property damage" claims. The City did not track graffiti or small property damage claims until 2022. In 2022, the Legal Department partnered with Public Works through the Cartegraph program to develop a tracking system for various claims, such as property damage, to track and monitor potentially problematic areas. We also partner with Human Resources to examine worker injury and incorporate risk identification and management into that area as well. The Legal Department also discovered through our risk pool, WCIA, that we could use their training program to develop our own to further train City staff on targeted areas. One of our staff has received certification in our risk pool's risk management program. Staff continue to develop and enhance our risk management guidelines and procedures, designed to create a culture of risk management and safety throughout the organization. We also continue to work with other departments to improve and streamline their processes.

Also in 2022, the Legal Department also took on supervision of the Clerk's Office, and provides much-needed support to the Clerk in terms of back-up Clerk duties, public records responses, and overall records management. As part of the Department's new Clerk responsibilities and to mitigate risk, the Department began addressing critical needs in our records management and public records processes. These improvements include, among other things, purchasing new software to enhance public access to the City's records. We are currently training other department staff in proper records retention and management strategies.

Between July 2022 and July 10, 2023, the City Council has adopted, amended, or repealed 159 sections of the Sequim Municipal Code. Staff have many more in various stages of a "work in progress" because of staff workloads, and we must send many land use codes to WA State Dept. of Commerce and Planning Commission first. Council can expect to see continued code adoptions, amendments, and repeals throughout the remainder of 2023 and into 2024.

This Department also oversees the review and update of various City policies and procedures to conform with changing law and best practices. Completed projects include updating the City's Personnel Policy, and its refreshments, donations, and surplus guidelines, along with other

miscellaneous administrative guidelines. Projects currently underway include updating the Public Records Disclosure guide, creating risk management and general Records Management guidelines, and creating or updating other miscellaneous policies, guidelines, and procedures as appropriate.

Mission
We use the law to protect and promote sound public policy.

Key Goals

- Continue to minimize unnecessary legal costs.
- Continue to update and streamline the Sequim Municipal Code and City forms and policies.
- Continue involvement with the legal aspects of Human Resources.
- Continue primary responsibility for Risk Management.

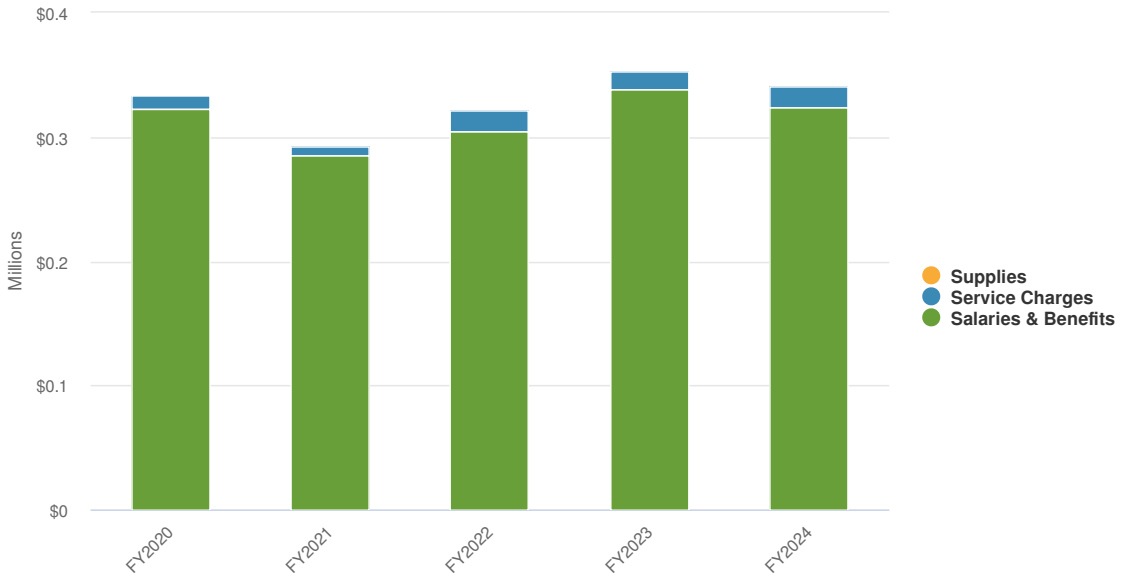
Summary

Expenditure Summary
This budget decreased by $12k (4%) from the 2023 Budget due to increases in the allocation of costs related to personnel matters out to other departments (based upon FTE count) and lower PERS and medical insurance costs.



City Attorney Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Expense Objects							
Salaries & Benefits	$322,839	$284,881	$304,991	$338,017	$323,821	-$14,196	-4.2%
Supplies	$107		$431	$300	$300	$0	0%
Service Charges	$10,771	$7,818	$16,269	$15,456	$17,282	$1,826	11.8%
Total Expense Objects:	**$333,717**	**$292,698**	**$321,690**	**$353,773**	**$341,403**	**-$12,370**	**-3.5%**

Communications

Department Description
This office develops and implements various strategies as they relate to both internal and external communications and supports community engagement programs. The Communications Director serves as an internal consultant to the City Council, City Manager and other departments, as requested, on communication strategies and methods, serves as a City liaison to community organizations, advises on or handles high profile media issues, produces and oversees the publication of the monthly newsletter, oversees social media programs, and assists internal departments with website content.

Mission
The mission of the Communications Office is to communicate for an engaged and informed community.

Key Goals

- Citizen Customer Satisfaction Survey program will be launched in 2023 and is intended to continue on an annual basis with different areas of emphasis allowing the City to develop workplans from the input and improve customer satisfaction.
- Support community outreach and engagement programs.
- Continue the distribution of the monthly newsletter through utility billings, to residents in multi-unit facilities when possible, and publication in the local newspaper, while developing a new digital newsletter.
- Continue to focus on emergency management communications.
- Continue the internal website committee for self training and best practices to ensure we are getting the most out of this communications resource.
- Continue to develop social media resources as a communications tool for Sequim citizens.

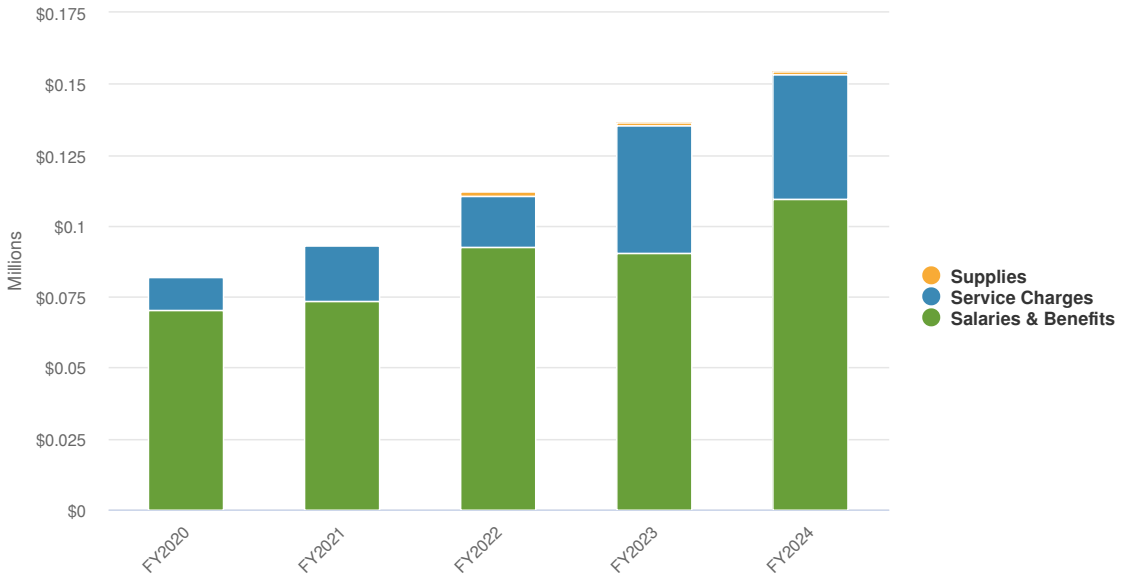
Summary

Expenditure Summary
This budget increased by $18k (13%) from the 2023 Budget due to net impact of market adjustments in salaries and benefits and a slight decrease in newsletter costs. 2024 includes $20k for a citizen survey.



Communications Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Expense Objects							
Salaries & Benefits	$70,234	$73,610	$92,755	$90,446	$109,556	$19,110	21.1%
Supplies	$310	$86	$1,448	$750	$750	$0	0%
Service Charges	$11,492	$19,297	$17,961	$45,100	$43,900	-$1,200	-2.7%
Total Expense Objects:	**$82,036**	**$92,993**	**$112,164**	**$136,296**	**$154,206**	**$17,910**	**13.1%**

Human Resources

Department Description

The Human Resources department covers a broad range of responsibilities including the following:

- Talent Acquisition and Recruitment: Attracting top talent to fill critical positions within the City through strategic and inclusive recruitment practices.
- Employee Development and Training: Providing targeted training and development opportunities to foster the growth and success of City employees.
- Performance Management: Implementing a performance management framework that aligns employee goals with the City's objectives, ensuring accountability and continuous improvement.
- Compensation and Benefits: Administering competitive compensation packages and benefits that reflect market data while appropriately valuing our employees and their contributions to Sequim.
- Employee Relations: Nurturing a collaborative and harmonious work environment by addressing concerns, promoting effective communication, and facilitating conflict resolution.
- Diversity, Equity, and Inclusion: Leading initiatives that uphold principles of equity, diversity, and inclusivity in all aspects of City employment practices.
- HR Policy and Compliance: Developing, communicating, and enforcing HR policies that adhere to legal requirements and uphold the City's commitment to ethical conduct.
- Safety and Wellness: Prioritizing the total well-being of our employees through health and safety programs that ensure their physical and mental health.
- HR Information Systems: Leveraging technology to streamline HR processes, maintain accurate records, and empower employees with self-service tools.
- Strategic Planning: Collaborating closely with City leadership to align HR strategies with the City's vision, goals, and long-term plans.

Mission

The mission of the Human Resources Department is to empower an engaged and productive culture.

Key Goals

- Implement a performance management system that emphasizes regular feedback, aligning employee goals with City objectives, and promoting a culture of continuous improvement.
- Build upon Gallup Engagement Survey results and participation to increase employee engagement and reduce turnover.
- Foster a range of professional development opportunities to enhance employees' skills, foster career growth, and prepare them for leadership roles.
- Implement an integrated HR information system to streamline processes, enhance data accuracy, and empower employees with self-service options.
- In partnership with the Legal Department, regularly review and update HR policies and practices to ensure alignment with local, state, and federal employment laws and ethical guidelines.
- Continue to grow safety and wellness programs that support employees' physical and mental health, promoting a balanced and resilient workforce.

By focusing on these key goals, the Human Resources Division of the City of Sequim will contribute to building a thriving, diverse, and engaged workforce that supports the City's mission of enhancing the quality of life for its residents.

Summary

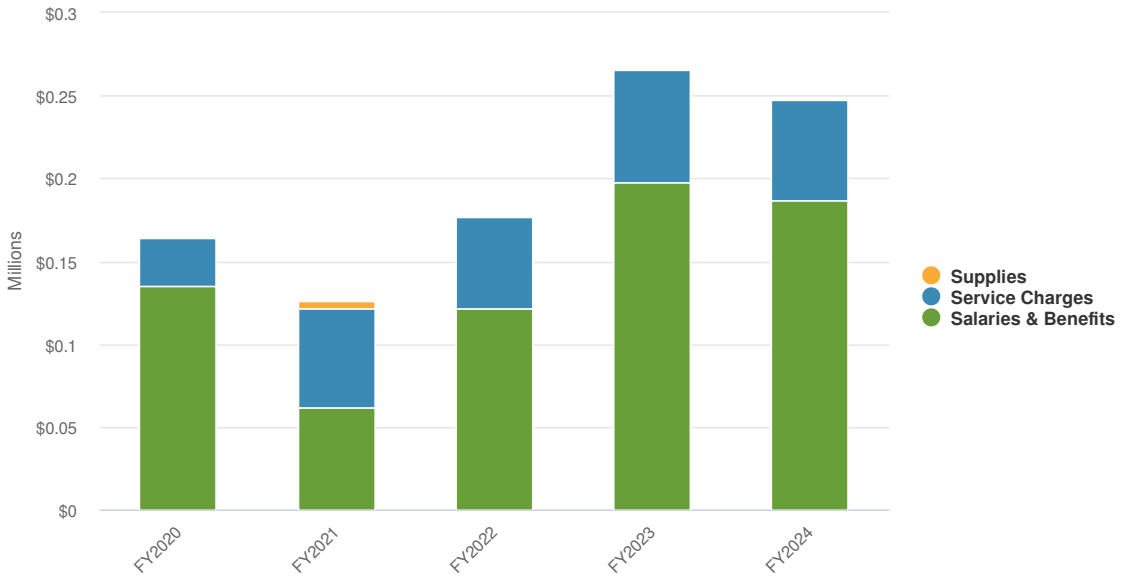
Expenditure Summary

This budget decreased by $18k (7%) from the 2023 Budget primarily due to increases in the allocation of costs related to personnel matters out to other departments (based upon FTE count) and lower PERS and medical insurance costs. There was also a slight reduction in services related to wellness and safety initiatives because the City made incredible progress and advancements in these areas in 2023.



Human Resources Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Expense Objects							
Salaries & Benefits	$134,638	$61,657	$121,535	$197,710	$186,910	-$10,800	-5.5%
Supplies	$404	$4,480	$865	$1,025	$850	-$175	-17.1%
Service Charges	$28,969	$59,897	$55,478	$67,750	$60,800	-$6,950	-10.3%
Total Expense Objects:	**$164,010**	**$126,034**	**$177,878**	**$266,485**	**$248,560**	**-$17,925**	**-6.7%**

Criminal Justice Services

Department Description
These activities have been contracted with Clallam County. The contract provides a flat fee for prosecution, public defense, court, and jail services, which provides more stability to the City's budget.

Key Goals

- Find stability in administering Criminal Justice Services.
- Continue to engage Clallam County regarding the current contract for Criminal Justice Services.

Summary

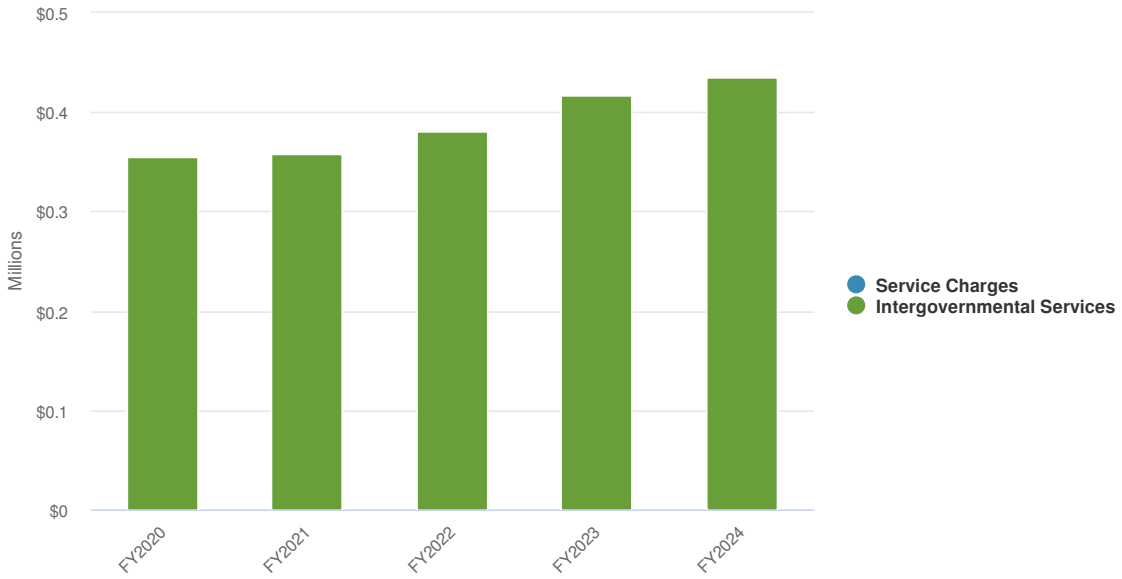
Revenue Summary
All revenues associated with Court in prior years go to Clallam County per the contract.

Expenditure Summary
The City has an agreement with the County for flat rate Criminal Justice Services, including Municipal Court, prosecution, defense and jail services. $320k – the original contract in 2016 - plus an annual adjustment per the CPI-W Seattle-Tacoma-Bremerton. For 2024, the cost of these services increased by $19k (3%) for a total cost of $436k. All salary and benefits for the City Attorney staff are recorded in the City Attorney's budget.



Criminal Justice Services Expenditures

Budgeted and Historical Expenditures by Expense Type

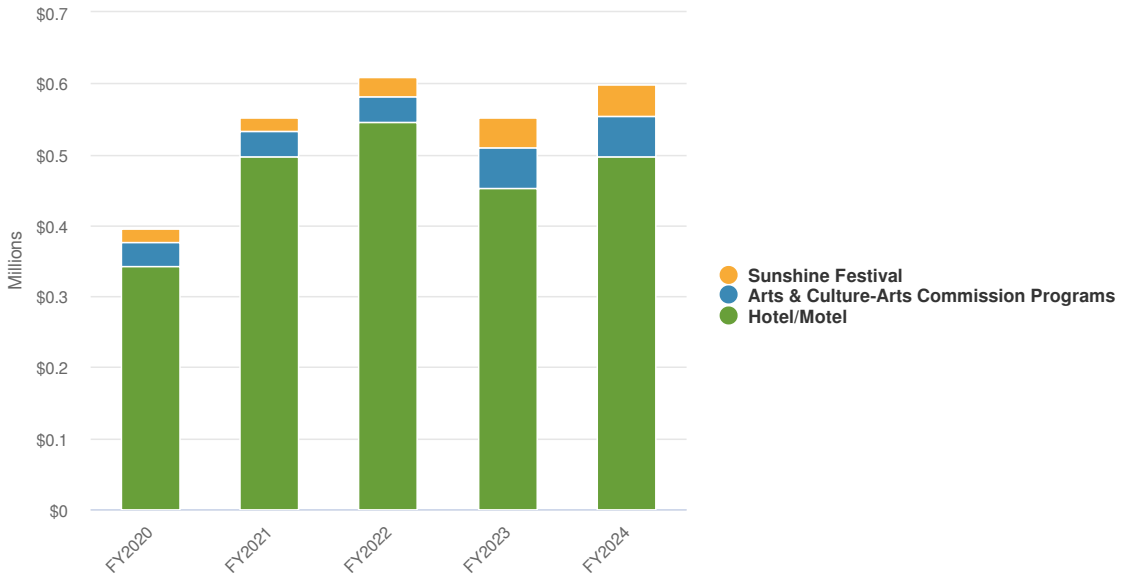


Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Expense Objects							
Service Charges	$340		$206			$0	N/A
Intergovernmental Services	$354,265	$357,808	$380,297	$416,426	$435,581	$19,155	4.6%
Total Expense Objects:	**$354,605**	**$357,808**	**$380,502**	**$416,426**	**$435,581**	**$19,155**	**4.6%**

City Administration Special Funds

City Administration Special Funds Revenues

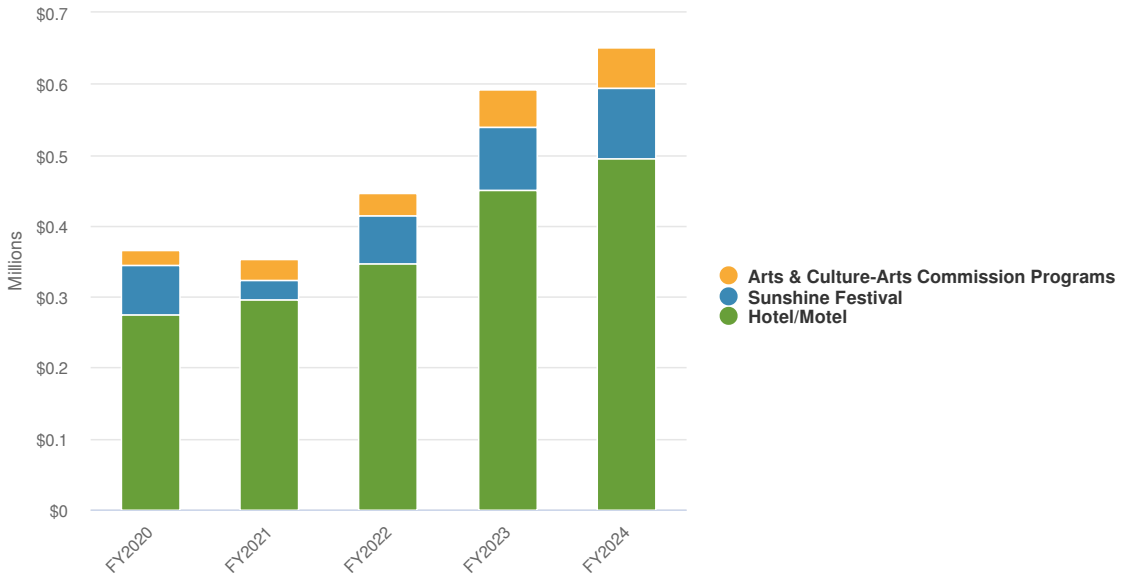
Budgeted and Historical Revenue by Department



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted
Revenue					
Council / City Administration					
Hotel/Motel	$342,653	$497,121	$546,594	$453,500	$496,600
Sunshine Festival	$18,269	$20,431	$28,115	$41,900	$45,400
Arts & Culture-Arts Commission Programs	$34,426	$34,999	$35,057	$57,000	$57,500
Total Council / City Administration:	**$395,348**	**$552,550**	**$609,766**	**$552,400**	**$599,500**
Total Revenue:	**$395,348**	**$552,550**	**$609,766**	**$552,400**	**$599,500**

City Administration Special Funds Expenditures

Budgeted and Historical Expenditures by Function



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Expenditures							
Council / City Administration							
Hotel/Motel	$274,942	$295,978	$346,931	$450,723	$494,199	$43,476	9.6%
Sunshine Festival	$70,522	$28,285	$67,094	$88,745	$99,745	$11,000	12.4%
Arts & Culture-Arts Commission Programs	$20,745	$27,903	$33,062	$53,542	$57,483	$3,941	7.4%
Total Council / City Administration:	**$366,210**	**$352,166**	**$447,087**	**$593,010**	**$651,427**	**$58,417**	**9.9%**
Total Expenditures:	**$366,210**	**$352,166**	**$447,087**	**$593,010**	**$651,427**	**$58,417**	**9.9%**



Hotel/Motel

Department Description
This function is responsible for managing the Hotel/Motel tax budget and utilizing the available monies to increase tourism to Sequim. The function works with the Lodging Tax Advisory Committee to develop plans for tourism promotion which may include advertising, publications, public relations programs, websites, special events and social media activities. The Communications and Marketing Director is responsible for the overall plan and its implementation. This position also functions as the liaison to other tourism organizations. Tourism is an important economic driver in Sequim and supports the City Council goal that relates to Economic Development.

The Sequim Sunshine Festival's maiden voyage occurred in 2020 and was developed to increase tourism during a typically slow time of year for travel. A modified version of the festival took place in 2021, but a full festival was executed in 2022 and 2023 despite inclement weather. The budget includes funds to continue to support this growing event, including the illuminated drone show, and to better accommodate participants should the weather turn unpleasant. The budget also includes some additional funds to help cover the cost of staff for the Sunshine Festival, Independence Day Celebration, and the Hometown Holidays events.

Mission
The mission of Hotel/Motel operations is to promote Sequim to increase tourism.

Key Goals

- Continue to build social media followers by developing campaigns and targeting ads to the Seattle metro area.
- Continue to market Sequim in the Northwest region through print and digital advertising, publications, media relations, and co-op partnerships.
- Continue to fund and maintain the increased limit per grant for Tourism Enhancement Grants to support local festivals/events.
- Work with internal and external partners to build on the 2023 success of the Sequim Sunshine Festival for the winter of 2024 (one of the slowest times of the year for tourism). Events include the Sun Fun Color Run, illuminated drone show, community art projects, lighting events, live music, and market place.
- Provide support for the Independence Day Celebration for fireworks, live music, and infrastructure. Half of the event will be funded out of lodging tax, the other half from Parks.

Summary

Revenue Summary

Lodging tax revenues reflect an increase over previous budgets due to the continued performance of lodging tax dollars.

Expenditure Summary

This budget increased by $55k (10%) from the 2023 Budget due to market and cost of living adjustments for non-represented staff. Staff salary allocation for the Communications and Marketing Director remains at a 50-50 split between tourism marketing and city-wide communications functions. The part-time Marketing Coordinator position salary is now split 80% from hotel/motel and 20% from the General Fund Communications budget. This allows flexibility for the position to provide back-up support for the Director in general communications. Other increases include expansion of the tourism enhancement grant program, more advertising and additional sunshine festival expenses.

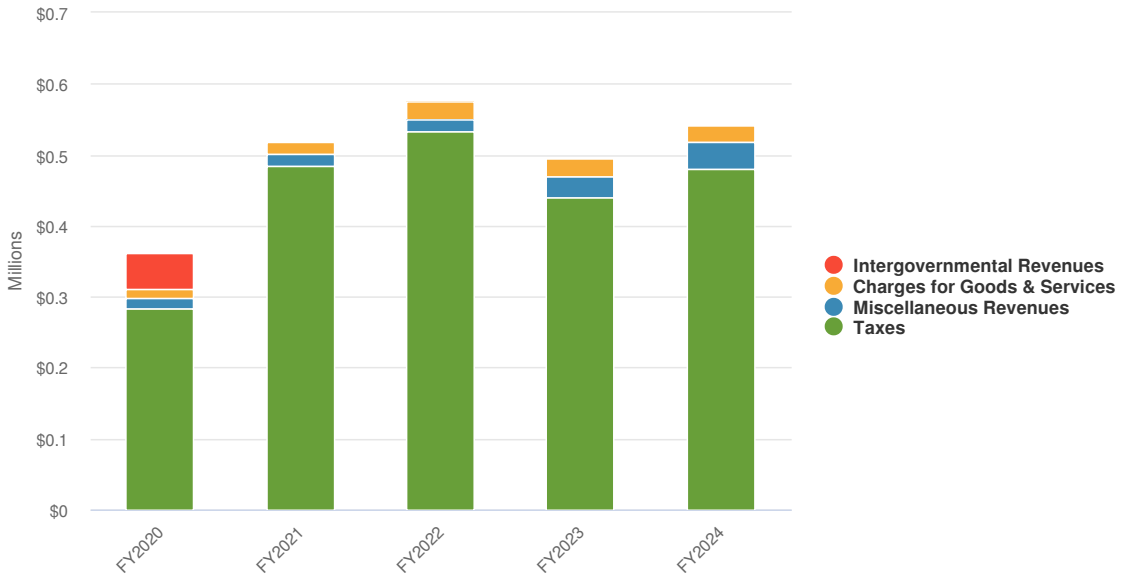
The Sunshine Festival's expenses include professional services to produce specific events, such as the color run and the illuminated drone show; supplies to support the event; and marketing of the event to the greater Seattle area. The 2024 budget also includes providing tents to accommodate weather.

Finally, funds were added to cover public works and police staff salaries for support of the Sunshine Festival, Independence Day Celebration, and Hometown Holidays.



Hotel/Motel Revenues

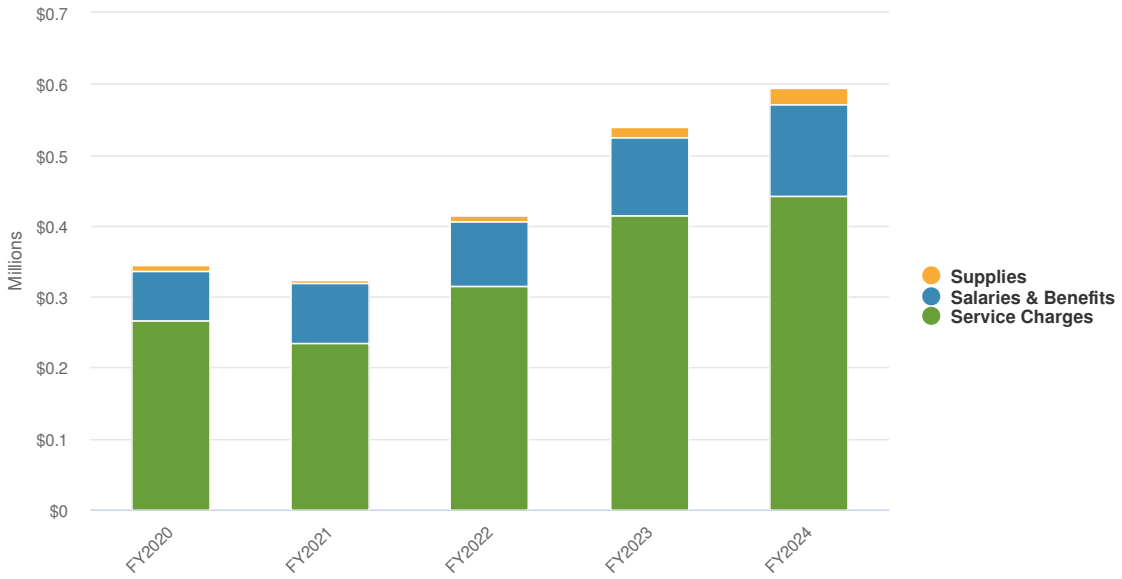
Budgeted and Historical Revenues by Source



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Revenue Source							
Taxes	$283,860	$484,555	$533,464	$440,000	$480,000	$40,000	9.1%
Intergovernmental Revenues	$49,074					$0	N/A
Charges for Goods & Services	$12,712	$15,787	$25,600	$24,900	$24,400	-$500	-2%
Miscellaneous Revenues	$15,276	$17,209	$15,645	$30,500	$37,600	$7,100	23.3%
Total Revenue Source:	**$360,922**	**$517,552**	**$574,709**	**$495,400**	**$542,000**	**$46,600**	**9.4%**

Hotel/Motel Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Expense Objects							
Salaries & Benefits	$70,233	$84,699	$90,087	$110,391	$129,647	$19,256	17.4%
Supplies	$8,938	$4,747	$8,475	$15,002	$22,152	$7,150	47.7%
Service Charges	$266,294	$234,818	$315,463	$414,075	$442,145	$28,070	6.8%
Total Expense Objects:	**$345,465**	**$324,264**	**$414,025**	**$539,468**	**$593,944**	**$54,476**	**10.1%**

Arts & Culture - Arts Commission Programs

Department Description
This fund includes money allocated for public art and cultural events and activities such as the First Friday Art Exhibits organized by the Sequim Arts Commission (SAC). The fund also includes a small monetary award for students recognized in the High Schools of the Olympic Peninsula Creative Arts and Crafts exhibit per the revision Public Arts Policy. This fund also includes donations and sponsorships from the community to underwrite the cost of arts & cultural programs, as well as provide art in public spaces. Any public art donations must meet City guidelines (i.e. design standards for structures) as applicable. In 2020, this program started to receive additional funding from the General Fund.

In 2019, this department added a 0.38 FTE ($22k) part-time non-benefited position to carry out the SAC's Strategic Plan and support the Commission's work. In 2022, the FTE was increased to .44. The position remains at .44 into 2024.

Mission
The mission of Arts and Culture Programs is to encourage, support and facilitate various forms of artistic and cultural activities within the greater Sequim community.

Key Goals

Carry out the City Arts Advisory Commission’s 2024 Priorities:

- Community Arts Programs
  - Arts Workshops & Arts Skills Development
  - Music in the Park
  - Creative Arts District Certification
  - Gallery Exhibitions at Civic Center
- Public Arts Projects
  - Music Jam
  - Murals & Mosaic Projects
  - Busking & Street Performances
  - Community Paint Project (Sunshine Festival)
- Supporting Sequim’s Creative Economy
  - Create Opportunities for Arts Tourism
  - Increase Economic Opportunities for Local Artists
- Creative Arts District Certification (Approved by Council, Resolution 2018-20)
  - Strengthen Sequim’s Creative Sector
  - Diversify Economy
  - Enhance Quality of Life

Summary

Revenue Summary

This budget is funded primarily by transfers in from the General Fund. Transfers in were static with 2023 at $55k.

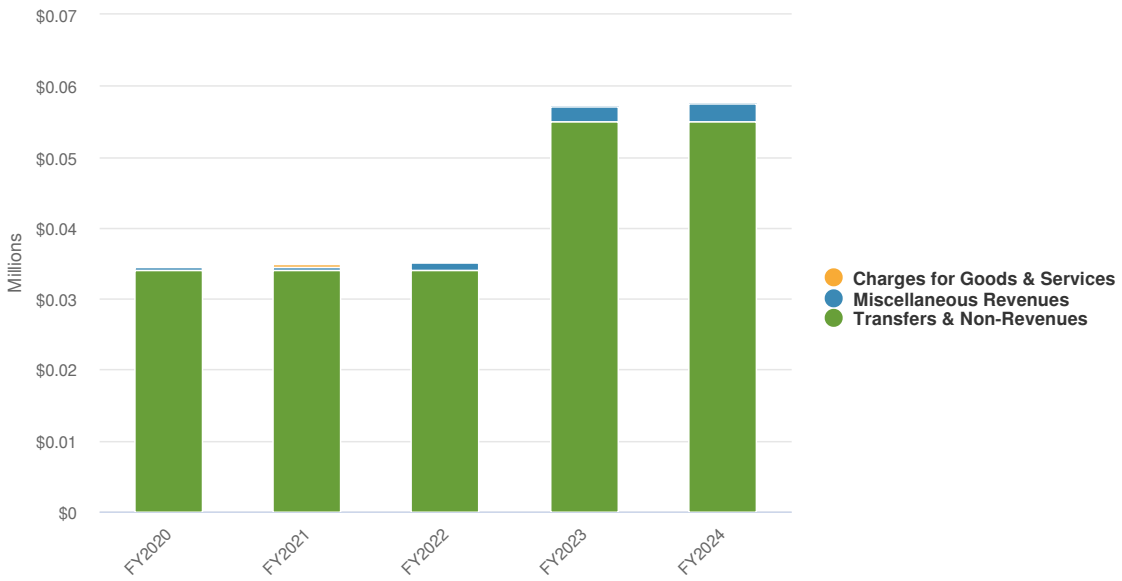
Expenditure Summary

This budget increased by $4k (7%) from the 2023 Budget due to slight increases in salaries and benefits and additional Arts Program costs, to accomplish the goals identified above.



Arts & Culture - Arts Commission Revenues

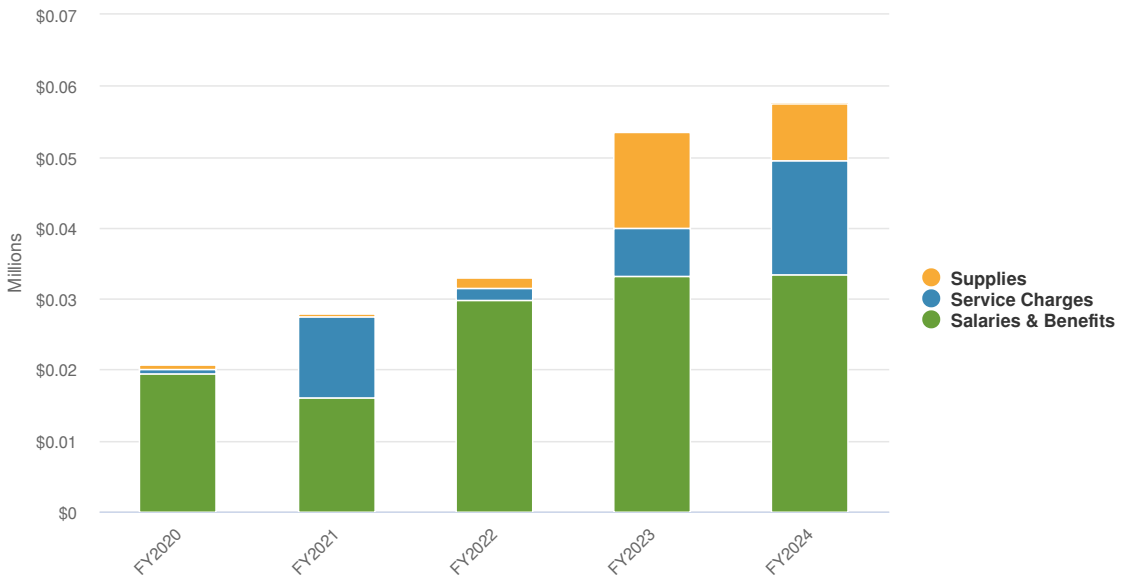
Budgeted and Historical Revenues by Source



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Revenue Source							
Charges for Goods & Services		$570				$0	N/A
Miscellaneous Revenues	$426	$429	$1,057	$2,000	$2,500	$500	25%
Transfers & Non-Revenues	$34,000	$34,000	$34,000	$55,000	$55,000	$0	0%
Total Revenue Source:	**$34,426**	**$34,999**	**$35,057**	**$57,000**	**$57,500**	**$500**	**0.9%**

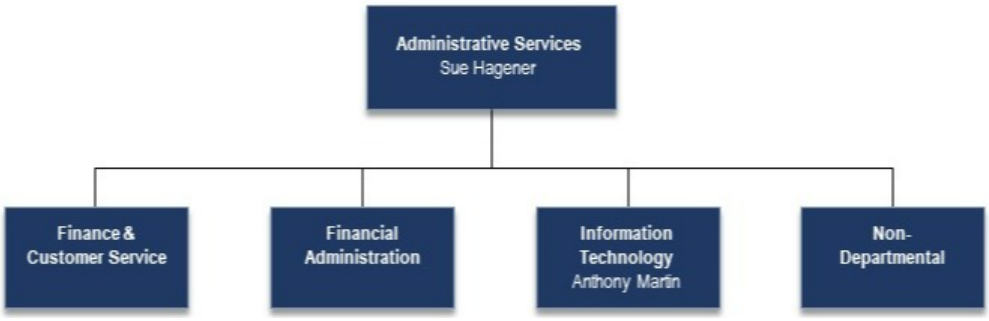
Arts & Culture - Arts Commission Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Expense Objects							
Salaries & Benefits	$19,404	$15,994	$29,716	$33,242	$33,483	$241	0.7%
Supplies	$674	$309	$1,507	$13,500	$8,000	-$5,500	-40.7%
Service Charges	$668	$11,600	$1,839	$6,800	$16,000	$9,200	135.3%
Total Expense Objects:	**$20,745**	**$27,903**	**$33,062**	**$53,542**	**$57,483**	**$3,941**	**7.4%**

Administrative Services Organization



Finance & Customer Service

- Utility Billing/Customer Service
- Receipting/Cashier
- Accounting
- Accounts Payable
- Payroll
- Grants/Contracts
- Financial Reporting
- Budgets
- Cost Allocation
- Financial Analysis

Financial Administration

- Cash Management
- Affordable Housing
- REET
- Equipment Reserve
- American Rescue Plan Act
- Rainy Day Fund
- Debt Service
- Trust and Agency Funds

Information Technology

- IT Help Desk
- Enterprise Infrastructure (servers/data storage/network communications/back-up and recovery)
- Cyber Security for Users, Devices and Systems
- Disaster Recovery and Continuity of Business Operations

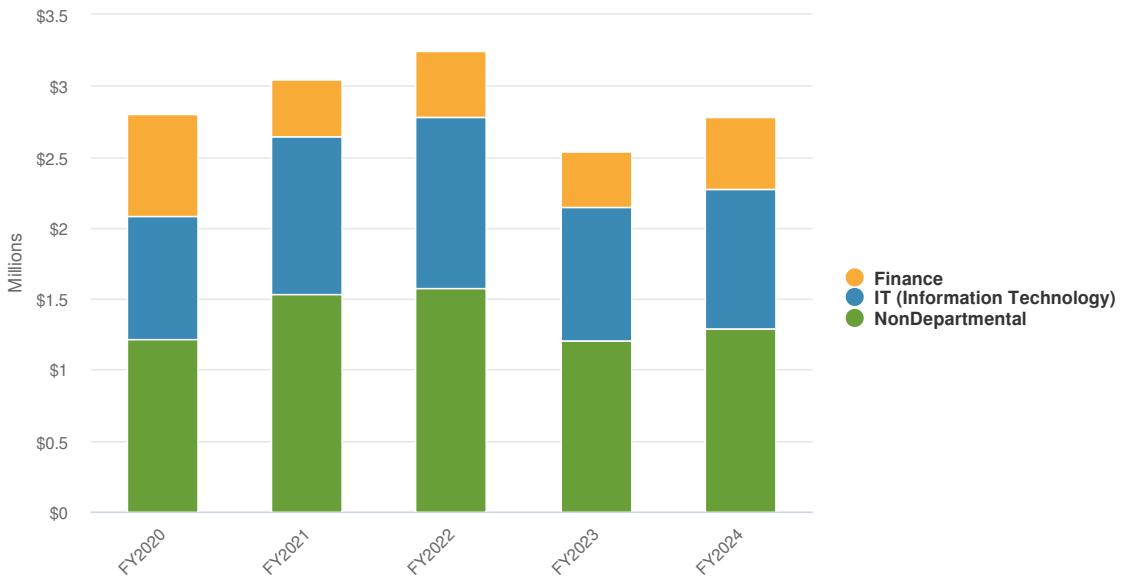
Non-Departmental

- City-wide Indirect Expenses
- Community Service Contracts
- Contingency Budget
- Transfers
- Risk Management and Insurance Support
- Other Shared Costs



Administrative Services Department Overview

Budgeted and Historical Expenditures by Function



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Expenditures							
Administrative Services Department							
Finance	$721,346	$401,229	$470,823	$391,492	$504,191	$112,699	28.8%
NonDepartmental	$1,213,859	$1,536,318	$1,580,269	$1,205,025	$1,287,425	$82,400	6.8%
IT (Information Technology)	$866,887	$1,109,925	$1,195,918	$938,451	$985,351	$46,900	5%
Total Administrative Services Department:	**$2,802,093**	**$3,047,472**	**$3,247,011**	**$2,534,968**	**$2,776,967**	**$241,999**	**9.5%**
Total Expenditures:	**$2,802,093**	**$3,047,472**	**$3,247,011**	**$2,534,968**	**$2,776,967**	**$241,999**	**9.5%**

Finance

Department Description

The Finance Department oversees all financial functions of the City, the integrity of the City's financial records and ensures that public dollars are spent according to the approved budget. Staff assists other departments in budgeting and financial reporting, financial planning and analysis of projects, purchasing and bidding regulations, complying with grant requirements, and financing capital projects. The City is audited by the State Auditor and has had a clean audit for over 30 years (based on available documents going back to 1992). This function also provides customer service for the City's Water and Sewer utilities, serves as the central reception for the City, and responds to a wide variety of citizen inquiries.

Mission

The mission of the Finance Department is to provide the foundation for the City's fiscal health.

Key Goals

- Continue to maintain a high quality level of service.
- Continue to maintain the highest level of compliance with State Auditor reporting and internal control requirements.
- Continue to ensure prompt debt service payments and responsible reporting to rating agencies.
- Continue support of key Council Goals.
- Transition all key financial processes to new technology.

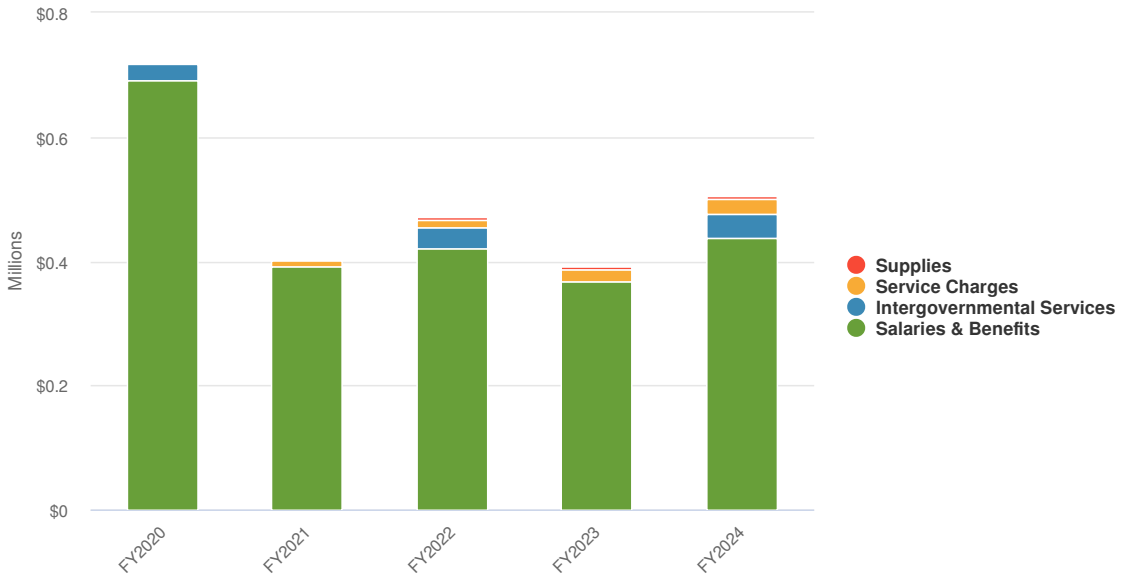
Summary

Expenditure Summary

This budget increased by $113k (29%) from the 2023 Budget due to the addition of .94 FTE, added training/travel and provision for a bi-annual audit by the Washington State Auditors Office. The FTE count increase resulted from bringing a part-time employee to full-time to allow for better front office coverage as well as .5 in temporary staff to support the conversion of all of our business processes to a new ERP software solution. (We expect to run two systems in parallel for at least 6 months in 2024.) Increases in training and travel are necessary to support a majority of staff in the Finance department that are new to their positions and/or new to municipal finance. $38k was added as the estimated cost of an audit of 2022 and 2023 financials, which is expected to occur in the fall of 2024.

Finance Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Expense Objects							
Salaries & Benefits	$692,137	$392,361	$421,035	$366,487	$437,526	$71,039	19.4%
Supplies	$1,167	$1,082	$3,764	$4,680	$4,680	$0	0%
Service Charges	$3,233	$7,522	$13,787	$20,325	$23,985	$3,660	18%
Intergovernmental Services	$24,809	$265	$32,238		$38,000	$38,000	N/A
Total Expense Objects:	**$721,346**	**$401,229**	**$470,823**	**$391,492**	**$504,191**	**$112,699**	**28.8%**

IT (Information Technology)

Department Description
The IT Department is responsible for supporting the operational needs of City staff by effectively managing Enterprise Information Technology assets. Core departmental services include providing IT Service Desk Support, managing Enterprise Infrastructure Resources, enhancing our Cybersecurity Maturity, and facilitating Continuity of Operations.

Services are provided for four staffed sites (City Hall, City Shop, the "Admin" Building and WRF) and for several satellite sites (Guy Cole, EOC/Transit and Port Williams Pump Station, etc.). Services include email and collaboration, file storage, print services, data backup and recovery, telecommunications, network connectivity and security, off-the-shelf application support, mobile devices, audio/visual systems, camera and physical security (shared), records requests, training, and project management. The Department is challenged to manage this diverse portfolio of technology assets across the enterprise from both a knowledge and bandwidth perspective.

There are significant future opportunities to improve the efficiency of City staff and the services provided to the citizenry. As the City sets out to employ additional technologies, careful management of expectations and resources will be required to ensure that support for current business operations is maintained.

Mission
The mission of the IT Department is to enable business operations to support effective government.

Key Goals

- Upgrade telecommunications network to provide truly unified communications system enabling a standard and easy-to-use voice, video, and messaging experience for users in the office, on the go, or remote at home.
- Development of third-party partnerships to manage more background IT services, freeing resources and creating capacity to serve as a strategic partner driving continuous process improvement, project management, and technology adoption among the business units.
- Continue the Technology Refresh Program (TRP) to proactively replace devices nearing the end of their useful life rather than risk service interruption associated with device failure.
- Update current and implement new policy and procedures outlining use of network resources, online public engagement, and identity management for staff working on-site and remotely.
- Enhance business continuity in times of disaster by improving the resilience and availability of network resources to users on premise and remote.
- Expand City network to new buildings and currently isolated remote/satellited facilities to create opportunities for future digital transformation and more centralized maintenance.

Summary

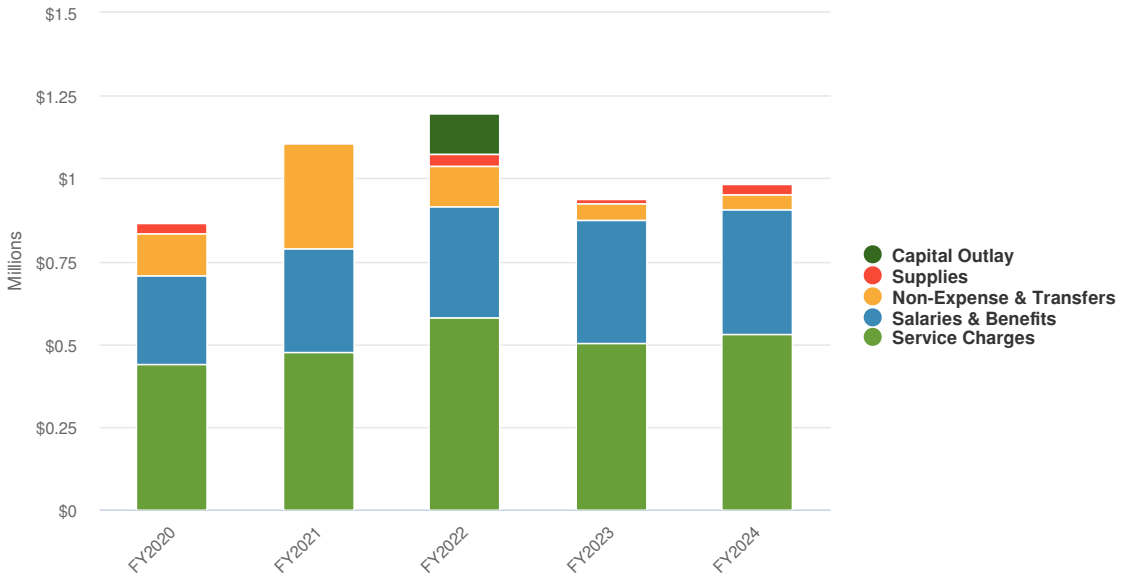
Expenditure Summary

This overall budget increased by $47k (5%) from the 2023 Budget. The most significant increases can be seen in supplies like monitors, laptops, and accessories ($18k) and services charges that include software licensing and telecommunications costs ($28k). The number of licenses and mobile devices increased exponentially with the COVID-19 pandemic and the roll out of improved technology tools to the Public Works crew.



IT Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Expense Objects							
Salaries & Benefits	$270,984	$312,825	$332,995	$373,565	$374,850	$1,285	0.3%
Supplies	$35,013	$5,340	$39,356	$16,200	$34,100	$17,900	110.5%
Service Charges	$438,090	$477,959	$580,769	$502,286	$530,001	$27,715	5.5%
Capital Outlay			$119,998			$0	N/A
Non-Expense & Transfers	$122,800	$313,800	$122,800	$46,400	$46,400	$0	0%
Total Expense Objects:	**$866,887**	**$1,109,925**	**$1,195,918**	**$938,451**	**$985,351**	**$46,900**	**5%**

Non-Departmental

Department Description
Non-Departmental shared costs are those that benefit city-wide operations. Also included are Community Services (Human and Health) contracts, General Fund contingencies, and Street Operation Transfers.

Key Goals

- Review and coordinate community investments.
- Manage the use of contingency funds.
- Manage transfers.

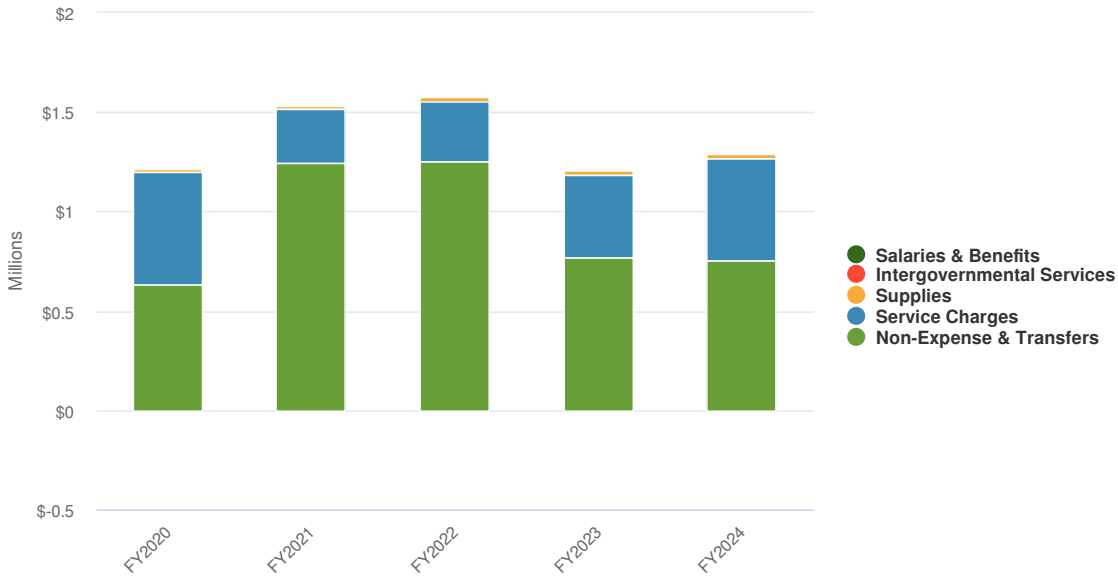
Summary

Expenditure Summary
This budget increased by $82k (7%) from the 2023 Budget due to the net effect of increases in service charges that include the annual WCIA insurance assessment ($97k) and removal of the 2023 transfer out to the Unemployment Reserve ($15k), as that Reserve is adequately funded. Additionally, our Contingency of $67k was reduced by $33k and Human Services funding of $179 was increased by $23k over prior years.



Non-Departmental Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Expense Objects							
Salaries & Benefits	-$9	$8	-$513			$0	N/A
Supplies	$16,148	$16,038	$25,012	$21,000	$21,000	$0	0%
Service Charges	$562,797	$270,797	$303,698	$413,425	$510,825	$97,400	23.6%
Intergovernmental Services	$924	$2,974	$3,072	$600	$600	$0	0%
Non-Expense & Transfers	$634,000	$1,246,500	$1,249,000	$770,000	$755,000	-$15,000	-1.9%
Total Expense Objects:	**$1,213,859**	**$1,536,318**	**$1,580,269**	**$1,205,025**	**$1,287,425**	**$82,400**	**6.8%**

Affordable Housing HB 1406

State House Bill 1406 was passed in 2019. This bill authorized a local sales tax option that is a credit against the state sales tax rate of 6.5% and is not a new tax. The City decided to participate in this tax credit and created a fund to account for these tax receipts. The funds can be used for:

- Acquiring, rehabilitating, or constructing affordable housing, which may include new units of affordable housing within an existing structure or facilities providing supportive housing services; or
- Funding the operations and maintenance costs of new units of affordable or supportive housing, or
- Providing rental assistance to tenants.

There is a broad discretion in how these funds can be expended as long as actions target housing and programs serving persons whose income is at or below sixty percent of the median income of the county or city imposing the tax.

When Council agreed to accept these tax receipts in 2020, the intent was to accumulate funds for at least three years to increase the "buying" power. Tax receipts began in October 2020 and approximate $30k per year.

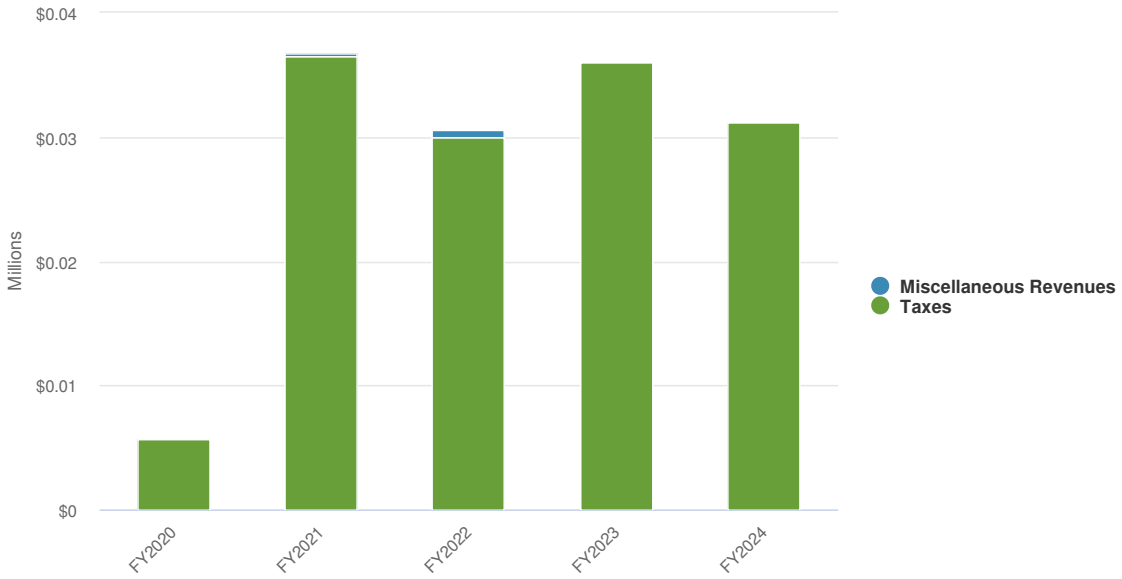
Key Goals

- Accumulate tax receipts in this fund until Council authorizes an appropriate use



Affordable Housing HB 1406 Revenues

Budgeted and Historical Revenues by Source



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Revenue Source							
Taxes	$5,620	$36,529	$29,968	$36,000	$31,138	-$4,862	-13.5%
Miscellaneous Revenues	$4	$197	$578			$0	N/A
Total Revenue Source:	**$5,623**	**$36,726**	**$30,546**	**$36,000**	**$31,138**	**-$4,862**	**-13.5%**

Real Estate Excise Taxes

Revenues of the Real Estate Excise Taxes (REET) Fund are based on the selling price of real estate sold within the City limits and are collected and distributed by the Clallam County Treasurer. They are restricted as to the first and second ¼% of Real Estate Excise Taxes (REET1 and REET2) and are recorded separately according to RCW Title 82 – Excise Taxes.

The revenues generated by the first ¼% (REET1) of these assessments shall be used solely for financing capital projects specified in a capital facilities plan element of the comprehensive plan and housing relocation assistance under RCW 59.18.440 and 59.18.450. Capital projects include public works projects for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water systems, stormwater systems, sanitary sewer systems, parks, recreational facilities, law enforcement facilities, fire protection facilities, trails, libraries, administrative and/or judicial facilities, river and/or waterway flood control projects.

The second ¼% (REET2) is restricted to use for street, water and sewer acquisitions. Capital projects include those noted above but specifically excludes facilities. The definition continues: "and planning, construction, reconstruction, repair, rehabilitation, or improvement of parks". It excludes acquisition and replacement. Recent legislation (RCW 82.46.035(6)) adds certain eligible projects related to facilities for those experiencing homelessness and affordable housing, with some limitations and reporting requirements (expires January 1, 2026). Finally, interest earned by REET 1 and 2 must be used on the same basis as the underlying funds.

REET funds are being used for Capital Facility, Streets, and Parks projects and will help pay the debt service on the LTGO bonds issued for the Civic Center. Use of beginning fund balance is budgeted.

Key Goals

- Record and manage Real Estate Excise Taxes as required by RCW 82.

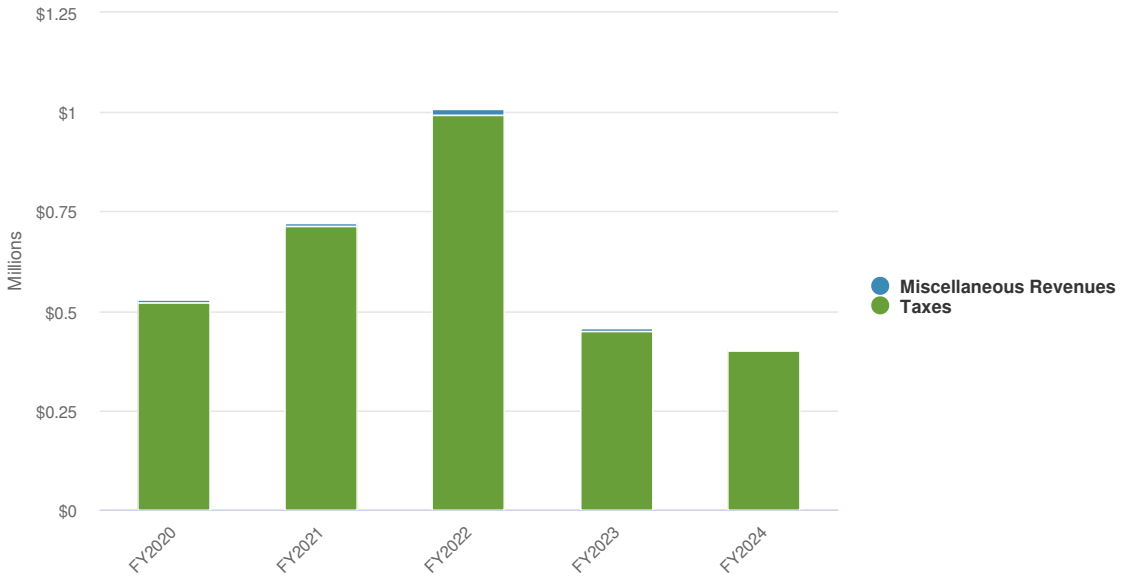
Summary

Revenue Summary
2023 revenues for both REET 1 and 2 are budgeted at $400k, based on reasonable assumptions for a cooling real estate market.

Expenditure Summary
REET 1 and 2 expenses are budgeted at $1.195ml and consist of transfers to other funds to support budgeted or future projects as follows: $455k for parks projects that include the Carrie Blake Park bridges, $320k for City Shop upgrades, Civic Center improvements and Spruce Street parking lot, $100k to Civic Center LTGO Debt Service, and $320k to streets projects, including the W. Sequim Bay Road.0

Real Estate Excise Taxes Revenues

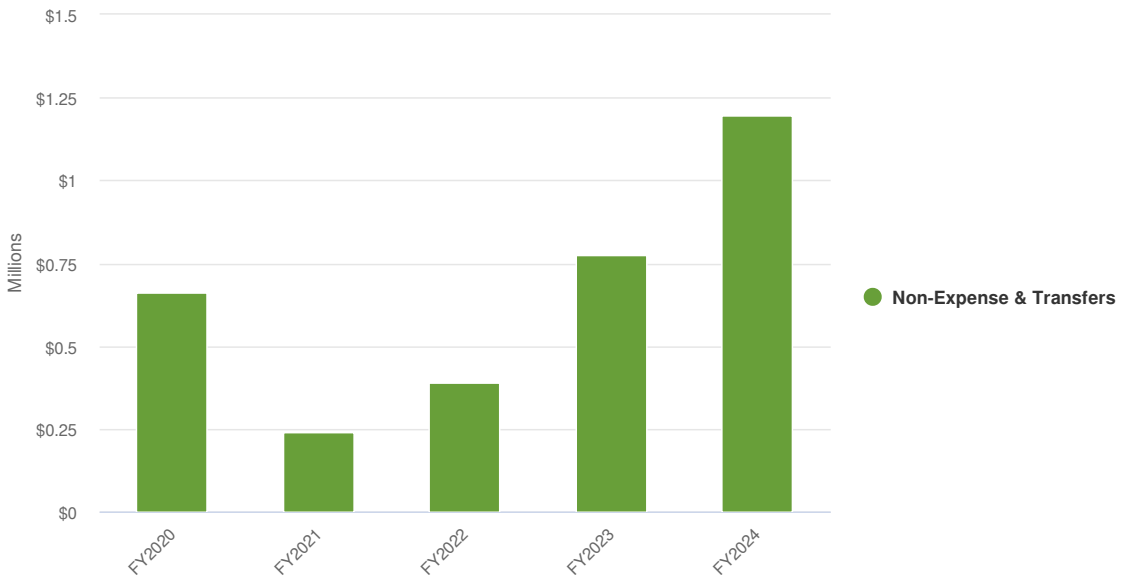
Budgeted and Historical Revenues by Source



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Revenue Source							
Taxes	$522,151	$714,008	$993,917	$450,000	$400,000	-$50,000	-11.1%
Miscellaneous Revenues	$7,249	$6,835	$14,641	$5,450	$5,450	$0	0%
Total Revenue Source:	**$529,400**	**$720,843**	**$1,008,558**	**$455,450**	**$405,450**	**-$50,000**	**-11%**

Real Estate Excise Taxes Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Expense Objects							
Non-Expense & Transfers	$660,000	$240,000	$390,000	$775,000	$1,195,000	$420,000	54.2%
Total Expense Objects:	**$660,000**	**$240,000**	**$390,000**	**$775,000**	**$1,195,000**	**$420,000**	**54.2%**



American Rescue Plan Act

This fund was created in 2021 and since then has received a total of $2.135ml from the US Department of the Treasury. The funds are the federal government's contribution to the City to support recovery efforts related to the COVID-19 public health emergency, declared in 2020. At the time of this fund's creation, there were many unknowns about the manner in which these funds could be used, other than the broad categories, as follows:

- Responding to the public health emergency/negative economic impact
- Revenue loss
- Premium pay
- Water, sewer and broadband infrastructure

The final rule, adopted in January 2022, offers a "standard allowance" for revenue loss up to $10 million, allowing recipients to select an allowance (up to the amount of the City's actual award) for governmental services and projects. This is the category under which Council has opted to deploy these funds - simplifying reporting requirements while bolstering governmental services and projects that will position the City to better serve our citizens. Specifically, the City intends to use these funds on the following projects:

- Technology Update: Implement new Enterprise Resource Planning (ERP) technology
- Civic Center Upgrades: Improvements to an outdated and inefficient use of space, primarily on the 2nd floor
- City Shop Improvement Project: Badly needed, capital improvements at the Public Works and Police Shop operations center (streets and sewer equipment/trucks, fleet/mechanic workshop, storage, etc.)

Eligible uses are forward looking and must be used to cover costs incurred starting March 3, 2021. The City has until December 31, 2024 to obligate these grant funds.

Key Goals

- Expend federal funds in a manner consistent with the Act's requirements
- Prepare the annual report to the Treasury on the use of these funds accurately and timely

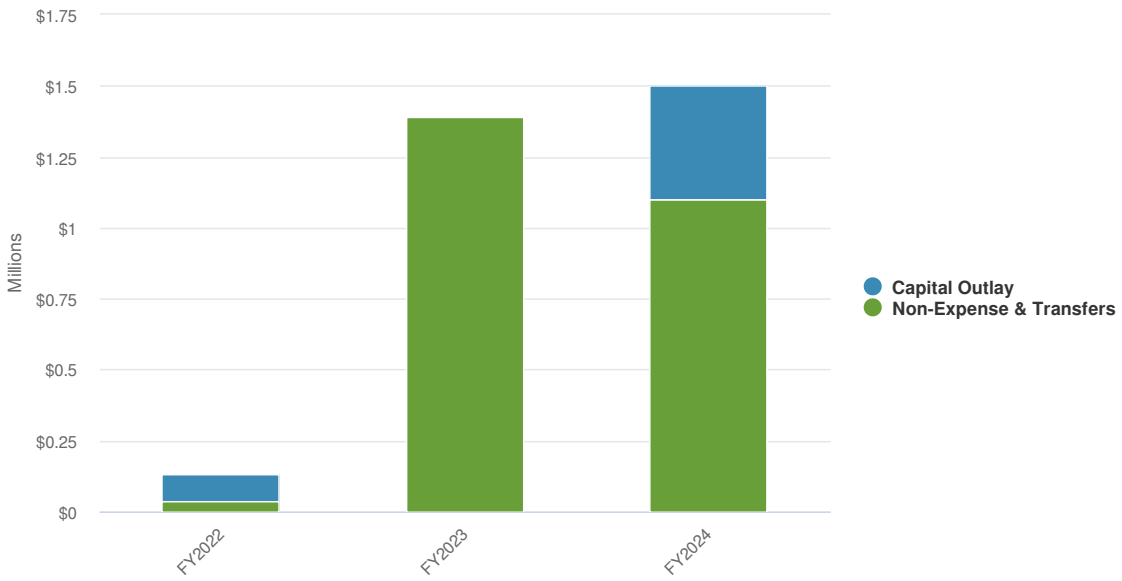
Summary

Revenue Summary
All installments of ARPA funds totaling $2.135ml were receipted in and recorded in prior years.

Expenditure Summary
The City expects to obligate or spend all remaining ARPA funds by the end of 2024. Included in the $1.5ml in expenditures is the purchase of a drone for the Police Department, IT Capital purchases and projects, and the Civic Center and City Shop improvement projects.

American Rescue Plan Act Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Expense Objects					
Capital Outlay	$92,610		$405,300	$405,300	N/A
Non-Expense & Transfers	$39,619	$1,390,000	$1,098,000	-$292,000	-21%
Total Expense Objects:	**$132,229**	**$1,390,000**	**$1,503,300**	**$113,300**	**8.2%**



Rainy Day Fund

The Rainy Day Fund was created by Council in 2018 to provide resources for potential needs related to budget stabilization, emergency response and one-time opportunities. Funds may only be used upon Council approval.

Key Goals

- Use these funds, as needed, for budget stabilization, emergency response and/or one-time opportunities.

Summary

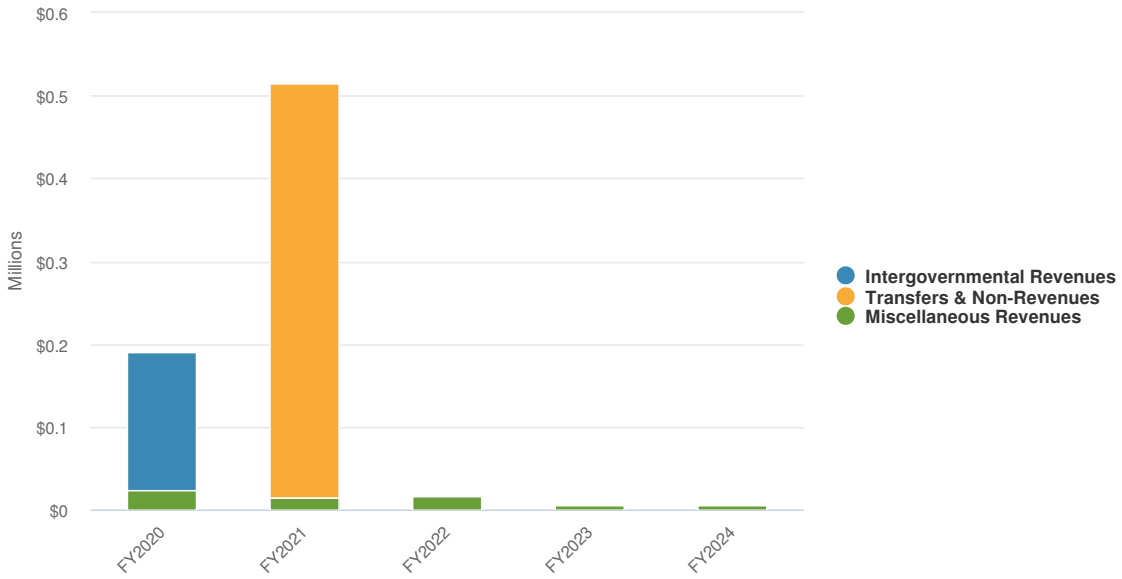
Revenue Summary
At this time, no revenues are anticipated, unless they become available at Council's direction.

Expenditure Summary
The 2024 Budget currently includes no expenditures. Expenditures from this fund must be brought to Council for approval (upon their direction) and will require budget amendments. In 2020 and 2021, funds were used to support the community in responding to the COVID-19 pandemic. In 2022, funds were used in a one-time opportunity to purchase property behind the Civic Center.



Rainy Day Fund Revenues

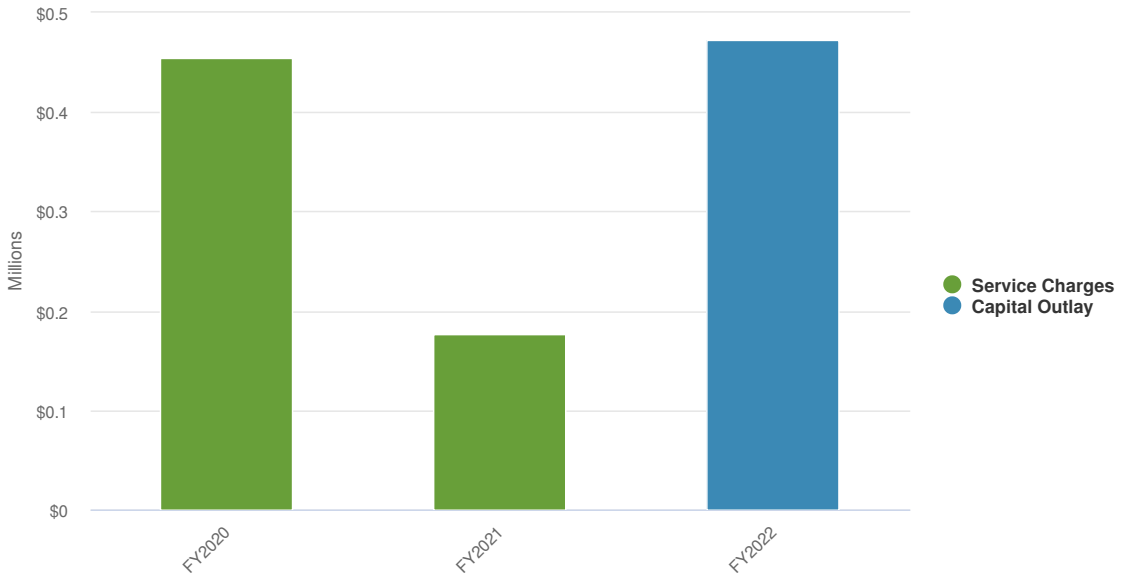
Budgeted and Historical Revenues by Source



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Revenue Source							
Intergovernmental Revenues	$167,732					$0	N/A
Miscellaneous Revenues	$22,990	$14,658	$17,193	$6,000	$6,000	$0	0%
Transfers & Non-Revenues		$500,000				$0	N/A
Total Revenue Source:	**$190,722**	**$514,658**	**$17,193**	**$6,000**	**$6,000**	**$0**	**0%**

Rainy Day Fun Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Requested	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Expense Objects							
Service Charges	$454,329	$176,467		$0	$0	$0	N/A
Capital Outlay			$472,316			$0	N/A
Total Expense Objects:	**$454,329**	**$176,467**	**$472,316**	**$0**	**$0**	**$0**	**N/A**

Debt Service Fund-City Hall

This fund was created for the purpose of recording bond proceeds and the cost of issuance, plus paying principal and interest related to the Civic Center (LTGO) bonds.

Summary

Revenue Summary

Funding for this debt service is flat with the 2023 Budget: $250k from General Fund, $350k from Public Safety Tax, and $100k from REET. When feasible, the City increases transfers into this fund in order to save for possible prepayment of debt.

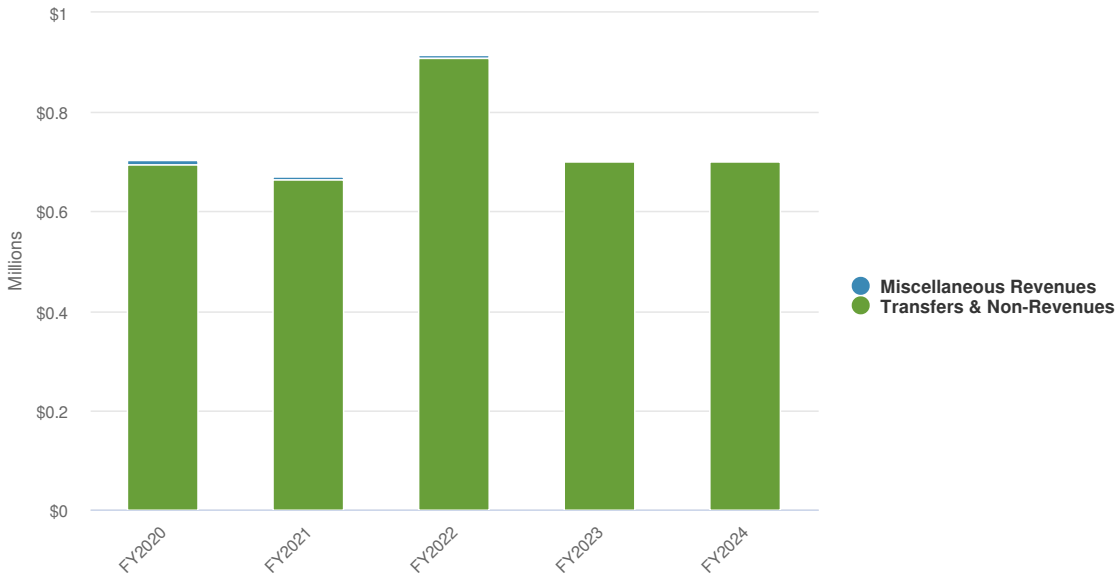
Expenditure Summary

Debt Service payments of the bonds supporting the Civic Center are approximately $660k in 2024 and thereafter. (We will be paying down our principal balance in 2024 by $280k.)



Debt Service Fund-City Hall Revenues

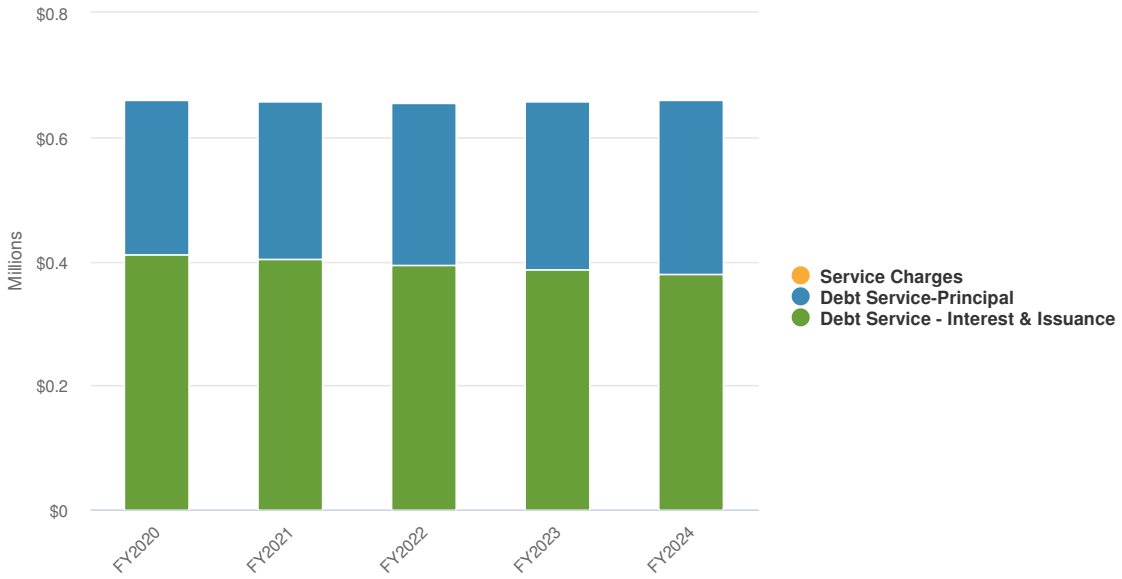
Budgeted and Historical Revenues by Source



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Revenue Source							
Miscellaneous Revenues	$7,700	$4,628	$6,861	$3,000	$3,000	$0	0%
Transfers & Non-Revenues	$695,000	$665,000	$910,000	$700,000	$700,000	$0	0%
Total Revenue Source:	**$702,700**	**$669,628**	**$916,861**	**$703,000**	**$703,000**	**$0**	**0%**

Debt Service Fund-City Hall Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Expense Objects							
Service Charges				$800	$1,220	$420	52.5%
Debt Service - Interest & Issuance	$409,925	$402,425	$395,075	$386,976	$378,876	-$8,100	-2.1%
Debt Service-Principal	$250,000	$255,000	$260,000	$270,000	$280,000	$10,000	3.7%
Total Expense Objects:	**$659,925**	**$657,425**	**$655,075**	**$657,776**	**$660,096**	**$2,320**	**0.4%**



Equipment Reserve

The Equipment Reserve Fund was created to account and save for capital equipment purchases related predominantly to General Fund and Street Operations, the Police Department, Information Technology, Parks, Facilities, PW Administration and Engineering. Regular transfers are made from these funds to support ongoing equipment needs, as scheduled out using our best estimated useful life scenarios.

Key Goals

- Support the City's goal of improving technology for a more efficient workforce.
- Support the Organization Goal of improving employee engagement by providing the tools and resources needed to do their jobs.
- Manage and fund the equipment replacement function of the organization (excluding enterprise funds) - Policy minimum fund balance is 2.5 years of replacement and maximum is 6 years of replacement (minimum ending fund balance for 2024 is $1.600ml).



Summary

Revenue Summary

Transfers into this reserve have been generally aggressive over the years in response to equipment needs and to move toward complying with fund balance requirements. Now that we currently meet these requirements, we are in "maintenance mode." The City is continuing its savings efforts, ending 2024 with a fund balance exceeding minimum policy requirements. This calculation is based upon current needs scheduled out through 2029. This "schedule of needs" is updated annually.

Transfers in for 2024 of $1.136ml are $400k (54%) more than the 2023 Budget and exceed total expenses.

Expenditure Summary

Expenses budgeted for 2024 of $1.069ml are $369k (53%) more than 2023 and include:

PD - Two police cars - $160k: The City intends to replace 2 cars in 2024, consistent with the PD's vehicle repair and replacement program.

PD - Tasers - $18k: The City intends to replace all tasers in 2024 and enter into a subscription arrangement for regular replacement going forward.

IT - Technology Refresh Program - Moved to Fund 180 - American Rescue Plan Act (ARPA): Moved in 2024, consistent with Council approved ARPA spending plan

PW – Replace Road Salt Spreader $40K: The salt spreader is used to disperse deicer on road surfaces during adverse weather conditions. The current spreader was purchased in 2010 and has reached the end of its useful life.

PW – Replace 1973 Asphalt Roller - $30K: The asphalt roller is used in street repair throughout the City. The current roller is a 1973 Rosco Rollpac and has reached the end of its useful life.

PW – Purchase New Tractor - $65K: This tractor will be shared among the Public Works divisions for light industrial jobs. The current 2005 John Deere 4100 20hp tractor is no longer suitable for this type of work due to age and condition. It will be repurposed to the Parks division to be used primarily at Carrie Blake and Reuse Parks.

PW – Replace WRF EQB Pump - $60K: The two Equalization Basin pumps move approximately 1600 gallons of sewage from the Equalization Basin to the Aeration Basin on a continuous basis. These pumps are critical components to the process. One of the two pumps has reached the end of its service life and needs to be replaced.

PW – Replace WRF Aeration Basin DO Probe - $50k: An Aeration Basin Dissolved Oxygen probe is required by Washington State Department of Ecology operating permit. The current probe was purchased in 2008 and reached the end of its useful life.

PW – Replacement CamVan - $400K: The sewer division specialized mobile camera inspection system is used to visually inspect sewer lines. The data that is collected though inspections allows the crew to diagnose and address problems that are not visible above ground. The current unit is a

2010 trailer, with an outdated camera system, that has reached the end of its useful life. The replacement unit will be fully mobile, will have an updated video inspection package, and be able to integrate with Cartegraph Asset Management.

PW - Replace 1993 Water Truck - $75K: One-ton flatbed truck that is used as a multiple purpose vehicle for many different departments. This truck utilizes a lift gate for ease of loading and hauling items. Originally a water truck, this truck was retooled for its current role after many years of heavy use. Due to age and condition, this truck requires regular repairs every year to keep in service.

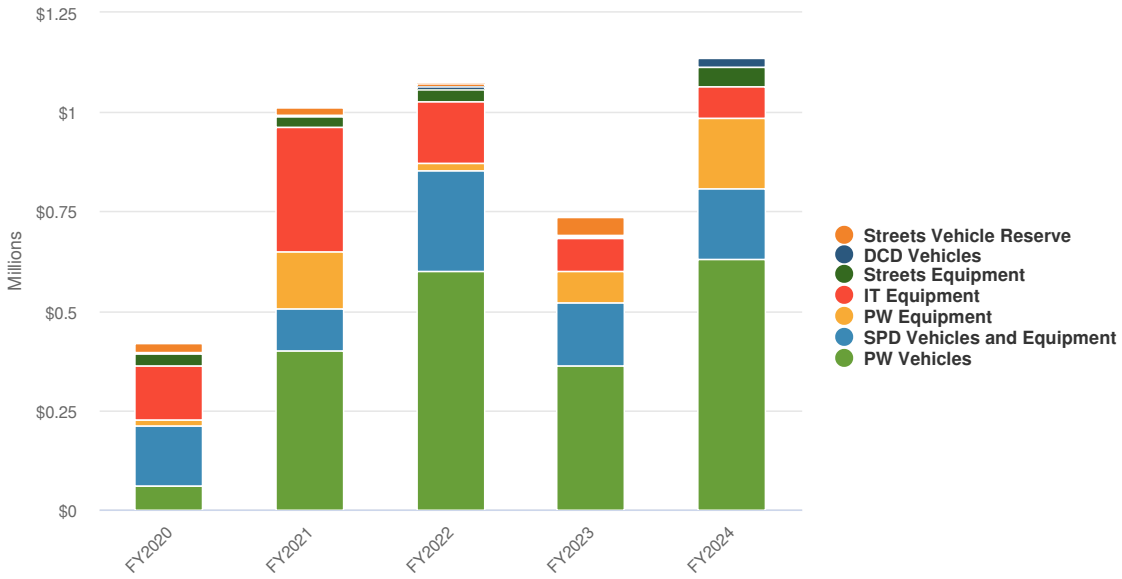
PW – Purchase New One-Ton Truck, with Dump and Plow - $115K: This truck is the primary vehicle used for general street maintenance throughout the year and snow removal during winter months and will provide a vehicle for an additional crew member hired last year.

PW – Purchase new pickup - $35K: This pickup will be used by the WRF crew for plant maintenance and to deliver time-sensitive samples to contract laboratories. The current vehicle being used for maintenance is a 2017 Polaris Ranger utility vehicle. This unit will be repurposed to the reuse park.



Equipment Reserve Revenue

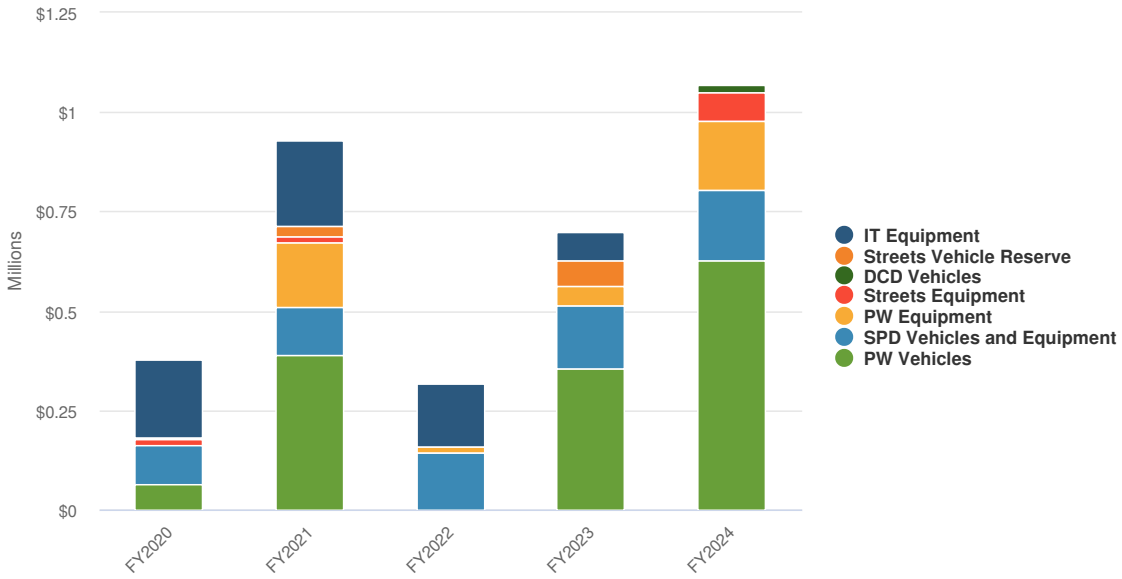
Budgeted and Historical Revenue by Department



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Revenue							
Capital							
Streets Equipment	$31,388	$26,005	$29,451	$5,500	$50,500	$45,000	818.2%
IT Equipment	$135,747	$313,800	$157,800	$81,400	$81,400	$0	0%
PW Equipment	$16,000	$143,250	$16,000	$80,000	$175,000	$95,000	118.8%
SPD Vehicles and Equipment	$150,439	$104,043	$254,071	$160,000	$178,000	$18,000	11.3%
DCD Vehicles	$3,606	$4,703	$8,372	$3,000	$20,000	$17,000	566.7%
Streets Vehicle Reserve	$20,000	$20,000	$5,000	$45,000	$0	-$45,000	-100%
PW Vehicles	$61,000	$401,805	$600,800	$360,800	$630,800	$270,000	74.8%
Total Capital:	**$418,180**	**$1,013,606**	**$1,071,495**	**$735,700**	**$1,135,700**	**$400,000**	**54.4%**
Total Revenue:	**$418,180**	**$1,013,606**	**$1,071,495**	**$735,700**	**$1,135,700**	**$400,000**	**54.4%**

Equipment Reserve Expenditures

Budgeted and Historical Expenditures by Function



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Expenditures							
Capital							
Streets Equipment	$14,877	$16,178			$70,000	$70,000	N/A
IT Equipment	$197,035	$217,677	$159,643	$75,000	$0	-$75,000	-100%
PW Equipment	$0	$161,395	$13,799	$48,500	$175,000	$126,500	260.8%
SPD Vehicles and Equipment	$94,878	$122,955	$144,898	$160,000	$178,000	$18,000	11.3%
DCD Vehicles	$6,180	$0	$0	$0	$20,000	$20,000	N/A
Streets Vehicle Reserve		$23,262		$62,000		-$62,000	N/A
PW Vehicles	$65,853	$388,205	$0	$355,000	$626,200	$271,200	76.4%
Total Capital:	**$378,823**	**$929,673**	**$318,340**	**$700,500**	**$1,069,200**	**$368,700**	**52.6%**
Total Expenditures:	**$378,823**	**$929,673**	**$318,340**	**$700,500**	**$1,069,200**	**$368,700**	**52.6%**

Trust, Agency and Internal Services Funds

Department Description

- **Unemployment Compensation Reserve** is an internal services fund used to pay unemployment claims and to reserve for future unemployment claims (based upon historical activity).
- **Police Expendable Trust Fund** is used to temporarily hold seized assets until the case is resolved and the Court system declares the rightful property owner. Once declared as a City asset, the money is transferred to special revenue Fund 121, Police Seized Asset Fund, where the funds are spent according to state law.
- **Intergovernmental Agency Fund** is used to receipt various monies received and then remitted to other government agencies.
- **Flexible Spending Account Fund** is used to account for incoming/outgoing employee benefit money that is collected pre-tax and expended on behalf of the employee for medical related expenses based on IRS guidelines.

Key Goals

- To appropriately account for trust, agency and internal services funds according to regulations.

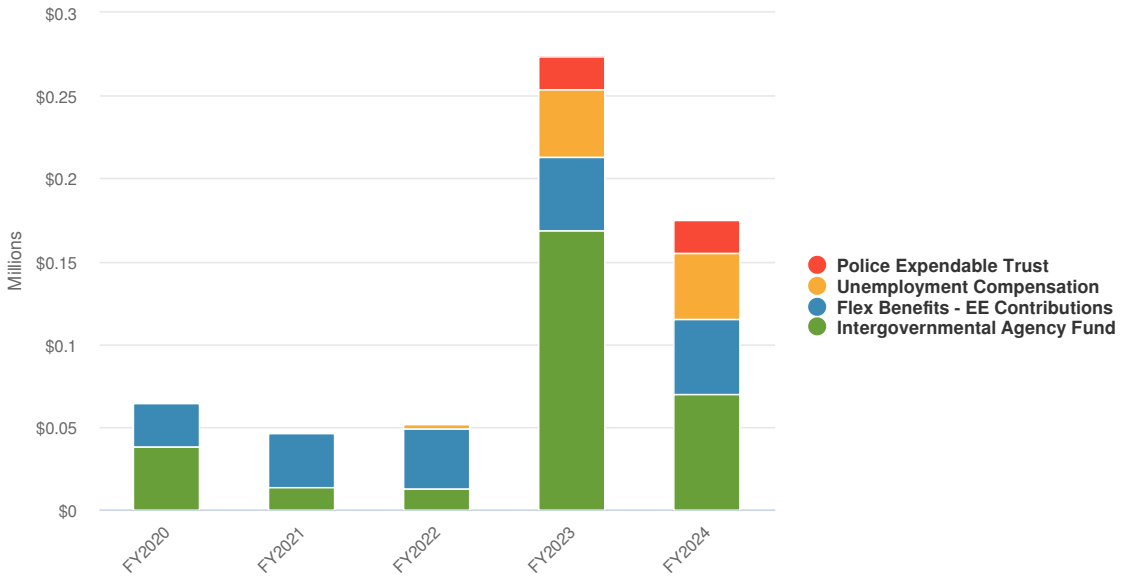
Summary

Revenues and expenses for all funds fluctuate based on external factors. **Revenues** are budgeted basically the same from year to year because these funds are budgeted to account for volatility of revenues and costs. Actual revenues can vary significantly from budget. **Expenses** are the same.

- **Unemployment Compensation Reserve:** Revenues consist of transfers in from General Fund, streets, water and sewer and expenses consist of $40k for potential claims.
- **Police Expendable Trust Fund:** Revenues and expenses are budgeted at $20k but are dependent on activity.
- **Intergovernmental Agency Fund:** These are funds held in a fiduciary capacity by the City and cannot be used for general operations. A budget amount was selected that will cover the costs of disbursements. The revenue and expenses are based on tax assessments and the sale of bus passes.
- **Flexible Spending Account Fund:** Revenues and expenses are budgeted at $45k and based upon expected benefit activity

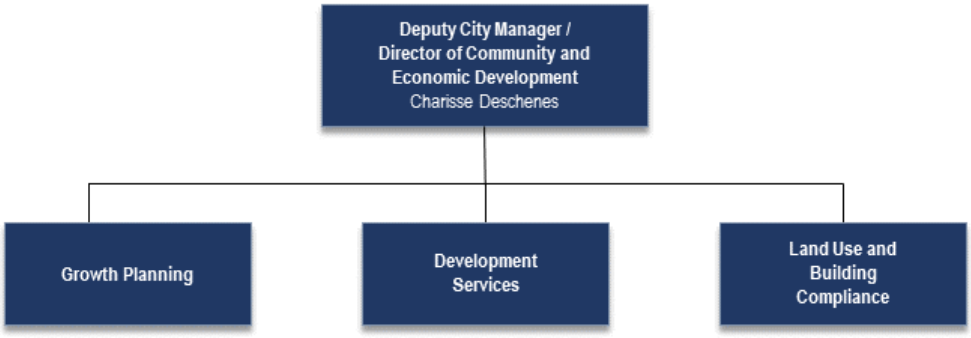
Trust and Agency Funds Expenditures

Budgeted and Historical Expenditures by Function



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Expenditures							
Administrative Services Department							
Unemployment Compensation			$2,019	$40,000	$40,000	$0	0%
Flex Benefits - EE Contributions	$26,019	$32,811	$36,158	$45,000	$45,000	$0	0%
Police Expendable Trust		$745		$20,000	$20,000	$0	0%
Intergovernmental Agency Fund	$38,439	$13,277	$13,076	$168,327	$70,000	-$98,327	-58.4%
Total Administrative Services Department:	**$64,458**	**$46,833**	**$51,253**	**$273,327**	**$175,000**	**-$98,327**	**-36%**
Total Expenditures:	**$64,458**	**$46,833**	**$51,253**	**$273,327**	**$175,000**	**-$98,327**	**-36%**

Community Development Organization



Growth Planning

- Customer service: general planning information and education
- Comprehensive Plan and Future Land Use Map
- Subarea plans and functional planning
- SMC development codes
- Public participation programs
- Land use and demographic databases
- Regional growth coordination and issues
- Annexation program
- Economic development

Development Services

- Customer service: permit intake and general information
- Permit administration for land use and building activity
- Building plan review / inspections
- Permit tracking
- Address files
- Site plan review and inspections
- Plan review, permits renewal and inspections
- SMC, IBC, design standards, and other development codes
- SEPA review
- Subdivision review

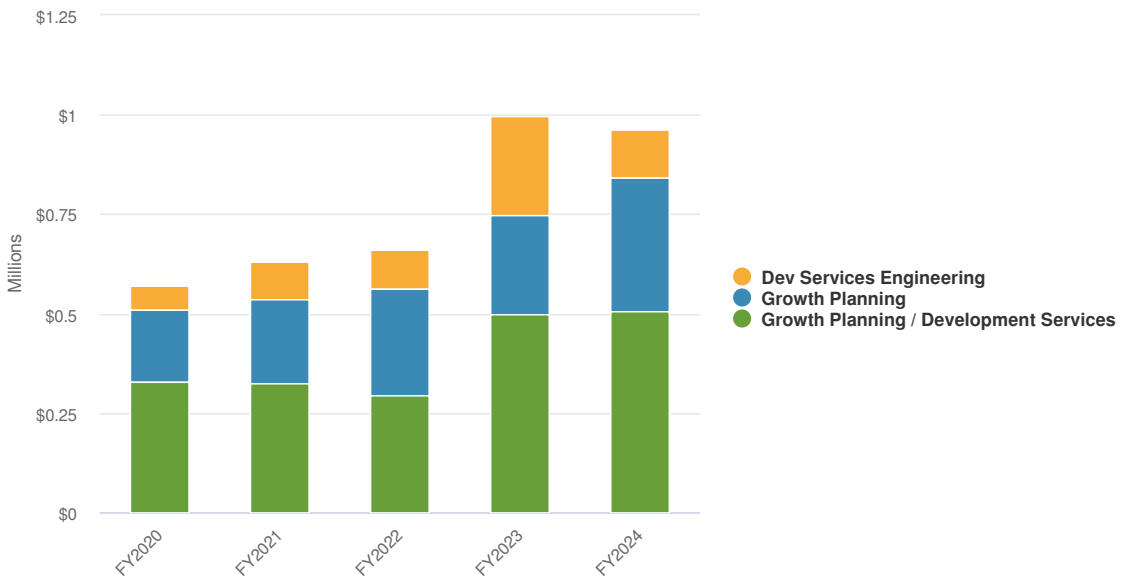
Land Use and Building Compliance

- Code Compliance:
  - Sign Code
  - Zoning violations
- Compliance records
- SMC updates to strengthen compliance
- Residential building inspections / violations
- Land use violations

Community Development Department Overview

Community Development Department Expenditures

Budgeted and Historical Expenditures by Function



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Expenditures							
Department of Community Development							
Growth Planning / Development Services	$330,376	$326,512	$294,560	$496,998	$505,083	$8,085	1.6%
Dev Services Engineering	$59,282	$93,791	$99,075	$248,356	$120,242	-$128,114	-51.6%
Growth Planning	$179,221	$209,455	$266,645	$251,621	$338,180	$86,559	34.4%
Total Department of Community Development:	**$568,880**	**$629,758**	**$660,281**	**$996,975**	**$963,505**	**-$33,470**	**-3.4%**
Total Expenditures:	**$568,880**	**$629,758**	**$660,281**	**$996,975**	**$963,505**	**-$33,470**	**-3.4%**

Growth Planning / Development Services

Department Description

The Department of Community Development is responsible for the community's healthy growth and development. This duty includes administration of the City's land use policies and regulations guided by the Comprehensive Plan, zoning and land division codes, environmental plans and ordinances, and building and fire codes.

Growth Planning is responsible for managing the preparation of City's Comprehensive Plan to guide long-range growth and development, as well as, assisting with the preparation of functional plans for transportation, utilities, parks, and public safety to support the growth policies contained in the City's Comprehensive Plan. This plan is the community's vision for future growth and development guided by public involvement.

Development Services is responsible for protecting the City's health, safety and welfare through the administration of development and building codes, project and plan review, site and building inspections, environmental review, and code compliance with land use and building codes. It consists of three functions: Current Planning, Building Services, and Code Compliance. Current Planning is responsible for all land use and environmental regulations. Building Services reviews building plans and conducts building inspections to ensure safe occupancy. Code compliance ensures that development is consistent with City plans, codes, and permit conditions. Development Services oversees the permit counter which provides information, responds to questions, and takes in permit applications.

In 2021, the Department issued 316 building permits. In 2022, 356 building permits were issued. Through August 15, 2023, 149 building permits have been issued. Building permit numbers only tell a part of the story as you relate it to the amount of work the DCD completes. Pre-application meetings and inquiries regarding property development also require the DCD Team's resources while also working through current planning applications. The Rolling Hills project is currently under Site Construction Permit review for 215 single-family lots. The Legacy Ridge Subdivision is in for a Site Construction Permit as well with a total of 233 residential lots. Willow Creek Manor Phase C has completed the site construction work and is estimated to go online soon with 27 new lots for development.

As the City prepares for the 2025 Comprehensive Plan periodic review, strong themes from the 2023 Legislative Session will influence the outcome of the plan. Climate resiliency and housing will be key work areas. Council identified the need for workforce housing in Sequim. Research, code updates and legislative updates relating to housing will be a focus of the DCD Team in 2024. Over the last year Council initiatives and inquiries for research include the following topics: homesharing, land trust / land banking, Accessory Dwelling Units (ADUs), Mobile Home and Manufactured Home Park (MHP) overlay zones and moratoriums, short-term rentals and transient accommodations. The Governor and the Legislature made the most significant reforms to the Growth Management act in more than 20 years in the last session. Multiple bills are housing related all designed to increase the range of allowable housing types within cities along with historic access to housing funds. While DCD focuses on the work listed above, other improvements are needed regarding municipal code language. The Team will continue to bring forward code language updates for consideration.

The Community Development Department and Public Works Department continue to work with the community and stakeholders to create a clear and predictable development review process.

Mission
The mission of Growth Planning / Development Services is to facilitate quality development through good urban design.

Key Goals

DCD is evaluating our lines of business and level of service. As our department becomes more sophisticated and data focused, we are reviewing current practices, processes, code sections, and guiding documents. The Team has an internal five-year strategic plan with work items and priorities based on actions to move the department forward in growth planning, current planning / development review, building permits, code compliance, building inspections and economic development.

In 2024, Goals include:

- Meet community needs through the Comprehensive Plan Periodic Review and Development Regulations update. Work to complete this goal continues until the deadline with the Washington State Department of Commerce on June 30, 2025.
- Update processes and improve permitting software through the implementation and training of users in the Tyler Technologies Permitting Software.
- Focus on process improvement, customer service with updates to the DCD Website as well as providing updated information to the customer that will help communicate and understand the services of DCD and processes provided by the Department.
- Conduct precision cuts to the Municipal Code to create clarity and consistency for internal and external users.

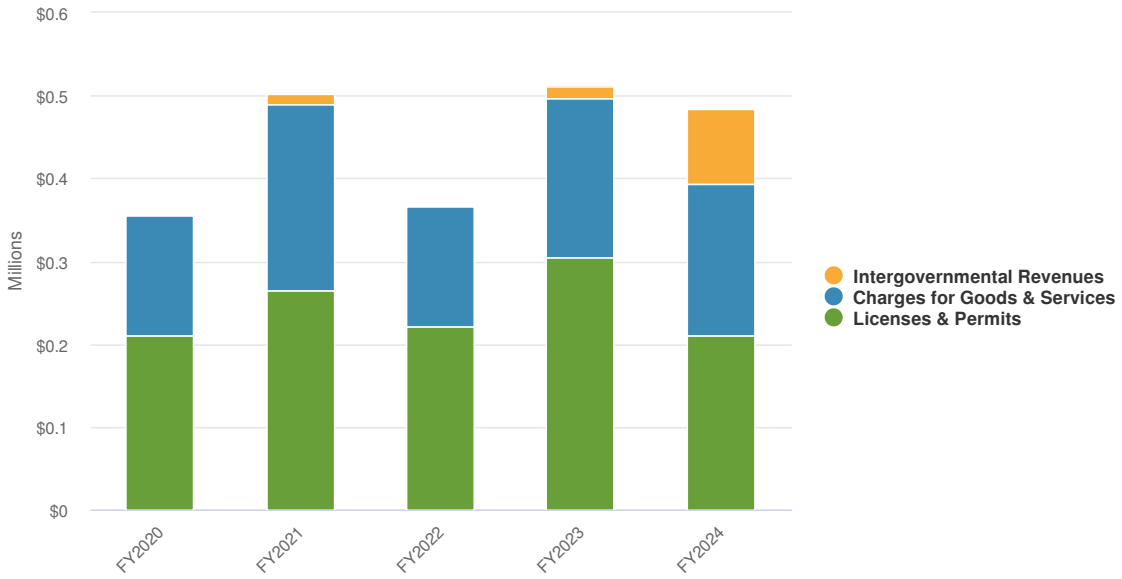
Summary

Revenue Summary
Most revenue sources are expected to decrease given 2023 performance. New construction starts have slowed and this is consistent with national reports of changing market conditions and uncertainty. Increases in grant revenues are anticipated to partially fund the Comprehensive Plan update process.

Expenditure Summary
This budget decreased by $33k (3%) from the 2023 Budget. This is primarily due to the elimination of the *temporary* Development Inspector which was anticipated to accommodate increased development activity. Other increases in this budget include Hearings Examiner services and outside professional services to assist in shepherding the Comprehensive Plan update - a project expected to be multi-year.

Growth Planning / Development Services Revenues

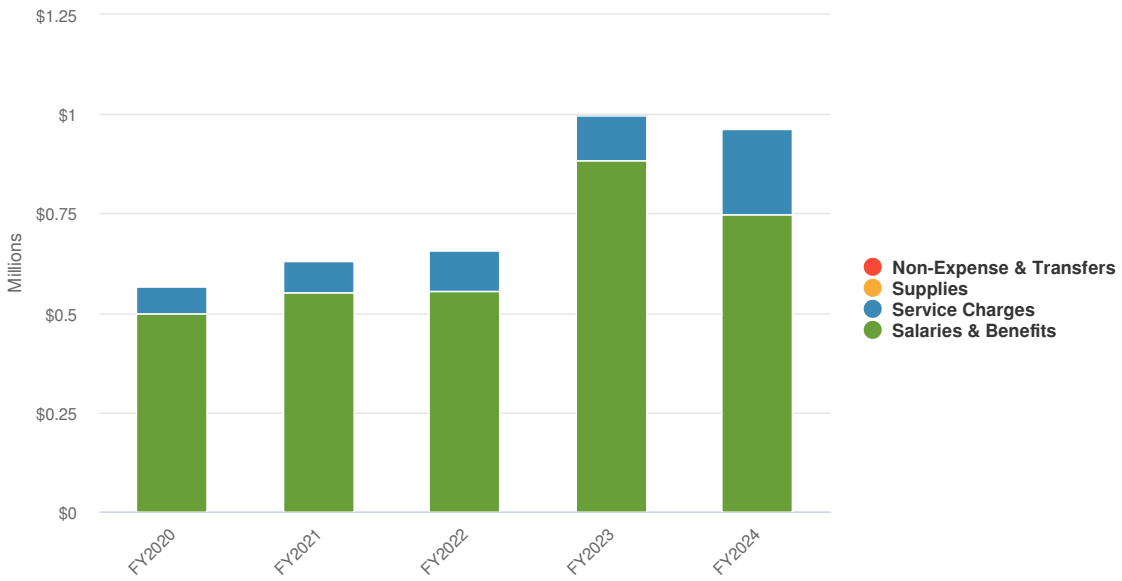
Budgeted and Historical Revenues by Source



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Revenue Source							
Licenses & Permits	$210,011	$264,375	$221,541	$305,000	$211,000	-$94,000	-30.8%
Intergovernmental Revenues	$1,094	$12,343		$15,000	$90,000	$75,000	500%
Charges for Goods & Services	$145,119	$224,718	$143,962	$191,000	$182,750	-$8,250	-4.3%
Total Revenue Source:	**$356,223**	**$501,435**	**$365,502**	**$511,000**	**$483,750**	**-$27,250**	**-5.3%**

Growth Planning / Development Services Expenditures

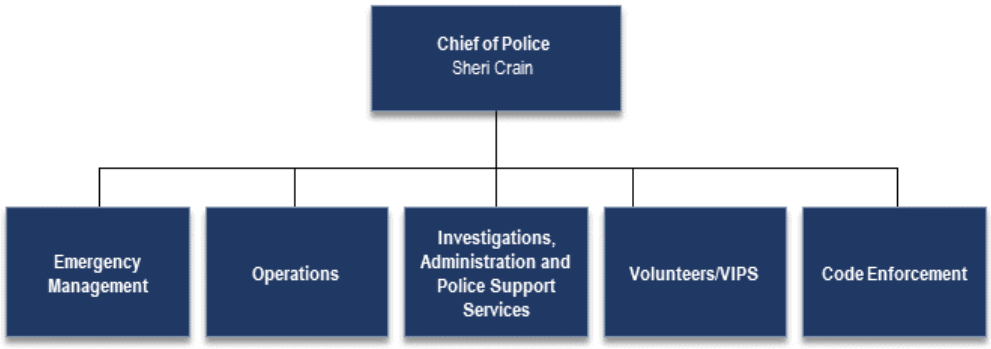
Budgeted and Historical Expenditures by Expense Type



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Expense Objects							
Salaries & Benefits	$500,049	$551,266	$556,636	$883,298	$748,305	-$134,993	-15.3%
Supplies	$3,010	$888	$1,567	$1,401	$1,450	$49	3.5%
Service Charges	$65,820	$77,605	$99,079	$112,276	$213,750	$101,474	90.4%
Non-Expense & Transfers			$3,000		$0	$0	N/A
Total Expense Objects:	**$568,880**	**$629,758**	**$660,281**	**$996,975**	**$963,505**	**-$33,470**	**-3.4%**



Police Organization



Emergency Management

- Emergency management services

Operations

- Patrol/911 Response
- Investigations
- Training
- K-9 Unit
- WSP Target Zero partner
- Crime Prevention

Investigations, Administration and Police Support Services

- Crime Investigation
- Regional Drug Team
- Sex Offender Checks
- Budget
- Customer Service
- Licensing, Permits and Fingerprints
- Personnel Administration
- Professional Accountability
- Records
- Communications
- Property and Evidence
- Crime Data Reports

Volunteers/VIPS

- Project Lifesaver
- Block Watch
- Business Watch
- Front Office Support
- Vacation House Check
- Child Car Seat Safety
- Pawnshop Detail
- Chaplain

Code Enforcement

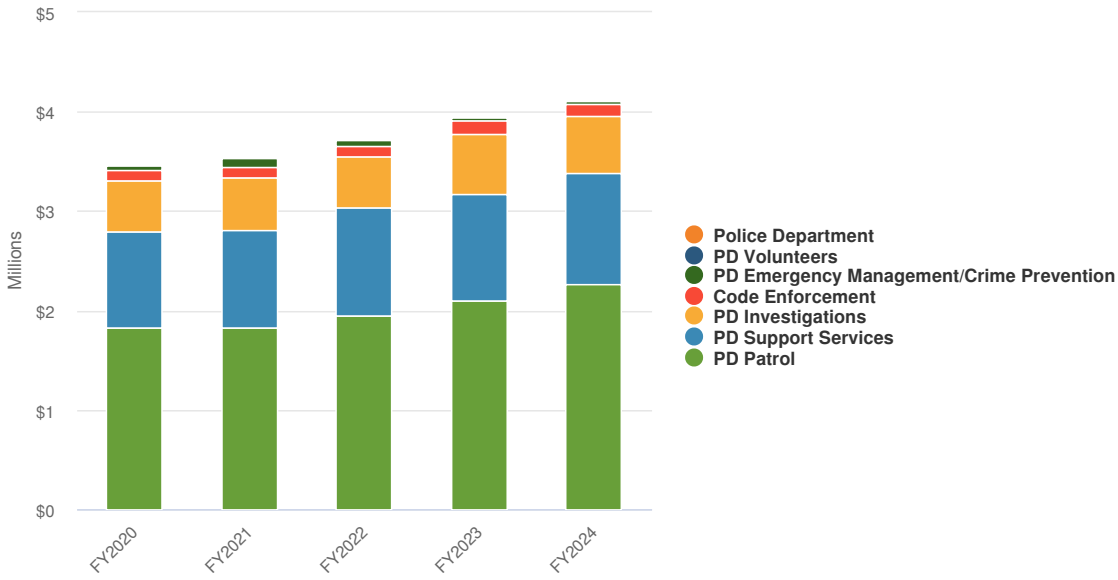
- Animal Control
- Code Enforcement



Public Safety Operations - Department Overview

Public Safety Operations Expenditures

Budgeted and Historical Expenditures by Function



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Expenditures							
Police Department							
Police Department	$2,205					$0	N/A
Code Enforcement	$102,051	$102,619	$106,471	$123,267	$121,088	-$2,179	-1.8%
PD Support Services	$958,080	$988,272	$1,094,934	$1,075,766	$1,115,982	$40,216	3.7%
PD Volunteers	$1,358	$147	$167	$2,964	$3,260	$296	10%
PD Patrol	$1,834,965	$1,826,283	$1,947,817	$2,101,479	$2,265,427	$163,948	7.8%
PD Investigations	$518,647	$531,330	$509,003	$606,490	$571,328	-$35,162	-5.8%
PD Emergency Management/Crime Prevention	$46,491	$90,664	$59,203	$39,099	$39,863	$764	2%
Total Police Department:	**$3,463,797**	**$3,539,315**	**$3,717,595**	**$3,949,065**	**$4,116,948**	**$167,883**	**4.3%**
Total Expenditures:	**$3,463,797**	**$3,539,315**	**$3,717,595**	**$3,949,065**	**$4,116,948**	**$167,883**	**4.3%**

Police Department

Department Description

The Sequim Police Department is charged with a variety of duties relating to the protection and safety of the community. This mandate is carried out through the enforcement of criminal and traffic laws; the investigation of criminal activities and the arrest of offenders; and by ordinance, emergency management and preparation. The Department coordinates investigations and law enforcement operations with other jurisdictions and agencies.

Additionally, the Support Services front counter offers weapons permitting and transfers, fingerprinting, records retrieval, incident reports, vacation check requests, and public records requests.

Our Code Enforcement Officer will continue to investigate Animal Control and Nuisances issues.

The 2024 Budget reflects Department staffing of twenty-two sworn Officers (22 FTE) and one Code Enforcement Officer which is an increase of 2 to account for predicted personnel openings, increase in police incidents, and compliance with State mandated training and tactics. Police Department functions are greatly supported by three Records Specialists in our Support Services division supervised by the Support Services Supervisor for a total of four Civilian support FTE. The Department also benefits from an active group of more than 15 civilian volunteers who assist the Department's efforts and provide enhanced public safety programs.

Emergency management efforts within the City were augmented in 2020 to include a .4 Emergency Management Coordinator. With the COVID-19 public heath emergency, that position was expanded to full-time in 2020. Mid-year in 2022, the fulltime emergency level was reduced back to the .4 FTE and is represented as such in the 2024 budget.

Mission

The mission of the Police Department is to partner with our community in preserving the peace and reducing the incidence of crime for everyone who lives, works and visits our City.



Key Goals

- Continued engagement with regional partners and service providers in the areas of homelessness, mental illness and substance abuse. Continue our commitment to our regional drug enforcement task force (OPNET) and School Resource partnership with the Sequim School District.
- Body Worn Camera and In-Car Video full operational implementation.
- Training and protocols to ensure adherence to de-escalation, emergency response (Active Shooter), use of force, crisis intervention and other training as required by legislation and best industry standards.
- Complete Re-Accreditation.
- Produce a Police Department Strategic plan.
- Succession planning within the Department to address staff turnover due to long time employees retiring. Hiring, training and replacement of job expertise is needed to absorb several retirements experienced in the near past and to proactively address expected future retirements.

Summary

Revenue Summary
2024 budgeted revenues of $515k increased $98k (23%) from the 2023 Budget due to trends in criminal justice, liquor and marijuana tax receipts - driven by increases in population and consumer purchasing habits. Additional support from the Hotel/Motel fund is represented for additional festival and event policing. We've also added a $40k transfer in from the Public Safety Tax to support Emergency Management.

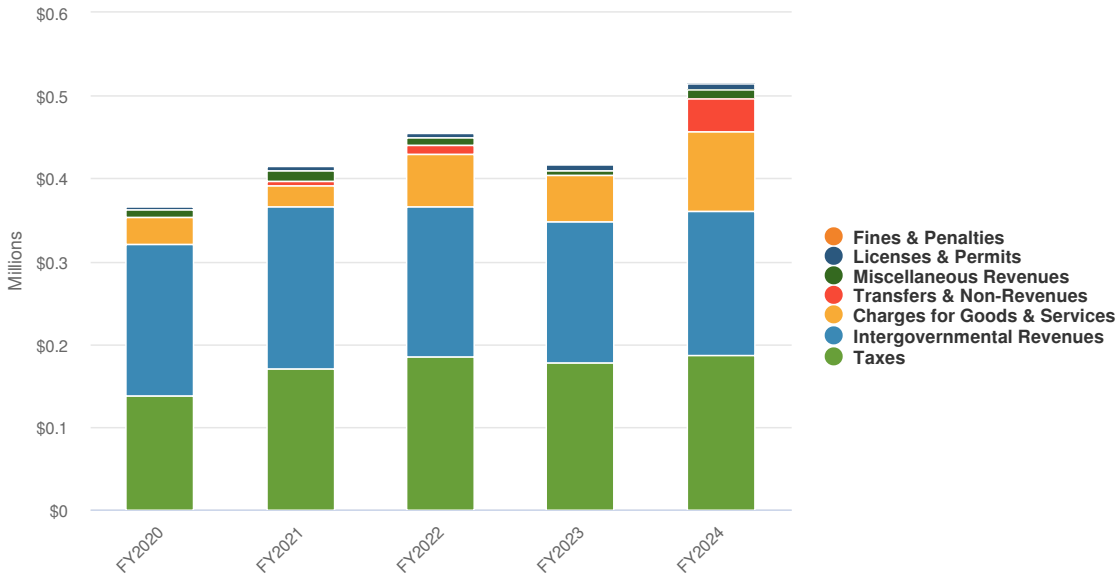
Expenditure Summary
Overall, the police budget for 2024 of $4.12ml increased by $168k (4%) from the 2023 Budget. Salary and benefit expenses reflect an increase of 2 FTE added to the employee count in 2023. State mandated costs continue to increase, including Labor and Industries Industrial Insurance and LEOFF (Law Enforcement Officers and Fire Fighters Retirement System) contributions.

2024 budget assumptions are: Supply and equipment replacement expenses are impacted by inflationary pressures in the marketplace. Training, travel, and registration were expanded to address training needs brought on by Police Reform laws passed in 2021/22/23. Local in-service training and remote/on-line offerings will continue to be leveraged where possible within our 2024 training plan. Increases in PENCOM dispatch services as well as Body-worn camera and other investigative technology expenses are also reflected in this budget. Transfers out to the Equipment Reserve reflect the intention to purchase 2 police cars and tasers as part of our Police asset plan.

The Sequim School District continues to share salary and benefit expenses as part of the School Resource Officer (SRO) agreement and the Police Department will continue its participation in the Olympic Peninsula Narcotics Enforcement Task Force (OPNET).

Police Department Revenues

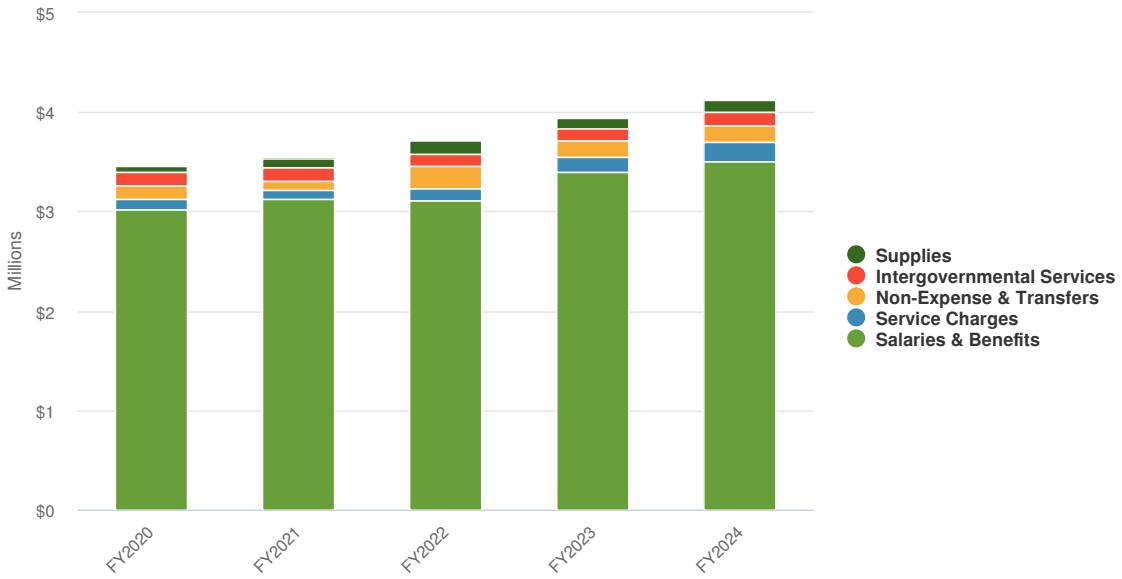
Budgeted and Historical Revenues by Source



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Revenue Source							
Taxes	$137,132	$169,555	$185,093	$177,928	$186,742	$8,814	5%
Licenses & Permits	$3,507	$5,107	$6,592	$6,745	$6,745	$0	0%
Intergovernmental Revenues	$184,024	$196,143	$180,453	$169,824	$173,476	$3,652	2.2%
Charges for Goods & Services	$32,064	$25,473	$64,264	$56,000	$97,000	$41,000	73.2%
Fines & Penalties	$422		$100			$0	N/A
Miscellaneous Revenues	$8,700	$11,800	$9,241	$6,000	$11,000	$5,000	83.3%
Transfers & Non-Revenues	$0	$6,180	$10,234	$0	$40,000	$40,000	N/A
Total Revenue Source:	**$365,850**	**$414,258**	**$455,978**	**$416,497**	**$514,963**	**$98,466**	**23.6%**

Police Department Expenditures

Budgeted and Historical Expenditures by Expense Type

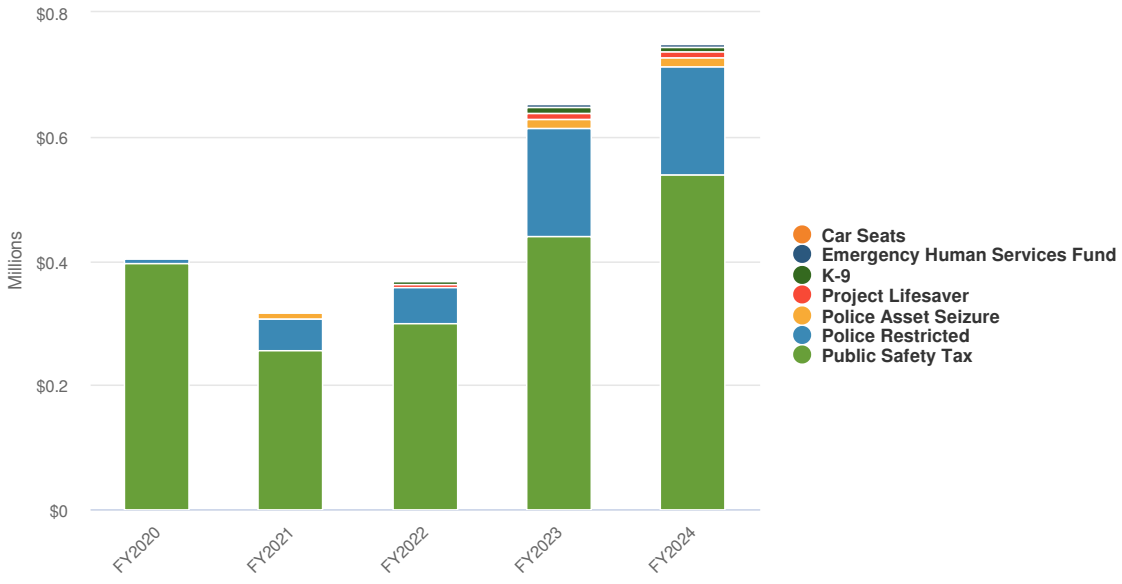


Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Expense Objects							
Salaries & Benefits	$3,028,266	$3,119,663	$3,109,893	$3,394,164	$3,503,491	$109,327	3.2%
Supplies	$65,510	$92,965	$131,653	$115,846	$115,302	-$544	-0.5%
Service Charges	$97,673	$93,505	$126,709	$157,055	$191,455	$34,400	21.9%
Intergovernmental Services	$132,347	$133,183	$124,340	$122,000	$128,700	$6,700	5.5%
Non-Expense & Transfers	$140,000	$100,000	$225,000	$160,000	$178,000	$18,000	11.3%
Total Expense Objects:	**$3,463,797**	**$3,539,315**	**$3,717,595**	**$3,949,065**	**$4,116,948**	**$167,883**	**4.3%**

Public Safety Restricted - Department Overview

Public Safety Restricted Expenditures

Budgeted and Historical Expenditures by Function



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Expenditures							
Police Department							
Police Restricted	$7,068	$51,601	$56,544	$174,191	$172,156	-$2,035	-1.2%
Car Seats	$831			$1,200	$1,200	$0	0%
K-9	$2,308	$2,636	$4,299	$7,400	$7,400	$0	0%
Project Lifesaver	$2,157		$5,879	$10,000	$10,000	$0	0%
Public Safety Tax	$396,046	$255,153	$300,000	$440,000	$540,000	$100,000	22.7%
Emergency Human Services Fund	$1,645	$381	$152	$5,400	$5,400	$0	0%
Police Asset Seizure	$0	$8,795	$0	$15,000	$15,000	$0	0%
Total Police Department:	**$410,056**	**$318,566**	**$366,874**	**$653,191**	**$751,156**	**$97,965**	**15%**
Total Expenditures:	**$410,056**	**$318,566**	**$366,874**	**$653,191**	**$751,156**	**$97,965**	**15%**

Police Restricted

The Police Restricted Fund is for grant funded or donation funded special activities that are in addition to ongoing police operations. Projects and activities include the k-9 program, Project LifeSaver, Public Safety Tax collection and transfers, Emergency Human Services funding and the Chaplaincy fund. In 2022, we added the Jamestown Medically Assisted Treatment Clinic monitoring and evaluation program which provides a Navigator program funded by the Jamestown S'Klallam Tribe. This program will continue in 2023.

The Police Asset Seizure Fund was created to deposit the net portion of forfeited proceeds after payment to the Washington State Treasurer and settlement of all claims as required by state and federal laws. These funds are to be used to assist the Sequim Police Department in funding drug enforcement as determined by the Chief of Police in accordance with RCW 69.50.505.

The net proceeds are provided by the following per Sequim Municipal Code 3.42: RCW 69.50.505 – seizure and forfeiture of property connected with the manufacture, compounding, processing, delivery, importing, or exporting of illegal narcotics and drugs (controlled substances) by law enforcement agencies, including the Sequim Police Department; RCW 46.61.5058 – seizure and forfeiture of a vehicle connected with driving a motor vehicle while meeting or exceeding the Washington state recognized level of intoxication (DUI) and having had a prior conviction within seven years as defined by RCW 46.61.5055; Chapter 9A.83 RCW – seizure and forfeiture of proceeds and property connected with money laundering; Moneys derived as a result of the Federal Comprehensive Crime Control Act. Withdrawals from the fund require written authorization of the Chief of Police and the City Manager (Sequim Municipal Code 3.42.030).

Key Goals

- Utilize donated funds for their dedicated purposes.
- Apply asset seizure funds towards needed officer safety and investigative equipment purchases.
- Transfer available Public Safety Tax to Debt Service Fund for Civic Center bond payments.
- Jamestown MAT Clinic monitoring and evaluation program related activities.



Summary

Revenue Summary

Police Restricted Fund: The Police Restricted budget reflects grant money and donations that are linked to specific purposes and programs as previously noted. Additionally, the voter-approved Public Safety Sales Tax revenue is recorded in this fund which continues to be used to pay Civic Center/Police Station debt. Finally, a new program revenue was added to this fund in 2022 to pay for a professional social services navigator, contracted by the City, to carry out part of the Jamestown Medically Assisted Treatment facility (MAT) clinic monitoring and evaluation program.

Police Asset Seizure Fund: Revenues are anticipated based on averages. The uses of the Asset Seizure Fund are set out in both state law and under current City ordinance. The actual amount of revenue can vary significantly from year to year, based on the unpredictable nature of narcotics investigations, proactive resources available for enforcement, backlogs of seizure hearings, and other variables including, even, the type of drug of choice that is being peddled and purchased.

Expenditure Summary

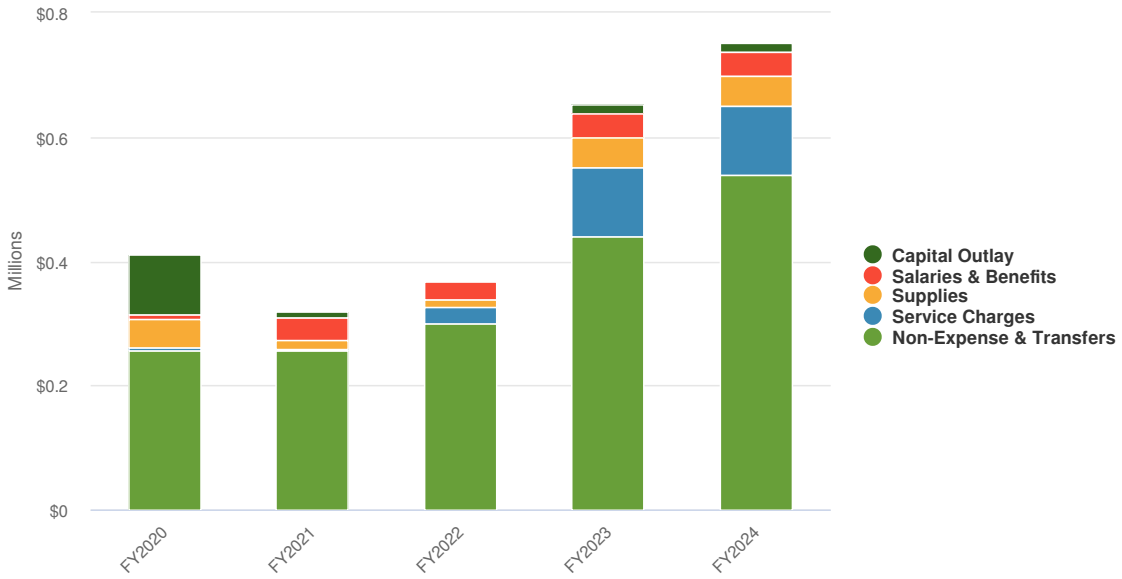
Police Restricted Fund: A transfer out to the Civic Center debt is increased from 2023 by $100k and a transfer out to the City Shop Improvements project of $150k is static in 2024. Other items that remain flat include the professional social services navigator program to support compliance with the MAT clinic monitoring and evaluation requirements (paid for by the Jamestown Tribe). This agreement is in place at least until June 1, 2025.

Police Asset Seizure Fund: The asset seizure fund is a restricted fund by RCW with limited law enforcement purposes connected to drug enforcement. Any expenses must fit within the guidance provided by RCW and our City code, 3.42.030.



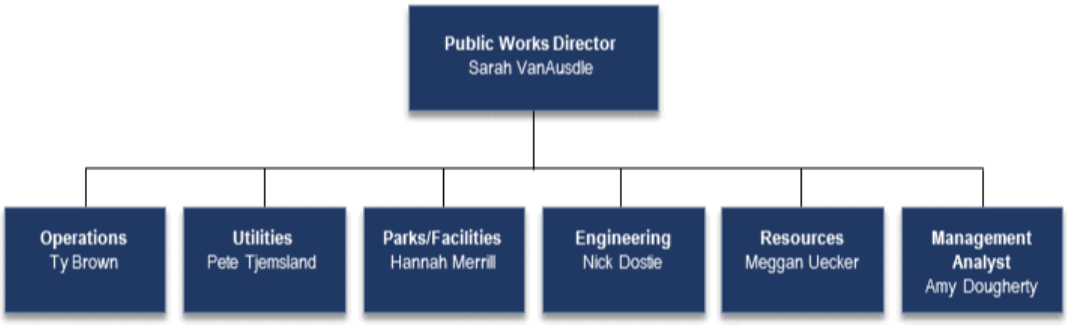
Police Restricted Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Expense Objects							
Salaries & Benefits	$7,568	$36,904	$28,148	$39,610	$37,575	-$2,035	-5.1%
Supplies	$47,566	$13,884	$12,577	$48,681	$48,681	$0	0%
Service Charges	$5,231	$4,383	$26,150	$109,900	$109,900	$0	0%
Capital Outlay	$94,691	$8,394	$0	$15,000	$15,000	$0	0%
Non-Expense & Transfers	$255,000	$255,000	$300,000	$440,000	$540,000	$100,000	22.7%
Total Expense Objects:	**$410,056**	**$318,566**	**$366,874**	**$653,191**	**$751,156**	**$97,965**	**15%**

Public Works Organization



Operations

- Streets and Stormwater Maintenance and Repair
- Right of Way Landscaping
- Safety
- Lighting
- Traffic Signals
- Traffic Signs
- Sidewalks
- Snow and Ice Control
- Striping and Traffic Controls
- Radio Communication
- Emergency Management Logistics

Utilities

- Water Supply and Distribution
- Water Rights Management
- Water Operations and Maintenance
- Sewer Operations & Maintenance
- Water Reclamation Facility (WRF)
- Reclaimed Water and Biosolids Distribution
- Industrial Pre-Treatment
- Utility Locates
- Emergency Management Operations

Parks/Facilities

- Coordinate Park Docents
- Parks Board Liaison
- Parks Master Planning
- Donations/Volunteer Coordination
- Facilities Management
- Janitorial Service
- Parks Operations
- Emergency Management Operations

Engineering

- Capital Improvement Program
- GIS
- Traffic Engineering
- Development Reviews
- Site Construction Inspections
- Emergency Management Logistics
- Transportation Improvement Planning
- Construction Administration

Resources

- Stormwater Compliance
- Reclaimed Water Utilization Management
- Natural Resource Sustainability
- Governmental Tribal/Public Resource Liaison
- Emergency Management Planning
- Solid Waste Management
- Grant Procurement and Management

Management Analyst

- Asset Management Program
- Capital Improvement Program Prep
- Budget Prep and Compliance
- Purchasing and Acquisition
- Utility Rate and Fee Development
- Fiscal Data Analysis
- Fleet Management Coordination
- Contract Administration
- Finance Dept. Liaison
- Emergency Management Logistics

Facilities Maintenance

Department Description

The Facilities Maintenance Division includes building repairs, maintenance, and janitorial services for all City owned properties and the Clallam Transit Center. Facilities staff also assists with a variety of highly technical "one-off" projects throughout the City as well as the community clean-up events, including “Rally in the Alley”. The operation of the rental facilities within the City is also contained in this division.

Key Goals

- Perform scheduled maintenance and upgrades to City Facilities using Cartegraph to document time and expense.
- Retro-fit Civic Center HVAC system to one vendor design.
- Retro-fit second floor reception area.
- Retro-fit former Administration building for additional staff use.
- Complete Carrie Blake Park equipment storage and security with concrete pad and cover behind mower shed.
- Implement an upgraded City-wide security system.



Summary

Revenue Summary

Facilities revenue is expected to increase by $26k (143%) due to additional short-term rentals projected.

Expenditure Summary

This budget decreased by $25k (3%) from the 2023 Budget. The transfer to special funds operations was reduced by $85k (25%) due to a reduction in the general fund's contribution to Limited Tax General Obligation debt service. This was offset by an increase in utilities charges of $43k (45%) to reflect actual spending and additional janitorial fees of $13k (71%) to reflect actual spending.



Facilities Maintenance Revenues

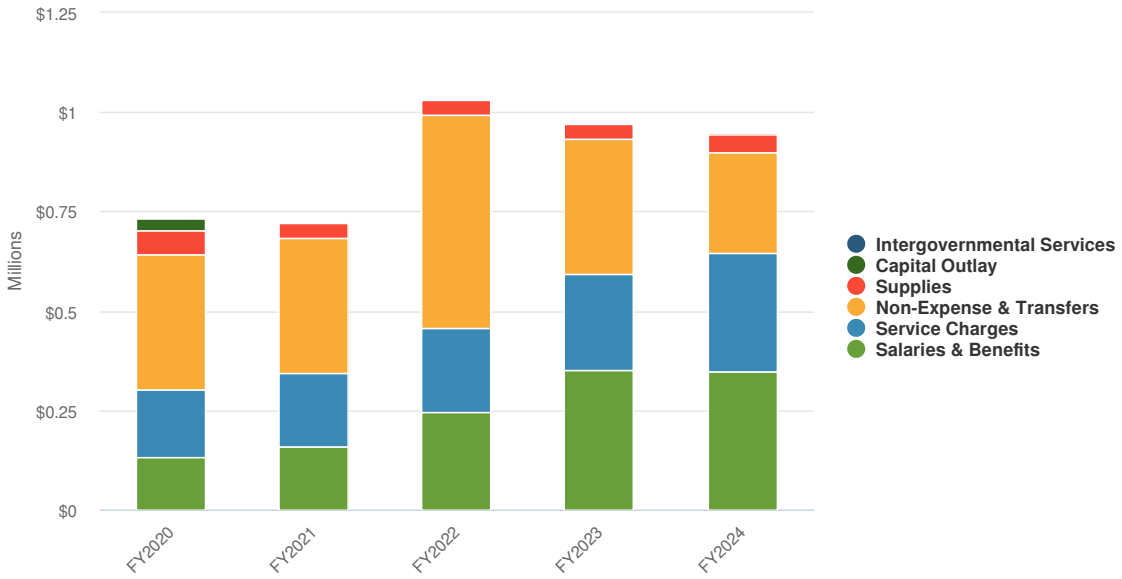
Budgeted and Historical Revenues by Source



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Revenue Source							
Licenses & Permits			$1,250			$0	N/A
Charges for Goods & Services	$8,001	$9,139	$13,921	$8,100	$13,900	$5,800	71.6%
Miscellaneous Revenues	-$2,747	$10,760	$18,733	$10,000	$30,000	$20,000	200%
Other Increases in Fund Resources	-$1,800	-$59	$118			$0	N/A
Total Revenue Source:	**$3,454**	**$19,840**	**$34,022**	**$18,100**	**$43,900**	**$25,800**	**142.5%**

Facilities Maintenance Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Expense Objects							
Salaries & Benefits	$133,429	$156,878	$246,885	$352,049	$347,204	-$4,845	-1.4%
Supplies	$60,960	$36,647	$36,644	$37,320	$44,520	$7,200	19.3%
Service Charges	$167,899	$188,479	$209,617	$239,920	$298,000	$58,080	24.2%
Intergovernmental Services	$227	$93	$93			$0	N/A
Capital Outlay	$28,956					$0	N/A
Non-Expense & Transfers	$339,725	$339,600	$536,340	$339,400	$254,400	-$85,000	-25%
Total Expense Objects:	**$731,196**	**$721,697**	**$1,029,579**	**$968,689**	**$944,124**	**-$24,565**	**-2.5%**

Park Operations

Department Description

Park Operations is responsible for the maintenance of eight (8) City-owned parks, including the James Center for the Performing Arts, and the Guy Cole Event Center. Some of the maintenance is shared with non-profit organizations. Total park area property is approximately 117 acres. The City also maintains approximately 4 miles of the Olympic Discovery Trail system located in the City of Sequim. In addition to the Carrie Blake Park complex, the City maintains the relatively undeveloped Keeler and Gerhardt Parks as well as several smaller parks scattered throughout the City. The Parks Division also coordinates with community groups who provide scheduling and some maintenance of various park play and leisure areas.

Key Goals

- Implementation of the Parks Master Plan.
- Identify needs for additional parks services and maintenance staff.
- Identify funding sources for playground construction for Margaret Kirner, Dr. Standard, and Carrie Blake Parks.
- Explore expansion of Civic Rec to include reservation capabilities for additional park amenities and playing fields.



Summary

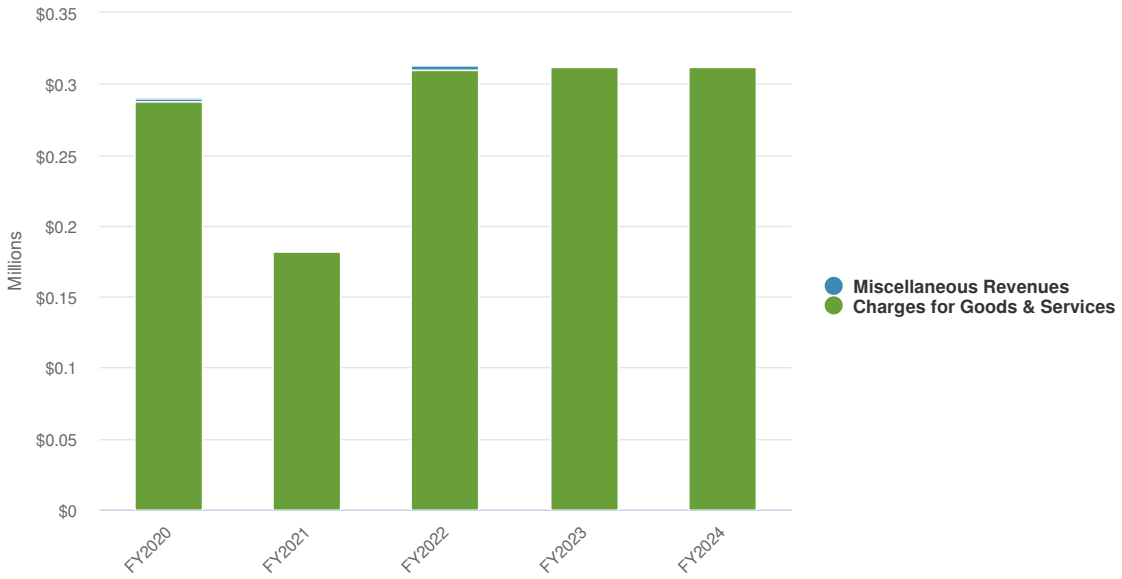
Revenue Summary
Parks revenue is expected remain static in 2024.

Expenditure Summary
This budget increased by $36k (9%) from the 2023 Budget. This increase is the result of $34k (12%) in salaries and benefits due to the addition of ½ FTE to assist with managing the park assets and a $2k (15%) increase in services to address ADA accessible temporary bathroom services.



Park Operations Revenues

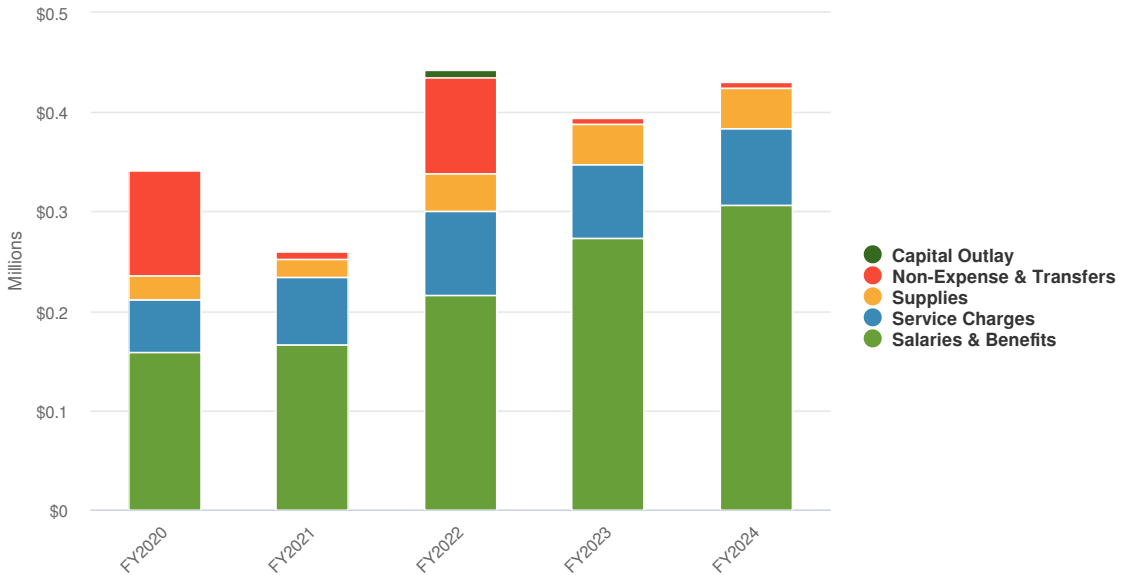
Budgeted and Historical Revenues by Source



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Revenue Source							
Charges for Goods & Services	$288,022	$181,960	$309,779	$312,000	$312,000	$0	0%
Miscellaneous Revenues	$1,650	$1,105	$2,744		$0	$0	N/A
Total Revenue Source:	**$289,672**	**$183,065**	**$312,523**	**$312,000**	**$312,000**	**$0**	**0%**

Park Operations Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Expense Objects							
Salaries & Benefits	$157,922	$165,593	$216,115	$272,717	$306,503	$33,786	12.4%
Supplies	$25,138	$19,329	$38,268	$40,825	$40,825	$0	0%
Service Charges	$53,323	$67,997	$84,112	$74,280	$76,455	$2,175	2.9%
Capital Outlay			$7,758			$0	N/A
Non-Expense & Transfers	$105,000	$7,000	$97,000	$7,000	$7,000	$0	0%
Total Expense Objects:	**$341,384**	**$259,919**	**$443,253**	**$394,822**	**$430,783**	**$35,961**	**9.1%**

PW Administration

Department Description
The Public Works Department has the primary responsibility to provide and maintain the infrastructure, facilities, and services that meet the needs of the City of Sequim and comply with the state, federal and Council established standards and priorities. Public Works Administration provides the overall management and support for these functions. The Public Works office coordinates with outside jurisdictions, oversees contract management and consultant agreements, administers grant and loan agreements, facilitates transportation and infrastructure planning, assists in development review and answers customer inquiries. It oversees budget preparation and administration and ensures compliance with purchasing regulations.

Mission
The Public Works Department mission is to build community by maintaining and enhancing the City's infrastructure in a way that meet the needs of the City and complies with state, federal and Council established standards.

Key Goals

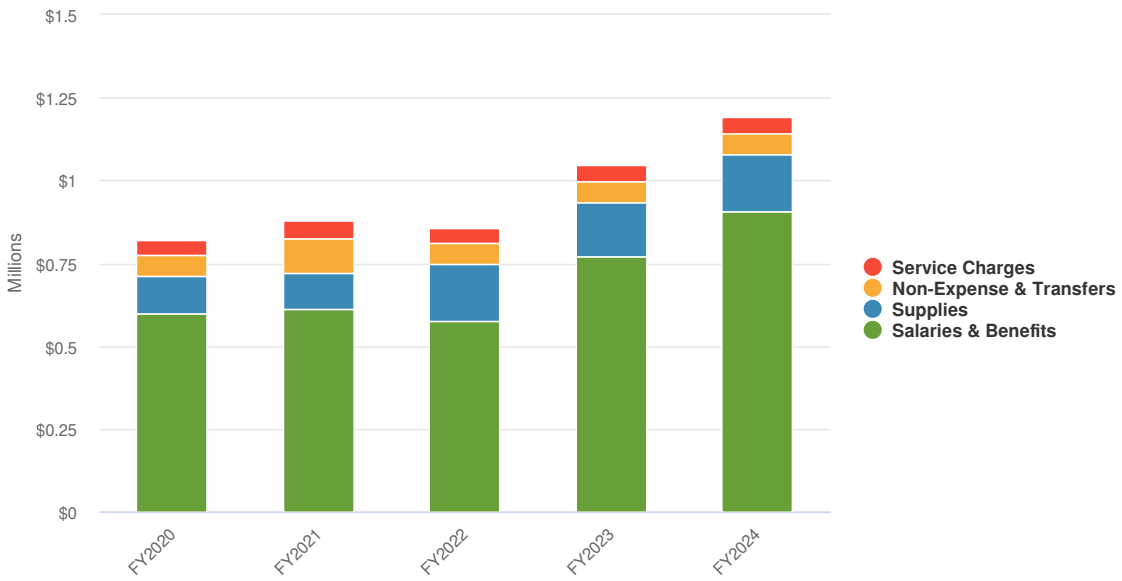
- Collaborate with legislators, local and regional governmental entities, and other private organizations to promote infrastructure expansion and improvement that supports development.
- Support Department of Community Development's update of the Comprehensive Plan.
- Successful recruitment and transition of new Public Works Director.
- Strengthen utilization of Cartegraph Asset Management System for asset documentation, maintenance, and rehabilitation/replacement including Fleet.
- Fuel Card System integration with Cartegraph.
- Strengthen Public Works Safety Program.
- Successful implementation of new development permitting software.
- Successful acquisition of funding for capital projects
- Support increased training and certification programs for Public Works crews.
- Emergency Operations support.

Summary

Expenditure Summary
This budget increased by $145k (14%) from the 2023 Budget. Salaries and benefits increased by $137k (18%) due to the reallocation of an FTE from the Engineering division to manage the Asset and Fleet program as well as additional staff necessary for a pending retirement. In addition, fuel costs were increased by $4k (5%) due to anticipated inflation in the fuel market and small work tools were increased by $4k (8%) to cover expected shop needs.

PW Administration Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Expense Objects							
Salaries & Benefits	$598,621	$612,949	$573,860	$770,913	$907,706	$136,793	17.7%
Supplies	$113,029	$108,503	$172,950	$161,780	$169,380	$7,600	4.7%
Service Charges	$46,015	$51,708	$48,056	$52,941	$53,741	$800	1.5%
Non-Expense & Transfers	$63,000	$105,000	$63,000	$63,000	$63,000	$0	0%
Total Expense Objects:	**$820,665**	**$878,160**	**$857,867**	**$1,048,634**	**$1,193,827**	**$145,193**	**13.8%**



Street Operations

Department Description

The Streets Operations and Maintenance Division supports general operations for maintaining a transportation network that safely combines motorized (including transit services) and non-motorized elements for the public. Primary responsibilities include maintaining the roadway and right-of-way, snow and ice control, providing traffic control for motorized traffic and pedestrians (such as street signs, traffic signals, and pavement markings), maintaining sidewalks and trails, street trees and landscaping, street lighting, parking facilities, and other maintenance-related services. Unrestricted revenues come from: General Fund, motor vehicle tax and arterial fuel tax.

Key Goals

- Update City street signs and ensure all maintenance is documented in Cartegraph.
- Initiate a sign reflective testing program.
- Develop innovative maintenance methods to reduce task time related to asphalt replacement and flat work.
- Initiate a guard rail replacement program.
- Establish brine station for winter de-icing.
- Create a tree inventory program in Cartegraph, document any Legacy Trees.
- Develop annual chip and seal and asphalt program.



Summary

Revenue Summary

Streets revenue increased by $128k (11%) due to an increase in street/curb/ROW permit fees of $20k (300%), transfers in from sewer & water for SIB and ROW maintenance of $47k (179%), transfers in from TBD tax of $40k (18%), and insurance recoveries of $11k (55%).

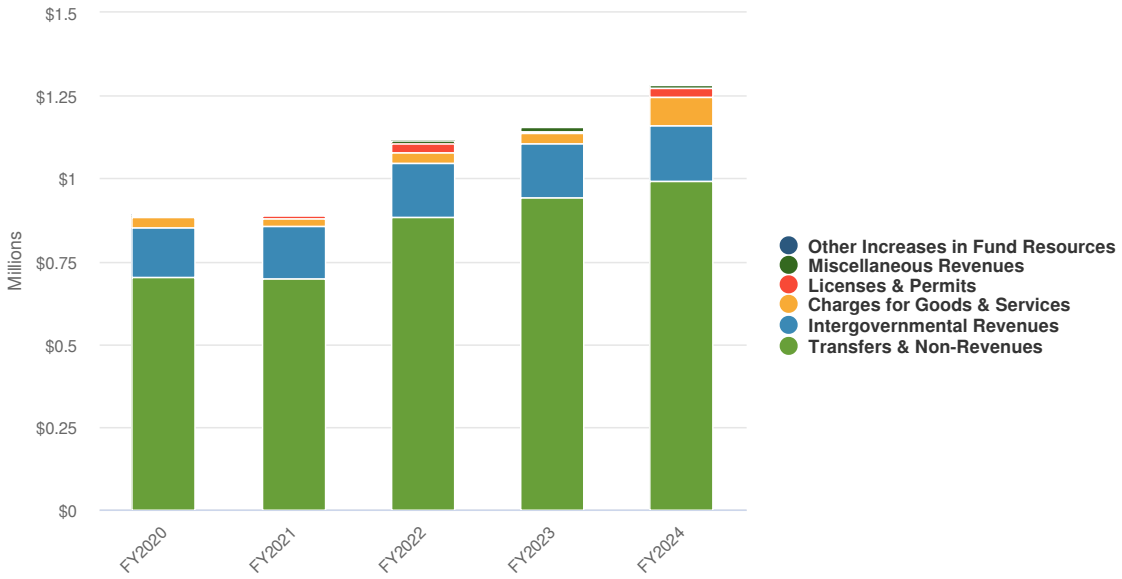
Expenditure Summary

This budget increased by $115k (10%) from the 2023 Budget. Salaries and benefits increased $79k (15%) due to addition of ½ FTE for increased ROW maintenance task. In addition, an increase of $15k (20%) for fire & casualty insurance costs, $12K for light pole replacement from accidents, and $8k for street paint striping supplies is included.



Street Operations Revenues

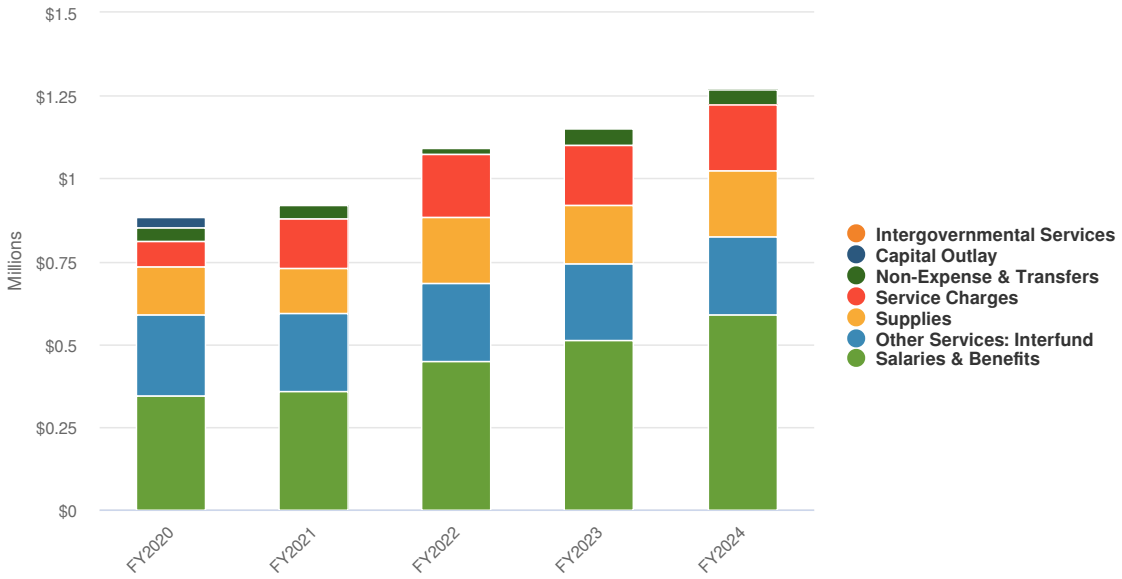
Budgeted and Historical Revenues by Source



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Revenue Source							
Licenses & Permits	$570	$6,682	$27,613	$6,500	$26,000	$19,500	300%
Intergovernmental Revenues	$152,960	$160,731	$163,240	$165,582	$170,373	$4,791	2.9%
Charges for Goods & Services	$29,116	$23,231	$31,002	$31,001	$83,101	$52,100	168.1%
Miscellaneous Revenues	$6,659	$4,296	$8,487	$10,820	$10,820	$0	0%
Other Increases in Fund Resources	$1,000					$0	N/A
Transfers & Non-Revenues	$700,950	$697,335	$883,022	$940,700	$992,000	$51,300	5.5%
Total Revenue Source:	**$891,255**	**$892,275**	**$1,113,363**	**$1,154,603**	**$1,282,294**	**$127,691**	**11.1%**

Street Operations Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Expense Objects							
Salaries & Benefits	$342,874	$358,018	$450,072	$511,026	$589,650	$78,624	15.4%
Supplies	$147,915	$137,192	$197,321	$175,840	$202,105	$26,265	14.9%
Service Charges	$78,491	$149,384	$190,992	$182,320	$197,581	$15,261	8.4%
Intergovernmental Services	$6,540					$0	N/A
Capital Outlay	$30,735					$0	N/A
Non-Expense & Transfers	$39,000	$39,232	$19,000	$50,000	$45,000	-$5,000	-10%
Other Services: Interfund	$243,989	$234,886	$234,943	$234,000	$234,000	$0	0%
Total Expense Objects:	**$889,545**	**$918,712**	**$1,092,328**	**$1,153,186**	**$1,268,336**	**$115,150**	**10%**

Storm Water Operations

Department Description
Stormwater Operations manages risk and increases resiliency by protecting water quality, water resources/ supplies, and preventing damage from floods. Stormwater operations and maintenance staff includes field personnel who maintain the City stormwater facilities and respond to flooding issues during storms, and office personnel who track compliance, coordinate with commercial, residential, and irrigation facility owners, provide planning and technical support, and apply for grant funding.

Field operations currently entail maintaining and repairing City-owned facilities: In-pipe cameras are used to assess infrastructure condition, the vac truck is used to clean catch basins and clear infiltration lines and dry wells, staff or contractors maintain stormwater ponds to ensure they are functioning as designed and the street sweeper is utilized weekly on all streets per a regular schedule.

The City's inventory and mapping of its stormwater (and other in-ground) facilities is ongoing. With the planned expansion of GIS capabilities this information will be made available department-wide for tracking and scheduling maintenance. Periodic work responding to storms includes sandbagging to direct runoff into appropriate storm drains, clearing trash racks and culverts when they are clogged, etc. The most problematic clogs are usually resolved with the vac truck. Mutual assistance contracts with Sequim Prairie Tri-Irrigation Association and Highland Irrigation District to expedite storm response.

Key Goals

- Document all storm water operations in Cartegraph.
- Complete the maintenance and vegetation removal of all the City storm water ponds.
- Clean and maintain all the City catch basins per sludge level and maintenance needs.
- Add an infiltration catch basin and infiltration line on the side of West Brackett Road to reduce flooding.

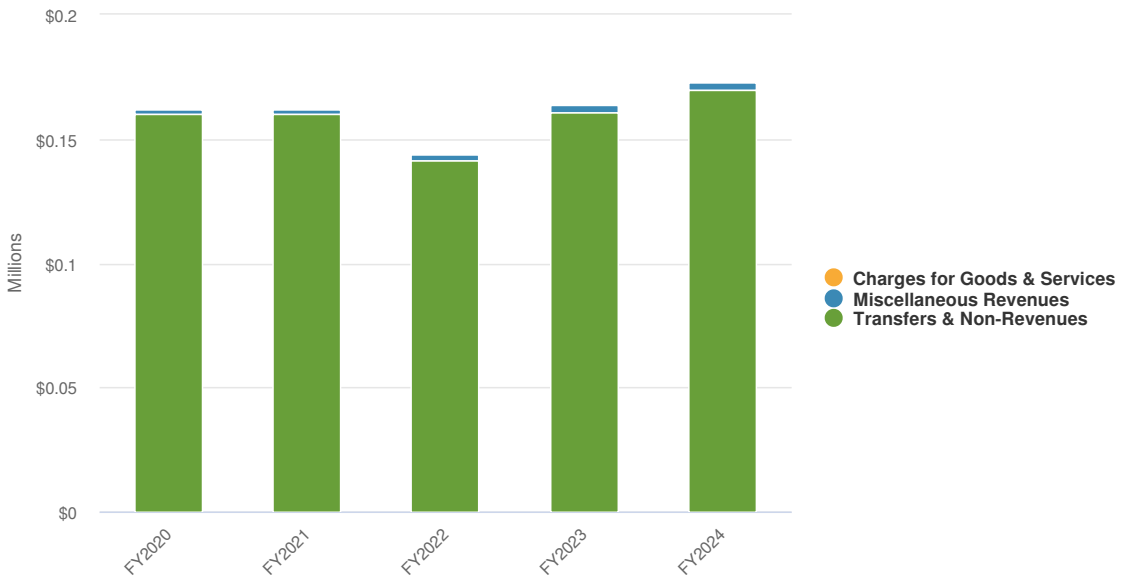
Summary

Revenue Summary
The Stormwater Operations budget is, and has historically been, funded by transfers from the Water (33%) and Sewer (67%) Funds proportionately by fund revenue. For 2024 the transfer amount from the Water Fund is $60k and from the Sewer fund is $110k. This amount covers only the operational activities of the Stormwater Program.

Expenditure Summary
This budget increased $10k (6%) from the 2023 Budget. Salaries and benefits were increased by $14k (17%) as a result of reallocating supervision and administrative tasks. This is offset by a reduction in vac truck and sweeper parts of $3k (12%).

Storm Water Operations Revenues

Budgeted and Historical Revenues by Source

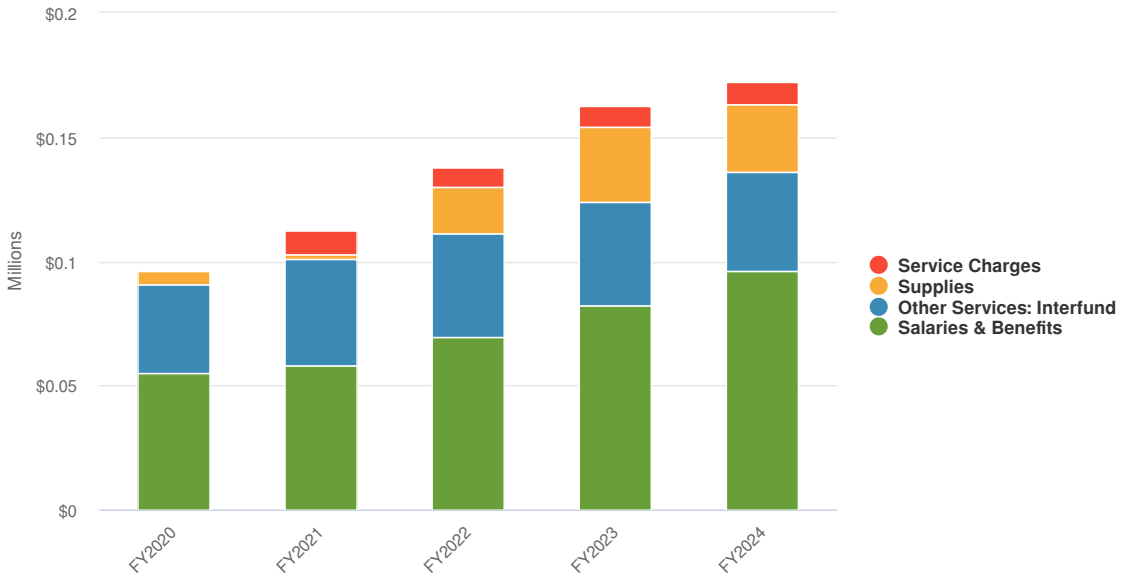


Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Revenue Source							
Charges for Goods & Services			$175			$0	N/A
Miscellaneous Revenues	$1,982	$1,835	$2,588	$2,935	$2,935	$0	0%
Transfers & Non-Revenues	$160,000	$160,000	$141,170	$161,000	$170,000	$9,000	5.6%
Total Revenue Source:	**$161,982**	**$161,835**	**$143,933**	**$163,935**	**$172,935**	**$9,000**	**5.5%**



Storm Water Operations Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Expense Objects							
Salaries & Benefits	$54,741	$58,247	$69,711	$82,110	$96,163	$14,053	17.1%
Supplies	$5,213	$2,311	$18,675	$30,050	$27,050	-$3,000	-10%
Service Charges	$40	$9,488	$7,849	$8,350	$9,150	$800	9.6%
Other Services: Interfund	$35,974	$42,436	$41,518	$42,000	$40,000	-$2,000	-4.8%
Total Expense Objects:	**$95,968**	**$112,482**	**$137,754**	**$162,510**	**$172,363**	**$9,853**	**6.1%**

Water Operations

Department Description

The Water Operations receives revenues from monthly water usage charges. These revenues are used to cover the cost of operating the water utility, which includes producing potable water, monitoring water quality, small infrastructure improvements, and maintaining existing water lines, wells, booster stations, reservoirs, and other infrastructure to store and transport water. Three months of operating expenses are maintained in the fund for emergency purposes. Revenues received over the cost of planned expenses and operating reserves are transferred to the Water Replacement Reserve fund for future replacement of the water infrastructure and equipment.

Management oversight and support is provided by the PW Director, Utilities Manager and other staff in Public Works Administration. Utility billing and administrative support is provided by Finance. The General Fund finances a portion of management oversight and all of Finance Department services. Services provided by departments outside of the Water Fund are charged to the Water Fund through an Interfund Professional Services Charge (Allocations).

Approximately 1,400,000 gallons per day (gpd) of potable water are provided to the citizens and businesses of Sequim during the summer months and approximately 752,000 gpd during late fall and winter. In addition to this water production and treatment, staff also maintains approximately 59 miles of water line, four reservoirs that provide a total of 3.4 million gallons of storage, and three water sources. The Department of Ecology and Department of Health regulate water rights and water quality through state-mandated daily, monthly and yearly reports that guarantee the steady flow of quality water to citizens.

Key Goals

- Comply with all state, federal, and city requirements and regulations.
- Research and implement water loss counter measures.
- Increase efficiency and reduce operational expenses to minimize necessary rate adjustments.
- Identify and repair leaking pipes.
- Provide additional training for staff to ensure that all industry standards are met.
- Develop a succession plan for Utilities Manger and train employees accordingly.

Summary

Revenue Summary

Budgeted revenues increased $154k (6%) above 2023 revenues, to accommodate a rate increase of 3% and growth in the number of water customers.

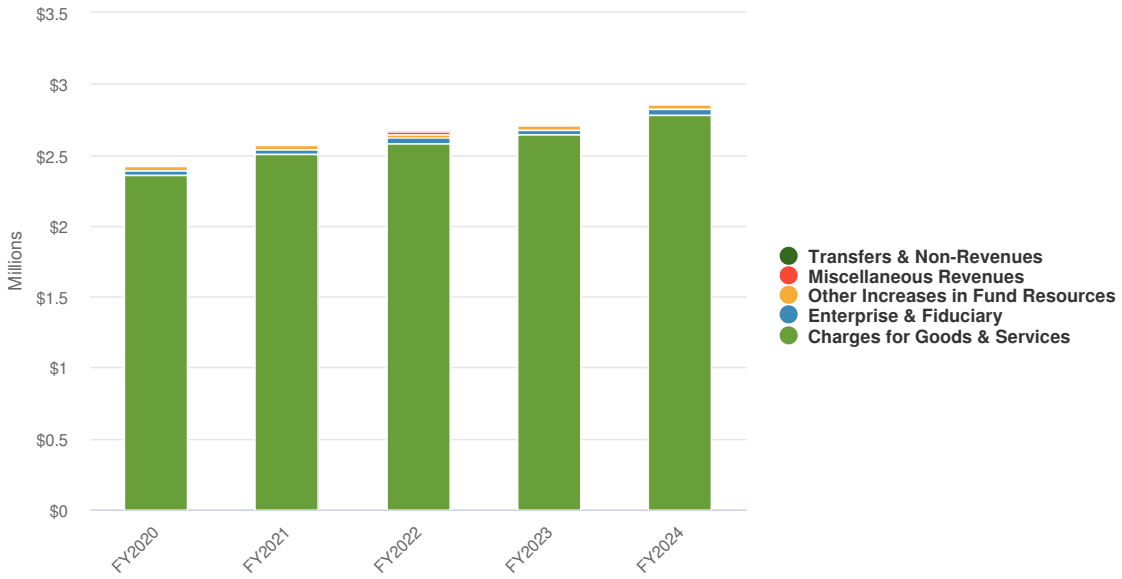
Expenditure Summary

Overall expenses in Water Operations increased $153k (6%) from the 2023 Budget. Professional services increased by $100k (99%) due to the Department of Health pipe material inventory requirements. In addition, an increase of $115k (135%) of fire & casualty insurance is included which is offset by a $16k (38%) reduction is chemicals, a $14k (3%) reduction in salaries and benefits due to an anticipated retirement, and a $35k (7%) reduction in the administrative services fee.



Water Operations Revenues

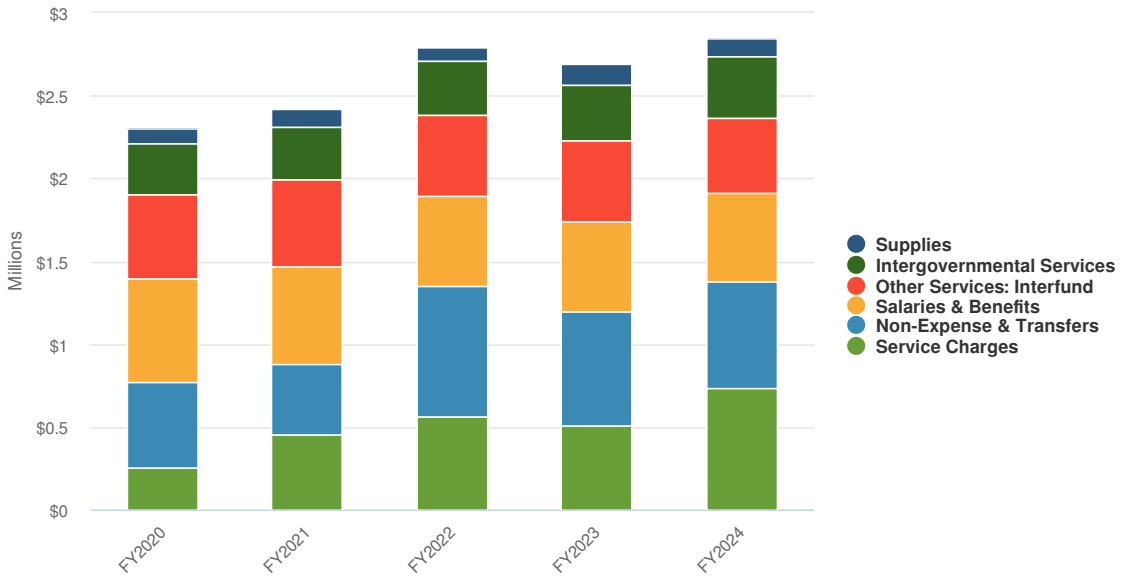
Budgeted and Historical Revenues by Source



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Revenue Source							
Charges for Goods & Services	$2,362,724	$2,502,580	$2,578,941	$2,639,400	$2,783,377	$143,977	5.5%
Miscellaneous Revenues	$14,661	$7,759	$15,579	$8,200	$16,000	$7,800	95.1%
Other Increases in Fund Resources	$29,805	$23,079	$25,156	$27,200	$27,200	$0	0%
Enterprise & Fiduciary	$27,307	$38,889	$42,790	$40,000	$42,000	$2,000	5%
Transfers & Non-Revenues	$223					$0	N/A
Total Revenue Source:	**$2,434,719**	**$2,572,306**	**$2,662,466**	**$2,714,800**	**$2,868,577**	**$153,777**	**5.7%**

Water Operations Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Expense Objects							
Salaries & Benefits	$628,028	$596,054	$541,503	$546,903	$532,705	-$14,198	-2.6%
Supplies	$93,606	$113,451	$88,642	$128,355	$104,355	-$24,000	-18.7%
Service Charges	$255,600	$450,832	$565,629	$508,022	$733,545	$225,523	44.4%
Intergovernmental Services	$305,771	$317,230	$324,260	$336,895	$378,975	$42,080	12.5%
Non-Expense & Transfers	$511,405	$424,107	$786,799	$686,000	$645,000	-$41,000	-6%
Other Services: Interfund	$507,025	$520,949	$488,664	$485,000	$450,000	-$35,000	-7.2%
Total Expense Objects:	**$2,301,436**	**$2,422,622**	**$2,795,496**	**$2,691,175**	**$2,844,580**	**$153,405**	**5.7%**

Sewer Operations

Department Description
The Sewer Operations receives revenues from monthly sewer usage charges. These revenues are used to cover the cost of operating the sewer utility, which includes operation of the Water Reclamation Facility (WRF), influent, effluent, and biosolids testing, maintaining sewer lines, lift stations and other infrastructure to transport wastewater. Three months of operating expenses are maintained in the fund for emergency purposes. Revenues received over the cost of planned expenses and operating reserves are transferred to the Sewer Replacement Reserve fund for future replacement of the sewer infrastructure and equipment.

Management oversight and support is provided by the PW Director, Operations Manager and other staff in Public Works Administration. Utility billing and administrative support is provided by Finance. The General Fund finances a portion of management oversight and all of Finance Department services. Services provided by departments outside of the Sewer Fund are charged to the Sewer Fund through an Interfund Professional Services Charge (Allocations).

This division maintains approximately 70 miles of sewer line, four lift stations, a 1.67 million gallon per day capacity WRF, producing 100% Class “A” Reclaimed Water, a Class “A” (EQ) Biosolids, and 7,320 feet of outfall pipe measured from the WRF to the diffuser located approximately 1,900 feet into the Strait of Juan de Fuca at a depth of 53 feet. The WRF is required to meet stringent NPDES requirements. All infrastructure at the Reuse Demonstration Site is operated and maintained by the WRF. All equipment must be maintained and upgraded as needed to satisfy state and federal permitting requirements.

Key Goals

Sewer Collection

- Reduce the amount of Inflow and Infiltration that enters into the city sewer collection system.
- Correct sewer manhole issues located at the end of pressure lines.
- Public education about the harmful effects of cat litter and flushable wipes on a sewer system.
- Implement a jetting maintenance program for the Carlsborg Sewer System.
- Implement root control program.
- NAASCO training and certification for all crew.
- Create valve turning program for lift stations.

Water Reclamation Facility

- Increase efficiency and reduce operational expenses to minimize necessary rate adjustments.
- Provide additional training for staff to ensure all industry standards are met.
- Develop a succession plan for Utilities Manager and train employees accordingly.
- Explore alternative uses for biosolids.
- Ensure compliance with all state, federal, and city requirements and regulations.

The City’s collection system and Water Reclamation Facility will continue to improve and expand in conjunction with customer service, collections sustainability, and sewage treatment. The City’s vision has resulted in the investment of a great deal of time and funds; City staff will continue with this vision. Training to maintain certifications and professional growth will give the City staff needed knowledge of current technology and will help to develop well informed ideas.



Summary

Revenue Summary

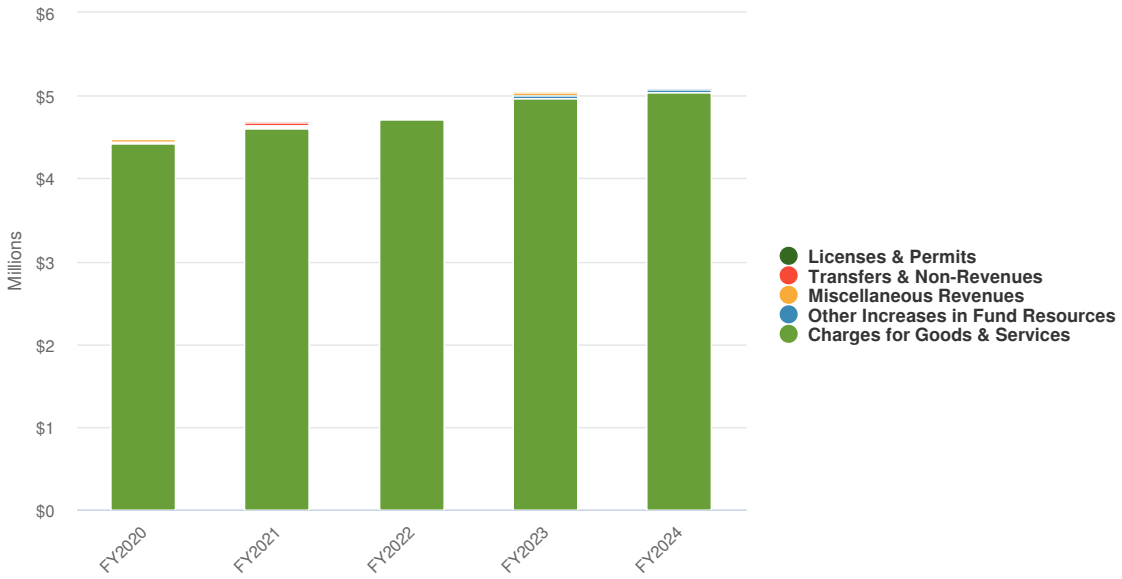
2024 budgeted revenues increased by $63k (1%). Commercial rate revenue increased by $315k (34%) and regional partnerships/services by $37k (34%). Residential rate revenue decreased by $282k (8%). These changes are the result of both a 3% increase in rates and structural changes made as a result of the 2020 Utility Rate Stuy

Expenditure Summary

This budget increased by $6k (0.1%) from the 2023 Budget. Salaries and benefits increased $34k (3%) due to the addition of staff to cover for pending retirements. Additional increases include $59k (31%) for fire & casualty insurance, $46K (33%) for WRF's lab UV bulbs and other small equipment, and $13K (23%) for fuel. These costs were offset by a reduction in WRF repair maintenance of $20k (44%) and a $170 (13%) reduction in the administrative service fee.

Sewer Operations Revenues

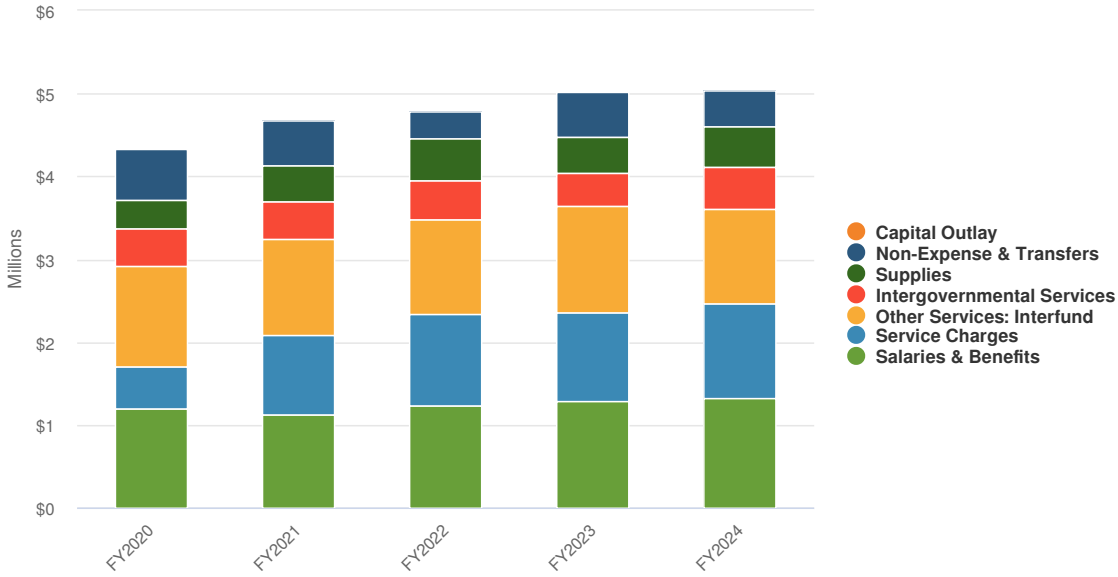
Budgeted and Historical Revenues by Source



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Requested ($ Change)	FY2023 Adopted vs. FY2024 Requested (% Change)
Revenue Source							
Licenses & Permits			$41			$0	N/A
Charges for Goods & Services	$4,425,287	$4,608,735	$4,709,984	$4,973,807	$5,045,472	$71,665	1.4%
Miscellaneous Revenues	$31,655	$19,005	$26,130	$32,000	$23,000	-$9,000	-28.1%
Other Increases in Fund Resources	$24,371	$20,450	$21,667	$25,000	$25,000	$0	0%
Transfers & Non-Revenues	$670	$28,000				$0	N/A
Total Revenue Source:	**$4,481,984**	**$4,676,190**	**$4,757,822**	**$5,030,807**	**$5,093,472**	**$62,665**	**1.2%**

Sewer Operations Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Expense Objects							
Salaries & Benefits	$1,189,334	$1,126,657	$1,232,323	$1,291,733	$1,325,727	$33,994	2.6%
Supplies	$345,242	$428,756	$513,650	$426,352	$486,266	$59,914	14.1%
Service Charges	$523,053	$966,099	$1,113,512	$1,055,884	$1,143,914	$88,030	8.3%
Intergovernmental Services	$448,090	$453,588	$472,116	$401,150	$515,475	$114,325	28.5%
Capital Outlay				$1	$1	$0	0%
Non-Expense & Transfers	$620,072	$553,328	$322,892	$555,000	$435,000	-$120,000	-21.6%
Other Services: Interfund	$1,213,942	$1,150,004	$1,136,573	$1,300,000	$1,130,000	-$170,000	-13.1%
Total Expense Objects:	**$4,339,732**	**$4,678,432**	**$4,791,067**	**$5,030,120**	**$5,036,383**	**$6,263**	**0.1%**

GIS/Engineering

Department Description
Engineering provides design and construction management services for general Public Works, Street, Water, Sewer, and Stormwater, and Facilities Capital Projects. Engineering also assists other City departments as needed and responds to questions from the general public. The GIS element of the Engineering department is responsible for maintaining a detailed informational data base of City assets and geographic data to facilitate inventory control, utility locates, and develop maintenance schedules.

Key Goals

- Improve development permitting and review process, measured by community meeting responses and time to completion prior to deadline.
- Revise and improve existing codes and engineering standards to align with modern practices and requirements.
- Improve and streamline Prioritization Matrix and incorporate capital projects from new master plans.
- Provide cross training and professional development to engineering staff.
- Complete a comprehensive portfolio of engineering standards for to incorporate sewer, water, streets, stormwater, and erosion control.
- Incorporate deficiencies identified in ADA Transition Plan in the CIP and TIP.
- Complete adopted 2024 Capital Improvement Projects.
- Utilize Cartegraph to advise and prioritize capital projects, maintenance schedules, and track staff time (permits) and resources.
- Develop an annual project and maintenance plan to improve the Pavement Condition Index (PCI) to 70 or above.
- Develop an internal and public facing CIP map.
- Develop a public facing multi-purpose map.

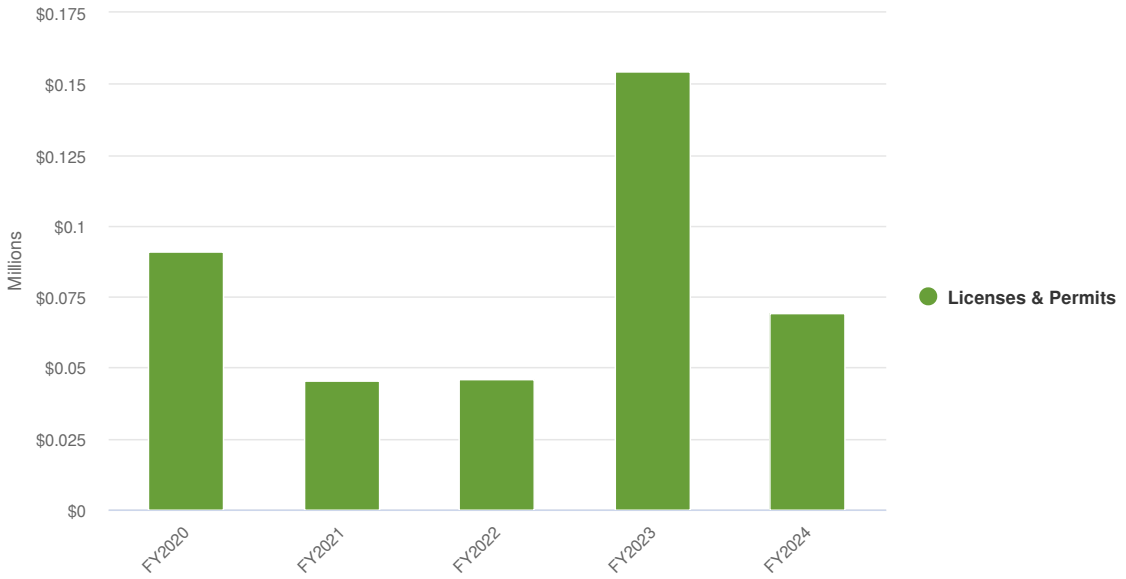
Summary

Revenue Summary
Revenues are expected to decrease by $86k (55%) to account for a decrease in site construction permits as development activity begins to slow down.

Expenditure Summary
This budget decreased by $221k (44%) from the 2023 Budget. Salaries and benefits decreased by $168k (42%) due to the removal of a Full Time Employee (FTE) that was included in 2023 to manage capital projects. Additionally, there is a decrease of $53k (72%) in professional services for 3rd party inspections and review. A total of $350k of engineering costs will be allocated out to other department and funds.

GIS/Engineering Revenues

Budgeted and Historical Revenues by Source

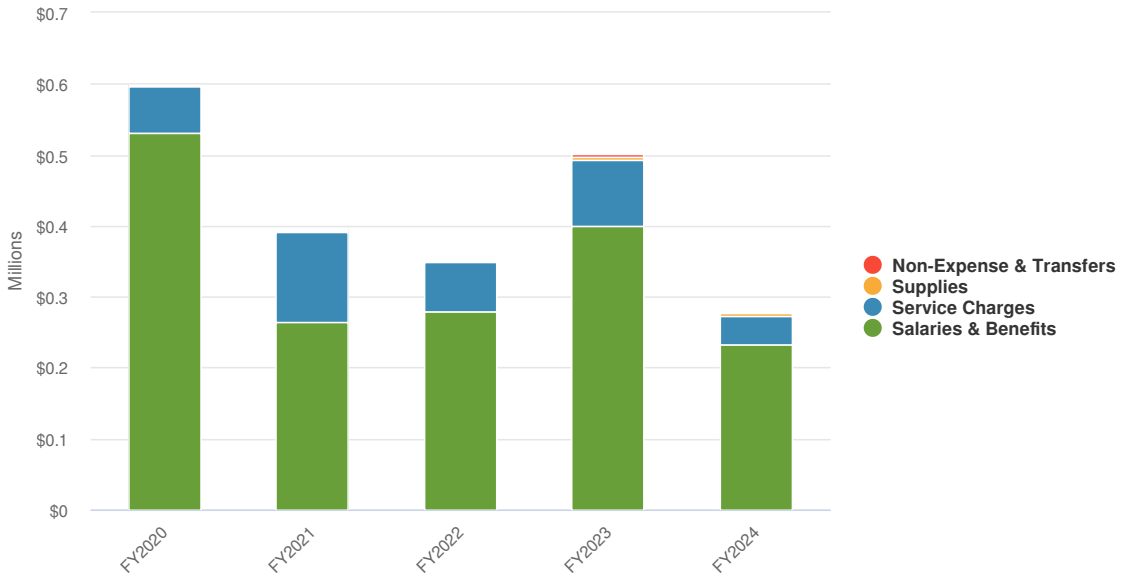


Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Revenue Source							
Licenses & Permits							
Site Construction Permit	$90,957	$45,293	$45,753	$154,500	$69,000	-$85,500	-55.3%
Total Licenses & Permits:	**$90,957**	**$45,293**	**$45,753**	**$154,500**	**$69,000**	**-$85,500**	**-55.3%**
Total Revenue Source:	**$90,957**	**$45,293**	**$45,753**	**$154,500**	**$69,000**	**-$85,500**	**-55.3%**



GIS/Engineering Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Expense Objects							
Salaries & Benefits	$530,653	$263,914	$278,869	$399,920	$231,913	-$168,007	-42%
Supplies	$344	$1,084	$2,668	$4,225	$4,725	$500	11.8%
Service Charges	$65,437	$127,739	$70,114	$93,700	$40,550	-$53,150	-56.7%
Non-Expense & Transfers	$2,400	$2,400	$2,400	$2,400	$2,400	$0	0%
Total Expense Objects:	**$598,835**	**$395,136**	**$354,051**	**$500,245**	**$279,588**	**-$220,657**	**-44.1%**

Streets Restricted

The Streets Restricted Fund is comprised of special revenues, private development contributions, and grants. These funds are restricted by state and/or federal regulations, agreements, or restrictions created by City Council. The funds are used to improve the transportation network which addresses safety, mobility preservation, and functional use needs. Restricted Street funded projects that require a match of city funds may be financed from Streets Unrestricted, General Funds, REET 2 (Real Estate Excise Tax), TBD service charges, and other sources.

Key Goals

Force Main Pipe Relocation at Johnson Creek (PWP-STR-087RR) $500K
Location: Johnson Creek & Hwy 101 in east Sequim
Project: Repair the Railroad Trestle Foot Bridge.
Benefit: Improves pedestrian structure over Johnson Creek.

W Sequim Bay Rd Shoreline Revetment Repair (STR-063RR) $410K
Location: W Sequim Bay Rd, near Pitship Bridge.
Project: Reconstruction of the rock revetment supporting W Sequim Bay Rd, near Pitship Bridge.
Benefit: Stabilizes the roadway embankment and prevents wash-out during weather events.

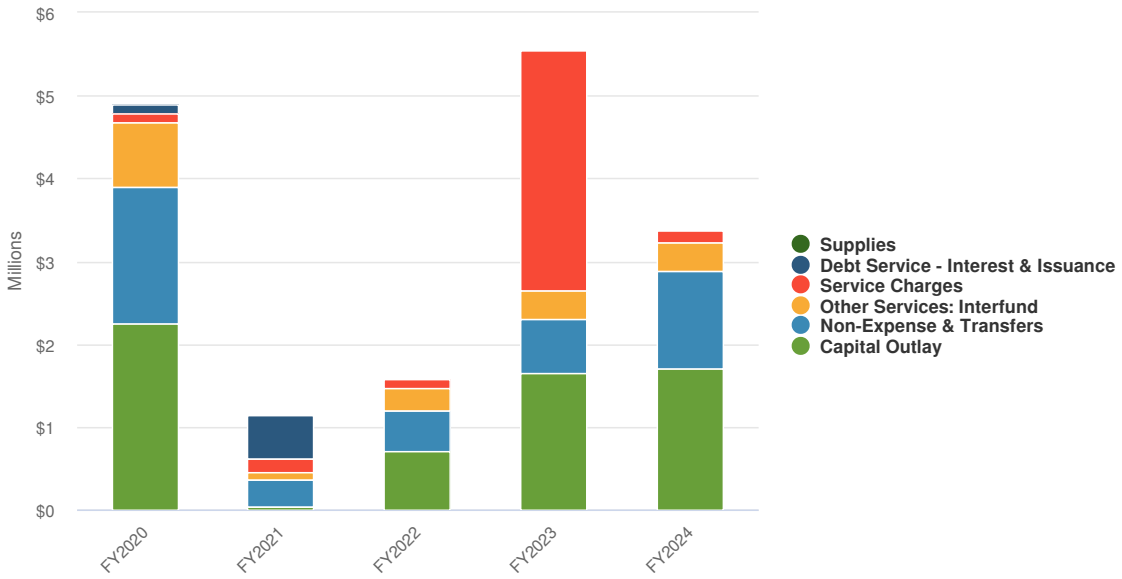
Transportation Master Plan/Impact Fee Update (STR-060PL) $126.5k
Location: NA
Project: Update of Transportation Master Plan (TMP) which provides a long-term planning strategy for the City's surface transportation network for the 6-year and 20-year planning periods.
Benefit: Updates the 2015 adopted TMP as required by the City's Comprehensive Plan, and updates Transportation Impact Fees. Following adoption of the 2025 plan, an update will not be necessary until 2035.

City-wide Pavement Rehabilitation (STR-041RR) $618K
Location: TBD
Project: Annual program for repair, overlay, or reconstruction of pavement of City streets.
Benefit: Maintains the City's street systems through pavement preservation.

City Wide Pedestrian/Bike Improvements (STR-072CU) $50K
Location: TBD
Project: Annual program for construction of pedestrian and bicycle projects thought the City.
Benefit: Improves pedestrian and bicycle facilities for users of all ages and abilities throughout the city.

Streets Restricted

Budgeted and Historical Expenditures by Expense Type



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Expense Objects							
Supplies	$17,693					$0	N/A
Service Charges	$102,156	$159,300	$100,609	$2,891,748	$141,748	-$2,750,000	-95.1%
Capital Outlay	$2,251,206	$32,066	$713,117	$1,650,000	$1,704,500	$54,500	3.3%
Debt Service - Interest & Issuance	$121,474	$522,675				$0	N/A
Non-Expense & Transfers	$1,650,000	$324,116	$490,000	$650,000	$1,174,500	$524,500	80.7%
Other Services: Interfund	$777,666	$101,957	$273,429	$349,000	$349,000	$0	0%
Total Expense Objects:	**$4,920,196**	**$1,140,113**	**$1,577,154**	**$5,540,748**	**$3,369,748**	**-$2,171,000**	**-39.2%**



Storm Water Restricted

The Stormwater Restricted Fund was established in 2014 for the development of the first Stormwater Master Plan, adopted in 2016, which identifies capital projects and operations to control and/or treat stormwater within the City.

Revenues from the Water and Sewer Utility funds cover the costs of capital projects; this is justifiable since effective stormwater management can benefit the City's water supply, water quality, and sewer system. Grants are sometimes obtained to offset City costs.

Key Goals

7th Ave and Washington St Discharge Retrofit (SMR-116RR) $180K
Location: 7th Ave and Washington St, west side of intersection
Project: Installation a biofiltration unit for treatment of runoff and protection of the infiltration facility, tie in of existing catch basis into the filtration unit, and installation of extended infiltration trench for infiltration runoff.
Benefit: Decreases the risk of flooding at a major arterial intersection.

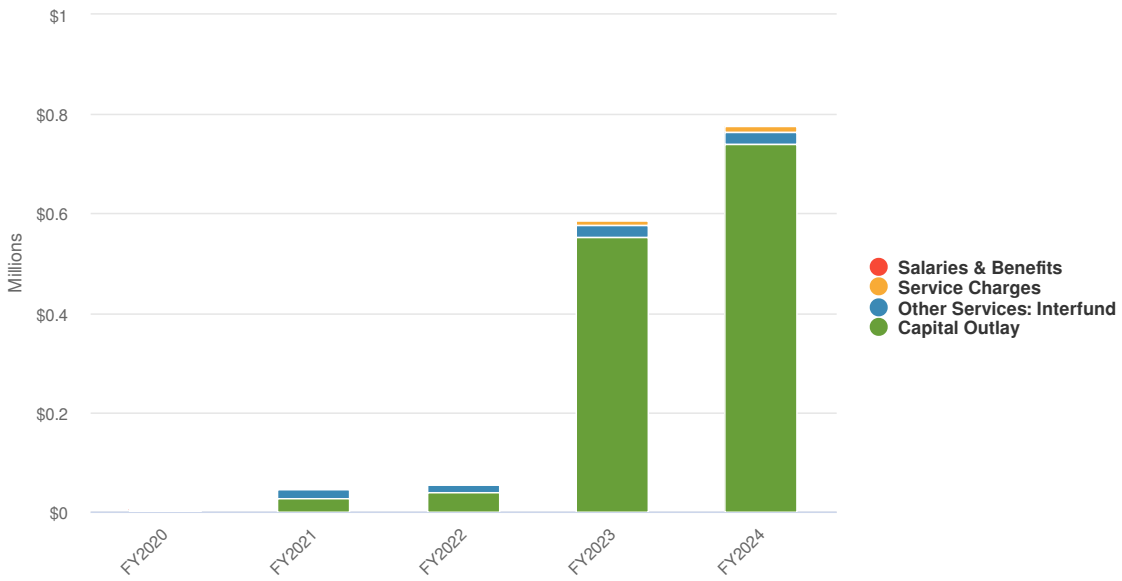
Happy Valley Stormwater Diversion (SMR-001CU) $500K
Location: Burnt Hill area southwest of Sequim in Clallam County
Project: Stormwater or overland runoff capture project to alleviate periodic flooding inside City limits. The stormwater will be diverted to a large overland parcel for dispersion and infiltration.
Benefit: Installs green infrastructure to fortify the aquifer and improve resilience of drinking water supplies for thousands of residents in the City of Sequim and Clallam County while reducing periodic flooding inside City limits.

Urban Stormwater Drainage Improvements (SMR-079RR) $60K
Location: TBD
Project: Annual program for repair, reconstruction, or installation of stormwater management devices to reduce stormwater flooding and promote responsible stormwater management in the City.
Benefit: Reduces localized stormwater flooding that occurs in the City during heavy rainstorms and snow events.



Storm Water Restricted Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Expense Objects							
Salaries & Benefits	$5,485					$0	N/A
Service Charges		$5,401	$5,171	$11,295	$11,295	$0	0%
Capital Outlay	$20	$26,859	$38,592	$552,000	$740,000	$188,000	34.1%
Other Services: Interfund	$2,009	$17,236	$14,766	$24,000	$24,000	$0	0%
Total Expense Objects:	**$7,514**	**$49,495**	**$58,528**	**$587,295**	**$775,295**	**$188,000**	**32%**

Parks Restricted

This Special Revenue Fund was established in 2005. The expenditures are restricted to park capital projects, maintenance and the acquisition of future equipment, park lands and open space. This fund has expanded to include other special revenues, such as "in lieu/impact fees", and a portion of money received by the City for the abandonment of public rights of way. Sub-funds are used to track large park projects.

Key Goals

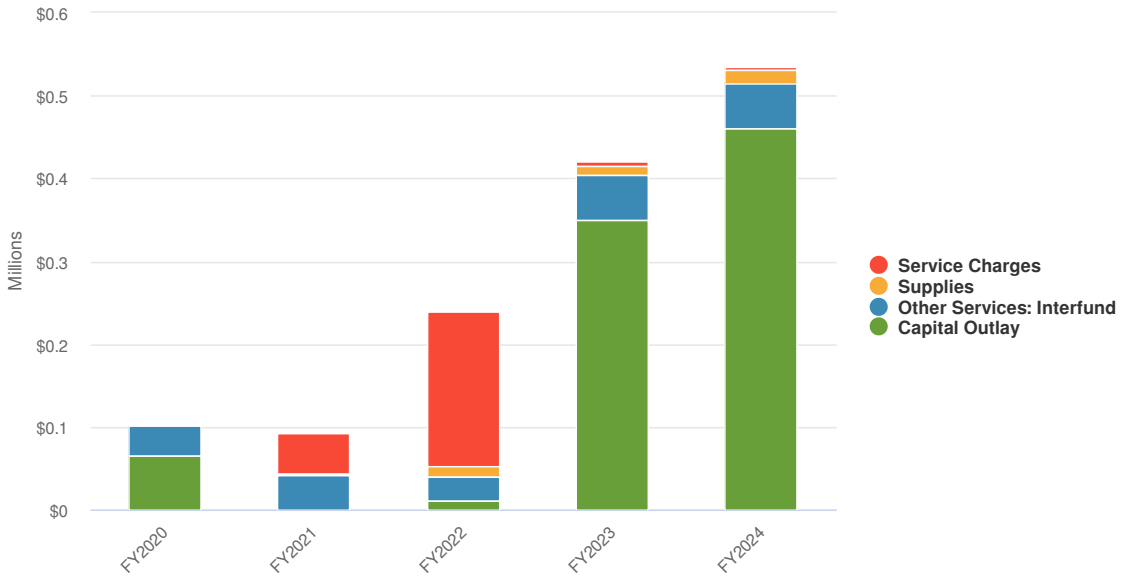
Carrie Blake Park Bridge Replacement (PRK-052RR) $350K
Location: Carrie Blake Park. Small Northwest Bridge, Large Southwest Bridge, Center Bridge, and East Bridge
Project: Replacement of 4 timber pedestrian bridges between Carrie Blake Park and the Reuse Demonstration Site across Bell Creek.
Benefit: Provides ADA compliant bridges and improve pedestrian connectivity for patrons with mobility challenges. Provides maintenance access (e.g. mowers) between the two recreational facilities. The bridges have reached the end of their service life.

Centennial Park Sequim Understory Development, The People's Project (GEN-001AD) $100k
Location: Centennial Park, 104 E Washington St
Project: Redesigning Centennial Park to better serve existing and new community programs, needs and desires.
Benefit: The public was afforded the opportunity to propose and vote on City projects. This project was selected and aims to better serve the needs of the community.



Parks Restricted Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Expense Objects							
Supplies	$881	$1,361	$12,191	$10,400	$15,600	$5,200	50%
Service Charges	$76	$48,491	$185,837	$4,703	$4,703	$0	0%
Capital Outlay	$65,741	$0	$10,876	$350,001	$460,000	$109,999	31.4%
Other Services: Interfund	$34,871	$41,746	$29,662	$55,000	$55,000	$0	0%
Total Expense Objects:	**$101,570**	**$91,598**	**$238,566**	**$420,104**	**$535,303**	**$115,199**	**27.4%**



Capital Facilities Fund

This Fund was created for the purpose of paying and tracking the costs associated with Facility Capital projects.

Key Goals

City Shop Upgrade and Expansion (CLF-012NC) $1.4M
Location: 169 W. Hemlock St.
Project: Expansion and facility development of the existing shop area and City owned undeveloped area between the shop and S 3rd Ave. Improvements include a new operations building with backup generator, rehabilitation of the existing operations building, a fueling station with backup generator, covered vehicle storage, police vehicle staging, designated areas for material stockpiles, covered equipment storage and a greenhouse.
Benefit: Improves City's maintenance operations by providing a consolidated, adequate, and safer environment for personnel; adequate work and storage space for equipment and materials for more cost-effective stewardship of public funds and improves regional resiliency and hazard response.

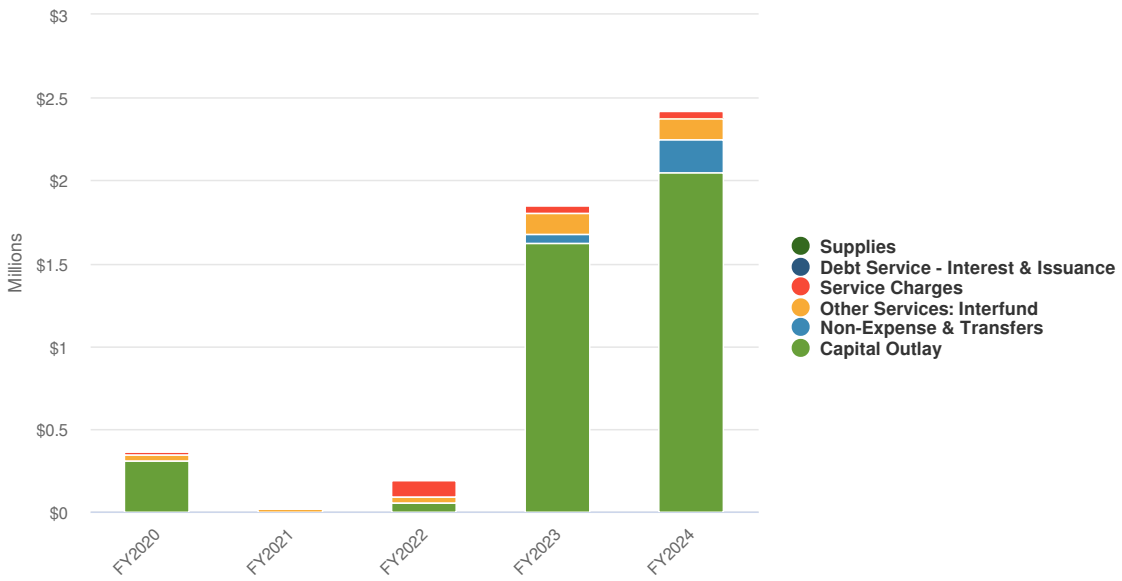
W Spruce St Parking Lot Construction (CFL-110NC) $400K
Location: W Spruce St, between N Sequim Ave and N 2nd Ave.
Project: Development of City owned property adding traffic flow, pavement, and EV charging stations.
Benefit: Provides parking facilities for current and future employees, reducing the need for leased property. Provides EV charging capabilities to support requirements to electrify fleet.

Civic Center Remodel (CFL-101CU) $250K
Location: 152 W Cedar St, 2nd floor
Project: Redesign of the 2nd floor of Civic Center as required to improve communication, accommodate work group functionality, and address security and privacy deficiencies.
Benefit: Improves the use of space for current and future employees, workstations and space requirements for workgroups, and safety and security for both staff and the public.



Capital Facilities Fund Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Expense Objects							
Supplies		$1,819	$204			$0	N/A
Service Charges	$20,700	$2,824	$98,940	$45,000	$45,000	$0	0%
Capital Outlay	$306,195	$2,080	$52,627	$1,625,000	$2,050,000	$425,000	26.2%
Debt Service - Interest & Issuance	$4,674	$7,059				$0	N/A
Non-Expense & Transfers				$50,000	$200,000	$150,000	300%
Other Services: Interfund	$37,862	$19,909	$36,349	$125,000	$125,000	$0	0%
Total Expense Objects:	**$369,432**	**$33,690**	**$188,121**	**$1,845,000**	**$2,420,000**	**$575,000**	**31.2%**

Water Restricted

The Water Restricted Fund is comprised of several sub-funds. These funds are restricted by state and/or federal regulations, agreements or restrictions created by City Council. General Facility Charges (GFCs) are assessed for new connections to the system and are used for new construction and improvements to the system. Revenues from rates are transferred to the Water Restricted Fund to cover the cost of repairing and/or replacing infrastructure and equipment. Revenues from rates are also transferred into this fund to cover debt service.

Key Goals

West Sequim Bay Corridor Improvements (PWP-WTR-111CU) $695K
Location: Independence Dr to Junco Rd and Washington Harbor Lp (water)
Project: Expansion and looping of water service eastward on W Sequim Bay Rd with construction of 2,330 LF of 12 in. water pipe from Independence Dr to Junco Rd, and 1,000 LF of 12 in. water main to connect Washington Harbor Lp, along with necessary pavement rehabilitation.
Benefit: Provides connection capacity to anticipated residential developments & John Wayne Marina. Supports developer driven project to expand the PNNL site. Reduces on-site septic systems in critical areas.

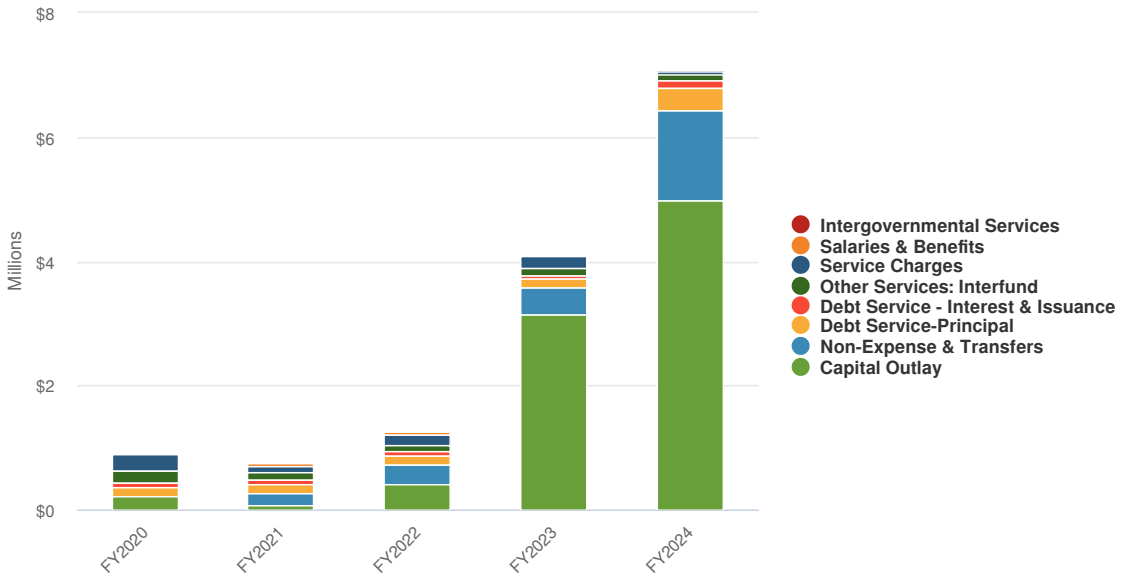
Silberhorn Deep Well No. 4 Construction (WTR-040CU) $3.83M
Location: Silberhorn Wellfield, W Silberhorn Rd to S River Rd
Project: Construction of a new municipal water supply well and Motor Control Center at existing Silberhorn Wellfield including transmission pipelines to connect new facilities to existing water distribution system.
Benefit: Increases the ability to supply instantaneous water and meet forecast water demands through the 20-year horizon of the Sequim Comprehensive Plan.

Water System Automatic Meter Reading Development (WTR-036CU) $250K
Location: City Wide
Project: Installation of an automatic meter reading system to provide near real-time usage data for the utility's water connections. The City will install the hardware over several years.
Benefit: Increases meter reading efficiency, reduces overhead costs and enhances water utility customer service.

AC/Galv Iron Main Replacement (WTR-027CU) $200K
Location: TBD
Project: Annual program for replacement of undersized or failing Asbestos Concrete (AC) and galvanized iron (Galv Iron) water mains throughout the distribution system with piping of sufficient diameter to meet future demands, using state-of-the-art materials and construction techniques.
Benefit: Increases service reliability, reduce maintenance and emergency repair costs.

Water Restricted Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Expense Objects							
Salaries & Benefits	$31,745	$31,784	$36,568		$13,881	$13,881	N/A
Service Charges	$258,851	$115,066	$182,987	$190,365	$40,365	-$150,000	-78.8%
Intergovernmental Services	$7,332	$10,353	$11,054	$10,000	$11,000	$1,000	10%
Capital Outlay	$222,116	$60,835	$414,311	$3,140,000	$4,975,000	$1,835,000	58.4%
Debt Service - Interest & Issuance	$61,231	$73,996	$56,237	$51,997	$116,997	$65,000	125%
Non-Expense & Transfers	$0	$212,500	$317,500	$439,500	$1,444,500	$1,005,000	228.7%
Debt Service-Principal	$141,754	$143,831	$146,331	$148,830	$363,830	$215,000	144.5%
Other Services: Interfund	$204,135	$101,088	$95,609	$114,000	$114,000	$0	0%
Total Expense Objects:	**$927,165**	**$749,453**	**$1,260,597**	**$4,094,692**	**$7,079,573**	**$2,984,881**	**72.9%**

Sewer Restricted

The Sewer Restricted Fund is comprised of several sub-funds. These funds are restricted by state and/or federal regulations, agreements or restrictions created by City Council. General Facility Charges (GFCs) are assessed for new connections to the system and can be used for new construction and improvements to the system. Revenues from rates are transferred from the Operating budget to cover the cost of replacing or repairing the infrastructure and equipment. Revenues from rates are also transferred into this fund to cover debt service.

Key Goals

West Sequim Bay Corridor Improvements (PWP-SRR-111CU) $1.205M
Location: W Sequim Bay Rd from Washington Harbor Rd to Forrest Rd
Project: Expansion of sewer service eastward on W Sequim Bay Rd with construction of 5,100 LF of 8 in. gravity sewer line, 5,100 LF of 8 in. sewer force main from Forrest Rd to Independence Dr, 1,800 LF of 12 in. gravity sewer line from Washington Harbor Rd to Independence Dr, and a 400-gpm lift station at Forrest Rd.
Benefit: Provides connection capacity to anticipated residential developments & John Wayne Marina. Supports developer driven project to expand the PNNL site. Reduces on-site septic systems in critical areas.

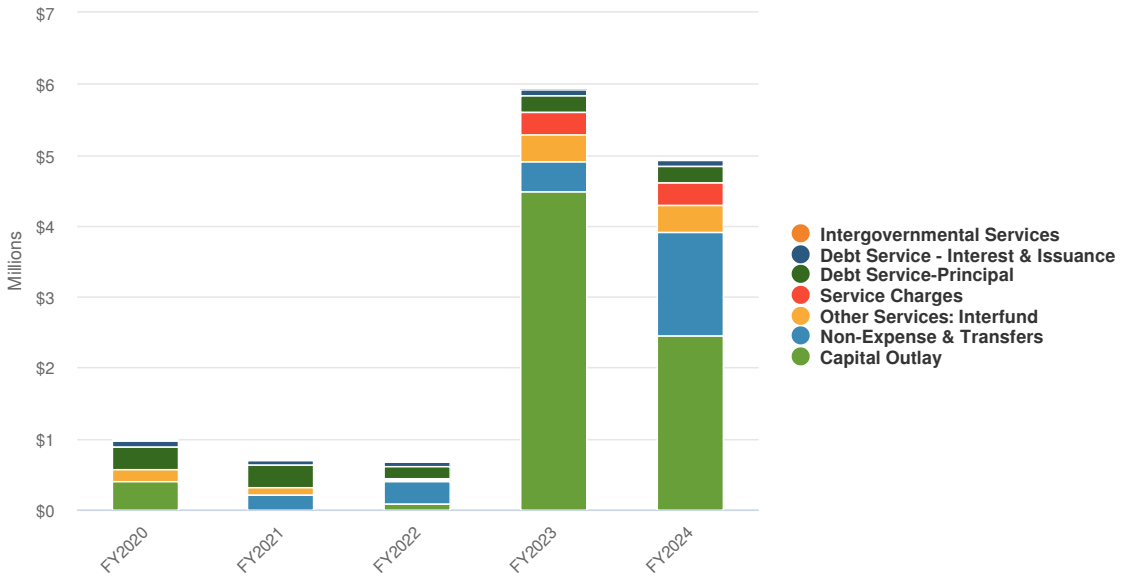
Force Main Pipe Relocation at Johnson Creek (PWP-SRR-087RR) $500K
Location: Johnson Creek & Hwy 101 in east Sequim
Project: Relocation of Johnson Creek sewer force main to the underside of the Johnson Creek Railroad Trestle Foot Bridge. Work must occur before WSDOT's Johnson Creek culvert replacement project on Highway 101.
Benefit: Supports fish passage initiatives while completing necessary improvements to pedestrian structure over Johnson Creek.

Doe Run Lift Station Rehabilitation & Replacement (SRR-003CU) $600K
Location: 2226 Doe Run Rd.
Project: Rehabilitation of existing wet well, replacement of existing lift station with package lift station equipped with 2-100 gpm, 25 hp non-clog centrifugal pumps, and installation of flow meter and vault, automatic transfer switch and other electrical upgrades, electrical panel shelter and pole lighting and permanent backup power. Services south/southwest areas of Bell Hill (Highland Hills development) and pumps to gravity sewer on Fox Hollow Rd.
Benefit: Reduces the risk of failure of lift station equipment near end of its service life. Maintain wastewater service to protect water quality at headwaters of Bell Creek. Improves safety at Lift Station and reduce O&M costs with additional automatic controls.

City-wide Inflow and Infiltration Reduction (SRR-082RR) $150K
Location: TBD
Project: Annual program for rehabilitation of the sewer collection mains and manholes where inflow and infiltration (I/I) is entering into the collection system during periods of high groundwater and during storm event.
Benefit: Minimizes the risk of backups and overflows in the collection system and at the Water Reclamation Facility (WRF) which can cause structural instability of sewer pipes and reduction of pipe capacity for conveying sewer flow. Reduces the cost associated with treating additional I/I at the WRF and increases the plant capacity for sewage treatment.

Sewer Restricted Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Adopted	FY2024 Budgeted	FY2023 Adopted vs. FY2024 Budgeted ($ Change)	FY2023 Adopted vs. FY2024 Budgeted (% Change)
Expense Objects							
Service Charges	$227	$5,122	$12,598	$315,718	$315,718	$0	0%
Intergovernmental Services	$12,884	$16,176	$9,232	$17,200	$17,200	$0	0%
Capital Outlay	$397,784	$7,980	$88,765	$4,473,000	$2,455,000	-$2,018,000	-45.1%
Debt Service - Interest & Issuance	$96,949	$63,234	$76,585	$73,031	$73,031	$0	0%
Non-Expense & Transfers	$0	$212,500	$317,500	$439,500	$1,459,500	$1,020,000	232.1%
Debt Service-Principal	$305,623	$310,796	$167,619	$244,097	$244,097	$0	0%
Other Services: Interfund	$175,873	$88,333	$17,928	$375,000	$375,000	$0	0%
Total Expense Objects:	**$989,341**	**$704,142**	**$690,226**	**$5,937,546**	**$4,939,546**	**-$998,000**	**-16.8%**