City of Sequim
Adopted Budget 2025



Last updated 11/26/24

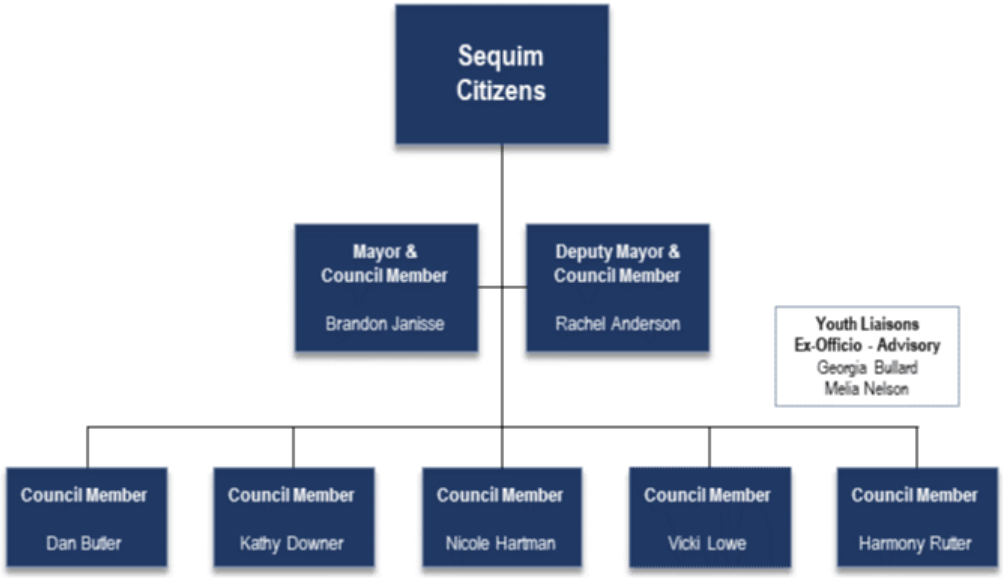
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DEPARTMENTS

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 before 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

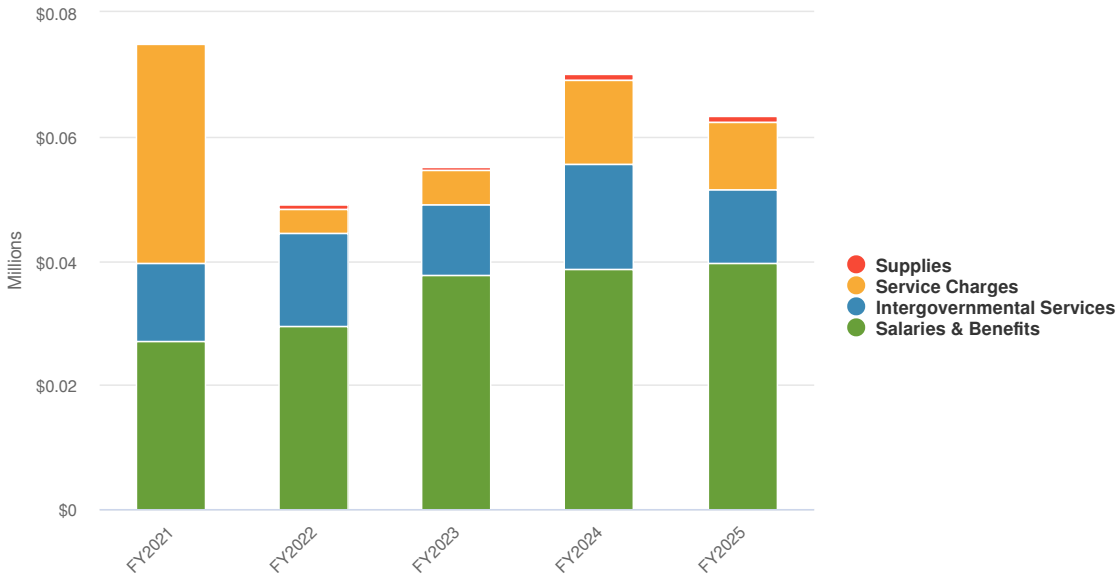
Summary

Expenditure Summary
This budget decreased by $7k (10%) from the 2024 Budget due to the net effect of an increase in Council member stipends (as determined by the Council Salary Commission) and decreases in training-related travel and voter registration costs.



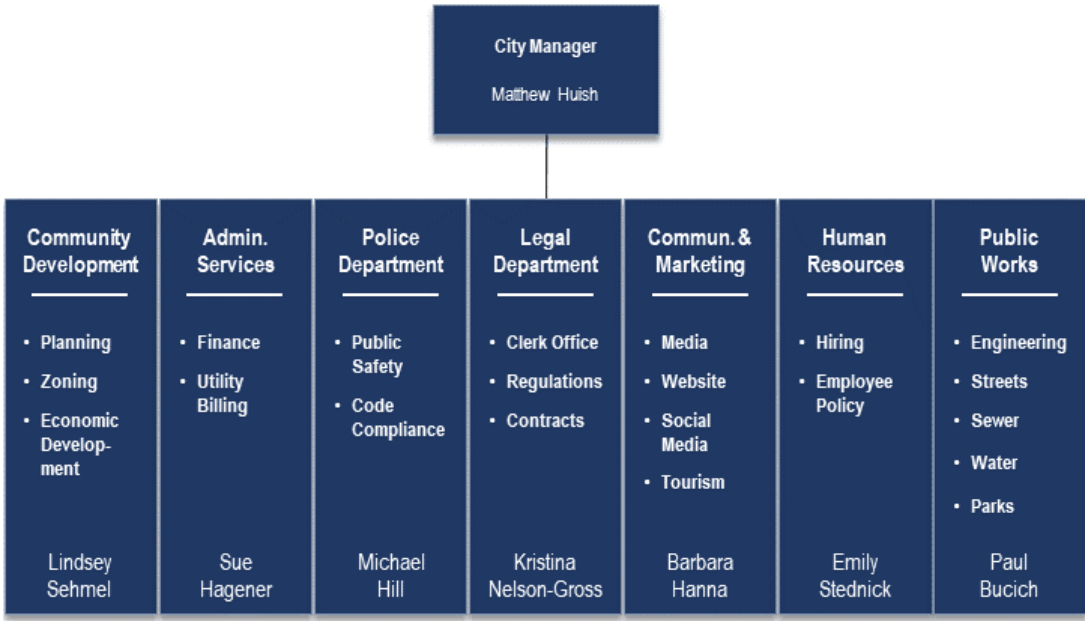
City Council Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Expense Objects							
Salaries & Benefits	$27,124	$29,499	$37,616	$38,624	$39,578	$954	2.5%
Supplies	$17	$890	$548	$1,000	$1,000	$0	0%
Service Charges	$35,378	$3,714	$5,463	$13,450	$10,800	-$2,650	-19.7%
Intergovernmental Services	$12,461	$15,055	$11,532	$17,000	$12,000	-$5,000	-29.4%
Total Expense Objects:	**$74,981**	**$49,158**	**$55,159**	**$70,074**	**$63,378**	**-$6,696**	**-9.6%**

City Administration Organization

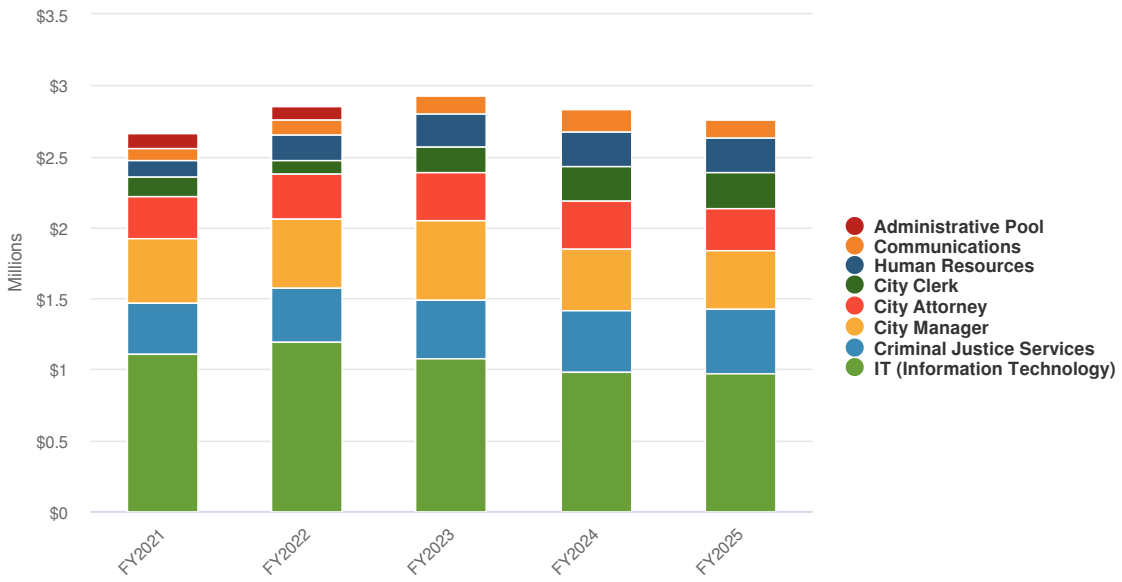




City Administration Department Overview

City Administration Expenditures

Budgeted and Historical Expenditures by Function



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Expenditures							
Council / City Administration							
City Clerk	$138,914	$89,671	$180,547	$239,915	$252,653	$12,738	5.3%
City Manager	$457,978	$485,319	$555,933	$426,053	$422,452	-$3,601	-0.8%
City Attorney	$292,698	$321,690	$344,055	$341,403	$289,837	-$51,566	-15.1%
Communications	$92,993	$112,164	$128,743	$154,206	$132,022	-$22,184	-14.4%
Human Resources	$113,034	$177,878	$226,491	$248,560	$241,716	-$6,844	-2.8%
Administrative Pool	$99,450	$93,700	$4,179			$0	N/A
Criminal Justice Services	$357,808	$380,502	$416,425	$435,581	$451,700	$16,119	3.7%
IT (Information Technology)	$1,109,925	$1,195,918	$1,075,126	$985,351	$970,967	-$14,384	-1.5%
Total Council / City Administration:	$2,662,800	$2,856,844	$2,931,499	$2,831,069	$2,761,347	-$69,722	-2.5%
Total Expenditures:	$2,662,800	$2,856,844	$2,931,499	$2,831,069	$2,761,347	-$69,722	-2.5%

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 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 utilizing data and analytics for all business decisions to support its vision, mission and foundational values (see below). The CMO also works closely with elected officials, city designated commissions and committees, community businesses, public agencies, Tribal leadership, resident/volunteer groups, and other organized entities.

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
- Engagement, Ownership, Solution Orientation
- Strong Work, Commitment, Ethics
- Ongoing Personal, Professional Learning
- Professional Competency, Subject Matter Expertise

Key Goals

- **Enhance Customer-Centric Experience:** Enhance "customer-centric experience" for employees, residents, and businesses through re-engineering all touchpoints to increase efficient and exceptional exchanges.
- **Digital Transformation:** Continued focus and strategic commitment to "digital transformation" and innovative advancements through state-of-the-art hardware, software, artificial intelligence, and analytical opportunities.
- **Municipal Infrastructure:** Concentrated commitment to our mission of providing excellent "municipal infrastructure" and services to our residents through our Comprehensive Plan and deployment of our Master Plans.
- **Managed Growth and Development:** Implement the Comprehensive Plan to support "managed growth and development" through strategic municipal code amendments and execution of capital projects.
- **Continued Process Improvement:** Commitment to "continued process improvement" in all city operations to ensure efficiencies, data-driven decisions, return-on-investment opportunities, while lowering costs.

Summary

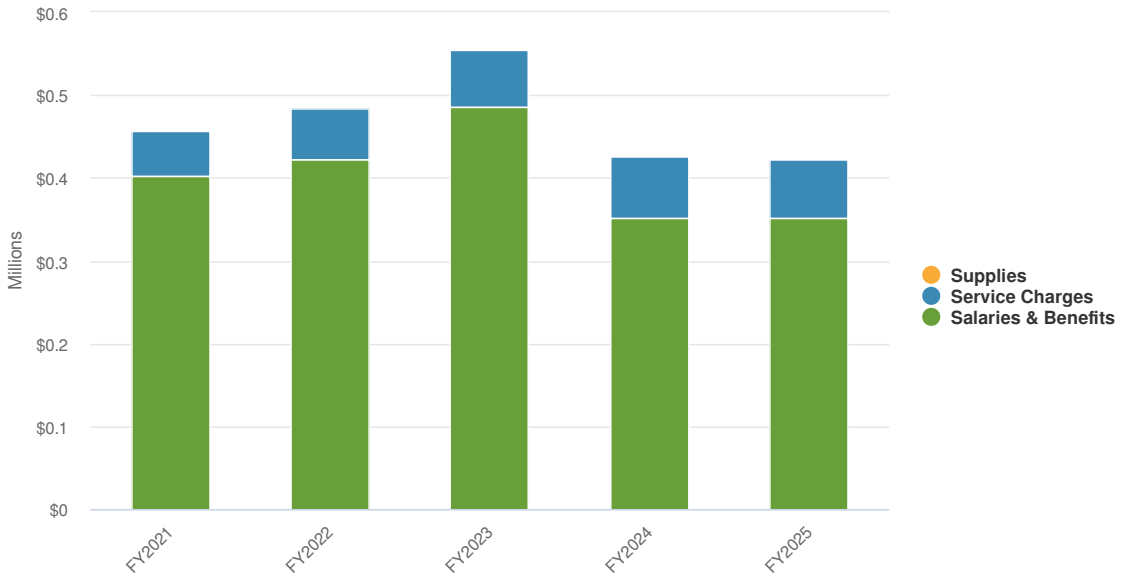
Expenditure Summary

The CMO budget has decreased by $4k (1%) from the 2024 Budget primarily due to a decrease in training/travel. Although the salary and benefit expenses appear flat from the year prior, there was a 3% increase in salaries - per Council approval and consistent with the June 2024 Consumer Price Index (CPI) - but also a corresponding reduction in benefit expenses – namely health insurance – because of our designation as a 'Well City'.



City Manager Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Expense Objects							
Salaries & Benefits	$402,318	$422,466	$486,582	$352,318	$352,262	-$56	0%
Supplies	$534	$728	$860	$270	$120	-$150	-55.6%
Service Charges	$55,127	$62,126	$68,490	$73,465	$70,070	-$3,395	-4.6%
Total Expense Objects:	**$457,978**	**$485,319**	**$555,933**	**$426,053**	**$422,452**	**-$3,601**	**-0.8%**

City Clerk

Department Description

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

Records Management and Technology

The Clerk's Office promotes efficient management of all public records through written procedures and staff training to ensure compliance with Washington State records management and disclosure laws. By improving the organization of and access to information, the Clerk's Office assists all staff members in efficiently carrying out their duties.

The Clerk's Office seeks to increase public transparency and accessibility to City documents and records. The Clerk's Office recently implemented new technology portals including an Agenda and Minutes Portal to host meeting agendas and videos together with the use of the City's YouTube channel to post meeting videos; the Electronic Records Center, which allows the public to search official City records online with some documents dating back to 1913; and the Public Records Request Portal where the public can submit public records requests and City staff can manage requests, review records for redaction, and produce responses in a timely and cost-effective manner.

Public Records Requests

The Clerk's Office serves as the City's Public Records Officer required by RCW 42.56.580 and serves as a point of contact for members of the public requesting records.

In 2023, the City processed 342 records requests. In late 2023, the City of Sequim Police Department began using body-worn cameras (BWC); this statistic includes processing BWC. With the implementation of BWC and to comply with Washington State law, the City updated its Fee Schedule (Sequim Municipal Code Chapter 3.68) related to public records fees and how customers were charged for BWC footage, paper copies, and electronic copies of responsive records. Also in 2023, Staff time increased for the Clerk’s Office as they processed the bulk of the records released. An increase in staff time is expected in 2025 as the Sequim Police Department plans to roll out in-car dash cameras.

Mission

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

Key Goals

- Standardize and streamline the operation of all City Council advisory commissions, committees, and boards.
- 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.
- 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

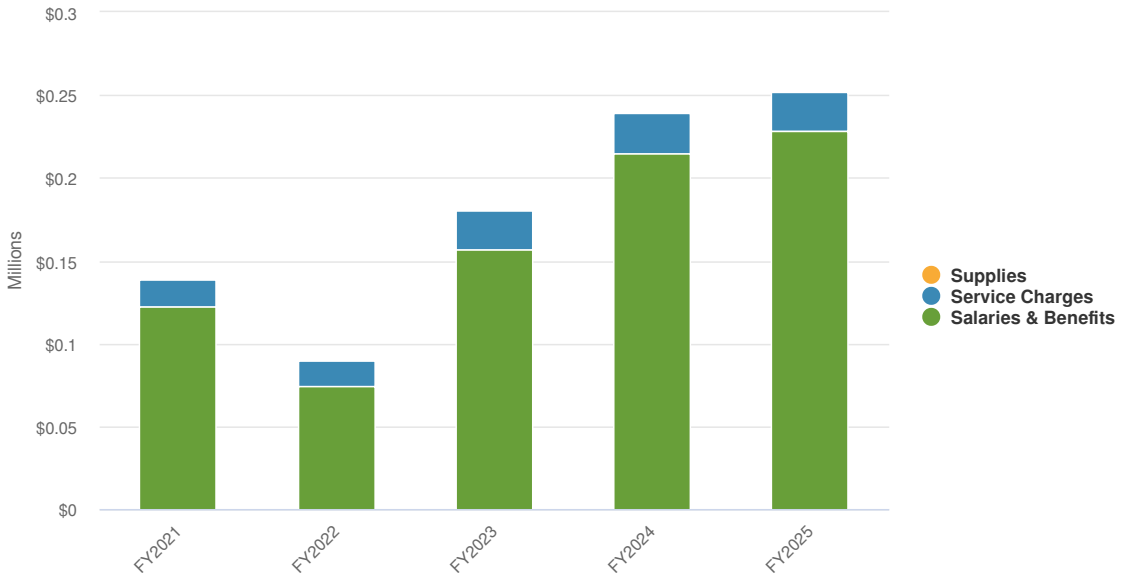
Expenditure Summary

This budget increased by $13k (5%) from the 2024 Budget primarily due to the effect of a 3% increase in salaries consistent with the June 2024 Consumer Price Index (CPI) and a reduction in certain benefit expenses, namely health insurance, as a result of our designation as a Well City.



City Clerk Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Expense Objects							
Salaries & Benefits	$122,710	$74,511	$156,953	$214,965	$228,277	$13,312	6.2%
Supplies	$130	$260	$476	$500	$500	$0	0%
Service Charges	$16,074	$14,900	$23,119	$24,450	$23,876	-$574	-2.3%
Total Expense Objects:	**$138,914**	**$89,671**	**$180,547**	**$239,915**	**$252,653**	**$12,738**	**5.3%**

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. The Legal 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 on personnel and collective bargaining matters.

Risk Management and Claims

The Legal Department took over the primary responsibility for risk management/claims, municipal 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. Claims for 2023 consisted of 44 property claims (all closed) and 4 tort claims (all closed/settled). Total claims for 2024 (as of June 30) are 23 property claims and 2 tort claims. The 2 tort claims and 18 property claims are closed; 5 property claims remain open. Of those 23 property claims, 10 were graffiti and 13 were small property damage claims. Total property claims increased in 2022 due to the City's efforts to track graffiti and "small property damage" claims. The City did not track graffiti or small property damage claims until 2022, when the Legal Department partnered with Public Works through the Cartegraph program to develop a tracking system 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 that we could use our risk pool's platform to develop an internal training program to further train City staff in targeted areas.

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. One staff member received her risk management certification through our risk pool's risk management program. The City's commitment to risk management comes through when compared to our risk pool group. The City of Sequim is in Group 2, which is comprised of 27 members and includes cities such as Burien, Battleground and Chehalis and this grouping is based upon the number of worker hours. In 2023, the City performed better than expected in total costs and actual number of claims. Our risk pool expected the City to have 33 claims, but actual claims were only 26; similarly, the City's expected total cost of claims was $1.2m, but our actual costs were considerably lower at only $282k.

In 2022, the Legal Department also took over supervision of the City Clerk's Office, which provides much-needed support for 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. In 2023, we launched a new online electronic records platform, public records request platform, and in early 2024, a new agenda planning program. We have also implemented a records management training program for staff, which continues through 2024.

The Clerk's Office

The Department continues to work with other departments to send numerous municipal code revisions to City Council. Between July 11, 2023 and the present (July 2, 2024), the City Council has adopted, amended, or repealed 242 sections of the Sequim Municipal Code (41 repeals; 15 adoptions; 186 amendments). 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 2024. This process will continue into 2026 with adoption of regulations associated with the City's Comprehensive Plan update and the City's Unified Development Code.

Municipal Code/Internal Guidelines and Procedures

The Department continues to work with other departments to send numerous municipal code revisions to City Council. Between July 11, 2023 and the present (July 2, 2024), the City Council has adopted, amended, or repealed 242 sections of the Sequim Municipal Code (41 repeals; 15 adoptions; 186 amendments). Staff have many more in various stages of a "work in progress" because of staff workloads, and because 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 2024. This process will continue into 2026 with adoption of regulations associated with the City's Comprehensive Plan update and the City's Unified Development Code.

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 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

The mission of the City Attorney's Office is to use the law to protect and promote sound public policy.

Key Goals

- Continue to minimize unnecessary legal costs
- Continue to update, streamline, and process improve 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

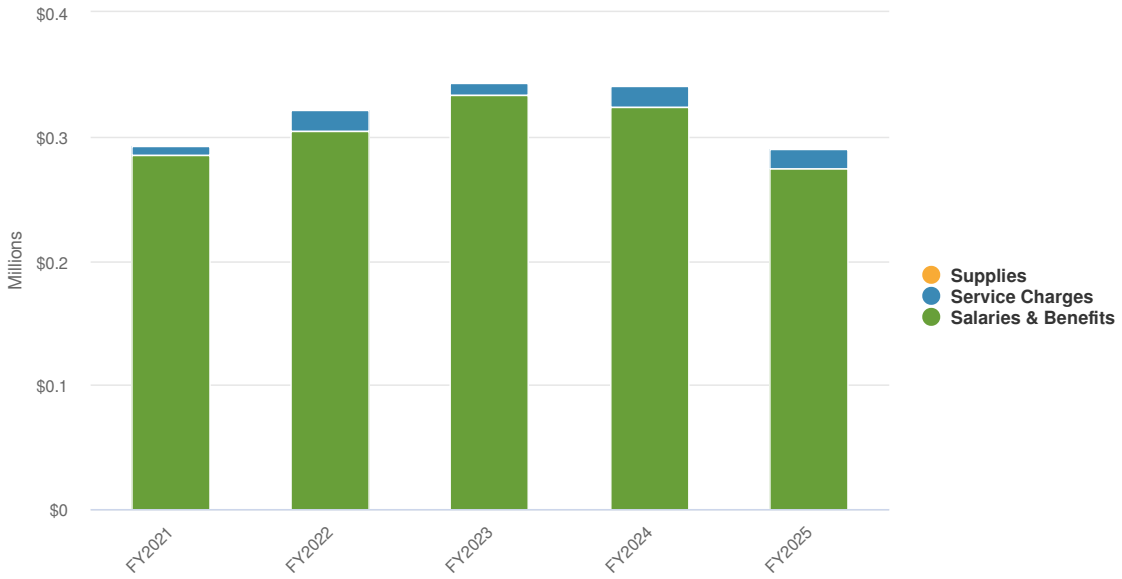
Expenditure Summary

This budget decreased by $52k (15%) from the 2024 Budget due to the net effect of a 3% increase in salaries consistent with the June 2024 Consumer Price Index (CPI) and a reduction in benefit expenses, namely health insurance, as a result of our designation as a Well City. Also, these numbers reflect increases in the allocation of costs related to personnel matters out to other departments (based upon FTE count).



City Attorney Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Expense Objects							
Salaries & Benefits	$284,881	$304,991	$333,775	$323,821	$274,706	-$49,115	-15.2%
Supplies		$431	$420	$300	$300	$0	0%
Service Charges	$7,818	$16,269	$9,859	$17,282	$14,831	-$2,451	-14.2%
Total Expense Objects:	**$292,698**	**$321,690**	**$344,055**	**$341,403**	**$289,837**	**-$51,566**	**-15.1%**

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

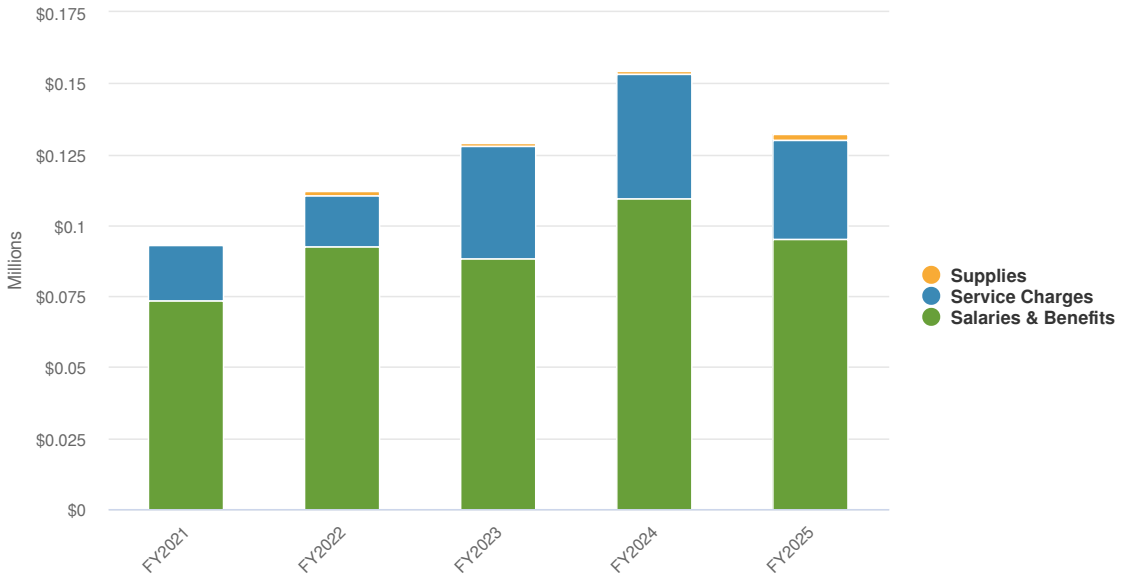
- A new Citizen Customer Satisfaction Survey is scheduled for late 2025 to begin developing comparative data from the 2023 survey and help the City establish priorities and workplans based on citizen input, supporting the operational goal of enhancing customer centric experiences.
- Work with other departments to support community outreach and engagement programs to further enhance customer centric experiences.
- Continue the distribution of the monthly newsletter through utility billings, to residents in multi-unit facilities when possible, and publication in the local newspaper. Promote a subscription based digital e-newsletter. This offers our citizens a variety of ways to receive information from the City.
- 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 for our customers.
- Continue to develop social media resources as a communications tool for Sequim citizens by developing an internal social media committee that will work together on content and scheduling.

Summary

Expenditure Summary
This budget decreased by $22k (14%) from the 2024 Budget due to the net impact of a 3% increase in salaries consistent with the June 2024 Consumer Price Index (CPI) and a reduction in certain benefit expenses, namely health insurance, as a result of our designation as a Well City. Additionally, the 2024 budget contained a partial (temporary) FTE added for shadowing an expected retiring staff member which was removed in 2025. We also expect a survey of our businesses to be completed in early 2025 at a reduced cost from the citizen survey completed in 2024, although we do expect to have some expense related to the 2025 citizen survey late in the year.

Communications Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Expense Objects							
Salaries & Benefits	$73,610	$92,755	$88,223	$109,556	$95,252	-$14,304	-13.1%
Supplies	$86	$1,448	$712	$750	$2,200	$1,450	193.3%
Service Charges	$19,297	$17,961	$39,808	$43,900	$34,570	-$9,330	-21.3%
Total Expense Objects:	**$92,993**	**$112,164**	**$128,743**	**$154,206**	**$132,022**	**-$22,184**	**-14.4%**



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: Ensuring a performance management framework that aligns employee goals with the City's objectives, building 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 the community.
- 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 Human Resources Department is dedicated to empowering an engaged and productive culture.



Key Goals

- Negotiate fair contracts for union groups.
- Partner with professional consultant to implement compensation and benefits recommendations for non-represented staff.
- 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

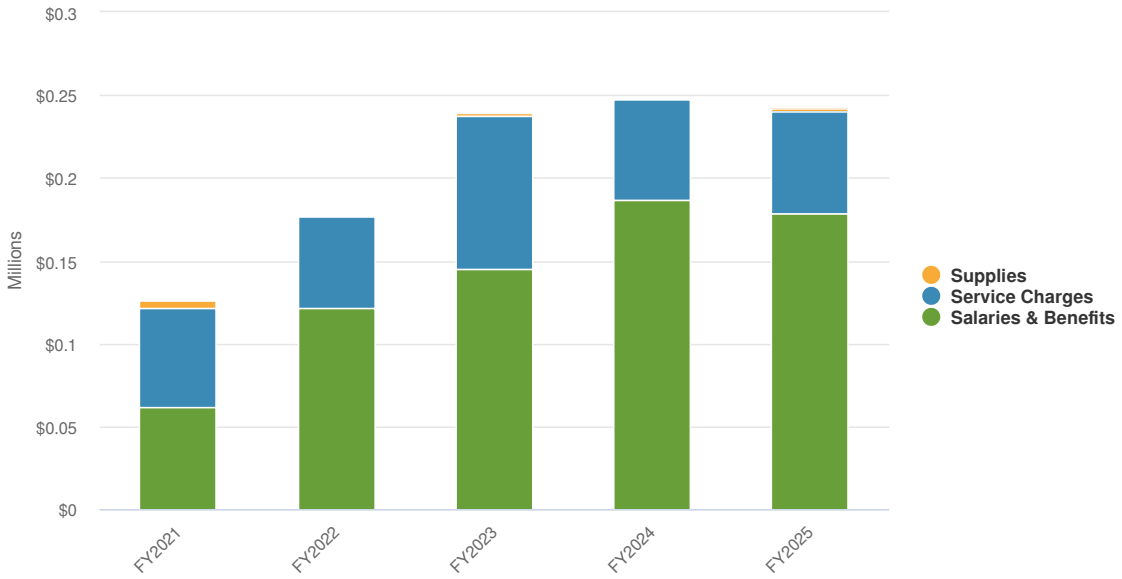
Expenditure Summary

This budget decreased by $7k (3%) from the 2024 Budget primarily due to the net effect of a 3% increase in salaries consistent with the June 2024 Consumer Price Index (CPI) and a reduction in benefit expenses, namely health insurance, as a result of our designation as a Well City. Also, these numbers reflect increases in the allocation of costs related to personnel matters to other departments (based upon FTE count).



Human Resources Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Expense Objects							
Salaries & Benefits	$61,657	$121,535	$145,070	$186,910	$178,116	-$8,794	-4.7%
Supplies	$4,480	$865	$1,675	$850	$1,250	$400	47.1%
Service Charges	$59,897	$55,478	$92,252	$60,800	$62,350	$1,550	2.5%
Total Expense Objects:	**$126,034**	**$177,878**	**$238,997**	**$248,560**	**$241,716**	**-$6,844**	**-2.8%**

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

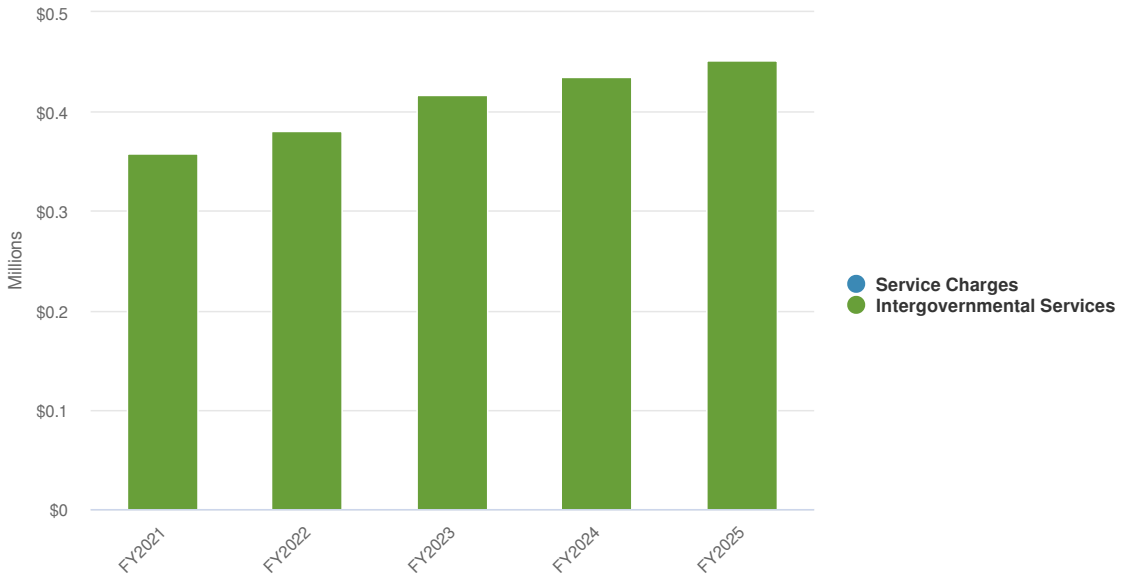
Revenue Summary
All revenues associated with Court in prior years go to Clallam County per the contract.

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 2025, the cost of these services increased by $16k (3.7%) for a total cost of $452k. 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	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Expense Objects							
Service Charges		$206	$0			$0	N/A
Intergovernmental Services	$357,808	$380,297	$416,425	$435,581	$451,700	$16,119	3.7%
Total Expense Objects:	**$357,808**	**$380,502**	**$416,425**	**$435,581**	**$451,700**	**$16,119**	**3.7%**

IT (Information Technology)

Department Description
The Information Technology (IT) Department is responsible for supporting city operations and staff by effectively managing all City IT assets at all sites.

Services include, but are not limited to, email, file storage, print services, cloud and server databases, telecommunications, network connectivity, security, off-the-shelf application support, mobile devices, data backup and recovery audio/visual systems, camera and physical security (shared), records requests, training, and project management.

Mission
The mission of the IT Department is to enable effective municipal business operations and efficient digital interfacing with residents.

Key Goals

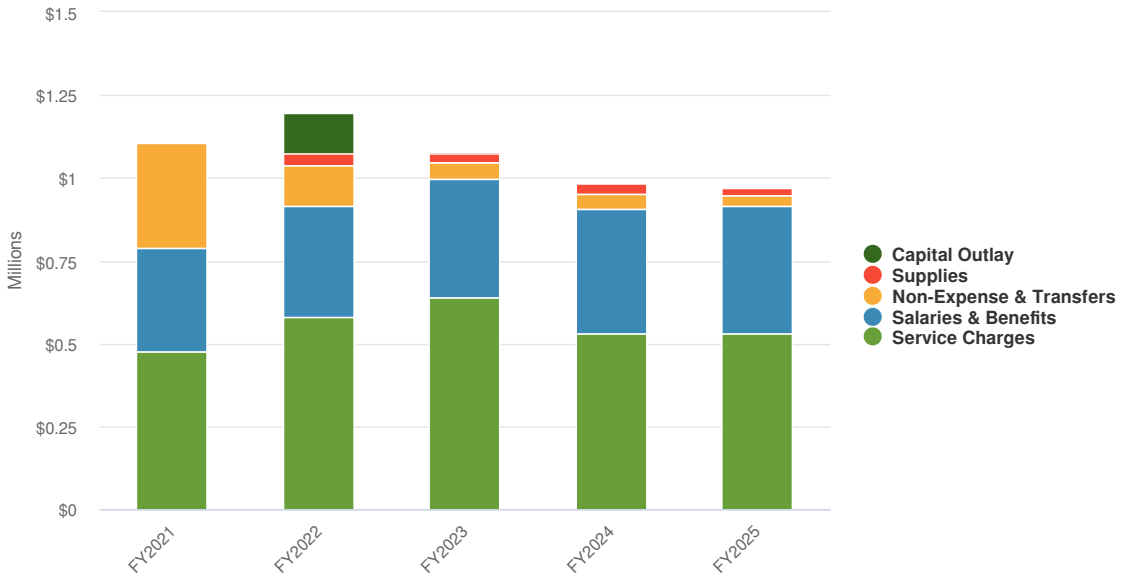
- Stabilize and integrate the IT team with city operations.
- Remain focused on and committed to digital transformation and innovative, state-of-the-art technology advancements and opportunities.
- Complete the IT Project List in collaboration and coordination with the Executive Technology Committee.
- Create IT Department policies and procedures for all City of Sequim IT services.
- Enhance business continuity by improving the resilience and redundancy of network resources, both on-premises and remotely.

Summary

Expenditure Summary
This budget decreased by $14k (2%) from the 2024 Budget due to a reduction in supplies and transfers to the Equipment Reserve, notwithstanding net increases is staff salaries and benefits.

IT Expenditures

Budgeted and Historical Expenditures by Expense Type



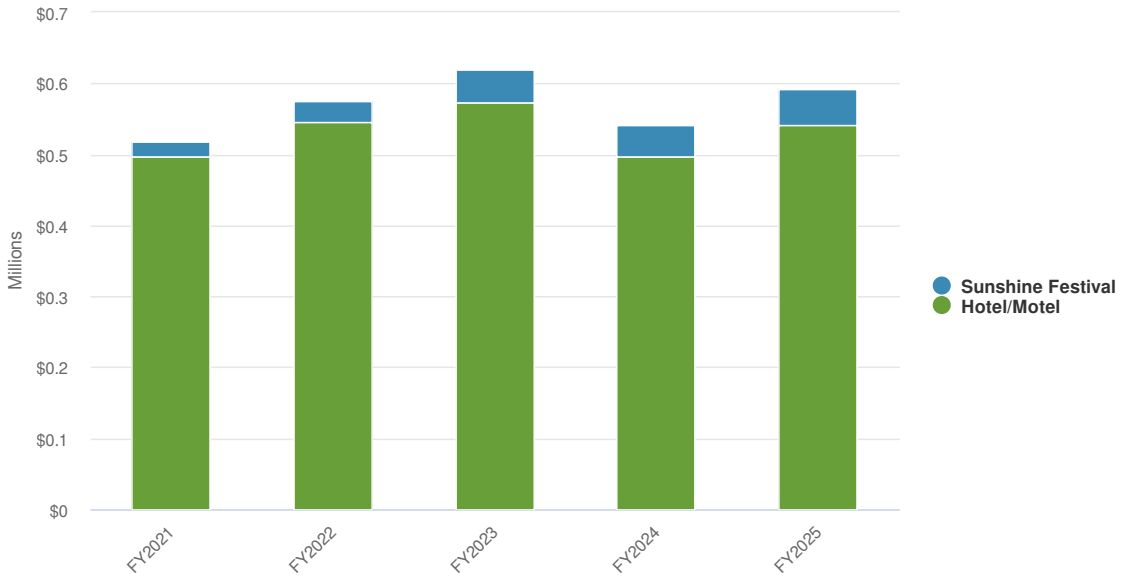
Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Expense Objects							
Salaries & Benefits	$312,825	$332,995	$361,208	$374,850	$385,088	$10,238	2.7%
Supplies	$5,340	$39,356	$30,353	$34,100	$25,900	-$8,200	-24%
Service Charges	$477,959	$580,769	$637,166	$530,001	$529,979	-$22	0%
Capital Outlay		$119,998				$0	N/A
Non-Expense & Transfers	$313,800	$122,800	$46,400	$46,400	$30,000	-$16,400	-35.3%
Total Expense Objects:	**$1,109,925**	**$1,195,918**	**$1,075,126**	**$985,351**	**$970,967**	**-$14,384**	**-1.5%**



City Administration Special Funds

City Administration Special Funds Revenues

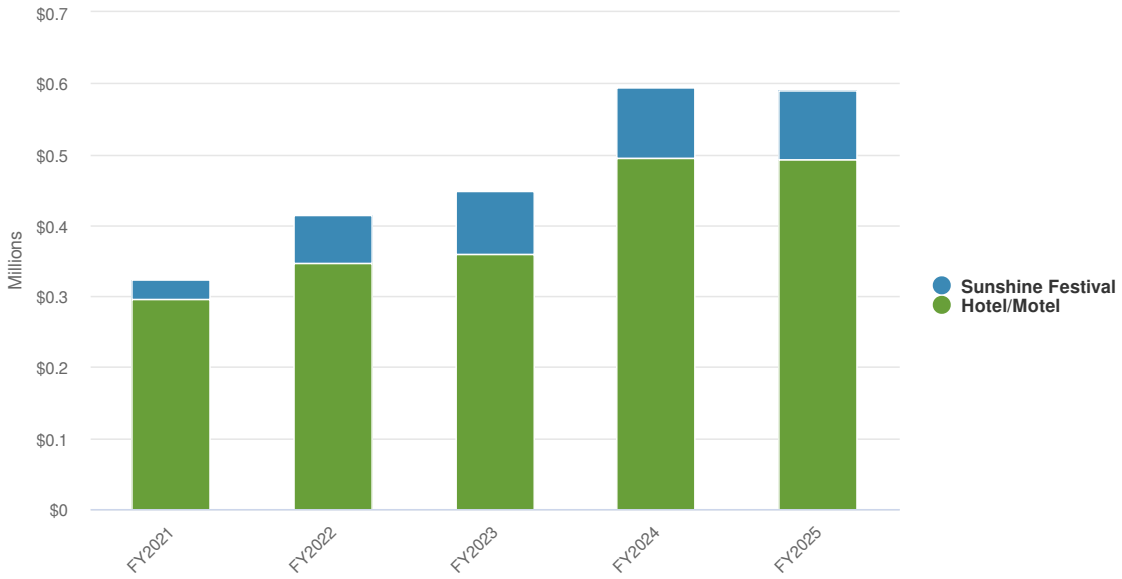
Budgeted and Historical Revenue by Department



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2025 Budgeted	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Revenue								
Council / City Administration								
Hotel/Motel	$497,121	$546,594	$572,736	$496,600	$542,100	$542,100	$45,500	9.2%
Sunshine Festival	$20,431	$28,115	$47,533	$45,400	$50,700	$50,700	$5,300	11.7%
Total Council / City Administration:	$517,552	$574,709	$620,269	$542,000	$592,800	$592,800	$50,800	9.4%
Total Revenue:	$517,552	$574,709	$620,269	$542,000	$592,800	$592,800	$50,800	9.4%

City Administration Special Funds Expenditures

Budgeted and Historical Expenditures by Function



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Expenditures							
Council / City Administration							
Hotel/Motel	$295,978	$346,931	$358,693	$494,199	$492,147	-$2,052	-0.4%
Sunshine Festival	$28,285	$67,094	$89,450	$99,745	$96,995	-$2,750	-2.8%
Total Council / City Administration:	$324,264	$414,025	$448,143	$593,944	$589,142	-$4,802	-0.8%
Total Expenditures:	$324,264	$414,025	$448,143	$593,944	$589,142	-$4,802	-0.8%



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, publication development, 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 first run 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, 2023, and 2024 . 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 festival continues to grow and is beginning to draw more participants from out of the area, as it was intended.

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.

In 2023, Clallam County initiated the development of a Tourism Strategic Master Plan for the Olympic Peninsula. Sequim participated by having a representative on the Leadership Team for the plan development. The five-year plan was completed and presented in the spring of 2024 with five short-term priorities. Committees of tourism professionals across the Olympic Peninsula have been established to develop more specific plans to accomplish those five priorities. The 2025 Lodging Tax budget includes $5,500 (approximately 1% of 2023 tax revenue) to support the implementation of moving plans forward to accomplish these priorities.

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 offer increased available funds and maintain the increased limit per grant for Tourism Enhancement Grants to support local festivals and events
- Work with internal and external partners to build on the 2024 success of the Sequim Sunshine Festival for the winter of 2025 (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. The planning committee is working on utilizing tents to increase indoor space and rearranging events to best utilize the Guy Cole Event Center. The Parks and Events division of Public Works will now be managing the operations of the Sunshine Festival and other City sponsored events, but funding for tourism driven special events will remain in the Hotel/Motel fund. Marketing and promotion of City sponsored events will remain the responsibility of the Communications and Marketing Director in collaboration with event organizers.
- Provide support for the Independence Day Celebration for fireworks, live music, and infrastructure. The event is for the Sequim community and visitors. Half of the event will be funded out of lodging tax, the other half from Parks.
- Serve as committee chair for the "The Olympic Peninsula is More Than a Park" promotional program, one of the short-term goals of the Olympic Peninsula Tourism Strategic Master Plan.



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 decreased by $5k (1%) from the 2024 Budget due to the net impact of a 3% increase in salaries consistent with the June 2024 Consumer Price Index (CPI) and a reduction in certain benefit expenses, namely health insurance, as a result of our designation as a Well City. Additionally, the 2024 Budget had a partial (temporary) FTE added for shadowing an expected retiring staff member. 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 still 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 in this budget include funding to support implementation of the Olympic Peninsula Strategic Plan.

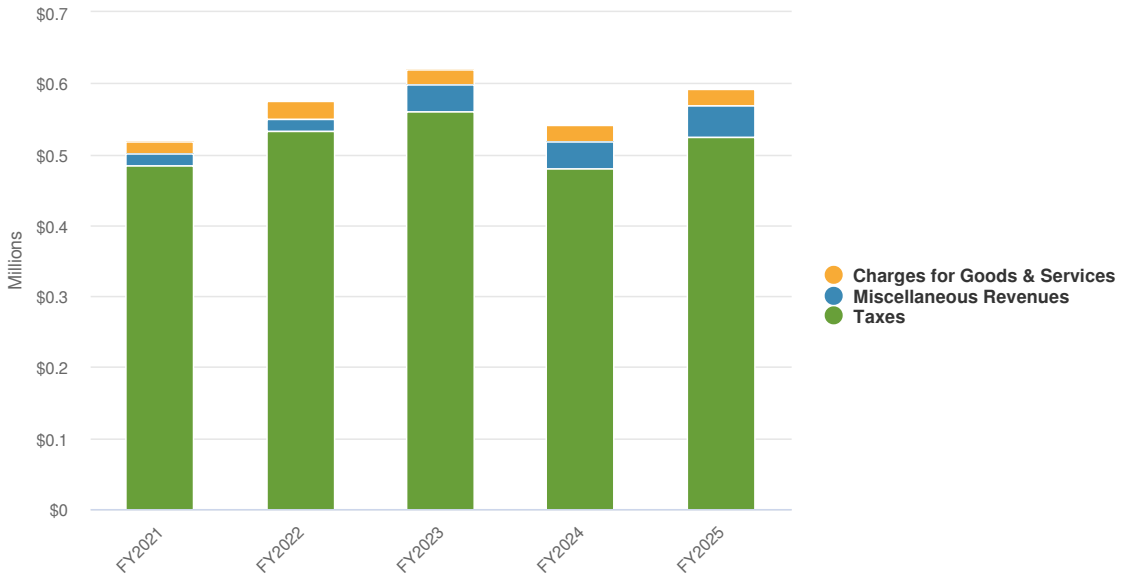
The Sunshine Festival's expenses include professional services to produce specific events, such as the color run and the illuminated drone show; supplies to support the event; and marketing of the event to the greater Seattle area.

Finally, funding is consistent with the prior year to cover public works and police staff salaries for support of the Sunshine Festival, Independence Day Celebration, and Hometown Holidays.



Hotel/Motel Revenues

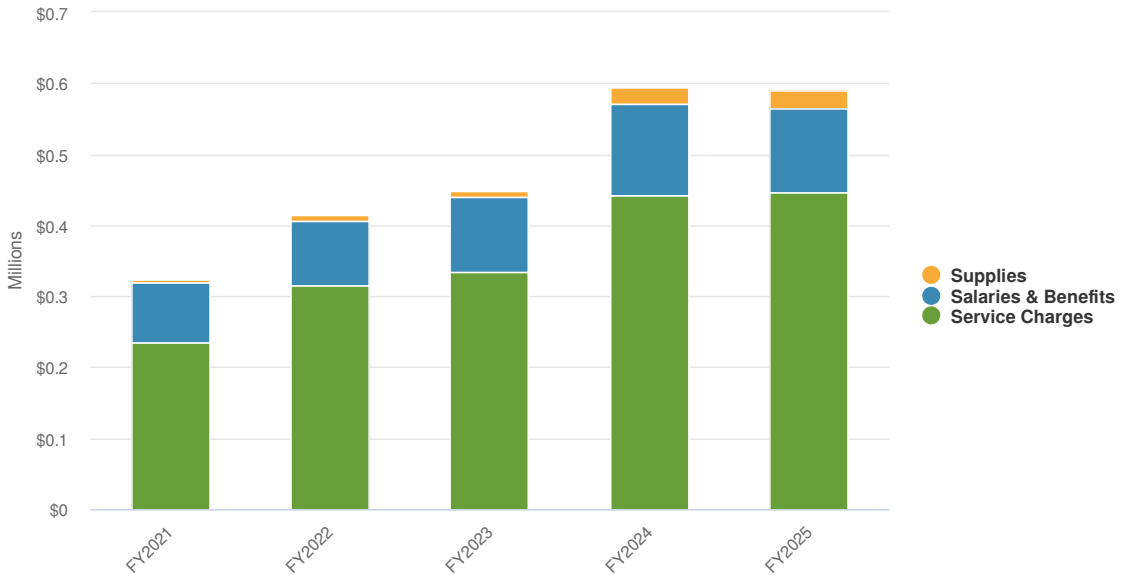
Budgeted and Historical Revenues by Source



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Revenue Source							
Taxes	$484,555	$533,464	$559,707	$480,000	$525,500	$45,500	9.5%
Charges for Goods & Services	$15,787	$25,600	$22,705	$24,400	$23,700	-$700	-2.9%
Miscellaneous Revenues	$17,209	$15,645	$37,857	$37,600	$43,600	$6,000	16%
Total Revenue Source:	$517,552	$574,709	$620,269	$542,000	$592,800	$50,800	9.4%

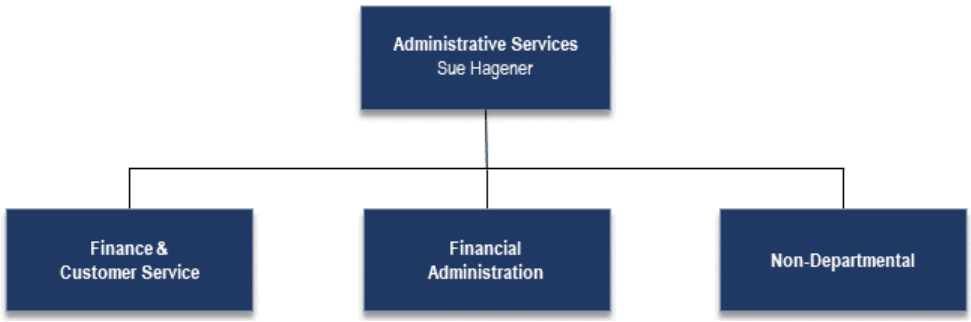
Hotel/Motel Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Expense Objects							
Salaries & Benefits	$84,699	$90,087	$107,400	$129,647	$117,585	-$12,062	-9.3%
Supplies	$4,747	$8,475	$7,383	$22,152	$24,402	$2,250	10.2%
Service Charges	$234,818	$315,463	$333,360	$442,145	$447,155	$5,010	1.1%
Total Expense Objects:	**$324,264**	**$414,025**	**$448,143**	**$593,944**	**$589,142**	**-$4,802**	**-0.8%**

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
- Development Reserves
- REET
- Equipment Reserve
- American Rescue Plan Act
- Rainy Day Fund
- Debt Service
- Trust and Agency Funds

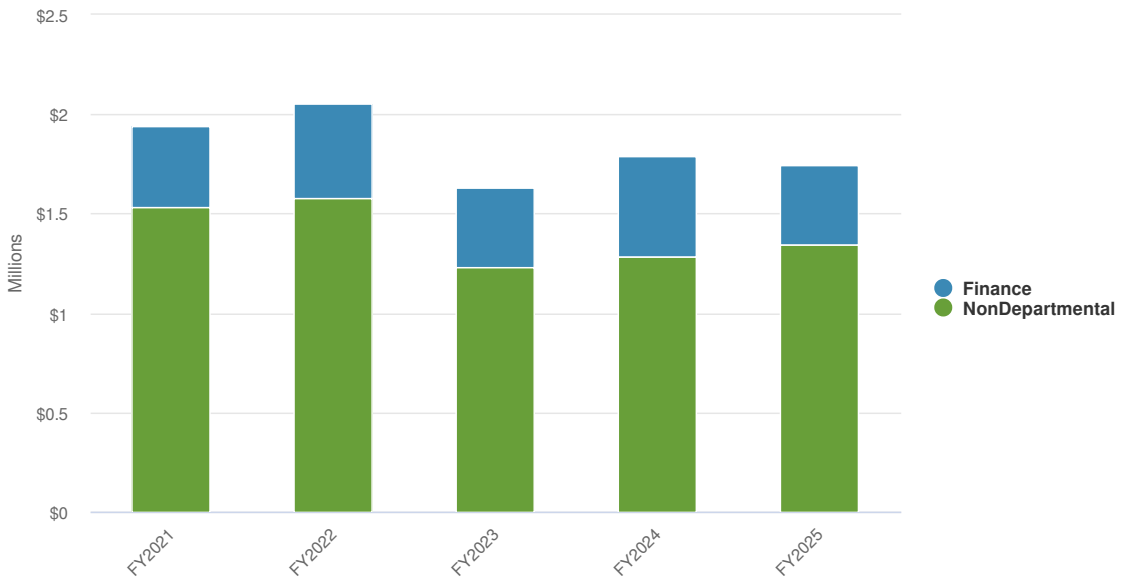
Non-Departmental

- 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	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Expenditures							
Administrative Services Department							
Finance	$401,229	$470,823	$397,853	$504,191	$403,002	-$101,189	-20.1%
NonDepartmental	$1,536,318	$1,580,269	$1,231,193	$1,287,425	$1,343,150	$55,725	4.3%
Total Administrative Services Department:	**$1,937,547**	**$2,051,093**	**$1,629,046**	**$1,791,616**	**$1,746,152**	**-$45,464**	**-2.5%**
Total Expenditures:	**$1,937,547**	**$2,051,093**	**$1,629,046**	**$1,791,616**	**$1,746,152**	**-$45,464**	**-2.5%**

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.
- Continue to improve all key financial processes with new technology.

Summary

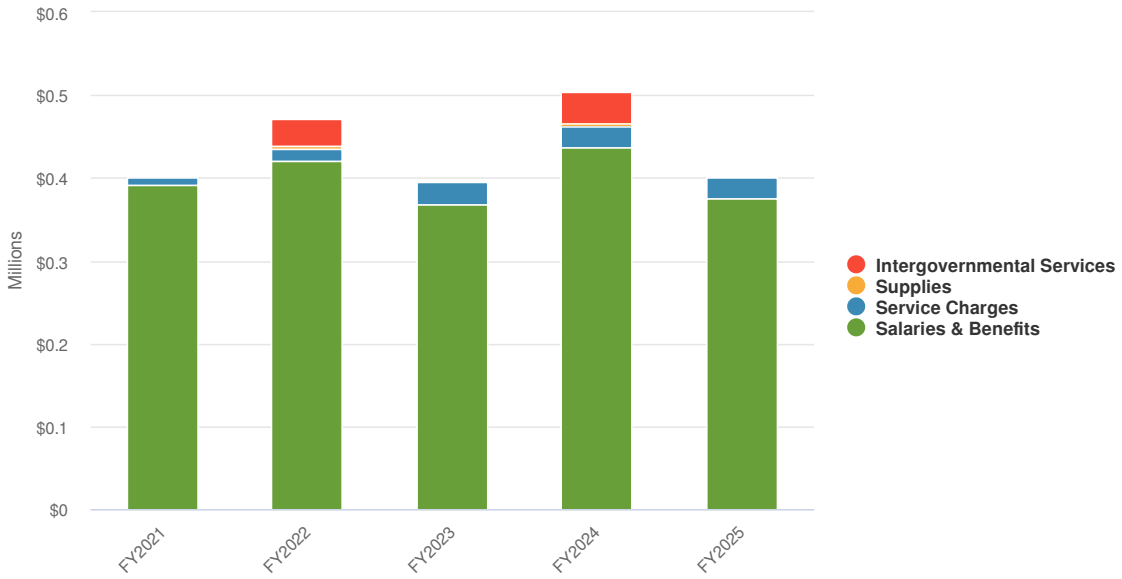
Expenditure Summary

This budget decreased by $101k (20%) from the 2024 Budget due to the elimination of .50 FTE added in 2024 to support a City-wide information technology conversion as well as expenses for a bi-annual audit by the Washington State Auditors Office (which is not expected to occur in 2025).



Finance Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Expense Objects							
Salaries & Benefits	$392,361	$421,035	$367,796	$437,526	$376,037	-$61,489	-14.1%
Supplies	$1,082	$3,764	$2,654	$4,680	$3,180	-$1,500	-32.1%
Service Charges	$7,522	$13,787	$27,403	$23,985	$23,785	-$200	-0.8%
Intergovernmental Services	$265	$32,238		$38,000	$0	-$38,000	-100%
Total Expense Objects:	**$401,229**	**$470,823**	**$397,853**	**$504,191**	**$403,002**	**-$101,189**	**-20.1%**

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.

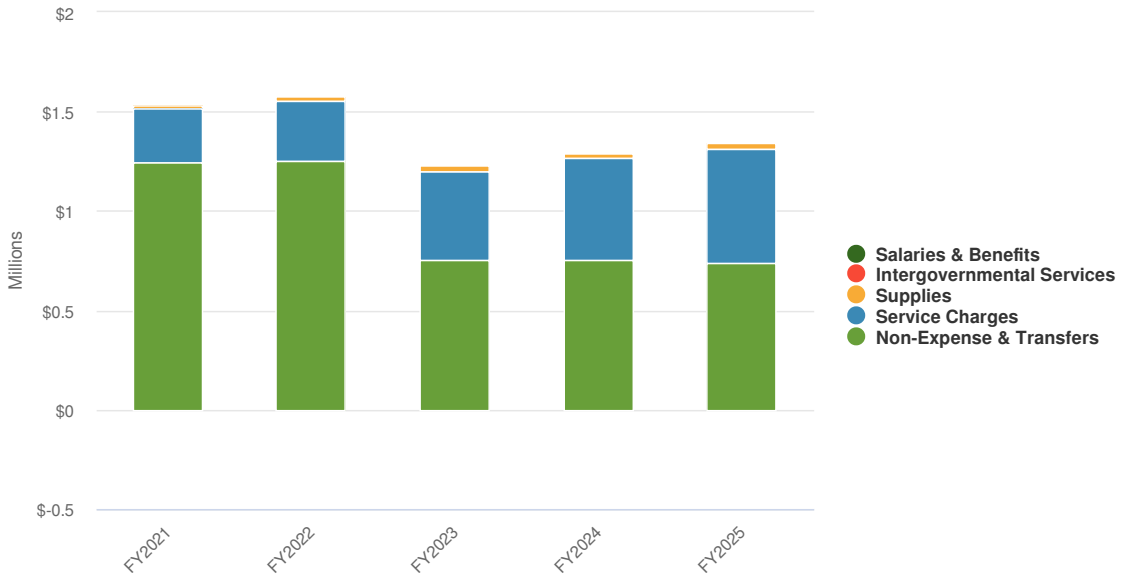
Summary

Expenditure Summary
This budget increased by $56k (4%) from the 2024 Budget due to the net effect of increases in service charges that include the annual WCIA insurance assessment ($110k) and reduction of the 2025 transfer out to Street Operations. Additionally, our Contingency of $100k was reduced by $20k. Human services funding remains flat with 2024.



Non-Departmental Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Expense Objects							
Salaries & Benefits	$8	-$513	-$150			$0	N/A
Supplies	$16,038	$25,012	$27,625	$21,000	$26,350	$5,350	25.5%
Service Charges	$270,797	$303,698	$445,319	$510,825	$576,200	$65,375	12.8%
Intergovernmental Services	$2,974	$3,072	$3,399	$600	$600	$0	0%
Non-Expense & Transfers	$1,246,500	$1,249,000	$755,000	$755,000	$740,000	-$15,000	-2%
Total Expense Objects:	**$1,536,318**	**$1,580,269**	**$1,231,193**	**$1,287,425**	**$1,343,150**	**$55,725**	**4.3%**

Affordable Housing HB 1406

Description

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.

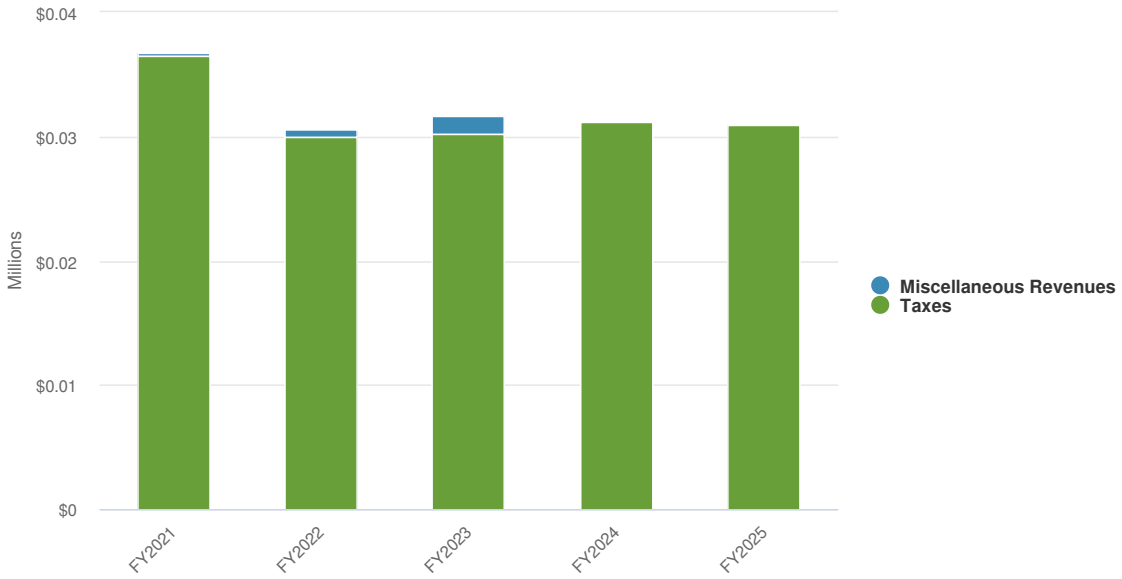
Key Goals

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



Affordable Housing HB 1406 Revenues

Budgeted and Historical Revenues by Source



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Revenue Source							
Taxes	$36,529	$29,968	$30,182	$31,138	$30,990	-$148	-0.5%
Miscellaneous Revenues	$197	$578	$1,449			$0	N/A
Total Revenue Source:	$36,726	$30,546	$31,631	$31,138	$30,990	-$148	-0.5%

Development Reserves

Department Description

This is a new fund created in 2024 to account for large development revenues and related expenditures (e.g., on-call engineering for site construction inspections). Frequently, large development revenues are collected one year, and not expended until years later. So, the purpose of this fund is to eliminate the volatile and unpredictable nature of these transactions from the General Fund. It also serves as a better accounting mechanism for tracking the recovery of expenditures related to development reviews.

Key Goals

- Properly account for large development related revenues and expenditures.

Development Reserves Revenues

Revenues are balanced with expenditures and are an estimate until further data can be collected on these transactions.

Name	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Revenue Source			
Licenses & Permits	$250,000	$250,000	N/A
Total Revenue Source:	**$250,000**	**$250,000**	**N/A**

Development Reserves Expenditures

Name	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Expense Objects			
Service Charges	$250,000	$250,000	N/A
Total Expense Objects:	**$250,000**	**$250,000**	**N/A**



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.

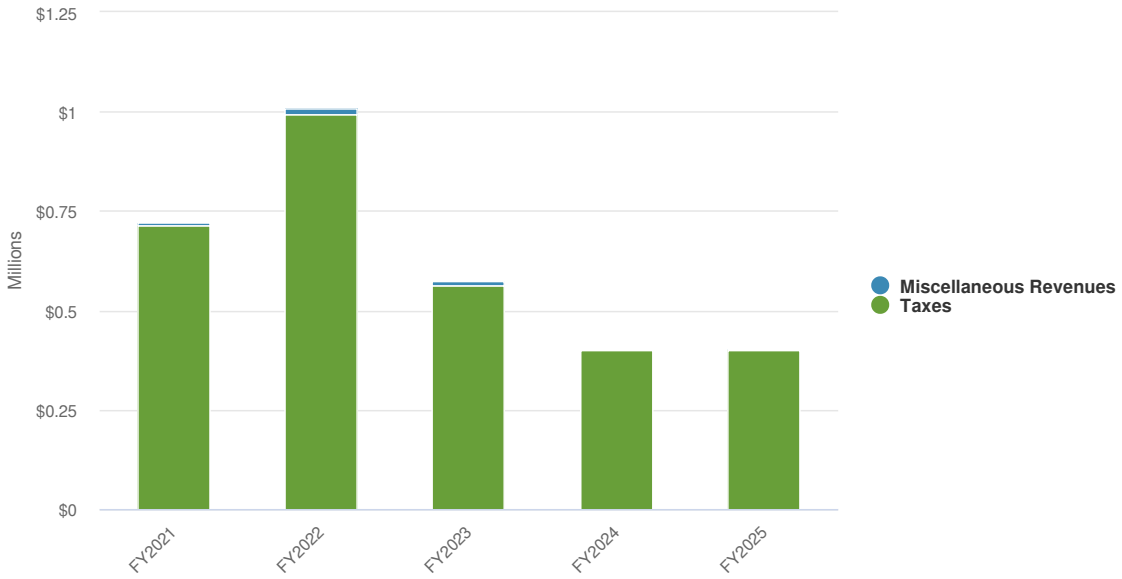
Summary

Revenue Summary
2025 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 $591k and consist of transfers to other funds to support budgeted or future projects as follows: $126k for the Transportation Master Plan, $50k for City-wide pavement preservation, $230k for Carrie Blake Park bridges, $50k for Civic Center improvements and $100k to Civic Center LTGO Debt Service.

Real Estate Excise Taxes Revenues

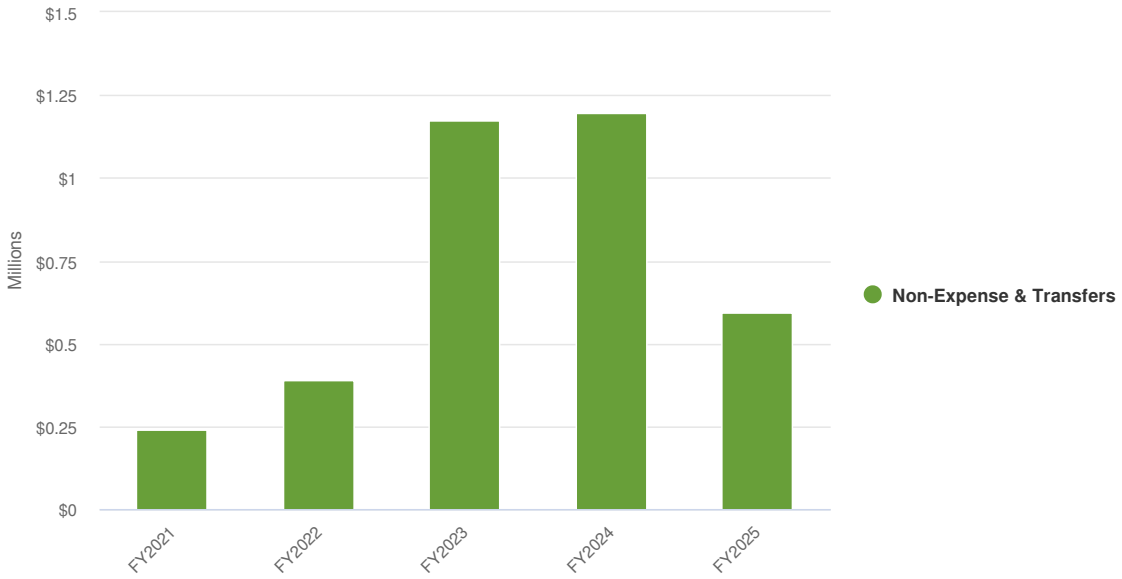
Budgeted and Historical Revenues by Source



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Revenue Source							
Taxes	$714,008	$993,917	$561,359	$400,000	$400,000	$0	0%
Miscellaneous Revenues	$6,835	$14,641	$14,051	$5,450	$5,450	$0	0%
Total Revenue Source:	**$720,843**	**$1,008,558**	**$575,410**	**$405,450**	**$405,450**	**$0**	**0%**

Real Estate Excise Taxes Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Expense Objects							
Non-Expense & Transfers	$240,000	$390,000	$1,175,000	$1,195,000	$591,500	-$603,500	-50.5%
Total Expense Objects:	$240,000	$390,000	$1,175,000	$1,195,000	$591,500	-$603,500	-50.5%



American Rescue Plan Act (ARPA)

Description

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

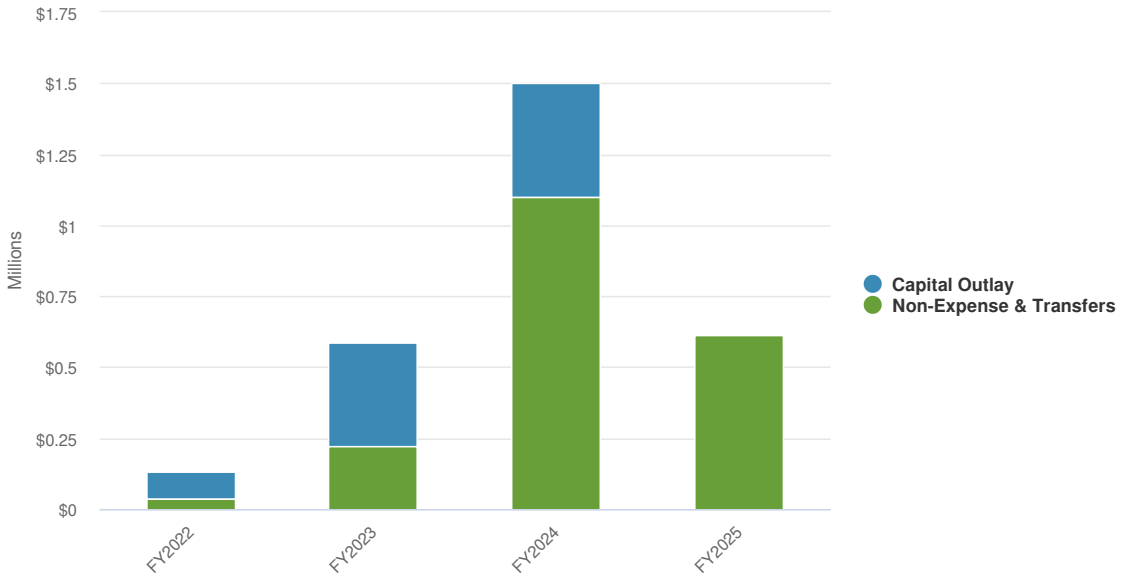
All installments of ARPA funds totaling $2.135ml were receipted in and recorded in prior years.

Expenditure Summary

The City expects to obligate or spend all remaining ARPA funds by the end of 2024. Included in the $614k in expenditures is the funding support for the City Shop improvement project.

American Rescue Plan Act Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Expense Objects						
Capital Outlay	$92,610	$363,256	$405,300	$0	-$405,300	-100%
Non-Expense & Transfers	$39,619	$222,666	$1,098,000	$614,000	-$484,000	-44.1%
Total Expense Objects:	$132,229	$585,921	$1,503,300	$614,000	-$889,300	-59.2%



Rainy Day Fund

Description
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 other than interest income are anticipated, unless they become available at Council's direction.

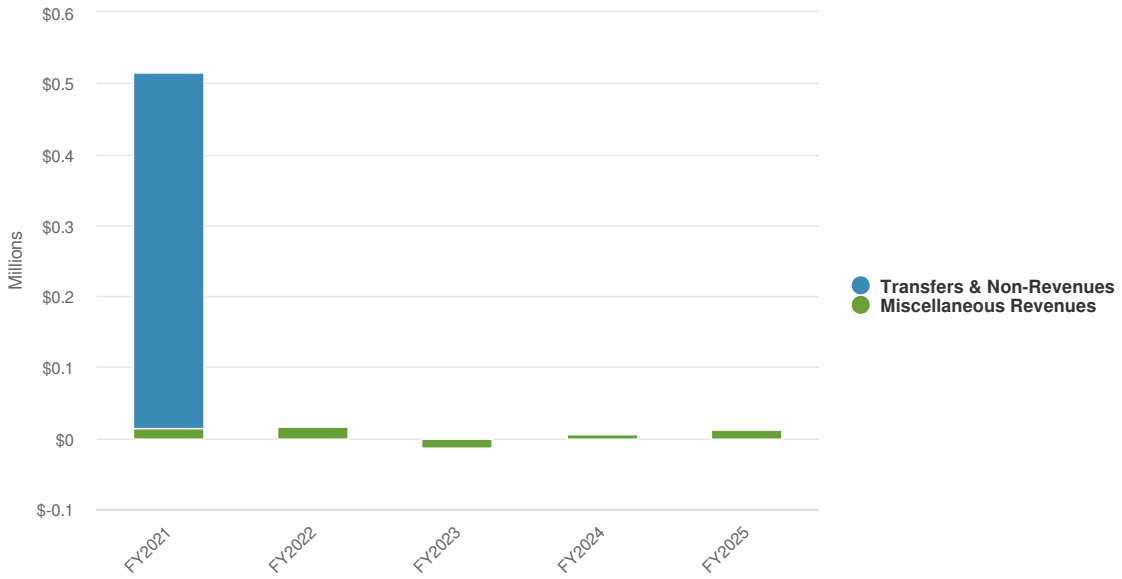
Expenditure Summary
The 2025 Budget currently includes $5k in transfers out to the Parks Restricted fund to provide seed money for a Gold Start Memorial in our new Ruth C. McChord Memorial Park. It also includes $42k in health and human services funding for a youth and family navigator employed by the YMCA to address housing and financial issues of members in our community.

Expenditures from this fund must be brought to Council for approval (upon their direction). 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. In 2024, funds were used to support the purchase of land for the Ruth C. McChord Memorial Park.



Rainy Day Fund Revenues

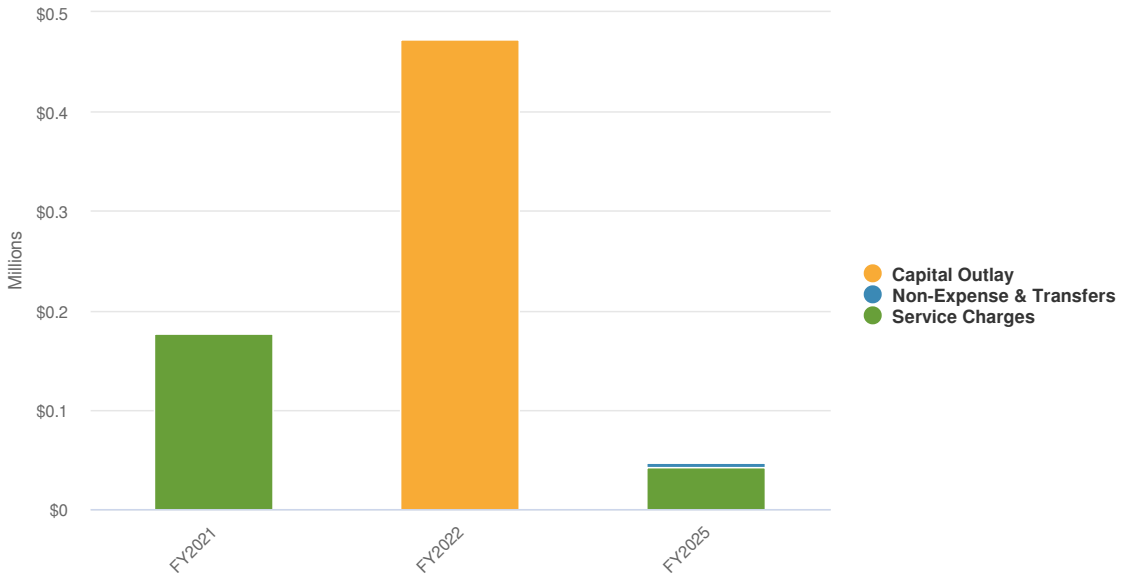
Budgeted and Historical Revenues by Source



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Revenue Source							
Miscellaneous Revenues	$14,658	$17,193	-$12,644	$6,000	$13,000	$7,000	116.7%
Transfers & Non-Revenues	$500,000					$0	N/A
Total Revenue Source:	**$514,658**	**$17,193**	**-$12,644**	**$6,000**	**$13,000**	**$7,000**	**116.7%**

Rainy Day Fun Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Requested	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Expense Objects							
Service Charges	$176,467		$0	$0	$42,500	$42,500	N/A
Capital Outlay		$472,316				$0	N/A
Non-Expense & Transfers				$500,000	$5,000	-$495,000	-99%
Total Expense Objects:	**$176,467**	**$472,316**	**$0**	**$500,000**	**$47,500**	**-$452,500**	**-90.5%**

Debt Service Fund-City Hall

Description

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 slightly below 2024 Budget levels as early calling of bonds in 2023 saves on the annual debt service payment in 2025. Funding is as follows: $200k from General Fund, $350k from Public Safety Tax, and $100k from REET.

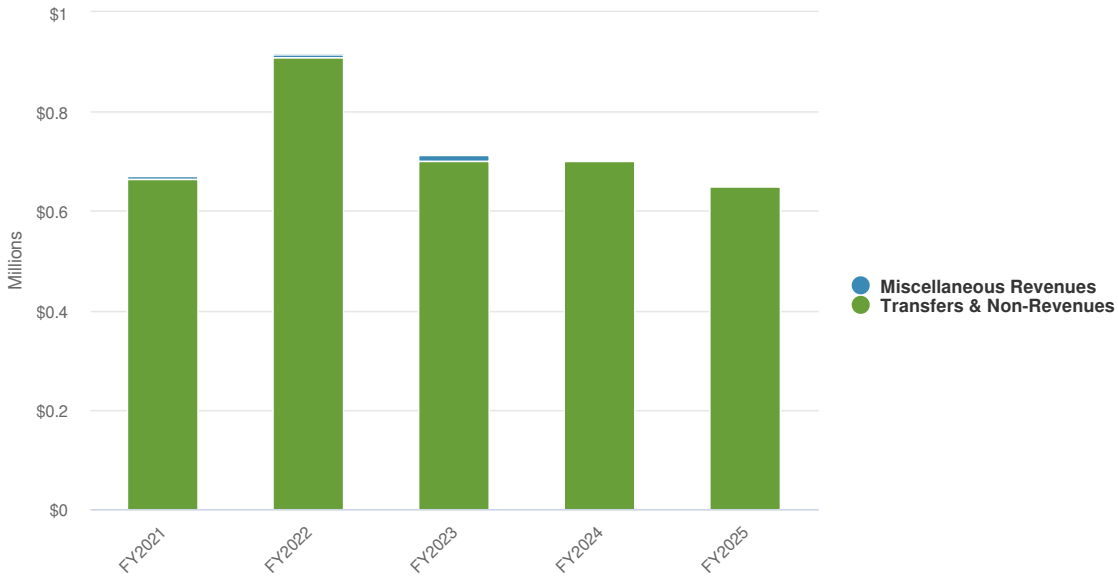
Expenditure Summary

Debt Service payments of the bonds supporting the Civic Center are approximately $618k.



Debt Service Fund-City Hall Revenues

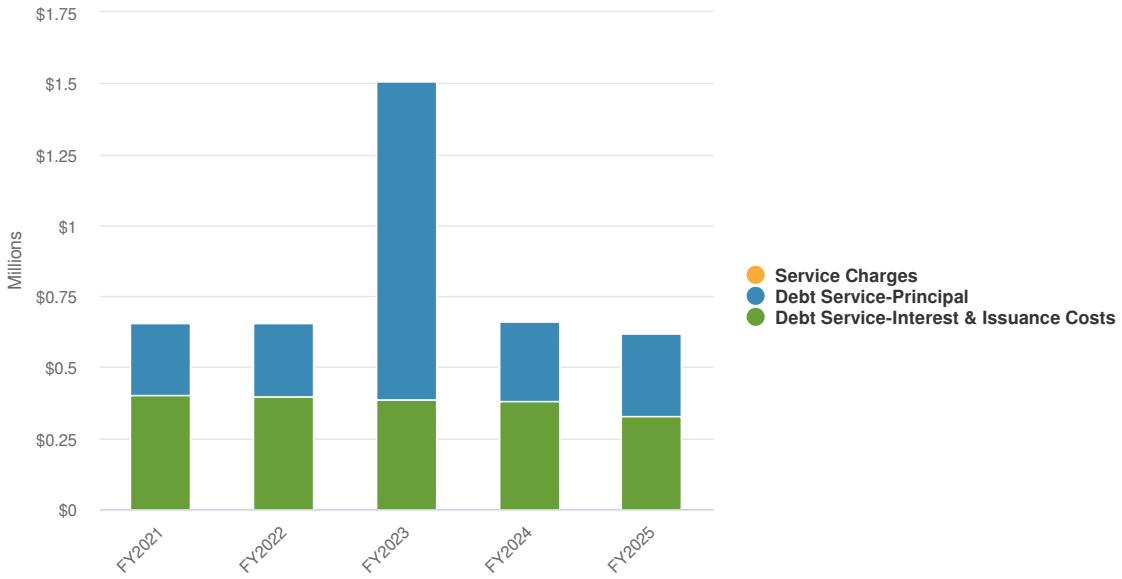
Budgeted and Historical Revenues by Source



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Revenue Source							
Miscellaneous Revenues	$4,628	$6,861	$12,390	$3,000	$3,000	$0	0%
Transfers & Non-Revenues	$665,000	$910,000	$700,000	$700,000	$650,000	-$50,000	-7.1%
Total Revenue Source:	**$669,628**	**$916,861**	**$712,390**	**$703,000**	**$653,000**	**-$50,000**	**-7.1%**

Debt Service Fund-City Hall Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Expense Objects							
Service Charges				$1,220	$800	-$420	-34.4%
Debt Service-Interest & Issuance Costs	$402,425	$395,075	$387,025	$378,876	$327,300	-$51,576	-13.6%
Debt Service-Principal	$255,000	$260,000	$1,120,000	$280,000	$290,000	$10,000	3.6%
Total Expense Objects:	**$657,425**	**$655,075**	**$1,507,025**	**$660,096**	**$618,100**	**-$41,996**	**-6.4%**



Equipment Reserve

Description

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 2025 is $2.145ml).



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 2025 with a fund balance exceeding minimum policy requirements. This calculation is based upon current needs scheduled out through 2030. This "schedule of needs" is updated annually.

Transfers in for 2025 of $568k are $549k (48%) less than the 2024 Budget and exceed total expenses.

Expenditure Summary

Expenses budgeted for 2025 of $555k are $514k (53%) less than 2024 and include:

PD - Two police cars - $160k: The City intends to replace 2 cars in 2025, consistent with the PD's vehicle repair and replacement program.

PD - Tasers - $18k: The City intends to replace all tasers in 2025 and enter into a subscription arrangement for regular replacement going forward.

IT - Technology Refresh Program - Moved to Fund 180 - American Rescue Plan Act (ARPA) - in 2024. We've budgeted $114k for this in 2025.

PW – Replacement Truck - $65K: This truck will be a ¾ ton, snowplow ready vehicle, primarily used for general streets maintenance. It will replace a 2001 Ford F150 4WD pickup that has reached the end of its service life.

PW – Replace backhoe - $100k: This backhoe will be shared among the Public Works divisions for light industrial jobs. This unit will replace a 1986 backhoe which has reached the end of its service life. The replacement unit will be a refurbished backhoe saving the city $150k over the price of a new backhoe.

PW – Purchase a mini excavator - $45K: This excavator will be shared among the Public Works divisions for light industrial jobs. It will be a slightly used excavator for use in tight repair situations.

PW – Purchase a new mower - $16K: This mower will be shared by multiple divisions for right of way mowing. It will be used heavily during peak mowing season, April through October. The current mower inventory is not sufficient for staffing levels and to achieve the standards for rights of way vegetation control.

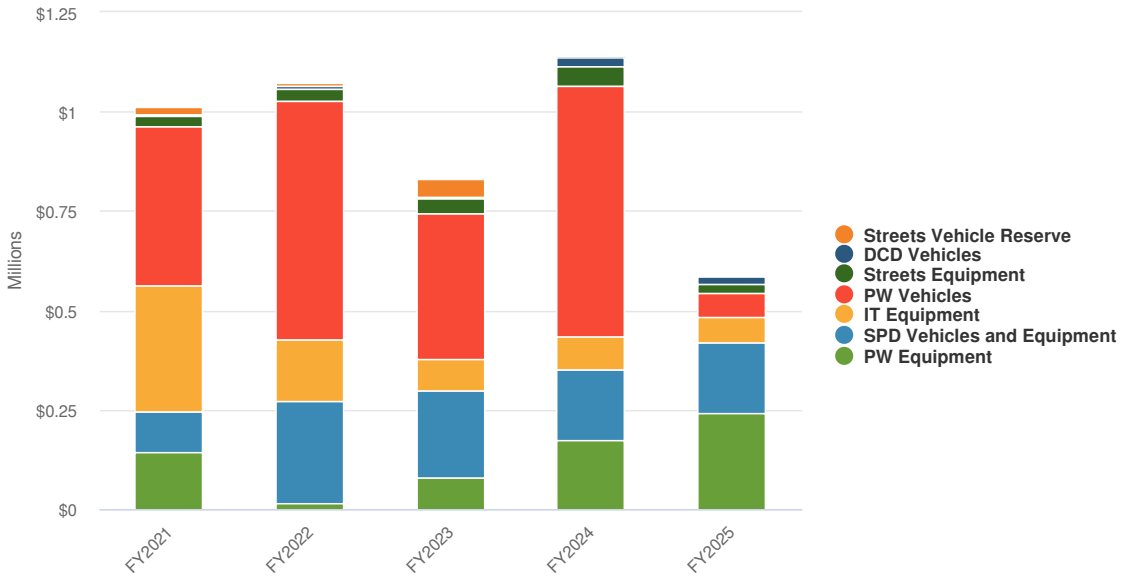
PW – Purchase a new flatbed trailer - $10K: This will be a single axle trailer, used by multiple divisions to transport mowers. The capacity of this trailer will accommodate any of the current mower fleet and increase the ability to move mowers throughout the city in a timely fashion. Current trailers are limited by size and do not allow for moving the larger mowers.

PW – Purchase a new scissor lift - $12K: This lift will be shared among Public Works divisions. It will be used to access work at elevated levels in a safe manner where the boom truck is not applicable (inside structures and in close quarters). This unit will eliminate the need to rent a scissor lift in the future.

Streets – Purchase two Public Communication Signs (PCS) - $15K: These signs will be used to notify the public for events, construction, and maintenance events. The City currently has one PCS which will be retired as it has reached the end of its service life. The additional PCS will replace the need to rent a unit from outside parties.

Equipment Reserve Revenue

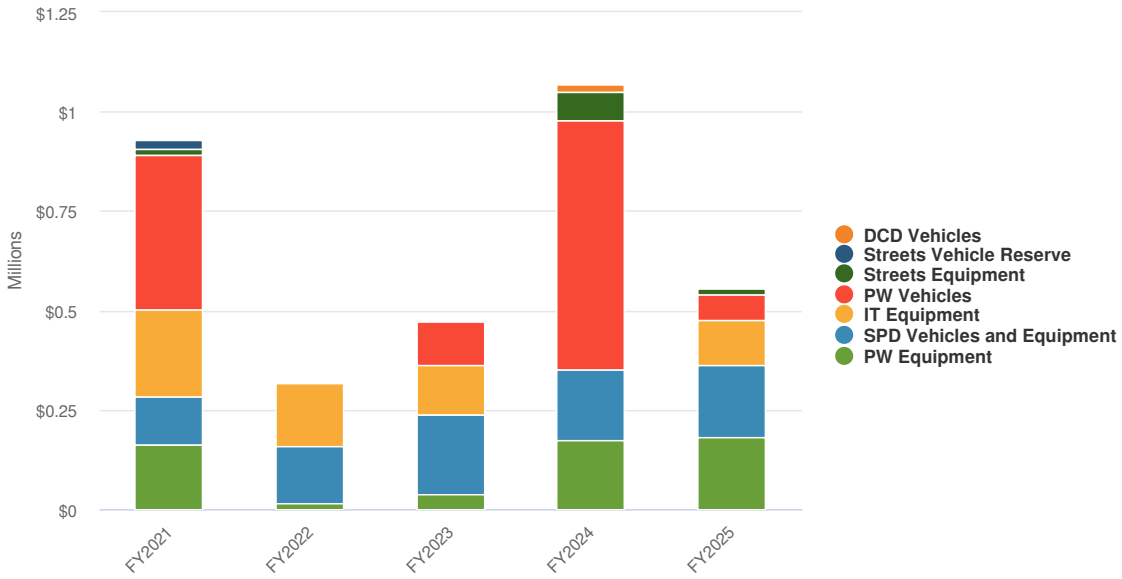
Budgeted and Historical Revenue by Department



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Revenue							
Capital							
Streets Equipment	$26,005	$29,451	$36,334	$50,500	$22,000	-$28,500	-56.4%
IT Equipment	$313,800	$157,800	$81,400	$81,400	$65,000	-$16,400	-20.1%
PW Equipment	$143,250	$16,000	$80,000	$175,000	$241,000	$66,000	37.7%
SPD Vehicles and Equipment	$104,043	$254,071	$217,752	$178,000	$178,000	$0	0%
DCD Vehicles	$4,703	$8,372	$4,405	$20,000	$20,000	$0	0%
Streets Vehicle Reserve	$20,000	$5,000	$45,000	$0	$0	$0	0%
PW Vehicles	$401,805	$600,800	$364,402	$630,800	$60,800	-$570,000	-90.4%
Total Capital:	$1,013,606	$1,071,495	$829,293	$1,135,700	$586,800	-$548,900	-48.3%
Total Revenue:	$1,013,606	$1,071,495	$829,293	$1,135,700	$586,800	-$548,900	-48.3%

Equipment Reserve Expenditures

Budgeted and Historical Expenditures by Function



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Expenditures							
Capital							
Streets Equipment	$16,178		$2,839	$70,000	$15,000	-$55,000	-78.6%
IT Equipment	$217,677	$159,643	$126,868	$0	$114,426	$114,426	N/A
PW Equipment	$161,395	$13,799	$36,409	$175,000	$183,000	$8,000	4.6%
SPD Vehicles and Equipment	$122,955	$144,898	$200,357	$178,000	$178,000	$0	0%
DCD Vehicles				$20,000	$0	-$20,000	-100%
Streets Vehicle Reserve	$23,262					$0	N/A
PW Vehicles	$388,205		$109,443	$626,200	$65,000	-$561,200	-89.6%
Total Capital:	$929,673	$318,340	$475,917	$1,069,200	$555,426	-$513,774	-48.1%
Total Expenditures:	$929,673	$318,340	$475,917	$1,069,200	$555,426	-$513,774	-48.1%

Trust, Agency and Internal Services Funds

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

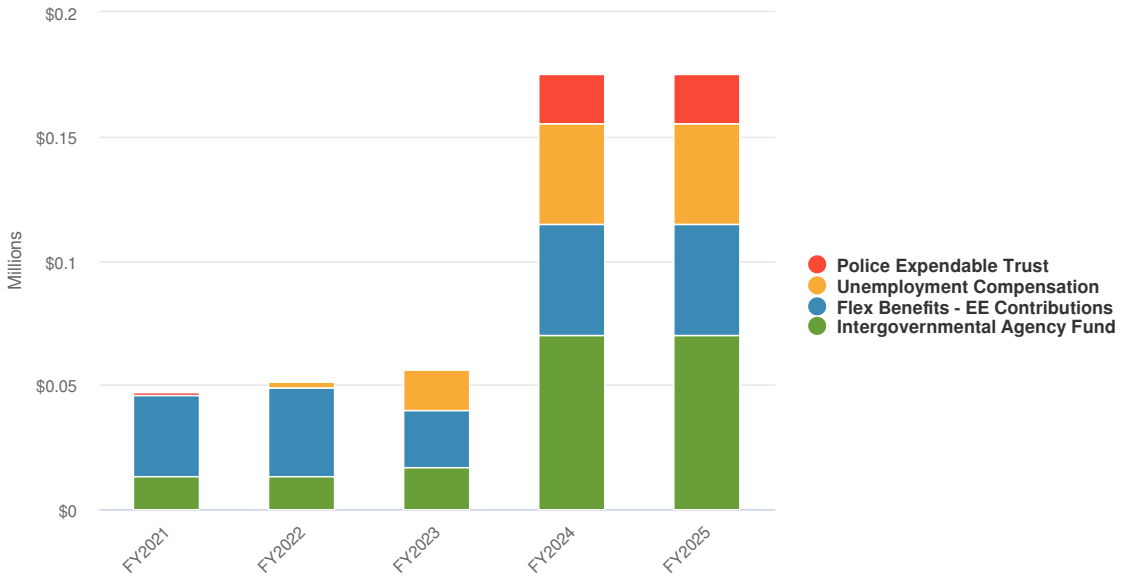
Revenues and expenses for all funds fluctuate based on external factors. **Revenues** are budgeted basically the same from year to year because these funds are budgeted to account for volatility of revenues and costs. Actual revenues can vary significantly from budget. **Expenses** are the same.

- **Unemployment Compensation Reserve:** No revenues are budgeted at this time as this reserve is adequately funded. 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	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Expenditures							
Administrative Services Department							
Unemployment Compensation		$2,019	$16,365	$40,000	$40,000	$0	0%
Flex Benefits - EE Contributions	$32,811	$36,158	$23,019	$45,000	$45,000	$0	0%
Police Expendable Trust	$745			$20,000	$20,000	$0	0%
Intergovernmental Agency Fund	$13,277	$13,076	$16,753	$70,000	$70,000	$0	0%
Total Administrative Services Department:	$46,833	$51,253	$56,137	$175,000	$175,000	$0	0%
Total Expenditures:	$46,833	$51,253	$56,137	$175,000	$175,000	$0	0%

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

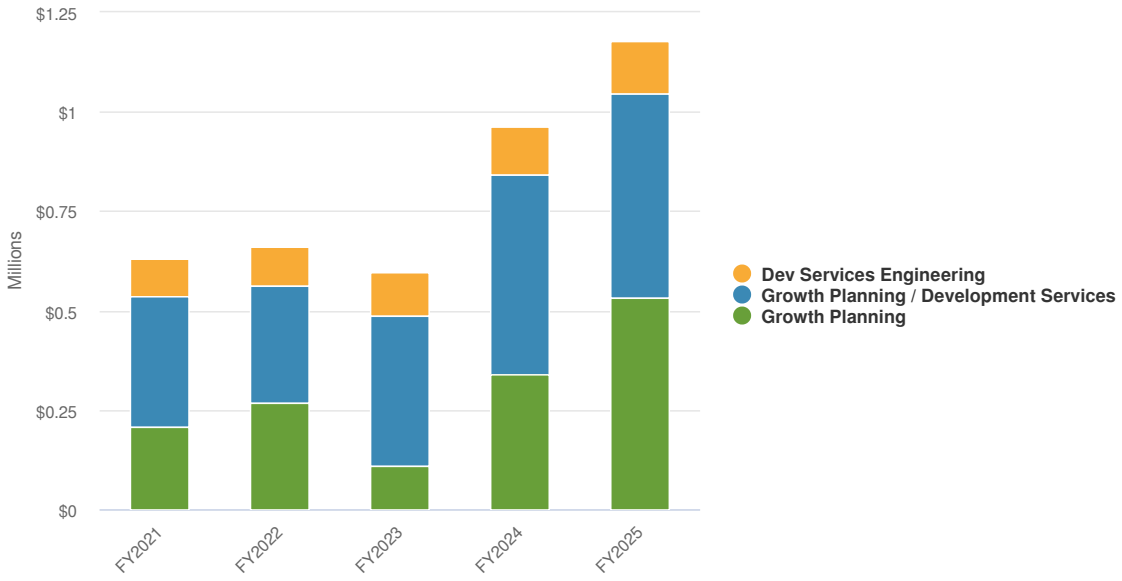
Land Use and Building Compliance

- 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	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Expenditures							
Department of Community Development							
Growth Planning / Development Services	$326,512	$294,560	$377,718	$505,083	$513,723	$8,640	1.7%
Dev Services Engineering	$93,791	$99,075	$110,654	$120,242	$133,695	$13,453	11.2%
Growth Planning	$209,455	$266,645	$108,293	$338,180	$530,771	$192,591	56.9%
Total Department of Community Development:	$629,758	$660,281	$596,665	$963,505	$1,178,189	$214,684	22.3%
Total Expenditures:	$629,758	$660,281	$596,665	$963,505	$1,178,189	$214,684	22.3%

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 Development Services. Current Planning is responsible for all land use and environmental regulations. Building Services reviews building plans and conducts building inspections to ensure safe occupancy and code compliance ensures that development is consistent with all City plans, codes, and permit conditions. Development Services oversees the permit counter which provides information, responds to questions, and takes in permit applications.

Residential development activity in the City of Sequim has picked up in the last few years. 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. All phases of Mariners Outlook are under review for a Site Construction Permit with a total of 82 units. Habitat for Humanity has a major subdivision of approximately 50 units. With residential platting and development underway the Department is currently establishing electronic plan review and refinements to the processing timelines and touchpoints to ensure development activities are processed effectively and consistently.

As the City continues to work on the 2025 Comprehensive Plan major update, 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 through 2025. The State of Washington made the most significant reforms to the Growth Management act in more than 20 years in the last few sessions. DCD will implement the state mandated changes into our Comprehensive Plan Update and zoning code amendments that will ensure compliance and place us in a favorable position to acquire more eligible funding and grants in the future.

Mission

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

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. Additional work updating the Critical Areas Ordinance and Municipal Code will occur after adoption of the Comprehensive Plan.
- Update processes and improve permitting software through the implementation and training of users in the Tyler Technologies Permitting Software. This will go live in late 2024, 2025 will focus on streamlining of electronic plan review internally through Tyler Tech and Bluebeam sessions, form and publication updates of handouts and development Fact Sheets specific to land use and subdivision requirements.
- 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.

Summary

Revenue Summary

Most revenue sources are expected to increase slightly given 2024 performance, but they are difficult to predict. Increases in grant revenues are anticipated to partially fund the Comprehensive Plan update process.

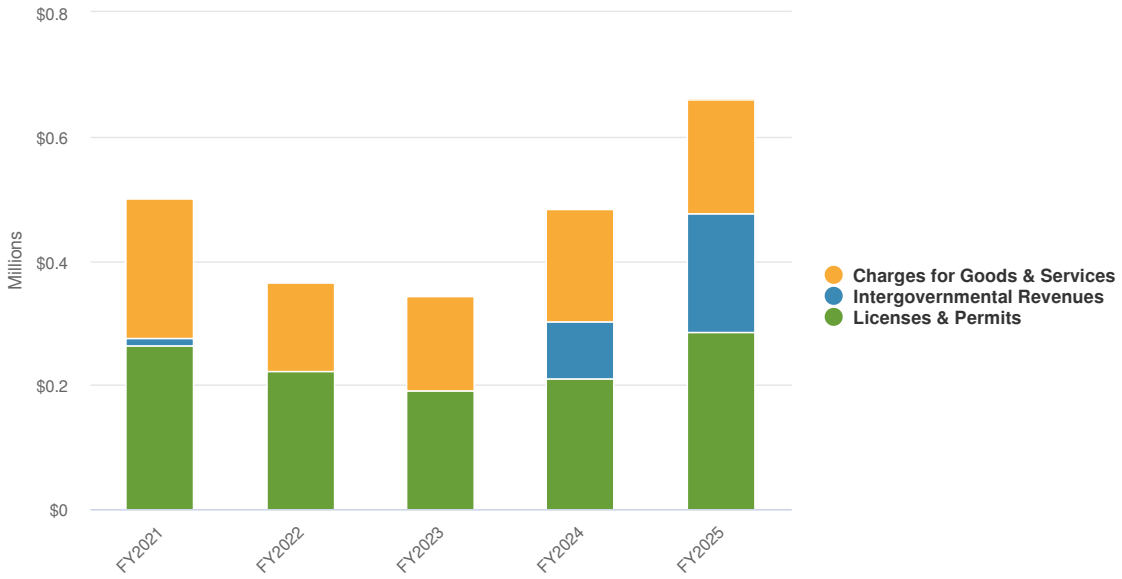
Expenditure Summary

This budget increased by $215k (22%) from the 2024 Budget. This budget includes Hearings Examiner services, and outside professional services to assist in shepherding the Comprehensive Plan and related code updates - a project expected to be multi-year. The significant increase in services is related to the Comprehensive Plan and code updates.



Growth Planning / Development Services Revenues

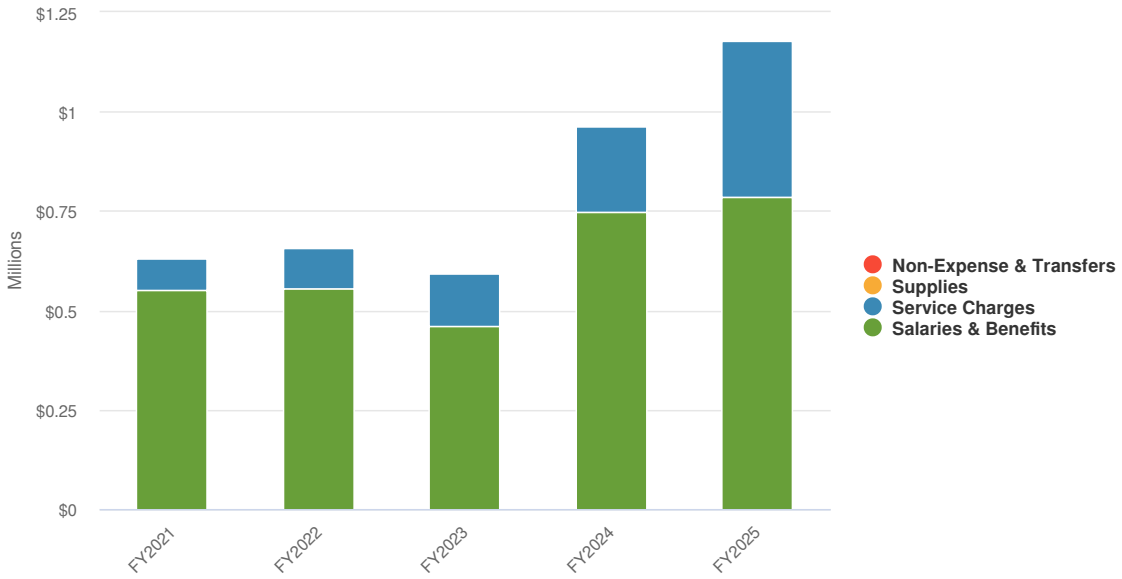
Budgeted and Historical Revenues by Source



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Revenue Source							
Licenses & Permits	$264,375	$221,541	$191,904	$211,000	$285,000	$74,000	35.1%
Intergovernmental Revenues	$12,343			$90,000	$191,300	$101,300	112.6%
Charges for Goods & Services	$224,718	$143,962	$151,196	$182,750	$182,750	$0	0%
Total Revenue Source:	$501,435	$365,502	$343,101	$483,750	$659,050	$175,300	36.2%

Growth Planning / Development Services Expenditures

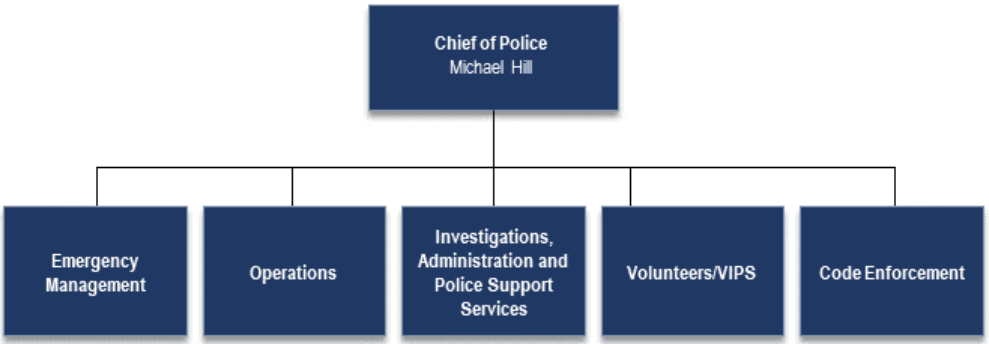
Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Expense Objects							
Salaries & Benefits	$551,266	$556,636	$460,422	$748,305	$786,239	$37,934	5.1%
Supplies	$888	$1,567	$2,946	$1,450	$1,450	$0	0%
Service Charges	$77,605	$99,079	$133,298	$213,750	$390,500	$176,750	82.7%
Non-Expense & Transfers		$3,000		$0	$0	$0	0%
Total Expense Objects:	**$629,758**	**$660,281**	**$596,665**	**$963,505**	**$1,178,189**	**$214,684**	**22.3%**



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

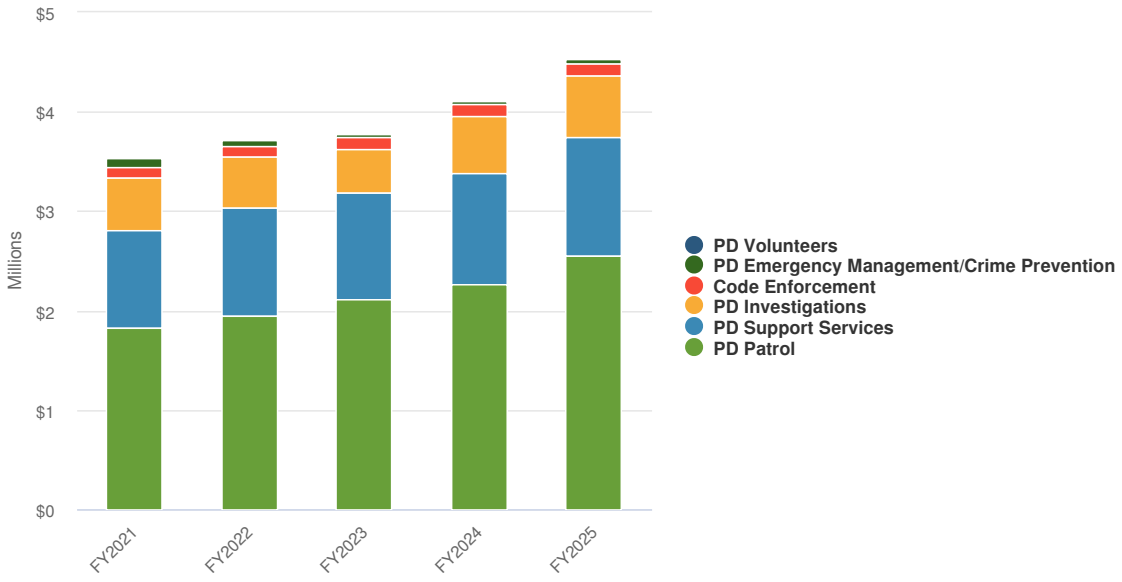
Code Enforcement

- Animal Control
- Code Enforcement

Public Safety Operations - Department Overview

Public Safety Operations Expenditures

Budgeted and Historical Expenditures by Function



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Expenditures							
Police Department							
Code Enforcement	$102,619	$106,471	$113,974	$121,088	$124,459	$3,371	2.8%
PD Support Services	$988,272	$1,094,934	$1,078,676	$1,115,982	$1,196,231	$80,249	7.2%
PD Volunteers	$147	$167	$578	$3,260	$1,701	-$1,559	-47.8%
PD Patrol	$1,826,283	$1,947,817	$2,108,282	$2,265,427	$2,548,065	$282,638	12.5%
PD Investigations	$531,330	$509,003	$441,567	$571,328	$619,085	$47,757	8.4%
PD Emergency Management/Crime Prevention	$90,664	$59,203	$35,350	$39,863	$40,733	$870	2.2%
Total Police Department:	$3,539,315	$3,717,595	$3,778,427	$4,116,948	$4,530,274	$413,326	10%
Total Expenditures:	$3,539,315	$3,717,595	$3,778,427	$4,116,948	$4,530,274	$413,326	10%

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, evidence and property management, and public records requests.

Our Code Enforcement Officer will continue to investigate Animal Control and Nuisances issues. 2025 responsibilities will include working as a liaison with social services and taking on additional responsibilities previously handled by DCD.

The 2025 budget reflects Department staffing of twenty-two sworn Officers (22 FTE) and one Code Enforcement Officer. In 2025, there are multiple predicted personnel openings, continued trainings as required by state law and WASPC accreditation, additional state mandated trainings including LETCSA , and projected increases in police incidents. 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. Following the pandemic, the Department experienced a decrease in civilian volunteers who support office and patrol functions; currently there are approximately 10 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 full-time emergency level was reduced back to the .4 FTE and is continued through the 2025 budget. However, 2024 required training in emergency management functions to new City staff to enhance emergency management efforts throughout the City.

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

- Enhanced Customer-Centric Experience: Continue engagement with regional partners and service providers in the areas of homelessness, mental illness, and substance abuse to increase efficient and exceptional exchanges. Continue our commitment to our regional drug enforcement task force (OPNET) and School Resource partnership with the Sequim School District, ensuring exceptional service to our residents.
- Continued Process Improvement: Continue implementation of training and protocols to ensure adherence to de-escalation, emergency response (Active Shooter), use of force, crisis intervention, the LETCSA mandate, and required legislation and best industry standards, thereby ensuring efficiency and the utilization of data-driven decision making. Continue with Accreditation annual proofs/requirements, thereby maintaining the re-certification awarded in 2024
- Digital Transformation: Work towards full operational implementation (including CAD integration) of our Body Worn Camera and In-Car Video systems, implement an unmanned aerial vehicle (UAV) program (including purchase of software and equipment and training personnel), and obtain software and initiate transfer of evidence and property processing to digital format, continuing towards a paperless records division and supporting the city's strategic commitment to innovative advancement.
- Municipal Infrastructure: Update the Police Department Strategic plan, communicating a commitment to our mission to preserve the peace and reduce the incidents of crime for everyone who lives, works, and visits in our city.
- Managed Growth and Development: Initiate participation in a multi-agency crisis response team (CRT) and schedule training of a new K9 Team (canine and handler following K9 Mamba's retirement in late 2024/early 2025), establishing a strong foundation for future growth and development. Focus on succession planning within the Department to address staff turnover due to long time employees retiring. Hiring, training, and replacement of job expertise (such as ancillary duties and specialty skills) is needed to absorb several retirements experienced in the recent past and to proactively address expected future retirements.



Summary

Revenue Summary

2025 budgeted revenues of $539k increased $24k (5%) from the prior year due to trends in criminal justice, liquor and marijuana tax receipts - driven by increases in population and consumer purchasing habits.

Expenditure Summary

Overall, the police budget for 2025 of $4.530ml increased by $413k (10%) from the 2024 Budget. Salary and benefit expenses reflect a normal COLA increase for non-represented staff plus the cost of health insurance and retirement benefits. Increases in uniformed staffing costs reflect the bargaining unit contract that is effective until December 1, 2026. State mandated costs continue to increase, including Labor and Industries Industrial Insurance and LEOFF (Law Enforcement Officers and Fire Fighters Retirement System) contributions.

2025 budget assumptions are: Supply and equipment replacement expenses reflect normal operations but will be impacted by inflationary pressures in the marketplace. Training, travel, and registration were increased as needed to address needs brought on by Police Reform laws passed in 2021/22 and required specialty trainings following predictable retirements and promotions. Local in-service training and remote/on-line offerings will continue to be leveraged where possible within our 2025 training plan. Due to the City's enhanced emergency operations, and the need to effectively respond to emergencies, City staff assigned to emergency management will continue with required training and the department budgeted to purchase/upgrade equipment.

Hiring expenses increased due to predicted staffing needs and replacement, adhering to statutory requirements (polygraph, psychological, medical, equipment, BLEA/BLEEA training, etc.). Retention and recruitment of employees is paramount to the department's success and the budget has increased to facilitate proactive hiring activities.

Increases in PENCOM dispatch services are expected; however, the amount is unknown at this time. Investigative technology expenses are also reflected in this budget. Digital subscription and storage services are shared between the department and IT and are subject to change. Transfers out to the Equipment Reserve reflect the intention to purchase 2 police cars as part of our Police fleet plan, upgrading outdated taser equipment to a contractual lease program, and outfitting the crisis response team member(s).

Recent crime trends have shown an increase need for investigations of crimes which occurred in Sequim but require travel for case investigation and resolution, to include suspect apprehension.

The Police Department will continue its participation in the Olympic Peninsula Narcotics Enforcement Task Force (OPNET), Kitsap Crisis Incident Response Team (KCIRT), Major Incident Response Team (MIRT), and Crisis Response Team (CRT).

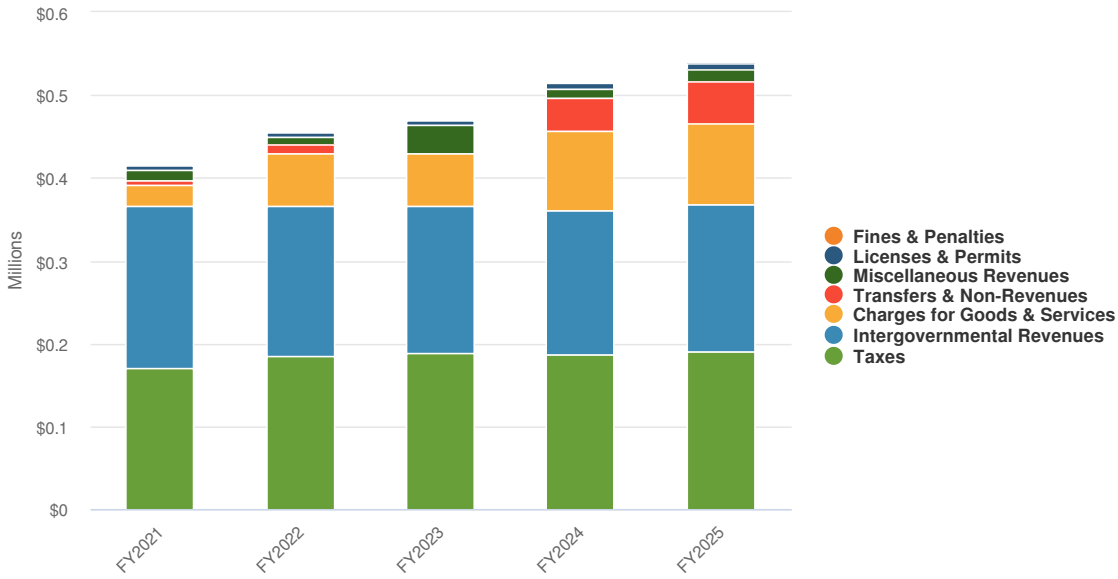
The money received from Jamestown Healing Clinic for a mental health professional contract expires mid-2025; projected expense for continuance of the program is not reflected in the department 2025 budget, but in the Police Restricted Funds.

The Sequim School District continues to share salary and benefit expenses as part of the School Resource Officer (SRO) agreement.

As the facility and office equipment age, replacement will be required. This expense was previously provided for in the Facilities budget; however, has become a department responsibility and those items will need to be purchased on an as-needed basis.

Police Department Revenues

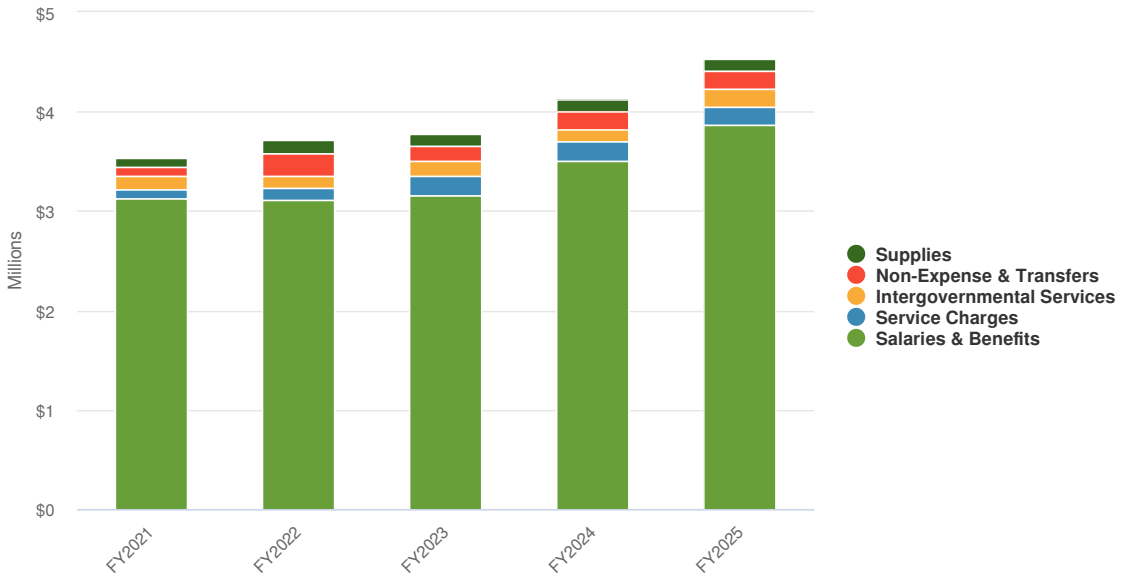
Budgeted and Historical Revenues by Source



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Revenue Source							
Taxes	$169,555	$185,093	$189,296	$186,742	$189,518	$2,776	1.5%
Licenses & Permits	$5,107	$6,592	$6,298	$6,745	$6,745	$0	0%
Intergovernmental Revenues	$196,143	$180,453	$176,545	$173,476	$179,288	$5,812	3.4%
Charges for Goods & Services	$25,473	$64,264	$63,700	$97,000	$97,000	$0	0%
Fines & Penalties		$100	$1,179			$0	N/A
Miscellaneous Revenues	$11,800	$9,241	$34,177	$11,000	$16,000	$5,000	45.5%
Transfers & Non-Revenues	$6,180	$10,234	$116	$40,000	$50,000	$10,000	25%
Total Revenue Source:	**$414,258**	**$455,978**	**$471,311**	**$514,963**	**$538,551**	**$23,588**	**4.6%**

Police Department Expenditures

Budgeted and Historical Expenditures by Expense Type

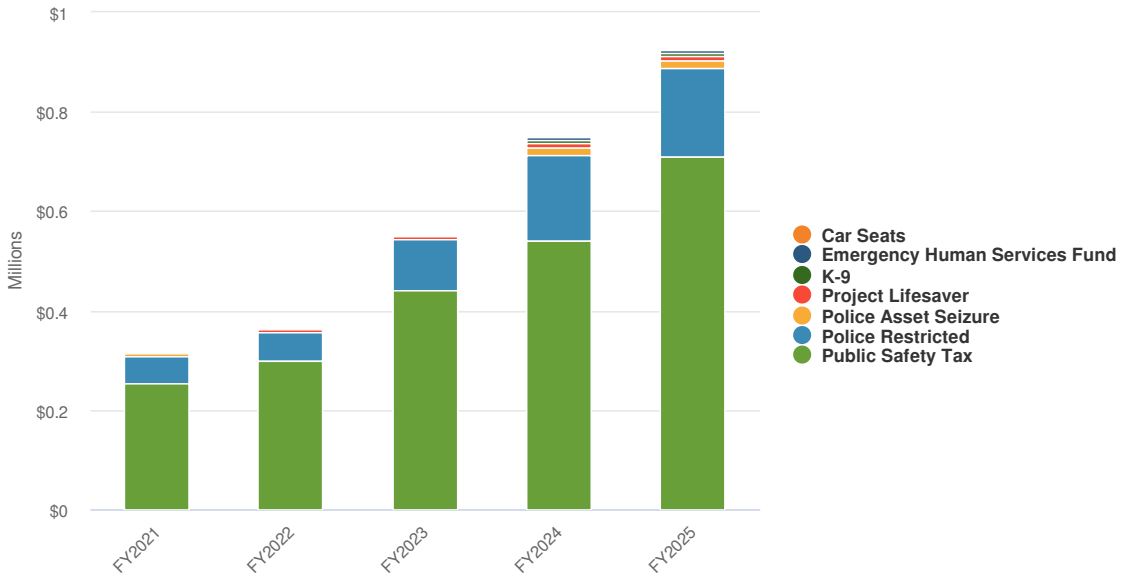


Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Expense Objects							
Salaries & Benefits	$3,119,663	$3,109,893	$3,162,535	$3,503,491	$3,860,144	$356,653	10.2%
Supplies	$92,965	$131,653	$117,383	$115,302	$124,201	$8,899	7.7%
Service Charges	$93,505	$126,709	$190,989	$191,455	$188,954	-$2,501	-1.3%
Intergovernmental Services	$133,183	$124,340	$147,520	$128,700	$178,975	$50,275	39.1%
Non-Expense & Transfers	$100,000	$225,000	$160,000	$178,000	$178,000	$0	0%
Total Expense Objects:	**$3,539,315**	**$3,717,595**	**$3,778,427**	**$4,116,948**	**$4,530,274**	**$413,326**	**10%**

Public Safety Restricted - Department Overview

Public Safety Restricted Expenditures

Budgeted and Historical Expenditures by Function



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Expenditures							
Police Department							
Police Restricted	$51,601	$56,544	$102,718	$172,156	$177,201	$5,045	2.9%
Car Seats				$1,200	$1,200	$0	0%
K-9	$2,636	$4,299	$2,423	$7,400	$7,400	$0	0%
Project Lifesaver		$5,879	$6,384	$10,000	$10,000	$0	0%
Public Safety Tax	$255,153	$300,000	$440,000	$540,000	$710,000	$170,000	31.5%
Emergency Human Services Fund	$381	$152	$2,847	$5,400	$5,400	$0	0%
Police Asset Seizure	$8,795			$15,000	$15,000	$0	0%
Total Police Department:	$318,566	$366,874	$554,373	$751,156	$926,201	$175,045	23.3%
Total Expenditures:	$318,566	$366,874	$554,373	$751,156	$926,201	$175,045	23.3%

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 2024.

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

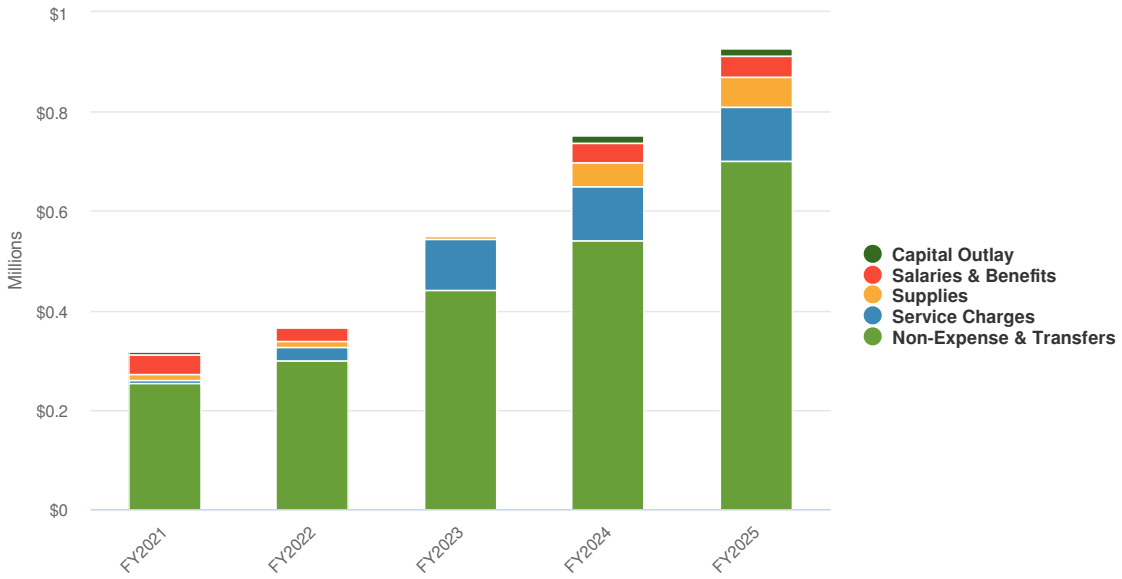
Police Restricted Fund: A transfer out to the Civic Center debt is flat with 2024 by and a transfer out to the City Shop Improvements project of $300k is increased in 2025 by $150k. This budget also includes and additional $10k in transfers to the General Fund's Emergency Management Department. Other 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.



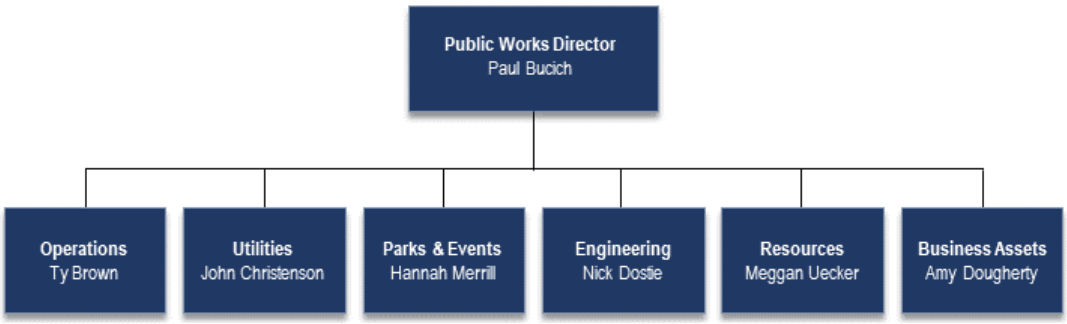
Police Restricted Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Expense Objects							
Salaries & Benefits	$36,904	$28,148	$3,933	$37,575	$42,620	$5,045	13.4%
Supplies	$13,884	$12,577	$6,579	$48,681	$58,681	$10,000	20.5%
Service Charges	$4,383	$26,150	$103,861	$109,900	$109,900	$0	0%
Capital Outlay	$8,394			$15,000	$15,000	$0	0%
Non-Expense & Transfers	$255,000	$300,000	$440,000	$540,000	$700,000	$160,000	29.6%
Total Expense Objects:	**$318,566**	**$366,874**	**$554,373**	**$751,156**	**$926,201**	**$175,045**	**23.3%**

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 & Events

- Coordinate Park Docents
- Parks Board Liaison
- Parks Master Planning
- Donations/Volunteer Coordination
- 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

Business Assets

- Asset Management Program
- Facilities Management
- 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.
- Retro-fit administrative buildings to accommodate staffing levels.
- Implement an upgraded City-wide security system.
- Replace HVAC equipment at Civic Center, Guy Cole, and City shop.
- Assess building roofs and establish an ongoing repair-replacement program.



Summary

Revenue Summary

Facilities revenue is expected to increase by $12k (27%) due to additional special events permits anticipated.

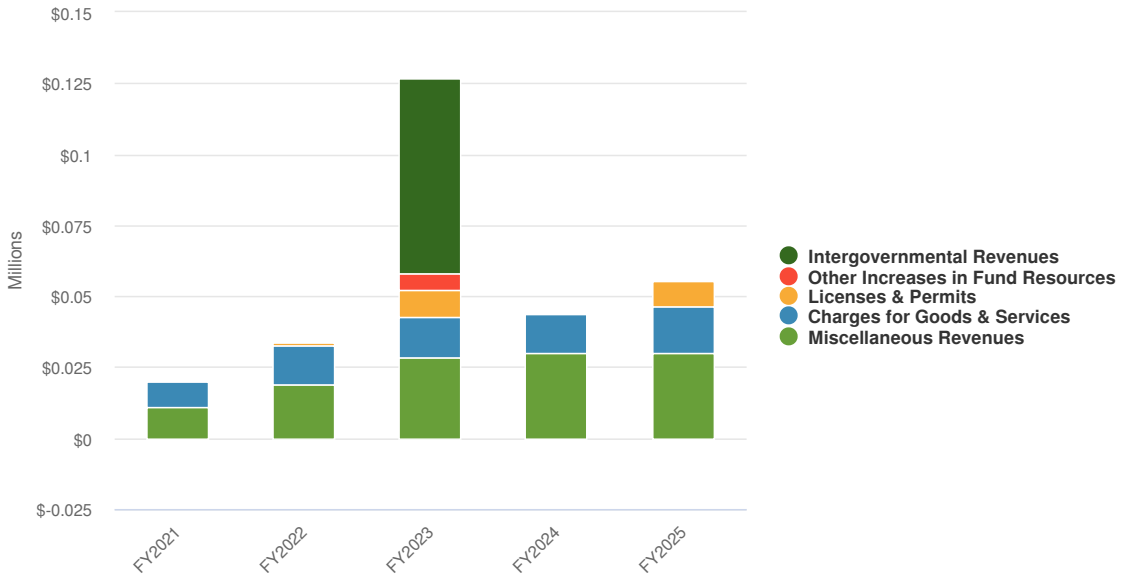
Expenditure Summary

This budget decreased by $8k (1%) from the 2024 Budget. The transfer to capital projects was reduced by $50k (20%) due to a reduction in facilities related capital projects. This was offset by a $20k (6%) increase in wages and benefits resulting from the reallocation of staff time to the facilities functions as well as a $11k (59%) increase in repair and maintenance costs for HVAC maintenance and a $14k (21%) increase in contracted janitorial fees.



Facilities Maintenance Revenues

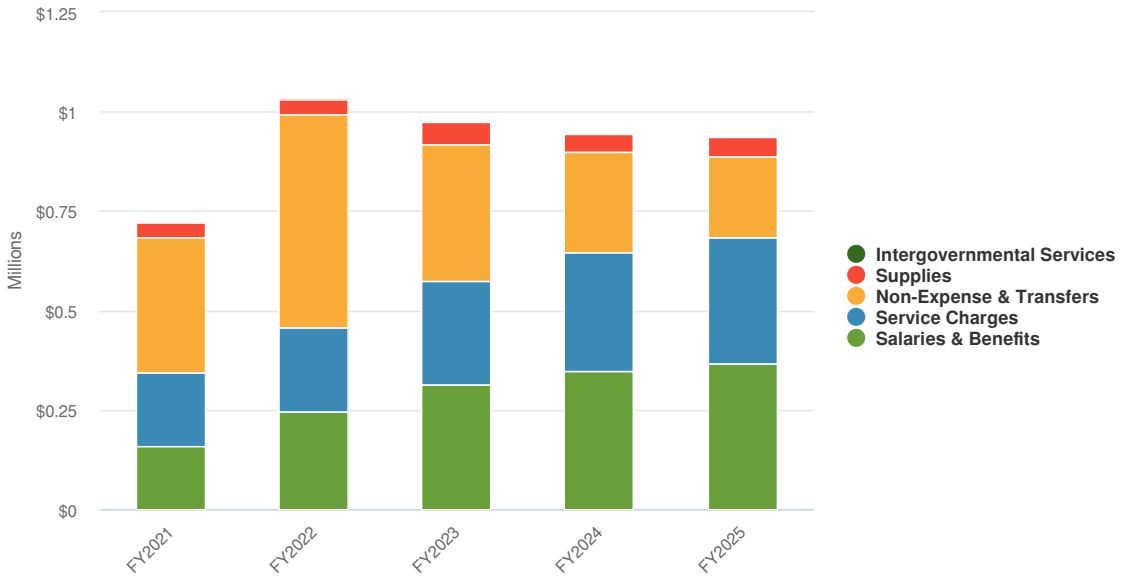
Budgeted and Historical Revenues by Source



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Revenue Source							
Licenses & Permits		$1,250	$9,250		$9,250	$9,250	N/A
Intergovernmental Revenues			$68,766			$0	N/A
Charges for Goods & Services	$9,139	$13,921	$14,494	$13,900	$16,370	$2,470	17.8%
Miscellaneous Revenues	$10,760	$18,733	$28,317	$30,000	$30,000	$0	0%
Other Increases in Fund Resources	-$59	$118	$5,776			$0	N/A
Total Revenue Source:	**$19,840**	**$34,022**	**$126,603**	**$43,900**	**$55,620**	**$11,720**	**26.7%**

Facilities Maintenance Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Expense Objects							
Salaries & Benefits	$156,878	$246,885	$314,994	$347,204	$367,492	$20,288	5.8%
Supplies	$36,647	$36,644	$58,212	$44,520	$49,400	$4,880	11%
Service Charges	$188,479	$209,617	$259,891	$298,000	$314,785	$16,785	5.6%
Intergovernmental Services	$93	$93				$0	N/A
Non-Expense & Transfers	$339,600	$536,340	$341,910	$254,400	$204,400	-$50,000	-19.7%
Total Expense Objects:	**$721,697**	**$1,029,579**	**$975,008**	**$944,124**	**$936,077**	**-$8,047**	**-0.9%**

Park Operations

Department Description

Park Operations is responsible for the maintenance of nine (9) 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 133 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, Gerhardt and the newly purchased McCord 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

- Continued implementation of the Parks Master Plan.
- Development of individual park Master Plans, including community outreach and engagement for Keeler and Gerhardt Parks.
- Identify and pursue funding sources for acquisition development and maintenance of Parks.
- Improve customer service through facility reservation system for additional park amenities.



Summary

Revenue Summary

Parks revenues are expected to increase by $199k (57%) from the 2024 Budget due to interfund service fees associated with the reuse demonstration site.

Expenditure Summary

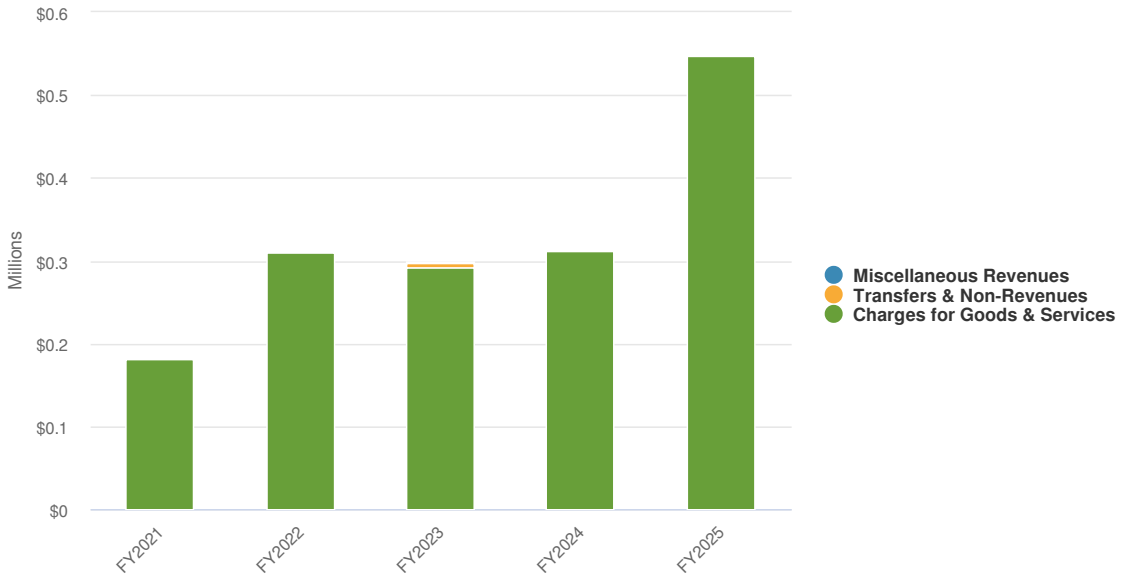
This budget increased by $225k (47%) from the 2024 Budget. This increase is the result of $220k (61%) in salaries and benefits due to the addition of 1 FTE to assist with managing the park division and 2 seasonal employees to maintain the parks grounds plus small changes in utilities fees.





Park Operations Revenues

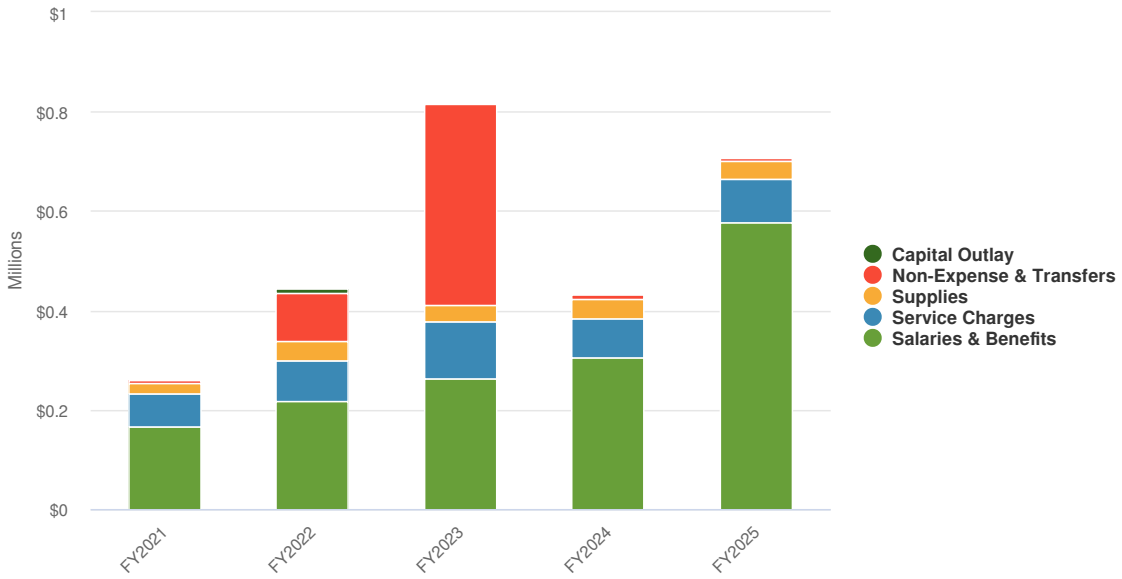
Budgeted and Historical Revenues by Source



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Revenue Source							
Charges for Goods & Services	$181,960	$309,779	$291,237	$348,400	$547,558	$199,158	57.2%
Miscellaneous Revenues	$1,105	$2,744	$1,735	$0	$0	$0	0%
Transfers & Non-Revenues			$6,312			$0	N/A
Total Revenue Source:	**$183,065**	**$312,523**	**$299,284**	**$348,400**	**$547,558**	**$199,158**	**57.2%**

Park Operations Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Expense Objects							
Salaries & Benefits	$165,593	$216,115	$262,876	$358,503	$578,399	$219,896	61.3%
Supplies	$19,329	$38,268	$31,068	$40,825	$34,825	-$6,000	-14.7%
Service Charges	$67,997	$84,112	$116,117	$76,455	$87,660	$11,205	14.7%
Capital Outlay		$7,758				$0	N/A
Non-Expense & Transfers	$7,000	$97,000	$407,000	$7,000	$7,000	$0	0%
Total Expense Objects:	**$259,919**	**$443,253**	**$817,061**	**$482,783**	**$707,884**	**$225,101**	**46.6%**

Events

Department Description

This is a new department created in 2025 to better track revenues and expenses for the increasing number of events and special permit related activities. The City has allocated 20% of the Parks and Events Manager and 40% of the Assistant Parks and Events Manager's salaries and benefits to this department. Also, the costs associated with the 4th of July celebration and related supplies and services, like Sanikans, are booked in this department.

Key Goals

- Research and develop future community events and programming, including a community outreach component.
- Plan, organize, and coordinate the Fourth of July event.



Summary

Revenue Summary

This budget contains an estimation of seed money needed from the Hotel/Motel Fund to support the Fourth of July Celebration.

Expenditure Summary

This budget includes the cost to manage events that occur throughout the year. Portions of staff salaries and benefits are included based on anticipated time necessary to facilitate event activity. Supplies and services such as portable bathroom facilities are also included. The main event for 2025 is the Fourth of July Fireworks Show.

Event Revenues

Name	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Revenue Source			
Charges for Goods & Services	$12,500	$12,500	N/A
Total Revenue Source:	**$12,500**	**$12,500**	**N/A**

Event Expenditures

Name	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Expense Objects			
Salaries & Benefits	$75,715	$75,715	N/A
Supplies	$5,000	$5,000	N/A
Service Charges	$23,000	$23,000	N/A
Total Expense Objects:	**$103,715**	**$103,715**	**N/A**



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 and community needs.
- Support Department of Community Development's update of the Comprehensive Plan.
- Develop updated Comprehensive Sewer Plan.
- Finalize Transportation Master Plan.
- Strengthen utilization of Cartegraph Asset Management System for asset documentation, maintenance, and rehabilitation/replacement, including Fleet.
- Source and purchase necessary equipment to improve service levels throughout the city.
- Strengthen Public Works Safety Program.
- Support increased training and certification programs for Public Works crews.
- Emergency Operations support.



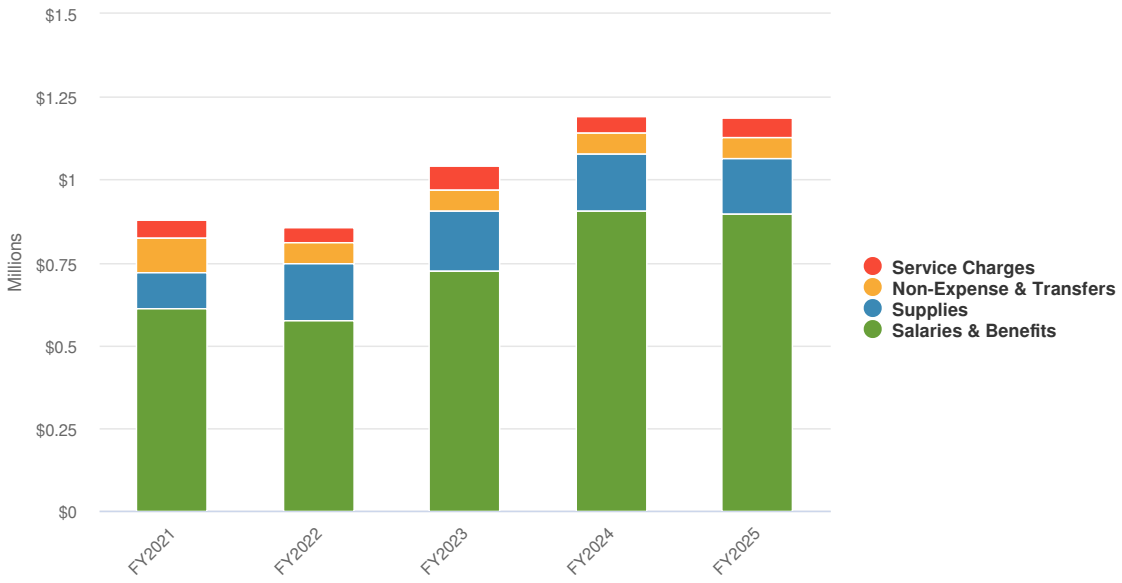
Summary

Expenditure Summary

This budget decreased by $7k (0.6%) from the 2024 Budget. Salaries and benefits decreased by $9k (10%) due to the reduction of staff positions required in 2024 to cover retirements and overlap. This was offset by an increase in uniform costs for the Public Works field crew members.

PW Administration Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Expense Objects							
Salaries & Benefits	$612,949	$573,860	$724,107	$907,706	$898,736	-$8,970	-1%
Supplies	$108,503	$172,950	$182,916	$169,380	$165,300	-$4,080	-2.4%
Service Charges	$51,708	$48,056	$71,519	$53,741	$59,221	$5,480	10.2%
Non-Expense & Transfers	$105,000	$63,000	$63,000	$63,000	$63,000	$0	0%
Total Expense Objects:	$878,160	$857,867	$1,041,542	$1,193,827	$1,186,257	-$7,570	-0.6%

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.
- Initiate a sign reflectivity 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 and document any Legacy Trees.
- Develop annual chip seal and asphalt patching program



Summary

Revenue Summary

Streets revenue decreased by $50k (4%) due to anticipated decreases in street/curb/ROW permit fees of $22k (83%), Transportation Benefit District tax contributions of $6k (4%), charges for Public Works property management services of $8k (11%), and, finally, transfers from the general fund of $15k (2%).

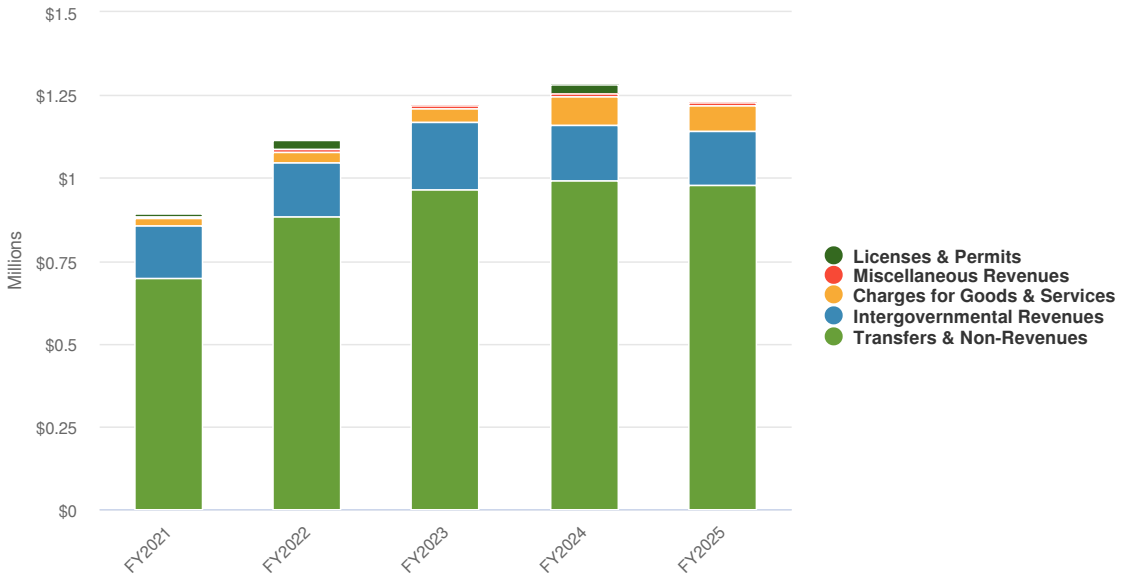
Expenditure Summary

This budget decreased by $37k (3%) from the 2024 Budget. Salaries and benefits decreased $60k (10%) due to reallocation of staff time to other divisions and the retirement of a partial FTE. Additionally, we decreased transfers to the Equipment Reserve for 2025. This was offset by an increase of $18k for seasonal décor and $15K for traffic safety signs.



Street Operations Revenues

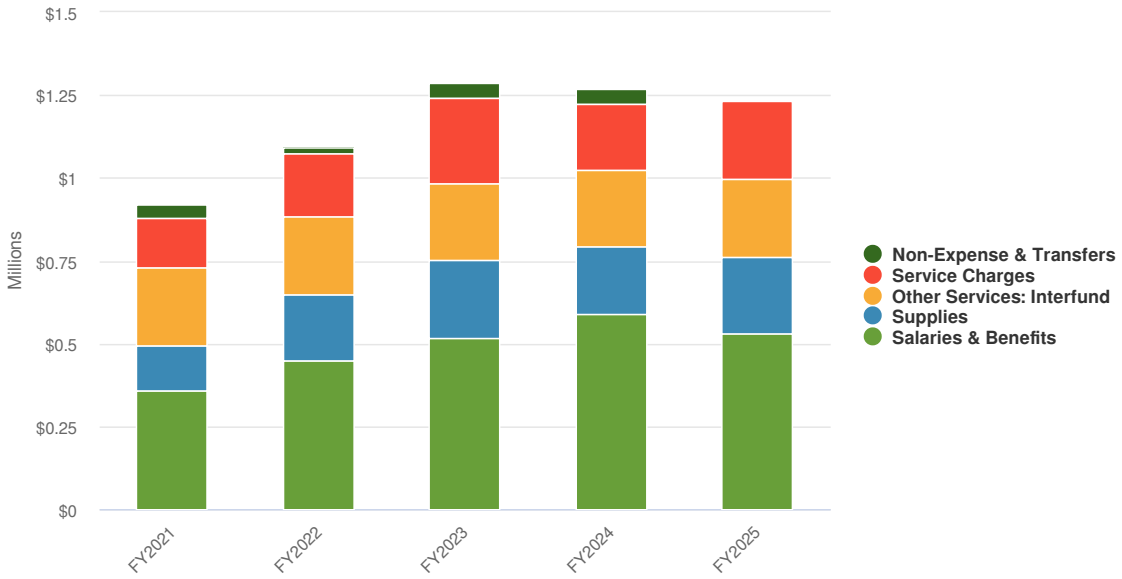
Budgeted and Historical Revenues by Source



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Revenue Source							
Licenses & Permits	$6,682	$27,613	$4,531	$26,000	$4,500	-$21,500	-82.7%
Intergovernmental Revenues	$160,731	$163,240	$203,217	$170,373	$164,679	-$5,694	-3.3%
Charges for Goods & Services	$23,231	$31,002	$38,494	$83,101	$75,101	-$8,000	-9.6%
Miscellaneous Revenues	$4,296	$8,487	$8,313	$10,820	$10,820	$0	0%
Transfers & Non-Revenues	$697,335	$883,022	$967,392	$992,000	$977,000	-$15,000	-1.5%
Total Revenue Source:	**$892,275**	**$1,113,363**	**$1,221,947**	**$1,282,294**	**$1,232,100**	**-$50,194**	**-3.9%**

Street Operations Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Expense Objects							
Salaries & Benefits	$358,018	$450,072	$517,243	$589,650	$528,465	-$61,185	-10.4%
Supplies	$137,192	$197,321	$235,034	$202,105	$234,835	$32,730	16.2%
Service Charges	$149,384	$190,992	$256,000	$197,581	$233,880	$36,299	18.4%
Non-Expense & Transfers	$39,232	$19,000	$45,000	$45,000	$0	-$45,000	-100%
Other Services: Interfund	$234,886	$234,943	$232,406	$234,000	$234,000	$0	0%
Total Expense Objects:	**$918,712**	**$1,092,328**	**$1,285,682**	**$1,268,336**	**$1,231,180**	**-$37,156**	**-2.9%**

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 are in place to expedite storm response.

Key Goals

- Complete the maintenance and brush removal of all the City storm water ponds.
- Clean and maintain all the City catch basins per sludge level and maintenance needs. Includes filter replacement as needed on water quality devices.
- Add an infiltration catch basin and infiltration line on the side of West Brackett Road to reduce flooding.
- Replace stormwater pond fencing as needed.

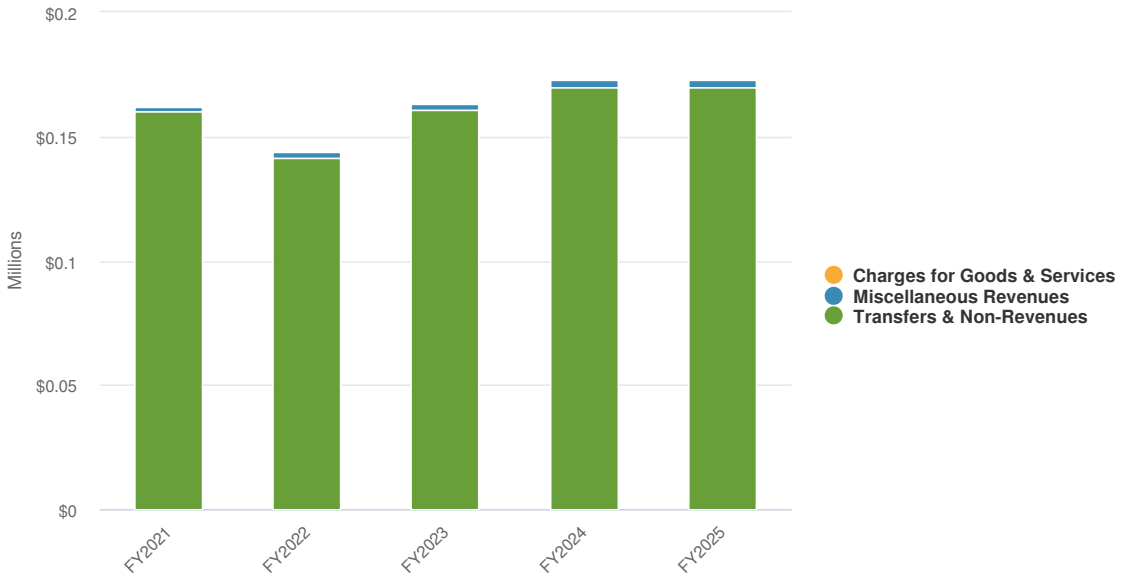
Summary

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 2025 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 decreased $17k (10%) from the 2024 Budget. Salaries and benefits decreased by $10k (10%) as a result of an employee retirement. In addition, a $12k (12%) reduction in vac truck parts is anticipated due to the arrival of newer equipment in recent years.

Storm Water Operations Revenues

Budgeted and Historical Revenues by Source

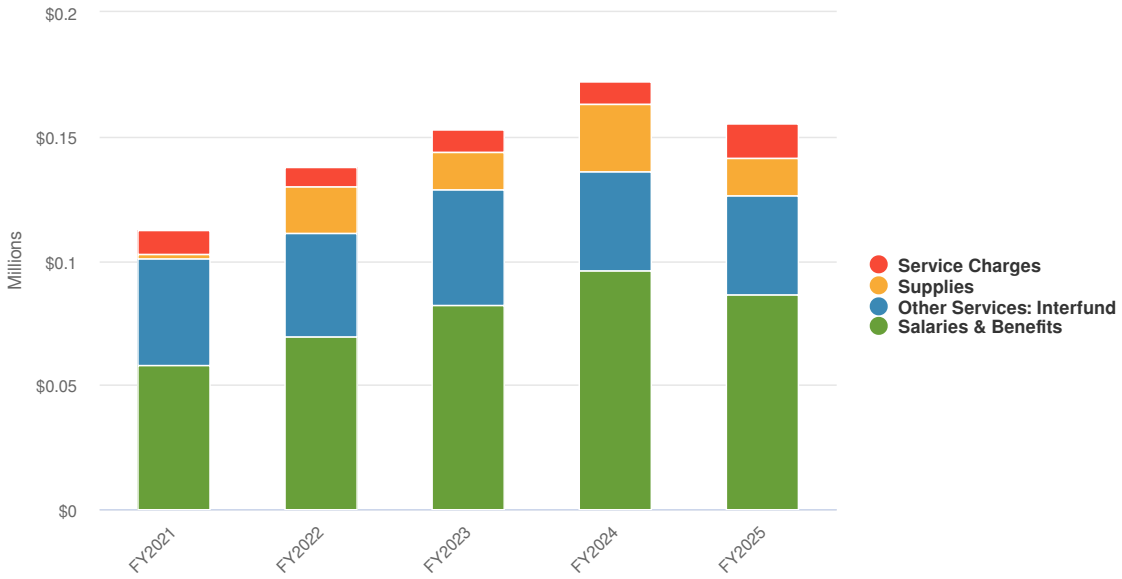


Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Revenue Source							
Charges for Goods & Services		$175				$0	N/A
Miscellaneous Revenues	$1,835	$2,588	$2,122	$2,935	$2,935	$0	0%
Transfers & Non-Revenues	$160,000	$141,170	$161,000	$170,000	$170,000	$0	0%
Total Revenue Source:	**$161,835**	**$143,933**	**$163,122**	**$172,935**	**$172,935**	**$0**	**0%**



Storm Water Operations Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Expense Objects							
Salaries & Benefits	$58,247	$69,711	$82,318	$96,163	$86,218	-$9,945	-10.3%
Supplies	$2,311	$18,675	$15,376	$27,050	$15,050	-$12,000	-44.4%
Service Charges	$9,488	$7,849	$9,008	$9,150	$13,950	$4,800	52.5%
Other Services: Interfund	$42,436	$41,518	$46,294	$40,000	$40,000	$0	0%
Total Expense Objects:	**$112,482**	**$137,754**	**$152,995**	**$172,363**	**$155,218**	**-$17,145**	**-9.9%**



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 2025.

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

- Implement the Sequim Arts Commission’s 2025 Priorities for beautification, education, and community collaboration and outreach.
- Implement existing and new Community and Public Arts Projects.
- Coordinate community art workshops.
- Explore arts education with outside agencies.

Summary

Revenue Summary

Budgeted revenues increased $8 (14%) above 2024 revenues in anticipation of additional sponsorships/grants.

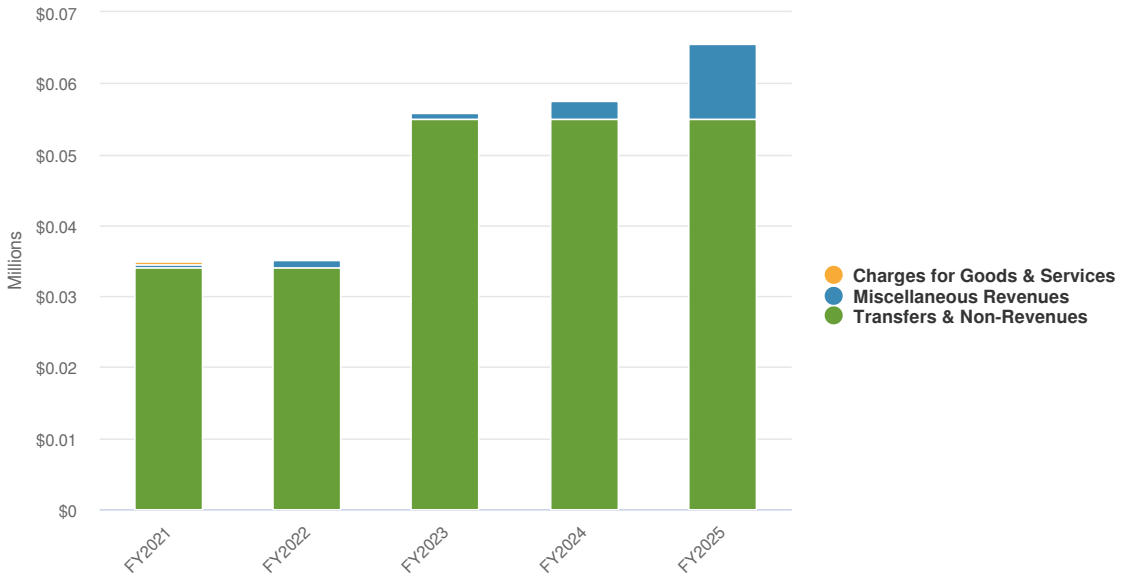
Expenditure Summary

Overall expenses in Arts and Culture increased $7k (13%) from the 2024 Amended Budget. This is a result of increased wages and benefits of $3k (9%) as well as the addition of a pole banner project in 2025 for $3k.



Arts & Culture - Arts Commission Revenues

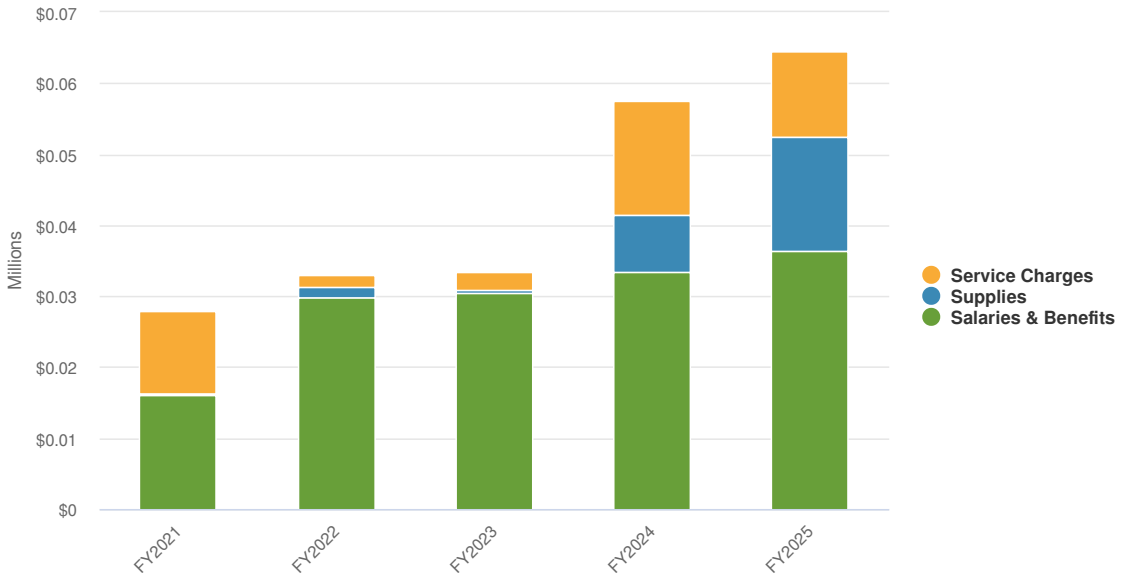
Budgeted and Historical Revenues by Source



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Revenue Source							
Charges for Goods & Services	$570					$0	N/A
Miscellaneous Revenues	$429	$1,057	$727	$2,500	$10,500	$8,000	320%
Transfers & Non-Revenues	$34,000	$34,000	$55,000	$55,000	$55,000	$0	0%
Total Revenue Source:	**$34,999**	**$35,057**	**$55,727**	**$57,500**	**$65,500**	**$8,000**	**13.9%**

Arts & Culture - Arts Commission Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Expense Objects							
Salaries & Benefits	$15,994	$29,716	$30,548	$33,483	$36,348	$2,865	8.6%
Supplies	$309	$1,507	$366	$8,000	$16,000	$8,000	100%
Service Charges	$11,600	$1,839	$2,587	$16,000	$12,200	-$3,800	-23.7%
Total Expense Objects:	**$27,903**	**$33,062**	**$33,501**	**$57,483**	**$64,548**	**$7,065**	**12.3%**

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 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.
- Continue repairing and refining water system components and processes to increase resilience, safety and health during a natural disaster or water system interruption event.
- Perform conditional assessments to identify and repair/replace old and/or leaking pipes and hydrants.
- Develop plan for valve exercising and implementation of unidirectional flushing.
- Provide additional training for staff to ensure that all industry standards are met or exceeded.

Summary

Revenue Summary

Budgeted revenues increased $181k (6%) above 2024 revenues as a result of the Council approved 3% rate increase and to accommodate growth in the number of water customers.

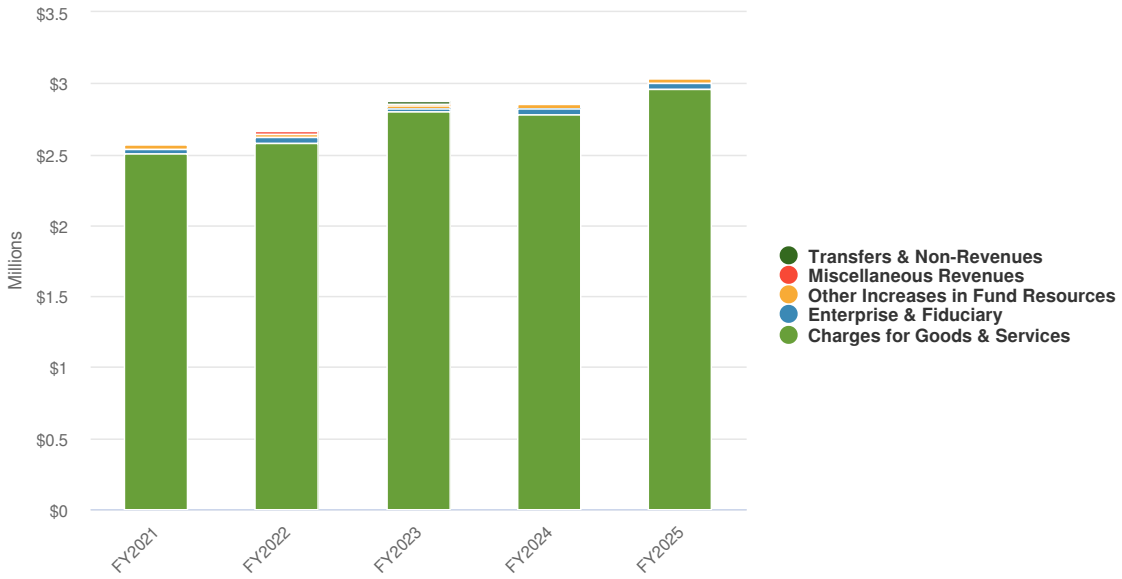
Expenditure Summary

Overall expenses in Water Operations increased $184k (6%) from the 2024 Budget. This is a result of increased wages and benefits of $85k (16%) due to one additional FTE (needed to accommodate workloads due to rapid infrastructure expansion and an aging water distribution system), fire & casualty insurance of $50k (25%), and transfer to capital improvements of $35k (10%) for water infrastructure projects.



Water Operations Revenues

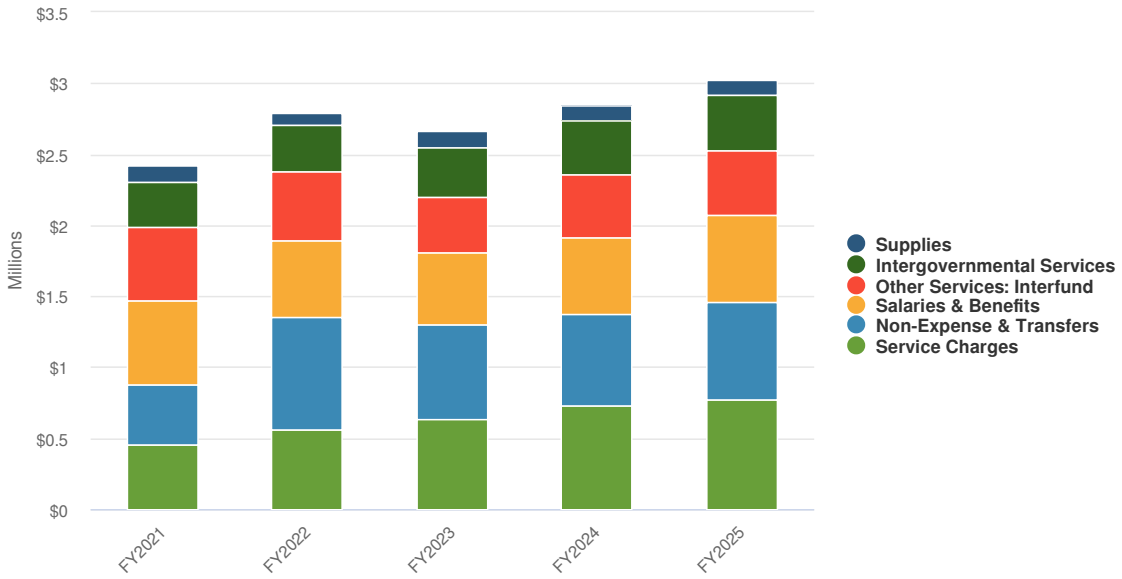
Budgeted and Historical Revenues by Source



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Revenue Source							
Charges for Goods & Services	$2,502,580	$2,578,941	$2,805,063	$2,783,377	$2,965,140	$181,763	6.5%
Miscellaneous Revenues	$7,759	$15,579	$18,356	$16,000	$15,000	-$1,000	-6.2%
Other Increases in Fund Resources	$23,079	$25,156	$18,570	$27,200	$27,200	$0	0%
Enterprise & Fiduciary	$38,889	$42,790	$15,958	$42,000	$42,000	$0	0%
Transfers & Non-Revenues			$18,186			$0	N/A
Total Revenue Source:	**$2,572,306**	**$2,662,466**	**$2,876,134**	**$2,868,577**	**$3,049,340**	**$180,763**	**6.3%**

Water Operations Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Expense Objects							
Salaries & Benefits	$596,054	$541,503	$503,639	$532,705	$618,614	$85,909	16.1%
Supplies	$113,451	$88,642	$113,449	$104,355	$111,225	$6,870	6.6%
Service Charges	$450,832	$565,629	$632,843	$733,545	$775,275	$41,730	5.7%
Intergovernmental Services	$317,230	$324,260	$354,109	$378,975	$393,150	$14,175	3.7%
Non-Expense & Transfers	$424,107	$786,799	$671,877	$645,000	$680,000	$35,000	5.4%
Other Services: Interfund	$520,949	$488,664	$390,378	$450,000	$450,000	$0	0%
Total Expense Objects:	**$2,422,622**	**$2,795,496**	**$2,666,296**	**$2,844,580**	**$3,028,264**	**$183,684**	**6.5%**

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 into the city sewer collection system.
- Correct sewer manhole issues at the end of pressure lines.
- Provide 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

- Ensure compliance with all state, federal, and city requirements and regulations.
- Work with Department of Ecology to expand WRF environmental laboratory accreditation to increase accuracy and reduce costs.
- Increase process efficiency to reduce operational expenses and minimize necessary rate adjustments.
- Explore alternative biosolids processes and uses.
- Provide additional training for staff to ensure all industry standards are met or exceeded.
- Boost awareness and education of the benefits of Reuse Water to inform our citizens on how the City utilizes that resource.

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 with continual process improvements.



Summary

Revenue Summary

2025 budgeted revenues increased by $410k (8%) as a result of the Council approved 3% rate increase and to accommodate growth in the number of water customers. Commercial rate revenue increased by $59k (5%), regional partnerships/services by $135k (37%), and residential rate revenue by $217k (6%).

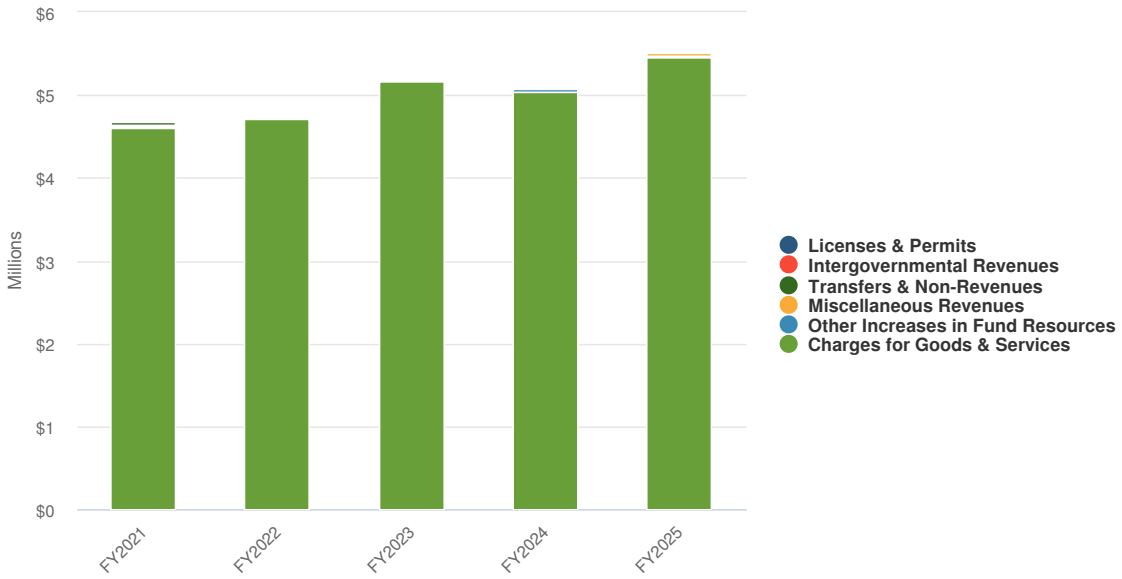
Expenditure Summary

This budget increased by $423k (8%) from the 2024 Budget. Professional services increased by $168k (77%) due to interfund service fees associated with the reuse demonstration facility. In addition, fire and casualty insurance increased $75k (31%), taxes associated with higher revenues increased by $33k (8%), and WRF's lab UV bulbs increased by $32k (17%). The interfund transfer to support sewer projects also increased $250k. These costs were offset by a reduction in wages and benefits of $140k (10%) associated with employee retirement in 2024.



Sewer Operations Revenues

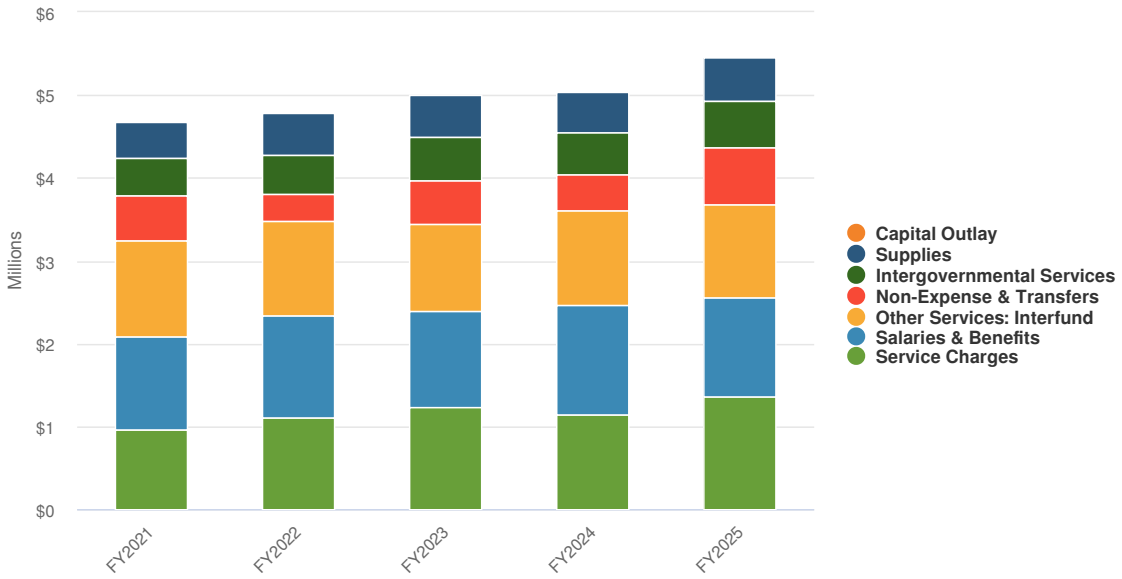
Budgeted and Historical Revenues by Source



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Revenue Source							
Licenses & Permits		$41				$0	N/A
Intergovernmental Revenues			$9,781			$0	N/A
Charges for Goods & Services	$4,608,735	$4,709,984	$5,164,744	$5,045,472	$5,457,810	$412,338	8.2%
Miscellaneous Revenues	$19,005	$26,130	$24,152	$23,000	$20,200	-$2,800	-12.2%
Other Increases in Fund Resources	$20,450	$21,667	$22,058	$25,000	$25,000	$0	0%
Transfers & Non-Revenues	$28,000					$0	N/A
Total Revenue Source:	**$4,676,190**	**$4,757,822**	**$5,220,735**	**$5,093,472**	**$5,503,010**	**$409,538**	**8%**

Sewer Operations Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Expense Objects							
Salaries & Benefits	$1,126,657	$1,232,323	$1,167,823	$1,325,727	$1,186,342	-$139,385	-10.5%
Supplies	$428,756	$513,650	$515,556	$486,266	$527,650	$41,384	8.5%
Service Charges	$966,099	$1,113,512	$1,231,635	$1,143,914	$1,367,839	$223,925	19.6%
Intergovernmental Services	$453,588	$472,116	$513,115	$515,475	$562,100	$46,625	9%
Capital Outlay				$1	$1	$0	0%
Non-Expense & Transfers	$553,328	$322,892	$535,333	$435,000	$685,000	$250,000	57.5%
Other Services: Interfund	$1,150,004	$1,136,573	$1,042,047	$1,130,000	$1,130,000	$0	0%
Total Expense Objects:	$4,678,432	$4,791,067	$5,005,509	$5,036,383	$5,458,932	$422,549	8.4%

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.
- Update and complete a comprehensive portfolio of engineering standards for sewer, water, streets, and stormwater. Coordinate standards with SMC.
- Finish 2024 CIP projects running into 2025; initiate adopted 2025 Capital Improvement Projects.
- Pursue grant opportunities in support of 2025/2026 Capital Improvement Projects.
- Incorporate new master plans and the ADA Transition Plan into the CIP and TIP.
- Develop an annual project and maintenance plan to improve the Pavement Condition Index (PCI) to 70 or above.
- Develop a public facing multi-purpose map.

Summary

Revenue Summary

Revenues are expected to increase by $5k (7%) from the 2024 Amended Budget to account for a slight increase in site construction permits.

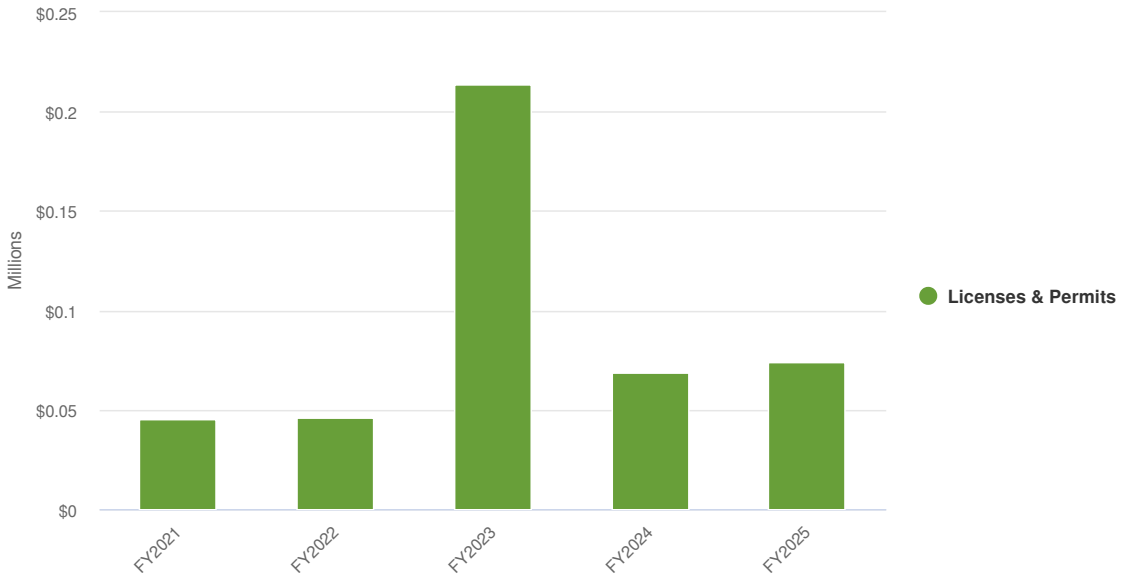
Expenditure Summary

This budget decreased by $79k (28%) from the 2024 Budget. A total of $500k of engineering costs will be allocated to other departments and funds, which increased by $110k (28%) from the 2024 budget due to the number of capital projects to manage in 2025. In addition, professional services for 3rd party inspections and review were decreased by $21k (100%) and reassigned to another fund. Reductions were offset by an increase in wages and benefits for $43k (7%).



GIS/Engineering Revenues

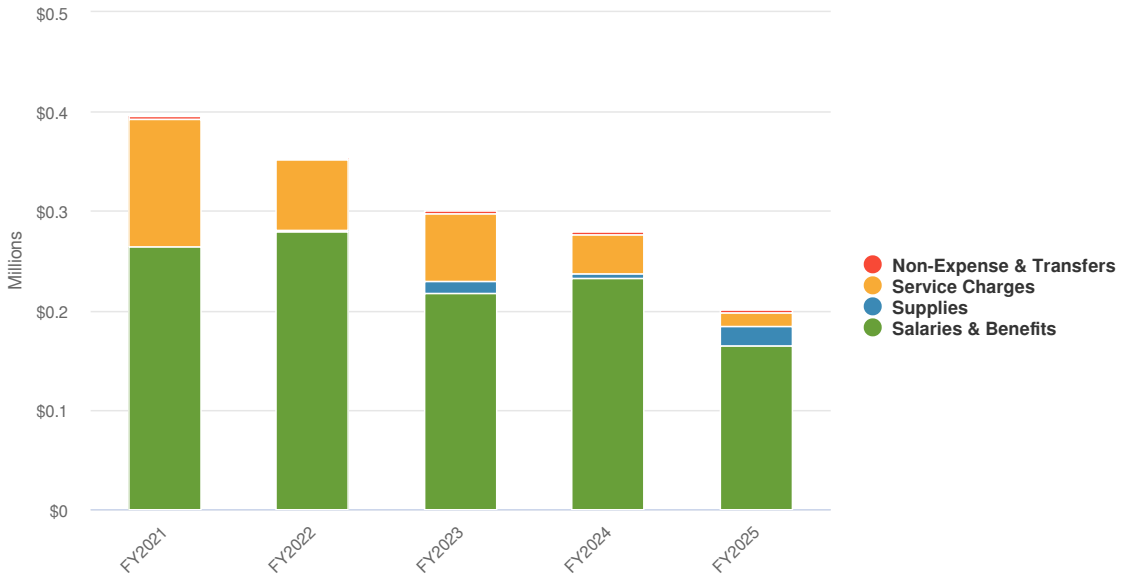
Budgeted and Historical Revenues by Source



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Revenue Source							
Licenses & Permits							
Site Construction Permit	$45,293	$45,753	$214,002	$69,000	$74,000	$5,000	7.2%
Total Licenses & Permits:	$45,293	$45,753	$214,002	$69,000	$74,000	$5,000	7.2%
Total Revenue Source:	$45,293	$45,753	$214,002	$69,000	$74,000	$5,000	7.2%

GIS/Engineering Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Expense Objects							
Salaries & Benefits	$263,914	$278,869	$217,256	$231,913	$165,157	-$66,756	-28.8%
Supplies	$1,084	$2,668	$11,793	$4,725	$19,725	$15,000	317.5%
Service Charges	$127,739	$70,114	$68,858	$40,550	$13,250	-$27,300	-67.3%
Non-Expense & Transfers	$2,400	$2,400	$2,400	$2,400	$2,400	$0	0%
Total Expense Objects:	**$395,136**	**$354,051**	**$300,307**	**$279,588**	**$200,532**	**-$79,056**	**-28.3%**

Streets Restricted

Description

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), Transportation Benefit District taxes, and other sources.



Key Goals

2025-2030 Transportation Improvement Program

Transportation Master Plan/Impact Fee Update (STR-060PL) $126K
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.

W Washington St Traffic Signals Replacement (STR-135CU) $550K
Location: Intersection of W Washington St and Sequim Ave and the intersection of W Washington St and 3rd Ave.
Project: Replacement of two traffic signal cabinets, including Accessible Pedestrian Signals, and a flashing yellow phase added to the left-turn movements to allow "yield" left-turns.
Benefit: Improves vehicle and pedestrian mobility, corrects ADA and safety deficiencies in downtown.
Funding Note: This project is dependent upon outside funding that has not yet been secured.

W Sequim Bay Rd Shoreline Revetment Repair (STR-063RR) $205K (multiyear project, $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.
Funding Note: This project is dependent upon outside funding that has not yet been secured.

N 3rd Ave Sidewalks, Bike Lane Improvement (STR-104RR) $250K (multiyear project, $2.9M)
Location: N 3rd Ave, from W Washington St to W Fir St
Project: Repair pavement and constructs sidewalks and bike lanes.
Benefit: Improves pedestrian and bicycle mobility for users of all ages and abilities.
Funding Note: This project is dependent upon outside funding that has not yet been secured.

5th Ave and Washington St Intersection Improvements (STR-080RR) $438K (multiyear project, $876K)
Location: 5th Ave and W Washington St
Project: Construction of intersection improvements consisting of alignment of turn lanes, addition of right turn lanes, curb ramps, and updating the traffic signal equipment that is at the end of its service life.
Benefit: Improves vehicle and pedestrian mobility, corrects ADA and safety deficiencies in downtown.
Funding Note: This project is dependent upon outside funding that has not yet been secured.

Johnson Creek Crossing Repair (STR-087RR) $100K (multiyear project, $875K)
Location: Johnson Creek & Hwy 101 in east Sequim
Project: Repair of Johnson Creek Railroad Trestle Foot Bridge based on 2022 inspection.
Benefit: Improve pedestrian structure over Johnson Creek.
Funding Note: This project is dependent upon outside funding that has not yet been secured.

City-wide Pavement Rehabilitation, non-arterials and non-collectors (STR-041RR) $300K
Location: TBD
Project: Annual program for repair, overlay, or reconstruction of pavement of City streets that are not arterials or collectors.
Benefit: Maintains the City's street systems through pavement preservation.

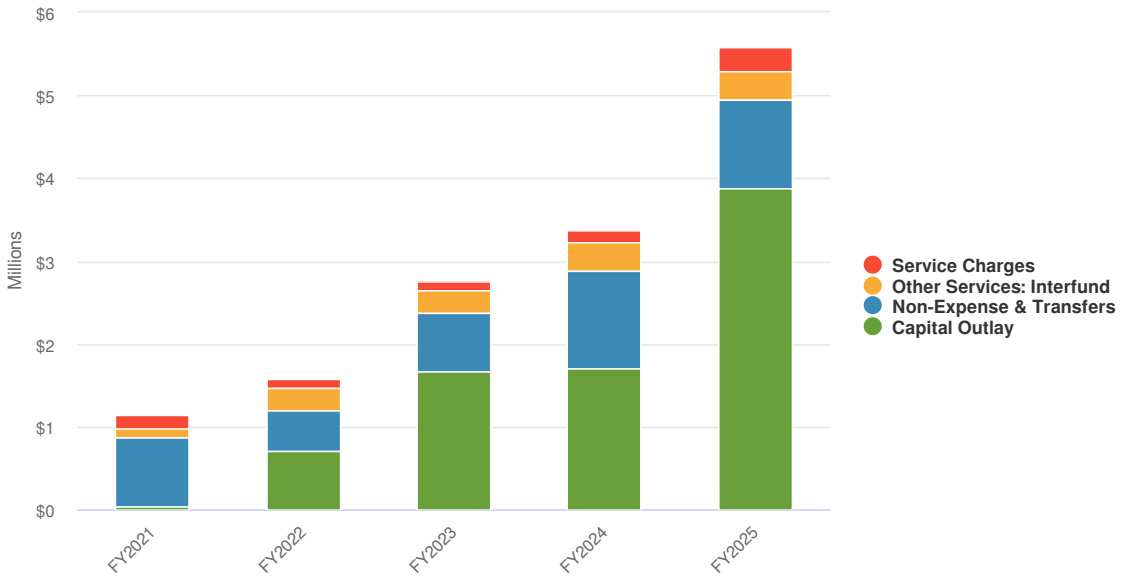
City-wide Pavement Rehabilitation, arterials and collectors (STR-165RR) $1.9M

Location: River Rd from Washington St south to WSDOT boundary, Priest Rd from Washington St to north city limits, Washington St from 7th Ave to 9th Ave
Project: Annual program for repair, overlay, or reconstruction of pavement of City streets that are arterials or collectors.
Benefit: Maintains the City's street systems through pavement preservation.

City Wide Pedestrian/Bike Improvements (STR-072CU) $150K
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	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Expense Objects							
Service Charges	$159,300	$100,609	$110,382	$141,748	$291,748	$150,000	105.8%
Capital Outlay	$32,066	$713,117	$1,673,484	$1,704,500	$3,887,000	$2,182,500	128%
Non-Expense & Transfers	$846,791	$490,000	$697,468	$1,174,500	$1,060,000	-$114,500	-9.7%
Other Services: Interfund	$101,957	$273,429	$276,812	$349,000	$349,000	$0	0%
Total Expense Objects:	$1,140,113	$1,577,154	$2,758,146	$3,369,748	$5,587,748	$2,218,000	65.8%

Storm Water Restricted

Description

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

N Brown Rd and Washington St Upgrade Discharge of Bell Creek (SMR-011RR) $480K
Location: N Brown Rd and Washington St
Project: Install infiltration facilities under sidewalk on the west side of N Brown Rd and south side of E Washington St at their intersection to handle the discharge to Bell Creek.
Benefit: Improve water quality in Bell Creek by removing toxic contaminates in stormwater runoff.

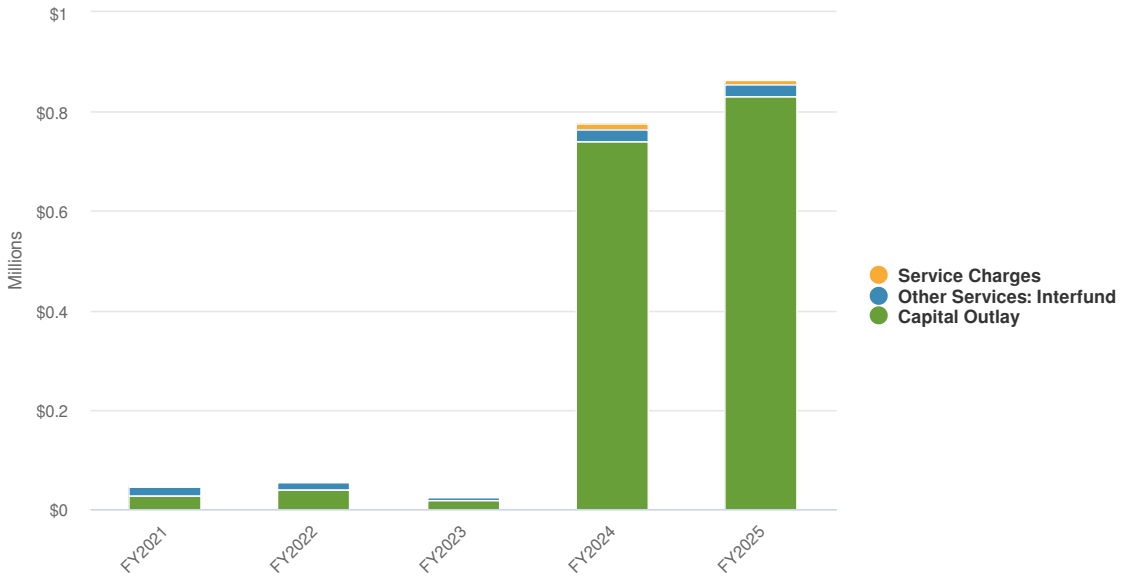
Happy Valley Stormwater Diversion (SMR-001CU) $290K (multiyear project, $1.2M)
Location: Burnt Hill area southwest of Sequim in Clallam County
Project: Stormwater or overland runoff capture project to alleviate periodic flooding inside City limits. The stormwater will be diverted to a large overland 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	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Expense Objects							
Service Charges	$5,401	$5,171	$1,422	$11,295	$11,295	$0	0%
Capital Outlay	$26,859	$38,592	$19,430	$740,000	$830,000	$90,000	12.2%
Other Services: Interfund	$17,236	$14,766	$3,571	$24,000	$24,000	$0	0%
Total Expense Objects:	$49,495	$58,528	$24,423	$775,295	$865,295	$90,000	11.6%

Parks Restricted

Description

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 (multiyear project $700k)
Location: Carrie Blake Park.
Project: Purchase and install 2 pedestrian bridges between Carrie Blake Park and the Reuse Demonstration Site across Bell Creek.
Benefit: Provides ADA compliant bridges and improves pedestrian connectivity for patrons with mobility challenges. Provides maintenance access (e.g. mowers) between the two recreational facilities.

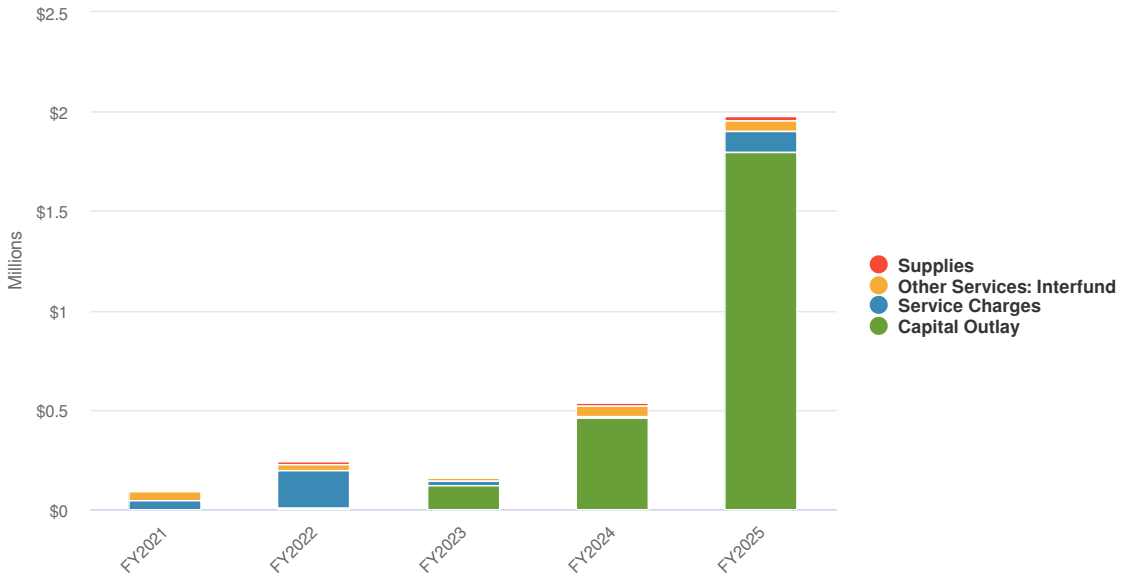
Playground Equipment Upgrade - Margaret Kirner Park (PRK-054NC) $500K (multiyear project, $1.5M)
Location: Margaret Kirner Park, S 4th Ave
Project: Replacement of playground equipment with a universally accessible inclusive playground design with ADA compliant fall surfaces.
Benefit: Provides safer and more accessible playgrounds that serve a more diverse population. The playground equipment has reached the end of its service life, and the current fall surface is not ADA compliant.
Funding Note: This project is dependent upon outside funding that has not yet been secured.

Centennial Place Construction (PRK-142NC) $900K (multiyear project, $3.9M)
Location: Centennial Park, 104 E Washington St
Project: Design and construct improvements in Centennial Place Park to cultivate a distinct sense of place in the city center.
Benefit: Improve accessibility, greenspace, safety and economic activity in the downtown core.
Funding Note: This project is dependent upon outside funding that has not yet been secured.

ADA Transition Plan (PRK-127PL) $100K
Location: City-wide parks
Project: The Americans with Disabilities Act (ADA) of 1990 prohibits discrimination against people who have disabilities. A self-evaluation of all current parks will be performed to determine accessibility under the ADA and a plan will be developed to address any deficiencies.
Benefit: Provides a guide for future park upgrades to increase accessibility and maintain compliance with the ADA.

Parks Restricted Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Expense Objects							
Supplies	$1,361	$12,191	$7,129	$15,600	$15,600	$0	0%
Service Charges	$48,491	$185,837	$21,532	$4,703	$104,703	$100,000	2,126.3%
Capital Outlay		$10,876	$119,813	$2,920,000	$1,800,000	-$1,120,000	-38.4%
Other Services: Interfund	$41,746	$29,662	$14,158	$55,000	$55,000	$0	0%
Total Expense Objects:	**$91,598**	**$238,566**	**$162,633**	**$2,995,303**	**$1,975,303**	**-$1,020,000**	**-34.1%**



Capital Facilities Fund

Description
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) $1.2M (multiyear project $35.5M)
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.
Funding Note: This project is dependent upon outside funding that has not yet been secured.

Gerhardt Park Building Removal (CFL-044RR) $50K
Location: 1610 S 3rd Ave.
Project: Removal of the 1930's home and out-structures at Gerhardt Park.
Benefit: Improves community recreation opportunities.

City Wide Security (CFL-102CU) $300K
Location: All city owned facilities
Project: Standardize security on city owned facilities at access points.
Benefit: Improves protection of City assets.

ADA Transition Plan (PWP-CFL-127PL) $100K
Location: City-wide recreational facilities
Project: The Americans with Disabilities Act (ADA) of 1990 prohibits discrimination against people who have disabilities. A self-evaluation of all current recreational facilities will be performed to determine accessibility under the ADA and a plan will be developed to address any deficiencies.
Benefit: Provides a guide for future recreational facility upgrades to increase accessibility and maintain compliance with the ADA.

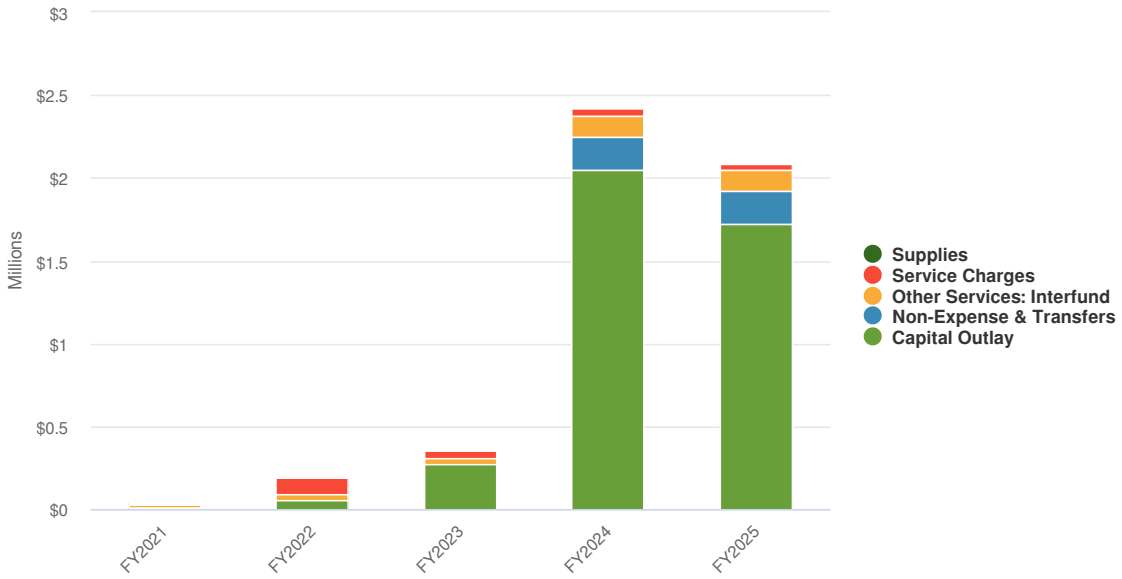
HVAC Replacement $155k
Civic Center HVAC electronic controls replacement - $100K: The Civic Center was built in 2015. The original HVAC electronic controls on the 4 rooftop units are obsolete. New controls will allow for detailed control of the units, increasing the ability to fine tune the airflow for more efficient use and energy savings.

Civic Center HVAC desktop control replacement - $15K: The HVAC system in the Civic Center is controlled by a desktop server. The unit is out of date and will need to be upgraded to accept the newer versions of software used to run the HVAC units. The new configuration will allow for system remote viewing for maintenance and controls.
Guy Cole HVAC system replacement - $25K: This HVAC unit will replace one of the two original HVAC units at the Guy Cole facility which is currently functioning as a fan unit only and cannot be repaired. The new HVAC unit will be more efficient and reliable.
City Shop HVAC system replacement - $15K: This HVAC unit will replace a 2000 unit that is servicing the City Shop. The existing unit is no longer providing temperature control for the area and is beyond repair. The new HVAC unit will be more efficient and reliable.



Capital Facilities Fund Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Expense Objects							
Supplies	$1,819	$204				$0	N/A
Service Charges	$2,824	$98,940	$40,099	$45,000	$45,000	$0	0%
Capital Outlay	$2,080	$52,627	$274,851	$2,050,000	$1,719,000	-$331,000	-16.1%
Non-Expense & Transfers	$7,059			$200,000	$200,000	$0	0%
Other Services: Interfund	$19,909	$36,349	$34,099	$125,000	$125,000	$0	0%
Total Expense Objects:	**$33,690**	**$188,121**	**$349,050**	**$2,420,000**	**$2,089,000**	**-$331,000**	**-13.7%**

Water Restricted

Description

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

Water System Plan 2023

West Sequim Bay Corridor Improvements (PWP-WTR-111CU) $1.2M
Location: Independence Dr to Junco Rd and Washington Harbor Loop (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 Loop, 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.

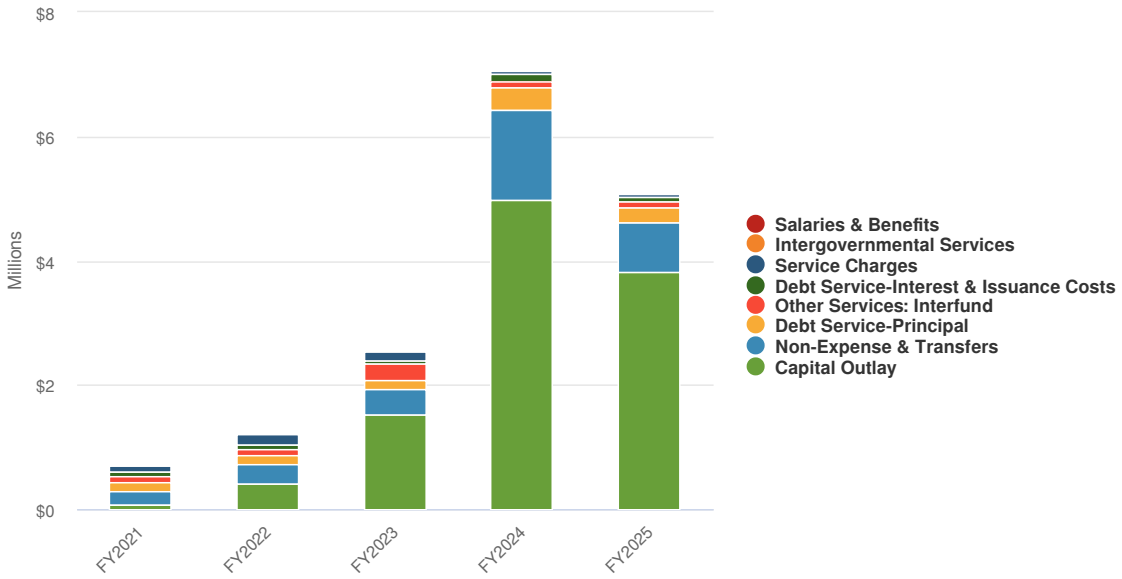
Silberhorn Deep Well No. 4 Construction (WTR-040CU) $2.0M (multiyear project, $3.6M)
Location: Silberhorn Wellfield, W Silberhorn Rd to S River Rd
Project: Construction of a new municipal water supply well and Motor Control Center at existing Silberhorn Wellfield including transmission pipelines to connect 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) $500K
Location: City Wide
Project: Installation of an automatic meter reading system to provide near real-time usage data for the utility's water connections.
Benefit: Increases meter reading efficiency, reduces overhead costs and enhances water utility customer service.



Water Restricted Expenditures

Budgeted and Historical Expenditures by Expense Type



Name	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Expense Objects							
Salaries & Benefits	$31,784	$36,568	$7,320	$13,881		-$13,881	N/A
Service Charges	$115,066	$182,987	$152,985	$40,365	$40,365	$0	0%
Intergovernmental Services	$10,353	$11,054	$4,127	$11,000	$11,000	$0	0%
Capital Outlay	$60,835	$414,311	$1,531,842	$4,975,000	$3,820,000	-$1,155,000	-23.2%
Debt Service-Interest & Issuance Costs	$57,800	$55,161	$52,173	$116,997	$70,734	-$46,263	-39.5%
Non-Expense & Transfers	$228,696	$318,575	$409,500	$1,444,500	$792,500	-$652,000	-45.1%
Debt Service-Principal	$143,831	$146,331	$148,831	$363,830	$233,830	-$130,000	-35.7%
Other Services: Interfund	$101,088	$95,609	$251,809	$114,000	$114,000	$0	0%
Total Expense Objects:	$749,453	$1,260,597	$2,558,587	$7,079,573	$5,082,429	-$1,997,144	-28.2%

Sewer Restricted

Description

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.

2024 Sewer Camera Van



Key Goals

West Sequim Bay Corridor Improvements (PWP-SRR-111CU) $11.0M (multiyear project, $16.5M)
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 900-gpm lift station at Forrest Rd.
Benefit: Provides connection capacity to anticipated residential developments, Pacific Northwest National Laboratory (PNNL) & John Wayne Marina. Supports developer driven project to expand the PNNL site and develop the Harbor Town and other undeveloped sites. Reduces on-site septic systems in critical areas, supports zoned density.
Funding Note: This project is dependent upon outside funding that has not yet been secured.

General Sewer Plan Update (SRR-041PL) $150K (multiyear project, $300k)
Location: NA
Project: Update of the General Sewer Plan (GSP) which provides a long-term planning strategy for the City's sewer utility for the 6-year and 20-year planning periods to meet the requirements of the Washington Administrative Code (WAC) 173-240-050.
Benefit: Provides an update to the current General Sewer Plan adopted in 2013. Following adoption of the 2025 plan, an update will not be necessary until 2035.

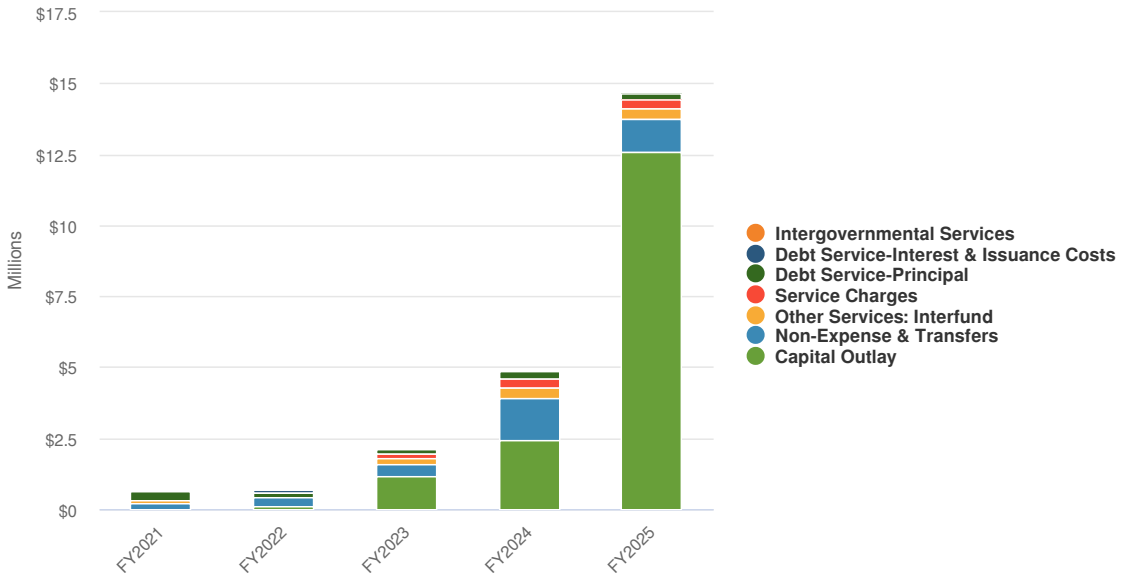
Replace manholes on Washington Harbor Loop (SRR-171RR) $400K
Location: Washington Harbor Loop
Project: Replace manholes on Washington Harbor Loop with HDPE lined manholes.
Benefit: Manholes have deteriorated over time and have reach their end of life. Improves inflow and infiltration issues.

Biosolids Capacity & Process Improvements (SRR-176RR) $500K (multiyear project, $3.8M)
Location: WRF, 247 Schmuck Rd
Project: Replace screw press and add paddle dryers at the WRF facility.
Benefit: Increase biosolids production capacity, eliminate the need for quicklime and reduce polymer costs.
Funding Note: This project is dependent upon outside funding that has not yet been secured.

City-wide Inflow and Infiltration Reduction (SRR-082RR) $65K
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	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2025 Requested	FY2024 Amended vs. FY2025 Requested ($ Change)	FY2024 Amended vs. FY2025 Requested (% Change)
Expense Objects							
Service Charges	$5,122	$12,598	$134,201	$315,718	$315,718	$0	0%
Intergovernmental Services	$16,176	$9,232	$5,207	$17,200	$17,200	$0	0%
Capital Outlay	$7,980	$88,765	$1,162,302	$2,455,000	$12,585,237	$10,130,237	412.6%
Debt Service-Interest & Issuance Costs	$59,910	$76,585	$60,294	$73,031	$47,289	-$25,742	-35.2%
Non-Expense & Transfers	$215,824	$317,500	$409,500	$1,459,500	$1,157,500	-$302,000	-20.7%
Debt Service-Principal	$310,796	$167,619	$169,512	$244,097	$190,061	-$54,036	-22.1%
Other Services: Interfund	$88,333	$17,928	$235,867	$375,000	$375,000	$0	0%
Total Expense Objects:	$704,142	$690,226	$2,176,884	$4,939,546	$14,688,005	$9,748,459	197.4%