
City of Poulsbo, Washington



2011 – 2016

City Improvement Plan



COVER PHOTO
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Police Officer, City of Poulsbo

City Improvement Plan City of Poulsbo, Washington



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CIP COMMITTEE

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Parks & Recreation Director

Planning Director

Public Works Director

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Barry Loveless

CITY OF POULSBO
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CITY OF POULSBO

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INTRODUCTION

The State of Washington Growth Management Act of 1990 (GMA) requires that the City of Poulsbo develop a Comprehensive Plan outlining its strategy with respect to land use, housing, capital facilities, utilities, public facilities and transportation. A key component of this plan is the City's Capital Facilities Plan (CFP). In addition to serving as an important planning tool, the CFP also places certain obligations on the City. First of all, the CFP is required to be a fully funded plan, identifying funding sources for all projects and expenditures included in the plan. Secondly, land use decisions which rely on future infrastructure improvements, impose an obligation on the City to complete the improvements within six years of development, provided the improvement has concurrency requirements.

The key detailed strategies and programs necessary to implement the CFP are outlined in the City Improvement Plan (CIP), which is a long-range study of financial wants, needs, expected revenues and policy intentions. The City Improvement Plan (CIP) communicates the City's six-year plan for capital construction and major acquisitions. The plan is consistent with the City's Mission Statement, Council goals, department priorities and service level standards necessary to maintain the safety and quality of life of our citizens.

The City's Mission Statement:

The City of Poulsbo is committed to managing the public resources to promote community health, safety and welfare, and plan for the future to accommodate growth without burden while preserving our natural resources and enhancing those qualities that make our community unique and desirable.

Capital construction projects and major acquisitions in the CIP are divided into three categories: General Purpose, Transportation and Enterprise.

General Purpose - Projects and improvements dealing with police, parks and recreation and the City's public buildings;

Transportation - Projects dealing with vehicle and pedestrian transportation and, for the most part, duplicates our Transportation Improvement Plan (TIP); and,

Enterprise - Projects associated with the City's utilities – Water, Sewer, Storm Water and Solid Waste.

COMPREHENSIVE PLAN

The state's Growth Management Act of 1990 requires all cities within counties planning under the Act adopt a Comprehensive Land Use Plan. Mandatory elements of the Comprehensive Plan are:

- Land use
- Housing
- Utilities
- Transportation
- Capital facilities

CAPITAL FACILITIES PLAN (CFP)

The Capital Facilities Plan (CFP) element of the Comprehensive Plan must include:

- An inventory of existing capital facilities owned by public entities showing the location and capacities of the capital facilities;
- A forecast of the future needs for such facilities;
- The proposed locations and capacities of expanded or new capital facilities;
- At least a six-year plan that will finance such capital facilities within projected funding capacities and clearly identifies sources of public money for such purposes; and
- A reassessment of the land use element if probable funding falls short of meeting existing needs and to ensure the land use element, capital facilities element, and financing plan in the Capital Facilities Plan element are consistent.

CITY IMPROVEMENT PLAN (CIP)

The City Improvement Plan (CIP) is a long-range study of financial wants, needs, expected revenues and policy intentions. It is not a budget but provides facts, trends and suggestions for decision-makers. Its components are:

- | | |
|---|--|
| <ul style="list-style-type: none">• <i>General Purpose</i><ul style="list-style-type: none">Parks and RecreationMunicipal buildingsPolice• <i>Transportation</i> | <ul style="list-style-type: none">• <i>Enterprise</i><ul style="list-style-type: none">WaterSewerSolid WasteStorm Drain |
|---|--|

The actual appropriation which represents the amount that will be used to implement a part of the City Improvement Plan in the coming years is the:

ANNUAL CAPITAL BUDGET

CITY OF POULSBO
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PROJECT PRIORITIZATION CRITERIA

Anticipated growth and development within the City is compared against existing facilities and infrastructure to ensure that established level of service standards will continue to be met. If situations are identified where growth or development will degrade service levels, projects are identified to rectify the situation. In addition, the public, Council members or City staff may suggest specific capital facility projects or major purchases. In all cases, the suggestion is forwarded to the appropriate Council committee for review and for cost projections. A complete financial package is provided to the CIP committee headed by the Mayor and comprised of the Finance Director, Parks and Recreation Director, Planning Director, Public Works Director and three Council members.

Since service level standards and criteria are different for each category of projects, the prioritization criteria are also different. The only consistent criteria is the furtherance of City Council established goals and objectives and implementation of Comprehensive Plan policies. The specific prioritization criteria for each category are listed below and a detailed description of the prioritization criteria is provided in the appendix. The departmental or fund, as appropriate, will determine the final project rankings, based on the prioritization criteria.

General Purpose Criteria

Legal Mandates	Project Feasibility
Health and Safety	GMA Compliance
Economic Development	Liability
Operation and Maintenance/Reliability	Other Impacts

Transportation Criteria

Safety	Economic Development
Mobility	O&M Cost Impact
Structural Condition	Legal Mandate
Multimodal/Intermodal	Relationship to Plans and Policies
Multi-Agency	Environmental Issues
Project Cost	Other Impacts

Enterprise Criteria

Legal or Contractual Mandate	Relationship to Other Project
Health and Safety	Relationship to Plans and Policies
Reliability and Efficiency	Project Costs
Environmental Issues	Number of Customers or Area Affected
Economic Development	Other Impacts

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FINANCING THE CIP

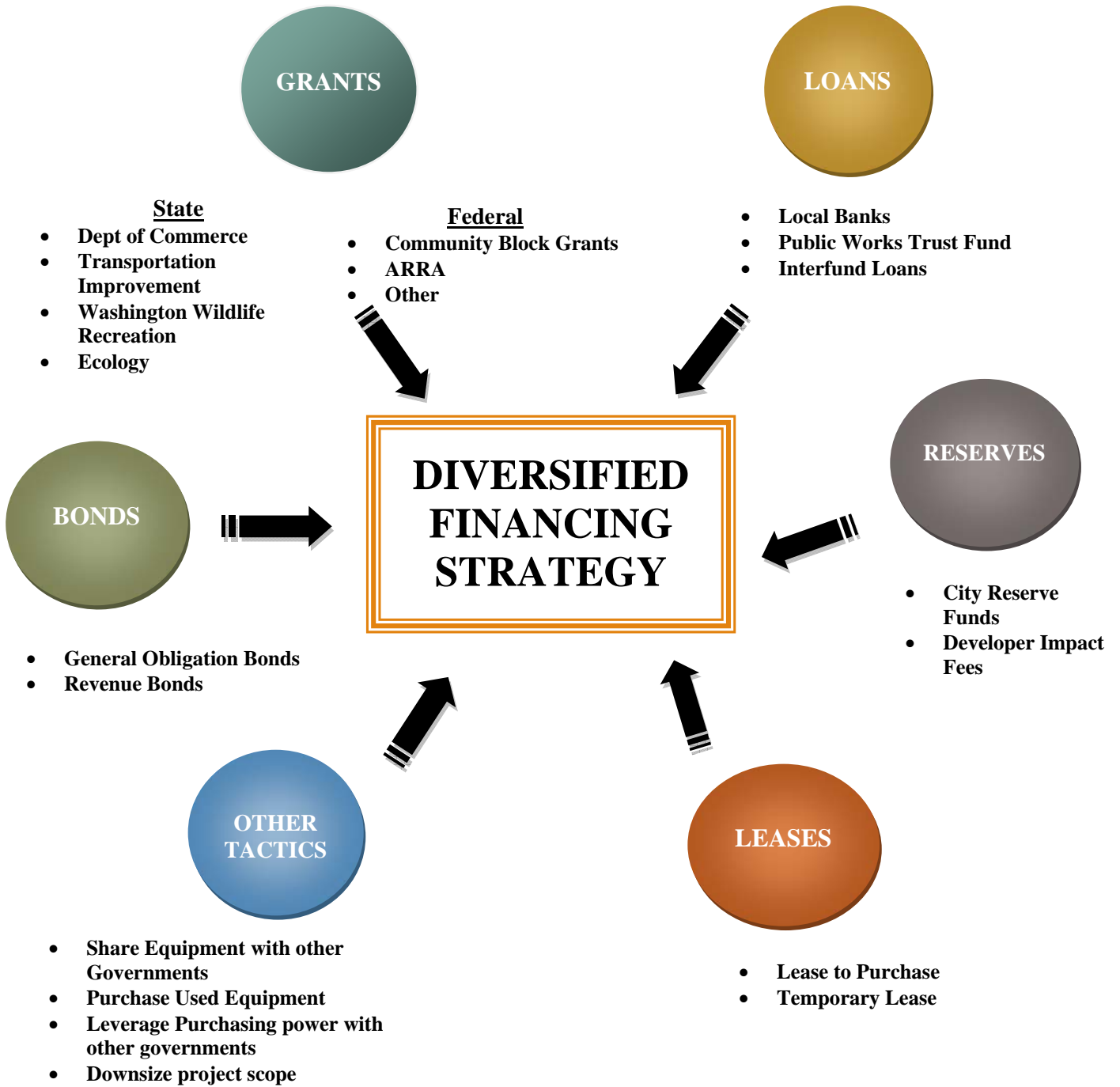
State and Federal mandates continue to impose financial burdens on the City. At the same time, recent funding constraints have left us with aging infrastructure (roadways, utility lines and municipal facilities) which require high maintenance and eventual replacement in the not-so-distant future. Looking ahead, the City needs to diversify its revenue base and attract new industry to our area which requires investment in site development. Where development is allowed to proceed, the infrastructure improvement must occur to avoid a reduction in service level standards; and since development decisions can be predicated on future infrastructure improvements, all sources of project funding must be identified as part of the plan. Most of our current revenue sources are used to either cover operating expenses, provide for current debt payments or to build reserves. Therefore, very few new projects can be considered without looking for new funding sources.

In order to finance the CIP, the City has at its disposal a multitude of possible funding sources including taxes, utility rates, grants, impact fees, reserves and donations. The City also has the ability to raise taxes, existing utility rates or, in a few limited cases, impose new taxes to generate additional revenue. However, new taxes could be unpopular with our citizens so any decision to move in that direction will not be easy.

In addition, the City can issue bonds and use the proceeds to finance capital spending. However, when considering debt financing, the City is obligated to a fixed payment stream to pay off the debt. Therefore, the CIP addresses financing sources from the stand point of annual cash flow requirements and the master project list contained in the appendix lists projected annual funding obligations.

Finally, while certain capital facilities could be financed by voted bonds, there are limits to the City's total indebtedness without degrading our ability to receive a favorable bond rating. Page 9-7 contains a list of annual debt payments, bond retirement date and the overall debt limit available to the City. Over the course of the six-year focus period, some debt obligations will be repaid in full, thus freeing up funds to support new obligations.

**CITY OF POULSBO
2011-2016 City Improvement Plan**



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LONG-TERM DEBT OBLIGATIONS AND DEBT CAPACITY

As the demand for public sector investment and infrastructure continues to grow, the issuance of medium to long term debt has become an increasingly important component of state and local government capital programs. While the issuance of debt is frequently an appropriate method of financing capital projects, it also requires careful monitoring to ensure an erosion of the City's credit quality does not result. A decision to borrow money binds the City to a stream of debt service payments that can last as long as twenty-five years. It is therefore imperative the City consistently follow carefully developed debt management policies to ensure the City's credit quality and access to the tax-exempt and tax credit markets remains strong.

The implementation of the City's formal debt policies is an important component of the City's overall capital program. Formal debt policies send a clear message to credit analysts, underwriters and investors the City is administering its debt program in a responsible manner and in compliance with its policies relative to debt management. The City of Poulsbo has received an underlying "AA" rating from Standard & Poors for its last General Obligation Bonds issue.

The two basic forms of long-term debt are general obligation issues which are backed by the full faith and credit (i.e. taxes) of the City, and revenue bonds which pledge revenues from a specific utility for repayment. The City of Poulsbo portfolio utilizes both general obligation and revenue debt to fund its operations. Under RCW 39.36.020(2), the public may vote to approve bond issues for general government in an amount not to exceed 2.5% of the assessed valuation. Within the 2.5% limit, the City Council may approve bond issues not to exceed 1.5% of the City's assessed valuation. Currently, the City's remaining debt capacity within the 2.5% limit is estimated at \$19,046,962 Under RCW 39.36.030(4), the public may also vote to approve park facilities and utility bond issues, each of which is also limited to 2.5% of the City's assessed valuation. Thus a total of 7.5% of the City's assessed valuation may be issued in bonds. All voted bonds require a 60% majority approval. To validate the election, the total votes cast must equal at least 40% of the total votes cast in the last general election.

Project	Type	Duration	Interest Rate	Amount Issued	Outstanding
Trans/Muni Campus Bonds	Non Voted	2003 - 2017	2.5% - 4.8%	\$ 2,505,000	\$ 810,000
Marine Science Center	Non Voted	2005 - 2011	3.0% - 4.8%	415,000	55,000
City Hall 2005	Non Voted	2005 - 2025	3.0% - 4.8%	5,185,000	4,215,000
City Hall 2009	Non Voted	2009 - 2033	1.4% - 3.75%	6,015,000	5,620,000
Parks & Rec LOCAL	Non Voted	2009 - 2033	4.10%	310,000	310,000
City Hall Line of Credit	Non Voted	2010 - 2011	2.06%	2,000,000	2,000,000
				\$ 16,430,000	\$ 13,010,000
This Debt is controlled by assessed Valuation Debt Limits					
2011 Assessed Valuation \$ 1,282,278,497					
X 0.025	=	\$ 32,056,962	Limited for Combined Debt	Balance Available	\$ 19,046,962
X 0.015	=	\$ 19,234,177	Limited for Non-Voted Debt	Balance Available	\$ 6,224,177
Balance Available for Voted Debt				\$	12,822,785

BOND DEBT TO MATURITY						
General Obligation (GO)				Revenue Bonds		
Year	Principal	Interest	Total	Principal	Interest	Total
	-	-	-	-	-	-
2011	2,585,000	470,498	3,055,498	383,000	107,969	490,969
2012	550,000	453,123	1,003,123	396,000	92,546	488,546
2013	500,000	435,765	935,765	414,000	76,521	490,521
2014	515,000	419,365	934,365	429,000	62,238	491,238
2015	535,000	401,110	936,110	443,000	47,438	490,438
2016	550,000	381,505	931,505	457,000	32,154	489,154
2017	570,000	360,943	930,943	475,000	16,388	491,388
2018	485,000	338,828	823,828	-	-	-
2019	500,000	319,626	819,626	-	-	-
2020	525,000	298,850	823,850	-	-	-
2021	545,000	276,860	821,860	-	-	-
2022	565,000	253,856	818,856	-	-	-
2023	590,000	229,963	819,963	-	-	-
2024	615,000	204,990	819,990	-	-	-
2025	650,000	176,275	826,275	-	-	-
2026	295,000	146,015	441,015	-	-	-
2027	305,000	130,870	435,870	-	-	-
2028	320,000	115,188	435,188	-	-	-
2029	335,000	98,700	433,700	-	-	-
2030	355,000	80,475	435,475	-	-	-
2031	355,000	61,600	416,600	-	-	-
2032	370,000	42,075	412,075	-	-	-
2033	395,000	21,725	416,725	-	-	-
TOTAL	13,010,000	5,718,205	18,728,205	2,997,000	435,254	3,432,254

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¹ 2011 Principle and interest payments assume repayment of the full \$2.0M Line of Credit facility. As of 12/31/10 only \$1.2M of the total LOC has been utilized.

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SOURCES OF FUNDING

RESERVES

Historically, whenever possible, the City of Poulsbo has utilized a “pay-as-you-go” approach to funding capital projects. To that end, several reserve accounts have been established.

Utility Reserves: The City transfers into the utility reserves an amount equal to 100% of the depreciation expense which allows the City to prolong the need to go out for debt on smaller projects, and be able to fund the entire project.

Police Reserves: These reserves are in place to purchase, or at least partially fund, large equipment purchases.

Street, Street Reserve and Park Reserve Funds: Of the City’s property taxes collected in the General Fund, the City transfers 31% into the Street Fund to fund maintenance and operations along with small street projects, 4.3% into the Park Reserve Fund and 4.3% into the Street Reserve Fund for capital projects. The City will transfer 14% of the previous reserved capacity of property tax levies to Street Reserves (Fund 311). This amount has been segregated for future maintenance and transportation projects. However, to make more funds available for operations in 2011, all these transfers have been reduced by 50%. The City also uses the first one-quarter percent (1/4%) of the Real Estate Excise Tax (REET) for City streets. The City will transfer the first on-quarter percent (1/4%) of REET to the Debt Service Fund (204) to help fund the City Hall Debt Service (\$250,000). As revenues are projected to be less than the amount planned to support the debt, the reserves will be reduced to help support the transfer. The transfer will be reduced by \$75,000 to account for the revenue received from the County for their portion of the debt and \$5,000 to account for the revenue shortfall.

BOND FINANCING

In 2003, the City went out for debt to fund the refinancing of the city hall Morris property and three city transportation projects; Finn Hill Road, 10th Avenue and Caldart Avenue. To fund the annual payments, a transfer is made from the General Fund.

At the end of 2005 the City issued bonds for the purchase of a large parcel of land, civil site work and an architectural design contract for a new city hall. In 2009, the City issued an additional \$6 million to fund the construction of the new City Hall. The 2011 bond payments are projected to be paid from general fund dollars and real estate excise tax earnings. In 2010, the City secured a \$2.0M Line of Credit facility intended to bridge the receipt of proceeds from the sale of property and/or issuance of bonds.

In 2010, the City financed the \$310,000 purchase of the Park and Recreation building with a LOCAL certificate of participation with the State of Washington. These debt payments are projected to be paid from the General Fund but funded by rental revenue from the building.

IMPACT FEES

Developers are assessed traffic impact fees based on the estimated impact their projects will have on the flow of traffic in the area near the project. The traffic impact fees are used to support street improvements in the area of the assessment. Park impact fees are assessed for park improvements as a means of compliance with State Environmental Protection Act (SEPA) and are used for the acquisition of land or capital improvements to be used for public purposes.

POTENTIAL NEW FUNDING

It is particularly important to consider new sources of funding that could support projects that would otherwise be funded through the City's General Fund including:

Hotel/Motel Tax: The City could use the additional amount remaining of the second 2% to fund projects that would qualify for this tax use (i.e. Bathrooms, cultural arts, etc.)

B & O Tax: The City is currently part of the minority of cities in the State of Washington that do not impose a business and occupation (B & O) tax. All cities are authorized to establish such a tax and doing so could generate additional dollars annually for capital projects.

Parking Fees: At this time, public parking in the City is provided at no cost. In the future, the City could establish parking fees to fund future parking improvements.

CITY OF POULSBO

**SUMMARY OF CAPITAL PROJECTS and FUNDING SOURCES
2011 - 2016 CIP BUDGET**

General Purpose Projects								
Projects	Prior Years	2011	2012	2013	2014	2015	2016	Total
General/Municipal Facilities	\$ 1,700,000	\$ 120,000	\$ 20,000	\$ 520,000	\$ 2,664,530	\$ 2,235,670	\$ 1,100,000	\$ 8,360,200
Park Projects	\$ 3,235,698	110,000	545,000	551,500	425,000	-	-	\$ 4,867,198
Total General Purpose	\$ 4,935,698	\$ 230,000	\$ 565,000	\$1,071,500	\$ 3,089,530	\$ 2,235,670	\$ 1,100,000	\$ 13,227,398
Funding	Prior Years	2011	2012	2013	2014	2015	2016	Total
Grants	\$ 1,967,964	\$ 45,000	\$ 45,000	\$ 400,000	\$ 400,000	\$ -	\$ -	\$ 2,857,964
City Revenues	\$ 2,380,709	175,000	520,000	671,500	25,000	-	-	\$ 3,772,209
Debt	\$ 310,000	-	-	-	2,664,530	2,235,670	-	\$ 5,210,200
Lease/Sale	\$ -	-	-	-	-	-	1,100,000	\$ 1,100,000
Donation/In-Kind	\$ 277,025	10,000	-	-	-	-	-	\$ 287,025
Total General Purpose	\$ 4,935,698	\$ 230,000	\$ 565,000	\$1,071,500	\$ 3,089,530	\$ 2,235,670	\$ 1,100,000	\$ 13,227,398

Transportation Projects								
Projects	Prior Years	2011	2012	2013	2014	2015	2016	Total
Streets Projects	\$ 954,000	\$1,330,000	\$ 950,000	\$ 700,000	\$ 1,476,000	\$ 600,000	\$ 450,000	\$ 6,460,000
Pedestrian/Bicycle	\$ -	-	-	-	-	-	-	\$ -
Total Trans. Projects	\$ 954,000	\$1,330,000	\$ 950,000	\$ 700,000	\$ 1,476,000	\$ 600,000	\$ 450,000	\$ 6,460,000
Funding	Prior Years	2011	2012	2013	2014	2015	2016	Total
Grants	\$ 619,000	\$ 805,000	\$ 530,000	\$ -	\$ 400,000	\$ -	\$ -	\$ 2,354,000
City Revenues	\$ 335,000	525,000	420,000	700,000	1,076,000	600,000	450,000	\$ 4,106,000
Total Trans. Projects	\$ 954,000	\$1,330,000	\$ 950,000	\$ 700,000	\$ 1,476,000	\$ 600,000	\$ 450,000	\$ 6,460,000

Enterprise Projects								
Projects	Prior Years	2011	2012	2013	2014	2015	2016	Total
Sewer Projects	\$ 180,000	\$ 740,000	\$ 941,000	\$ 578,000	\$ 610,000	\$ 730,000	\$ 1,620,000	\$ 5,399,000
Water Projects	\$ -	467,000	1,050,000	1,137,000	1,567,000	1,492,000	1,436,000	\$ 7,149,000
Storm Drain	\$ 86,000	441,000	610,000	383,000	57,000	32,000	94,000	\$ 1,703,000
Solid Waste	\$ 25,000	125,000	-	-	-	-	-	\$ 150,000
Total Enterprise Projects	\$ 291,000	\$1,773,000	\$ 2,601,000	\$2,098,000	\$ 2,234,000	\$ 2,254,000	\$ 3,150,000	\$ 14,401,000
Funding	Prior Years	2011	2012	2013	2014	2015	2016	Total
Grants	\$ -	\$ 270,000	\$ 400,000	\$ 200,000	\$ 110,000	\$ -	\$ -	\$ 980,000
City Revenues	\$ 291,000	1,503,000	2,201,000	1,898,000	2,124,000	2,254,000	3,150,000	\$ 13,421,000
Developer/Unknown Funding	\$ -	-	-	-	-	-	-	\$ -
Total Enterprise Projects	\$ 291,000	\$1,773,000	\$ 2,601,000	\$2,098,000	\$ 2,234,000	\$ 2,254,000	\$ 3,150,000	\$ 14,401,000

CITY OF POULSBO

2011-2016 CITY IMPROVEMENT PLAN

GENERAL PURPOSE PROGRAM

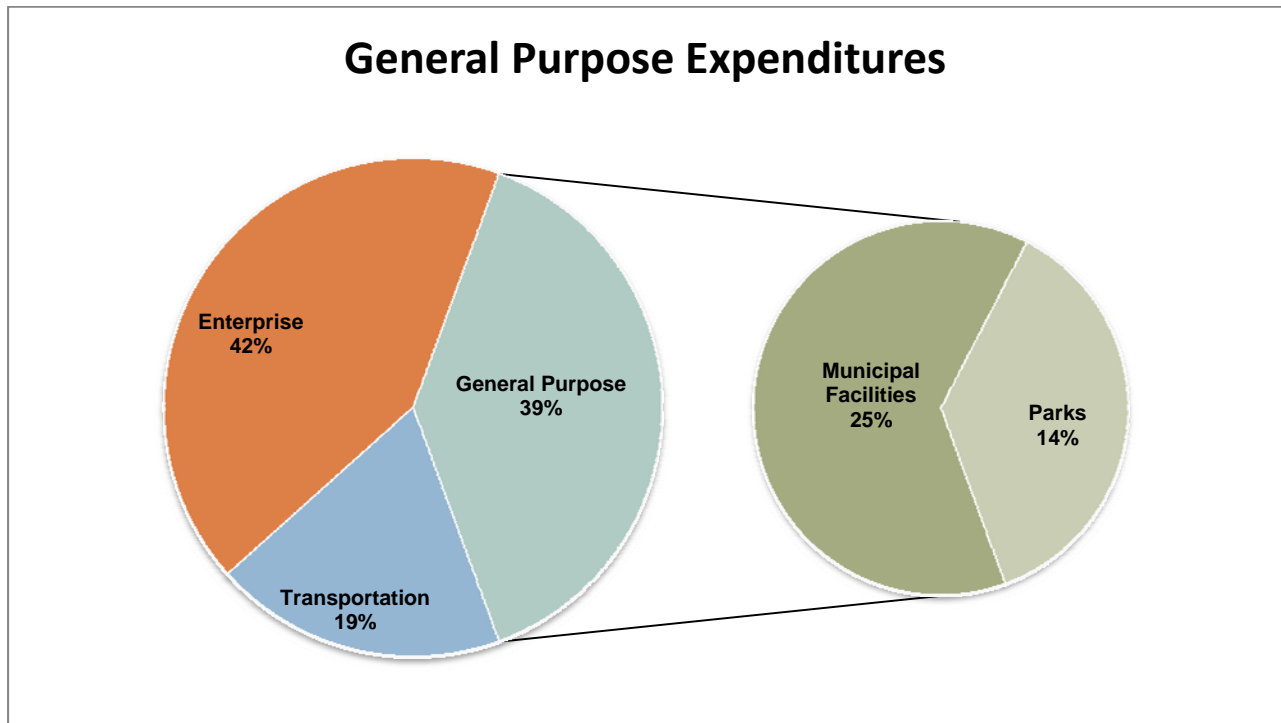


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GENERAL PURPOSE PROGRAM

The General Purpose Program element of the City Improvement Plan comprises Police, Parks & Recreation and General Government projects. Combined, they represent \$13,227,398 or 39% of the \$34,088,398 proposed City Improvement Plan. Of the 39%, \$4,867,198 represents park projects that rely heavily on grant funding.

In 2010, the City purchased the current building used for Parks and Recreation. Necessary improvements to this facility will be staged over the next several years.



CITY IMPROVEMENT PLAN PROGRAM	AMOUNT
General Purpose	\$13,227,398
Transportation	\$ 6,460,000
Enterprise	\$14,401,000
TOTAL CAPITAL PROGRAM	\$34,088,398

2011 - 2016 GENERAL PURPOSE CAPITAL IMPROVEMENTS

Page #	Project Name	Prior Years	2011 Project Cost	2012 Project Cost	2013 Project Cost	2014 Project Cost	2015 Project Cost	2016 Project Cost	Total Project Cost
General Projects/Municipal Facilities									
14	Parks & Rec Building	\$ 600,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ -	\$ -	\$ -	\$ 660,000
	<i>6-Non-Voted Bonds</i>	310,000	-	-	-	-	-	-	
	<i>7- City/Utility Reserves</i>	290,000	20,000	20,000	20,000	-	-	-	
15	PW Complex Relocation	1,100,000	100,000	-	500,000	2,664,530	2,235,670	1,100,000	7,700,200
	<i>6-Non-Voted Bonds</i>	-	-	-	-	2,664,530	2,235,670	-	
	<i>7- City/Utility Reserves</i>	1,100,000	100,000	-	500,000	-	-	-	
	<i>11-Sale of PW Prop</i>	-	-	-	-	-	-	1,100,000	
	Total Munciple Facility Projects	\$ 1,700,000	\$ 120,000	\$ 20,000	\$ 520,000	\$ 2,664,530	\$ 2,235,670	\$ 1,100,000	\$ 8,360,200
	Total Munciple Facility Funding Sources	1,700,000	120,000	20,000	520,000	2,664,530	2,235,670	1,100,000	8,360,200
	<i>6- Non-Voted Bonds</i>	310,000	-	-	-	2,664,530	2,235,670	-	5,210,200
	<i>7 - City/Utility Reserves</i>	1,390,000	120,000	20,000	520,000	-	-	-	2,050,000
	<i>11 - Sale of Property</i>	-	-	-	-	-	-	1,100,000	1,100,000

2011 - 2016 GENERAL PURPOSE CAPITAL IMPROVEMENTS (continued)

Page #	Project Name	Prior Years	2011 Project Cost	2012 Project Cost	2013 Project Cost	2014 Project Cost	2015 Project Cost	2016 Project Cost	Total Project Cost
Park Projects									
16	American Legion Park Asphalt Trail Improvement	\$ -	\$ 20,000	\$ 105,000	\$ -	\$ -	\$ -	\$ -	\$ 125,000
	7-City/Utility Reserves	-	20,000	105,000	-	-	-	-	
17	Centennial Park	860,308	-	150,000	61,500	-	-	-	1,071,808
	7-City/Utility Reserves	214,308	-	25,000	25,000	-	-	-	
	8 - City Impact Fees	46,000	-	125,000	36,500	-	-	-	
	10-Real Estate Excse Tax	600,000	-	-	-	-	-	-	
18	Poulsbo Fish Park Restoration	2,375,390	25,000	130,000	25,000	-	-	-	2,555,390
	1-Federal Grants	150,000	-	-	-	-	-	-	
	2-State Grants	1,817,964	-	-	-	-	-	-	
	7-City/Utility Reserves	130,401	25,000	25,000	25,000	-	-	-	
	8 - City Impact Fees	-	-	105,000	-	-	-	-	
	13-Donation/In-Kind	277,025	-	-	-	-	-	-	
19	College Marketplace Athletic Fields	-	-	115,000	465,000	425,000	-	-	1,005,000
	2-State Grants	-	-	-	400,000	400,000	-	-	
	7-City/Utility Reserves	-	-	-	25,000	25,000	-	-	
	8-City Impact Fees	-	-	115,000	40,000	-	-	-	
20	Liberty Bay Waterfront Trail	-	65,000	45,000	-	-	-	-	110,000
	1-Federal Grants	-	45,000	45,000	-	-	-	-	
	7-City/Utility Reserves	-	10,000	-	-	-	-	-	
	13 - Donation/In-Kind	-	10,000	-	-	-	-	-	
Total Park and Recreation Projects		\$ 3,235,698	\$ 110,000	\$ 545,000	\$ 551,500	\$ 425,000	\$ -	\$ -	\$ 4,867,198
Total Park and Recreation Funding Sources		\$ 3,235,698	110,000	545,000	551,500	425,000	-	-	\$ 4,867,198
	1 - Federal Grants	150,000	45,000	45,000	-	-	-	-	240,000
	2 - State Grants	1,817,964	-	-	400,000	400,000	-	-	2,617,964
	7 - City/Utility Reserves	344,709	55,000	155,000	75,000	25,000	-	-	654,709
	8 - City Impact Fees	46,000	-	345,000	76,500	-	-	-	467,500
	10 - Real Estate Excse Tax	600,000	-	-	-	-	-	-	600,000
	13 - Donation/In-Kind	277,025	10,000	-	-	-	-	-	287,025
Total General Purpose Capital Projects		\$ 4,935,698	\$ 230,000	\$ 565,000	\$ 1,071,500	\$ 3,089,530	\$ 2,235,670	\$ 1,100,000	\$ 13,227,398
Total General Purpose Funding Sources		\$ 4,935,698	\$ 230,000	\$ 565,000	\$ 1,071,500	\$ 3,089,530	\$ 2,235,670	\$ 1,100,000	\$ 13,227,398

Project Name: Public Works Complex Relocation

Project Description

Budget: \$7,700,200 **Purpose:** General Purpose
Location: N. Viking Road **Project Manager:** Barry Loveless
Description: Relocation of the Public Works complex.
Justification: Upgrade of facilities (poor condition, drainage problems) and relocate to area where there is less conflict with nearby public uses.
Start Date: 2010 **Completion Date:** 2016

Capital Funding

Sources of Funding

		Prior Years	Six-Year Plan						Total	
			2010	2011	2012	2013	2014	2015		2016
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
6	Non-Voted Bonds					-	2,664,530	2,235,670		4,900,200
7	City/Utility Reserves	1,100,000		100,000		500,000				
11	Sale of PW Prop							-	1,100,000	1,100,000
	Total	1,100,000	-	100,000	-	500,000	2,664,530	2,235,670	1,100,000	7,700,200

Capital Costs

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Planning & Design					500,000				500,000
	Land/ Right of Way	1,100,000								1,100,000
	Construction			100,000			2,664,530	2,235,670	1,100,000	6,100,200
	Management									-
	Total	1,100,000	-	100,000	-	500,000	2,664,530	2,235,670	1,100,000	7,700,200

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years	Six-Year Plan						Total Costs	
			2009	2010	2011	2012	2013	2014		2015
	Operating							37,777	39,060	76,837
	Debt							348,500	348,500	697,000
	Total	-	-	-	-	-	-	386,277	387,560	773,837

Project Name: Centennial Park

Project Description

Budget: \$1,071,808

Purpose: Parks

Location:

Project Manager: Mary McCluskey

Description: The 2.5 acre parcel, located at the corner of 7th Avenue and Iverson Street, was purchased in 2000 by the City for future offices. Because Dogfish Creek runs through the property and subsequent Critical Areas Ordinance guidelines, building new structures on this site is not feasible. It was retained as an urban park because of its proximity to shopping, medical offices, the library, and public transportation. A master plan was completed in 2007 and development began in 2008 with clearing and the installation of the Centennial sculpture. Phase 2 included more development including picnic talbes, landscaping and a bridge over the creek.

Justification: In the center of the city; connectivity to other public services; a nice, urban setting.

Start Date: 2006

Completion Date: 2012

Capital Funding

Sources of Funding

		Prior Years	Six-Year Plan						Total	
			2010	2011	2012	2013	2014	2015		2016
1	Federal Grants									-
2	State Grants									-
6	Non-Voted Bonds									-
7	City/Utility Reserves	214,308			25,000	25,000				264,308
8	City Impact Fees	45,000	1,000		125,000	36,500				207,500
10	Real Estate Excise Tax	600,000			-					600,000
	Total	859,308	1,000	-	150,000	61,500	-	-	-	1,071,808

Capital Costs

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Planning & Design	53,930		-						53,930
	Land/ Right of Way	600,000								600,000
	Construction	200,378	1,000		120,000	76,500				397,878
	Management	5,000			10,000	5,000				20,000
	Total	859,308	1,000	-	130,000	81,500	-	-	-	1,071,808

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Operating		1,000	1,000	1,000	1,200	1,200	1,200	1,200	7,800
	Debt									-
	Total	-	1,000	1,000	1,000	1,200	1,200	1,200	1,200	7,800

Project Name: Poulso's Fish Park Property Restoration

Project Description

Budget: \$2,555,390 **Purpose:** Parks
Location: **Project Manager:** Mary McCluskey
Description: With an additional land donation in 2008, the nature park is now 20.77 acres in size. A master plan was completed in 2004, and development has included public access trails and boardwalk, interpretive areas and signage, restoration of the estuary and uplands, wildlife viewing platforms, educational opportunities and information. Partnerships between the City and local organizations, business, schools and individuals has made this park a natural draw in an urban setting.
Justification: Planned public access into wildlife areas is important to the survival of the vegetation and wildlife. This area will be important for salmon species viewing and educational opportunities. The land was purchased in 2002.
Start Date: 2003 **Completion Date:** 2013

Capital Funding

Sources of Funding

		Prior Years	Six-Year Plan						Total	
			2010	2011	2012	2013	2014	2015		2016
1	Federal Grants	150,000								150,000
2	State Grants	1,817,964								1,817,964
3	County									-
7	City/Utility Reserves	105,401	25,000	25,000	25,000	25,000				205,401
8	City Impact Fees	-			105,000					105,000
13	Donation/In-Kind	277,025			-					277,025
	Total	2,350,390	25,000	25,000	130,000	25,000	-	-	-	2,555,390

Capital Costs

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Planning & Design	50,000	-							50,000
	Land/ Right of Way	980,000								980,000
	Construction	1,269,390	20,000	20,000	120,000	20,000				1,449,390
	Management	51,000	5,000	5,000	10,000	5,000				76,000
	Total	2,350,390	25,000	25,000	130,000	25,000	-	-	-	2,555,390

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Operating		500	500	500	500	500	500	500	3,500
	Debt									-
	Total	-	500	500	500	500	500	500	500	3,500

Project Name: College Marketplace Athletic Fields

Project Description

Budget: \$1,005,000 **Purpose:** Parks
Location: **Project Manager:** Mary McCluskey
Description: This project recognizes that the City of Poulsbo is deficient in the number of ballfields it owns (0), and development of additional athletic fields is necessary. This project plans for development of two multi-use fields and parking on the 7-acre site at \$450,000 per field. Partnerships will be encouraged to develop the property.

Justification: The community is growing quickly, and over 7,000 students attend NK Schools. All community recreation programs are held at school district fields. The demand for youth and adult programs far outweigh the facilities available to host these programs.

Start Date: 2012 **Completion Date:** 2012

Capital Funding

Sources of Funding

		Prior Years	Six-Year Plan						Total	
			2010	2011	2012	2013	2014	2015		2016
1	Federal Grants									-
2	State Grants					400,000	400,000			800,000
3	County									-
7	City/Utility Reserves					25,000	25,000			50,000
8	City Impact Fees	-			115,000	40,000				155,000
-	-									-
	Total	-	-	-	115,000	465,000	425,000	-	-	1,005,000

Capital Costs

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Planning & Design				25,000	40,000				65,000
	Land/ Right of Way									-
	Construction				85,000	400,000	400,000			885,000
	Management				5,000	25,000	25,000			55,000
	Total	-	-	-	115,000	465,000	425,000	-	-	1,005,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name:

Liberty Bay Waterfront Trail

Project Description

Budget: \$110,000

Purpose: Parks

Location: Waterfront trail

Project Manager: Mary McCluskey

Description: Development of a 1 mile continuous trail along the waterfront from Liberty Bay Park to the south city limits on Viking Avenue. This may include constructing a boardwalk, acquiring easements on private property or purchasing additional properties. It will be completed in phases.

Justification: Poulsbo has pieces of the trail in place and public access easements that can be developed. This is an economic driver for citizens and visitors.

Start Date: 2011

Completion Date: 2012

Capital Funding

Sources of Funding

		Prior Years	Six-Year Plan						Total	
			2010	2011	2012	2013	2014	2015		2016
1	Federal Grants			45,000	45,000					90,000
2	State Grants									-
3	County									-
4	PWTF									-
7	City/Utility Reserves	-		10,000						10,000
13	Donation/In-Kind			10,000						10,000
	Total	-		65,000	45,000					110,000

Capital Costs

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Planning & Design			65,000	45,000					110,000
	Land/ Right of Way									-
	Construction									-
	Management									-
	Total	-		65,000	45,000					110,000

Estimated Impact on Future Operating Budgets

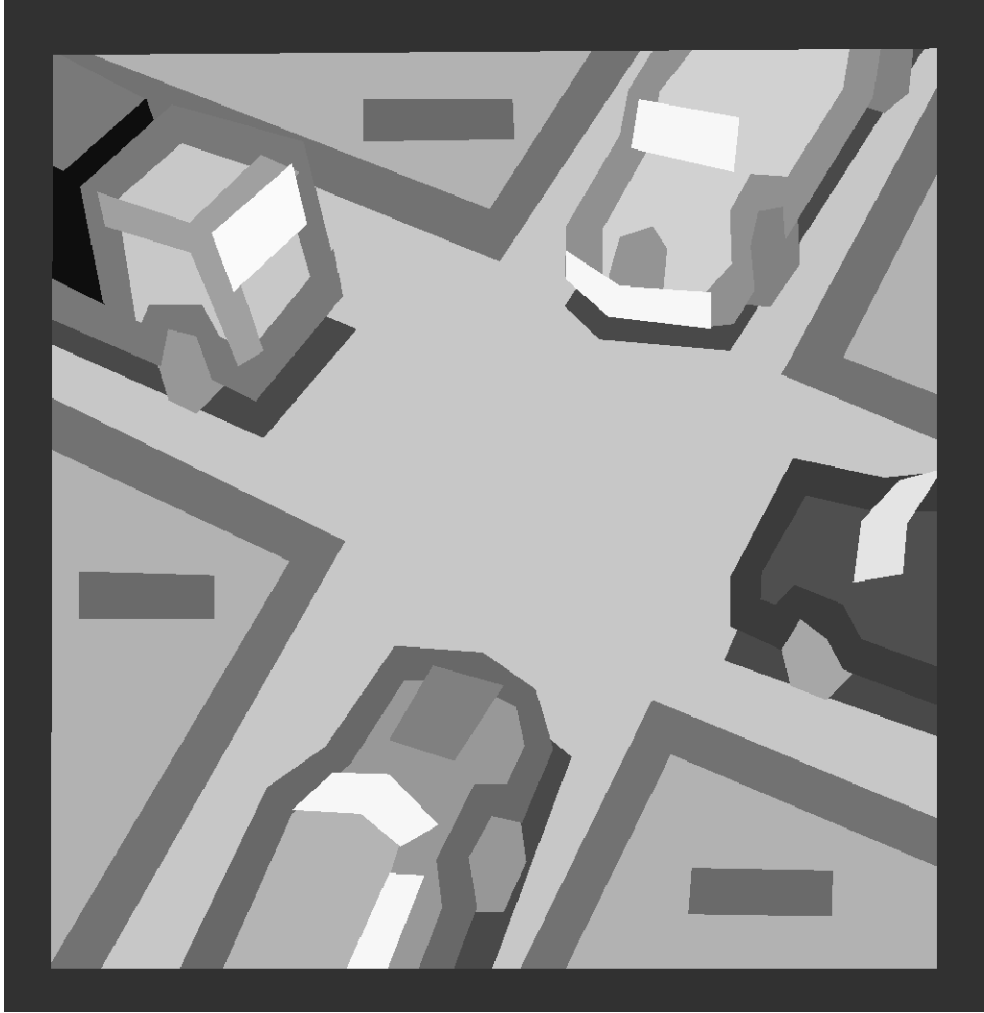
Notes:

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Operating					5,000	5,000	5,000	5,000	20,000
	Debt									-
	Total	-		-	-	5,000	5,000	5,000	5,000	20,000

CITY OF POULSBO

2011-2016 CITY IMPROVEMENT PLAN

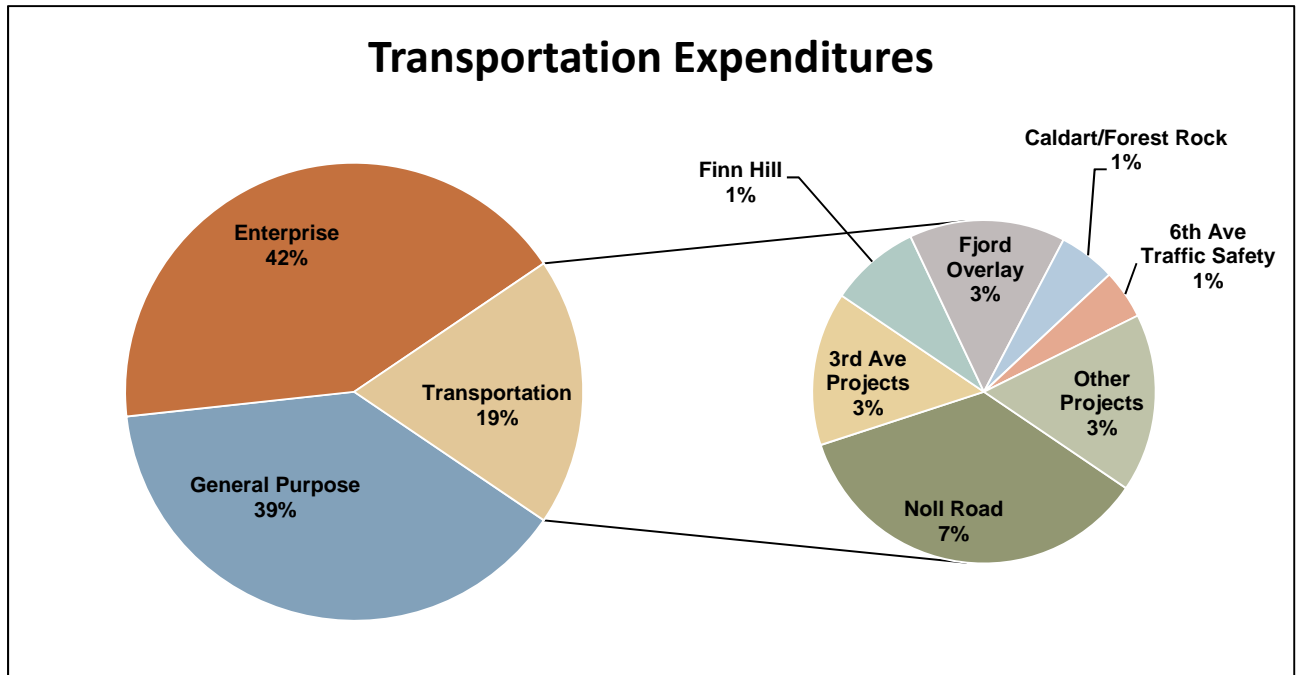
**TRANSPORTATION
PROGRAM**



CITY OF POULSBO
2011-2016 City Improvement Plan

TRANSPORTATION PROGRAM

The Transportation Program element of the City Improvement Plan comprises all vehicle and pedestrian transportation projects including roadways, alleys, sidewalks and traffic lighting/signals. The transportation projects will help traffic flow through the city and enhance pedestrian safety with new sidewalks. Combined they represent \$6,460,000 or 19% of the \$34,088,398 City Improvement Plan. The projects listed in the Transportation Program are projects from the TIP that have established and available funding.



CITY IMPROVEMENT PLAN PROGRAM	AMOUNT
General Purpose	\$13,227,398
Transportation	\$ 6,460,000
Enterprise	\$14,401,000
TOTAL CAPITAL PROGRAM	\$34,088,398

2011 - 2016 TRANSPORTATION CAPITAL IMPROVEMENTS

Page #	Project Name	Prior Years	2011 Project Cost	2012 Project Cost	2013 Project Cost	2014 Project Cost	2015 Project Cost	2016 Project Cost	Total Project Cost
Street Projects									
23	Noll Road Improvements	\$ 894,000	\$ 100,000	\$ 700,000	\$ 100,000	\$ 500,000	\$ -	\$ -	\$ 2,294,000
	1-Federal Grants	619,000	-	450,000		400,000		-	
	7-City/Utility Reserves	275,000	50,000						
	8-City Impact Fees	-	50,000	250,000	100,000	100,000		-	
24	3rd Ave Reconstruction - Moe to Iverson	60,000	300,000						360,000
	7-City/Utility Reserves	60,000	300,000						
25	3rd Ave Reconstruction - Moe to Hostmark		30,000	45,000	500,000				575,000
	7 - City/Utility Reserves		30,000	45,000	500,000				
26	Finn Hill Reconstruction				100,000	450,000			550,000
	8-City Impact Fees				100,000	450,000			
27	7th Ave Overlay - 8th to Liberty					160,000			160,000
	7-City/Utility Reserves					160,000			
28	Lincoln Rd Reconstruction - PS&E					100,000	100,000		200,000
	8-City Impact Fees					100,000	100,000		
29	Caldart Ave./Forest Rock Lane Overlay		-	80,000	-	266,000	-	-	346,000
	7-City/Utility Reserves			80,000		266,000			
30	Fjord Rd. Overlay - Hostmark to C/L						500,000	450,000	950,000
	7-City/Utility Reserves						500,000	450,000	
31	6th Avenue Traffic Safety Improvements		300,000	-					300,000
	2 - State Grants		250,000						
	7-City/Utility Reserves		50,000	-					
32	Hostmark 5ft sidew alk/bike lane		30,000	20,000	-	-	-	-	50,000
	7-City/Utility Reserves		30,000	20,000					
33	Liberty Bay Waterfront Trail		95,000	105,000	-	-	-	-	200,000
	1-Federal Grants		80,000	80,000					
	7-City/Utility Reserves		15,000	25,000					
34	Emergency Fjord Drive Bank Repair		475,000	-	-	-	-	-	475,000
	1-Federal Grants		475,000						
Total Transportation Capital Projects		\$ 954,000	\$ 1,330,000	\$ 950,000	\$ 700,000	\$ 1,476,000	\$ 600,000	\$ 450,000	\$ 6,460,000
Total Transportation Capital Funding Sources		954,000	\$ 1,330,000	\$ 950,000	\$ 700,000	\$ 1,476,000	\$ 600,000	\$ 450,000	\$ 6,460,000
	1 - Federal Grants	619,000	555,000	530,000	-	400,000	-	-	2,104,000
	2 - State Grants	-	250,000	-	-	-	-	-	250,000
	7 - City/Utility Reserves	335,000	475,000	170,000	500,000	426,000	500,000	450,000	2,856,000
	8 - City Impact Fees	-	50,000	250,000	200,000	650,000	100,000	-	1,250,000

Project Name: Noll Road Improvements

Project Description

Budget: \$2,294,000 **Purpose:** Transportation
Location: Noll Road **Project Manager:** Andrzej Kasiniak, P.E.
Description: Project will be implemented in several phases. Phase I (2010/2011) will include construction of pedestrian and bicycle improvements between Pousbo Middle School and Pousbo Elementary School; Phase II (2012 - \$450,000) will include the roundabout (Noll/Lincoln intersection); Phase III (2012/2014) will include the roadway improvements between Deer Run Plat and SR 305 (PE and R/W only).
Justification: The project will increase roadway capacity and improve safety.
Start Date: 2008 **Completion Date:** 2014

Capital Funding

Sources of Funding

		Prior Years	Six-Year Plan						Total	
			2010	2011	2012	2013	2014	2015		2016
1	Federal Grants		619,000		450,000		400,000			1,469,000
2	State Grants									-
3	County									-
4	PWTF									-
7	City/Utility Reserves	113,839	161,161	50,000						325,000
8	City Impact Fees			50,000	250,000	100,000	100,000			500,000
	Total	113,839	780,161	100,000	700,000	100,000	500,000	-	-	2,294,000

PSRC - \$219,000, ARRA Viking Phase II - \$245,000, ARRA Viking Phase III A - \$155,000 = \$619,000

Capital Costs

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Planning & Design	113,839	161,161		200,000	100,000				575,000
	Land/ Right of Way						500,000			500,000
	Construction		619,000	50,000	450,000					1,119,000
	Management			50,000	50,000					100,000
	Total	113,839	780,161	100,000	700,000	100,000	500,000	-	-	2,294,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: 3rd Ave Reconstruction - Moe to Iverson

Project Description

Budget: \$360,000 **Purpose:** Transportation
Location: 3rd Ave. **Project Manager:** Andrzej Kasiniak, P.E.
Description: The project includes the following elements: Sidewalk & Curb on one side, Pavement Repairs, Pavement Overlay, and Striping.
Justification: The project will improve safety, extend life of the city streets, and reduce street maintenance cost. The project is financed by the Pavement Restoration Program and City Reserve Fund.
Start Date: 2010 **Completion Date:** 2011

Capital Funding

Sources of Funding

		Prior Years	Six-Year Plan						Total	
			2010	2011	2012	2013	2014	2015		2016
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves		60,000	300,000						360,000
	Total	-	60,000	300,000	-	-	-	-	-	360,000

Capital Costs

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Planning & Design		50,000							50,000
	Land/ Right of Way									-
	Construction			280,000						280,000
	Management		10,000	20,000						30,000
	Total	-	60,000	300,000	-	-	-	-	-	360,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: 7th Ave Overlay - 8th to Liberty

Project Description

Budget: \$160,000 **Purpose:** Transportation
Location: 7th Avenue **Project Manager:** Andrzej Kasiniak, P.E.
Description: The program is designed to overlay the streets listed in the "City Wide Pavement Management Program" table. The project includes the following elements: Pavement Repairs, Pavement Overlay, and Striping.
Justification: The project will improve safety, extend life of the city streets, and reduce street maintenance cost. The project is financed by the Pavement Restoration Program.
Start Date: 2014 **Completion Date:** 2014

Capital Funding

Sources of Funding

		Prior Years	Six-Year Plan						Total	
			2010	2011	2012	2013	2014	2015		2016
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves					-	160,000			160,000
	Total	-	-	-	-	-	160,000	-	-	160,000

Capital Costs

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Planning & Design									-
	Land/ Right of Way									-
	Construction					-	150,000			150,000
	Management					-	10,000			10,000
	Total	-	-	-	-	-	160,000	-	-	160,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: 6th Ave Traffic Safety Improvements/5-Way Intersection

Project Description

Budget: \$300,000 **Purpose:** Transportation
Location: 6th Avenue **Project Manager:** Andrzej Kasiniak, P.E.
Description: Project includes two phases - Phase I: 5-way intersection, Phase II will construct traffic calming devices along 6th Avenue.

Justification: Public feedback indicates speeding cars are jeopardizing safety.

Start Date: 2011 **Completion Date:** 2011

Capital Funding

Sources of Funding

		Prior Years	Six-Year Plan						Total	
			2010	2011	2012	2013	2014	2015		2016
1	Federal Grants									-
2	State Grants			250,000						250,000
3	County									-
4	PWTF									-
7	City/Utility Reserves		-	50,000						50,000
-	-									-
	Total	-	-	300,000	-	-	-	-	-	300,000

Capital Costs

	Prior Years	Six-Year Plan						Total Costs		
		2010	2011	2012	2013	2014	2015		2016	
	Planning & Design		-	20,000						20,000
	Land/ Right of Way									-
	Construction		-	260,000						260,000
	Management		-	20,000						20,000
	Total	-	-	300,000	-	-	-	-	-	300,000

Estimated Impact on Future Operating Budgets

Notes:

	Prior Years	Six-Year Plan						Total Costs		
		2010	2011	2012	2013	2014	2015		2016	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: Hostmark 5ft sidewalk/bike lane

Project Description

Budget: \$50,000 **Purpose:** Transportation
Location: Hostmark - Caldart to SR 305 **Project Manager:** Andrzej Kasiniak, P.E.
Description: Five foot wide sidewalk and five foot wide bike lane along the south side from SR 305 to Caldart Ave.
Justification: There are no sidewalks or bike lanes at this time.
Start Date: 2011 **Completion Date:** 2012

Capital Funding

Sources of Funding

		Prior Years	Six-Year Plan						Total	
			2010	2011	2012	2013	2014	2015		2016
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
7	City/Utility Reserves			30,000	20,000					50,000
-	-									-
	Total	-	-	30,000	20,000	-	-	-	-	50,000

Capital Costs

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Planning & Design			30,000	20,000					50,000
	Land/ Right of Way									-
	Construction									-
	Management									-
	Total	-	-	30,000	20,000	-	-	-	-	50,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: Liberty Bay Waterfront Trail

Project Description

Budget: \$200,000 **Purpose:** Transportation
Location: Anderson Parkway/ Fish Park **Project Manager:** Andrzej Kasiniak, P.E.
Description: Pedestrian/Bicycle Trail from Legion Park to Liberty Bay Auto Dealership.

Justification: Project will enhance pedestrian connectivity between Anderson Parkway and Fish Park

Start Date: 2011 **Completion Date:** 2012

Capital Funding

Sources of Funding

		Prior Years	Six-Year Plan						Total	
			2010	2011	2012	2013	2014	2015		2016
1	Federal Grants			80,000	80,000					160,000
2	State Grants									-
3	County									-
4	PWTF									-
7	City/Utility Reserves			15,000	25,000					40,000
-	-									-
	Total	-	-	95,000	105,000	-	-	-	-	200,000

Capital Costs

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Planning & Design			95,000	105,000					200,000
	Land/ Right of Way									-
	Construction				-					-
	Management				-					-
	Total	-	-	95,000	105,000	-	-	-	-	200,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: Emergency Fjord Drive Bank Repair

Project Description

Budget: \$475,000 **Purpose:** Transportation
Location: Fjord Drive north of Yacht Club **Project Manager:** Andrzej Kasiniak, P.E.
Description: This project will stabilize the bank on Fjord Drive. It represents the street utility contribution to the Fjord Drive Bank Repair Project. The total project cost is \$565,000.

Justification: Recently a landslide occurred on Fjord Drive. The potentially unstable area is about 200 feet long.

Start Date: 2011 **Completion Date:** 2011

Capital Funding

Sources of Funding

		Prior Years	Six-Year Plan						Total	
			2010	2011	2012	2013	2014	2015		2016
1	Federal Grants			475,000						475,000
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves		-	-	-					-
	Total		-	475,000	-	-	-	-	-	475,000

Capital Costs

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Planning & Design				-					-
	Land/ Right of Way									-
	Construction		-	425,000	-					425,000
	Management		-	50,000	-					50,000
	Total		-	475,000	-	-	-	-	-	475,000

Estimated Impact on Future Operating Budgets

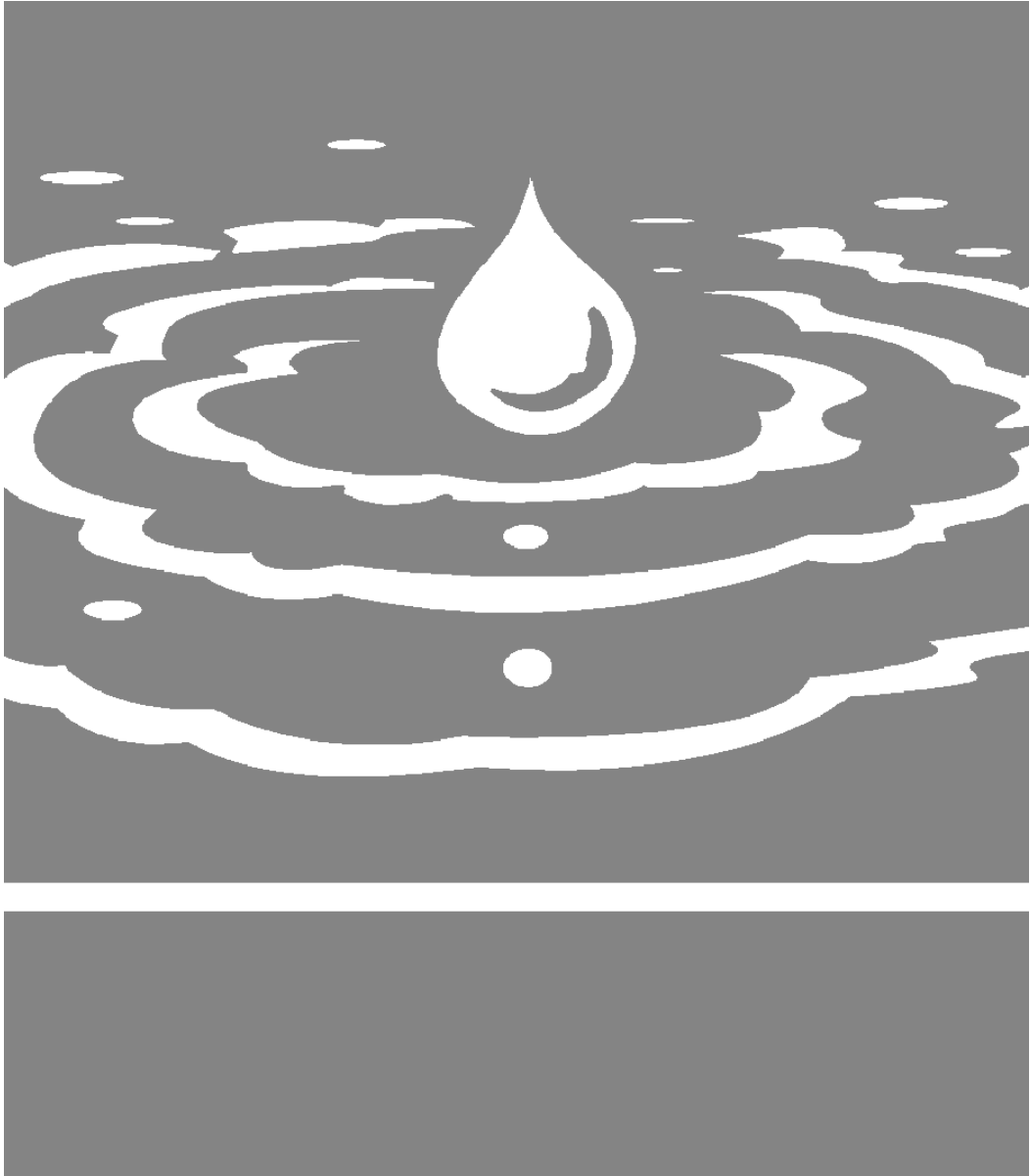
Notes:

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Operating									-
	Debt									-
	Total		-	-	-	-	-	-	-	-

CITY OF POULSBO

2011-2016 CITY IMPROVEMENT PLAN

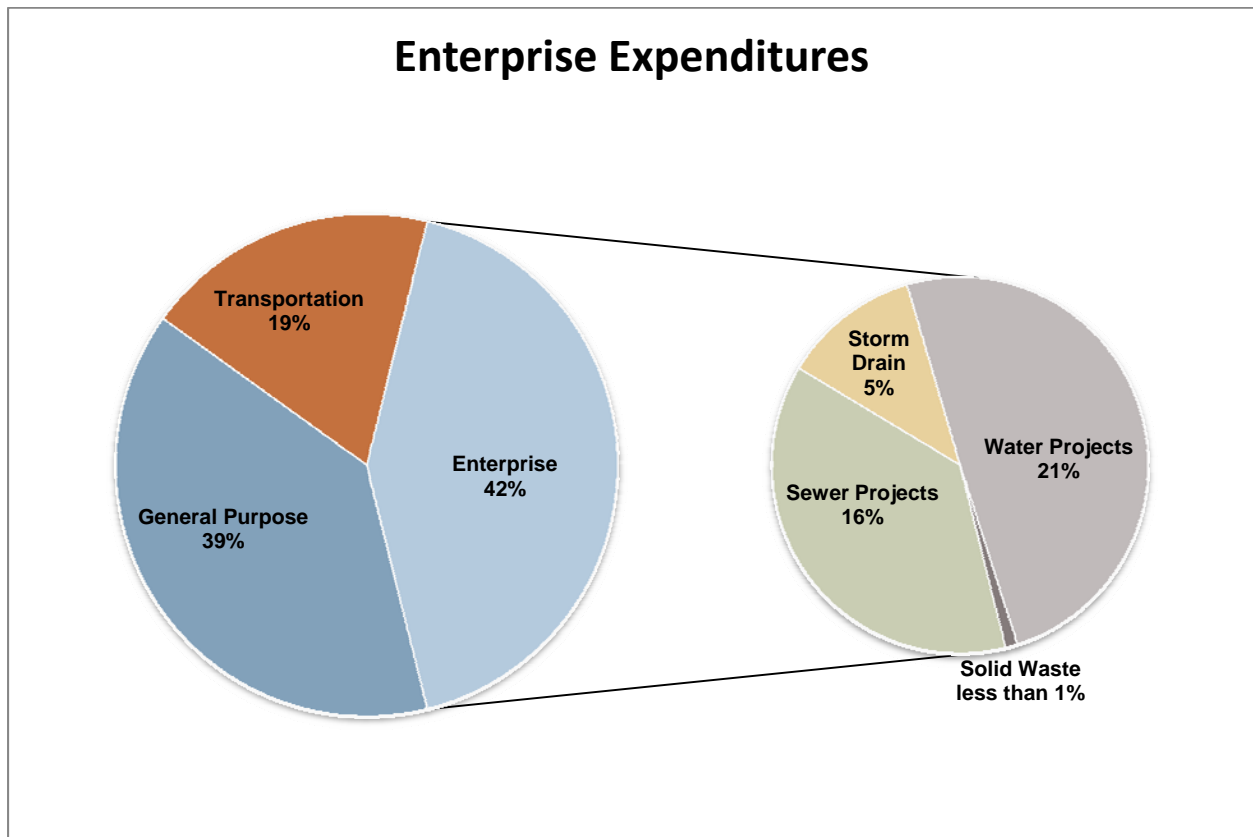
ENTERPRISE PROGRAM



CITY OF POULSBO
2011 - 2016 City Improvement Plan

ENTERPRISE PROGRAM

The Enterprise Program element of the City Improvement Plan comprises Water, Wastewater, Solid Waste and Storm Water Utility Programs. Combined, they represent \$14,401,000 or 42% of the \$34,088,398 proposed City Improvement Plan. Funding for the Enterprise projects will come from the individual utility’s reserve funds or by issuing debt supported by the rate payers of the utility.



CITY IMPROVEMENT PLAN PROGRAM	AMOUNT
General Purpose	\$13 227 398
Transportation	\$ 6,460,000
Enterprise	\$14,104,000
TOTAL CAPITAL PROGRAM	\$34,088,398

2011 - 2016 ENTERPRISE CAPITAL IMPROVEMENTS

Page #	Project Name	Prior Years	2011 Project Cost	2012 Project Cost	2013 Project Cost	2014 Project Cost	2015 Project Cost	2016 Project Cost	Total Project Cost
Sewer									
38	Annual Inflow Reduction Program	30,000	20,000	20,000	20,000				90,000
39	6th & 9th Avenue Pump Station	150,000	600,000						750,000
40	Tollefson Forcemain Upgrade		50,000						50,000
41	Poulsbo Village Pump Station Upgrade			81,000					81,000
42	Harrison Forcemain Replacement		40,000	340,000	-				380,000
43	Replace Johnson Pipe				58,000				58,000
44	I&I Effectiveness/Dow nstream Capacity Study					110,000			110,000
45	Lemolo Pipeline Improvement						50,000		50,000
46	Slipline Beach Force Main						180,000	1,120,000	1,300,000
47	Capital Facilities Charge for CK Plant			500,000	500,000	500,000	500,000	500,000	2,500,000
48	Emergency Fjord Drive Bank Repair		30,000						30,000

Total Sewer Capital Projects \$ 180,000 \$ 740,000 \$ 941,000 \$ 578,000 \$ 610,000 \$ 730,000 \$ 1,620,000 \$ 5,399,000

Funding Source	Prior Years	2011	2012	2013	2014	2015	2016	Total
1-Federal Grants	-	-	-	-	110,000	-	-	110,000
7-Sewer Reserves	180,000	740,000	941,000	578,000	500,000	730,000	1,620,000	5,289,000
Funding for Sewer Projects	\$ 180,000	\$ 740,000	\$ 941,000	\$ 578,000	\$ 610,000	\$ 730,000	\$ 1,620,000	\$ 5,399,000

Water

49	Westside Well - Treatment for Manganese		\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	100,000
50	Intrusion Alarms		22,000						22,000
51	Big Valley Wells Piping Improvements		15,000	75,000					90,000
52	Pugh Well/Lincoln #2-Treatment for Manganese		100,000						100,000
53	Hostmark Transmission Main			40,000	648,000				688,000
54	Wilderness Park Booster Station Replacement				50,000	563,000			613,000
55	Wilderness Park Transmission Main			35,000	439,000				474,000
56	Old Town - Distribution Main Replacement			-	-	350,000	350,000		700,000
57	Finn Hill Transmission Main					453,000			453,000
58	Big Valley Well #3					166,000	302,000		468,000
59	Finn Hill Booster Station					35,000	740,000		775,000
60	Big Valley - Little Valley Transmission Main		200,000	900,000					1,100,000
61	Westside Well # 2						100,000	350,000	450,000
62	Finn Hill Reservoir #2							1,086,000	1,086,000
63	Emergency Fjord Drive Bank Repair		30,000						30,000

Total Water Capital Projects \$ - \$ 467,000 \$ 1,050,000 \$ 1,137,000 \$ 1,567,000 \$ 1,492,000 \$ 1,436,000 \$ 7,149,000

Funding Source	Prior Years	2011	2012	2013	2014	2015	2016	Total
7-Water Reserves	-	467,000	1,050,000	1,137,000	1,567,000	1,492,000	1,436,000	7,149,000
Funding for Water Projects	\$ -	\$ 467,000	\$ 1,050,000	\$ 1,137,000	\$ 1,567,000	\$ 1,492,000	\$ 1,436,000	\$ 7,149,000

2011 - 2016 ENTERPRISE CAPITAL IMPROVEMENTS (continued)

Page #	Project Name	Prior Years	2011 Project Cost	2012 Project Cost	2013 Project Cost	2014 Project Cost	2015 Project Cost	2016 Project Cost	Total Project Cost
Storm Drain									
64	Dogfish Creek Restoration		50,000	350,000	300,000				700,000
65	Anderson Parkway LID Retrofit	46,000	321,000						367,000
66	Noll Rd Culvert Replacement/Bjorgen Cr Culvert	40,000		260,000					300,000
67	Replace Storm Drains in Ridgewood		40,000						40,000
68	Replace Storm Drain in Wendy Way		-		83,000				83,000
69	Norrland Drainage Ditch Replacement					57,000			57,000
70	Replace Storm Drain West of 10th Ave.						32,000		32,000
71	Repair American Legion Park Outfall							94,000	94,000
72	Emergency Fjord Drive Bank Repair		30,000						30,000

Total Storm Drain Projects \$ 86,000 \$ 441,000 \$ 610,000 \$ 383,000 \$ 57,000 \$ 32,000 \$ 94,000 \$ 1,703,000

Funding Source	Prior Years	2011	2012	2013	2014	2015	2016	Total
2-State Grants	\$ -	\$ 270,000	\$ 400,000	\$ 200,000	\$ -	\$ -	\$ -	\$ 870,000
7-Storm Drain Reserves	\$ 86,000	171,000	210,000	183,000	57,000	32,000	94,000	833,000
Funding for Storm Drain Projects	\$ 86,000	\$ 441,000	\$ 610,000	\$ 383,000	\$ 57,000	\$ 32,000	\$ 94,000	\$ 1,703,000

Solid Waste

73	Solid Waste Transfer Station	25,000	125,000	-	-	-	-	-	150,000
Total Solid Waste Projects		\$ 25,000	\$ 125,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000

Funding Source	Prior Years	2011	2012	2013	2014	2015	2016	Total
7-Solid Waste Reserves	\$ 25,000	\$ 125,000	\$ -					\$ 150,000
Funding for Solid Waste Projects	25,000	125,000	-	-	-	-	-	150,000

Total Enterprise Projects \$ 291,000 \$ 1,773,000 \$ 2,601,000 \$ 2,098,000 \$ 2,234,000 \$ 2,254,000 \$ 3,150,000 \$ 14,401,000

Total Funding Enterprise Projects \$ 291,000 \$ 1,773,000 \$ 2,601,000 \$ 2,098,000 \$ 2,234,000 \$ 2,254,000 \$ 3,150,000 \$ 14,401,000

GRAND TOTAL CIP PROJECTS	\$ 6,180,698	\$ 3,333,000	\$ 4,116,000	\$ 3,869,500	\$ 6,799,530	\$ 5,089,670	\$ 4,700,000	\$ 34,088,398
GRAND TOTAL CIP FUNDING SOURCES	\$ 6,180,698	\$ 3,333,000	\$ 4,116,000	\$ 3,869,500	\$ 6,799,530	\$ 5,089,670	\$ 4,700,000	\$ 34,088,398

Project Name: 6th & 9th Avenue Pump Station

Project Description

Budget: \$750,000 **Purpose:** Sewer
Location: 6th/9th Avenue **Project Manager:** Dan Wilson
Description: Rehabilitation and upgrade of the 6th Avenue and 9th Avenue wastewater pump stations and replacement of 6th & 9th Avenue transmission mains.
Justification: The existing infrastructure is aged and the pump stations are at capacity. Upgrade of the pump stations is required in order to ensure reliability and replace aged infrastructure and appurtenances. Additionally, this project replaces the existing force mains serving 6th Ave & 9th Ave pump stations. The existing mains have operational issues.
Start Date: 2012 **Completion Date:** 2012

Capital Funding

Sources of Funding

		Prior Years	Six-Year Plan						Total	
			2010	2011	2012	2013	2014	2015		2016
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves		150,000	600,000	-	-	-	-	-	750,000
	Total	-	150,000	600,000	-	-	-	-	-	750,000

Capital Costs

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Planning & Design		150,000							150,000
	Land/ Right of Way									-
	Construction			570,000	-	-	-	-	-	570,000
	Management			30,000						30,000
	Total	-	150,000	600,000	-	-	-	-	-	750,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: Replace Johnson Pipe

Project Description

Budget: \$58,000 **Purpose:** Sewer
Location: **Project Manager:** Dan Wilson
Description: Replace 175 fl of 18-in Reinforced Concrete Pipe with 24-in PVC.
Justification: To provide the necessary capacity within the sanitary sewer basin.
Start Date: 2012 **Completion Date:** 2013

Capital Funding

Sources of Funding

		Prior Years	Six-Year Plan						Total	
			2010	2011	2012	2013	2014	2015		2016
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves		-	-	-	58,000	-	-	-	58,000
	Total	-	-	-	-	58,000	-	-	-	58,000

Capital Costs

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Planning & Design					18,000	-			18,000
	Land/ Right of Way									-
	Construction				-	38,000	-	-	-	38,000
	Management					2,000	-			2,000
	Total	-	-	-	-	58,000	-	-	-	58,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: I & I Effectiveness & Downstream Capacity Study

Project Description

Budget: \$110,000 **Purpose:** Sewer
Location: **Project Manager:** Dan Wilson
Description: Evaluate effectiveness of I&I reduction program and if warranted prepare the design to increase the system capacity.
Justification: Evaluate effectiveness of I&I program.
Start Date: 2014 **Completion Date:** 2014

Capital Funding

Sources of Funding

		Prior Years	Six-Year Plan						Total	
			2010	2011	2012	2013	2014	2015		2016
1	Federal Grants						110,000			110,000
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves		-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	110,000	-	-	110,000

Capital Costs

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Planning & Design						110,000			110,000
	Land/ Right of Way									-
	Construction				-	-	-	-	-	-
	Management									-
	Total	-	-	-	-	-	110,000	-	-	110,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: Slipline Beach Force Main

Project Description

Budget: \$1,300,000 **Purpose:** Sewer
Location: **Project Manager:** Dan Wilson
Description: The project will slip line the existing 8-inch force main between Lindvig Pump Station and Marine Science Pump Station.
Justification: The existing forcemain had two leaks within the last three years. The rehabilitated forcemain will provide 60% redundancy for the Viking Ave Basin & Finn Hill Basin.
Start Date: 2015 **Completion Date:** 2016

Capital Funding

Sources of Funding

		Prior Years	Six-Year Plan						Total	
			2010	2011	2012	2013	2014	2015		2016
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves		-	-	-	-	-	180,000	1,120,000	1,300,000
	Total	-	-	-	-	-	-	180,000	1,120,000	1,300,000

Capital Costs

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Planning & Design							180,000		180,000
	Land/ Right of Way									-
	Construction				-	-	-	-	1,000,000	1,000,000
	Management								120,000	120,000
	Total	-	-	-	-	-	-	180,000	1,120,000	1,300,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: Capital Facilities Charge for CK Plant

Project Description

Budget: \$2,500,000 **Purpose:** Sewer
Location: **Project Manager:** Dan Wilson
Description: City's capital contribution to the Central Kitsap treatment plant as required by contract with Kitsap County.
Justification: Kitsap County contract requirement.
Start Date: 2012 **Completion Date:** 2016

Capital Funding

Sources of Funding

		Prior Years	Six-Year Plan						Total	
			2010	2011	2012	2013	2014	2015		2016
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves		-	-	500,000	500,000	500,000	500,000	500,000	2,500,000
	Total	-	-	-	500,000	500,000	500,000	500,000	500,000	2,500,000

Capital Costs

		Prior Years	Six-Year Plan						Total Costs	
			2009	2010	2011	2012	2013	2014		2015
	Planning & Design							-		-
	Land/ Right of Way									-
	Construction				500,000	500,000	500,000	500,000	500,000	2,500,000
	Management								-	-
	Total	-	-	-	500,000	500,000	500,000	500,000	500,000	2,500,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years	Six-Year Plan						Total Costs	
			2009	2010	2011	2012	2013	2014		2015
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: West Side Well Treatment for Manganese

Project Description

Budget: \$100,000 **Purpose:** Water
Location: Westside Well **Project Manager:** Dan Wilson
Description: Install treatment facility at existing Westside Well site. Water quality reports have indicated a high manganese content in the raw water (.085 mg/L manganese).
Justification: A treatment facility would reduce or eliminate the manganese in the finished water. Department of Health guidelines call for a maximum content of .05 mg/L.
Start Date: 2011 **Completion Date:** 2011

Capital Funding

Sources of Funding

		Prior Years	Six-Year Plan						Total	
			2010	2011	2012	2013	2014	2015		2016
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves			100,000						100,000
	Total	-	-	100,000	-	-	-	-	-	100,000

Capital Costs

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Planning & Design									-
	Land/ Right of Way									-
	Construction			100,000						100,000
	Management									-
	Total	-	-	100,000	-	-	-	-	-	100,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Operating			5,000	5,000	5,000	5,000	5,000		25,000
	Debt									-
	Total	-	-	5,000	5,000	5,000	5,000	5,000	-	25,000

Project Name: Intrusion Alarms

Project Description

Budget: \$22,000 **Purpose:** Water
Location: Various **Project Manager:** Dan Wilson
Description: Install intrusion alarms at several facility sites. Many sites have security provisions, such as fencing and door locks, but intrusion alarms will help quickly notify the City in the event that an unwarranted person is on the premises.
Justification: Due to heightened security concerns, intrusion alarms will help quickly notify the City in the event that an unwarranted person is in the facility.
Start Date: 2011 **Completion Date:** 2011

Capital Funding

Sources of Funding

		Prior Years	Six-Year Plan						Total	
			2010	2011	2012	2013	2014	2015		2016
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves			22,000						22,000
	Total	-	-	22,000	-	-	-	-	-	22,000

Capital Costs

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Planning & Design									-
	Land/ Right of Way									-
	Construction			22,000						22,000
	Management									-
	Total	-	-	22,000	-	-	-	-	-	22,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: Big Valley Wells Piping Improvements

Project Description

Budget: \$90,000 **Purpose:** Water
Location: Big Valley Well Site **Project Manager:** Dan Wilson
Description: Improve water supply piping at the well site to allow both wells to produce as designed without reduction in capacity with both wells in line.
Justification: Under current conditions, the two existing wells lose approximately 100 gpm when pumping simultaneously. Piping improvements are needed to reach full capacity of the wells
Start Date: 2011 **Completion Date:** 2012

Capital Funding

Sources of Funding

		Prior Years	Six-Year Plan						Total	
			2010	2011	2012	2013	2014	2015		2016
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves			15,000	75,000					90,000
	Total	-	-	15,000	75,000	-	-	-	-	90,000

Capital Costs

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Planning & Design			15,000						15,000
	Land/ Right of Way									-
	Construction				75,000					75,000
	Management									-
	Total	-	-	15,000	75,000	-	-	-	-	90,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: Hostmark Transmission Main

Project Description

Budget: \$688,000 **Purpose:** Water
Location: Hostmark Street **Project Manager:** Andrzej Kasiniak
Description: Install a transmission main between the Wilderness Park Booster Station and the East High Zone. The project consists of approximately 3,000 LF of 12-inch water main along Hostmark Street. A new pressure reducing valve station will be installed to transfer supply from the East High Zone to the Middle Zone.
Justification: This project will allow the City to transfer supply between the Low and East High Zones to improve supply redundancy to both areas.
Start Date: 2012 **Completion Date:** 2013

Capital Funding

Sources of Funding

		Prior Years	Six-Year Plan						Total	
			2010	2011	2012	2013	2014	2015		2016
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves				40,000	648,000				688,000
	Total	-	-	-	40,000	648,000	-	-	-	688,000

Capital Costs

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Planning & Design				40,000					40,000
	Land/ Right of Way									-
	Construction					608,000				608,000
	Management					40,000				40,000
	Total	-	-	-	40,000	648,000	-	-	-	688,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: Wilderness Park Booster Station Replacement

Project Description

Budget: \$613,000 **Purpose:** Water
Location: Wilderness Park **Project Manager:** Andrzej Kasiniak
Description: Construct a new booster station at the Wilderness Park Reservoir site. The new booster station will transfer supply from the Low Zone to the East High Zone to eliminate the storage deficiency in the East High Zone and provide redundancy to the Pugh and Lincoln Wells. The booster station will consist of three 750 gpm pumps, integrated control systems, standby generator, and an automatic transfer switch.
Justification: The new booster station will transfer supply from the low zone to the east high zone to eliminate the storage deficiency in the East High zone and provide redundancy to the Pugh and Lincoln wells.
Start Date: 2013 **Completion Date:** 2014

Capital Funding

Sources of Funding

		Prior Years	Six-Year Plan						Total	
			2010	2011	2012	2013	2014	2015		2016
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves				50,000	563,000				613,000
	Total	-	-	-	50,000	563,000	-	-	-	613,000

Capital Costs

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Planning & Design				-	50,000				50,000
	Land/ Right of Way									-
	Construction				-	533,000				533,000
	Management					30,000				30,000
	Total	-	-	-	50,000	563,000	-	-	-	613,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Operating					4,000	4,000	4,000		12,000
	Debt									-
	Total	-	-	-	-	4,000	4,000	4,000	-	12,000

Project Name: Wilderness Park Transmission Main

Project Description

Budget: \$474,000 **Purpose:** Water
Location: Wilderness Park **Project Manager:** Andrzej Kasiniak
Description: Replace the transmission main from the Wilderness Reservoir to the west side of SR 305. The existing water main is undersized and limits the flow to and from the reservoir. The project consists of 1,500 LF of 12-inch water main and includes a 200 LF boring beneath SR305. For planning purposes, the boring is assumed to be a 24-inch steel casing.

Justification: Existing water main is undersized and limits flow to and from the reservoir. The project will result in an increase in available fire flow to the low zone and proved water quality in the area around the reservoir.

Start Date: 2012 **Completion Date:** 2013

Capital Funding

Sources of Funding

		Prior Years	Six-Year Plan						Total	
			2010	2011	2012	2013	2014	2015		2016
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves				35,000	439,000				474,000
	Total	-	-	-	35,000	439,000	-	-	-	474,000

Capital Costs

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Planning & Design				35,000	439,000				474,000
	Land/ Right of Way									-
	Construction									-
	Management									-
	Total	-	-	-	35,000	439,000	-	-	-	474,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: Old Town - Distribution Main Replacement

Project Description

Budget: \$700,000 **Purpose:** Water
Location: Old Town Area **Project Manager:** Dan Wilson
Description: Replace the undersized and aging water mains in the "old town" area located south of downtown. This area is primarily residential although a few businesses are located along the waterfront. Existing piping serving the area is approximately 9,000 LF of 4-inch water main and 5,450 LF of 6-inch water main. This project will replace 3,140 LF of 4-inch piping with 8-inch piping along 6th Avenue and Haugen Street.

Justification: The new piping will serve as a "backbone" for the area and increase fire flow availability.

Start Date: 2014 **Completion Date:** 2015

Capital Funding

Sources of Funding

		Prior Years	Six-Year Plan						Total	
			2010	2011	2012	2013	2014	2015		2016
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves					350,000	350,000			700,000
	Total	-	-	-	-	350,000	350,000		-	700,000

Capital Costs

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Planning & Design									-
	Land/ Right of Way									-
	Construction					350,000	350,000			700,000
	Management									-
	Total	-	-	-	-	350,000	350,000		-	700,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: Finn Hill Transmission Main

Project Description

Budget: \$453,000 **Purpose:** Water
Location: Finn Hill Road **Project Manager:** Andrzej Kasiniak
Description: Install a transmission main between the Finn Hill Reservoir and Viking Avenue by constructing approximately 2,000 LF of 12-inch water main along Finn Hill Road.
Justification: Will improve fire flow availability along Viking Avenue.
Start Date: 2014 **Completion Date:** 2014

Capital Funding

Sources of Funding

		Prior Years	Six-Year Plan						Total	
			2010	2011	2012	2013	2014	2015		2016
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves					453,000				453,000
	Total	-	-	-	-	-	453,000	-	-	453,000

Capital Costs

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Planning & Design									-
	Land/ Right of Way									-
	Construction					453,000				453,000
	Management									-
	Total	-	-	-	-	-	453,000	-	-	453,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: Big Valley Well #3

Project Description

Budget: \$468,000 **Purpose:** Water
Location: Big Valley **Project Manager:** Dan Wilson
Description: Transfer the spring water rights to the deep water rights. Drill, develop and equip a 3rd well at the Big Valley site.
Justification: Additional source capacity is necessary by 2015. A new 500 gpm well will provide sufficient flows through 2025.
Start Date: 2014 **Completion Date:** 2015

Capital Funding

Sources of Funding

		Prior Years	Six-Year Plan						Total	
			2010	2011	2012	2013	2014	2015		2016
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves					166,000	302,000			468,000
	Total	-	-	-	-	166,000	302,000	-		468,000

Capital Costs

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Planning & Design									-
	Land/ Right of Way									-
	Construction					166,000	302,000			468,000
	Management									-
	Total	-	-	-	-	166,000	302,000	-		468,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Operating								10,000	10,000
	Debt									-
	Total	-	-	-	-	-	-	-	10,000	10,000

Project Name: Finn Hill Booster Station

Project Description

Budget: \$775,000 **Purpose:** Water
Location: Finn Hill Well Site **Project Manager:** Andrzej Kasiniak
Description: Replace the Viking Avenue booster station in order to increase its total capacity.
Justification: This project, along with the Finn Hill Reservoir #2, will eliminate the west high zone storage deficiency and improves supply reliability to the west high zone.
Start Date: 2014 **Completion Date:** 2015

Capital Funding

Sources of Funding

		Prior Years	Six-Year Plan						Total	
			2010	2011	2012	2013	2014	2015		2016
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves					35,000	740,000			775,000
	Total	-	-	-	-	35,000	740,000	-		775,000

Capital Costs

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Planning & Design					35,000				35,000
	Land/ Right of Way									-
	Construction						740,000			740,000
	Management									-
	Total	-	-	-	-	35,000	740,000	-		775,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Operating								5,000	5,000
	Debt									-
	Total	-	-	-	-	-	-	-	5,000	5,000

Project Name: Big Valley - Little Valley Transmission Line

Project Description

Budget: \$1,100,000 **Purpose:** Water
Location: Big Valley Road **Project Manager:** Andrzej Kasiniak
Description: Replace the transmission main between Big Valley Road / Bond Road and the Big Valley wells. The existing water main is a critical link between the Big Valley Wells and the city center. This project consists of 5,200 LF of 12-inch water main. The cost estimate assumes the water main will be installed within the roadway.
Justification: The existing main is old and it needs to be replaced.
Start Date: 2011 **Completion Date:** 2012

Capital Funding

Sources of Funding

		Prior Years	Six-Year Plan						Total	
			2010	2011	2012	2013	2014	2015		2016
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves			200,000	900,000					1,100,000
	Total	-	-	200,000	900,000	-	-	-	-	1,100,000

Capital Costs

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Planning & Design			200,000						200,000
	Land/ Right of Way									-
	Construction				870,000					870,000
	Management				30,000					30,000
	Total	-	-	200,000	900,000	-	-	-	-	1,100,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: West Side Well #2

Project Description

Budget: \$450,000 **Purpose:** Water
Location: Westside Well **Project Manager:** Dan Wilson
Description: Develop a new water rights. Drill and equip a second well at the Westside Well site.
Justification: Additional supply capacity will be necessary by 2014 to provide sufficient flows through 2026. This project will be re-evaluated upon completion of the long-term water supply study.
Start Date: 2015 **Completion Date:** 2016

Capital Funding

Sources of Funding

		Prior Years	Six-Year Plan							
			2010	2011	2012	2013	2014	2015		2016
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves							100,000	350,000	450,000
	Total	-	-	-	-	-	-	100,000	350,000	450,000

Capital Costs

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Planning & Design									-
	Land/ Right of Way									-
	Construction							100,000	350,000	450,000
	Management									-
	Total	-	-	-	-	-	-	100,000	350,000	450,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: Finn Hill Reservoir #2

Project Description

Budget: \$1,086,000 **Purpose:** Water
Location: Finn Hill Well **Project Manager:** Andrzej Kasiniak
Description: Additional emergency storage is needed for providing fire suppression and standby storage volumes. Construct a booster station to transfer supply from the low zone to the west high zone and add 700,000 gallon reservoir in the low zone. Approximatley 2,000 gpm of reliable capacity is necessary to supplement the storage provided by the Olhava standpipe.
Justification: This project along with the Finn Hill Booster Station Project eliminates the existing storage deficiency in the West High Zone and provides future storage to eliminate the projected system wide storage deficiency.
Start Date: 2016 **Completion Date:** 2016

Capital Funding

Sources of Funding

		Prior Years	Six-Year Plan						Total	
			2010	2011	2012	2013	2014	2015		2016
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves								1,086,000	1,086,000
	Total	-	-	-	-	-	-	-	1,086,000	1,086,000

Capital Costs

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Planning & Design									-
	Land/ Right of Way									-
	Construction								1,086,000	1,086,000
	Management									-
	Total	-	-	-	-	-	-	-	1,086,000	1,086,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: Dogfish Creek Restoration Implementation

Project Description

Budget: \$700,000 **Purpose:** Storm Drain
Location: S Fork of Dogfish Creek **Project Manager:** Andrzej Kasiniak, P.E.
Description: The proposed projects are identified in the Master Plan. The purpose of these project is: to reduce flooding, to improve the Creek appearance, and to enhance salmon migration upstream.
Justification: Dogfish Creek routinely overflows its banks onto the Public Works and the Poulsbo Village Shopping Center. The culvert under 8th Avenue is too small and can flood, especially when partially blocked with sediment. Heavy brush and debris restricts flow and salmon migration in sections through Centennial Park. The proposed projects are identified in the Master Plan. The purpose of this project is: to reduce flooding, to improve the Creek appearance, and to enhance salmon migration upstream.
Start Date: 2011 **Completion Date:** 2013

Capital Funding

Sources of Funding

		Prior Years	Six-Year Plan						Total	
			2010	2011	2012	2013	2014	2015		2016
1	Federal Grants									-
2	State Grants			-	200,000	200,000				400,000
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves			50,000	150,000	100,000				300,000
	Total	-	-	50,000	350,000	300,000	-	-	-	700,000

Capital Costs

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Planning & Design			50,000	50,000					100,000
	Land/ Right of Way									-
	Construction			-	300,000	300,000				600,000
	Management									-
	Total	-	-	50,000	350,000	300,000	-	-	-	700,000

Estimated Impact on Future Operating Budgets

Notes: No Impact

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: Noll Road Culvert Replacement/Bjorgen Creek Culvert

Project Description

Budget: \$300,000

Purpose: Storm Drain

Location: South of Noll Road

Project Manager: Andrzej Kasiniak, P.E.

Description: The project will replace the existing 36-in culvert with a 8/10 foot wide culvert.

Justification: The existing culvert under an the city owned right of way south of Noll Road is undersized and 1) Creates a fish passage barrier and 2) Creates flooding problem.

Start Date: 2009

Completion Date: 2012

Capital Funding

Sources of Funding

		Prior Years	Six-Year Plan						Total	
			2010	2011	2012	2013	2014	2015		2016
1	Federal Grants									-
2	State Grants				200,000					200,000
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves	40,000			60,000					100,000
	Total	40,000	-	-	260,000	-	-	-	-	300,000

Capital Costs

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Planning & Design	40,000			-					40,000
	Land/ Right of Way									-
	Construction			-	250,000	-				250,000
	Management			-	10,000					10,000
	Total	40,000	-	-	260,000	-	-	-	-	300,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Operating				2,000	2,000	2,000	2,000		8,000
	Debt									-
	Total	-	-	-	2,000	2,000	2,000	2,000	-	8,000

Project Name: Replace Storm Drains in Ridgewood

Project Description

Budget: \$40,000 **Purpose:** Storm Drain
Location: Ridgewood **Project Manager:** Andrzej Kasiniak, P.E.
Description: The existing storm drain does not meet the current standards. The project will identify the necessary improvements to bring the existing stormwater system to compliance with the 2005 Department of Ecology Design Manual.

Justification: During heavy storm events, water floods private properties.

Start Date: 2011 **Completion Date:** 2011

Capital Funding

Sources of Funding

		Prior Years	Six-Year Plan						Total	
			2010	2011	2012	2013	2014	2015		2016
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves		-	40,000	-					40,000
	Total	-	-	40,000	-	-	-	-	-	40,000

Capital Costs

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Planning & Design		-	40,000	-					40,000
	Land/ Right of Way									-
	Construction				-					-
	Management				-					-
	Total	-	-	40,000	-	-	-	-	-	40,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: Replace Storm Drain West of 10th Ave

Project Description

Budget: \$32,000 **Purpose:** Storm Drain
Location: 10th Ave. **Project Manager:** Andrzej Kasiniak, P.E.
Description: Replace 150 feet of storm drain main running through the private property at 18581 10th Avenue NE with larger diameter pipe. Replace catch basins if required, patch asphalt pavement, and restore all landscaping in the yard.
Justification: This short segment of storm drain carries a large quantity of water. Evaluate pipe conditions to determine whether there may be a partial collapse of the line. A portion was required in 2001 but the problem still exists. Consider replacing with a larger diameter main.
Start Date: 2015 **Completion Date:** 2015

Capital Funding

Sources of Funding

		Prior Years	Six-Year Plan						Total	
			2010	2011	2012	2013	2014	2015		2016
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves						-	32,000		32,000
	Total	-	-	-	-	-	-	32,000	-	32,000

Capital Costs

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Planning & Design						-	4,212		4,212
	Land/ Right of Way									-
	Construction						-	27,788		27,788
	Management									-
	Total	-	-	-	-	-	-	32,000	-	32,000

Estimated Impact on Future Operating Budgets

Notes:

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: Emergency Fjord Drive Bank Repair

Project Description

Budget: \$30,000 **Purpose:** Storm Drain
Location: Fjord Drive north of Yacht Club **Project Manager:** Andrzej Kasiniak, P.E.
Description: The project will stabilize the bank. It represents the stormwater utility contribution to the Fjord Drive Bank Repair Project. The total project cost is \$565,000.
Justification: Recently a landslide occurred on Fjord Drive. The potentially unstable area is about 200 feet long.
Start Date: 2011 **Completion Date:** 2011

Capital Funding

Sources of Funding

		Prior Years	Six-Year Plan						Total	
			2010	2011	2012	2013	2014	2015		2016
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves		-	30,000	-					30,000
	Total	-	-	30,000	-	-	-	-	-	30,000

Capital Costs

	Prior Years	Six-Year Plan						Total Costs		
		2010	2011	2012	2013	2014	2015		2016	
	Planning & Design			-						-
	Land/ Right of Way									-
	Construction	-	25,000	-						25,000
	Management	-	5,000	-						5,000
	Total	-	30,000	-	-	-	-	-	-	30,000

Estimated Impact on Future Operating Budgets

Notes:

	Prior Years	Six-Year Plan						Total Costs		
		2010	2011	2012	2013	2014	2015		2016	
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-

Project Name: Solid Waste Transfer Station

Project Description

Budget: \$150,000 **Purpose:** Solid Waste
Location: N. Viking Road **Project Manager:** Dan Wilson
Description: Construct Solid Waste Transfer Station
Justification: The project will reduce cost associated with transporting garbage to the Bremerton Solid Waste Transfer Station.
Start Date: 2009 **Completion Date:** 2011

Capital Funding

Sources of Funding

		Prior Years	Six-Year Plan						Total	
			2010	2011	2012	2013	2014	2015		2016
1	Federal Grants									-
2	State Grants									-
3	County									-
4	PWTF									-
5	Voted Bonds									-
7	City/Utility Reserves	25,000	-	125,000	-					150,000
	Total	25,000	-	125,000	-	-	-	-	-	150,000

Capital Costs

		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Planning & Design	10,000								10,000
	Land/ Right of Way									-
	Construction	15,000	-	120,000	-					135,000
	Management		-	5,000	-					5,000
	Total	25,000	-	125,000	-	-	-	-	-	150,000

Estimated Impact on Future Operating Budgets

Notes:

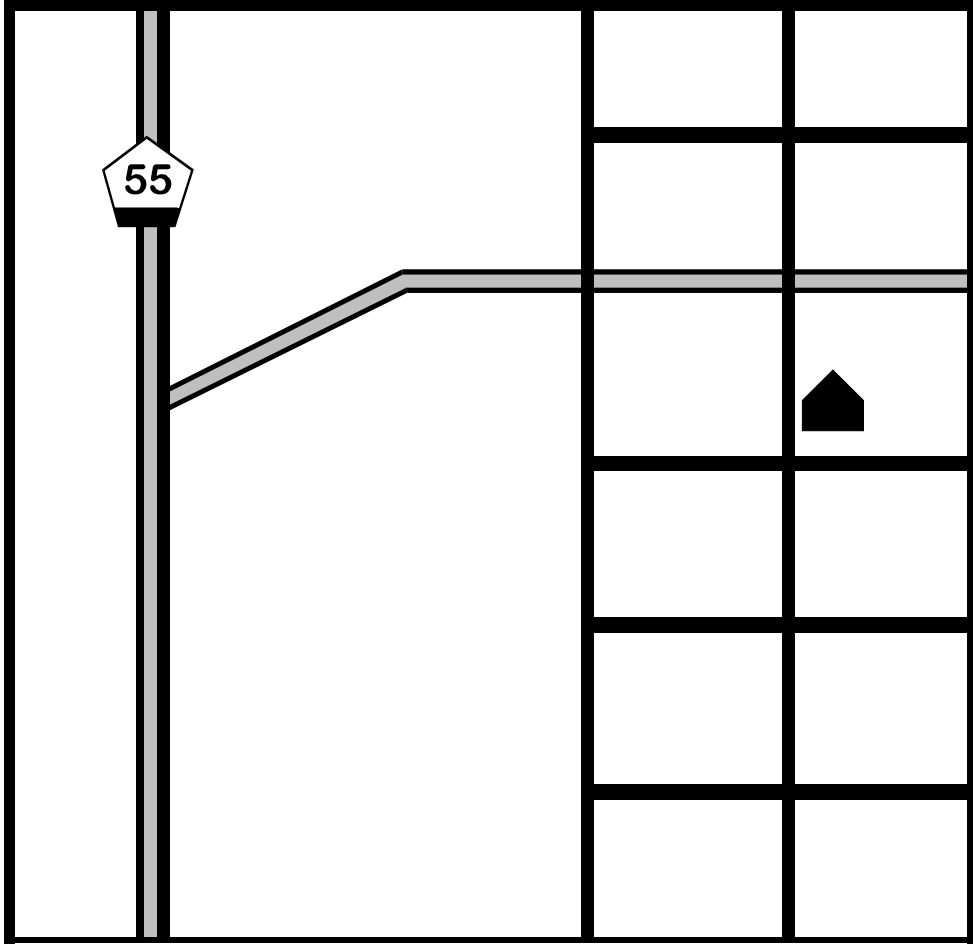
		Prior Years	Six-Year Plan						Total Costs	
			2010	2011	2012	2013	2014	2015		2016
	Operating									-
	Debt									-
	Total	-	-	-	-	-	-	-	-	-



CITY OF POULSBO

2011-2016 CITY IMPROVEMENT PLAN

APPENDIX





City of Poulsbo

Legislative Policy

Title: Capital Improvement Policy	Page Number: 1 of 2
Department: Finance Department	Effective Date: July 21, 1999
Revised Date: New	Revised by: Finance/Admin Committee

PURPOSE

Poulsbo's city government is accountable for a considerable investment in buildings, parks, roads, sewers, equipment and other capital investments. The preservation, maintenance, and future improvement of these facilities are a primary responsibility of the City. Planning and implementing sound capital improvement policies and programs today will help the City avoid emergencies and major costs in the future.

POLICY

A capital project is defined as a project of a nonrecurring nature with a cost of \$15,000 or more and estimated service life of 10 years or more.

GUIDELINES

- A. Annually, a six-year capital improvements program will be developed analyzing all anticipated capital projects by year and identifying associated funding sources. The plan will contain projections of how the city will perform over the six-year period in relation to policy targets.
- B. The first year of the six-year capital improvements program will be used as the basis for formal fiscal year appropriations during the annual budget process. The capital improvement program will incorporate in its projections of expenditures and funding sources any amounts relating to previous year's appropriations but which have yet to be expended.
- C. The city will maintain a capital projects approval and monitoring committee composed of the City Engineer, Planning Director, Park and Recreation Director, Finance Director and the Committee Chairs from the Public Works, Community Services and the Finance/Admin Council Committees to meet quarterly and review the progress on all outstanding projects as well as to revise spending projections.

-
- D. The City Improvement Plan will be prepared and updated annually.
 - E. The City Council will designate annual ongoing funding levels for each of the major project categories within the City Improvement Plan.
 - F. Financial analysis of funding sources will be conducted for all proposed capital improvements.
 - G. An annual Capital Budget will be developed and adopted by the City Council as part of the annual budget.
 - H. The City Improvement Plan will be consistent with the Capital Facilities Element of the Comprehensive Plan.

REVISION CRITERIA

Each year during the Budget Process the Finance/Admin Committee will review Legislative Policies and recommend to Council any appropriate changes.

City of Poulsbo Debt Policy

SECTION I – INTRODUCTION & GUIDING PRINCIPLES

Purpose and Overview

The Debt Policy for the City of Poulsbo is established to help ensure that all debt is issued both prudently and cost effectively. The Debt Policy sets forth comprehensive guidelines for the issuance and management of all financings of the City Council. Adherence to the policy is essential to ensure that the Council maintains a sound debt position and protects the credit quality of its obligations.

Capital Planning:

The City shall integrate its debt issuance with its Capital Improvement Program (CIP) spending to ensure that planned financing conforms to policy targets regarding the level and composition of outstanding debt. This planning considers the long-term horizon, paying particular attention to financing priorities, capital outlays and competing projects. Long term borrowing shall be confined to the acquisition and/or construction of capital improvements and shall not be used to fund operating or maintenance costs. For all capital projects under consideration, the City shall set aside sufficient revenue from operations to fund ongoing normal maintenance needs and to provide reserves for periodic replacement and renewal. The issuance of debt to fund operating deficits is not permitted.

Legal Governing Principles

In the issuance and management of debt, the City shall comply with the state constitution and with all other legal requirements imposed by federal, state, and local rules and regulations, as applicable.

- State Statutes – The City may contract indebtedness as provided for by [RCW 35A.40.090](#). General Obligation indebtedness is subject to the limitations on indebtedness provided for in [RCW 39.36.020\(2\)\(b\)](#) and [Article VIII of the Washington State Constitution](#). Bonds evidencing such indebtedness shall be issued and sold in accordance with chapter 39.46.
- Federal Rules and Regulations – The City shall issue and manage debt in accordance with the limitations and constraints imposed by federal rules and regulations including the [Internal Revenue Code of 1986](#), as amended; the Treasury Department regulations there under; and the [Securities Acts of 1933 and 1934](#).
- Local Rules and Regulations – The City shall issue and manage debt in accordance with the limitations and constraints imposed by local rules and regulations.

Roles & Responsibilities

The City Council shall:

- Approve indebtedness;
- Approve appointment of independent financial advisor and bond counsel;
- Approve the Debt Policy;
- Approve budgets sufficient to provide for the timely payment of principal and interest on all debt; and

Approved 9/1/2010

- In consultation with the City's General Counsel, financial advisor, and bond counsel, shall determine the most appropriate instrument for a proposed bond sale.

The Finance Director in consultation with the Finance Committee, the Mayor and full Council shall:

- Assume primary responsibility for debt management
- Provide for the issuance of debt at the lowest possible cost and risk;
- Determine the available debt capacity;
- Provide for the issuance of debt at appropriate intervals and in reasonable amounts as required to fund approved capital expenditures;
- Recommend to the City Council the manner of sale of debt;
- Monitor opportunities to refund debt and recommend such refunding as appropriate.
- Comply with all Internal Revenue Service ([IRS](#)), [Securities and Exchange \(SEC\)](#), and [Municipal Securities Rulemaking Board \(MSRB\)](#) rules and regulations governing the issuance of debt.
- Provide for the timely payment of principal and interest on all debt and ensure that the fiscal agent receives funds for payment of debt service on or before the payment date;
- Provide for and participate in the preparation and review of offering documents;
- Comply with all terms, conditions and disclosure required by the legal documents governing the debt issued;
- Submit to the City Council all recommendations to issue debt;
- Distribute to appropriate repositories information regarding financial condition and affairs at such times and in the form required by law, regulation and general practice, including [Rule 15c2-12](#) regarding continuing disclosure;
- Provide for the distribution of pertinent information to rating agencies; and
- Apply and promote prudent fiscal practices.

Ethical Standards Governing Conduct

The members of the City staff, the Mayor and the City Council will adhere to the standards of conduct as stipulated by the Public Disclosure Act, [RCW 42.17](#) and Ethics in Public Service, [RCW 42.52](#).

SECTION II – PROFESSIONAL SERVICES

Professional Services

The City's Finance Department shall be responsible for the solicitation and selection of professional services that are required to administer the City's debt.

- Bond Counsel – With the exception of debt issued by the State, all debt issued by the City will include a written opinion by bond counsel affirming that the City is authorized to issue the proposed debt. The opinion shall include confirmation that the City has met all city and state constitutional and statutory requirements necessary for issuance, a determination of the proposed debt's federal income tax status and any other components necessary for the proposed debt.
- Financial Advisor – A Financial Advisor may be used to assist in the issuance of the City's debt. The Financial Advisor will provide the City with the objective advice

- and analysis on debt issuance. This includes, but is not limited to, monitoring of market opportunities, structuring and pricing of debt, and preparing official statements of disclosure.
- Underwriters – An Underwriter will be used for all debt issued in a negotiated sale method. The Underwriter is responsible for purchasing negotiated debt and reselling the debt to investors.
 - Fiscal Agent – A fiscal agent will be used to provide accurate and timely securities processing and timely payment to bondholders. As provided under RCW 43.80, the City will use the Fiscal Agent that is determined by the State.
 - Professional Service providers may be selected through a competitive selection process conducted by the Finance Director in consultation with the Finance Committee and Legal Counsel; the City Council shall approve the most qualified financial advisor/underwriter and bond counsel.
 - These services shall be regularly monitored by the Finance Director.

SECTION III – DEBT STRUCTURE

Types of Debt Instruments:

The City may utilize several types of municipal debt obligations to finance long-term capital projects. Subject to the approval of City Council, the City is authorized to sell:

- **Unlimited Tax General Obligation Bonds** – The City shall use Unlimited Tax General Obligation Bonds, also known as “Voted General Obligation Bonds” as permitted under [RCW 35A.40.090](#) for the purpose of general purpose, open space and parks, and utility infrastructure. Voted issues are limited to capital purposes only. Every project proposed for financing through general obligation debt should be accompanied by a full analysis of the future operating and maintenance costs associated with the project. UTGO Bonds are payable from excess tax levies and are subject to the assent of 60% of the voters at an election to be held for that purpose.
- **Limited Tax General Obligation Bonds** – A Limited-Tax General Obligation debt (LTGO), also known as “Non-Voted General Obligation Debt”, requires the City to levy a property tax sufficient to meet its debt service obligations but only up to a statutory limit. The City shall use Limited Tax General Obligation (LTGO) Bonds as permitted under [RCW 35A.40.090](#) for general capital purposes only. General Obligation debt is backed by the full faith and credit of the City and is payable from General Fund reserves and taxes collected by the City. LTGO Bonds will only be issued if:
 - A project requires funding not available from alternative sources;
 - Matching fund monies are available which may be lost if not applied for in a timely manner; or,
 - Emergency conditions exist.
- **Revenue Bonds** – The City shall use Revenue Bonds as permitted under [RCW 35A.40.090](#) for the purpose of financing construction or improvements to facilities of enterprise systems operated by the City in accordance with the Capital Improvement Plan. No taxing power or general fund pledge is provided as security.
- **Special Assessment/Local Improvement District Bonds** – The City shall use Special Assessment Bonds as permitted under [RCW 35A.40.090](#) for the purpose of

- assuring the greatest degree of public equity in place of general obligation bond where possible. Local Improvement District (LID) Bonds represent debt that is repaid by the property owners who specifically benefit from the capital improvements through annual assessments paid to the City. LID's are formed by the City Council after a majority of property owners agree to the assessment. No taxing power or general fund pledge is provided as security, and LID Bonds are not subject to statutory debt limitations. The debt is backed by the value of the property within the district and an LID Guaranty Fund, as required by State Law.
- **Short Term Debt** – The City shall use short term debt as permitted under [RCW 39.50](#), for the purpose of meeting any lawful purpose of the municipal corporation, including the immediate financing needs of a project for which long term funding has been secured but not yet received. The City may use inter-fund loans rather than outside debt instruments to meet short-term cash flow needs for the project. Inter-fund loans will be permitted only if an analysis of the affected fund indicates excess funds are available and the use of the funds will not impact the fund's current operations. All inter-fund loans will be subject to Council approval and will bear interest at prevailing rates.
 - **Leases** – The City is authorized to enter into capital leases under [35A.40.090 RCW](#), subject to the approval of City Council.
 - **Public Works Trust Fund Loans** – The City shall use Public Works Trust Fund Loans as provided under [RCW 43.155](#) for the purpose of repairing, replacing or creating domestic water systems, sanitary sewer systems, storm sewer systems, roads, streets, solid waste/recycling facilities and bridges.
 - **Local Option Capital Asset Lending (LOCAL) Program Debt** – The City is authorized to enter into a financing contract with the Office of the State Treasurer under [RCW 39.94](#), for the purpose of financing equipment and capital needs through the State Treasurer's Office subject to existing debt limitations and financing considerations. The LOCAL Program is an expanded version of the state agency lease/purchase program that allows the pooling of funding into larger offerings of securities.

SECTION IV – TRANSACTION SPECIFIC POLICIES

Method of Sale - The City shall evaluate the best method of sale for each proposed bond issue.

1. **Competitive Bid Method** – Any competitive sale of the City's debt will require the approval of City Council. City debt issued on a competitive bid basis will be sold to the bidder proposing the lowest true interest cost to the City.
2. **Negotiated Bid Method** – When a negotiated sale is deemed advisable (in consultation with the Mayor and City Council) the Finance Director shall negotiate the most competitive pricing on debt issues and broker commissions in order to ensure the best value to the City.
 - If debt is sold on a negotiated basis, the negotiations of terms and conditions shall include, but not be limited to, prices, interest rates, underwriting or remarketing fees and commissions.
 - The City, with the assistance of its Financial Advisor, shall evaluate the terms offered by the underwriting team. Evaluations of prices, interest rates, fees and commissions

- shall include prevailing terms and conditions in the marketplace for comparable issuers.
- No debt issue will be sold on a negotiated basis without an independent financial advisor.
3. The City shall use refunding bonds in accordance with the Refunding Bond Act, [RCW 39.53](#). Unless otherwise justified, the City will refinance debt to achieve true savings as market opportunities arise. Refunding debt shall never be used for the purpose of avoiding debt service obligations. A target 5% cost savings (discounted to its present value) over the remainder of the debt must be demonstrated for any “advance refunding”, unless otherwise justified. The City, in consultation with its Financial Advisor, may approve a “current refunding” transaction of an existing debt issue if the refunding demonstrates a positive present value savings over the remaining life of the debt.
 4. With Council approval, interim financing of capital projects may be secured from the debt financing marketplace or from other funds through an inter-fund loan as appropriate in the circumstances.
 5. When issuing debt, the City shall strive to use special assessment, revenue or other self supporting bonds in lieu of general obligation bonds.

Limitations on Debt Issuance

1. The City shall remain in compliance with all debt limitations. As part of the annual budgeting process, a current summary of outstanding debt and compliance targets is prepared. The City shall observe the following limitations on debt issuance:
 - **General Obligation** – 2.5% of Assessed Value ([RCW 39.36.020\(2\)\(b\)](#))
 - **Non-Voted: 1.5%**
 - **Voted: 2.5%**
 - **Open Space and Park Facilities** – 2.5% of Assessed Value ([RCW 39.36.020\(4\)](#))
2. Debt payments shall not extend beyond the estimated useful life of the project being financed. The City shall keep the average maturity of general obligations bonds at or below 20 years, unless special circumstances arise warranting the need to extend the debt schedule.
3. Debt Limit Target: The City shall not exceed 90% of the legal debt limits from above.

Debt Structuring Practices

The following terms shall be applied to the City’s debt transactions, as appropriate. Individual terms may change as dictated by the marketplace or the unique qualities of the transaction.

- **Maturity** –The City shall issue debt with an average life less than or equal to the average life of the assets being financed. Unless otherwise stated in law, the final maturity of the debt shall be no longer than 40 years ([RCW 39.46.110](#)).
- **Debt Service Structure** – Unless otherwise justified, debt service should be structured on a level basis. Refunding bonds should be structured to produce equal savings by fiscal year. Unless otherwise justified, debt shall not have capitalized interest. If appropriate, debt service reserve funds may be used for revenue bonds.

- **Price Structure** – The City’s long-term debt may include par, discount, and premium bonds. Discount and premium bonds must be demonstrated to be advantageous relative to par bond structures, given market conditions.
- **Call Provisions** – For each transaction, the City shall evaluate the costs and benefits of call provisions. In general, the City shall opt for the shortest possible optional call consistent with optimal pricing.
- **Bond Insurance** – For each transaction, the City shall evaluate the costs and benefits of bond insurance or other credit enhancements. Any credit enhancement purchases by the City shall be competitively priced.
- **Tax-exemption** – Unless otherwise justified and deemed necessary, the City shall issue its debt on a tax-exempt basis.
- **Reimbursement resolution** – Must be adopted by City Council if the project hard costs are advanced prior to the bond sale.

SECTION V – COMMUNICATION

It is the policy of the City to remain as transparent as possible. The City shall manage relationships with the rating analysts assigned to the City’s credit, using both informal and formal methods to disseminate information.

- The City’s Comprehensive Financial Report (CAFR) shall be the primary vehicle for compliance with continuing disclosure requirements. The CAFR may be supplemented with additional documentation as required. Each year included in the CAFR, the City will report its compliance with debt targets and the goals of this Debt Management Policy.
- The City will issue a material event notice in accordance with provisions of [SEC Rule 15c2-12](#). Prior to issuance of any material event, the Finance Director will discuss the materiality of any event with the Mayor, City Attorney and designated Council members, to ensure equal, timely and appropriate disclosure to the marketplace.
- The City shall seek to maintain and improve its current bond rating.

SECTION VI - COMPLIANCE

Investment of Proceeds

The City shall comply with all applicable Federal, State and contractual restrictions regarding the investment of bond proceeds. This includes compliance with restrictions on the types of investment securities allowed, restrictions on the allowable yield of invested funds as well as restrictions on the time period over which some of the proceeds may be invested.

Arbitrage Liability Management

Due to the complexity of arbitrage rebate regulations and the severity of non-compliance penalties, the City shall solicit the advice of bond counsel and other qualified experts about

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arbitrage rebate calculations. The City shall, when deemed necessary or required, contract with a third party for preparation of the arbitrage rebate calculation.

The City shall maintain an internal system for tracking expenditure of bond proceeds and investment earnings by opening a separate account in the state pool. The expenditure of bond proceeds shall be tracked in the financial system by issue. Investments may be pooled for financial accounting purposes and for investment purposes. When investment of bond proceeds are co-mingled with other investments, the City shall adhere to IRS rules on accounting allocations.

Bond Users Clearinghouse

The City shall ensure that the Bond Users Clearinghouse receives municipal bond information for all debt sold as provided by [RCW 39.44.200 – 39.44.240](#) and [WAC 365-130](#).

Legal Covenants

The City shall comply with all covenants and conditions contained in governing law and any legal documents entered into at the time of a bond offering.

Periodic Policy Review

At a minimum, the debt policy will be reviewed and updated every five years.

