

# ADOPTED BUDGET 2019-2020

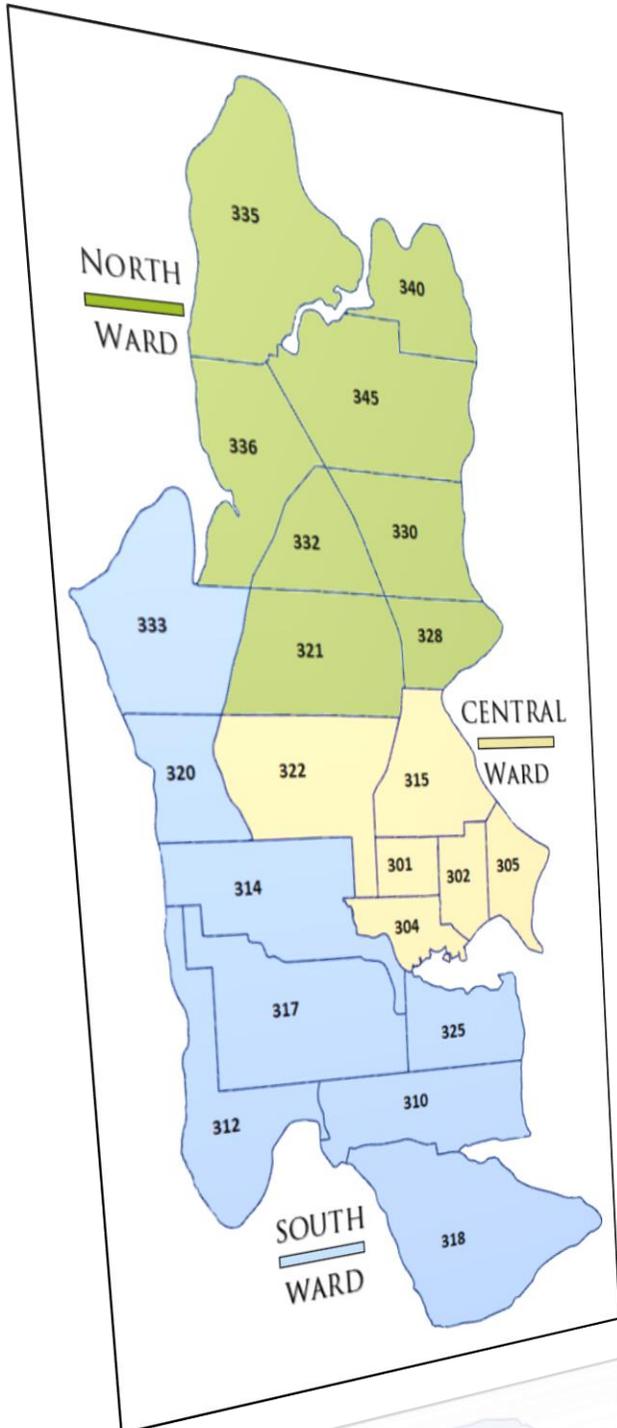


CITY OF BAINBRIDGE ISLAND, WA



City of Bainbridge Island  
Finance & Administrative Services Department  
280 Madison Ave N  
Bainbridge Island, WA 98110

# CITY OF BAINBRIDGE ISLAND COUNCIL WARDS & VOTING PRECINCTS



**Ron Peltier**  
At Large  
RPeltier@bainbridgewa.gov



**Kol Medina**  
Mayor / North Ward  
KMedina@bainbridgewa.gov



**Joe Deets**  
North Ward  
JDeets@bainbridgewa.gov



**Leslie Schneider**  
Deputy Mayor / Central Ward  
LSchneider@bainbridgewa.gov



**Rasham Nassar**  
Central Ward  
RNassar@bainbridgewa.gov



**Sarah Blossom**  
South Ward  
SBlossom@bainbridgewa.gov



**Matthew Tirman**  
South Ward  
MTirman@bainbridgewa.gov





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Bainbridge Island  
Washington**

For the Biennium Beginning

**January 1, 2017**

*Christopher P. Morill*

Executive Director



# TABLE OF CONTENTS

## INTRODUCTION

City Manager’s Message.....i-vi

2019 & 2020 Budget Changes.....vii-ix

Staff Directory.....x

Citywide Organizational Chart.....xi

City Overview.....xii-xiv

City Statistics.....xv-xxii

Reader’s Guide.....xxiii-xxiv

## SECTION 1: CITY GOALS & MEASURING RESULTS

City of Bainbridge Island Leadership Statements..... 1

Comprehensive Plan Guiding Principles..... 2

Priority Based Budgeting.....3-9

Performance Measurement..... 10

National Citizen Survey..... 11-12

## SECTION 2: BUDGET DEVELOPMENT

Finance Director’s Message..... 13-17

Financial Policies..... 18-19

Budget Process..... 20

Key Assumptions in 2019-2020 Budget Development.....21-24

General Fund Reserves..... 25

Financial Capacity / Fiscal Health.....26-28

Basis of Accounting & Budgeting..... 29

Debt Service..... 30-33



SECTION 3: SUMMARY BY FUND

Fund Description and 2019 Budget Status..... 34-37

City of Bainbridge Island Fund Types Chart ..... 38

Budget Schedules 2019 ..... 39-42

Summary by Fund 2019..... 43

Budget Schedules 2020..... 44-47

Summary by Fund 2020..... 48

Budget Comparison Citywide ..... 49

Revenues by Fund..... 50-53

General Fund..... 54

Street Fund ..... 55

Real Estate Excise Tax Fund ..... 56

Civic Improvement Fund..... 57

Affordable Housing Fund ..... 58

FAR-Public Amenities Fund ..... 59

FAR-Farmland/Agriculture Fund..... 60

Tree Fund ..... 61

Transportation Benefit Fund..... 62

Transportation Impact Fee Fund..... 63

GO Bond Fund..... 64

LID Bond Fund ..... 65

Capital Construction Fund ..... 66

Water Operating Fund ..... 67

Sewer Operating Fund..... 68

Storm & Surface Water Management Fund ..... 69

Building & Development Services Fund ..... 70



Equipment Rental & Revolving Fund .....	71
Expenditures by Fund 2019 .....	72
Expenditures by Fund 2020 .....	73
Community Services.....	74
Intergovernmental Services.....	75-76
Professional Services.....	77-80

### SECTION 4: SUMMARY BY DEPARTMENT

Total Expenditures by Department & Fund - 2018 & 2019 .....	81
Total Expenditures by Department & Fund - 2019 & 2020.....	82
City Council.....	83-88
Executive.....	89-103
Finance and Administrative Services.....	104-113
Municipal Court.....	114-122
Planning and Community Development.....	123-133
Public Safety .....	134-144
Public Works .....	145-158
General Government.....	159-163

### SECTION 5: CAPITAL IMPROVEMENT PLAN

Capital Improvement Plan Summary .....	164-166
Transportation .....	167-169
Non-Motorized .....	170-174
Fleet and Equipment.....	175
Facilities.....	176-181
Water .....	182-188
Sewer.....	189-194



Stormwater..... 195-200

## SECTION 8: APPENDIX

Proposed Budget Activities & Schedule.....201

Ordinance 2018-39 (Adopting Two-Year Biennial Budget).....202-205

Resolution 2018-07 (Financial and Budget Policies).....206-213

Resolution 2008-14 (Debt Management Procedures & Policies).....214-230

Unfunded Mandates .....231

IAM Pay Scale.....232-233

Unrepresented Pay Scale .....234-235

Police Guild Pay Scale.....236

Priority Based Budgeting Program List.....237-242

Glossary .....243-256

Acronyms .....257-258

Key City Contacts .....259

January 1, 2019

Dear City Council, Citizens, and Interested Readers,

I am pleased to present the 2019-2020 Adopted Budget for the City of Bainbridge Island. This Budget Book is the financial plan for the upcoming two years and funds the City's identified priorities and planned service delivery to the community. This budget supports key community goals, includes a significant capital program, and dedicates resources to implementing priorities identified in the new Comprehensive Plan. The next biennium continues the City's emphasis on stewardship, financial sustainability, and customer service. I look forward to working with City staff, City Council, and local partners to provide the highest level of service and support to our citizens.



This budget meets specific financial objectives that continue our commitment to sustainable and forward-looking financial management. The budget applies a ten-year planning horizon to assess whether City revenue sources support the expected growth in current expenditures in addition to new costs added through expanded staff and programs. This budget also maintains policy reserves in all funds throughout that ten-year period, thus meeting our sustainability objective. Another important objective is to have recurring revenues over the ten-year period remain higher than recurring expenditures. This adopted budget successfully meets that objective. You can find more detailed information about the City's fiscal capacity in the following sections of this Budget Book.

The changes adopted within this budget were selected from an extensive list of potential choices. There were numerous ideas for important and worthwhile work that could not be accommodated within existing City revenues. In a resource-limited framework, it is necessary to make choices that move forward our highest priorities while maintaining our statutory obligations and core service delivery. If you are interested in viewing a list of the identified opportunities not included in this adopted budget, please see page ix.

### **2019 – 2020 Adopted Budget Highlights**

The 2019-2020 Adopted Budget funds selected new positions and services supporting the City's highest priority goals. I'd like to provide background on the most significant changes included in the Adopted Budget, including some key assumptions used in the budget development process. This information is intended to help readers understand the choices the City Council and administration made to finalize the Adopted Budget.

- **Police and Municipal Court Building:** The Adopted Budget assumes a total project budget of \$20 million, split evenly between City cash and Councilmanic bonds. If the City elects to use Councilmanic bonds to fund this project, there will be no impact to residents' property taxes. The Adopted Budget assumes these funds will be spent in 2018 through 2020 to complete our site selection process and construction. More detailed information on the project cost, financing approach, and timing will be established as the planning process moves forward. While we know that these assumptions will change over time, it is important to include this baseline expectation in the Adopted Budget to correctly plan for other expenditures.

- **Police Staffing:** The addition of two new, full-time officers allows the department to fully achieve the organizational structure proposed by the Police Chief in 2014. This will complete a key organizational goal and follows the addition of two officers in the 2017-2018 biennial budget. The Adopted Budget also provides for the required equipment and vehicles associated with these new positions.
- **Capital Projects:** The Adopted Budget reflects the City's emphasis on effective stewardship of our existing infrastructure and funding for key projects. The planned capital projects and fleet investments were discussed with Council, the Planning Commission, and the Utility Advisory Committee prior to budget approval. The City's investment in capital projects continues to be significant. For 2019-2020, total new spending (not including grant revenue or \$10 million in City cash spending for the Police and Municipal Court Building) is \$1.9 million for tax-supported funds, and \$5.3 million for the utility funds. At the same time, the City will be working to complete a range of previously-authorized projects approved in prior budgets at a level of \$2.2 million in tax-supported funds and \$2.2 million in utility funds.
- **Comprehensive Plan Implementation:** The Comprehensive Plan continues to be at the center of our citywide workplans. Professional services funding of \$400,000 (\$200,000 per year) is planned to support continued progress on targeted goals and implementing actions included in the Comprehensive Plan. To assist with increased work capacity, the Adopted Budget includes a new 1.0 FTE Administrative Specialist position within the Planning and Community Development department. This position will expand support for department administrative activities allowing Planning Department staff to focus on non-administrative tasks. The new position will also provide required support for the City's Hearing Examiner.
- **Non-Motorized Transportation Planning:** The Adopted Budget includes \$150,000 to fund planning and community outreach related to multimodal transportation options. This funding recognizes the importance to our community of a proactive approach to mitigating climate change, and the desire to gather all stakeholders for a robust planning conversation.
- **Natural Resources and Environmental Stewardship:** In accordance with the Guiding Principles of the Comprehensive Plan, the Adopted Budget includes increased funding to support several issues related to our natural resources. The upcoming biennium includes the addition of staff and studies. Additional staff positions include a Natural Resources Planner and a term-limited Hydrogeologist, along with the elimination of a vacant Engineering Specialist focused on water resources. Realignment of staff supports the City's intention to reorganize and refocus some aspects of the existing water resources program. Elimination of the Engineering Specialist position is subject to ongoing bargaining with the IAM.

Studies funded through this budget include development of a groundwater management plan, review of the City's stormwater infrastructure, consideration of changes to the wastewater treatment plant to implement tertiary treatment, development of building code related to photovoltaic systems, and increased funding for noxious weed control.

- **Major Maintenance:** Based on recommendations from a 2018 comprehensive facility assessment, the Adopted Budget includes significant funding to address major deferred maintenance projects at

City facilities. These projects were identified and prioritized as a multi-year workplan to verify the City is providing efficient stewardship of key City facilities. A new 1.0 FTE Operations Project Manager position ensures delivery of this near-term work program and establishes that the City has the capacity to remain current on facility maintenance obligations going forward. It is important for the City to address the identified backlog of critical maintenance projects in the upcoming biennium to avoid additional future expenses or unplanned failures. It is also important to prepare the organization for an increase in facility maintenance obligations with the completion of the new Police and Court Facility. That project is anticipated to increase the total square footage of City facilities by 9%, from 93,500 to 101,500. The City included an additional operating expense for the net increase in square footage as part of our long-range maintenance forecasts for 2021 and beyond.

- **Emergency Preparedness:** Emergency preparedness activities continue to be an emphasis for the City. The Adopted Budget reflects the goal established by City Council in 2017 for the City to be a regional leader in emergency preparedness. This goal supports a dedicated City staff position to ensure a high level of City staff training and preparedness, as well as to leverage and enhance community efforts and contributions. The Adopted Budget includes funding for a 1.0 FTE Emergency Preparedness Coordinator, an increase in staffing for this function by 0.25 FTE. The position's responsibilities previously included supporting the Civil Service Commission; however, those duties will now be covered by other City personnel (see below).
- **Human Resources:** The increased staffing for emergency preparedness creates a need to restructure support for the Civil Service Commission and Police hiring. A new 0.50 FTE Human Resources Analyst is added to the Executive Department to maintain this required function. This position will also provide support to the Human Resources Manager meeting the day-to-day requirements of supporting and training the City's workforce. This additional capacity brings the City closer to standard ratios for human services staffing and helps address the increased need for retirement-driven succession planning, complete timely recruitment for vacancies and new planned positions, and implement more robust employee onboarding and engagement programs.
- **Wastewater Treatment Plant (WWTP) Operations:** The City's wastewater treatment plant is required to meet State and Federal standards for 24/7 staffing by personnel with specific training and credentials. This requirement is currently met by three staff members with a recognized critical need for succession planning in order to maintain efficient and safe operations. To meet this need and minimize the risk of unplanned service interruption, the Adopted Budget includes funding for a new 1.0 FTE Wastewater Treatment Plant Operator.
- **Communications:** The City Council and administration continue to prioritize transparency and civic engagement, believing effective communication plays a key role in this endeavor. Thus, there is a funding increase of \$150,000 in 2019, and \$60,000 in 2020 and future years, to enhance City communications efforts.
- **Building and Development Services Rate Study:** In accordance with the City's financial policies setting full cost recovery as a goal and best management practices calling for periodic rate review, the Adopted Budget includes \$50,000 to fund an outside consultant to review and recommend an

updated rate structure for development-related activities.

- **Community Service Organization Funding:** Staff has incorporated guidance from the City Council and included a biennium total of \$1.6 million in funding for human services, cultural activities, and other support to community partners. Key assumptions include:
  - Human services funding is maintained at 2018 levels. Per capita City spending in this area is higher than regional comparables and is a strong reflection of stated community priorities and City goals. Spending for these activities is equal to roughly 2% of total General Fund revenue.
  - Cultural activities funding is maintained at 2018 levels. Arts and culture are key community values and, also, a critical component of the Bainbridge Island economy. Spending for these activities is equal to roughly 1% of the total General Fund.
  - Support for the Public Art Program is restructured as a fixed annual amount. Funding is currently planned at \$74,000 per year, to be used to fund future art projects, annual maintenance and repair, and provide \$24,000 in annual support to Arts and Humanities Bainbridge in recognition of their services on behalf of the Public Art Committee.
  - Support for the City-owned public farmland includes roughly \$150,000 to complete identified repair and maintenance projects in 2019 and 2020. Additional funding in 2019 provides operating support for Friends of the Farms at \$65,000.
- **Suzuki Property:** The Adopted Budget includes previously-approved spending of \$800,000 for on-site development for the Suzuki property in 2019-2020. In 2020, the Adopted Budget also includes an assumption for the sale of the Suzuki property as General Fund revenues in the amount of \$800,000. This is a planning assumption intended to offset the development expense without impact to City fund balance but is not indicative of any plans or direction related to the potential future sale of the property. Specific decisions about the property's disposition will be made by City Council at a later stage in the project.
- **Island Gathering Places:** The Farmer's Market is an important community asset. The City is including \$65,000 to provide an overhead cover for the market, to allow use of this space during inclement weather. This project will install a more durable surface to replace the grass and sod as well. The budget also provides \$26,000 for a viewing platform at the ferry terminal in coordination with Washington State Ferries.



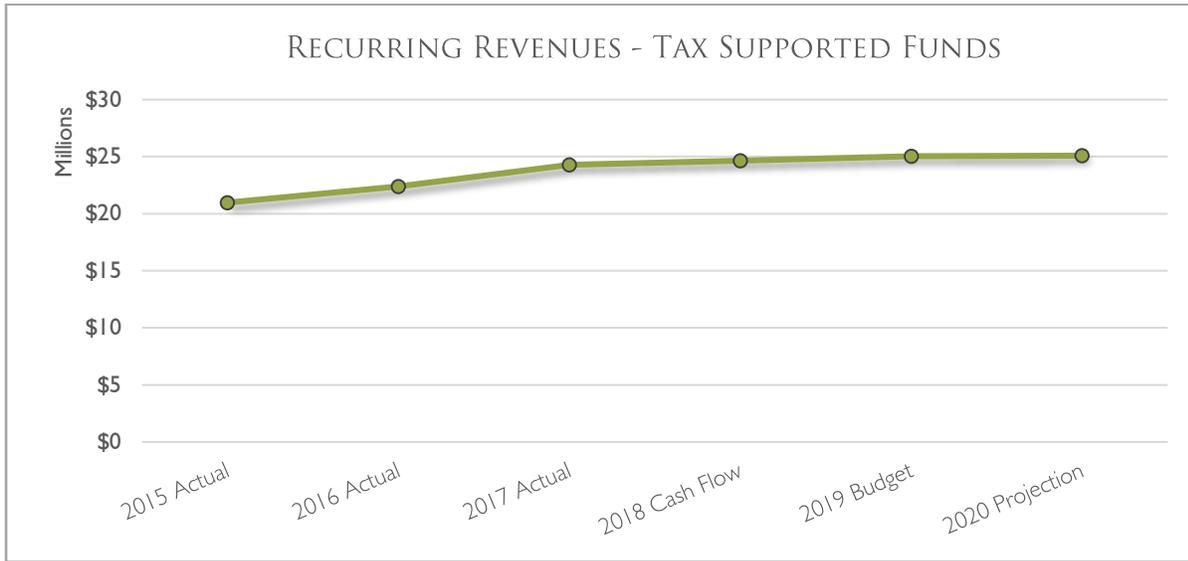
**Summary: Staffing-related changes adopted for the 2019-2020 biennium**

Title	Department, Division	FTE	Amount (2019)
<b>Police Officers</b>	Police	2.0	\$225,000.00
<b>Police Vehicles</b>	Police	-	\$132,000.00
<b>Police Equipment</b>	Police	-	\$10,000.00
<b>Administrative Specialist II</b>	Planning, Current Planning	1.0	\$100,000.00
<b>Human Resources Analyst</b>	Executive, Human Resources	0.5	\$61,000.00
<b>Hydrogeologist (term-limited)</b>	Public Works, Engineering	1.0	\$150,000.00
<b>Natural Resource Planner</b>	Planning, Current Planning	1.0	\$113,000.00
<b>Operations Project Manager</b>	Public Works, O&M	1.0	\$134,000.00
<b>Wastewater Treatment Plant Operator II</b>	Public Works, O&M	1.0	\$100,000.00
<b>Engineering Specialist – Water Resources</b>	Public Works, Engineering	(1.0)	(\$134,000)

Recent financial performance has been strong, allowing City staffing and services to increase in response to community priorities and service delivery goals. A six-year perspective on City staffing is shown in the chart below:

Department	2015	2016	2017	2018	2019	2020	5-Year Change (2015 to 2019)	1-Year Change (2018 to 2019)
<b>Executive/IT</b>	12.25	12.35	13.4	13.4	13.9	13.9	18%	5%
<b>Finance</b>	8.3	8.3	9.8	9.8	9.8	9.8	18%	0%
<b>Municipal Court</b>	4.85	4.85	4.85	4.85	4.85	4.85	0%	0%
<b>Planning &amp; Community Dev.</b>	19	20	20	20	22	22	16%	10%
<b>Public Safety</b>	26.15	26.15	28.35	28.35	30.35	30.35	16%	7%
<b>Public Works</b>	38	39	43	43	45	45	18%	5%
<b>TOTAL</b>	108.55	110.65	119.4	119.4	125.9	125.9	16%	5%

Over this same time period, City revenues have also increased. However, recent economic data suggests that revenue growth has plateaued. Accordingly, increases to ongoing costs such as staffing or increases to services must be carefully considered.



**Looking Ahead**

The City is focused on meeting core needs for service delivery related to Public Safety, Public Works maintenance of our road network and utilities, and customer services related to Planning and Community Development. The City is also committed to a multi-year effort to fully implement the Comprehensive Plan. Alongside these priorities, we continue to pursue completion of long-standing capital projects such as replacement for the aging and undersized Police Station, selected road improvements, and improvements to City utility systems. The organization continually seeks opportunities to improve its internal operations and external communications, and to serve as a key partner to community organizations working to meet critical needs.

I believe the adopted budget provides funding that will implement the Council’s priorities and the community’s vision for Bainbridge Island. The budget was developed to balance these priorities and vision with a sustainable, forward-looking financial plan for the City. Through resident and stakeholder engagement, combined with Council’s thoughtful direction, this budget reflects prudent fiscal planning as our City prepares for the challenges in coming years. The goal has been to make the budget process as engaging and collaborative as possible. We look forward to continued community engagement as we work to deliver priority projects and ongoing City services.

Sincerely yours,

Morgan Smith  
City Manager



## 2019 & 2020 ADOPTED BUDGET CHANGES

Funded?	Item	Total Cost	FTE	Ongoing or One-time	Comments
Yes	FTE: Police Officers	\$225,000	2.0	Ongoing	
Yes	Police Officers Add - Vehicles	\$132,000	-	One-time	
Yes	Police Officers Add - Equipment	\$10,000	-	One-time	
Yes	FTE: Natural Resource Planner/Specialist	\$113,000	1.0	Ongoing	Originally proposed as an Arborist
Yes	FTE: Operations Project Manager	\$134,000	1.0	Ongoing	
Yes	FTE: Human Resources Analyst	\$61,000	0.5	Ongoing	0.25 FTE Civil Service; 0.25 FTE general HR
Yes	FTE: Wastewater Treatment Plant Operator II	\$100,000	1.0	Ongoing	
Yes	FTE: Administrative Specialist II	\$100,000	1.0	Ongoing	0.25 FTE Hearing Examiner support
Yes	FTE: Hydrogeologist	\$150,000	1.0	One-time	2-year term limited position
Yes	FTE: Engineering Specialist (Water Resources)	(\$134,000)	(1.0)	Ongoing	
Yes	Facilities Major Maintenance Projects - 2019	\$921,100	-	One-time	Assumes staff addition
Yes	Facilities Major Maintenance Projects - 2020	\$769,200	-	One-time	Assumes staff addition
Yes	Health and Human Services Funding	\$660,000	-	Ongoing	Two-Year appropriation (in 2019)
Yes	Cultural Element Funding	\$300,000	-	Ongoing	Two-year appropriation (in 2020)
Yes	FEMA Port Security Grant - Police Boat Refurbishment	\$229,000	-	One-time	Includes grant award covering 75% of project
Yes	Professional Services for Comprehensive Plan-Related Topics	\$200,000	-	One-time	\$200,000 in each year
Yes	Communication Plan – 2019	\$150,000	-	One-time	
Yes	Communication Plan – 2020	\$60,000	-	Ongoing	



2019 & 2020 ADOPTED BUDGET CHANGES

(CONTINUED)

Funded?	Item	Total Cost	FTE	Ongoing or One-time	Comments
Yes	Non-Motorized Funding	\$150,000	-	One-time	
Yes	Island-Wide Stormwater Study	\$100,000	-	One-time	
Yes	Wastewater Treatment Plant Tertiary Treatment Study	\$100,000	-	One-time	
Yes	Farm Maintenance - 2019	\$91,800	-	One-time	Farmland Projects 2019
Yes	Farm Maintenance - 2020	\$48,800	-	One-time	Farmland Projects 2020
Yes	Farmer's Market Cover	\$65,000	-	One-time	
Yes	Farmland Property Management	\$65,000	-	One-time	In 2019 only
Yes	PCD - Rate Study	\$50,000	-	One-time	Rate study for development fees
Yes	Professional Services - Photovoltaic Ordinance	\$50,000	-	One-time	
Yes	Public Art Lease/Purchase	\$50,000	-	Ongoing	Transfer into Public Art Subfund
Yes	Public Art Administration	\$24,000	-	Ongoing	\$24,000 in 2019; \$12,000 in 2020
Yes	Noxious Weed Funding	\$40,000	-	Ongoing	Increase by \$40,000 to a total of \$50,000 annually
Yes	City Dock Modification Design	\$30,000	-	One-time	
Yes	Navigator Program	\$30,000	-	Ongoing	Continuation of existing program
Yes	Kitsap Public Health	\$30,000	-	Ongoing	Increase by \$30,000 to a total of \$78,000 annually
Yes	Washington State Ferry Viewing Platform	\$26,000	-	One-time	
Yes	City Dock Pay Station	\$20,000	-	One-time	
Yes	National Citizen Survey	\$15,000	-	One-time	
Yes	Indigenous People's Day Funding	\$1,500	-	Ongoing	\$1,500 in each year



## 2019 & 2020 ADOPTED BUDGET CHANGES

Funded?	Item	Total Cost	FTE	Ongoing or One-time	Comments
No	FTE: Information Technology Project Manager	\$126,000	1.0	Ongoing	
No	FTE: Customer Service Manager	\$178,000	1.0	Ongoing	
No	FTE: Arborist	\$121,000	1.0	Ongoing	
No	FTE: Development Engineering - Engineer	\$134,000	1.0	Ongoing	
No	FTE: Development Engineering - Technician	\$110,000	1.0	Ongoing	
No	Development Engineering - Vehicle for new position	\$60,000	-	One-time	
No	City Hall Renovations	\$350,000	-	One-time	Proposed in Capital Improvement Plan
No	Island-wide Stormwater Projects	\$200,000	-	One-time	
No	City Dock Modifications Project	\$150,000	-	One-time	Became City Dock Modifications Design
No	Shoreline Master Plan Additional Consultant Work	\$150,000	-	One-time	
No	Kitsap Regional Housing Authority	\$100,000	-	Ongoing	Debt payment support
No	Community Solar Program	\$100,000	-	One-time	
No	Island-wide Trail Study	\$75,000	-	One-time	
No	Professional Services - Economic Development Strategy	\$50,000	-	Ongoing	
No	Professional Services - Process Improvements	\$50,000	-	Ongoing	
No	Kitsap Department of Emergency Management	\$27,000	-	Ongoing	
No	Professional Services - GIS Services	\$25,000	-	Ongoing	
No	Professional Services - Electronic Submittal	\$25,000	-	Ongoing	
No	Professional Services - Records Retention - Scanning /Archive	\$20,000	-	Ongoing	
No	Donate Suzuki Property	\$800,000	-	One-time	Donation would reduce budgeted revenue from property sale



## Staff Directory



**Morgan Smith**  
*City Manager*  
msmith@bainbridgewa.gov  
206 842 2545



**Ellen Schroer**  
*Deputy City Manager*  
eschroer@bainbridgewa.gov  
206 842 2545



**Barry Loveless**  
*Public Works Director*  
bloveless@bainbridgewa.gov  
206 842 2016



**Gary Christensen**  
*Planning Director*  
gchristensen@bainbridgewa.gov  
206 842 2552



**Joe Levan**  
*City Attorney*  
jlevan@bainbridgewa.gov  
206 842 2545



**Kristen Drew**  
*Communications Coordinator*  
kdrew@bainbridgewa.gov  
206 842 2545

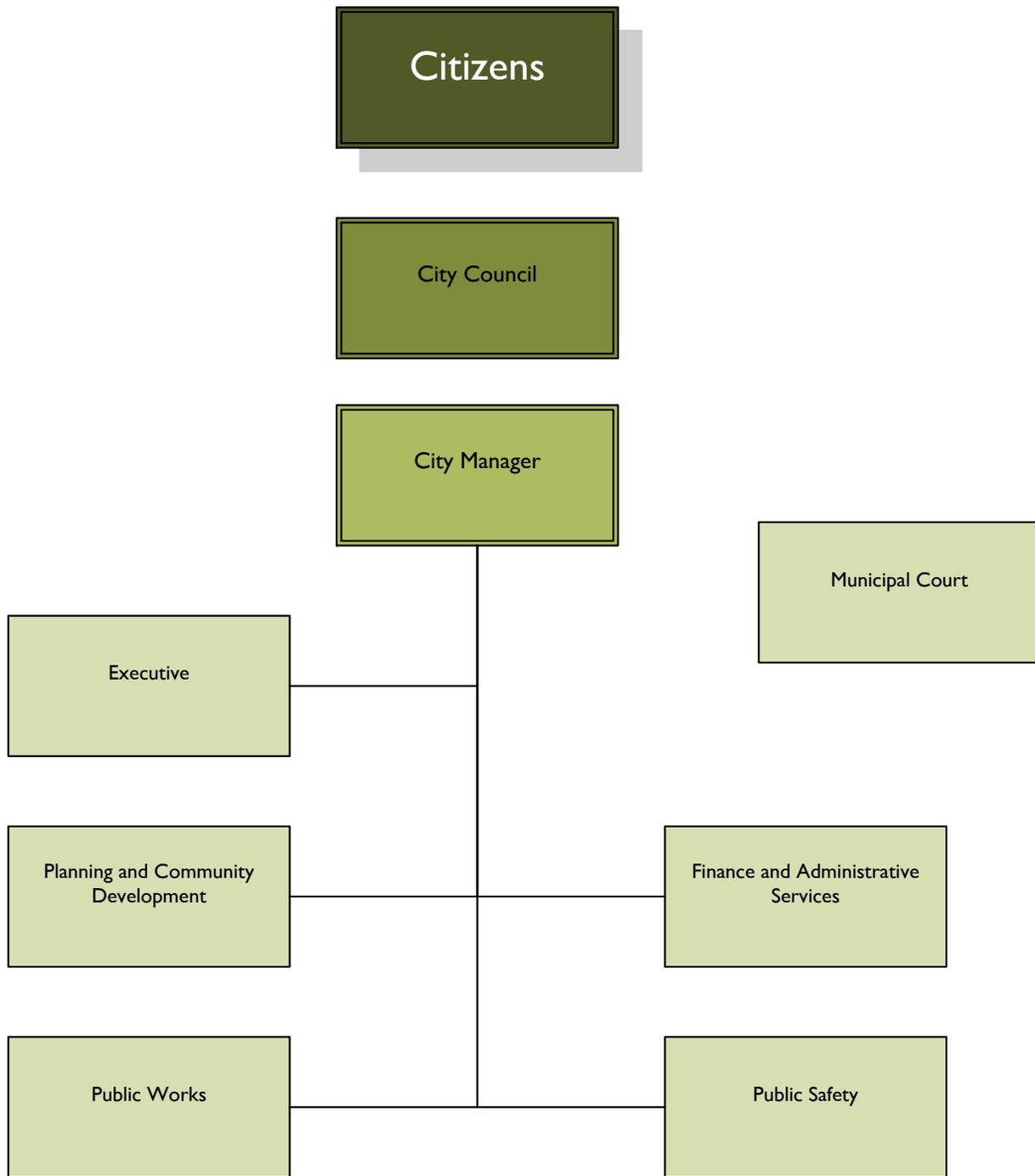


**Jeff Horn**  
*Interim Chief of Police*  
jhorn@bainbridgewa.gov  
206 842 5211

*Not pictured: Interim Finance Director, Karl Shaw: kshaw@bainbridgewa, 206 780 8606*



# CITY OF BAINBRIDGE ISLAND ORGANIZATIONAL CHART





## CITY OVERVIEW

Bainbridge Island, located 35 minutes from downtown Seattle via ferry, is a vibrant, diverse community. With views of the snow-capped Olympic Mountains to the west and Mount Rainier to the east, Bainbridge Island is the closest getaway destination by ferry from Seattle. The area has a rich history and a unique culture of strong community engagement and sustainable environmental practices. The Island is home to an eclectic mix of farms, wineries, multiple parks, numerous hiking trails, golf courses, museums, local arts, and community events. In addition, several natural harbors have helped to develop a strong boating community. Local marinas, yacht clubs, moorage facilities, and waterfront parks provide water-related recreation for all generations.

### ISLAND HISTORY

#### Early History

The Suquamish, led by Chief Kitsap, inhabited the island when Captain George Vancouver, an English explorer for King George, anchored off the Island's south shore in 1792. He named the point Restoration Point in honor of the day King Charles II was restored to the English throne.

In 1841, U.S. Navy Lieutenant Charles Wilkes visited the Island while surveying the Northwest. Lt. Wilkes named the Island after Commodore William Bainbridge, commander of the frigate Constitution in the War of 1812. He also named several other areas of the Island and these names are still in use today.

The Territory of Washington was created on March 2, 1853. In 1855, as part of the Treaty of Point Elliott signed by Chief Sealth (Seattle), the Suquamish ceded Bainbridge Island and their other lands to the U.S. government. In 1857, a new county was formed and eventually named Kitsap in honor of the chief. The first county seat was at Port Madison at the north end of the Island. Business was conducted from the office of Commissioner George Meigs, owner of the Port Madison Mill.

#### Development

By the late 1800s, Port Blakely boasted the world's largest sawmill. Mill workers came from many nations, including Japanese and Hawaiian communities and a Native American village located nearby. Many Filipinos immigrated to Bainbridge Island during the 1920s; others came as shipyard workers during World War II. Both of the island's towns, Port Blakely and Port Madison, had large hotels, schools, foundries, and substantial shipbuilding enterprises. The Hall Brothers Shipyard in Blakely Harbor built 88 vessels, most of which were large schooners for hauling lumber.

#### Growing a Community

With few interior roads, most early island travel was by water. Mosquito Fleet steamers carried freight and passengers between Island landings and Seattle and Kitsap destinations. Communities grew around some 30 mosquito fleet landings, and residents knew their captain's whistle signature. Car ferry service began by barge from Point White to Retsil on the Kitsap Peninsula. Regular car service to Seattle began in 1923 from Port Blakely, but moved to Eagle Harbor in 1937. Eleven neighborhoods had their own schools until islanders voted to consolidate in the 1920s. The county's first school was in Port Madison.



## **The Impact of World War II**

In 1938, the U.S. Navy took over Fort Ward from the Army, confiscating several surrounding properties and evicting their owners. Large acreages were transformed into antenna fields overnight as top-secret, international, radio-listening stations were built. Radio communication and code schools were established that lasted through the Korean War. The Fort Ward command also oversaw the construction of the Navy's largest radio transmitter at Battle Point, with a tower 300 feet taller than the Space Needle.

With the attack on Pearl Harbor and the beginning of World War II in the Pacific, the Island was hit hard. In March 1942, Bainbridge Island became one of the first communities required to respond to Executive Order 9066, which uprooted those of Japanese ancestry, most of whom were U.S. citizens, and forced them to move inland. From Bainbridge Island, 220 Japanese-Americans were sent to Manzanar, California on the edge of the Mojave Desert, and then to Minidoka in Idaho.

Editors of the Bainbridge Review, Walt and Milly Woodward, kept Islanders informed on the activities of displaced residents during the war, and regular columns appeared from the internment camps. Editorials pointed out violations of the Bill of Rights inherent in the Executive Order. Many Islanders were appalled at this treatment of their friends and neighbors. They supported the Japanese-Americans, and welcomed them home at the end of the war. The Japanese American Exclusion Memorial, located across from Eagle Harbor, honors the first of 120,000 Japanese-Americans that were relocated from the West Coast.

## **After the War**

The town of Winslow incorporated in 1947, developed water and sewer utilities, and became the Island's urban center. The Agate Pass Bridge was built in 1950 connecting the Island to the Kitsap Peninsula. The Washington State Ferries took over the old shipyard at Eagle Harbor and Winslow became a busy connection to the Kitsap and Olympic peninsulas.

## **Island-wide Incorporation**

As the community developed, some Islanders felt they were paying an undue portion of the county's taxes and receiving indifferent county services. Others were concerned that major decisions affecting the Island were made with little input from Islanders. In 1969, a bid for incorporation of the area outside Winslow failed at the polls. Another effort in the early 80's did not reach the polls. In 1988, a citizens' Home Rule organization became active, culminating in the 1990 vote to allow the City of Winslow to annex the remainder of the Island. This vote passed but was so close that a recount was needed. In 1991, residents voted to change the City's name to Bainbridge Island.

## **The City Today**

Bainbridge Island is home to a community of over 23,000 citizens. Residents hold protection and conservation of the Island's natural systems as a primary community value. They have voted to tax themselves to purchase hundreds of acres of forests, meadows, beaches, trails, and public farmland to insure the sustainability of environmental protections, community recreational access, and opportunity for local food sources. Residents enjoy a wide range of amenities. Cultural sites include the Bainbridge Island Museum of Art, Bainbridge Island Historical Museum, Bloedel Reserve, Islandwood, Japanese American Exclusion



Memorial, and Bainbridge Performing Arts. The island also boasts numerous galleries, shops, museums, bakeries, and restaurants.

Highly-rated Bainbridge Island School District's mission is to prepare students for the global workplace and personal success. The approximately 1,440 enrolled students demonstrate some of the highest academic achievement in the state. In 2016, US News & World Report ranked Bainbridge High School on the list of "America's Best High Schools." Of the 22,000 public high schools ranked, BHS received a Gold Medal as #274 in the nation and fifth in the state. BHS also was designated as one of the US News Best High Schools in Science, Technology, Engineering & Math (STEM), ranking #154 in the nation. In addition, a number of Island students attend parochial and private schools on the Island.

# CITY STATISTICS

## GEOGRAPHICAL

<b>Location</b>	Kitsap County, Washington		
<b>Latitude</b>	47° 37' N	<b>Longitude</b>	122° 31' W
<b>Land Area</b>	27.61 Square Miles	<b>Miles of Shoreline</b>	53 Miles
<b>Rank in Size/State based on population</b>	42 <sup>nd</sup> of 281	<b>Rank in Size/County based on population</b>	2 <sup>nd</sup> of 4



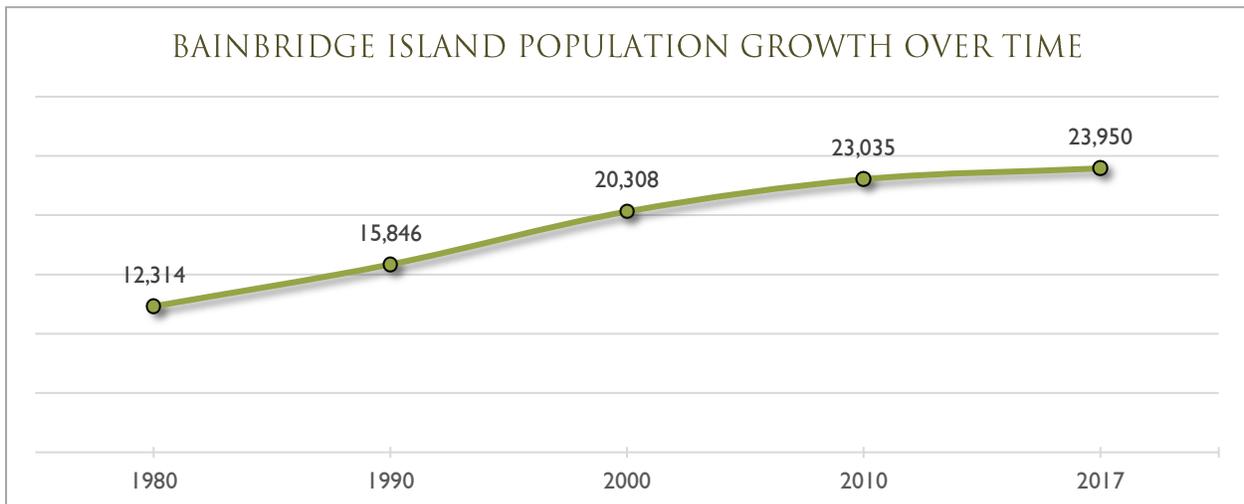


**GOVERNANCE**

<b>County</b>	Kitsap		
<b>Incorporated</b>	1991 (City of Winslow – 1947)		
<b>Form of Government</b>	Council-Manager		
<b>Type of Government</b>	Optional Code City		
<b>Departments</b>	Municipal Court, Executive, Finance & Administrative Services, Legislative, Planning & Community Development, Public Safety, Public Works		
<b>Services</b>	Building Inspections, Business Licensing, Code Enforcement, Notary Services, Permit Applications, Police & Emergency Services, Road Services, Waterfront Park, City Dock, Open Water Marina, Event Facilities, Vegetation Management		
<b>Utilities</b>	Water, Sewer, Surface and Stormwater		
<b>Acreage of Public Farmland</b>	67		
<b>Acres of City Owned Park and Open Space</b>	105.71		
<b>Miles of City Owned Trail</b>	3.3		
<b>Miles of Bike Lane</b>	23.5		
<b>External City Website Visits (2015-2017)</b>	630,790		
<b>Bond Rating</b>			
<b>UTGO</b>	Aa1	<b>LTGO</b>	Aa1

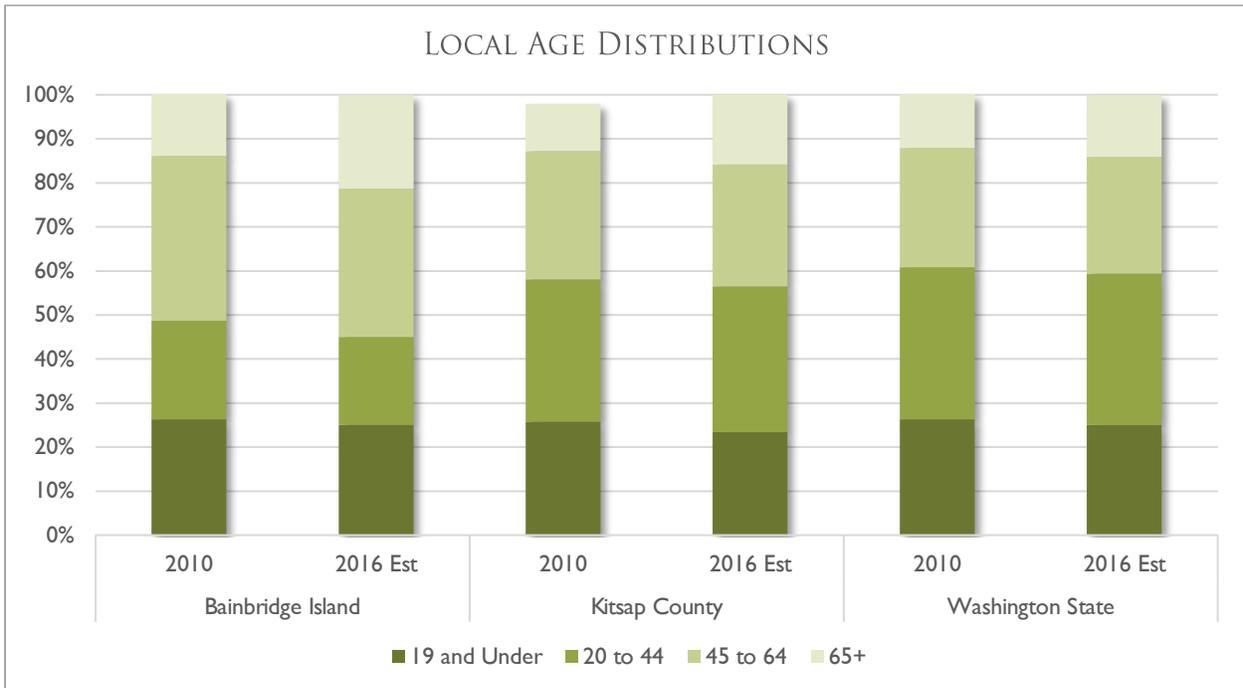
**DEMOGRAPHICS**

<b>Population</b>					
<b>Bainbridge Island</b>		<b>Kitsap County</b>		<b>Washington State</b>	
<b>2017</b>	23,950	<b>2017</b>	264,300	<b>2017</b>	7,310,300
<b>2010</b>	23,025	<b>2010</b>	251,133	<b>2010</b>	6,724,540
<b>% Change</b>	4.0%	<b>% Change</b>	5.2%	<b>% Change</b>	8.7%



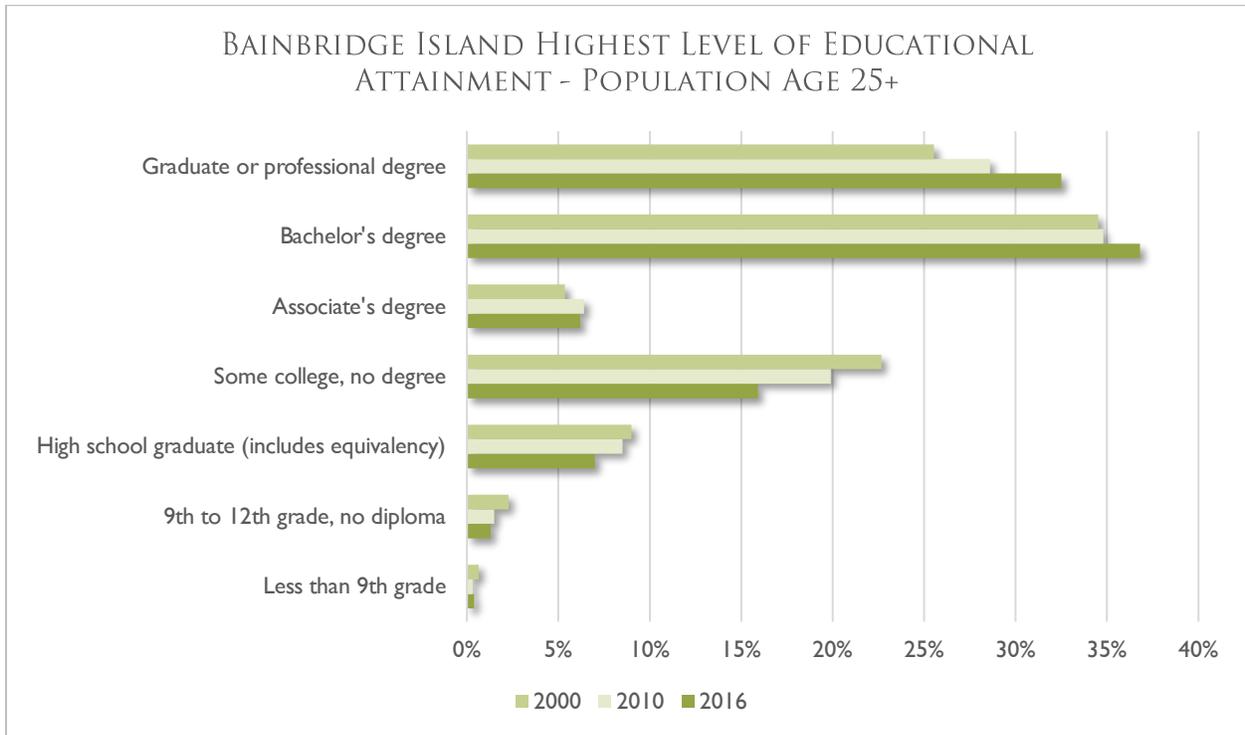


<b>Age Composition (2016 Estimates)</b>					
<b>Bainbridge Island</b>		<b>Kitsap County</b>		<b>Washington State</b>	
<b>Median Age</b>	48.5	<b>Median Age</b>	39.2	<b>Median Age</b>	37.6
<b>Persons under 5 years</b>	5%	<b>Persons under 5 years</b>	6%	<b>Persons under 5 years</b>	6%
<b>Persons under 19 years</b>	25%	<b>Persons under 19 years</b>	23%	<b>Persons under 19 years</b>	25%
<b>Persons 65 years and over</b>	21%	<b>Persons 65 years and over</b>	16%	<b>Persons 65 years and over</b>	14%



<b>Race (2016 Estimates)</b>					
<b>Bainbridge Island</b>		<b>Kitsap County</b>		<b>Washington State</b>	
<b>White alone</b>	89.9%	<b>White alone</b>	81.7%	<b>White alone</b>	77.3%
<b>Black</b>	1.0%	<b>Black</b>	2.4%	<b>Black</b>	3.6%
<b>American Indian</b>	0.3%	<b>American Indian</b>	1.2%	<b>American Indian</b>	1.3%
<b>Asian</b>	3.2%	<b>Asian</b>	4.6%	<b>Asian</b>	7.8%
<b>Pacific Islander</b>	0.1%	<b>Pacific Islander</b>	0.8%	<b>Pacific Islander</b>	0.6%
<b>Some Other Race</b>	1.4%	<b>Some Other Race</b>	1.9%	<b>Some Other Race</b>	3.9%
<b>Two or More Races</b>	4.2%	<b>Two or More Races</b>	7.4%	<b>Two or More Races</b>	5.3%
<b>Hispanic (any race)</b>	4.3%	<b>Hispanic (any race)</b>	7.1%	<b>Hispanic (any race)</b>	12.1%

Education					
Bainbridge Island		Kitsap County		Washington State	
High School/ GED or Higher	98%	High School/ GED or Higher	94%	High School/ GED or Higher	91%
Bachelor Degree or Higher	69%	Bachelor Degree or Higher	31%	Bachelor Degree or Higher	34%
Graduate/ Professional Degree or Higher	33%	Graduate/ Professional Degree or Higher	11%	Graduate/ Professional Degree or Higher	12%





**ECONOMY**

<b>Business Licenses (2017)</b>		
<b>Industry Area</b>		<b>Number of Licenses</b>
<b>1</b>	Professional, Scientific, and Technical Services	524
<b>2</b>	Construction	476
<b>3</b>	Other Services (except Public Administration)	249
<b>4</b>	Retail Trade	235
<b>5</b>	Administrative, Support, and Waste Management	216
<b>6</b>	Health Care and Social Assistance	185
<b>7</b>	Wholesale Trade	111
<b>8</b>	Real Estate, Rental, and Leasing	108
<b>9</b>	Manufacturing	105
<b>10</b>	Accommodation and Food Services	101
<b>11</b>	Arts, Entertainment, and Recreation	93
<b>12</b>	Educational Services	77
<b>13</b>	Finance and Insurance	67
<b>14</b>	Information	52
<b>15</b>	Transportation and Warehousing	23
<b>16</b>	Agriculture, Forestry, Fishing, and Hunting	19
<b>17</b>	Utilities	9
<b>18</b>	Public Administration	3
<b>19</b>	Management of Companies and Enterprises	2
<b>20</b>	Mining, Quarrying, and Oil and Gas Extraction	2
<b>Total:</b>		<b>2,657</b>

<b>Top Ten Employers (2017)</b>		
<b>Employer</b>		<b>Number of Employees</b>
<b>1</b>	Bainbridge Island School District	536
<b>2</b>	Town and Country Markets, Inc.	160
<b>3</b>	Safeway	150
<b>4</b>	Washington State Ferry System	126
<b>5</b>	Sage / Redington	136
<b>6</b>	City of Bainbridge Island	125
<b>7</b>	Soundcare Inc dba Messenger House	95
<b>8</b>	Islandwood	90
<b>9</b>	Virginia Mason, Winslow Clinic	68
<b>10</b>	Madrona Assisted Living LLC	76



<b>Top Ten Taxpayers (2017)</b>				
<b>Employer</b>		<b>Types of Business</b>	<b>2017 Assessed Value</b>	<b>% of Total City Taxable Assessed</b>
<b>1</b>	Puget Sound Energy	Gas & Electric Utility	\$19,007,652	0.28%
<b>2</b>	LBG Bainbridge LLC	Commercial Real Estate	\$16,823,890	0.24%
<b>3</b>	PNW Island Village LLC	Commercial Real Estate	\$15,621,350	0.23%
<b>4</b>	Country Club of Seattle	Country Club	\$11,644,460	0.17%
<b>5</b>	Madison Ave. Real Estate LLC	Commercial Real Estate	\$10,632,300	0.15%
<b>6</b>	Island Gateway LLC	Retail and Office	\$9,654,240	0.14%
<b>7</b>	PBPBS LLC	Property Management	\$9,422,440	0.14%
<b>8</b>	Simmons, Brad	Multi-Fam. Res. Complex	\$9,276,510	0.13%
<b>9</b>	Brandt, James & Linda	Science & Technology	\$8,246,820	0.12%
<b>10</b>	Sportsman Park LLC	Commercial Real Estate	\$7,900,000	0.11%
<b>Total:</b>			\$118,229,622	1.71%

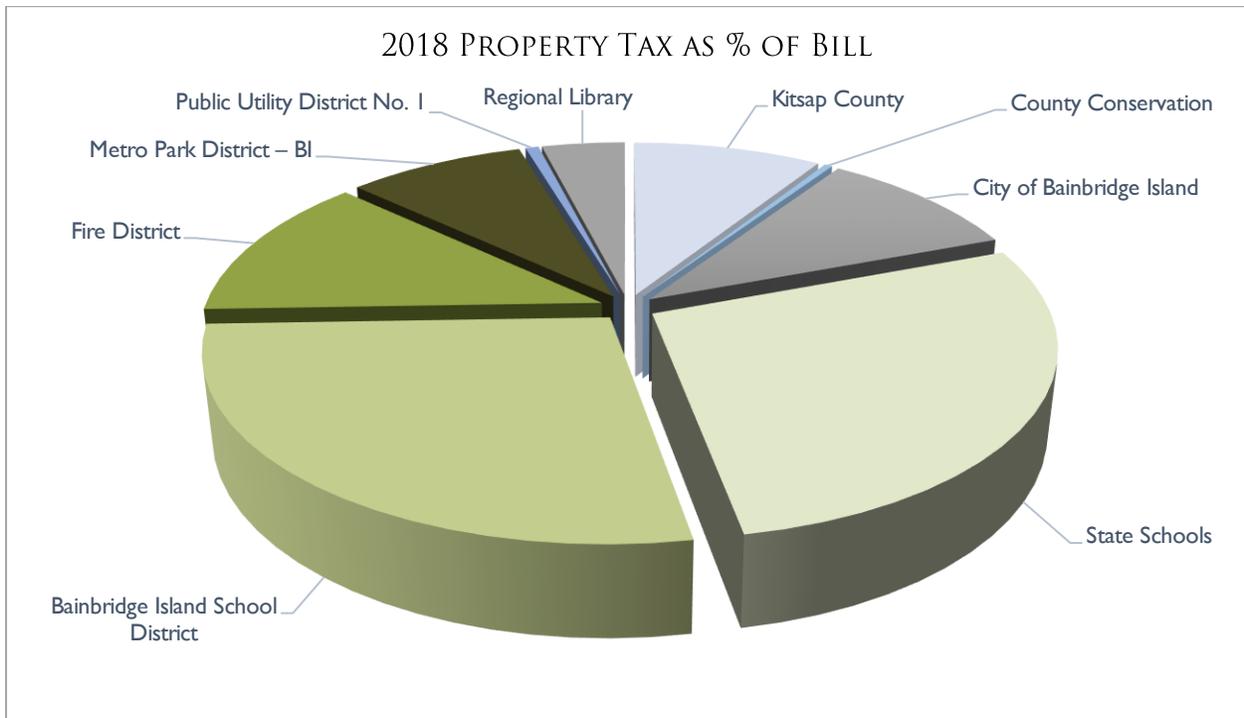
<b>Mean Household Income (2016 Estimates)</b>					
<b>Bainbridge</b>	\$136,266	<b>Kitsap</b>	\$81,914	<b>Washington</b>	\$84,022
<b>Unemployment Rate (Age 16+)</b>					
<b>Bainbridge</b>	3.9%	<b>Kitsap</b>	7.0%	<b>Washington</b>	6.8%

**TRANSIT**

<b>Annual Number of Ferry Riders through Bainbridge Island for 2017</b>			6,528,640		
<b>Mean Travel Time to Work - 2016 (minutes)</b>					
<b>Bainbridge</b>	43.4	<b>Kitsap</b>	30.3	<b>Washington</b>	26.7

**STATEMENT OF ASSESSMENT FOR PAYABLE TAXES FOR 2018**

2018 Property Tax	Tax Rate	Percentage of Bill
<b>Kitsap County</b>	0.978859	9.01%
<b>County Conservation</b>	0.040848	0.38%
<b>City of Bainbridge Island</b>	1.076425	9.91%
<b>State Schools</b>	3.021274	27.82%
<b>Bainbridge Island School District</b>	2.968010	27.33%
<b>Fire District</b>	1.351277	12.44%
<b>Metro Park District – BI</b>	0.921787	8.49%
<b>Public Utility District No. 1</b>	0.068160	0.63%
<b>Regional Library</b>	0.431689	3.98%



2018 Taxes			
Bainbridge Island		Kitsap County	
<b>Assessed Value</b>	\$7,542,154,897	<b>Assessed Value</b>	\$34,177,711,244
<b>Rate</b>	0.994464	<b>Rate</b>	0.940859
<b>Taxes</b>	\$7,500,402	<b>Taxes</b>	\$32,156,430
<b>Timber Excise Distribution</b>	\$267	<b>Timber Excise Distribution</b>	\$31,517
<b>Total</b>	\$7,500,669	<b>Total</b>	\$32,187,947



**SOURCES**

United States Census Bureau, 2000 National Census

United States Census Bureau, 2010 National Census, Estimated for 2016

United States Census Bureau, American Community Survey, Estimated from 2010-2016 data

Office of Secretary of Washington State, Elections and Voting, Voter Registration Data

Kitsap County, Statement of Assessments, 2017 Assessments for Taxes Payable in 2018

Washington State Office of Financial Management, April 1, 2018 official population estimates

Washington State Ferries – 2017 Annual WSF Traffic Statistics



## READER'S GUIDE TO THE BUDGET

The City of Bainbridge Island is required by State law to adopt a balanced budget each year. Understanding a governmental budget and its specialized terminology and organization can be a challenge. This Reader's Guide is being provided to highlight the kind of information contained in this document and to make the City's budget more understandable and useable for the reader.

### **Organization of the Budget Document**

This budget document contains legally required budget information, descriptive background information and various graphs and tables that will be helpful to the reader's understanding. It is organized into six major sections to help the reader more easily find information about the City and its budget. The sections that follow the Introduction and Table of Contents are:

- Understanding City Goals and Measuring Results
- Budget Development
- Summary by Fund
- Summary by Department
- Capital Improvement Plan
- Appendix

### **Introduction**

This section introduces the reader to the contents of the budget document along with a transmittal letter prepared by the City Manager, which provides an overview of the changes proposed in the current City budget.

### **Understanding City Goals and Measuring Results**

The information in this section states the City's goals through the vision and mission statements as well as the Comprehensive Plan guiding principles. Also in this section is information on initiatives established by the City to measure results, including Performance Measurement, Priority Based Budgeting, and the National Citizen Survey.

### **Budget Development**

This section contains information about the budget process, including preparing, reviewing, adopting the budget, and amending the budget after adoption. Financial policies and key assumptions are included in this section. This information provides the reader a solid understanding of the policies and assumptions made to build the budget. Growing from the policies and assumptions used to build the budget, we introduce the financial capacity and fiscal health of the organization. This section concludes with basis of budgeting and debt obligations.

### **Summary by Fund**

The summary by fund section provides fund descriptions and a 2019 budget status. A matrix is included that shows the relationship between the different types of funds and the distribution among departments. It also demonstrates the revenues and expenditures by nineteen funds used citywide. This section includes schedules for community services, outside professional services and intergovernmental services. Documents



defining the total uses of the budget, interfund uses, and expenditures that occur between departments and funds are in this portion of the overall budget document. A citywide budget comparison and revenues by fund are included. Graphs in this section will inform the reader of sources and uses for funds.

### **Summary by Department**

In this section, an overview for each department is included; the reader will find a narrative describing the services provided by that particular department. Included are the budget schedules for each department, organizational charts, and the individual department's performance measures.

### **Capital Improvement Plan**

The Capital Improvement Plan (CIP) section of the budget document represents an important element in the City's long-range and strategic planning. The CIP is a multi-year planning tool used to identify needed capital projects for improvements to the City's owned and operated infrastructure and to coordinate the financing and timing of these improvements. The CIP document is a roadmap for the next six years, and is strategically implemented to address the City's six key priorities; safe city, green well-planned community, reliable infrastructure and connected mobility, healthy and attractive community, vibrant economy, and good governance.

### **Appendix**

The appendix is a valuable tool for the reader. It includes adopted ordinances and resolutions that establish a road map that guide the preparation of the budget. Payscales for represented and unrepresented employees and the police guild can be found in this section. A comprehensive glossary is included to further inform the reader of specialized terminology.