

# Proposed Budget 2021-2022

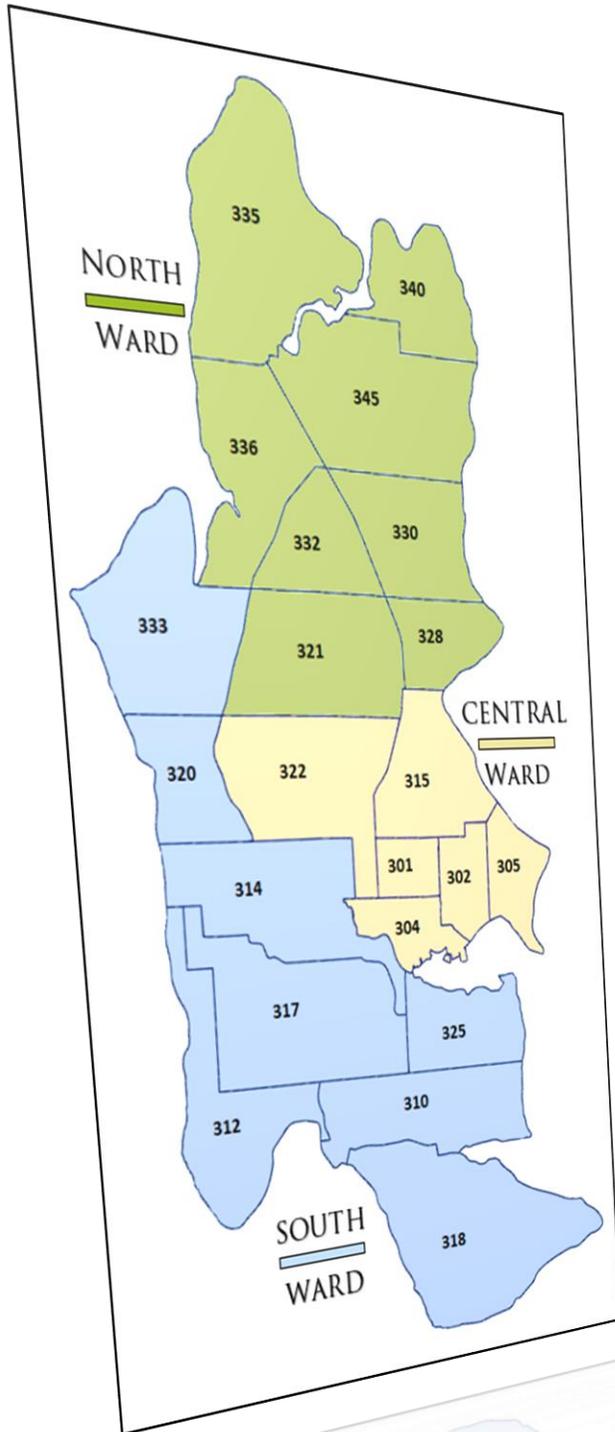


City of Bainbridge Island, WA

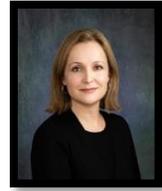


City of Bainbridge Island  
Finance & Administrative Services Department  
280 Madison Ave N  
Bainbridge Island, WA 98110

# City of Bainbridge Island Council Wards & Voting Precincts



Kirsten Hytopoulos  
*At Large*  
khytopoulos@bainbridgewa.gov



Kol Medina  
*North Ward*  
kmedina@bainbridgewa.gov



Joe Deets  
*Deputy Mayor / North Ward*  
jdeets@bainbridgewa.gov



Leslie Schneider  
*Mayor / Central Ward*  
lschneider@bainbridgewa.gov



Rasham Nassar  
*Central Ward*  
rnassar@bainbridgewa.gov



Christy Carr  
*South Ward*  
ccarr@bainbridgewa.gov



Michael Pollock  
*South Ward*  
mpollock@bainbridgewa.gov





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Dear City Council, Community and Interested Readers,

The information which follows in this document is the 2021-2022 Proposed Budget for the City of Bainbridge Island. This document is the financial plan for the upcoming two years and expresses the City's identified priorities and planned service delivery to the community.

### ***Financial Context and Long-Term Capacity***

For the City, 2020 has been an extremely challenging year, as we join our community's residents and local businesses in working to navigate the significant and still-emerging challenges from COVID emergency response and closures. Forecasts for the coming biennium remain unclear, and that means that the work to develop future workplans and budgets is particularly complex. We expect that the City will end 2020 with roughly 10% less tax-supported revenue than planned. This unplanned impact required City leadership to identify roughly \$2.5 million in immediate reductions to current year costs. We accomplished this in large part by holding open twelve vacant positions, which equates to roughly 10% of the City's total staff. This decision saved approximately \$1.3 million in spending. Additional reductions of roughly \$1.4 million were identified through the delay or cancellation of other 2020 activities.

Looking ahead, we forecast that City revenues for 2021 and 2022 will bring a slight recovery from 2020 levels. This still means that the City will need to plan for less revenue for service delivery and projects than was available in the previous biennium of 2019-2020. The City's reduced capacity will be particularly challenging given that the needs across our community will likely be greater during this period, as local businesses and households respond to the larger economic downturn. As we work together to navigate this period of contraction, it will be important for City staff, City Council, and local partners to work together to focus our highest level of service and support towards our most critical community needs.

The 2021-2022 Proposed Budget was developed to acknowledge our reduced revenue challenges while still maintaining specific financial objectives. In accordance with the City's official financial policies, the Proposed Budget presents recurring expenses that are lower than recurring revenues. This means that ongoing costs are not supported by one-time funding. The Proposed Budget also meets all of the City's required reserve policies, and maintains additional fund balance so those resources are available for future City projects and initiatives. The decision to maintain a meaningful level of future capacity is particularly important since significant City initiatives like the Sustainable Transportation Plan and the Climate Action Plan are still in development, and are likely to identify numerous priorities for future City spending.

In the ten years since the Great Recession, the City has embraced a commitment to sustainable and forward-looking financial management. As part of that commitment, we typically apply a ten-year planning test to City budgets to assess whether the City's current spending plans allow for appropriate

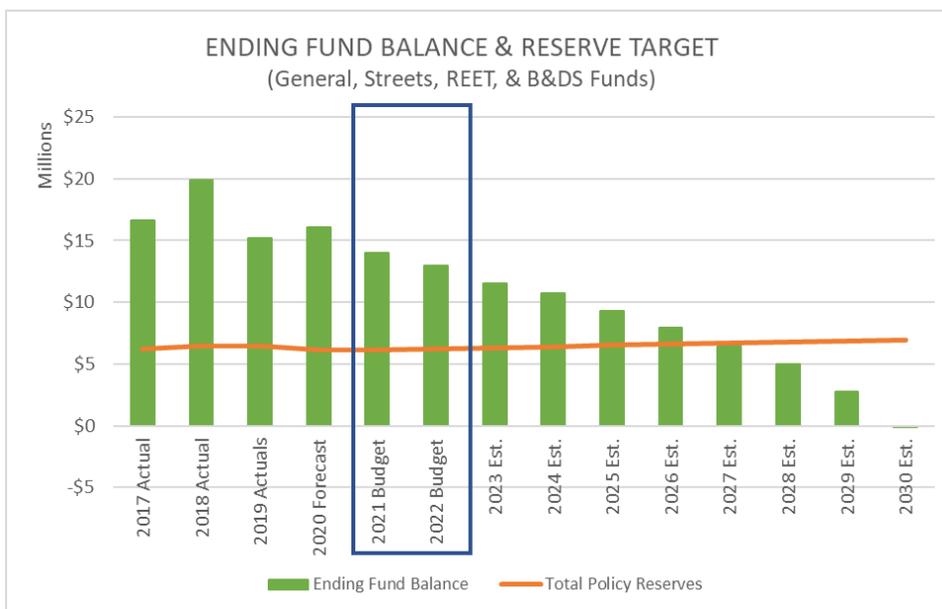
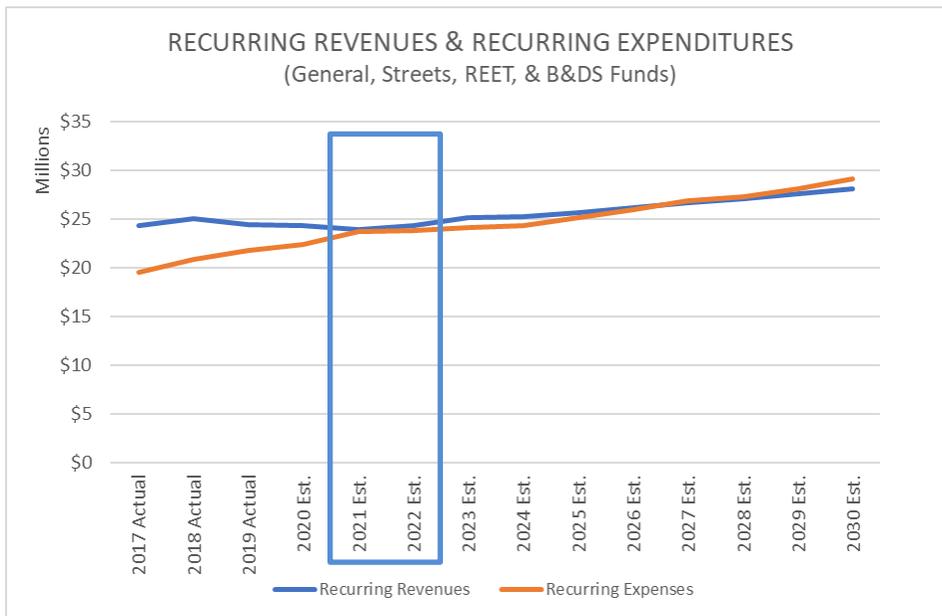




capacity for future plans and changes. In recent years, City budgets have been able to meet both parts of a two-part sustainability test by:

- maintaining policy reserves in all funds throughout the next ten-year period.
- maintaining recurring expenditures that are lower than recurring revenues over the next ten-year period.

The 2021-2022 Proposed Budget is not able to meet these two 10-year sustainability tests. The Proposed Budget meets the sustainability test for policy reserves for roughly 6 years rather than 10 years, and meets the sustainability test for recurring expenditures for roughly 6 years rather than 10 years. The charts below illustrate this forecast.





The significance of these results is most meaningful for future years. While there is capacity to take up increased spending within the 2021-2022 biennium, to do so will further reduce the time horizon until additional future reductions might be needed, and will limit the City's capacity for future spending. Alternatively, the 2021-2022 biennium could be structured with even less spending than is planned in the Proposed Budget, in order to achieve a 10-year threshold for sustainability. However, this would require an even greater contraction of discretionary City spending during the current period of increased community need. Given which, the Proposed Budget is intended to balance the level of current discretionary City spending against the need to preserve financial capacity for future plans and decision. You can find more detailed information about the City's fiscal capacity in the following sections of this Budget Book.

It is important to be aware that the changes proposed within this budget were selected from an extensive list of potential choices. There are numerous ideas for important and worthwhile work that cannot be accommodated within existing City revenues. But in a framework with limited resources, it is necessary to make choices that help to 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 that are not included in this proposed budget, please see pages xi - xiv.

### **2021 – 2022 Proposed Budget Highlights**

The 2021-2022 Proposed Budget funds the staff positions and services that are needed to maintain the City's highest priority goals. I'd like to provide background on the most significant changes included in the Proposed Budget, including some key assumptions. This information is intended to help readers understand the choices City administration made to develop the Proposed Budget.

#### **I. Revenue Loss from COVID Economic Downturn**

The current forecast for revenue loss due to economic conditions is \$2.0 million in 2021 revenues (roughly 9%). This compares to an average increase of 3.3% for tax-supported funds over the past ten years. Per the City's financial policies, the City's spending plans must respond to this overall negative impact by reducing recurring expenditure. To accomplish this, the Proposed Budget includes the following reductions: eliminate three regular positions (Police Officer, Senior Judicial Specialist, Senior Plan Check Engineer) and eliminate two term-limited positions (Public Records Analyst, Senior Planner). I believe that the City's target service delivery requirements can still be maintained with lower staff capacity in these areas for the coming biennium.

In addition, the Proposed Budget reduces tax-supported discretionary spending within departmental budgets where feasible (professional services, training, supplies, etc.) The Proposed Budget also reduces Council contingency funds from \$300,000 per year to \$200,000 per year. These contingency funds are budgeted to allow Council to approve discretionary, unplanned spending decisions during the



course of each year. Over the past five years, the average annual spending from Council contingency has been \$105,000. Given which, I believe that the City Council can continue to support the typical levels of unplanned annual spending within a \$200,000 annual budget.

## **II. Elimination of Transportation Funding**

In 2019, Washington State voters passed Initiative 976, which eliminated the ability of the City of Bainbridge Island to receive Transportation Benefit funds to support annual roads maintenance and traffic safety projects. The result of this change is that the City will now have \$600,000 less in recurring revenue each year, of which \$400,000 is used to support our road maintenance program. To date, the City has not reduced annual spending on road preservation program. Instead, the Proposed Budget maintains our asset management program despite the loss of significant revenue. The rationale to maintaining our current level of maintenance is to avoid higher costs in the future due to deterioration from deferred road repairs.

The existing Transportation Benefit Fund has a balance of \$600,000 available to partially support road maintenance expenses in 2021 and 2022. Beyond 2022, new revenue sources will be needed to maintain road maintenance program at current levels without impact to spending on other City programs. Many communities have implemented a Transportation Benefit sales tax, which could generate roughly \$450,000 per year for the City of Bainbridge Island. A Transportation Benefit sales tax would require voter approval and a significant lead time for decision-making. Given which, City leadership should plan during the next biennium to take steps to consider this option or to identify other approaches to maintain the City's road maintenance program at current levels.

## **III. Infrastructure Stewardship and Investments**

The Capital Improvement Plan included in the Proposed Budget reflects the City's emphasis on effective stewardship of our existing and planned infrastructure, and funding for key improvements. The City's investment in capital projects continues to be significant, with 2021-2022 total new spending (excluding grants and \$10 million in spending for the Police and Municipal Court Building) at \$5.3 million for utility projects and \$3.8 million for tax-supported projects. The Proposed Budget plans \$2.4 million of spending on transportation and non-motorized projects, and \$1.6 million on fleet and facility projects.

Additionally, City staff will be working to complete a range of previously authorized projects, which were approved in prior budgets at a level (excluding grants) of \$4.2 million for utility projects and \$2.8 million for tax-supported projects.

In order to address the increasing backlog of utility infrastructure needs, the Proposed Budget includes a new Engineer position dedicated to managing utility projects. The additional capacity created by this position will allow the City to execute the project list outlined in the 2021-22 Capital Improvement Plan. The Plan includes a wide range of critical utility needs that range from small projects like water main replacements, to large infrastructure projects like replacement of the Winslow Water Tank and the construction of a new sewer pump station to serve the Lower Lovell neighborhood.



The Proposed Budget Capital Improvement Plan anticipates \$1.7 million in grant funding for projects during the biennium, which allows our capital project investments to achieve significant leverage of City dollars.

#### **IV. Climate Action Plan**

The Proposed Budget includes one-time funding of \$300,000 to support the City's implementation of some of the highest priority items in the Climate Action Plan. The City Council identified Climate Change as its top policy priority for the 2021-2022 City budget. The Climate Change Advisory Committee has worked since 2019 to develop a Climate Action Plan (CAP). The CAP is intended to guide the City's actions to achieve the overall goal of reducing community-wide greenhouse gas emissions by 90% by 2045 as compared to 2014 levels, and the interim goals of reducing GHG emissions 25% by 2025 and 60% by 2035 compared to 2014 levels.

The CAP is being finalized at this time, and is expected to include roughly 175 actions to support the City in achieving its climate-related goals. The CAP's implementations actions will be ranked into short, medium and long-term efforts. The draft CAP is scheduled for presentation to the City Council in early October, after which time decisions on implementation projects and schedule can be finalized.

As a related measure, the Proposed Budget provides funding to support a term-limited, full-time hydrogeologist position to lead the City's development of a Groundwater Management Plan during 2021-2022. This position was included in the previous biennial budget (2019-2020), but the City was unsuccessful in filling the position despite good faith efforts to do so.

#### **V. Policing Strategies**

The Proposed Budget includes a new position for a full-time Behavioral Health Navigator. The addition of a Behavioral Health Navigator within the Bainbridge Island Police Department will allow a more integrated approach between law enforcement and social services. By including a behavioral health professional in the evaluation, intervention, and follow-up to police referrals, the City will be able to better direct individuals and families to appropriate resources, reducing their reliance on 911 services. The goal is improved community outcomes across a range of needs. Funding for this new position is supported by the elimination of one vacant Police Officer position, and the redirection of funds for an existing interlocal Navigator program that will be ending in late 2020.

The City currently has access to a half-time Behavioral Health Navigator, organized through an interlocal agreement with the City of Poulsbo. This cooperative arrangement has worked well, and has demonstrated the effectiveness and importance of a person in the behavioral health role within the Police Department. The City of Poulsbo has informed the City of Bainbridge Island that the current interlocal Navigator program will be ending in late 2020. By adding a dedicated Bainbridge Island staff position, the City can more fully develop and foster this community-focused resource within our public safety services.

The full-time regular position will integrate behavioral health, community engagement, victim advocacy, homelessness outreach, police training in de-escalation, mental health interventions, and diversity. A fulltime position will allow progress from what is currently mostly a reactive program, and instead focus



on proactive and holistic approaches to better benefit the community we serve. This position would enhance the ability of the Police Department and the City to coordinate services, and to interface across external agencies and organizations, as the principal point of contact and specialist in this area.

**VI. Support for Diversity, Equity and Inclusion (DEI) Initiatives**

The Proposed Budget includes \$100,000 to support new DEI initiatives, training and community outreach. The City's Race Equity Task Force (RETF) has been working since 2019 on a series of initiatives, including a proposal to develop an equity lens for the City. The City Council has approved the creation of a standing advisory committee on Race Equity and that committee is scheduled to be finalized later this Fall. This funding is intended to support future work and initiatives to be identified by City leadership as the RETF and standing committee move forward.

**VII. Support for Community Partners and Programs**

Staff has incorporated guidance from City Council decisions to include \$1.5 million of funding in the Proposed Budget for human services, cultural element funding, and other support to community partners. Key elements include:

- Human services funding is maintained at current levels (roughly \$900,000 during 2021-2022). 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 tax-supported revenue. Within this category, the Proposed Budget includes \$200,000 in support for affordable housing projects through the Affordable Housing Trust Fund.
- Cultural sector funding is maintained at current levels (roughly \$300,000 during 2021-2022). 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 City-owned public farmland includes roughly \$150,000 to complete identified repair and maintenance projects. This represents an increase from the previous level of spending of roughly \$80,000 per biennium for this type of projects. The City has identified a significant portfolio of deferred maintenance and upcoming projects on the City's public farmland properties. The total estimate to resolve this portfolio of identified but unfunded needs is over \$900,000. The City Council has formed a Council Ad Hoc Committee to consider issues related to management of the public farmland. One important aspect of this work for City leadership going forward will be the development of a strategy to respond to the extensive portfolio of unfunded repair and maintenance items.
- Support for the Public Art Program is continued at the current level, including \$50,000 per year to support future art projects, \$10,000 for as-needed annual maintenance and repair, and another \$12,000 in annual support to Arts and Humanities Bainbridge in recognition of their services on behalf of the Public Art Committee.



- Support for Economic Development programs is increased to \$150,000 during 2021-2022. The Proposed Budget includes annual funding in each year to support \$10,000 for the Kitsap Economic Development Alliance (KEDA), \$35,000 to support the Bainbridge Island Downtown Authority (BIDA) via a tax offset program, and \$30,000 in additional budget to support projects to be determined.

**Staffing Related Changes**

The Proposed Budget identifies reductions in overall staffing, in order to reduce recurring expenditures to a level that is within recurring revenues.

**Summary of 2021-2022 Proposed Budget Staffing Changes**

Item	Department	Total Cost	FTE	Comments
FTE: Engineer I/II - Utility Projects	Public Works	140,000	1.00	Add
FTE: Behavioral Health Navigator	Public Safety	114,300	1.00	Add
FTE: Vacant Patrol Officer	Public Safety	(130,029)	(1.00)	Vacant/Remove
FTE: Senior Plan Check Engineer	PCD	(149,376)	(1.00)	Vacant/Remove
FTE: Senior Judicial Specialist	Municipal Court	(87,166)	(1.00)	Vacant/Remove
FTE: Public Records Specialist (term-limited)	Executive	(112,202)	(1.00)	Vacant/Remove
FTE: Senior Planner (term-limited)	PCD	(123,439)	(1.00)	Vacant/Remove
	<b>NET:</b>	<b>\$ (347,912)</b>	<b>(3.00)</b>	



Due to the general economic contraction, the Proposed Budget includes a reduction in City staffing and services. A fifteen-year perspective on City staffing is shown in the chart below:

Department	2008	2013	2018	2020	2021	2021 comp to 2008	2021 comp to 2008	2021 comp to 2020	2021 comp to 2020
Court	7.02	5.02	4.85	4.85	3.85	(3.17)	-45%	(1.00)	-21%
Executive	8.00	5.75	9.80	12.10	11.10	3.10	39%	(1.00)	-8%
Finance	14.00	8.80	9.80	10.00	10.00	(4.00)	-29%	-	0%
Info Technology	5.80	4.00	3.60	4.00	4.00	(1.80)	-31%	-	0%
Planning	32.45	18.00	20.00	23.00	21.00	(11.45)	-35%	(2.00)	-9%
Police	28.25	26.25	28.35	30.35	30.35	2.10	7%	-	0%
Public Works Eng.	23.00	15.00	20.00	19.80	20.80	(2.20)	-10%	1.00	5%
Public Works O&M	35.00	21.00	23.00	26.00	26.00	(9.00)	-26%	-	0%
Total FTE	153.52	103.82	119.40	130.10	127.10	(26.42)	-17%	(3.00)	-2%

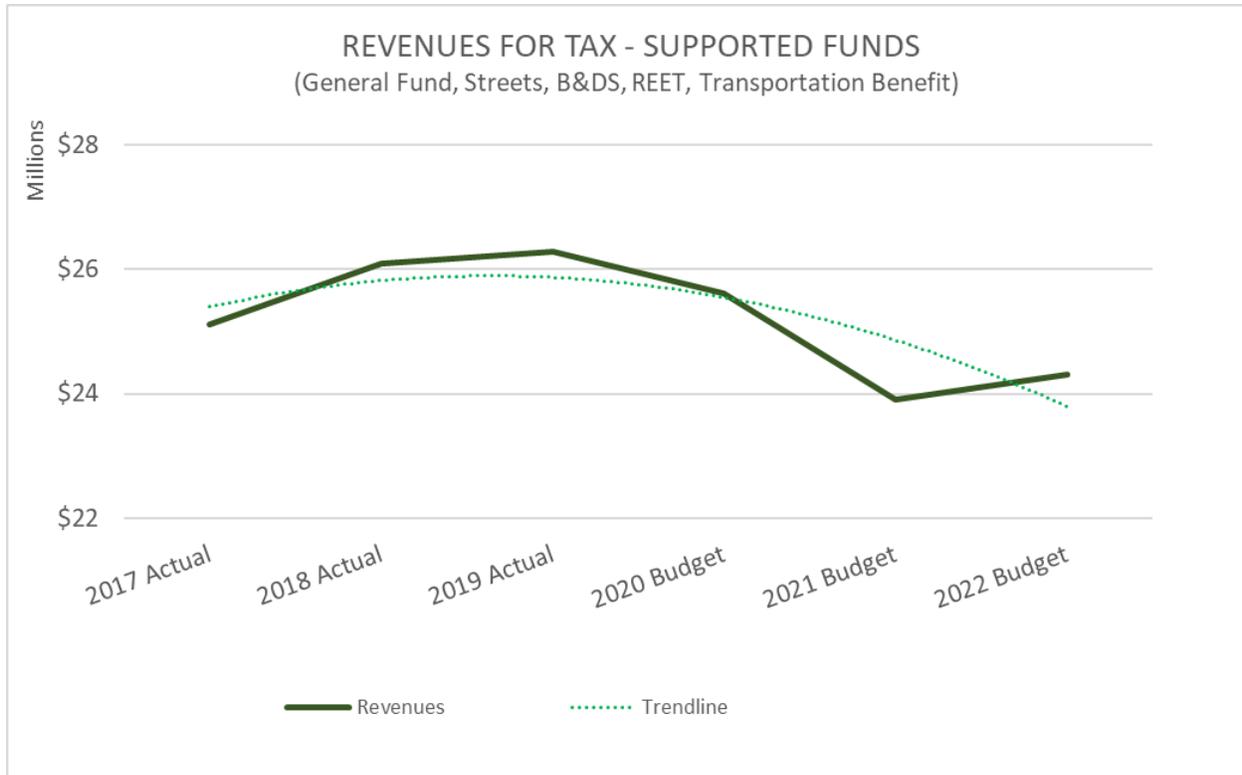
As shown above, the City staffing levels within the Proposed Budget are roughly 17% lower than in 2008, although the population of Bainbridge Island has grown almost 10% during this same period. This will result in the need to carefully focus City personnel and other resources on our highest priority activities and services.



The Proposed Budget assumes the following schedule for hiring for existing vacancies. The table below presents the City’s vacant positions as of May, 2020 and the plan for each position moving forward.

Position	Dept	Status as of 5/1/20	Status as of 9/1/20	Proposed Hiring Schedule (Est. start date in following quarter)
<b>Vacancies Agreed to Fill in May, 2020 (n = 3)</b>				
Development Engineer	PW	filled	filled	filled
Police Officer	POL	vacant	filled	filled
Police Officer	POL	vacant	filled	filled
<b>Vacancies Agreed to Hold Open in May, 2020 (n = 12)</b>				
Hydrogeologist (TL)	PW	vacant	vacant	Q4 2020
Capital Engineering Manager	PW	vacant	vacant	Q4 2020
Maintenance Technician II	PW	vacant	vacant	Q4 2020
Planner	PCD	vacant	vacant	Q4 2020
Planner	PCD	vacant	vacant	Q1 2021
Financial Analyst	FIN	vacant	vacant	Q1 2021
Deputy Police Chief	POL	vacant	vacant	Q2 2021
Police Officer	POL	vacant	vacant	proposed remove
Senior Plan Check Engineer	PCD	vacant	vacant	proposed remove
Senior Judicial Specialist	CRT	vacant	vacant	proposed remove
Senior Planner (TL)	PCD	vacant	vacant	proposed remove
Public Records Analyst (TL)	EXEC	vacant	vacant	proposed remove
<b>Vacancies that occurred after May, 2020 (n = 1)</b>				
Maintenance Technician II	PW	n/a	vacant	Q4 2020
<b>Positions added after May, 2020 (n = 1)</b>				
COVID-19 Safety Officer	EXEC	n/a	filled	filled
<b>New Positions Included in Proposed Budget (n = 2)</b>				
Behavioral Health Navigator	POL	n/a	n/a	proposed add
Engineer II - Utility Projects	PW	n/a	n/a	proposed add

**Looking Ahead**



Our plans for City spending must adjust downward in response to decreasing revenue resources. The work to complete a final budget for the 2021-2022 biennium will involve important decisions and choices about how best to allocate the City’s limited resources. I look forward to your participation in this process. The budget is proposed to Council on September 22 and will be a focus of fall Council discussions during October and November. I invite you to join any Tuesday Council meeting, and to provide input by email at any time. Please take the opportunity to join the biennial budget dialogue so that we can hear your thoughts and reactions to the City’s plans. This budget describes the City’s use of the community’s funds, and your participation is crucial as we make decisions and weigh options for the best use of our shared resources.

Sincerely,

Morgan Smith  
City Manager



**2021-2022 PROPOSED BUDGET CHANGES**

**Items Identified by City Council**

Funded?	Item	Total Cost	FTE	Ongoing/ One time	Comments
Yes	Implement climate action plan	tbd	-	One Time	(Council Priority Review - 7 votes) address within \$300k funding
Yes	Land Use Code revisions	tbd	-	One Time	(Council Priority Review - 6 votes) No budget impacts identified at this time
No	FTE - Ombudsman	\$ 112,259	1.00	Ongoing	(Council Priority Review - 5 votes)
Yes	Implement Sustainable transportation plan	tbd	-	One Time	(Council Priority Review - 5 votes) Sustainable Transportation Initiative + CIP projects
Yes	Implement Green Building Code	tbd	-	One Time	(Council Priority Review - 4 votes) address within \$300k funding
Yes	Affordable Housing Strategy	tbd	-	One Time	(Council Priority Review - 4 votes) No budget impacts identified at this time
Yes	Race Equity Initiative Implementation	tbd	-	One Time	(Council Priority Review - 3 votes) \$100k of funding included
Yes	Plastics Ordinance	tbd	-	One Time	(Council Priority Review - 3 votes) Included in draft CAP
Yes	Sustainable Green Economic Development	tbd	-	One Time	(Council Priority Review - 3 votes) - \$30k in each year of budget for economic development projects
No	FTE - SEPA Specialist	\$ 109,064	1.00	Ongoing	(Council Priority Review - 2 votes)
No	FTE - Agricultural resource specialist	\$ 99,175	1.00	Ongoing	(Council Priority Review - 2 votes)
Yes	SSWM Utility - Implement Island-Wide Stormwater study	tbd	-	One Time	(Council Priority Review - 1 vote)



**2021-2022 PROPOSED BUDGET CHANGES**

**Items Included in the Proposed Budget (Tax-Supported Funds)**

Funded?	Item	Total Cost	FTE	Ongoing/ One time	Comments
Yes	Delay in filling of vacant positions	\$ (207,400)	-	One Time	Hold currently vacant positions open until Q1/Q2/Q3 of 2021
Yes	FTE - Eliminate Sr. Plans Examiner position	\$ (149,376)	(1.00)	Ongoing	
Yes	FTE - Eliminate Vacant Police Officer position	\$ (130,029)	(1.00)	Ongoing	
Yes	Reduce Council contingency from \$300k to \$200k	\$ (100,000)	-	Ongoing	
Yes	FTE - Eliminate Sr. Judicial Specialist position	\$ (87,166)	(1.00)	Ongoing	
Yes	Navigator program	\$ (30,000)	-	Ongoing	Services will be provided by proposed new position
Yes	Climate Change Budget Set Aside	\$ 300,000	-	One Time	Projects to be determined in alignment with Climate Action Plan
Yes	FTE - Engineer I/II - Capital Projects	\$ 140,000	1.00	Ongoing	Staff addition assumed in proposed utility CIP
Yes	Farms - Project Funding Increase	\$ 130,000	-	Ongoing	\$50,000 in each year for projects; \$15,000 annual cost for labor
Yes	Sidewalk Repair/Replacement	\$ 120,000	-	One Time	\$60,000 in each year
Yes	FTE - Behavior Health Navigator	\$ 114,300	1.00	Ongoing	New position in Police Department
Yes	Diversity, Equity, and Inclusion Efforts	\$ 100,000	-	One Time	
Yes	Waterfront Park Tree Management Phase II	\$ 60,000	-	One Time	
Yes	Public Works Fuel Software System	\$ 40,000		One Time	
Yes	Island Center Subarea Plan	\$ 30,000	-	One Time	
Yes	GIS Consortium - Tier 3 Package (AWC)	\$ 27,000	-	Ongoing	
Yes	Complete Streets Ordinance Development	\$ 25,000	-	One Time	
Yes	Comprehensive Plan Periodic Update	\$ 25,000	-	One Time	
Yes	Farms - Suyematsu Fuel Tank Monitoring	\$ 20,000	-	One Time	
Yes	PSE Franchise Communications	\$ 20,000	-	One Time	
Yes	SMP - Climate Adaptation Implementation Phase 2 - Bluff Erosion	\$ 20,000	-	One Time	Continued effort to include the effects of climate change such as bluff erosion in SMP application
Yes	PW/WWTP Fuel Tank & Dispensing Station	\$ 20,000	-	One Time	
Yes	PW Shop HVAC Controls Upgrade	\$ 20,000	-	One Time	
Yes	Senior Center East Roof Replacement	\$ 20,000	-	One Time	
Yes	Broadcast PIX Upgrade	\$ 18,000	-	One Time	Council chamber equipment
Yes	SMP - Periodic Review	\$ 15,000	-	One Time	Outreach and engagement
Yes	Shoreline Stewardship Outreach	\$ 10,000	-	One Time	Education and outreach regarding best practices and opportunities to improve shoreline environment
Yes	Shoreline Riparian Restoration	\$ 10,000	-	One Time	



**2021-2022 PROPOSED BUDGET CHANGES**

**Items Included in the Proposed Budget (Utility Funds)**

Funded?	Item	Total Cost	FTE	Ongoing/ One time	Comments
Yes	Water Utility - Taylor Well Rehab and Pump Replacement	\$ 50,000		One Time	
Yes	Water Utility - Rockaway Rebuild Filtration System	\$ 40,000		One Time	
Yes	Water Utility - System Business Planning	\$ 37,500	-	One Time	Development of a business plan for the Winslow Water system
Yes	Water Utility - Well Performance Testing and Evaluation	\$ 30,000		One Time	
Yes	Water Utility - Automatic Valves & Controls Maintenance	\$ 20,000		One Time	
Yes	Sewer Utility - Grinder Pump Replacements	\$ 150,000	-	One Time	
Yes	Sewer Utility - Biosolids Study	\$ 100,000	-	One Time	
Yes	Sewer Utility - Replace Scum Pit Pumps	\$ 40,000		One Time	
Yes	Sewer Utility - Rebuild Influent Fine Screen	\$ 20,000		One Time	
Yes	Sewer Utility - Rebuild Clarifier #1	\$ 20,000		One Time	
Yes	SSWM Utility - Storm and Surface Water Management Utility Study	\$ 250,000	-	One Time	\$125,000 in each year
Yes	SSWM Utility - Spoils Study for alternative solutions	\$ 10,000		One Time	



**2021-2022 PROPOSED BUDGET CHANGES**

**Items Not Included in the Proposed Budget**

Funded?	Item	Total Cost	FTE	Ongoing/ One time	Comments
No	Springbrook Fish Passage	\$ 1,200,000	-	One Time	Recommended by Planning Commission. Funding not currently identified within Proposed Budget.
No	Farms - Other Projects/Maintenance and Repairs	\$ 824,000	-	One Time	Significant list of identified projects at all farmland properties.
No	Senior Center Improvements	\$ 450,000	-	One Time	Cost share may be possible with Senior Center organization.
No	Town Square Cover	\$ 341,000	-	One Time	
No	City Dock expansion (rowing float)	\$ 300,000	-	One Time	
No	Farms - Shade Covenant - Tree Management	\$ 250,000	-	One Time	Range of available solutions
No	FTE - Climate Adaptation Officer	\$ 135,000	1.00	Ongoing	Could be part of overall climate change initiatives
No	FTE - Information Tech Support Specialist	\$ 114,300	1.00	Ongoing	
No	Farms - Morales Farmhouse	\$ 100,000	-	One Time	
No	Farms - Suyematsu Farmhouse	\$ 100,000	-	One Time	Range of available solutions
No	Subarea Plan 2021, Implementation 2022	\$ 75,000	-	One Time	Subarea plan (such as Day Road and Rolling Bay) to follow current process
No	Community Needs Assessment	\$ 55,000	-	One Time	Delayed due to streamlined funding cycle
No	PW Kitchen, Washer, Dryer Upgrade (EOC)	\$ 40,000	-	One Time	
No	Affordable Housing - ADU Design	\$ 25,000	-	One Time	Estimate of consultant ADU incentive program by providing pre-designed building plans.
No	CAO Review	\$ 25,000	-	One Time	Work will be completed by staff
No	Vincent Road Property Assessment	\$ 25,000	-	One Time	Community solar use impact/co-existence with other potential site uses
No	COBI Intranet	\$ 15,000	-	One Time	
No	Affordable Housing - Outreach & Education	\$ 5,000	-	One Time	



## Staff Directory



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



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



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



**Heather Wright**  
*Planning Director*  
hwright@bainbridgewa.gov  
206 842 2552



**Chris Wierzbicki**  
*Public Works Director*  
cwierzbicki@bainbridgewa.gov  
206 842 2016



**Joe Clark**  
*Chief of Police*  
jclark@bainbridgewa.gov  
206 842 5211

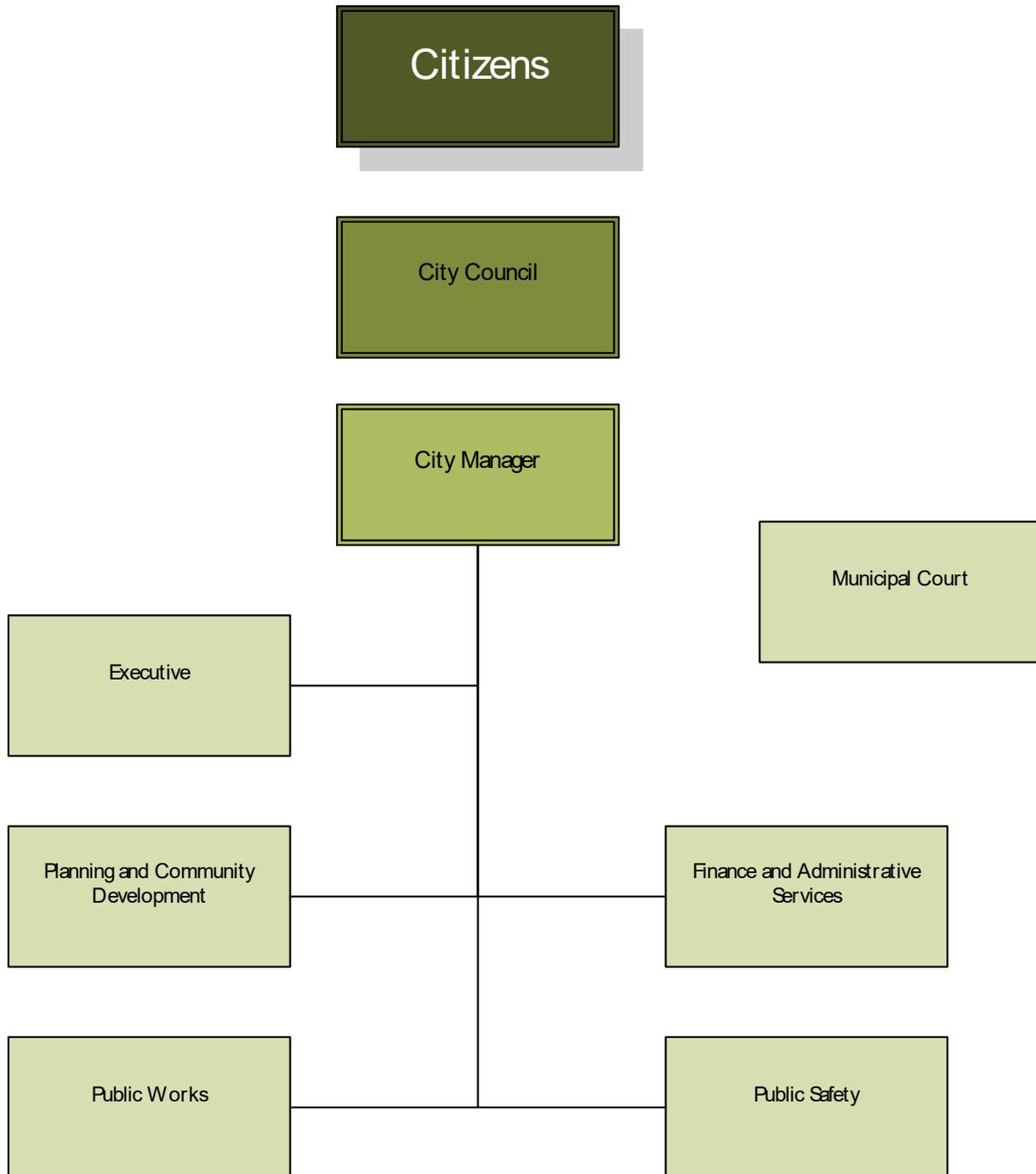


**DeWayne Pitts**  
*Finance Director*  
dpitts@bainbridgewa.gov  
206 780 8606



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

## 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 24,000 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 1,473 enrolled students demonstrate some of the highest academic achievement in the state. In 2020, US News & World Report ranked Bainbridge High School on the list of "America's Best High Schools." Of the 17,792 public high schools ranked, BHS is ranked #574 in the nation and ninth in the state. BHS also was designated as one of the Newsweek's Best High Schools in Science, Technology, Engineering & Math (STEM), ranking #359 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



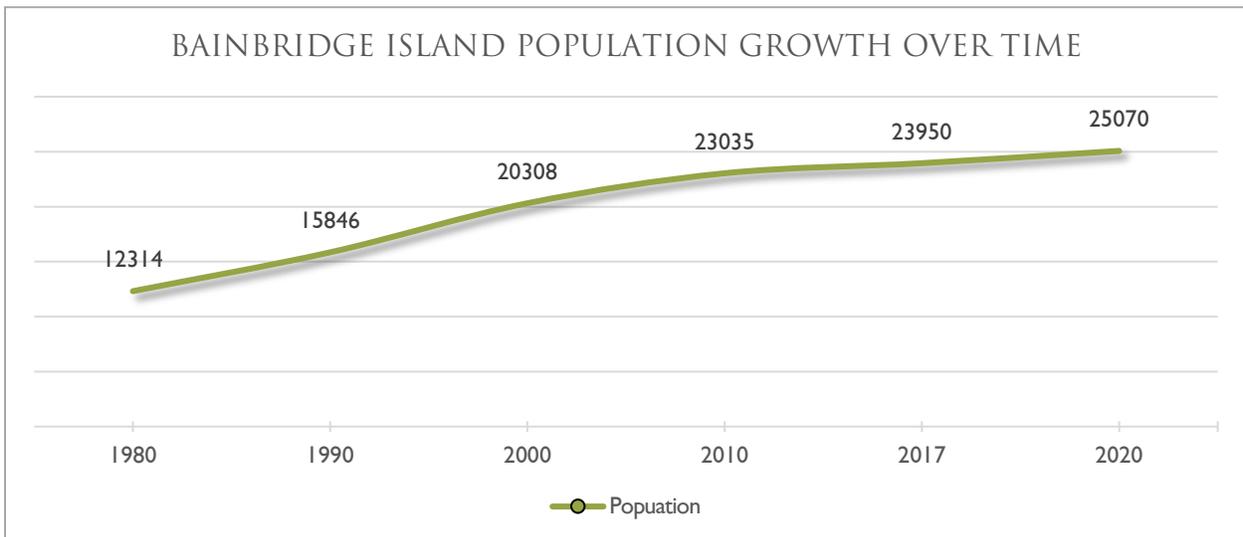


**GOVERNANCE**

<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 (2018-2019)</b>	666,224		
<b>Bond Rating</b>			
<b>UTGO</b>	Aaa	<b>LTGO</b>	Aaa

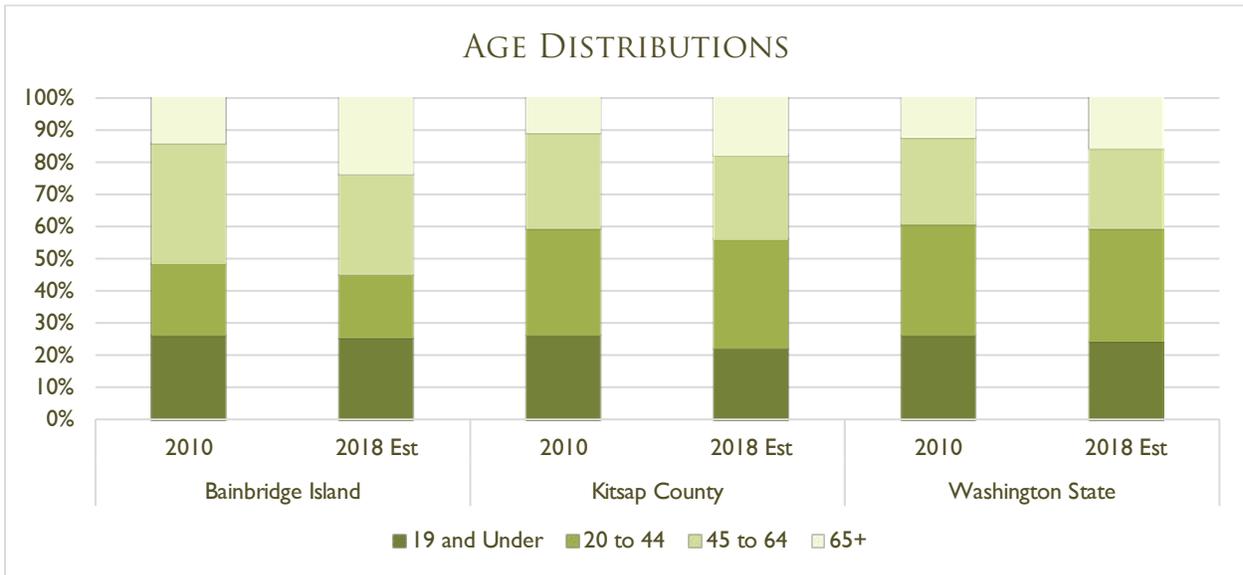
**DEMOGRAPHICS**

<b>Population</b>					
<b>Bainbridge Island</b>		<b>Kitsap County</b>		<b>Washington State</b>	
<b>2020</b>	25,070	<b>2020</b>	272,200	<b>2020</b>	7,656,200
<b>2010</b>	23,025	<b>2010</b>	251,133	<b>2010</b>	6,724,540
<b>% Change</b>	9.0%	<b>% Change</b>	8.4%	<b>% Change</b>	13.9%





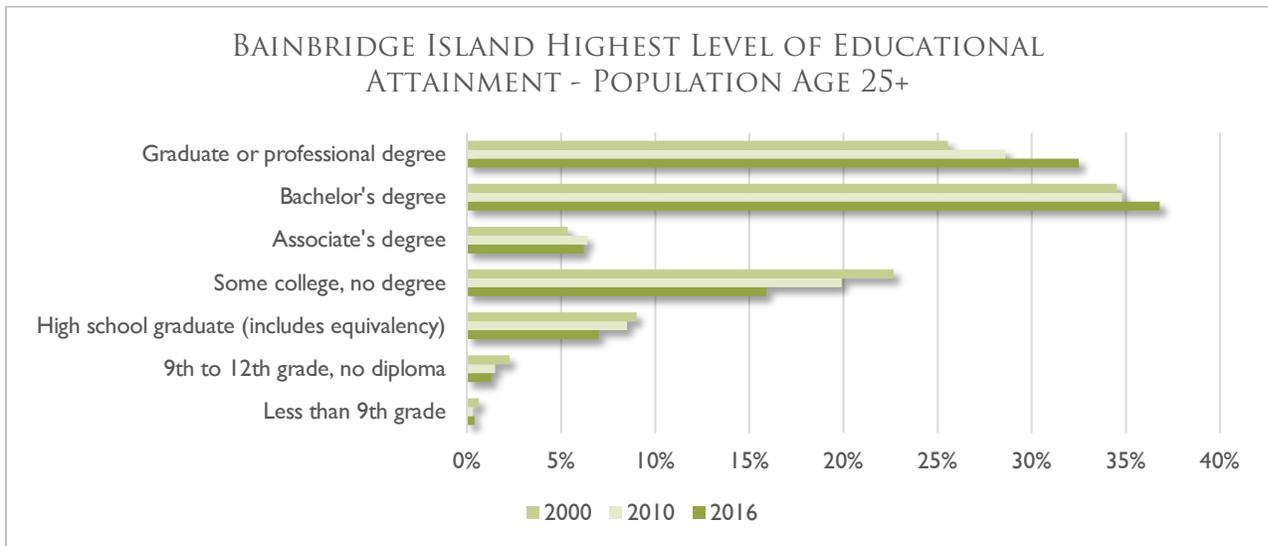
<b>Age Composition (2018 Estimates)</b>					
<b>Bainbridge Island</b>		<b>Kitsap County</b>		<b>Washington State</b>	
<b>Median Age</b>	48.9	<b>Median Age</b>	39.2	<b>Median Age</b>	37.7
<b>Persons under 5 years</b>	5%	<b>Persons under 5 years</b>	6%	<b>Persons under 5 years</b>	6%
<b>Persons under 19 years</b>	25%	<b>Persons under 19 years</b>	22%	<b>Persons under 19 years</b>	25%
<b>Persons 65 years and over</b>	24%	<b>Persons 65 years and over</b>	18%	<b>Persons 65 years and over</b>	16%



<b>Bainbridge Island</b>		<b>Kitsap County</b>		<b>Washington State</b>	
<b>Race (2019 Estimates)</b>					
<b>White alone</b>	86.6%	<b>White alone</b>	76.0%	<b>White alone</b>	76.0%
<b>Black</b>	1.1%	<b>Black</b>	3.2%	<b>Black</b>	3.7%
<b>American Indian</b>	0.2%	<b>American Indian</b>	1.7%	<b>American Indian</b>	1.3%
<b>Asian</b>	3.4%	<b>Asian</b>	5.4%	<b>Asian</b>	8.3%
<b>Pacific Islander</b>	0.0%	<b>Pacific Islander</b>	1.0%	<b>Pacific Islander</b>	0.7%
<b>Two or More Races</b>	4.8%	<b>Two or More Races</b>	6.2%	<b>Two or More Races</b>	5.7%
<b>Hispanic (any race)</b>	4.1%	<b>Hispanic (any race)</b>	8.2%	<b>Hispanic (any race)</b>	10.5%



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 (2019)</b>		
<b>Employer</b>		<b>Number of Employees</b>
<b>1</b>	Bainbridge Island School District	629
<b>2</b>	Town and Country Markets, Inc.	140
<b>3</b>	Storyville Coffee Company	137
<b>4</b>	Sage / Redinton	133
<b>5</b>	City of Bainbridge Island	128
<b>6</b>	Wing Point Golf & Country Club	113
<b>7</b>	Safeway	103
<b>8</b>	Islandwood	90
<b>9</b>	Madrona Assisted Living LLC	82
<b>10</b>	Virginia Mason	76



<b>Top Ten Taxpayers (2019)</b>				
<b>Employer</b>		<b>Types of Business</b>	<b>2017 Assessed Value</b>	<b>% of Total City Taxable Assessed</b>
<b>1</b>	LBG Bainbridge LLC	Commercial Real Estate	\$22,273,990	0.26%
<b>2</b>	Puget Sound Energy	Gas & Electric Utility	\$21,625,437	0.26%
<b>3</b>	PNW Island Village LLC	Commercial Real Estate	\$18,355,780	0.22%
<b>4</b>	Country Club of Seattle	Country Club	\$14,478,080	0.17%
<b>5</b>	Sportsman Park LLC	Commercial Real Estate	\$12,986,860	0.15%
<b>6</b>	Simmons, Brad	Multi-Fam. Res. Complex	\$12,695,040	0.15%
<b>7</b>	Madison Avenue Real Estate LLC	Commercial Real Estate	\$11,668,110	0.14%
<b>8</b>	PBPBS LLC	Property Management	\$10,578,475	0.13%
<b>9</b>	Island Gateway LLC	Retail and Office	\$9,993,320	0.12%
<b>10</b>	Brandt, James & Linda	Science & Technology	\$9,822,860	0.12%
<b>Total:</b>			\$144,477,952	1.72%

<b>Mean Household Income (2018 Estimates)</b>					
<b>Bainbridge</b>	\$115,230	<b>Kitsap</b>	\$71,610	<b>Washington</b>	\$73,294
<b>Unemployment Rate (Age 16+)</b>					
<b>Bainbridge</b>	3.9%	<b>Kitsap</b>	7.0%	<b>Washington</b>	4.5%

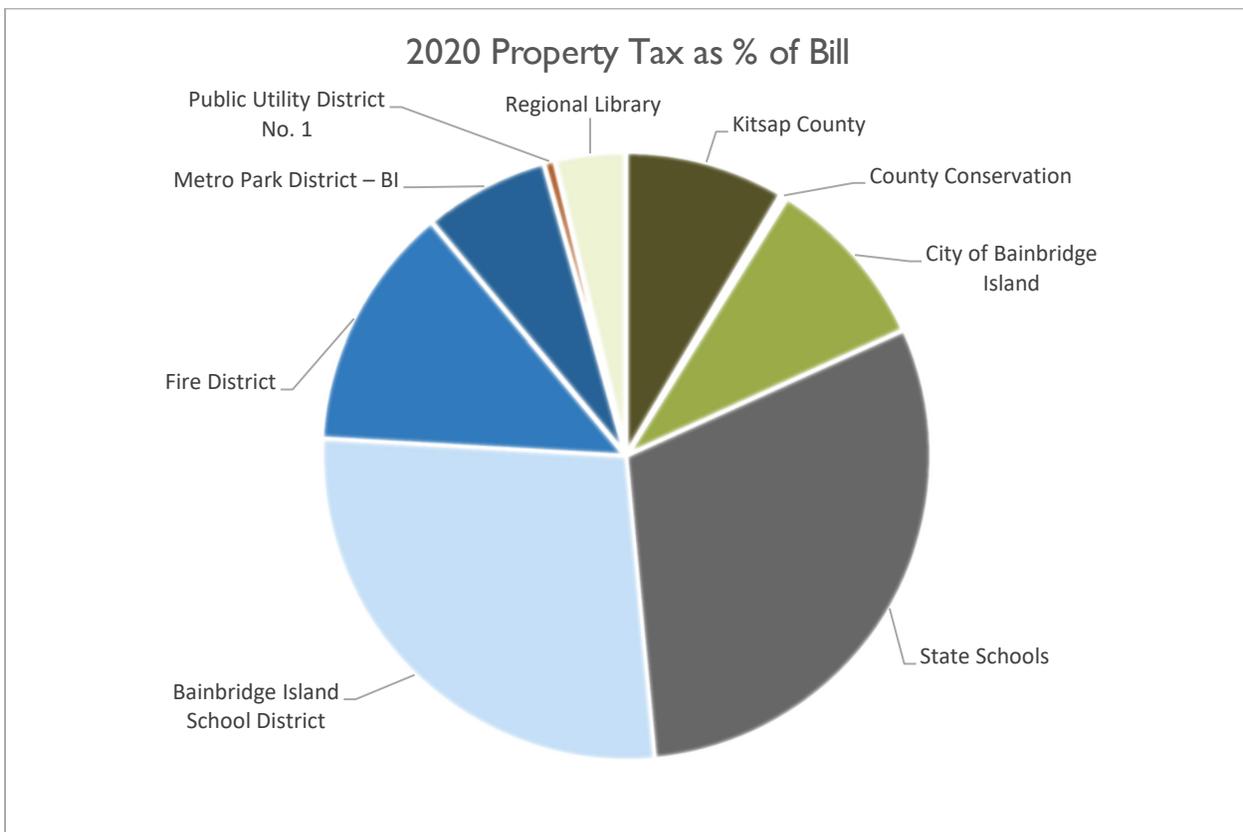
**TRANSIT**

<b>Annual Number of Ferry Riders through Bainbridge Island for 2019</b>			6,212,828		
<b>Mean Travel Time to Work - 2019 (minutes)</b>					
<b>Bainbridge</b>	42.3	<b>Kitsap</b>	30.4	<b>Washington</b>	26.7



**STATEMENT OF ASSESSMENT FOR PAYABLE TAXES FOR 2020**

<b>2020 Property Tax</b>	<b>Tax Rate</b>	<b>Percentage of Bill</b>
Kitsap County	0.836350	8.50%
County Conservation	0.034901	0.35%
City of Bainbridge Island	0.921266	9.36%
State Schools	2.979753	30.29%
Bainbridge Island School District	2.696499	27.41%
Fire District	1.283798	13.05%
Metro Park District – BI	0.657507	6.68%
Public Utility District No. 1	0.059798	0.61%
Regional Library	0.369123	3.75%



<b>2020 Taxes</b>			
<b>Bainbridge Island</b>		<b>Kitsap County</b>	
<b>Assessed Value</b>	\$9,222,192,924	<b>Assessed Value</b>	\$42,148,185,885
<b>Rate</b>	0.921266	<b>Rate</b>	0.836350
<b>Taxes</b>	\$8,493,060	<b>Taxes</b>	\$35,250,661
<b>Timber Excise Distribution</b>	\$537	<b>Timber Excise Distribution</b>	\$64,346
<b>Total</b>	\$8,493,060	<b>Total</b>	\$35,315,007



**SOURCES**

- United States Census Bureau, 2000 National Census
- United States Census Bureau, 2010 National Census, Estimated for 2018
- United States Census Bureau, American Community Survey, Estimated from 2010-2019 data
- Office of Secretary of Washington State, Elections and Voting, Voter Registration Data
- Kitsap County, Statement of Assessments, 2019 Assessments for Taxes Payable in 2020
- Washington State Office of Financial Management, April 1, 2020 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, 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 2021 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. 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.

### **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.