

# CITY OF WESTPORT



## 2015 BUDGET

October 6, 2014

From: Mayor Michael Bruce

To: The Westport City Council

Re: Proposed Budget for 2015

Consistent with my budget for the last 11 years, I am pleased to submit another balanced preliminary budget for review, comment, and action that does not rely on general fund reserves and provides a high level of services for our community.

I'll start with some good news. The nation's economy continues to show signs of improvement. More good news is that our city, unlike many other jurisdictions, remains healthy and we continue to take the necessary steps to protect the interest of our residents.

Thanks to your support and the leadership over the past several years, we have made difficult decisions to address the challenges of providing city services with reduced revenues and personnel. Our challenges are not over as government revenues lag behind the regular marketplace. City Administrator Randy Lewis and Clark Treasurer Margo Tackett have worked closely with me to conserve costs and maximize department efficiency for my proposed budget for 2015.

All departments have been reviewed, reconciled and are balanced as required by law. The balanced Current Expense Account is based upon conservative cost estimations, tightening departmental budgets, and reductions in reserve transfers. The economy continues to slowly improve but not nearly enough to make up for the declining revenues between 2009 through 2013. The Current Expense Revenue is projected to increase by \$6000 which is less than a 1% increase for 2015. A significant portion of our revenues come from two industries, yacht building (which has been significantly slowed by the economy) and commercial fish processing, which is beginning to expand. Overall, excise tax collection is projected to slightly increase in 2014. Revenues from property taxes and tourism, which is primarily based on sports fishing and festival attendance are projected to increase slightly this year as many tourists visited Westport to fish, enjoy the weather and local festivals. Tourism continues to be a significant contributor to our revenues. The increased attendance of local festivals is an indication of the many years of successes due the collaborative efforts of the LTAC (lodging tax advisory committee) volunteers. These festivals organized and staffed by volunteers and non-profit groups, are very important sources of revenue for our businesses, and result in increased occupancy rates for our hotels and motels. To address the increased tourist activity, in 2014 I directed the Street Department to develop a schedule that provided for weekend coverage for restroom maintenance, garbage collection and street closures and this service will continue each year.

Although the building and planning departments have show increased activity in permitting and inquiries about potential future development, the revenue from building permits is projected to be similar to this year.

Our water and sewer systems maintenance, improvements and upgrades continue each year, and I'm asking for a 2% increase in water rates for 2015. I am also including a 1% property tax increase which is crucial to balancing the 2015 budget.

I am not recommending the use any of the existing reserve funds to balance the budget. It is important to recognize our repair and maintenance lines do not have sufficient funds for unexpected breakdowns and again we will rely on reserves if those occur. For the first time in several years we are able to transfer a small amount of funds (\$10,000) into the general revenue reserve. The fund is not nearly where it needs to be but this is a start that we can continue to work on each year.

There will be added costs attributed to the courts in 2015. State mandated requirements limiting the number of cases a public defender may represent will become effective in 2015 which will impact the general fund. The 2015 legal budget includes a contract City attorney, a prosecuting attorney, and public defense.

**Projected reductions in revenue:**

The reductions in Liquor Excise revenues was due to actions taken by the legislature during the last session to balance their budget. The projected city excise tax revenues are anticipated to increase by 7% in 2015. (On the outset it appears that the city would be increasing revenue by 12% with an anticipated \$75,000 in excises taxes but with the phone utility tax reduction of 43% (\$30,000 of the phone tax), the offset only makes a 7% increase between the two taxes) We want to take a very conservative approach in projecting these to avoid a mid-year budget crisis. The seafood processing industry has seen growth in areas, but the yacht building industry have not seen significant or consistent enough growth to confidently project increases. With new ownership at Westport LLC and the added production of Pacific Seafood and Ocean Companies production may see an uptick in 2015.

**Current Expense Account:** I am proposing a 2015 Current Expense Budget of \$3,017,656 which is a 6.5% increase from last year. As previously explained, a significant portion of this increase is due to the increased commitment to South Beach Fire and EMS which is funded through our EMS levies. Both the revenue and expense are included in the current expense. I have also increased the court budget by \$24,000 to provide for improvements in our indigent defense program that have been mandated by a federal court ruling. The remainder of the increase is for filling the vacant patrol officer position in our police department, additional funding for the fire department, and inflation/cost of living increases. In order to accomplish this, I am proposing the following measures for 2015:

- To not transfer funds to the playground replacement reserve fund.
- To not transfer funds to the fire equipment reserve fund.

- To not allocate funds for full time planner position.
- We will transfer \$10,000 into the current expense reserve fund.
- We have allocated \$31,245 in the street fund for chip seal and paving projects.
- We have allocated \$24,000 to the courts for added public defender costs.

**Recommended Taxes/Rate Increases:** A 1% property tax is needed to balance the 2015 budget. This small tax increase adds \$6000 to the general fund. A 2% increase in water utility rates will raise the basic residential water rate \$.33 which will make the new rate \$17.04 per month for a residential size meter. The requested tax and rate increases allows us to maintain our reserves and to keep pace with rising costs. The water rate increase will help fund replacement of aging water mains, fire hydrants and meters which are overdue for replacement and will create much more expensive failures if not addressed.

**Police:** The primary accomplishment for the department in 2014 was keeping the police department fully functional during the uncertainty caused by the retirement of the Chief of Police, Lieutenant, the departure of an office primary clerk, and the second clerk all within the same year. This situation forced the City to look very hard at options for protecting our community which included discussions initiated by the Grays Harbor County Sheriff's Department about potentially contracting for services. The council's decision was to continue to staff our existing Police Department by adding a new chief and two permanent officers. The department is currently interviewing candidates to fill the upcoming clerk vacancy. In addition, a new patrol vehicle was purchased with funding from US Rural Development and three used vehicles were purchased from another agency which has significantly upgraded our ageing patrol fleet. Also significant upgrades were made in our department data information system at no cost. Projects and goals for 2015 include \$8,000 to establish a reserve officer program and \$3,500 to establish a citizen patrol in the department, and \$6,000 to install a new data information system in our patrol vehicles to provide officers access to critical information in the field.

**Fire:** Accomplishments for 2014 include the purchase and installation of a video monitoring system at the station for better security, the hiring of a summer hire position for the first time in the department which completed a number of backlogged maintenance projects, and the replacement of several aluminum windows at the station with energy efficient windows to reduce utility costs. Projects and goals for 2015 include; \$15,000 which is split with the ware department for the purchase of equipment to fit test our own personnel for use of Self Contained Breathing Apparatus; \$6,000 for the purchase of training materials to keep our volunteers in compliance with national standards; \$5,500 for matching funds for a grant from the Department of Natural Resources which will be used to replace the aging foam system in our wild land response vehicle; and \$4,000 for the hiring of a summer hire for another season.

**Capital Projects:** While the City plans to continue looking at ways (apply for grants) to build a Multiple Use Facility Westport Marina District no major projects in building and

lands are projected for 2015, only maintenance and repair. The City funded GAR park concession stands by a combination of Real Estate Excise Tax Funds in 2015. The city council continues to look at ways to improve the parks and youth venues. It is my hope that we can secure corporate collaboration in this venture. Additional budget expenses for 2015 include:

- \$8,000 to replace lighting at the airport and as grant match for potential state funding for improvements including resurfacing a portion of the runway
- \$15,000 for the lens building cupola repairs
- \$10,000 to demolish the old police station portion of the current Street Department Council Chambers building. This will remove the portion that is leaking water and seal the rest of the building.
- \$8,000 to upgrade a portion of the aging electrical system in the museum building.
- \$10,200 to replace the outdated server in City Hall to improve operation and security of our billing, payroll, and tax programs.
- \$5,000 for the parks department towards the proposed soccer field.
- \$7,725 for a loan payment split between Fire and Police for vehicle/equipment through the RDA program.
- \$12,800 for Bus Lic/Exc Tax/Animal License program and recording program for the council chambers with the costs shared between the Clerk and Court.
- \$15,000 split between the Fire and Water for the purchase of a Self Contained Breathing Apparatus fit test machine.
- \$5,500 for the Fire Department to be used as matching funds for a grant from the Department of Natural Resources

**Water Fund:** The Water Fund is balanced with a proposed 2% increase in the water utility rate for 2015. Accomplishments for 2014 included the installation of a surplus emergency generator from the Sewer Department at Roberts Ranch to provide emergency power for the first time, replacement of 10 outdated fire hydrants, replacement of 100 manual read meters with new radio read meters, the purchase of a mower attachment for the department Bobcat, interior and exterior inspections of both water towers, completion and approval of an update to the Water System Plan, the replacement of one failing water main, the extension of another main to create a loop in a low pressure area, and the construction of a new main extension to server 8 lots in a previously approved short plat. Water projects for 2015 include \$42,500 to drill an exploration well in the South Wellfield to verify the presence of a deep aquifer, \$30,000 to upgrade the chlorination system at the Roberts Ranch well, and \$20,000 to continue our meter change our program. There are three primary goals for 2015; to complete the exploration and verify if

the Roberts Ranch Aquifer does extend to the vicinity of the South Wellfield in which case we can plan for additional wells in that area to increase our overall water capacity and quality at a much lower cost than connecting additional wells at the current Roberts Ranch Wellfield; to develop a plan and cost estimate for improvements and safety upgrades on both water towers to extend the life of the towers and ensure safe operation for crews; and to continue with the meter replacement program to change the entire system to radio read meters which improves the reliability and reduces the staff time for reading meters.

**Sewer Fund:** The Sewer Fund is balanced for 2015 and \$42,537 is budgeted for equipment upgrades. Accomplishments for 2014 include; the close out and acceptance of the Waste Water Treatment Plant Phase 2 Upgrade project, which included upgrades to three primary pump stations including 1 and 2 in the Marina District, and 6 on Pacific Avenue; in conjunction with Water, purchased a new Vactor Truck to replace our aging one and improve operations; and upgraded the SCADA (Supervisory Control and Data Acquisition) which is the primary monitoring program used by the operators to monitor the operation of the plant and pump stations and receive alarms indicating problems that need addressed. Sewer projects for 2015 include \$24,000 to expand the existing shop building to accommodate the new Vactor Truck, \$10,000 to replace the enclosure for the emergency generator at pumps station 3, \$9,500 to replace existing outdoor lights with new energy efficient LED lights, \$9,000 for video inspections of our older sewer mains to identify upcoming maintenance issues, and \$7,500 to participate with the Water Department in completing an update to our utility rate study which will map out our financial needs for the next several years. The Sewer Department needs to complete control and telemetry upgrades to eight of our sewer pump stations and a complete upgrade of Pump Station 11 on the Ocosta School District campus which were planned to be funded with loans from the Public Works Trust Board. These loans were cancelled by the legislature so we will have to continue the program with our own funds until we can find other sources of grant or loan funds. Goals for 2015 include pursuing funding opportunities to complete upgrades to Pumps Station 11 at Twin Harbors State Park and Pump Station 10 on Ocosta School District campus, and complete telemetry upgrades at the remaining 10 pump stations in the collection system that have outdated or systems that are no longer serviceable and aren't reliable.

**Streets:** Accomplishments for 2014 include; the completion of the Newell Avenue Resurfacing project with grant funds from the Transportation Improvement Board; the replacement of dividers in the restrooms at Float 20; the painting of the exterior of the library, senior center, and museum lens building, the replacement of rotting wood at the Whale Exhibit Building at the museum; and the installation of banners on the street lights along Montesano Street. Projects for 2015 include \$31,000 for road resurfacing projects and \$8,150 for two summer hire positions. The Street Department has applied for approximately \$250,000 in grant funds from the Transportation Improvement Board to chip seal and pave several streets. If successful the required city match of \$12,475 will come out of the department's Capital Improvement Fund. Two summer hires are being recommended for 2015. Goals for 2015 include chip sealing streets in accordance with the 6 year street plan, and the expansion of the grass and sprinkler system near the Port viewing tower.

**Parks:** The primary accomplishments in 2014 were at the GAR Park where the service building

project which includes restrooms, a concession stand and a score booth was completed. The City also used a crew from Earth Corps to treat the areas of invasive species around the wetland restoration area that we are monitoring as required by the Department of Ecology. We anticipate this will greatly help in eradicating this problem and finishing our required monitoring program. Goals and projects for 2015 include \$5,000 for improvements at the proposed soccer field and \$1,500 to construct new picnic tables for the marina area.

**Comments:** The City of Westport celebrated its 100<sup>th</sup> birthday on June 26, 2014 with a 4 day celebration. I would like to thank all those that contributed to the success of the event. The summer of 2014 was a year to remember for salmon fishing off the coast of Westport it was a banner season! The Port of Grays Harbor Westport marina saw a transient moorage increase of 22% over the same time period of a year ago. Boat launches were up 32%. More fishing translates into tourism activity for the city.

The diversity of the workforce in Westport is very unique with commercial and charter fishing, yacht building, marine industrial activities and tourism. A quick look at the Port's impact with jobs (2013) generated approximately 1200 direct jobs (FTE) and approximately 2300 total jobs (direct, induced and indirect). As the workforce grows in Westport so does the economy.

2014 was a milestone year for several City of Westport employees as they chose to retire.

Court Clerk	Judy Stiles	Jan 1986-Jan 2014
Sewer Operator	Brian Kelly	May 2000-June 2014
Police Lt	Joe Christian	Oct 1979-June 2014
Police Chief	Bill Gibson	Jan 1987-Feb 2015
Police Clerk	Sue Wilson	Nov 2007-Nov 2014
Assistant Sewer Supervisor	Herb Eichenberger	Nov 1984-Nov 2014

Thank you for your many years of dedicated service. On behalf of all the City of Westport employees and City Council, I wish you all a very happy retirement.

**Conclusion:** Our successes and our strengths, as a city, are reflective of our ongoing commitment to quality infrastructure and our diverse community and business makeup. We are fortunate to have an engaged and collaborative city council, professional staff, and involved citizens who are also committed volunteers.

I am confident that the budget presented to you is sound and manageable. The proposed 2015 budget is conservative and we will continue to monitor and manage all departments very closely. Each of the City departments; Police, Fire, Court, Water, Street, Waste Water, Planning, Safety, Building and Administration are to be commended for their dedication to citizens of Westport. I am very proud of the work of the Council and the staff to ensure the financial stability of the City. Budget making is never an easy task, and involves making some very tough decisions. Increasing utility rates and taxes are never popular choices and it takes leadership and conviction to make sure adequate funding is available to keep water and sewer systems functioning properly, and to provide the adequate support staff to protect and serve the citizens of

Westport. I take pride in knowing that hard working; dedicated City employees diligently provide quality public services each and every day. We are fortunate to have an excellent set of department heads that are passionate about the service they provide with the impacts of budget cuts suffered across the board. I want to stress that we have been very conservative in basing revenue projections on only the development that is certain to occur. If additional, non-projected revenues are received I will work with the Council to identify the appropriate uses of these funds. I believe that the first priorities for any additional funds should be to build our reserves in our Government Funds account, fully staff our departments and improve our parks and activities for children.

All of the staff has worked very hard to develop this proposed budget. We look forward to working with you as we complete the process of adopting a final budget for 2015.

Sincerely,

Michael Bruce  
Mayor

Attachments:  
Proposed 2015 Budget



City of Westport

2015 ANNUAL BUDGET  
SUMMARY  
EXPENDITURES  
ALL FUNDS

ACCOUNT DESCRIPTION	ACTUAL 2013	BUDGET 2014	ACTUAL 2014	BUDGET 2015
<b><u>GOVERNMENTAL FUNDS</u></b>				
010 CURRENT EXPENSE	2,498,670	3,106,122	2,736,960	3,017,656
015 GENERAL RESERVE FUND	0	391,424	0	405,090
110 ADV & PROMOTION	190,441	466,100	215,934	536,100
100 CUMULATIVE RESERVE	11,470	0	0	0
120 STREETS	397,411	634,422	576,339	421,490
230 11 GO BUILDING BOND	32,059	32,059	32,059	32,059
250 12 GO FIRE BOND	17,852	17,900	17,852	17,928
260 05 GO FIRE BOND	24,702	28,600	24,702	28,206
310 REET FUND	0	150,175	104,827	100,150
500 UNEMPLOYMENT FUND	1,547	42,950	1,316	44,204
<b>TOTAL GOVERNMENTAL FUNDS</b>	<b>3,174,152</b>	<b>4,869,752</b>	<b>3,709,989</b>	<b>4,602,883</b>
<b><u>ENTERPRISE FUNDS</u></b>				
470 GARBAGE	658,030	718,075	627,387	733,275
480 WATER	971,408	1,199,410	1,024,644	1,125,040
487 WATER RESERVE	0	419,560	43,054	417,910
490 SEWER	1,165,596	1,322,900	1,189,177	1,367,850
492 SEWER RESERVE	163,000	452,443	43,054	539,647
494 SEWER CONST UPGRADE	403,724	111,901	98,406	0
<b>TOTAL ENTERPRISE FUNDS</b>	<b>3,361,758</b>	<b>4,224,289</b>	<b>3,025,722</b>	<b>4,183,722</b>
<b><u>CONSUMER WATER DEPOSITS</u></b>				
499 Consumer Deposit Refunds	75	1,000	0	975
<b>TOTAL CONSUMER DEPOSITS FUND</b>	<b>75</b>	<b>1,000</b>	<b>0</b>	<b>975</b>
<b>TOTAL CITY BUDGET</b>	<b>6,535,985</b>	<b>9,095,041</b>	<b>6,735,711</b>	<b>8,787,580</b>

# City of Westport

## County/State/Federal Officials

### Mayor

Michael Bruce  
Four year term expiring  
12/31/15

### Councilmembers

#### Position # 1

Melissa Huerta  
Four year term expiring  
12/31/2017

#### Position # 2

Robert Shelton  
Four year term expiring  
12/31/15

#### Position # 3

Louis Summers  
Four year term expiring  
12/31/2017

#### Position # 4

Rob Bearden  
Four year term expiring  
12/31/2017

#### Position # 5

Pat Gardner  
Four year term expiring  
12/31/2015

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### City Administrator

Randy Lewis

### City Attorney

Wayne Hagen Jr.

### Department Directors

#### Clerk-Treasurer

Margo Tackett

#### Fire Chief

Dennis Benn

#### Police Chief

Tracy Rosenow

#### Code Enforcement Officer

Vacant

#### Building Inspector

Mark Davis

### Court Officials

#### Westport Municipal Court

##### Judge

Stephen Hyde

#### Prosecuting Attorney

Wayne Hagen Jr.

#### Public Defender

#### Court Clerk

Cindy Cunningham

### Grays Harbor County

#### Commissioners

Wes Cormier  
Frank Gordon  
Vickie Raines

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### Other Officials

#### Librarian

Kathleen Ringenberg

#### Maritime Museum Director

John Shaw

#### Land Use Hearings Examiner

Bob Patrick

#### South Beach Ambulance Rep.

Randy Lewis

#### Civil Service Chairman

John Cowan

#### Planning Commission Chairman

William Leraas

#### Port of Grays Harbor

##### Westport Marina

Robin Leraas

Ken Rausch

### State and Federal Government

#### Elected Officials

##### and Coastal Caucus

#### U.S. Congressional Dist #6

Representative Derik Kilmer

Senator Maria Cantwell

Senator Patty Murray

#### Legislative District #19-Wspt

Senator Brian Hatfield

Representative Brian Blake

Representative Dean Takko

#### Legislative District #24

Senator Jim Hargrove

Representative Steve Tharinger

Representative Kevin VanDeWege