



Meeting Location:
216 Prospect Street
Port Orchard, WA 98366

Contact us:
Phone (360) 876-4407
Email cityhall@portorchardwa.gov
www.portorchardwa.gov

**Finance Committee
Regular Meeting
Tuesday, April 21, 2026
4:30 PM**

Remote Access

Link: <https://us02web.zoom.us/j/82364827441>

Zoom Meeting ID: 823 6482 7441

Zoom Call-In: 1 253 215 8782

- 1. Call to Order**
- 2. Discussion Items**
(No Action to Be Taken.)
 - A.** Finance Department (15 mins) Finance Director, Noah Crocker
 - a. Sales Tax & REET Revenue Report
 - b. Preliminary Treasurers Report – Funds, accounts
 - B.** Downtown Revitalization Grant Program
 - C.** 2026 Budget Amendment
 - D.** Utility Policies
 - 1) Low Income
 - 2) Leak Credit
- 3. Adjournment**
- 4. Next Committee Meeting**

ADA Requirements

In compliance with the American with Disabilities Act, if you need accommodations to participate in this meeting, please contact the City Clerk's office at (360) 876-4407. Notification at least 48 hours in advance of meeting will enable the City to make arrangements to assure accessibility to this meeting.

Reminder: Please silence all electronic devices while Finance Committee is in session.

To subscribe to our general news & public notices click the link: <http://portorchardwa.gov/subscribe>.

For current City Council member and contact information, please visit <https://portorchardwa.gov/departments/city-council/>.

For Committee Membership please visit <https://portorchardwa.gov/city-council-advisory-committees/>.

Sales Tax Collections

Population

Summary of Budget to Actuals	2024	2025	2026	Biennial
Budget	6,895,000	7,600,000	7,665,000	15,265,000
Actual	8,031,757	7,799,987	1,840,921	9,640,908
Over/Under	\$ 1,136,757	\$ 199,987	\$ (5,824,079)	\$ (5,624,092)

Percentage of Biennial Budget Received
63%

Actuals				
	2024	2025	2026	Biennial
January	\$ 631,079	\$ 615,894	\$ 580,925	\$ 1,196,819
February	723,810	720,131	712,963	\$ 1,433,093
March	609,403	599,665	547,033	\$ 1,146,698
April	574,283	555,942		\$ 555,942
May	681,038	662,443		\$ 662,443
June	685,812	605,926		\$ 605,926
July	708,235	654,834		\$ 654,834
August	726,041	719,580		\$ 719,580
September	704,489	705,012		\$ 705,012
October	685,878	674,137		\$ 674,137
November	649,457	700,508		\$ 700,508
December	652,233	585,914		\$ 585,914
Total	\$ 8,031,757	\$ 7,799,987	\$ 1,840,921	\$ 9,640,908

Actuals	
Year over Year Change	% Change
\$ (34,969)	-5.68%
\$ (7,168)	-1.00%
\$ (52,631)	-8.78%
\$ (94,769)	-4.90%

Budget		
2026 estimated based on 5yr avg	Budget vs Actual (Over/Under)	% Over/Under
\$ 589,050	\$ (8,125)	-1.4%
\$ 677,576	\$ 35,387	5.2%
\$ 547,303	\$ (269)	0.0%
\$ 526,320		#VALUE!
\$ 631,360		#VALUE!
\$ 638,435		#VALUE!
\$ 679,181		#VALUE!
\$ 713,561		#VALUE!
\$ 684,141		#VALUE!
\$ 661,720		#VALUE!
\$ 682,167		#VALUE!
\$ 634,187		#VALUE!
\$ 7,665,000	\$ 26,993	1.49%

Real Estate Excise Tax (REET) Collections

Summary of Budget to Actuals	2024	2025	2026	Biennial
Budget	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000	\$ 3,200,000
Actual	2,347,499	1,969,902	320,898	\$ 2,290,800
Over/Under	\$ 747,499	\$ 369,902	\$ (1,279,102)	\$ (909,200)

Percentage of Biennial Budget Received
72%

Actuals				
	2024	2025	2026	Biennial
January	\$ 107,320	\$ 213,733	\$ 48,116	\$ 261,848
February	104,091	161,143	139,856	\$ 300,998
March	139,296	211,010	132,927	\$ 343,936
April	152,272	157,264		\$ 157,264
May	171,062	238,073		\$ 238,073
June	173,797	188,270		\$ 188,270
July	125,930	191,524		\$ 191,524
August	255,423	148,785		\$ 148,785
September	204,747	108,426		\$ 108,426
October	125,621	139,484		\$ 139,484
November	135,707	102,663		\$ 102,663
December	652,233	109,528		\$ 109,528
Total	\$ 2,347,499	\$ 1,969,902	\$ 320,898	\$ 2,290,800

Actuals	
Year over Year Change	% Change
\$ (165,617)	-77.49%
\$ (21,287)	-13.21%
\$ (78,083)	-37.00%
\$ (264,987)	-45%

Budget		
2025 estimated based on 5yr avg	Budget vs Actual (Over/Under)	% Over/Under
\$ 67,796	\$ (19,680)	-29.0%
\$ 117,049	\$ 22,806	19.5%
\$ 123,737	\$ 9,190	7.4%
\$ 111,723		#VALUE!
\$ 111,590		#VALUE!
\$ 143,720		#VALUE!
\$ 205,086		#VALUE!
\$ 139,015		#VALUE!
\$ 168,193		#VALUE!
\$ 118,087		#VALUE!
\$ 97,079		#VALUE!
\$ 196,925		#VALUE!
\$ 1,600,000	\$ 12,316	4%

City of Port Orchard Building Refacing Grant Program

Purpose:

The City of Port Orchard has historic and unique buildings, as well as many unique and thriving businesses. The Downtown Building Refacing Grant Program is intended to revitalize Bay Street by improving the appearance, durability, and long-term value of existing commercial buildings. This program provides a structured, incentive-based approach to encourage façade improvements while preserving the historic character of downtown. This program serves multiple public purposes, including downtown revitalization, economic development, improved pedestrian experience, and enhancement of the visual character of the community.

The Downtown Revitalization Grant Program seeks to preserve and enhance the charm of the City's downtown, waterfront commercial area through strategic physical improvements to buildings. This program is designed to create immediate, visible improvements to downtown Port Orchard while minimizing financial barriers. The goal is to encourage investment in the community and enhance the Bay Street experience.

This program is modeled after the City of Auburn's Façade Improvement Grant program, which has been in operation since 2016.

Program Details:

Through the Downtown Building Refacing Grant Program, the City will provide façade improvement grants to facilitate exterior building (façade) improvements for properties within a designated Business Improvement Area (BIA) in 2026. This BIA is defined to include buildings with street frontage Bay Street between Fredrick Avenue and Harrison Avenue, which are highly visible and a key portion of historic downtown. These property upgrades will improve the area's overall visual appearance and as a result, attract business, visitors and residents. The primary goal of the grants will be to improve the appearance of the City's commercial core.

1. ELIGIBILITY CRITERIA

Eligibility Requirements:

Eligible applicants are limited by the following parameters:

- Commercial or mixed-use buildings, and the applicant shall be the Property owner(s) or Business lessee with written authorization of the property owner;
- Propose a refacing project that shall meet code requirements, follow all local and state laws, and follow all current design standards;

- Project site must be within the Business Improvement Area, located within the Downtown Bay Street area (along Bay Street between Fredrick Avenue and Harrison Avenue);
- No existing legal restrictions on property;
- Qualifying facades must be visible from Bay Street, and improvements utilizing grant fundings are limited to primary street-facing elevations;
- Work must begin within 30 days of permit issuance and work must be completed within 60 days

Applicants as follows are ineligible for grant program:

- Business with more than 25 full-time employees
- Buildings with ground-floor residential uses
- Government office and agency (non-governmental tenants are eligible)
- Newly constructed building (constructed after the adoption of this program)

Types of Improvements Eligible for Grant Funding:

Eligible grant applications shall be limited to those seeking to perform eligible work, using eligible materials, as follows:

- Brick and Stone Masonry - Structural repairs, cleaning, repointing, and resurfacing
- Architectural Metals - Repair, cleaning, refinishing, painting, duplication, and restoration of exterior building components, e.g., cast iron, pressed tin
- Doors and Windows - Maintenance, repairs, replacement, and restoration of window sashes, exterior doors, and installation of storm windows in conjunction with other significant façade improvements
- Exterior Carpentry - Maintenance, repair, rehabilitation and restoration of sills, window and door frames, bulkheads, storefront and roof cornices, window hoods, and decorative molding
- Storefronts - Removal of coverings and additions, maintenance, repair, rehabilitation, restoration of display and transom windows, and lighting
- Painting - Surface preparation, cleaning and painting
- Awnings - Maintenance, installation, repair, or replacement of awnings. Awnings to be replaced must show considerable wear as determined by the City Building Official.
- Exterior Lighting – Installation, retrofitting, replacement
- Handicapped Access Projects - Ramps, thresholds, entrances (only in conjunction with other design improvements)
- Murals Or Other Permanent, Affixed Art Work – based on review and approval

- Approved Materials must be consistent with the requirement of Port Orchard Municipal Code 20.127.450. Examples of Approved Materials (with emphasis for durability amid waterfront environmental conditions):
 - Hardie Board Siding (or comparable fiber cement siding)
 - Durable and long-lasting
 - Low maintenance
 - Structurally stable
 - Masonry Stone Veneer
 - Highly durable and weather-resistant
 - Strong visual enhancement
 - Cost-effective design impact
 - Supports long-term return on investment
 - Exterior Paint
 - Approved for façade enhancement and finishing
 - Must be high-quality, weather-resistant coatings
 - Encouraged to use historic coastal color palettes consistent with port communities – see Port Townsend Historic District palette recommended as inspiration
 - Typical palette includes muted earth tones, coastal blues/greens, creams, ivories, and soft whites
 - Coordinated color schemes encouraged
 - Shutters (Vinyl, Composite, PVC)
 - Approved as architectural accents
 - Composite and PVC preferred for durability and low maintenance

Ineligible work that cannot be proposed for grant funding is as follows:

- New building construction
- Additions to existing structures
- Proprietary signage and billboards
- Any interior work or decoration
- Non-fabric awnings
- Non-permanent fixtures (i.e. freestanding planters, stands, holders)
- On-site or off-site paving
- Public sidewalk repair/restoration/replacement
- Payment for the applicant’s own labor and performance for improvements
- Purchase of furnishings, equipment, or other personal property

- Repair or creation of features not compatible with the original architecture or that are artificial in appearance
- Roof repairs/replacements
- Structural foundations
- Shipping costs

Project Categories and Associated Grant Matching:

To ensure shared investment and maximize the public benefit of Program funds, all grants shall require a matching contribution from the applicant, structured in proportion to the scope, impact, and cost of the proposed project, as follows:

- **Small-Scale Projects.** For projects with a total eligible project cost of up to \$5,000, the applicant shall not require a matching. Most of these projects should not require stamped construction documents provided by an independent architect or engineer. These projects focus on immediate, eye-catching changes, such as painting, decorative lighting, or trim.
- **Mid-Scale Projects.** For projects with a total eligible project cost between \$5,001 and \$25,000, the applicant shall provide a minimum match of thirty (30) percent of total project costs. Improvements in this category are likely to require professional design services (architectural or engineering), and will require graduated matching contributions (cash, loan, and in-kind contributions) from the property and/or business owner(s). These improvements include window, door, or storefront upgrades; masonry work; façade material upgrade or change (could include framing); and significant lighting upgrades; significant carpentry/molding/trim improvements.
- **Large-Scale Projects.** For projects with a total eligible project cost greater than \$25,001, the applicant shall provide a minimum match of at least seventy-five (75) percent of total project costs. Improvements in this category are likely to require professional design services (architectural or engineering), and will require graduated matching contributions (cash, loan, and in-kind contributions) from the property and/or business owner(s). These improvements include facade restoration; significant structural or electrical work (needed to execute a façade design); significant historic restoration; and complete façade re-design/re-construction.

Form of Match. The applicant match may consist of loan, cash expenditures or documented in-kind contributions directly related to the approved project, as defined in Program guidelines, provided that in-kind contributions shall not exceed seventy-five (75) percent of the total required match.

- Evidence of the loan must be provided to complete the application.
- Cash must be paid either up front or on a pre-established schedule concurrent with construction and agreed upon by the City and contractor. These monies must be paid in advance of City funding, unless the City agrees to pay for materials in advance of construction.
- In-kind contributions, such as labor or materials contributed by the business owner, property owner, or an agent of either party may be proposed and are subject to review. These contributions should correspond to an item on the quote/budget submitted to the City and must not require professional-level skill or expertise (some demolition, power-washing, etc. may be considered). Under no circumstances will a property or business owner be paid directly for labor costs.

Graduated Matching For Mid- and Large-Scale Projects: These projects will work under a graduated scale; as the budget increases, the matching contribution responsibility gently shifts toward the business or property owner. The match can be in the form of a loan, cash, or in-kind contribution.

Verification: All matching contributions must be documented to the satisfaction of the City prior to reimbursement of grant funds.

Adjustment Authority: The Director may adjust match requirements on a case-by-case basis, consistent with Program guidelines, to advance Program objectives, including support for small businesses, historically underserved applicants, or projects with exceptional public benefit.

2. APPLICATION AND DOCUMENTATION PROCESS

Application and Design Process:

1. Contact Department of Community Development expressing interest in program;
2. Schedule informational visit and preliminary assessment;
3. Download forms from XXXXX;
4. Based on initial assessment, applicant shall:
 - Develop Cost Estimate
 - Procure Architect with own resources
 - Work with design professional(s) and technical assistance to prepare application materials
5. Submit application to Department of Community Development

6. After determining completeness, application will be reviewed by committee
7. Final approval will be given by City Council, and a letter will be sent to applicant
8. Grant recipient will execute associated agreements consistent with the program.

Construction Process

1. Owners and Contractors must sign contracts with the City; at the time of contract execution, all files will be reviewed for compliance with legal, licensing, and liability concerns
2. Notice to proceed will be issued
3. Contractor and/or business owner must apply for permits
4. Materials may be purchased prior to construction
5. Construction may begin after permits are issued
6. Final inspection by Public Works and/or Building Divisions
7. Payment will be issued upon submittal of invoices, with final payment available after satisfactory completion of project

Required Grant Agreement for Recipients:

As a condition of receiving grant funds, each recipient shall enter into a written agreement with the City of Port Orchard to document the public services to be performed by the grant recipient as a result of the grant funding, in a form approved by the City Attorney, which shall:

1. **Public Purpose.** Identify the public purpose served by the funded improvement(s), including but not limited to downtown revitalization, economic development, improved pedestrian experience, and enhancement of the visual character of the community;
2. **Scope of Work.** Describe the approved improvements and require that funds be used solely for eligible expenses consistent with Program requirements;
3. **Performance Requirements.** Establish deadlines for completion and require compliance with all applicable laws, codes, permits, and design standards, including but not limited to:
 - **Permits and Compliance:** Right-of-way permit required for work impacting sidewalks, streets, or pedestrian areas; Electrical work requires Washington

State L&I permit; sidewalk closure or protection may be required for overhead work (with proper permitting, including State of Washington

- Inspections and Oversight: Pre-construction meeting required to review scope and permits; final inspection required; and City sign-off required prior to reimbursement
 - Contractor Responsibilities: Shall be licensed and bonded; shall Identify and document necessary repairs prior to construction; and Ensure compliance with codes and program standards
4. Reimbursement and Documentation. Provide that grant funds are disbursed on a reimbursement basis (unless otherwise authorized) upon submission of invoices, proof of payment, and verification of completed work;
 5. Maintenance and Use. Require the recipient to maintain the improvements in good condition for a specified period of time and to use the property in a manner consistent with the Program's public purpose;
 6. Repayment/Clawback. Requiring partial or full repayment of grant funds if the recipient fails to complete the project, violates the terms of the agreement, or ceases to use or maintain the improvements consistent with the public purpose within a defined period;
 7. Permitting, Access and Inspection. Comply with all applicable permit requirements, and allow the City reasonable access to the property for inspection and verification of compliance; and
 8. Other Terms. Include such other terms and conditions as the City deems necessary to ensure that the expenditure of public funds complies with Washington law.

Program Administration.

The Program shall be administered by the Department of Community Development or their designee, who is authorized to:

- Develop application materials and administrative guidelines;
- Establish evaluation criteria and scoring procedures;
- Review and approve grant applications;
- Execute grant agreements; and
- Ensure compliance with applicable laws and Program requirements.

Projects will be reviewed by City staff for eligibility, compliance, and consistency with downtown character. Final approval is required prior to project start.

CITY OF AUBURN DOWNTOWN FAÇADE IMPROVEMENT GRANT PROGRAM

PROGRAM GUIDELINES

Guideline

About the Program	1
Eligibility	1
Project Categories	2
Matching Funds	2-3
Application Process	4
Construction Process	5
Eligible Improvements	5
Ineligible Improvements	6

Please submit applications to:

In Person

Permit Center

Auburn City Hall Annex

1 East Main Street (2nd Floor)

Email

planning@auburnwa.gov

Questions

For assistance please email:

planning@auburnwa.gov

The City of Auburn business practices comply with State and Federal equal employment opportunity and non-discrimination laws, guidelines, and regulations. All departments of the City of Auburn adhere to the above. Contractors, subcontractors, and suppliers conducting business with the City of Auburn shall affirm and subscribe to the Fair Practices and non-discrimination policies.

ABOUT THE PROGRAM

The City of Auburn has historic and unique buildings, as well as many wonderful family-owned and compelling businesses. The Downtown Façade Improvement Grant Program seeks to preserve and enhance the charm of our Downtown commercial area through strategic physical improvements to buildings.

The City is awarding façade improvement grants to facilitate exterior building (façade) improvements for businesses within the designated Business Improvement Area (BIA) during 2015 and 2016. These property upgrades will improve the area's overall visual appearance and as a result, attract business, visitors and residents. The primary goal of the grants will be to improve the appearance and "feel" of the City's commercial, pedestrian-oriented core.

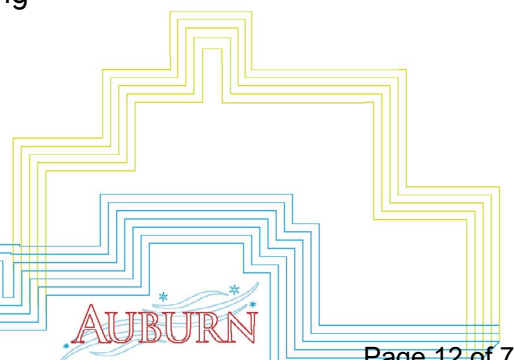
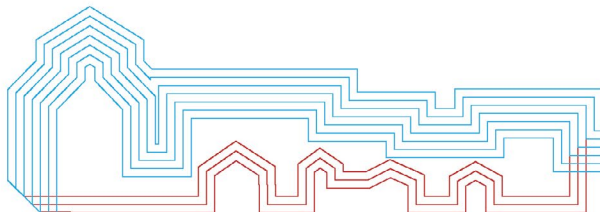
ELIGIBILITY REQUIREMENTS

MUST BE A:

- Commercial property owners or Business lessee with written authorization of the property owner
- Project must meet code requirements, follow all local and state laws, and follow all current design standards
- Site must be within the Business Improvement Area (BIA) and dues must be current (see attached map)
- No restrictions to site and no current code violations

CANNOT BE A:

- Business with more than 25 full time employees;
- Building that is primarily residential;
- Building in excess of 25,000 square feet of ground floor area
- Government office and agency (non-governmental tenants are eligible)
- Newly constructed building



PROJECT CATEGORY (BY COST AND SCOPE)

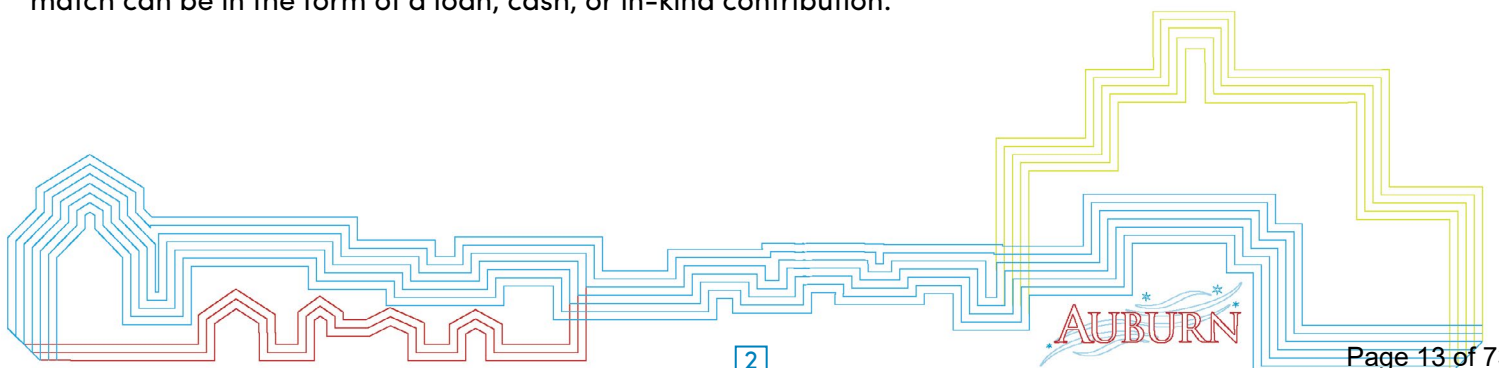
The focus on the improvements will vary based on the category of the improvement.

- **Category I** - Improvements that can be done for \$5,000 or less. Most of these projects should not require stamped construction documents provided by an independent architect or engineer. These projects focus on immediate, eye-catching changes, such as:
 - Painting
 - Decorative lighting
 - Signage (wall mounted signs do require an engineer's stamp)
 - Awnings (awnings do require an engineer's stamp)
 - Permanent, affixed building decorative elements
 - Enhancements or changes to trim materials of the building
 - Other uses may be suggested
- **Category II** - Improvements that are above \$5,000 and are likely to require professional design services (architectural or engineering), and will require graduated matching contributions (cash, loan, and in-kind contributions) from the property and/or business owner(s). These improvements are not to exceed a total budget of \$50,000. Improvements in this category could include anything in Category I, as well as the following:
 - Window, door, or storefront upgrades
 - Masonry work
 - Façade material upgrade or change (could include framing)
 - Significant Lighting upgrades
 - Significant carpentry/molding/trim improvements
 - Other uses may be suggested
- **Category III** - Improvements will be above \$50,000. These projects will require professional design services and extensive restoration and/or reconstruction. In addition to a more involved design process, the projects in this category may also require technical assistance addressing tenancing and interior improvement strategies.
 - Facade Restoration
 - Significant structural or electrical work (needed to execute a façade design)
 - Significant historic restoration
 - Complete façade re-design/re-construction

HOW DOES MATCHING WORK?

Category I – Projects at or under \$5,000 (inclusive of design, material, and labor) do not require any matching funds or in-kind contributions.

Category II & III – Graduated matching: These projects will work under a graduated scale; as the budget increases, the matching contribution responsibility gently shifts toward the business or property owner. The match can be in the form of a loan, cash, or in-kind contribution.



a. \$1 - \$5,000 – no matching contribution required

b. \$5,001-\$15,000 Total Budget

First \$5,000 requires No Match

Tier 1 Match Add'l \$1-\$10,000 (\$5,001-\$15,000 TB) = 30% (Applicant) / 70% (City) Match

c. \$15,001-\$25,000 Total Budget

First \$5,000 requires No Match

Tier 1 Match Add'l \$1-\$10,000 = 30% (Applicant) / 70% (City) Match

Tier 2 Match Add'l \$1-\$10,000 (\$15,001 - 25,000 TB) = 40% (Applicant) / 60% (City) Match

d. \$25,001-\$50,000 Total Budget

First \$5,000 requires No Match

Tier 1 Match Add'l \$1-\$10,000 = 30% (Applicant) / 70% (City) Match

Tier 2 Match Add'l \$1-\$10,000 = 40% (Applicant) / 60% (City) Match

Tier 3 Match Add'l \$1 - \$25,000 (\$25,001 - \$50,000 TB) = 50% (Applicant) / 50% (City) Match

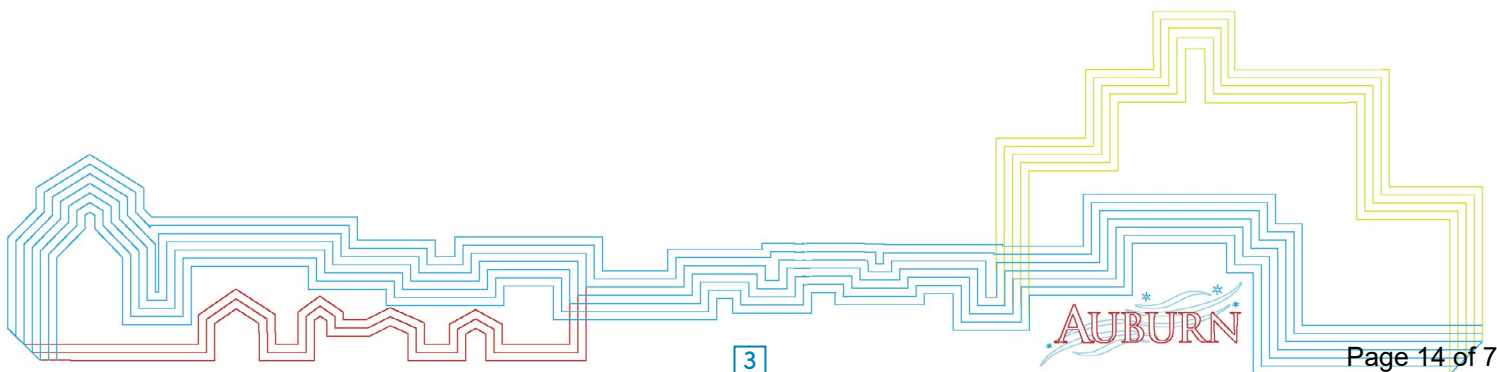
PROJECT BUDGET				
	\$1 - \$5,000	\$5,001 - \$15,000	\$15,001 - \$25,000	\$25,001 - \$50,000
0%/100%	No Match	No Match	No Match	No Match
30%/70%	N/A	Maximum \$3,000	Maximum \$3,000	Maximum \$3,000
40%/60%	N/A	N/A	Maximum \$4,000	Maximum \$4,000
50%/50%	N/A	N/A	N/A	Maximum \$12,500
TOTAL	No Match	Up to \$3,000	Up to \$7,000	Up to \$19,500

EXAMPLES

The following shows examples of financial responsibility based on overall project budget.

TOTAL PROJECT COST \$20,000				
	\$1 - \$5,000	\$5,001 - \$15,000	\$15,001 - \$20,000	TOTAL
CITY	\$5,000	\$7,000	\$3,000	\$15,000
APPLICANT	\$0	\$3,000	\$2,000	\$5,000

TOTAL PROJECT COST \$50,000					
	\$1 - \$5,000	\$5,001 - \$15,000	\$15,001 - \$25,000	\$25,001 - \$50,000	TOTAL
CITY	\$5,000	\$7,000	\$6,000	\$12,500	\$30,500
APPLICANT	\$0	\$3,000	\$4,000	\$12,500	\$19,500



Category III – The matching contribution for these projects, given the immense scale of the projected scope and financial outlay, will be determined on a case-by-case basis.

HOW DO I MATCH FUNDS?

The matching contribution can be either loan, cash, or in-kind contribution.

- Evidence of the loan must be provided to complete the application.
- Cash must be paid either up front or on a pre-established schedule concurrent with construction and agreed upon by the City and contractor. These monies must be paid in advance of City funding, unless the City agrees to pay for materials in advance of construction.
- In-kind contributions, such as labor or materials contributed by the business owner, property owner, or an agent of either party may be proposed and are subject to review. These contributions should correspond to an item on the quote/budget submitted to the City and must not require professional-level skill or expertise (some demolition, power-washing, etc. may be considered). Under no circumstances will a property or business owner be paid directly for labor costs.

MAXIMUM AMOUNT OF CITY GRANT

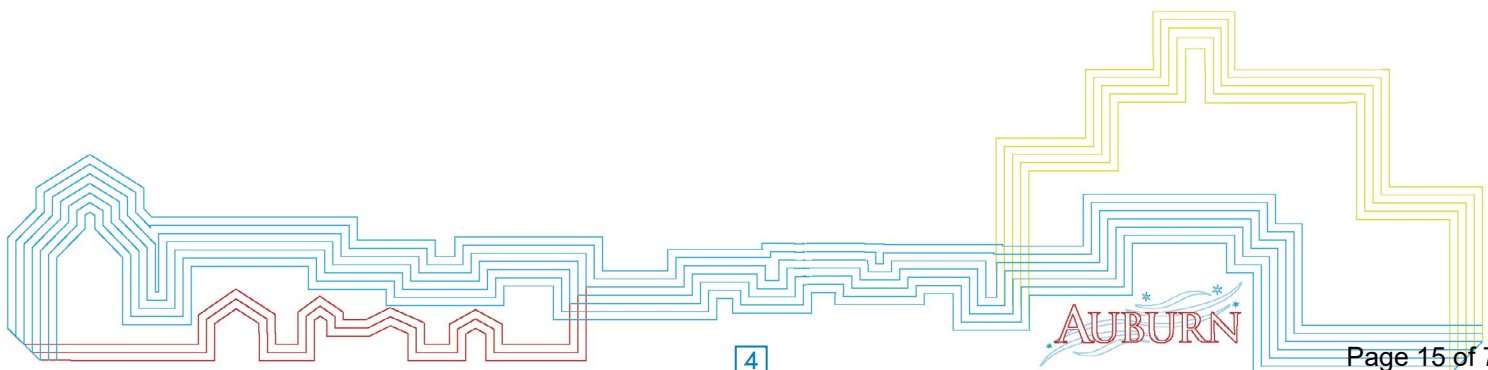
Category I - \$5,000

Category II - \$30,500

Category III – Determined on a case-by-case basis

APPLICATION PROCESS

1. Contact Planning or Economic Development expressing interest in program
2. Schedule informational visit with Assistance Team
3. Download forms from <http://www.auburnwa.gov/downtown> or pick up form from City Permit Center (1 E. Main Street)
4. Schedule preliminary assessment with City of Auburn Department of Community Development and Public Works (Contact: Dustin Lawrence)
5. Based on Assessment, Either:
 - f. Develop Cost Estimate
 - g. Procure Architect with own resources
 - h. Apply to ADA for Design Services
 - i. Apply to City of Auburn for Design Services
6. Work with design professional(s) and technical assistance to prepare application materials
7. Submit application to City Of Auburn Department Of Community Development And Public Works (Contact: Dustin Lawrence)
8. After determining completeness, application will be reviewed by committee
9. Final approval will be given by Mayor and a letter will be sent to applicant



CONSTRUCTION PROCESS

1. Owners and Contractors must sign contracts with the City; at the time of contract execution, all files will be reviewed for compliance with legal, licensing, and liability concerns
2. Notice to proceed will be issued
3. Contractor and/or business owner must apply for permits
4. If agreed upon, materials may be purchased prior to construction
5. Construction will begin after permits are issued
6. Final inspection by Planning, Economic Development and/or Building Divisions
7. Final payment will be issued after satisfactory completion of project

DEALING WITH CONTRACTORS AND DISBURSEMENT OF FUNDS

The façade improvement funds will substantially be paid by the City through purchase orders with pre-approved designers and contractors. The payment terms will be established before work commences and agreed to in a contract. All invoices and payments must include Washington State sales tax. Payment to the contractor will occur after successful completion and inspection of work.

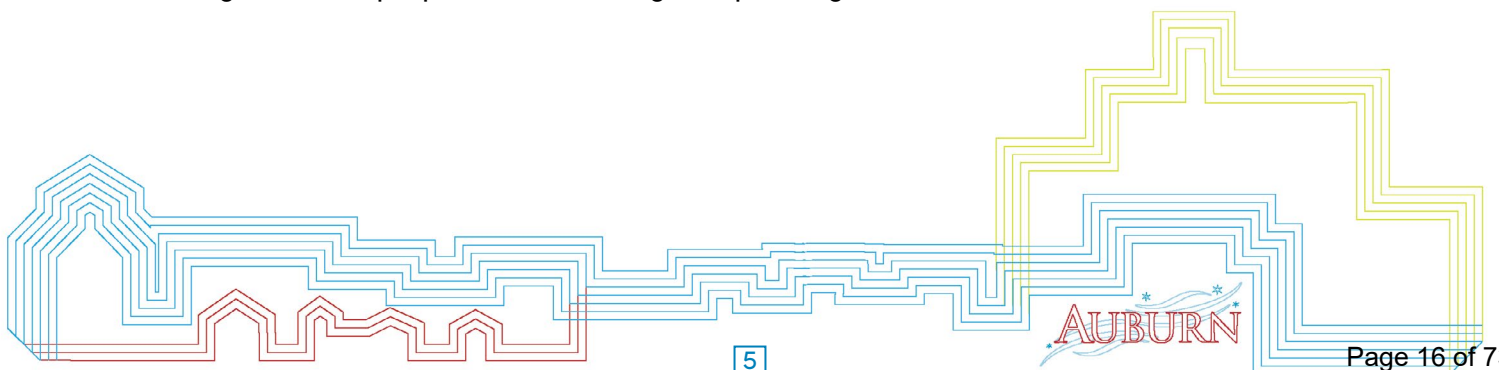
If the business or property owner decides to use an unapproved architect or contractor, the architect or contractor must apply to be a part of the roster and satisfy all conditions associated with application. After their approval, the architect and/or contractor will be engaged and paid like previously approved roster applicants.

If the business or property owner is responsible for matching funds, they must pay their portion of the matching contribution to the contractor up front and provide an invoice showing payment to a pre-approved consultant prior to any disbursement of City funds.

TYPES OF IMPROVEMENTS

ELIGIBLE WORK:

- Brick And Stone Masonry - Structural repairs, cleaning, repointing, and resurfacing
- Architectural Metals - Repair, cleaning, refinishing, painting, duplication, and restoration of exterior building components, e.g., cast iron, pressed tin
- Doors And Upper Windows - Maintenance, repairs, replacement, and restoration of window sashes, exterior doors, and installation of storm windows in conjunction with other significant façade improvements
- Exterior Carpentry - Maintenance, repair, rehabilitation and restoration of sills, window and door frames, bulkheads, storefront and roof cornices, window hoods, and decorative molding
- Storefronts - Removal of inappropriate coverings and additions, maintenance, repair, rehabilitation, restoration of display and transom windows, and lighting
- Signage - Maintenance, repair, removal, and/or replacement; lighting
- Painting - Surface preparation, cleaning and painting



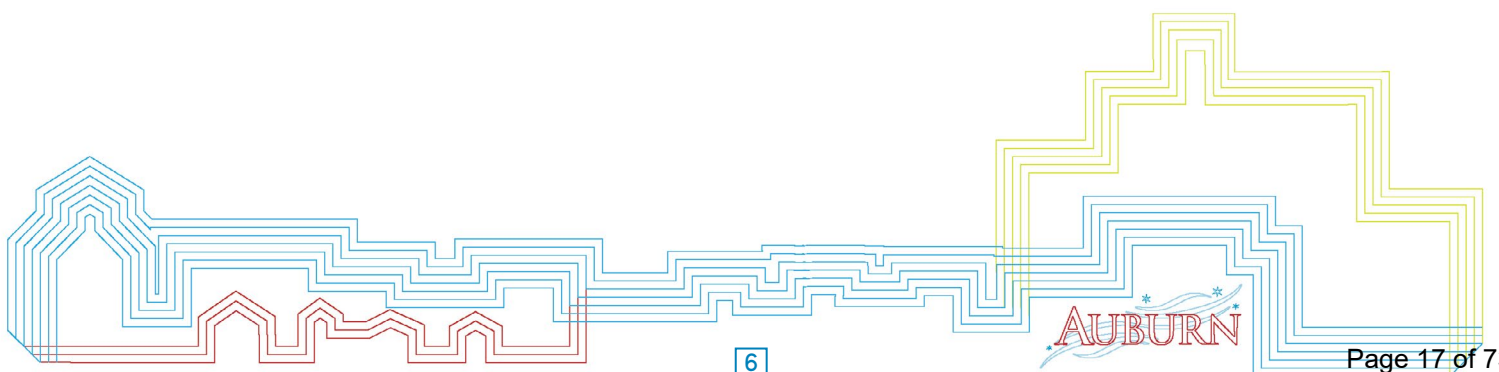
- Awnings – Maintenance, installation, repair, or replacement of fabric awnings. Awnings to be replaced must show considerable wear as determined by the City Building Official.
- Lighting – Installation, retrofitting, replacement
- Handicapped Access Projects – Ramps, thresholds, entrances (only in conjunction with other design improvements)
- Removal Of Features – Removal of “modernization” efforts and/or inappropriate non-historic alterations/additions
- Murals Or Other Permanent, Affixed Art Work – based on review and approval

INELIGIBLE WORK:

- New building construction
- Additions to existing structures
- Billboards
- Any interior work or decoration
- Internally-lit signs
- Non-fabric awnings
- Non-permanent fixtures (i.e. freestanding planters, stands, holders)
- On-site or off-site paving
- Sidewalk repair/restoration/replacement
- Payment for the applicant’s own labor and performance for improvements
- Purchase of furnishings, equipment, or other personal property
- Repair or creation of features not compatible with the original architecture or that are artificial in appearance
- Roof repairs/replacements.
- Structural foundations

TERMS OF GRANT

Property must be regularly upkept and maintained to maintain the value of the improvements, The City is not liable for costs in excess of the quote submitted at the time of application; construction or design fee overruns will be paid by property or business owner

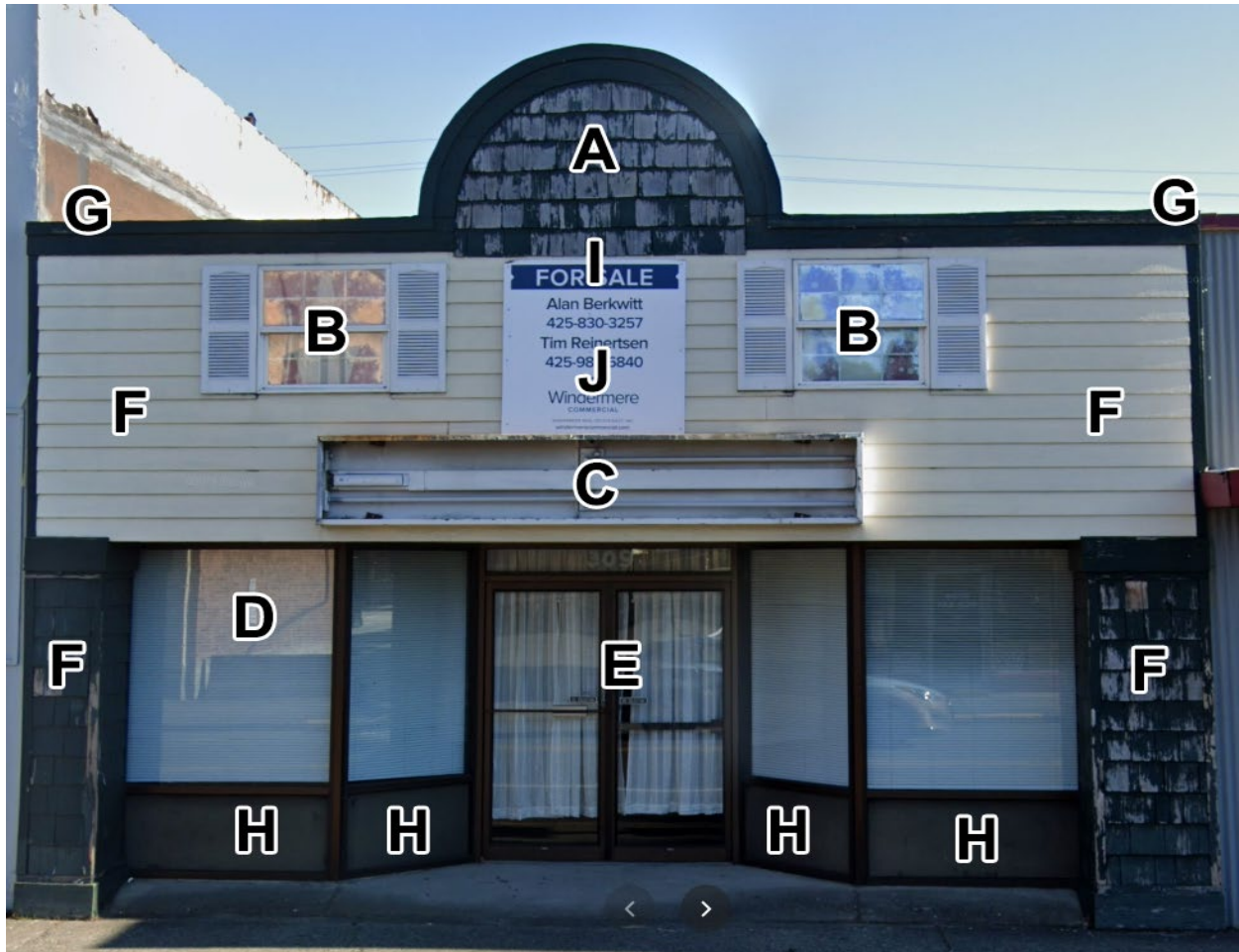


CITY OF AUBURN DOWNTOWN FAÇADE IMPROVEMENT GRANT PROGRAM

309 E Main St

PROPOSED FAÇADE IMPROVEMENTS

- A. Removal of half-moon arch in center building on roof.
- B. Removal of 2 faux windows on the front of the building.
- C. Sign removal and disposal.
- D. Replace (1) 41.5" x 68" front window. Current window has bullet hole.
- E. Remove and dispose of existing double storefront entrance package, frame and transom. Replace with Single 36" x 84" door swinging out with sidelites on either side.
- F. Install 4x8 SMOOTH Hardie Panels, Hardie Panel Flashing, Paint siding with two (2) COATS of Sherwin Williams SUPER PAINT. Color: [Iron Ore \(SW 7069\)](#). Cornice removal.
- G. Install new roof Cedar Railing in place of arch. Install Hardie Fascia across the entire front under the roof line.
- H. Install 1" x 4" tongue & groove cumaru hardwood planks on panels under windows and the ceiling of entrance awning.
- I. Install (4) Gooseneck lights above sign.
- J. Install white acrylic sign above entrance.



Proposed



SW 7069
Iron Ore
Interior / Exterior
Location Number: 251-C7

*** Project timeline pending on contractor scheduling and availability ***



Summary Proposal for 2026 Budget Amendment

Capital Projects

- Transfer for Cash Flow needs for Capital Construction Fund 302
- WSDOT SR16 Water Main Project
- Well 7 (Pump & Design)
- Water CIP No. 2C PRV 390 to 260
- Community Event Center- Update to Current Approved Contract (Amendments 15-20)
- TIF 1.4 Anderson Hill Funded from Bay Side Developer Fund
- Re-allocating Bond Proceeds to fund for Melcher, Water Intertie and Water CIP 2C
- Increase 2025 Water Operating Revenues for fund balance
- Storm Drainage Funding for PA#69 Annapolis Creek Culvert
- Sroufe Water Main Retainage Release
- Public Works 1333 Lloyd Parkway Building Purchase
- Public Works 1535 Building Re-Alignment
- Debt Service Payments for 1333 Lloyd Parkway
- Debt Prefund for 1333 Lloyd Parkway Building

Personnel Requests

- Update Salary Table Per Union Contract
- Public Works-1 FTE Engineer (5 total)
- Compliance Program Manager
- Parking Enforcement to report to Public Works

Personnel Position Listing Effective x/x/xxxx			
Elected Officials		Positions	Wages
Mayor	1	Annual	132,092.78
Council (Seats 1,4,5)	3	Bi-Weekly	500.00
Council (Seats 2,3,6)	3	Bi-Weekly	533.01
Council (At Large)	1	Bi-Weekly	533.01
Total Elected	8.00		
Personnel Positions		FTE	Minimum Maximum
City Clerk	1	53.47	61.99
Community Development Director	1	75.86	87.98
Finance Director	1	77.34	89.69
Human Resources Director	1	64.44	74.73
Chief of Police	1	81.77	94.84
Public Works Director	1	78.96	91.57
Total Mayoral Direct Reports	6.00		
Deputy City Clerk	1	39.98	46.36
Communications Specialist	1	39.98	46.36
Human Resources Analyst	1	44.61	51.73
Total Administration	3.00		
Deputy Finance Director	1	59.06	68.48
Accounting Assistant III / IT Specialist	1	42.92	49.77
Accounting Assistant III	3	41.47	48.08
Accounting Assistant II	4	34.07	39.51
Accounting Assistant I	1	30.54	35.41
Information Technology Manager	1	62.45	72.42
IT Support Specialist	1	40.49	46.95
Total Finance/IT	12.00		
Deputy Director Community Development	1	57.87	67.12
Permit Center Manager	1	41.93	48.63
Permit Technician	2	34.13	39.57
Permit Clerk	2	31.49	36.54
Permit Center Assistant	1	27.75	32.19
Principal Planner	1	57.86	67.11
Senior Planner	1	49.57	57.47
Associate Planner*	2	42.81	49.63
Assistant Planner*	1	37.76	43.79
Plans Examiner/Building Inspector III	1	50.30	58.33
Plans Examiner/Building Inspector II	1	42.71	49.54
Building Inspector I	1	38.48	44.62
Code Enforcement Officer II	1	41.40	48.01
Code Enforcement Officer I	1	32.66	37.91
Parking Enforcement Officer (2 PT)	1.40	30.91	35.85
Total Community Development	17.00		
Municipal Court Judge	0.50	Annual	111,602.55
Municipal Court Administrator	1	53.48	62.01
Lead Clerk	4	33.08	39.53
Court Clerk	4	27.95	33.37
Lead Clerk	1	35.09	41.90
Court Clerk	1	29.62	35.37
Total Judicial	3.50		

Personnel Position Listing Effective x/x/xxxx			
Personnel Positions	FTE	Minimum	Maximum
Deputy Police Chief	2	74.34	86.21
Police Services Coordinator	1	37.21	44.45
Police Services Specialist	3.70	27.82	33.21
Sergeant	5	58.66	64.95
Police Officer	20	43.66	54.03
Total Police Department	31.70		
City Engineer	1	66.97	77.66
Assistant City Engineer	1	60.41	70.06
Operations and Utility Manager	1	58.31	67.63
Operations Supervisor	1	47.17	54.70
Utility Supervisor	1	47.17	54.70
Utilities Compliance Specialist	1	39.81	46.13
Civil Engineer II *	4	52.20	60.53
Civil Engineer I *	2	49.36	57.26
Civil Engineer II *	2	52.20	60.53
Civil Engineer I *	1	49.36	57.26
GIS/Asset Management Coordinator	1	44.66	51.81
Asset Management Technician	1	32.66	37.91
Senior Project Coordinator/Inspector	1	47.17	54.70
Project Coordinator/Inspector	2	43.46	50.41
Public Works Procurement Specialist	1	41.52	48.15
Public Works Administrative Specialist	4	34.13	39.57
Compliance Program Manager	1	41.93	48.63
Public Works Administrative Specialist	0	34.13	39.57
Office Assistant II	1	31.63	36.68
Office Assistant I	1	27.75	32.19
Parking Enforcement Officer (2 PT)	1.40	30.91	35.85
Lead Mechanic	4	37.05	44.24
Mechanic	4	34.52	41.23
Electrician	4	36.62	43.73
Public Works Lead	5	37.05	44.24
Maintenance Technician II	20	33.48	39.97
Maintenance Technician I	2	24.93	29.78
Lead Mechanic	1	41.13	49.11
Mechanic	1	37.29	44.53
Electrician	1	40.29	48.10
Public Works Lead	5	41.13	49.11
Maintenance Technician II	20	35.48	42.37
Maintenance Technician I	2	26.94	32.16
Total Public Works	49.40		
Seasonal Public Works	Hourly	23.37	24.84
Intern	Hourly	21.59	23.99
Temporary Employee	Hourly	21.59	23.99
Grand Totals	122.60		

*Only 2 FTE's are funded in the 2025-2026 budget. However, 3 FTE's are listed above to provide for potential promotions or coverage.

FTE counts are subject to modification pursuant to City Policy No. 3.17

Personnel Position Listing Effective x/x/xxxx			
Elected Officials	Positions	Wages	
Mayor	1	Annual	132,092.78
Council (Seats 1,4,5)	3	Bi-Weekly	500.00
Council (Seats 2,3,6)	3	Bi-Weekly	533.01
Council (At Large)	1	Bi-Weekly	533.01
Total Elected	8.00		
Personnel Positions	FTE	Minimum	Maximum
City Clerk	1	53.47	61.99
Community Development Director	1	75.86	87.98
Finance Director	1	77.34	89.69
Human Resources Director	1	64.44	74.73
Chief of Police	1	81.77	94.84
Public Works Director	1	78.96	91.57
Total Mayoral Direct Reports	6.00		
Deputy City Clerk	1	39.98	46.36
Communications Specialist	1	39.98	46.36
Human Resources Analyst	1	44.61	51.73
Total Administration	3.00		
Deputy Finance Director	1	59.06	68.48
Accounting Assistant III / IT Specialist	1	42.92	49.77
Accounting Assistant III	3	41.47	48.08
Accounting Assistant II	4	34.07	39.51
Accounting Assistant I	1	30.54	35.41
Information Technology Manager	1	62.45	72.42
IT Support Specialist	1	40.49	46.95
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Deputy Director Community Development	1	57.87	67.12
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Permit Clerk	2	31.49	36.54
Permit Center Assistant	1	27.75	32.19
Principal Planner	1	57.86	67.11
Senior Planner	1	49.57	57.47
Associate Planner*	2	42.81	49.63
Assistant Planner*	1	37.76	43.79
Plans Examiner/Building Inspector III	1	50.30	58.33
Plans Examiner/Building Inspector II	1	42.71	49.54
Building Inspector I	1	38.48	44.62
Code Enforcement Officer II	1	41.40	48.01
Code Enforcement Officer I	1	32.66	37.91
Total Community Development	17.00		
Municipal Court Judge	0.50	Annual	111,602.55
Municipal Court Administrator	1	53.48	62.01
Lead Clerk	1	35.09	41.90
Court Clerk	1	29.62	35.37
Total Judicial	3.50		

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Police Services Specialist	3.70	27.82	33.21
Sergeant	5	58.66	64.95
Police Officer	20	43.66	54.03
Total Police Department	31.70		
City Engineer	1	66.97	77.66
Assistant City Engineer	1	60.41	70.06
Operations and Utility Manager	1	58.31	67.63
Operations Supervisor	1	47.17	54.70
Utility Supervisor	1	47.17	54.70
Utilities Compliance Specialist	1	39.81	46.13
Civil Engineer II *	2	52.20	60.53
Civil Engineer I *	1	49.36	57.26
GIS/Asset Management Coordinator	1	44.66	51.81
Asset Management Technician	1	32.66	37.91
Senior Project Coordinator/Inspector	1	47.17	54.70
Project Coordinator/Inspector	2	43.46	50.41
Public Works Procurement Specialist	1	41.52	48.15
Compliance Program Manager	1	41.93	48.63
Public Works Administrative Specialist	0	34.13	39.57
Office Assistant II	1	31.63	36.68
Office Assistant I	1	27.75	32.19
Parking Enforcement Officer (2 PT)	1.40	30.91	35.85
Lead Mechanic	1	41.13	49.11
Mechanic	1	37.29	44.53
Electrician	1	40.29	48.10
Public Works Lead	5	41.13	49.11
Maintenance Technician II	20	35.48	42.37
Maintenance Technician I	2	26.94	32.16
Total Public Works	49.40		
Seasonal Public Works	Hourly	23.37	24.84
Intern	Hourly	21.59	23.99
Temporary Employee	Hourly	21.59	23.99
Grand Totals	122.60		
*Only 2 FTE's are funded in the 2025-2026 budget. However, 3 FTE's are listed above to provide for potential promotions or coverage.			
FTE counts are subject to modification pursuant to City Policy No. 3.17			



2026 Budget Amendment Proposal

Fund 001-Current Expense Fund

Expense

Transfer to 302 for Capital Cash Flow Needs	\$300,000
Transfer to 411 for WSDOT SR16 Water Main	\$700,000
Transfer to 411 for Well 7 (Pump & Design)	\$150,000
Transfer to 413 for Water CIP No2C PRV 390 to 260 (Water Operating Portion)	\$50,000
<i>Defund 1333 Lloyd Parkway-Utilities Shop Purchase</i>	<i>\$2,600,000</i>
Transfer Out-Purchase 1535 Vivian Court -Oper Shop	\$ 1,451,099
Rental Payments for Use of Combined Shop Facility	\$ 215,747
• Total Expenses	\$266,845
• Reduce Unassigned Fund Balance	\$266,845

Fund 002

Expense

Rental Payments for Use of Combined Shop Facility	\$ 105,979
• Total Expenses	\$105,979
• Reduce Unassigned Fund Balance	\$105,979

Fund 109

Expense

REET 1 for GF 1333 Lloyd Parkway Debt Payments	\$13,280
REET 1 for GF 1333 Lloyd Parkway Debt Prefund	\$14,400
• Total Expenses	\$27,680
• Reduce Unassigned Fund Balance	\$27,680



Fund 111-Impact Fee Fund

Expense

Park Impact fees (Transfer to 302)

• Amendment 15-CEC Time Extension	\$125,174
• Amendment 15-CEC LEED Time Extension	\$7,078
• Amendment 15-Orchard Plaza Time Extension	\$70,343
• Amendment 15-Shoreline Time Extension	\$118,500
○ Total Expense	\$321,095
○ Reduce Park Impact Fee Ending Fund Balance	\$321,095

Transportation Impact Fees (Transfer to 304)

• Bay Side Dev.Fund-TIF 1.4 Anderson Hill	\$70,000
○ Total Expense	\$70,000
○ Reduce Bay Side Dev. Fund Ending Fund Balance	\$70,000
• Total Reduction of Fund 111 Fund Balance	\$391,095

Fund 206

Revenue

Transfer from 109 1333 Lloyd Parkway Debt Payments	\$13,280
Transfer from 109 1333 Lloyd Parkway Debt Prefund	\$14,400
• Total Revenue	\$27,680

Expense

GF 1333 Lloyd Parkway Debt Payments	\$13,280
• Total Expenses	\$13,280
• Increase in 1333 Lloyd Parkway Debt Prefund Fund Bal	\$14,400



Fund 302-Capital Construction Fund

Cash Flow for Projects

Revenue

Transfer from 001 for Capital Cash Flow Needs	\$300,000
• Total Revenue	\$300,000
○ Increase in Ending Fund Balance	\$300,000

Bond Funded Projects

Revenue

Increase in Interest Earnings	\$45,000
• Total Revenue	\$45,000

Expense

City Hall

- Reduce Budget \$100,000

Givens Park

- Reduce Budget \$75,000

Water Capital Projects (Melcher, Intertie & Water CIP No. 2C)

- Transfer to 413 \$220,000

Total Expense **\$45,000**

- **No Impact Ending Fund Balance** **\$0**

Community Events Center

Revenue

Transfers In from Park Impact Fees Fund 111 **\$321,095**

Total Revenue **\$321,095**

Expense

Increase Expense Amendment 15-CEC Time Extension \$125,174



Increase Expense Amendment 15-CEC LEED Time Extension	\$7,078
Increase Expense Amendment 15-Orchard Plaza Time Extension	\$70,343
Increase Expense Amendment 15-Shoreline Time Extension	\$118,500
Total Expense	\$321,095
○ No Impact Ending Fund Balance	\$0

Public Works Buildings

Revenue

Defund 1333 Lloyd Parkway-Utilities Shop Purchase Revenue	\$2,600,000
Debt Proceeds for 1333 Lloyd Parkway- Utility Shop Allocated	\$200,000
Transfer In- Purchase 1535 Vivian Court -Operations Shop	\$1,451,099
Total Revenue	(948,901)

Expense

Defund 1333 Lloyd Parkway-Utilities Shop Purchase Expense	\$2,600,000
Defund 1333 Lloyd Parkway-Utilities Shop Upgrades Expense	\$75,000
Fund 1333 Lloyd Parkway- Utility Shop Purchase Exp Allocated	\$208,000
Fund 1333 Lloyd Parkway-Utilities Shop Upgrades Exp Allocated	\$6,000
1535 Vivian Court -Operations Shop Purchase Exp	\$1,451,099
Total Expenses	(\$1,009,901)

○ Increase in Ending Fund Balance	\$61,000
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Total Impact to Fund 302 is an Increase	\$361,000
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Fund 304-Street Capital Construction Fund

Revenue

Transfers In from Fund 111 for TIF 1.4 Anderson Hill	\$70,000
• Total Revenue	\$70,000

Expense

Increase Expense for TIF 1.4 Anderson Hill	\$70,000
• Total Expense	\$70,000
• No Impact Ending Fund Balance	\$0

Fund 411-Water Operating Fund

Revenue

Increase 2025 Water Operating Revenues	\$177,500
Increase 2026 Transfer Revenues	\$850,000
1535 Vivian Court -Operations Shop Sale Proceeds	\$ 941,660
Rental Proceeds for Use of Combined Shop Facility	\$ 385,930
• Total Revenue	\$2,355,090

Expense

Reduce Transfer to 413 TIP 1.5 Pottery	\$125,000
Reduce Transfer to 413 Well 7 Salary & Ben	\$15,000
Increase Transfer to 413 Srouf WM (Retainage Release)	\$17,500
Increase Expense for Well 7 (Design & Pump)	\$300,000
Increase Expense for WSDOT SR16	\$700,000
Rental Payments for Use of Combined Shop Facility	\$ 182,667
Water Utility 1333 Lloyd Parkway Debt Payments	\$53,120
Water Utility 1333 Lloyd Parkway Debt Prefund	\$57,600



- **Total Expense** **\$1,170,877**
- **Increase Fund Balance by** **\$1,184,203**

Fund 413-Water Capital Fund

Revenue

Reduce Transfer to 413 TIP 1.5 Pottery	\$125,000
Reduce Transfer to 413 Well 7 Salary & Ben	\$15,000
Increase Transfer to 413 Srouf WM (Retainage Release	\$17,500
Increase Transfer to 413 Water CIP NO. 2C	\$50,000
Increase Transfer to 413 Bond Proceeds (Melcher,Intertie,Water CIP NO. 2C)	\$220,000
Debt Proceeds for 1333 Lloyd Parkway- Utility Shop Allocated	\$807,752
• Total Revenues	\$147,500

Expense

Reduce Expense to 413 TIP 1.5 Pottery	\$125,000
Reduce Expense to 413 Well 7 Salary & Ben	\$15,000
Increase Expense to 413 Sroufe WM (Retainage Release	\$17,500
Increase Expense to 413 Water CIP NO. 2C	\$200,000
Increase Expense to (Melcher, Intertie, Water CIP NO. 2C)	\$220,000
Fund 1333 Lloyd Parkway- Utility Shop Purchase Exp Allocated	\$832,000
Fund 1333 Lloyd Parkway-Utilities Shop Upgrades Exp Allocated	\$24,000
Fund 1333 Lloyd Parkway-Utilities Shop Upgrades Debt Cost	\$7,752
1535 Vivian Court -Operations Shop Purchase Expense Allocated	\$120,532
• Total Expense	\$1,281,784
• Reduce Fund Balance by	\$326,532



Fund 414

Revenue

Transfer from 411 Water Utility 1333 Lloyd Parkway Debt Payments	\$53,120
Transfer from 411 Water Utility 1333 Lloyd Parkway Debt Prefund	\$57,600
• Total Revenue	\$110,720

Expense

Water 1333 Lloyd Parkway Debt Payments	\$53,120
• Total Expenses	\$53,120
• Increase in 1333 Lloyd Parkway Debt Prefund Fund Bal	\$57,600

Fund 421-Storm Drainage Operating Fund

Expense

Rental Payments for Use of Combined Shop Facility	\$ 104,980
Storm Drainage Utility 1333 Lloyd Parkway Debt Payments	\$44,820
Storm Drainage Utility 1333 Lloyd Parkway Debt Prefund	\$48,600
Total Expense	\$198,400
• Reduce Fund Balance by	\$198,400

Fund 423-Storm Drainage Capital Fund

Revenue

Debt Proceeds for 1333 Lloyd Parkway- Utility Shop Allocated	\$681,541
• Total Revenue	\$681,541

Expense

PA#18 Amendment 20-StormDrainage	\$209,000
PA#69 Annapolis Creek Culvert	\$250,000
Fund 1333 Lloyd Parkway- Utility Shop Purchase Exp Allocated	\$702,000
Fund 1333 Lloyd Parkway-Utilities Shop Upgrades Exp Allocated	\$20,250



Fund 1333 Lloyd Parkway-Utilities Shop Upgrades Debt Cost	\$6,540
1535 Vivian Court -Operations Shop Purchase Expense Allocated	\$177,032
<ul style="list-style-type: none"> • Total Expense • Reduce Fund Balance by 	\$1,364,822 \$683,281

Fund 424-Storm Drainage Debt Service Fund

Revenue

Transfer from 421 Storm Utility 1333 Lloyd Parkway Debt Payments	\$44,820
Transfer from 421 Storm Utility 1333 Lloyd Parkway Debt Prefund	\$48,600
<ul style="list-style-type: none"> • Total Revenue 	\$93,420

Expense

Storm 1333 Lloyd Parkway Debt Payments	\$48,820
<ul style="list-style-type: none"> • Total Expenses • Increase in 1333 Lloyd Parkway Debt Prefund Fund Bal 	\$48,820 \$48,600

Fund 431-Sewer Operating Fund

Revenue

1535 Vivian Court -Operations Shop Sale Proceeds	\$941,660
Rental Proceeds for Use of Combined Shop Facility	\$385,930
<ul style="list-style-type: none"> • Total Revenue 	\$1,327,590

Rental Payments for Use of Combined Shop Facility	\$162,487
Sewer Utility 1333 Lloyd Parkway Debt Payments	\$54,780
Sewer Utility 1333 Lloyd Parkway Debt Prefund	\$59,400
<ul style="list-style-type: none"> • Total Expense • Increase in Fund Balance by 	\$276,667 \$1,050,923



Fund 433

Revenue

Debt Proceeds for 1333 Lloyd Parkway- Utility Shop Allocated	\$832,994
• Total Revenue	\$832,994

Expense

Fund 1333 Lloyd Parkway- Utility Shop Purchase Exp Allocated	\$858,000
Fund 1333 Lloyd Parkway-Utilities Shop Upgrades Exp Allocated	\$24,750
Fund 1333 Lloyd Parkway-Utilities Shop Debt Cost	\$7,995
1535 Vivian Court -Operations Shop Purchase Expense Allocated	\$134,657
• Total Expense	\$1,025,402
• Reduce Fund Balance by	\$192,408

Fund 434

Revenue

Transfer from 431 Sewer Utility 1333 Lloyd Parkway Debt Payments	\$54,780
Transfer from 431 Sewer Utility 1333 Lloyd Parkway Debt Prefund	\$59,400
• Total Revenue	\$114,180

Expense

Sewer Utility 1333 Lloyd Parkway Debt Payments	\$54,780
• Total Expenses	\$54,780
• Increase in 1333 Lloyd Parkway Debt Prefund Fund Bal	\$59,400

Personnel Requests

- Update Salary Table Per Union Contract
- Public Works-1 FTE Engineer (5 total)
- Compliance Program Manager
- Parking Enforcement to report to Public Works

Income Statement Summary	2025-2026 Biennial Budget Ord. 017-25	2025-2026 Adjustments	2025-2026 Amended Biennial Budget
Beginning Fund Balance	\$ 101,222,395.83	\$ -	\$ 101,222,396
Revenue	\$ 155,676,094.62	\$ 6,287,599	\$ 161,963,694
Expense	\$ 180,195,892.24	\$ 5,703,693	\$ 185,899,585
Ending Fund Balance	\$ 76,702,598.21	\$ 583,906	\$ 77,286,504

Appropriation Summary	2025-2026 Biennial Budget Ord. 017-25	2025-2026 Adjustments	2025-2026 Amended Biennial Budget
Total Revenue	\$ 256,898,490.45	\$ 6,287,599	\$ 263,186,089
Total Expense	\$ 256,898,490.45	\$ 6,287,599	\$ 263,186,089

Governmental Funds (Operating, Stabilization, Special, Debt Service)

Fund: 001 - Current Expense	2025-2026 Biennial Budget Ord. 017-25	2025-2026 Adjustments	2025-2026 Amended Biennial Budget
Beginning Fund Balance	\$ 18,472,107.82	\$ -	\$ 18,472,108
Revenue	\$ 31,575,258.07	\$ -	\$ 31,575,258
Expense	\$ 40,510,321.68	\$ 266,845	\$ 40,777,167
Ending Fund Balance	\$ 9,537,044.21	\$ (266,845)	\$ 9,270,199

Fund: 002 - City Street Fund	2025-2026 Biennial Budget Ord. 017-25	2025-2026 Adjustments	2025-2026 Amended Biennial Budget
Beginning Fund Balance	\$ 4,448,362.89	\$ -	\$ 4,448,363
Revenue	\$ 8,034,834.00	\$ -	\$ 8,034,834
Expense	\$ 10,452,813.00	\$ 105,979	\$ 10,558,792
Ending Fund Balance	\$ 2,030,383.89	\$ (105,979)	\$ 1,924,405

Fund: 003 - Stabilization Fund	2025-2026 Biennial Budget Ord. 017-25	2025-2026 Adjustments	2025-2026 Amended Biennial Budget
Beginning Fund Balance	\$ 3,235,385.04	\$ -	\$ 3,235,385
Revenue	\$ 130,000.00	\$ -	\$ 130,000
Expense	\$ -	\$ -	\$ -
Ending Fund Balance	\$ 3,365,385.04	\$ -	\$ 3,365,385

Fund: 103 - Criminal Justice	2025-2026 Biennial Budget Ord. 017-25	2025-2026 Adjustments	2025-2026 Amended Biennial Budget
Beginning Fund Balance	\$ 576,826.36	\$ -	\$ 576,826
Revenue	\$ 827,300.00	\$ -	\$ 827,300
Expense	\$ 1,356,340.00	\$ -	\$ 1,356,340
Ending Fund Balance	\$ 47,786.36	\$ -	\$ 47,786

Fund: 104 - Special Investigative Unit	2025-2026 Biennial Budget Ord. 017-25	2025-2026 Adjustments	2025-2026 Amended Biennial Budget
Beginning Fund Balance	\$ 106,095.86	\$ -	\$ 106,096
Revenue	\$ -	\$ -	\$ -
Expense	\$ 8,000.00	\$ -	\$ 8,000
Ending Fund Balance	\$ 98,095.86	\$ -	\$ 98,096

Fund: 107 - Community Events	2025-2026 Biennial Budget Ord. 017-25	2025-2026 Adjustments	2025-2026 Amended Biennial Budget
Beginning Fund Balance	\$ 472,383.71	\$ -	\$ 472,384
Revenue	\$ 204,400.00	\$ -	\$ 204,400
Expense	\$ 239,400.00	\$ -	\$ 239,400
Ending Fund Balance	\$ 437,383.71	\$ -	\$ 437,384

Fund: 108 - Paths & Trails	2025-2026 Biennial Budget Ord. 017-25	2025-2026 Adjustments	2025-2026 Amended Biennial Budget
Beginning Fund Balance	\$ 17,989.38	\$ -	\$ 17,989
Revenue	\$ 2,000.00	\$ -	\$ 2,000
Expense	\$ -	\$ -	\$ -
Ending Fund Balance	\$ 19,989.38	\$ -	\$ 19,989

Fund: 109 - Real Estate Excise Tax	2025-2026 Biennial Budget Ord. 017-25	2025-2026 Adjustments	2025-2026 Amended Biennial Budget
Beginning Fund Balance	\$ 6,523,527.01	\$ -	\$ 6,523,527
Revenue	\$ 3,200,900.00	\$ -	\$ 3,200,900
Expense	\$ 8,249,300.00	\$ 27,680	\$ 8,276,980
Ending Fund Balance	\$ 1,475,127.01	\$ (27,680)	\$ 1,447,447

Fund: 111 - Impact Mitigation Fee	2025-2026 Biennial Budget Ord. 017-25	2025-2026 Adjustments	2025-2026 Amended Biennial Budget
Beginning Fund Balance	\$ 11,214,726.06	\$ -	\$ 11,214,726
Revenue	\$ 6,583,600.00	\$ -	\$ 6,583,600
Expense	\$ 10,208,176.00	\$ 391,095	\$ 10,599,271
Ending Fund Balance	\$ 7,590,150.06	\$ (391,095)	\$ 7,199,055

Fund: 206 - Bond Redemption Fund	2025-2026 Biennial Budget Ord. 017-25	2025-2026 Adjustments	2025-2026 Amended Biennial Budget
Beginning Fund Balance	\$ 517,370.63	\$ -	\$ 517,371
Revenue	\$ 2,492,900.00	\$ 27,680	\$ 2,520,580
Expense	\$ 1,997,300.00	\$ 13,280	\$ 2,010,580
Ending Fund Balance	\$ 1,012,970.63	\$ 14,400	\$ 1,027,371

Governmental Capital Construction

Fund: 302 - Capital Construction	2025-2026 Biennial Budget Ord. 017-25	2025-2026 Adjustments	2025-2026 Amended Biennial Budget
Beginning Fund Balance	\$ 1,567,976.38	\$ -	\$ 1,567,976
Revenue	\$ 4,676,363.57	\$ (280,868)	\$ 4,395,496
Expense	\$ 6,015,767.74	\$ (641,868)	\$ 5,373,900
Ending Fund Balance	\$ 228,572.21	\$ 361,000	\$ 589,572

Fund: 304 - Street Capital Projects	2025-2026 Biennial Budget Ord. 017-25	2025-2026 Adjustments	2025-2026 Amended Biennial Budget
Beginning Fund Balance	\$ 952,111.99	\$ -	\$ 952,112
Revenue	\$ 24,995,280.00	\$ 70,000	\$ 25,065,280
Expense	\$ 25,036,588.64	\$ 70,000	\$ 25,106,589
Ending Fund Balance	\$ 910,803.35	\$ -	\$ 910,803

Enterprise Funds (Operating, Stabilization, Debt Service, Capital)

Fund: 411 - Water Operating	2025-2026 Biennial Budget Ord. 017-25	2025-2026 Adjustments	2025-2026 Amended Biennial Budget
Beginning Fund Balance	\$ 2,754,462.47	\$ -	\$ 2,754,462
Revenue	\$ 9,202,800.00	\$ 2,355,090	\$ 11,557,890
Expense	\$ 10,807,878.82	\$ 1,170,887	\$ 11,978,766
Ending Fund Balance	\$ 1,149,383.65	\$ 1,184,203	\$ 2,333,587

Fund: 412 - Water Stabilization	2025-2026 Biennial Budget Ord. 017-25	2025-2026 Adjustments	2025-2026 Amended Biennial Budget
Beginning Fund Balance	\$ 1,171,575.95	\$ -	\$ 1,171,576
Revenue	\$ -	\$ -	\$ -
Expense	\$ -	\$ -	\$ -
Ending Fund Balance	\$ 1,171,575.95	\$ -	\$ 1,171,576

Fund: 413 - Water Capital	2025-2026 Biennial Budget Ord. 017-25	2025-2026 Adjustments	2025-2026 Amended Biennial Budget
Beginning Fund Balance	\$ 8,436,823.26	\$ -	\$ 8,436,823
Revenue	\$ 10,888,264.00	\$ 955,252	\$ 11,843,516
Expense	\$ 9,793,864.00	\$ 1,281,784	\$ 11,075,648
Ending Fund Balance	\$ 9,531,223.26	\$ (326,532)	\$ 9,204,691

Fund: 414 - Water Debt Service	2025-2026 Biennial Budget Ord. 017-25	2025-2026 Adjustments	2025-2026 Amended Biennial Budget
Beginning Fund Balance	\$ 1,285,004.73	\$ -	\$ 1,285,005
Revenue	\$ 2,697,300.00	\$ 110,720	\$ 2,808,020
Expense	\$ 2,697,200.00	\$ 53,120	\$ 2,750,320
Ending Fund Balance	\$ 1,285,104.73	\$ 57,600	\$ 1,342,705

Fund: 421 - Storm Drainage Utility	2025-2026 Biennial Budget Ord. 017-25	2025-2026 Adjustments	2025-2026 Amended Biennial Budget
Beginning Fund Balance	\$ 2,328,243.07	\$ -	\$ 2,328,243
Revenue	\$ 6,994,700.00	\$ -	\$ 6,994,700
Expense	\$ 6,768,376.86	\$ 198,400	\$ 6,966,777
Ending Fund Balance	\$ 2,554,566.21	\$ (198,400)	\$ 2,356,166

Fund: 422 - Storm Drainage Stabilization	2025-2026 Biennial Budget Ord. 017-25	2025-2026 Adjustments	2025-2026 Amended Biennial Budget
Beginning Fund Balance	\$ 602,048.00	\$ -	\$ 602,048
Revenue	\$ 75,000.00	\$ -	\$ 75,000
Expense	\$ -	\$ -	\$ -
Ending Fund Balance	\$ 677,048.00	\$ -	\$ 677,048

Fund: 423 - Storm Drainage Capital Facil	2025-2026 Biennial Budget Ord. 017-25	2025-2026 Adjustments	2025-2026 Amended Biennial Budget
Beginning Fund Balance	\$ 942,392.10	\$ -	\$ 942,392
Revenue	\$ 3,436,844.00	\$ 681,541	\$ 4,118,385
Expense	\$ 2,750,742.00	\$ 1,364,822	\$ 4,115,564
Ending Fund Balance	\$ 1,628,494.10	\$ (683,281)	\$ 945,213

Fund: 424 - Storm Drainage Debt Service	2025-2026 Biennial Budget Ord. 017-25	2025-2026 Adjustments	2025-2026 Amended Biennial Budget
Beginning Fund Balance	\$ -	\$ -	\$ -
Revenue	\$ 665,700.00	\$ 93,420	\$ 759,120
Expense	\$ 442,700.00	\$ 44,820	\$ 487,520
Ending Fund Balance	\$ 223,000.00	\$ 48,600	\$ 271,600

Fund: 431 - Sewer Operating	2025-2026 Biennial Budget Ord. 017-25	2025-2026 Adjustments	2025-2026 Amended Biennial Budget
Beginning Fund Balance	\$ 8,754,382.59	\$ -	\$ 8,754,383
Revenue	\$ 12,444,500.00	\$ 1,327,590	\$ 13,772,090
Expense	\$ 17,342,144.19	\$ 276,667	\$ 17,618,811
Ending Fund Balance	\$ 3,856,738.40	\$ 1,050,923	\$ 4,907,661

Fund: 432 - Sewer Stabilization	2025-2026 Biennial Budget Ord. 017-25	2025-2026 Adjustments	2025-2026 Amended Biennial Budget
Beginning Fund Balance	\$ 1,703,654.80	\$ -	\$ 1,703,655
Revenue	\$ -	\$ -	\$ -
Expense	\$ -	\$ -	\$ -
Ending Fund Balance	\$ 1,703,654.80	\$ -	\$ 1,703,655

Fund: 433 - Sewer Capital	2025-2026 Biennial Budget Ord. 017-25	2025-2026 Adjustments	2025-2026 Amended Biennial Budget
Beginning Fund Balance	\$ 10,194,669.09	\$ -	\$ 10,194,669
Revenue	\$ 17,723,645.98	\$ 832,994	\$ 18,556,640
Expense	\$ 17,857,874.31	\$ 1,025,402	\$ 18,883,276
Ending Fund Balance	\$ 10,060,440.76	\$ (192,408)	\$ 9,868,033

Fund: 434 - Sewer Debt Service	2025-2026 Biennial Budget Ord. 017-25	2025-2026 Adjustments	2025-2026 Amended Biennial Budget
Beginning Fund Balance	\$ 1,526,828.59	\$ -	\$ 1,526,829
Revenue	\$ 2,163,500.00	\$ 114,180	\$ 2,277,680
Expense	\$ 2,163,100.00	\$ 54,780	\$ 2,217,880
Ending Fund Balance	\$ 1,527,228.59	\$ 59,400	\$ 1,586,629

Fund: 500 - Equipment Rental and Revolving	2025-2026 Biennial Budget Ord. 017-25	2025-2026 Adjustments	2025-2026 Amended Biennial Budget
Beginning Fund Balance	\$ 5,488,629.03	\$ -	\$ 5,488,629
Revenue	\$ 4,661,005.00	\$ -	\$ 4,661,005
Expense	\$ 5,098,005.00	\$ -	\$ 5,098,005
Ending Fund Balance	\$ 5,051,629.03	\$ -	\$ 5,051,629

Fund: 632 - Wastewater Treatment Facil Fee	2025-2026 Biennial Budget Ord. 017-25	2025-2026 Adjustments	2025-2026 Amended Biennial Budget
Beginning Fund Balance	\$ 7,928,819.02	\$ -	\$ 7,928,819
Revenue	\$ 2,000,000.00	\$ -	\$ 2,000,000
Expense	\$ 400,000.00	\$ -	\$ 400,000
Ending Fund Balance	\$ 9,528,819.02	\$ -	\$ 9,528,819



Finance Committee Water Leak Policy 04.21.2026

Note: This is intended to illustrate the project estimates and potential funding sources.

Water Leak Policy

- A Water Leak Credit adjustment was established by Resolution 1469 in 1987 and subsequently repealed and established and updated policy by Resolution 1735 in 1996
- The Policy established the following:
 - If a customer discovers a leak and fixes it, then the City Engineer may recommend an adjustment to the water bill to the City Treasurer.
 - The City Treasurer may waive up to \$100 of the cost of the wasted water
 - Wasted water is defined as that amount of water that the City estimates to have been used in excess of normal consumption for that particular account.
 - No account may be adjusted more than once every 12 months

A RESOLUTION OF THE CITY OF PORT ORCHARD, WASHINGTON
REPEALING RESOLUTION NO. 1469 AND ESTABLISHING A WATER LEAK
POLICY.

WHEREAS, the City of Port Orchard established a water leak policy by
Resolution No. 1469; and

WHEREAS, the policy needs to be further defined;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PORT ORCHARD,
WASHINGTON DOES HEREBY REPEAL RESOLUTION NO. 1469 AND RESOLVE AS FOLLOWS:

The City of Port Orchard will adjust an individual water bill in the
following circumstances:


When the City staff suspects a water leak, the customer shall be
notified in a timely manner. If the customer investigates their water system and
discovers there is a leak and fixes it, then the City Engineer may recommend
adjustment of the water bill to the City Treasurer. The City Treasurer may waive up
to one hundred dollars (\$100.00) of the cost of the wasted water. Wasted water is
defined as that amount of water that the City estimates to have been used in excess
of normal consumption for that particular account.

1. The following conditions shall be met before the water bill will
be considered for adjustment:
 - a. The water leak has been verified by the City.
 - b. Once notified by the City or found sooner, the customer
fixes the leak in a timely manner.
 - c. The customer requests a leak credit in a timely manner and
reports the corrective action taken.
2. This policy only pertains to City inspected interior plumbing,
outdoor service lines, irrigation systems and water systems for established marinas.
3. Excluded from leak credits are excessive outdoor water
consumption and excessive tenant water consumption.
4. No account may be adjusted more than once every twelve months.

If the water customer does not agree with the decision of the City
Staff, the customer may appeal the City Staff decision to the City Council.

PASSED by the City Council of the City of Port Orchard, signed by the
Mayor and attested by the Clerk in authentication of such passage this 13th day of
May, 1996.


LESLIE J. WEATHERILL, MAYOR

ATTEST:

Patricia Parks, City Clerk

Water Leak Policy Adjustments Recommendations

- ◆ Current policy

- ◆ Provide 100% leak credit up to \$100 maximum

- ◆ Proposed Adjustment

- ◆ Provide 75% leak credit

- ◆ Why?

- ◆ Rates have increased overtime and this policy has not changed since 1996

Examples	Leak Amount (\$)	% of Leak Credit Allowed	Credit Amount	Customer would pay
Option 1	\$500	50%	\$ 250	\$ 250
Option 2	\$500	60%	\$ 300	\$ 200
Option 3	\$500	75%	\$ 375	\$ 125
Bremerton	\$500	50%	\$ 250	\$ 250
Poulsbo	\$500	0%	\$ -	\$ 500

Water Leak Policy Examples

Normal/Common

◆ Current policy

- ◆ Provide 100% leak credit up to \$100 maximum
- ◆ Customer Normal Bill- 15,000 \$143.90
- ◆ Leak Bill- 100,000 \$770.75
- ◆ Determine Leak was for 85,000 gallons \$626.85
 - ◆ Leak Credit Amount **Capped at \$100**
 - ◆ Customer Pays \$670.75

◆ Proposed Adjustment

- ◆ Provide 75% leak credit
- ◆ Customer Normal Bill- 15,000 \$143.90
- ◆ Leak Bill- 100,000 \$770.75
- ◆ Determine Leak was for 85,000 gallons \$626.85
 - ◆ Leak Credit Amount at **75% \$470.14**
 - ◆ Customer Pays \$300.61

Water Leak Policy Examples Extraordinary/Uncommon

◆ Current policy

- ◆ Provide 100% leak credit up to \$100 maximum
- ◆ Customer Normal Bill~ 100,000 \$814.64
- ◆ Leak Bill~ 3,000,000 \$23,441.25
- ◆ Determine Leak was for 2,900,000 gallons \$22,736
 - ◆ Leak Credit Amount **Capped at** **\$100**
 - ◆ Customer Pays **\$23,341.25**

◆ Proposed Adjustment

- ◆ Provide 75% leak credit
- ◆ Customer Normal Bill~ 100,000 \$814.64
- ◆ Leak Bill~ 3,000,000 \$23,441.25
- ◆ Determine Leak was for 2,900,000 gallons \$22,736
 - ◆ Leak Credit Amount at **75%** **\$17,052.00**
 - ◆ Customer Pays **\$6,498.64**

Discussion

- ◆ 1) No Change remain up to \$100
- ◆ 2) Staff Recommendation 75% of Leak amount

Examples	Leak Amount (\$)	% of Leak Credit Allowed	Credit Amount	Customer would pay
Option 1	\$500	50%	\$ 250	\$ 250
Option 2	\$500	60%	\$ 300	\$ 200
Option 3	\$500	75%	\$ 375	\$ 125

Recommendation

- ◆ Staff Recommendation
 - ◆ Staff Recommendation 75% of Leak amount
- ◆ Finance Committee Recommendation
 - ◆ Staff Recommendation 75% of Leak amount with a maximum up to \$5,000.



Finance Committee
Low Income Discounted
Utility Rate Program
04.21.2026

Note: This is intended to illustrate the project estimates and potential funding sources.

Low Income Discounted Utility Rate Program

WHAT IS THE PROGRAM

The City of Port Orchard offers reduced base rates for citizens with low income. Base rates for water, sewer, and storm utility services are designated in POMC 13.04 & 13.06.

DEFINITIONS FOR THE PROGRAM

Low Income – A citizen(s) whose total household annual income does not exceed 125% of the U.S. Census Department's poverty threshold.

Household Income – Includes all salary, wages, interest, dividends, and other earnings which are reportable for federal income tax purposes, and cash payments such as reimbursement received from pensions, annuities, social security, and public assistance programs. Also, included in income are any contributions received from any family member or other person who is living in the same residence as the applicant applying for reduced utility rates and who is helping defray such applicants living costs.

Low Income Discounted Utility Rate Program 2026

Residential Utility Rate for Low Income Citizen

125 % of Poverty Threshold Size of family unit	Related children under 18 years				
	None	One	Two	Three	Four
One person (unrelated individual):					
Under 65 years.....	20,936				
65 years and over.....	19,300				
Two people:					
Householder under 65 years.....	26,948	27,738			
Householder 65 years and over.....	24,325	27,633			
Three people.....	31,479	32,391	32,423		
Four people.....	41,509	42,188	40,811	40,953	
Five people.....	50,056	50,785	49,230	48,026	47,291
Six people.....	57,575	57,803	56,611	55,470	53,773
Seven people.....	66,246	66,660	65,234	64,240	62,389
Eight people.....	74,091	74,745	73,400	72,221	70,549
Nine people or more.....	89,126	89,559	88,368	87,368	85,726

Source: U.S. Census Bureau, 2026.

Note: The source of the weighted average thresholds is the 2025 Current Population Survey Annual Social and Economic Supplement (CPS ASEC).

Low Income Discounted Utility Rate Program 2026

WHAT ARE THE DISCOUNTED RATES:

Residential Utility Rate for Low Income Citizen

All utilities rate with discount (current) 2026 rates			
		25%	
	Regular Rate	Reduction of Base	Low Income Base Rate
Water Base Rate	\$65.50	-\$16.38	\$49.13
Sewer Base Rate	\$151.58	-\$37.90	\$113.69
Storm Drainage Base Rate	\$62.94	-\$15.74	\$47.21
Totals	\$280.02	-\$70.01	\$210.02
*Water base rate + water consumption will be on billing statements			

Low Income Discounted Utility Rate Program

Estimated Impact for 2026

ESTIMATED FINANCIAL IMPACT (REDUCED REVENUE): (25% DISCOUNT)

<u>Utility</u>	<u>Billing Cycle</u>	<u>Annual</u>
Water Base:	\$16.38	\$98.28
Sewer Base:	\$37.90	\$227.40
Storm Base:	\$15.74	\$94.44
Total Impact:	\$70.02	\$420.12

TARGET GOAL: 25 Accounts

Example: If 25 citizens are approved for program annual impact would have been \$10,503

Prior Year Results - 2025

- Program Started in March 2023
- 24 accounts approved for the program throughout the year of 2025
- Total Financial Impact to the City **\$8,615**

What is next?

- ◆ We currently have 24 Citizens that have qualified for the program.

How do we grow the program?

- ◆ 2 tools available to potentially expand the program

- 1) Change the Poverty Income threshold Factor
 - 1) Determines Eligibility
- 2) Change the Discount Rate
 - 1) Calculates Benefit of program

Poverty Income Threshold Factor

- **Used to establish Eligibility**
 - The Poverty threshold factor is used to establish the maximum annual household income of the federal poverty guidelines applicable at the time the applicant applies for the rate reduction to the City.

	Current	Example	Example	Example	Example	Example
Poverty Threshold Factor	125%	130%	135%	140%	145%	150%
One Person under 65	20,936	21,774	22,611	23,449	24,286	25,124
Three Person Household	31,479	32,738	33,997	35,256	36,515	37,775
Four Person Household	41,509	43,169	44,829	46,490	48,150	49,811
Five Person Household	50,056	52,059	54,061	56,063	58,065	60,068

Discount Rate

- **Used to determine the benefit for the applicant**
 - The low-income discount rate provides the reduced cost for residents whom have qualified.

Current (per account):

Rates	Bi-monthly Bill Discount	Annual Impact	Total City Impact (based on 25)
25%	~ \$70	\$420	\$10,500

Alternatives (per account):

Rates	Bi-monthly Bill Discount	Annual Impact	Total City Impact (based on 25)
30%	~ \$84	\$504	\$12,600
35%	~ \$98	\$588	\$14,700
45%	~ \$126	\$756	\$18,900

Recommendations

Finance Committee

1) Adjust 2026 threshold and discount

- 1) Increase Income Threshold factor range to 140-150%
- 2) Discounts ranging from 35%



Finance Committee
Low Income Discounted
Utility Rate Program
04.21.2026

Note: This is intended to illustrate the project estimates and potential funding sources.

Low Income Discounted Utility Rate Program

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Low Income Discounted Utility Rate Program 2026

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Four people.....	41,509	42,188	40,811	40,953	
Five people.....	50,056	50,785	49,230	48,026	47,291
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Eight people.....	74,091	74,745	73,400	72,221	70,549
Nine people or more.....	89,126	89,559	88,368	87,368	85,726

Source: U.S. Census Bureau, 2026.

Note: The source of the weighted average thresholds is the 2025 Current Population Survey Annual Social and Economic Supplement (CPS ASEC).

Low Income Discounted Utility Rate Program 2026

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Storm Drainage Base Rate	\$62.94	-\$15.74	\$47.21
Totals	\$280.02	-\$70.01	\$210.02
*Water base rate + water consumption will be on billing statements			

Low Income Discounted Utility Rate Program

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<u>Utility</u>	<u>Billing Cycle</u>	<u>Annual</u>
Water Base:	\$16.38	\$98.28
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 - 1) Determines Eligibility
 - 2) Change the Discount Rate
 - 1) Calculates Benefit of program

Poverty Income Threshold Factor

- **Used to establish Eligibility**
 - The Poverty threshold factor is used to establish the maximum annual household income of the federal poverty guidelines applicable at the time the applicant applies for the rate reduction to the City.

Poverty Threshold Factor	Current 125%	Example 130%	Example 135%	Example 140%	Example 145%	Example 150%
One Person under 65	20,936	21,774	22,611	23,449	24,286	25,124
Three Person Household	31,479	32,738	33,997	35,256	36,515	37,775
Four Person Household	41,509	43,169	44,829	46,490	48,150	49,811
Five Person Household	50,056	52,059	54,061	56,063	58,065	60,068

Discount Rate

- **Used to determine the benefit for the applicant**
 - The low-income discount rate provides the reduced cost for residents whom have qualified.

Current (per account):

Rates	Bi-monthly Bill Discount	Annual Impact	Total City Impact (based on 25)
25%	~ \$70	\$420	\$10,500

Alternatives (per account):

Rates	Bi-monthly Bill Discount	Annual Impact	Total City Impact (based on 25)
30%	~ \$84	\$504	\$12,600
35%	~ \$98	\$588	\$14,700
45%	~ \$126	\$756	\$18,900

Recommendations

Finance Committee

1) Adjust 2026 threshold and discount

- 1) Increase Income Threshold factor range to 140-150%
- 2) Discounts ranging from 35%



Finance Committee Water Leak Policy 04.21.2026

Note: This is intended to illustrate the project estimates and potential funding sources.

Water Leak Policy

- A Water Leak Credit adjustment was established by Resolution 1469 in 1987 and subsequently repealed and established and updated policy by Resolution 1735 in 1996
- The Policy established the following:
 - If a customer discovers a leak and fixes it, then the City Engineer may recommend an adjustment to the water bill to the City Treasurer.
 - The City Treasurer may waive up to \$100 of the cost of the wasted water
 - Wasted water is defined as that amount of water that the City estimates to have been used in excess of normal consumption for that particular account.
 - No account may be adjusted more than once every 12 months

A RESOLUTION OF THE CITY OF PORT ORCHARD, WASHINGTON REPEALING RESOLUTION NO. 1469 AND ESTABLISHING A WATER LEAK POLICY.

WHEREAS, the City of Port Orchard established a water leak policy by Resolution No. 1469; and

WHEREAS, the policy needs to be further defined;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PORT ORCHARD, WASHINGTON DOES HEREBY REPEAL RESOLUTION NO. 1469 AND RESOLVE AS FOLLOWS:

The City of Port Orchard will adjust an individual water bill in the following circumstances:


When the City staff suspects a water leak, the customer shall be notified in a timely manner. If the customer investigates their water system and discovers there is a leak and fixes it, then the City Engineer may recommend adjustment of the water bill to the City Treasurer. The City Treasurer may waive up to one hundred dollars (\$100.00) of the cost of the wasted water. Wasted water is defined as that amount of water that the City estimates to have been used in excess of normal consumption for that particular account.

1. The following conditions shall be met before the water bill will be considered for adjustment:
 - a. The water leak has been verified by the City.
 - b. Once notified by the City or found sooner, the customer fixes the leak in a timely manner.
 - c. The customer requests a leak credit in a timely manner and reports the corrective action taken.
2. This policy only pertains to City inspected interior plumbing, outdoor service lines, irrigation systems and water systems for established marinas.
3. Excluded from leak credits are excessive outdoor water consumption and excessive tenant water consumption.
4. No account may be adjusted more than once every twelve months.

If the water customer does not agree with the decision of the City Staff, the customer may appeal the City Staff decision to the City Council.

PASSED by the City Council of the City of Port Orchard, signed by the Mayor and attested by the Clerk in authentication of such passage this 13th day of May, 1996.


LESLIE J. WEATHERILL, MAYOR

ATTEST:

Patricia Parks, City Clerk

Water Leak Policy Adjustments Recommendations

▶ Current policy

- ▶ Provide 100% leak credit up to \$100 maximum

▶ Proposed Adjustment

- ▶ Provide 75% leak credit

▶ Why?

- ▶ Rates have increased overtime and this policy has not changed since 1996

Examples	Leak Amount (\$)	% of Leak Credit Allowed	Credit Amount	Customer would pay
Option 1	\$500	50%	\$ 250	\$ 250
Option 2	\$500	60%	\$ 300	\$ 200
Option 3	\$500	75%	\$ 375	\$ 125
Bremerton	\$500	50%	\$ 250	\$ 250
Poulsbo	\$500	0%	\$ -	\$ 500

Water Leak Policy Examples

Normal/Common

▶ Current policy

- ▶ Provide 100% leak credit up to \$100 maximum
- ▶ Customer Normal Bill~ 15,000 \$143.90
- ▶ Leak Bill~ 100,000 \$770.75
- ▶ Determine Leak was for 85,000 gallons \$626.85
 - ▶ Leak Credit Amount Capped at **\$100**
 - ▶ Customer Pays **\$670.75**

▶ Proposed Adjustment

- ▶ Provide 75% leak credit
- ▶ Customer Normal Bill~ 15,000 \$143.90
- ▶ Leak Bill~ 100,000 \$770.75
- ▶ Determine Leak was for 85,000 gallons \$626.85
 - ▶ Leak Credit Amount at **75%** **\$470.14**
 - ▶ Customer Pays **\$300.61**

Water Leak Policy Examples Extraordinary/Uncommon

▶ Current policy

- ▶ Provide 100% leak credit up to \$100 maximum
- ▶ Customer Normal Bill~ 100,000 \$814.64
- ▶ Leak Bill~ 3,000,000 \$23,441.25
- ▶ Determine Leak was for 2,900,000 gallons \$22,736
 - ▶ Leak Credit Amount **Capped at** **\$100**
 - ▶ Customer Pays **\$23,341.25**

▶ Proposed Adjustment

- ▶ Provide 75% leak credit
- ▶ Customer Normal Bill~ 100,000 \$814.64
- ▶ Leak Bill~ 3,000,000 \$23,441.25
- ▶ Determine Leak was for 2,900,000 gallons \$22,736
 - ▶ Leak Credit Amount **at 75%** **\$17,052.00**
 - ▶ Customer Pays **\$6,498.64**

Discussion

- ▶ 1) No Change remain up to \$100
- ▶ 2) Staff Recommendation 75% of Leak amount

Examples	Leak Amount (\$)	% of Leak Credit Allowed	Credit Amount	Customer would pay
Option 1	\$500	50%	\$ 250	\$ 250
Option 2	\$500	60%	\$ 300	\$ 200
Option 3	\$500	75%	\$ 375	\$ 125

Recommendation

- ▶ Staff Recommendation
 - ▶ Staff Recommendation 75% of Leak amount
- ▶ Finance Committee Recommendation
 - ▶ Staff Recommendation 75% of Leak amount with a maximum up to \$5,000.