Financial Goals & Policies

Resolution No. 3247

The City of Bremerton is accountable to its citizens for the efficient use of public dollars. Resources entrusted to the City should be used in a manner that provides services, public facilities, and infrastructure necessary to meet the needs of the community – both for today and for the future. The following financial goals and policies establish a framework of financial health and stability that is required to meet those expectations.

The goals expressed here define what constitutes a "good outcome" for the city in regards to financial planning and decisions. Goals indicate the objectives - while the policies describe actual boundaries (or measurable) that are deemed necessary to achieve those goals.

Goals for Financial Sustainability –

- Diversified annual resources that are sufficient to provide for the regular and ongoing operations associated with core city services – plus enough additional margins to cover debt service requirements and normal (average) ongoing capital expenditures.
- Debt financing should be used to smooth the effects of unusual or significant amounts of capital expenditures and/or to finance facilities that are dedicated to the benefit of limited users (for example – Local Improvement District "LID").

Policy -

- The budget and financial plans of the City shall balance recurring operating expenses, debt service, and average ongoing capital requirements to recurring operating revenue. Average ongoing capital requirements are defined to include payments necessary to the various Internal Service funds (i.e. ER&R, and Information Technology) and average recurring capital expenditures.
- Before the City undertakes capital expenditures or accepts grant funds, the ongoing costs and commitments should be described fully including identification of the revenue sources expected to provide for such ongoing costs- so that proper consideration may be given to the longer term financial sustainability of the project or commitment.
- Where possible, grants or contributions of capital will be identified for proposed City expenditures.
- Deficit financing and borrowing will not be used to support on-going City services and operations. Expenses will be reduced to conform to the long-term revenue forecast. Interfund loans are permissible to cover temporary gaps in cash flow, but only from moneys in excess of anticipated cash needs throughout the duration of the loan and legally available for investment. All loans shall be supported by a clear expectation and schedule for repayment. Interest shall be assessed based on the cur-

rent Washington State Local Government Investment Pool rate unless the borrowing fund has no other source of revenue other than the lending fund; or the borrowing fund is normally funded by the lending fund.

- Cash balances in excess of the amount required to maintain strategic reserves may be used to fund one-time or non-recurring costs. Preference should be given to uses that reduce ongoing expenses (for example - early retirement of debt).
- Replacement Reserves based on expected replacement cost will be collected and placed in the Equipment Rental and Reserve Fund (ER&R) for equipment (other than computer equipment) or vehicles (other than fire engines) with a value of $20,000 or more if it is expected to be a continued need beyond its estimated initial useful life. The cost of computer equipment replacement will be included in the annual payments made to the Information Technology Fund (IT) for each computer by its using department. These payments are based on an expected five-year replacement schedule. In addition to ER&R and IT, other internal service funds may be established to appropriately account for and collect expenses for specific costs with the approval of the Mayor and the City Council. An amount equal to the annual fractional estimated cost of replacements based on the expected useful life of assets will be included in the service charges paid by City departments to the various Internal Service funds (i.e. Equipment Rental & Reserve fund and Information Technology). Replacement cost will be reevaluated periodically throughout the life of the asset and replacement reserve charges adjusted accordingly. Assets with an initial value less than $20,000 may be included in the Equipment Rental and Reserve Fund upon request by the using department with the approval of the Director of Public Works and Utilities and the Director of Financial Services.
- Long-term borrowing will be confined to significant capital improvements (or similar projects) which have an extended life and when it is not practicable to be financed from current revenues. All other available and appropriate sources of financing should be exhausted before long term borrowing is pursued.
- Bonds cannot be issued for a longer maturity schedule than a conservative estimate of the weighted average useful lives of the assets to be financed. The City will keep the average maturity of general obligation bonds at or below twenty years.
- Where possible, the City will use special assessment revenue, or other self-supporting bonds instead of general obligation bonds.
- The City Utility Systems shall strive to maintain a minimum debt service coverage (annual gross revenues less annual operating and maintenance expenses divided by annual debt service) of the combined Utilities (Water, Wastewater, Stormwater) of at least 1.5x.

Goals for Financial Flexibility –

- Sufficient operating reserves (working capital) to manage monthly and daily cash flow variability.
- Adequate liquidity to provide for limited interruptions in revenues (natural disasters, unexpected loss of revenue source, etc).
- Contingency and reserve funds should be

available for use in the event of emergency and/or unforeseen events.

- Resources *restricted* by external sources or enabling legislation should be used first, then unrestricted resources as needed. Unrestricted resources should be reduced in the following order: funds *committed* by ordinance, funds *assigned* or earmarked for a particular purpose, and then *unassigned.*

Policy –

- The City will maintain reserves required by law, ordinance, and/or bond covenants.
- The City will strive to maintain ending cash and investment balances in the General Fund of no less than 8.5% of total planned annual operating expenses.
- The City will strive to maintain ending cash and investment balances of no less than 12% of total planned annual operating expenses for the Gold Mountain Golf Complex, Water Utility, Wastewater Utility, and Stormwater Utility.
- The City shall strive to maintain a minimum reserve fund balance in the Self Insured Health and Welfare Reserve Fund of at least four months of Program expenses or at an amount recommended by an independent actuary, whichever is greater.
- The City will strive to maintain a balance of at least the equivalent of thirty-seven and one-half cents per thousand dollars of assessed valuation of property within the City in the Contingency Reserve fund as a provision for unforeseen or catastrophic events and emergencies.

Goals for Stewardship of Public Funds –

- Maintain public trust and confidence by utilizing resources in the most efficient manner possible.
- Expenditures should be necessary to either:
  - ◊ meet regulatory requirements
  - ◊ provide core city services
  - ◊ contribute to the achievement of stated goals and policies
  - ◊ or undertaken in anticipation of an emerging requirement.

Policy –

- Budget managers will provide sufficient documentation to support requested budget appropriations and in a manner that clearly demonstrates that the expenditure is necessary to either meet regulatory requirements, provide core city services, or contributes to the achievement of stated goals or policies of the City.
- A comprehensive multi-year (minimum of six years) plan for City capital improvements will be prepared and updated annually. The Capital Improvement Plan will be consistent with and support the City's Comprehensive Plan. The Comprehensive Plan service level goals should be included in the Capital Improvement Plan.

Goals for Accountability –

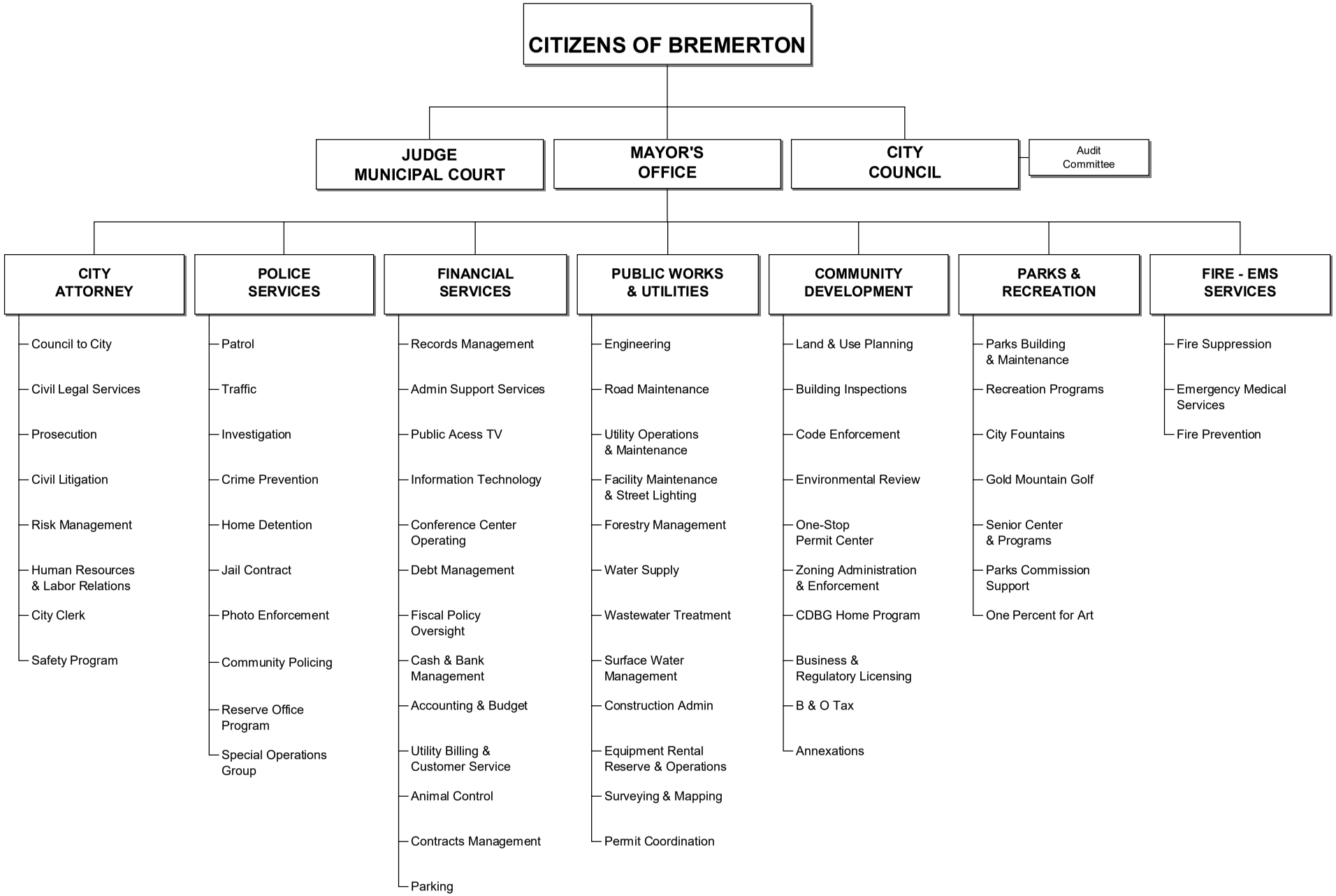
- Reports demonstrating the status of finan-

cial activity and results should be prepared on a timely basis and in compliance with BARS and GAAP accounting requirements.

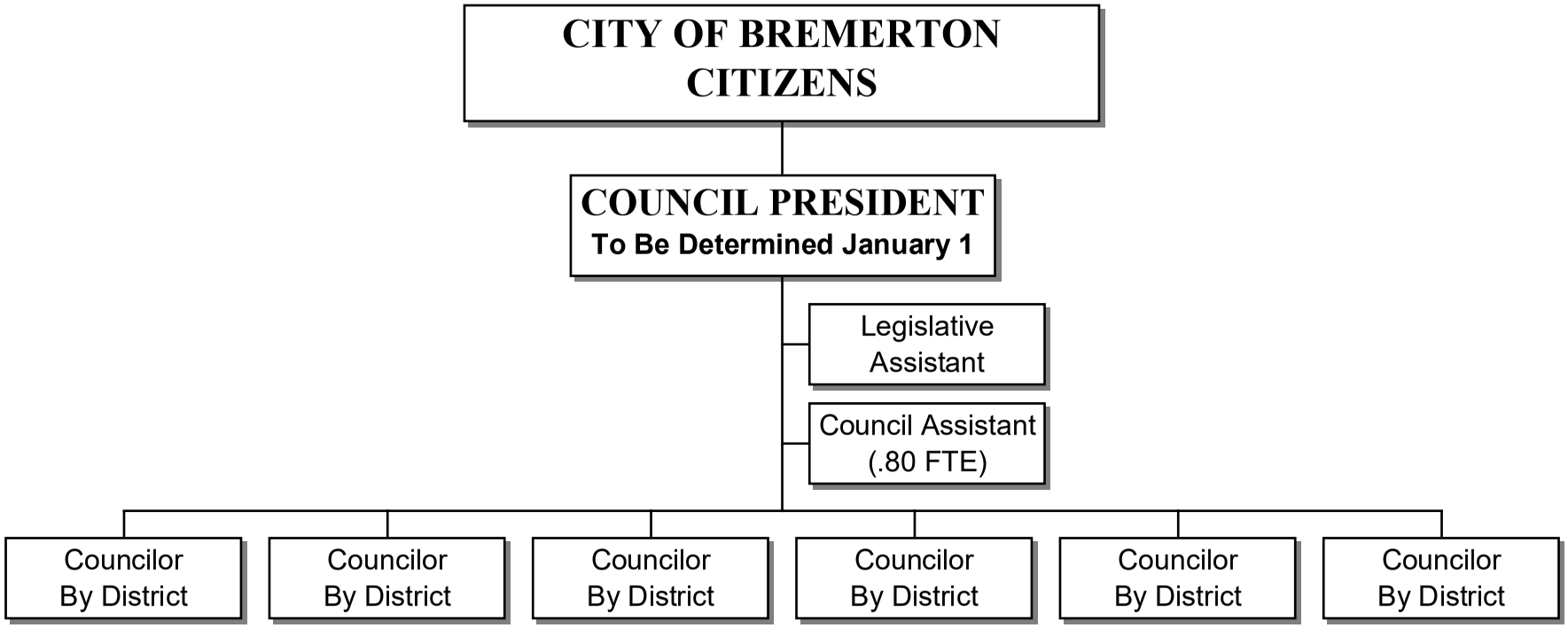
- Reports showing the status of financial policy compliance should be provided periodically.
- Ensure the legal use of public assets through an effective system of internal controls. To ensure all local, state, and federal rules are followed.

Policy -

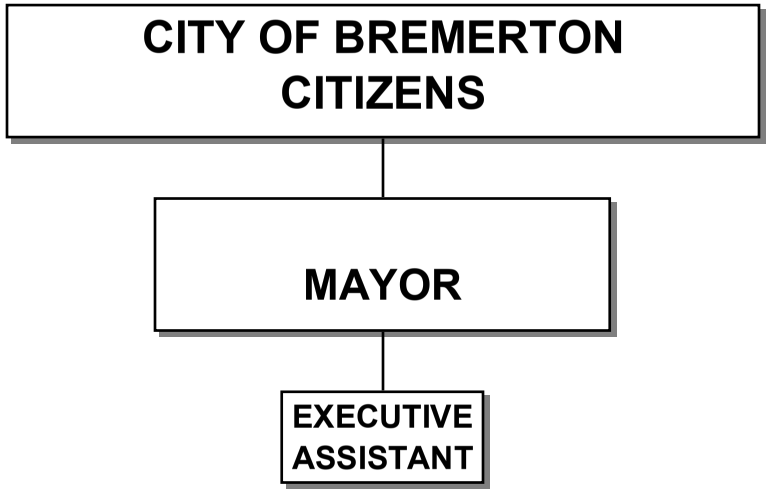
- An annual audit will be performed by the State Auditor's Office and include the issuance of a financial opinion. A Comprehensive Annual Financial Report shall be prepared in accordance with generally accepted accounting principles (GAAP) and shall be distributed to the City Council, Mayor, Director of Financial Services, Department Directors, City Audit Committee, and any other interested party.
- Quarterly a budget status report will be prepared and distributed to the City Council, Mayor, and Department Directors providing an overview of financial activities for the City with comparison to the approved budget. Information on the status of compliance with financial policies will be provided in this report.
- Regular monthly financial statements will be prepared on a timely basis and posted for review on the City's internet and intranet site.
- The City will maintain a budgetary control system to ensure compliance with the approved budget.
- The City will maintain adequate internal controls to safeguard public assets. The Director of Financial Services will work cooperatively with the City's Internal Auditor and the Audit Committee to identify and address material deficiencies in internal controls.
- The City shall manage and invest its residual cash through the City Treasurer on a continuous basis in accordance with the City's investment policies and within the guidelines established by the Washington State Statutes based upon the following order of priorities: 1) safety, 2) liquidity, and 3) yield.


CITIZENS OF BREMERTON
JUDGE MUNICIPAL COURT
MAYOR'S OFFICE
CITY COUNCIL
Audit Committee
CITY ATTORNEY
Council to City
Civil Legal Services
Prosecution
Civil Litigation
Risk Management
Human Resources & Labor Relations
City Clerk
Safety Program
POLICE SERVICES
Patrol
Traffic
Investigation
Crime Prevention
Home Detention
Jail Contract
Photo Enforcement
Community Policing
Reserve Office Program
Special Operations Group
FINANCIAL SERVICES
Records Management
Admin Support Services
Public Acess TV
Information Technology
Conference Center Operating
Debt Management
Fiscal Policy Oversight
Cash & Bank Management
Accounting & Budget
Utility Billing & Customer Service
Animal Control
Contracts Management
Parking
PUBLIC WORKS & UTILITIES
Engineering
Road Maintenance
Utility Operations & Maintenance
Facility Maintenance & Street Lighting
Forestry Management
Water Supply
Wastewater Treatment
Surface Water Management
Construction Admin
Equipment Rental Reserve & Operations
Surveying & Mapping
Permit Coordination
COMMUNITY DEVELOPMENT
Land & Use Planning
Building Inspections
Code Enforcement
Environmental Review
One-Stop Permit Center
Zoning Administration & Enforcement
CDBG Home Program
Business & Regulatory Licensing
B & O Tax
Annexations
PARKS & RECREATION
Parks Building & Maintenance
Recreation Programs
City Fountains
Gold Mountain Golf
Senior Center & Programs
Parks Commission Support
One Percent for Art
FIRE - EMS SERVICES
Fire Suppression
Emergency Medical Services
Fire Prevention

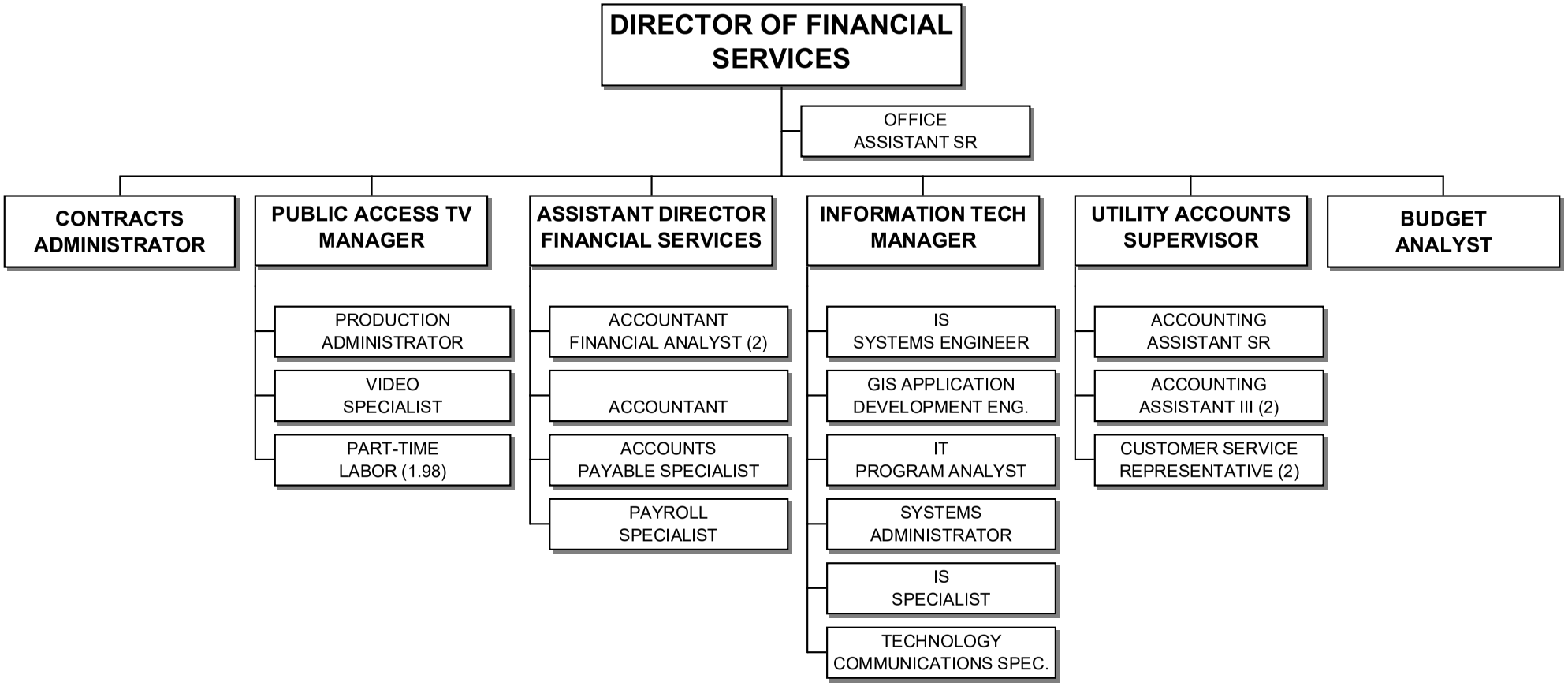
CITY COUNCIL



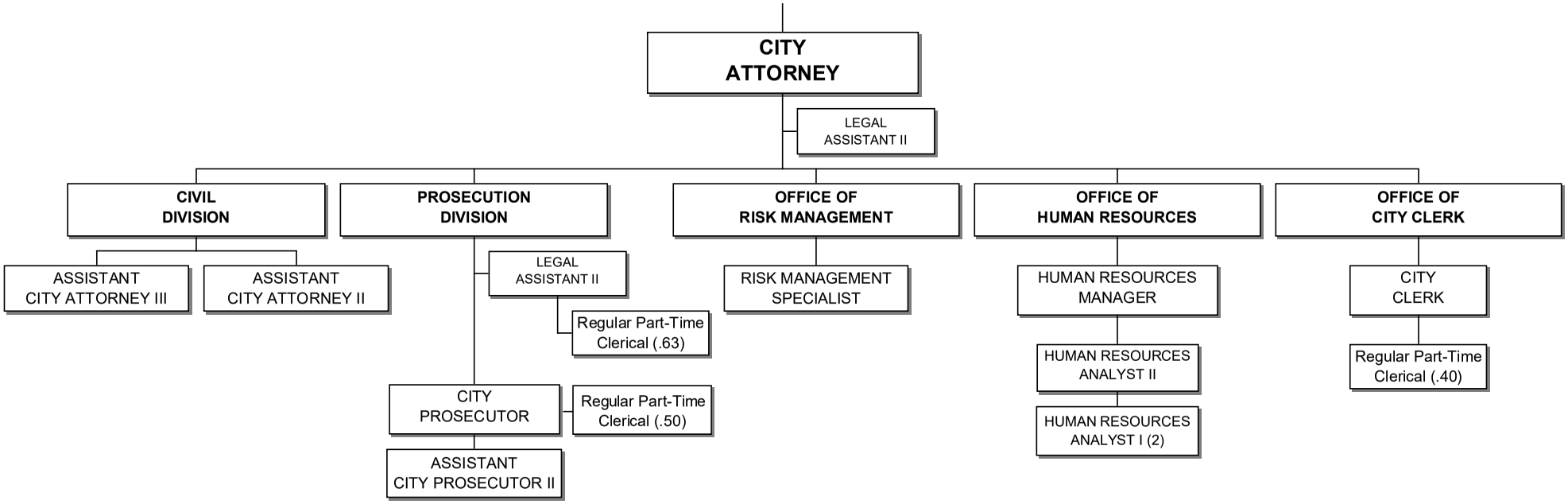
EXECUTIVE DEPARTMENT



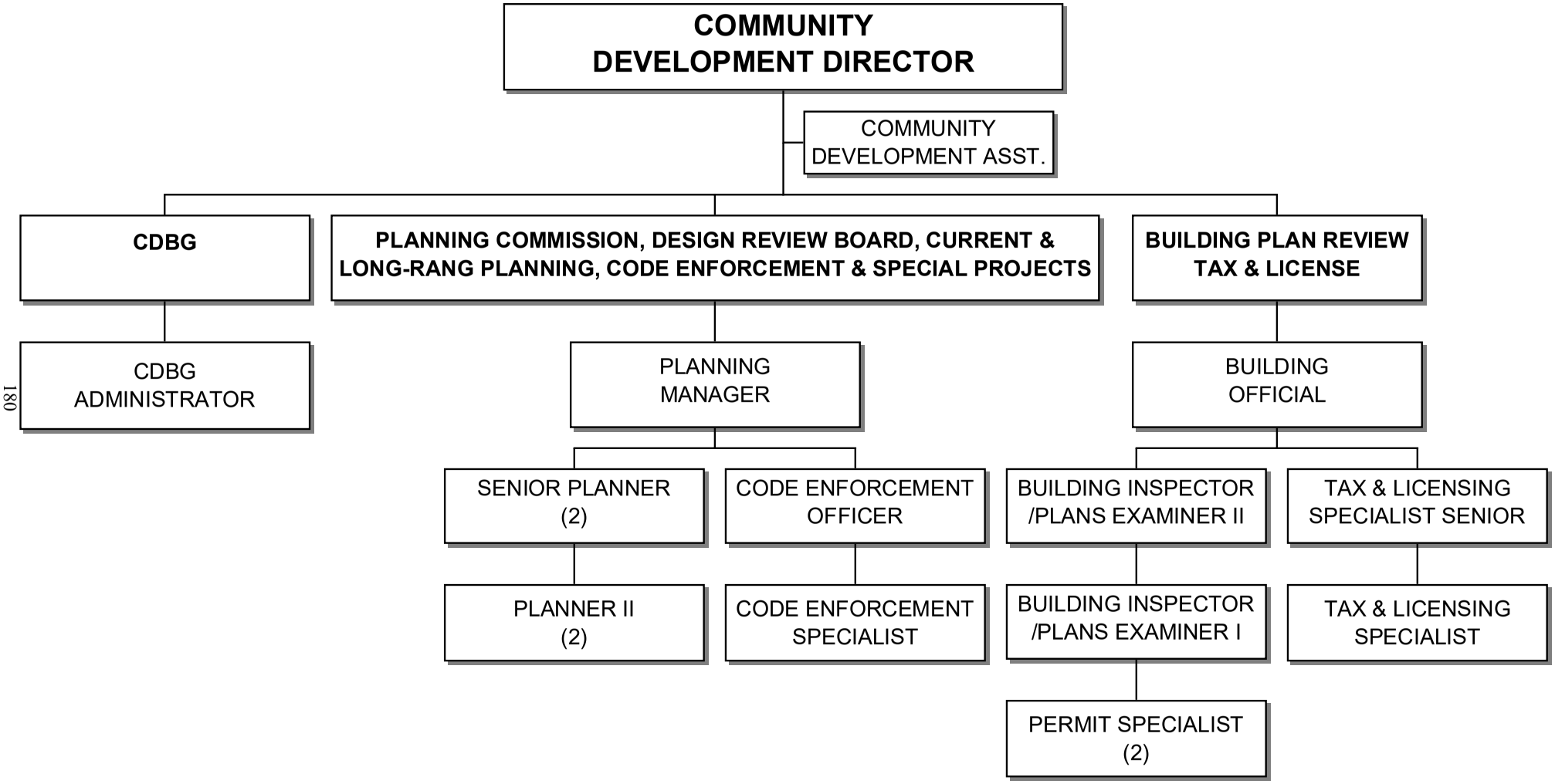
DEPARTMENT OF FINANCIAL SERVICES



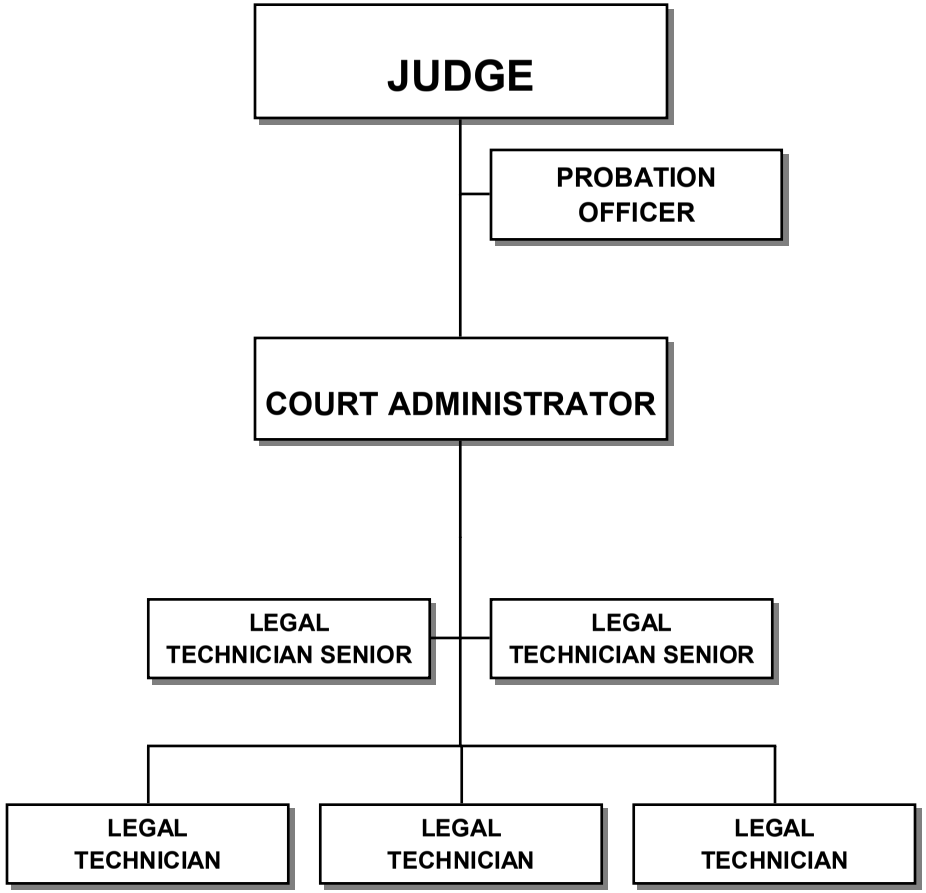
CITY ATTORNEY'S OFFICE



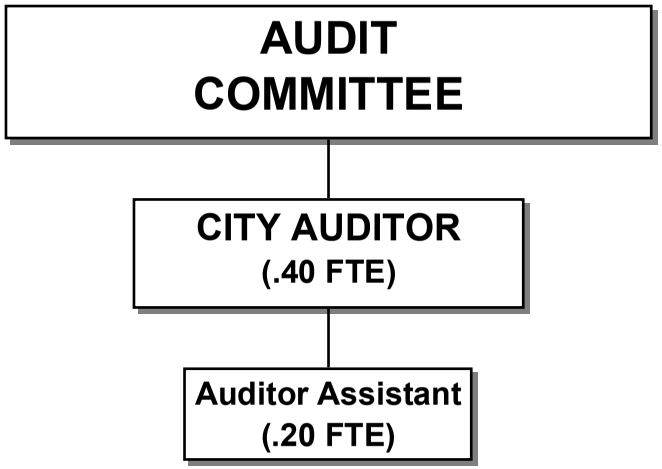
DEPARTMENT OF COMMUNITY DEVELOPMENT



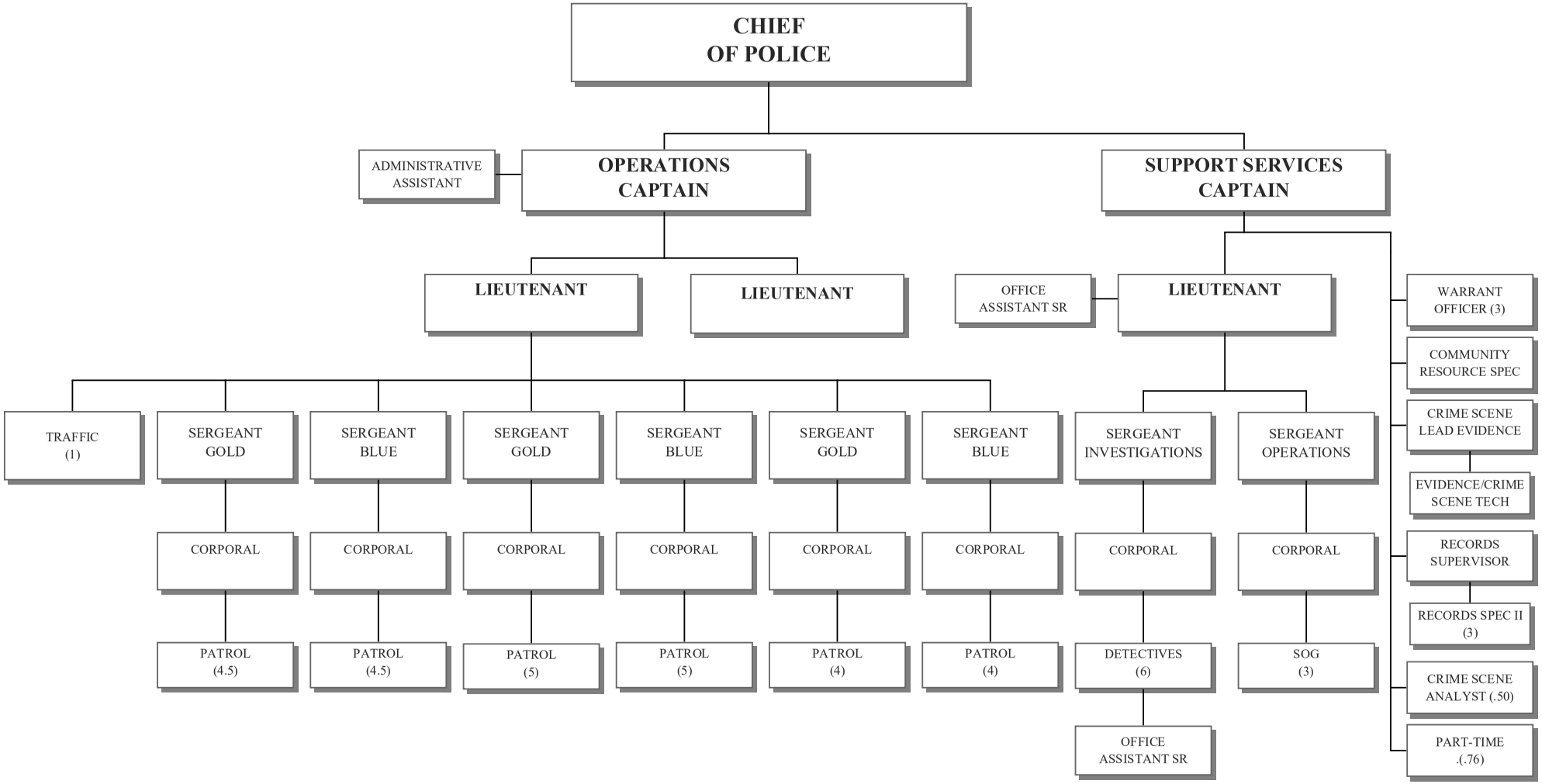
MUNICIPAL COURT



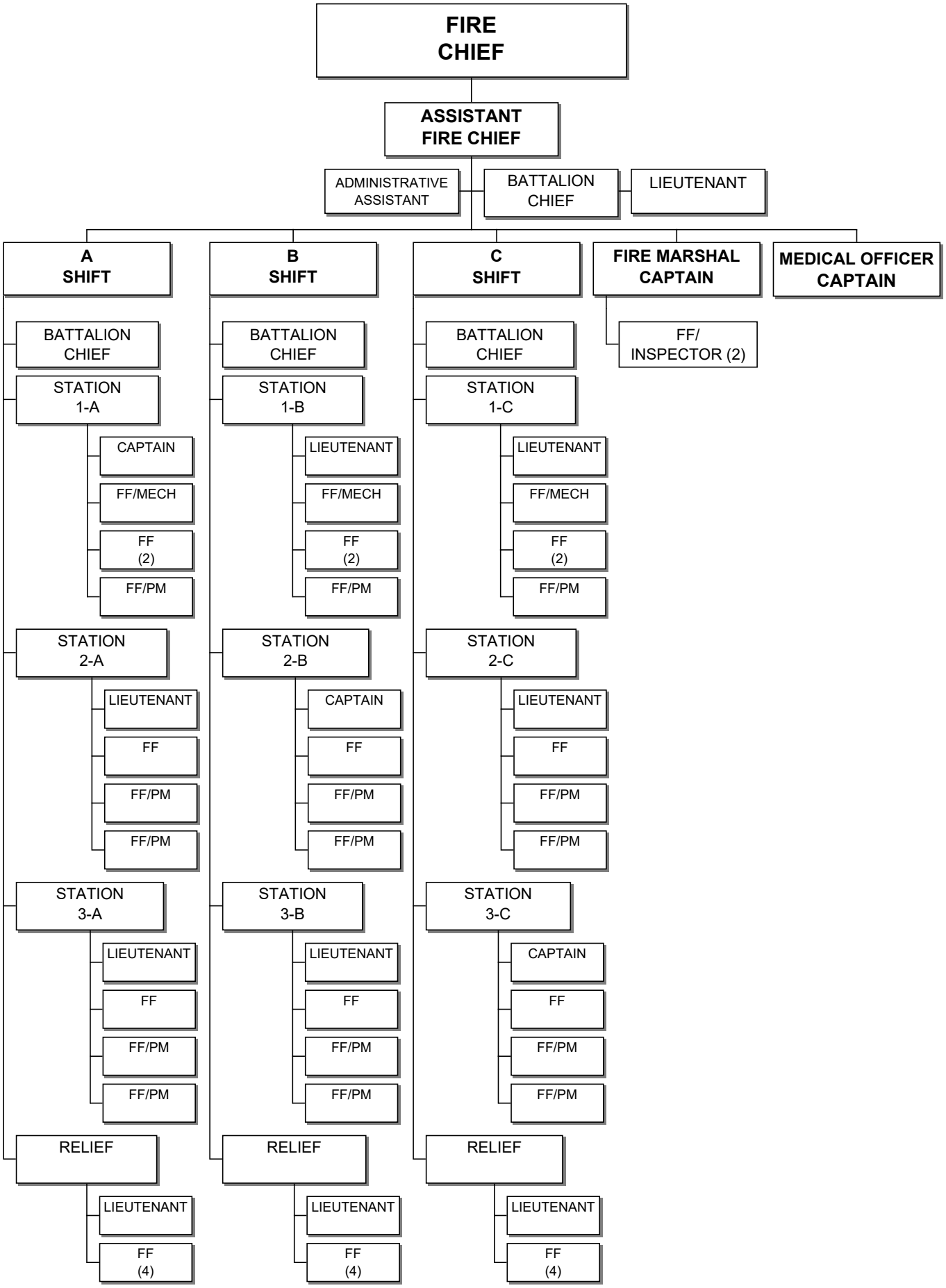
CITY AUDITOR DEPARTMENT



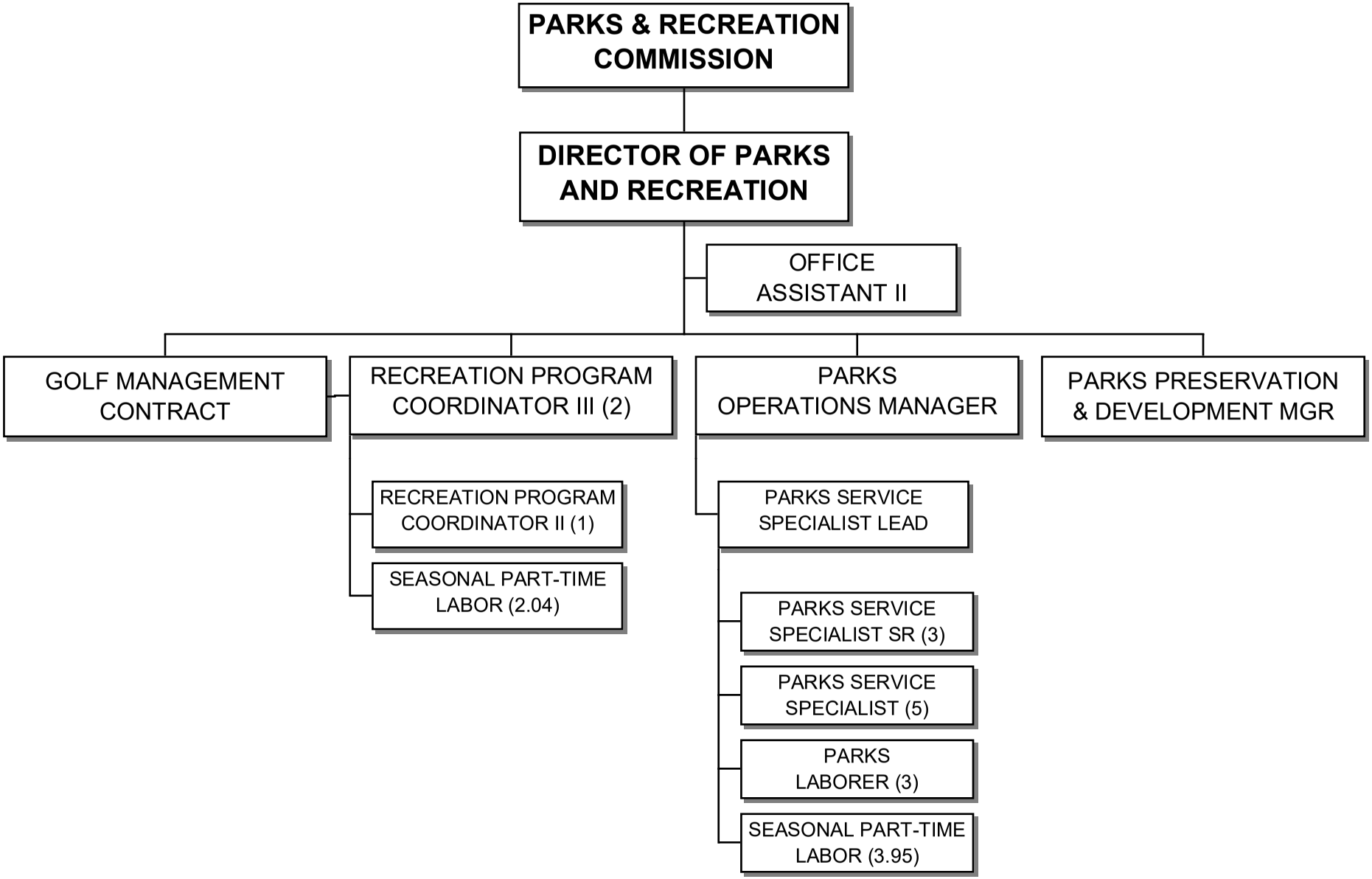
BREMERTON POLICE DEPARTMENT



FIRE DEPARTMENT



PARKS AND RECREATION DEPARTMENT



DEPARTMENT OF PUBLIC WORKS & UTILITIES

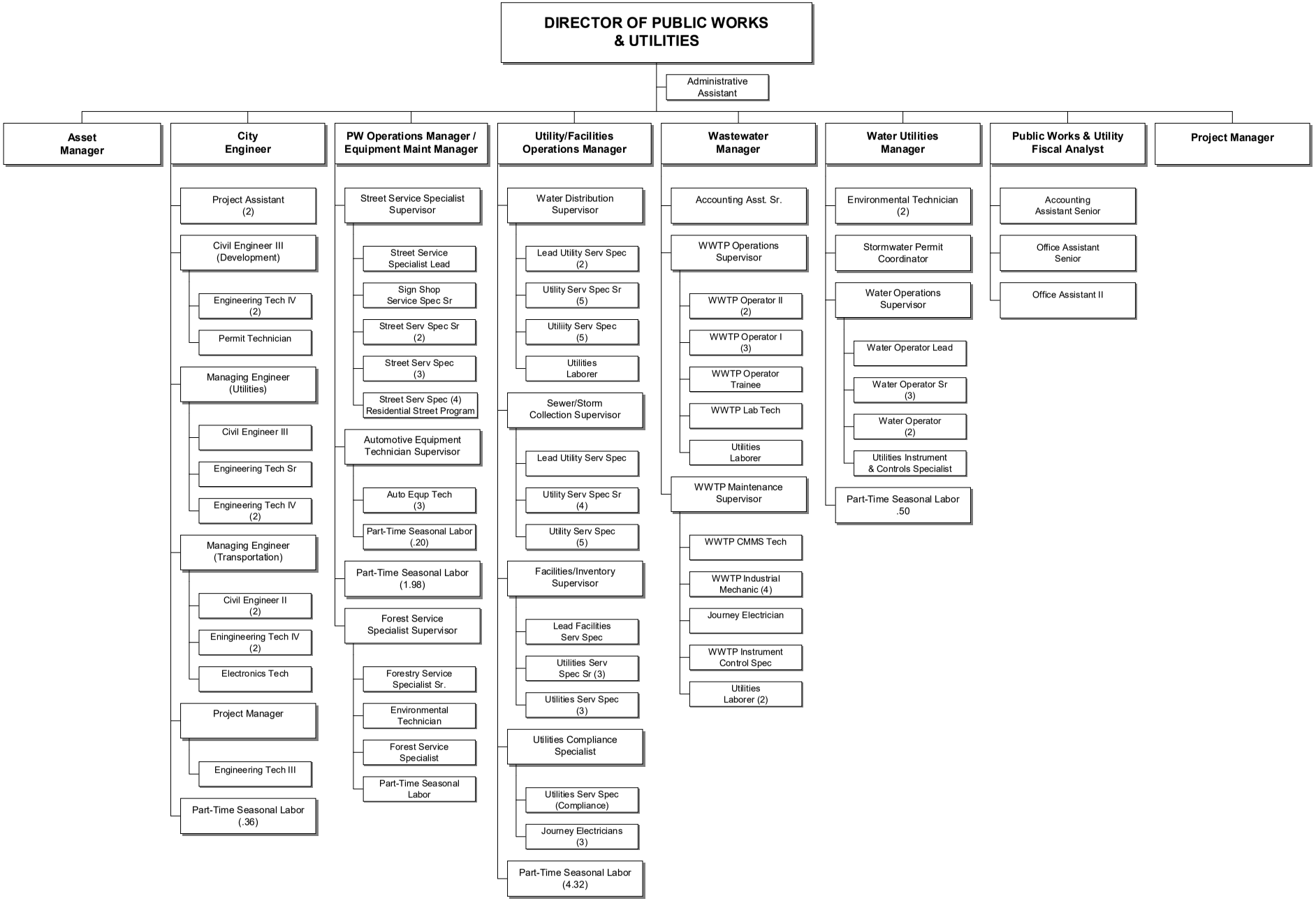


Table 1

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	December 31,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets	$ 72,087,573	$ 66,905,386	$ 71,532,476	$ 78,295,484	$ 80,093,194	$ 83,690,399	$ 82,209,827	$ 82,392,861	$ 92,668,578	$ 90,725,735
Restricted	3,111,288	8,275,949	6,008,032	4,200,925	4,104,980	3,767,053	8,629,268	7,876,417	5,168,496	6,595,111
Unrestricted	9,159,249	9,434,193	5,948,429	8,795,698	9,704,988	9,237,898	3,997,964	7,725,636	10,461,715	(11,238,387)
Total government activities net position	$ 84,358,110	$ 84,615,528	$ 83,488,937	$ 91,292,107	$ 93,903,162	$ 96,695,350	$ 94,837,059	$ 97,994,914	$ 108,298,789	$ 86,082,459
Business-type activities										
Net investment in capital assets	$ 122,329,665	$ 128,158,641	$ 128,930,881	$ 139,290,172	$ 145,318,353	$ 147,992,658	$ 147,071,444	$ 151,010,043	$ 151,096,269	$ 157,667,887
Restricted	1,174,604	1,305,903	1,527,135	1,616,969	1,778,954	7,648,222	2,201,230	9,750,551	4,415,105	2,013,883
Unrestricted	21,386,589	23,973,489	26,398,932	24,624,122	21,386,988	14,110,023	19,858,485	12,406,380	22,542,260	28,222,526
Total business-type activities net position	$ 144,890,858	$ 153,438,033	$ 156,856,948	$ 165,531,263	$ 168,484,295	$ 169,750,903	$ 169,131,159	$ 173,166,974	$ 178,053,634	$ 187,904,296
Primary government										
Net investment in capital assets	$ 194,417,238	$ 195,064,027	$ 200,463,357	$ 217,789,699	$ 225,411,547	$ 231,683,057	$ 229,281,271	$ 233,402,904	$ 243,764,847	$ 248,393,622
Restricted	4,285,892	9,581,852	7,535,167	5,817,894	5,883,934	11,415,275	10,830,498	17,626,968	9,583,601	8,608,994
Unrestricted	30,545,838	33,407,682	32,347,361	33,215,777	31,091,976	23,347,921	23,856,449	20,132,016	33,003,975	16,984,139
Total primary government net position	$ 229,248,968	$ 238,053,561	$ 240,345,885	$ 256,823,370	$ 262,387,457	$ 266,446,253	$ 263,968,218	$ 271,161,888	$ 286,352,423	$ 273,986,755

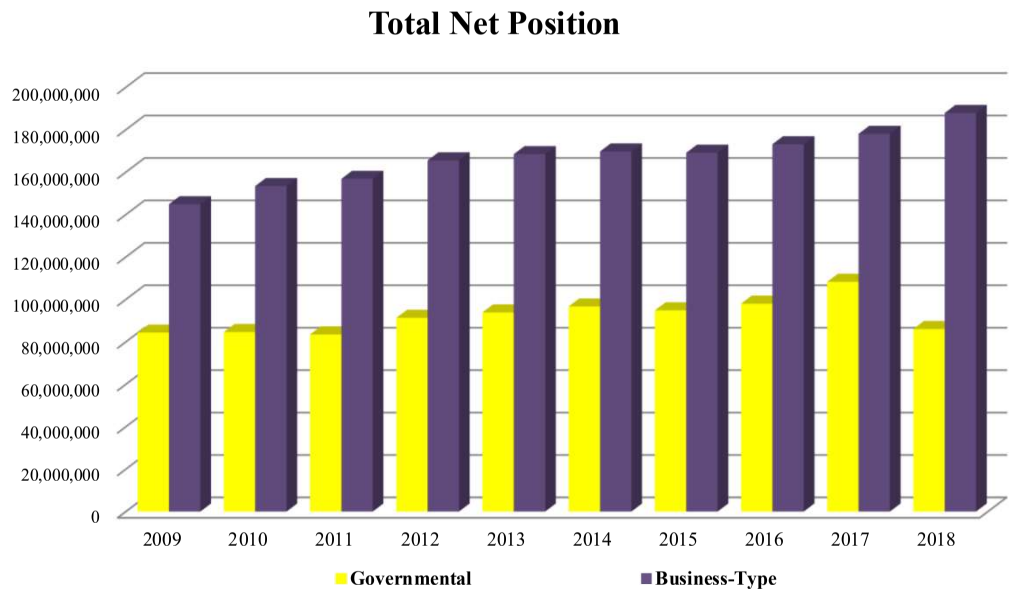


Table 2

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	December 31,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Program Revenues										
Governmental activities:										
Program revenues										
Charges for services	$ 9,065,757	$ 7,974,533	$ 8,134,426	$ 8,147,866	$ 7,554,419	$ 7,375,242	$ 8,149,740	$ 8,567,603	$ 9,658,198	$ 12,243,017
Operating grants and contributions	2,226,968	2,685,281	1,862,766	677,864	756,478	686,422	821,207	564,000	546,661	724,939
Capital grants and contributions	3,922,004	3,748,282	1,753,775	6,847,248	3,752,058	3,072,619	3,342,402	1,819,614	8,861,763	3,348,533
General revenues										
Property taxes	8,490,418	8,553,934	8,546,532	8,578,750	8,511,679	8,688,122	8,971,576	9,618,496	9,746,766	10,044,803
Sales taxes	6,541,673	6,538,977	7,050,928	7,295,954	7,678,855	8,129,965	8,662,583	8,950,661	9,626,108	10,098,968
Business taxes	3,706,834	3,406,535	3,175,405	3,256,913	2,665,107	2,733,787	2,878,276	4,018,179	3,788,009	4,005,726
Utility taxes	4,753,803	4,531,307	4,512,670	4,407,473	4,415,712	4,332,386	9,695,992	9,773,769	10,337,783	10,358,465
Other taxes	2,461,170	2,391,050	2,384,628	2,679,142	3,147,164	4,045,311	4,045,245	4,209,946	3,969,957	4,054,630
Other general revenues	217,758	1,428,517	657,845	488,144	(720,663)	692,314	484,086	192,569	454,653	717,528
Total governmental program revenues	41,386,385	41,258,416	38,078,975	42,379,354	37,760,809	39,756,168	47,051,107	47,714,837	56,989,898	55,596,609
Business-type activities:										
Charges for services:	27,619,991	25,981,745	26,471,213	26,807,859	29,197,326	31,020,945	34,561,549	34,191,517	35,986,319	37,760,459
Operating grants and contributions	34,341	65,812	258,531	3,000	392,179	-	11,005	24,951	-	-
Capital grants and contributions	3,882,290	7,417,318	2,580,408	9,253,974	3,877,546	1,386,750	2,132,266	1,975,830	3,691,094	3,278,279
General revenues										
Sales taxes	14,678	-	16,735	16,201	30,041	28,022	47,570	75,552	87,043	77,053
Business taxes	-	6,486	395	1,120	4,598	3,915	14,020	17,948	8,316	8,056
Other general revenues	556,994	584,246	613,062	683,660	474,662	531,817	644,409	153,087	(108,993)	831,174
Total business-type activities program revenues	32,108,294	34,055,607	29,940,344	36,765,814	33,976,352	32,971,449	37,410,819	36,438,885	39,663,779	41,955,021
Total primary government program revenues	$ 73,494,679	$ 75,314,023	$ 68,019,319	$ 79,145,168	$ 71,737,161	$ 72,727,617	$ 84,461,926	$ 84,153,722	$ 96,653,677	$ 97,551,630
Expenses										
Governmental activities:										
General government	$ 4,801,924	$ 4,001,383	$ 3,250,587	$ 4,585,130	$ 2,335,832	$ 3,353,284	$ 3,898,120	$ 4,205,961	$ 4,368,302	$ 4,627,444
Public safety	22,951,485	23,922,957	24,187,445	23,718,909	23,177,212	23,337,415	24,347,998	25,840,494	26,645,815	23,379,480
Utilities and environment	223,469	226,975	219,431	219,631	219,560	220,176	-	-	-	-
Transportation	9,045,766	4,214,922	4,012,477	4,235,164	4,206,821	4,459,164	5,801,997	5,515,358	6,014,666	6,865,230
Economic environment	3,148,575	2,031,753	3,310,097	2,231,951	1,865,434	1,813,732	1,889,697	1,905,763	2,142,745	2,037,587
Cultural and recreation	6,931,036	5,944,853	6,510,247	5,975,233	6,061,443	5,991,865	6,127,784	5,967,564	6,210,732	6,577,861
Interest on long-term debt	1,181,513	961,926	976,987	1,511,968	1,172,255	1,221,700	1,214,965	1,097,787	1,211,659	1,168,037
Total governmental activities expenses	48,283,768	41,304,769	42,467,271	42,477,986	39,038,557	40,397,336	43,280,561	44,532,927	46,593,919	44,655,639
Business-type activities:										
Water	8,829,441	9,242,707	8,298,916	8,868,640	8,923,134	9,276,527	10,222,657	13,163,870	13,690,176	13,596,316
Wastewater	8,917,620	8,927,299	9,009,876	9,822,019	9,943,879	9,945,606	10,128,629	12,725,757	13,653,478	14,661,810
Golf course	3,254,936	3,198,390	2,256,772	2,135,886	2,271,036	4,008,939	3,827,264	3,972,630	3,417,408	4,364,422
Other proprietary funds	1,212,461	1,478,026	1,603,135	1,831,098	2,281,994	2,151,899	1,823,388	2,564,868	4,016,057	2,930,825
Total business-type activities expenses	22,214,458	22,846,422	21,168,699	22,657,643	23,420,043	25,382,971	26,001,938	32,427,125	34,777,119	35,553,373
Total primary government expenses	$ 70,498,226	$ 64,151,191	$ 63,635,970	$ 65,135,629	$ 62,458,600	$ 65,780,307	$ 69,282,499	$ 76,960,052	$ 81,371,038	$ 80,209,012

Table 2

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	December 31,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Change in Net Position										
Governmental activities:										
Excess of revenues over expenses	$ (6,897,383)	$ (46,353)	$ (4,388,296)	$ (98,632)	$ (1,277,748)	$ (641,168)	$ 3,770,546	$ 3,181,910	$ 10,395,979	$ 10,940,970
Transfers	1,973,245	4,175,924	3,610,764	3,737,965	4,462,373	5,492,002	6,416,953	(24,055)	-	-
Governmental activities change in net position	(4,924,138)	4,129,571	(777,532)	3,639,333	3,184,625	4,850,834	10,187,499	3,157,855	10,395,979	10,940,970
Business-type activities:										
Excess of revenues over expenses	9,893,836	11,209,185	8,771,645	14,108,171	10,556,309	7,588,478	11,408,881	4,011,760	4,886,660	6,401,648
Transfers	(1,973,245)	(4,175,924)	(3,610,764)	(3,737,965)	(4,462,373)	(5,492,002)	(6,416,953)	24,055	-	-
Business-type activities change in net position	7,920,591	7,033,261	5,160,881	10,370,206	6,093,936	2,096,476	4,991,928	4,035,815	4,886,660	6,401,648
Governmental Activities Net Position:										
Net position - beginning	88,645,471	85,911,876	84,358,110	84,615,528	83,488,937	91,292,107	93,903,162	94,837,059	97,994,914	109,377,800
Prior period adjustment/special items	(140,726)	(5,811,306)	(2,144,491)	(465,545)	-	(244,420)	(100,372)	-	986,907	-
Net position - ending	83,580,607	84,230,141	81,436,087	87,789,316	86,673,562	95,898,521	103,990,289	97,994,914	109,377,800	120,318,770
Business-type activities net position										
Net position - beginning	117,455,560	128,900,769	144,890,858	153,438,033	156,856,948	165,531,263	168,484,295	169,131,159	173,166,974	178,053,634
*Prior period adjustment/special items	(705,529)	10,904,141	(728,969)	(125,821)	(209,083)	(148,347)	714,050	-	-	(30,787,297)
Net position - ending	124,670,622	146,838,171	149,322,770	163,682,418	162,741,801	167,479,392	174,190,273	173,166,974	178,053,634	153,667,985
Total Primary Government Net Position	$ 208,251,229	$ 231,068,312	$ 230,758,857	$ 251,471,734	$ 249,415,363	$ 263,377,913	$ 278,180,562	$ 271,161,888	$ 287,431,434	$ 273,986,755

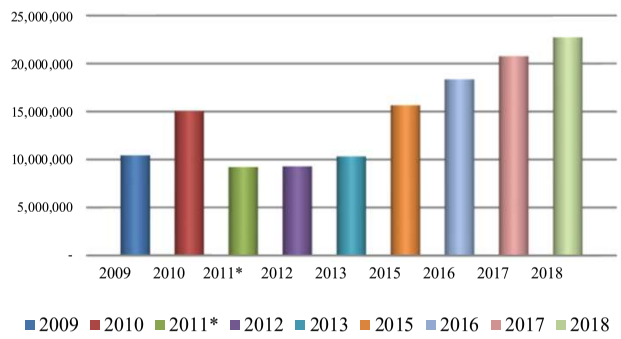
* GASB 75
Cumulative Effect of Change in Accounting Principle

Table 3

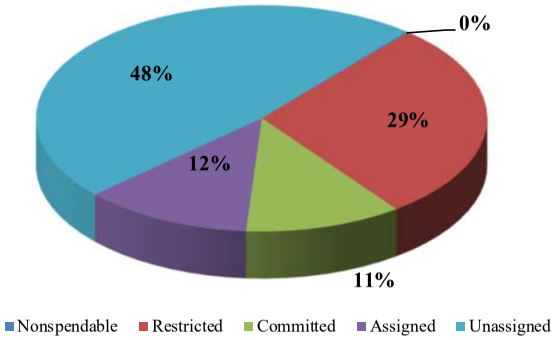
Fund Balance of Governmental Funds
Last Ten Fiscal Years

	December 31,									
	2009	2010	2011*	2012	2013	2014	2015	2016	2017	2018
General fund										
Nonspendable	$ -	$ -	$ 18,683	$ 18,418	$ 24,801	$ 20,060	$ 18,827	$ 23,407	$ 18,957	$ 30,279
Restricted	-	-	48,556	20,562	50,179	50,179	76,836	59,868	173,169	117,097
Committed	-	-	-	-	-	-	729,705	939,373	1,024,537	1,298,268
Assigned	-	-	65,926	545,168	-	-	-	-	-	-
Unassigned	-	-	3,274,281	4,018,522	4,794,308	4,725,880	4,658,608	6,942,454	9,102,269	10,886,312
General fund *										
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved	1,957,308	3,049,878	-	-	-	-	-	-	-	-
Total General Fund	$ 1,957,308	$ 3,049,878	$ 3,407,446	$ 4,602,670	$ 4,869,288	$ 4,796,119	$ 5,483,976	$ 7,965,102	$10,318,932	$12,331,956
All other governmental funds										
Nonspendable	$ -	$ -	$ 23,264	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	-	-	4,592,196	2,786,592	3,040,543	2,923,689	7,813,051	7,121,639	6,536,627	6,378,014
Committed	-	-	232,026	313,984	357,663	652,253	674,653	566,466	785,236	1,269,567
Assigned	-	-	1,045,415	1,577,720	2,051,610	1,927,149	1,674,781	2,700,402	3,125,414	2,748,639
Unassigned	-	-	(96,866)	-	-	-	-	-	-	-
All other governmental funds *										
Reserved	350,758	391,078	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	5,758,691	4,488,327	-	-	-	-	-	-	-	-
Capital projects funds	2,096,861	6,662,498	-	-	-	-	-	-	-	-
Debt service funds	262,834	433,778	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	$ 8,469,144	$11,975,681	$ 5,796,035	$ 4,678,296	$ 5,449,816	$ 5,503,091	$10,162,485	$10,388,507	$10,447,277	$10,396,220

Governmental Fund Balances by Fiscal Year



2018 Governmental Fund Balances



*Fund Balance reporting change resulting from implementation of GASB54 in 2011

Table 4

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	December 31,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Taxes	$24,259,262	$23,958,593	$24,139,778	$24,476,535	$24,893,527	$25,964,771	$32,486,301	$34,904,810	$36,450,093	$38,800,480
License and permits	1,174,918	1,165,394	1,233,719	1,133,301	1,264,323	1,306,759	1,439,387	1,499,846	1,470,392	1,677,810
Intergovernmental	8,126,087	8,266,451	5,650,308	6,961,371	5,597,461	6,010,619	4,982,307	4,476,429	9,216,305	6,347,630
Charges for services	5,188,790	5,648,907	4,950,225	6,601,588	3,345,061	3,079,275	3,507,757	3,113,149	6,889,927	3,980,621
Fines and forfeits	1,929,836	1,581,937	1,536,690	1,492,213	1,252,160	1,260,469	1,377,204	1,475,329	1,571,777	1,682,679
Miscellaneous	1,636,519	2,962,238	1,706,691	1,985,835	1,737,857	2,030,651	2,129,699	1,702,113	2,178,425	2,272,045
Total revenues	42,315,412	43,583,520	39,217,411	42,650,843	38,090,389	39,652,544	45,922,655	47,171,676	57,776,919	54,761,265
Expenditures										
General government	6,793,202	6,878,458	7,237,760	6,096,052	4,833,662	4,713,790	5,204,949	5,384,977	7,638,665	6,333,353
Public safety	22,222,451	22,369,568	21,787,632	21,161,867	21,473,549	22,513,669	23,534,874	23,363,734	23,430,397	24,799,370
Utilities and environment	226,975	219,431	219,631	219,560	28,166	23,165	28,694	28,401	24,450	31,103
Transportation	3,372,750	3,010,848	3,135,657	4,419,430	3,242,692	4,236,661	4,382,943	3,807,174	5,763,284	4,690,768
Economic environment	1,950,417	3,269,259	2,292,909	1,891,527	1,616,533	1,647,643	1,799,656	1,832,929	2,330,587	2,343,463
Mental/physical health	74,922	75,126	75,573	69,963	271,038	274,877	275,421	154,084	126,279	82,030
Cultural and recreation	4,548,291	4,867,545	4,364,162	4,530,933	4,226,772	4,480,333	4,552,498	4,458,543	4,544,247	5,078,832
Debt service										
Principle	1,035,500	771,500	1,382,500	1,458,239	10,025,000	1,260,000	1,255,000	1,685,000	1,715,000	1,770,000
Interest and other debt issue costs	946,444	964,772	1,402,902	1,140,116	1,174,562	1,192,256	1,222,366	1,259,364	1,228,139	1,185,478
Capital	4,874,658	9,361,248	7,256,768	5,708,349	4,781,135	6,028,569	4,879,056	2,598,779	9,262,740	6,172,520
Intergovernmental Payments	-	-	42,203	-	-	-	-	-	-	-
Total expenditures	46,045,610	51,787,755	49,197,697	46,696,036	51,673,109	46,370,963	47,135,457	44,572,985	56,063,788	52,486,917
Excess of revenues over (under) expenditures	(3,730,198)	(8,204,235)	(9,980,286)	(4,045,193)	(13,582,720)	(6,718,419)	(1,212,802)	2,598,691	1,713,131	2,274,348
Other Financing Sources (Uses)										
Proceeds of long-term debt	-	19,407,267	9,675,000	5,215,000	8,590,000	-	4,160,000	-	-	-
Premiums on bonds sold				122,033	401,073	-	399,823	-	-	-
Payments to refunded escrow agent	-	(10,387,010)	(9,675,000)	(5,653,814)	-	-	-	-	-	-
Capital asset donation and disposal	398,759	40,930	511,823	-	137,498	199,550	67,728	123,770	1,186,254	186,152
Insurance recoveries	14,664	18,629	1,251	349	285	8,817	10,620	8,741	13,218	8,877
Transfers in	7,415,810	5,630,979	6,921,147	6,074,690	6,932,744	8,098,633	4,746,365	1,885,584	2,568,366	4,109,782
Transfers out	(3,239,886)	(2,020,214)	(3,282,833)	(1,612,316)	(1,440,742)	(1,681,679)	(2,840,790)	(1,909,639)	(3,068,366)	(4,617,196)
Total other financing sources and uses	4,589,347	12,690,581	4,151,388	4,145,942	14,620,858	6,625,321	6,543,746	108,456	699,472	(312,385)

Table 4

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	December 31,									
	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Other Change in Fund Balance										
Change in reserves for inventory	-	(10,666)	6,820	(23,264)	-	-	-	-	-	-
Net change in fund balances	859,149	4,475,680	(5,822,078)	77,485	1,038,138	(93,098)	5,330,944	2,707,147	2,412,603	1,961,963
Fund balances-beginning	9,567,302	10,426,451	15,025,559	9,203,481	9,280,966	10,319,104	10,299,210	15,646,461	18,353,609	20,766,212
Prior Period Adjustments	-	123,428	-	-	-	73,204	16,307	-	-	-
Fund balances-ending	$10,426,451	$15,025,559	$ 9,203,481	$ 9,280,966	$10,319,104	$10,299,210	$15,646,461	$18,353,608	$20,766,212	$22,728,175
Debt service as a percentage of noncapital expenditures	4.81%	4.09%	6.64%	6.34%	23.88%	6.08%	5.86%	7.01%	6.29%	6.38%

Changes in Fund Balance by Fiscal Year

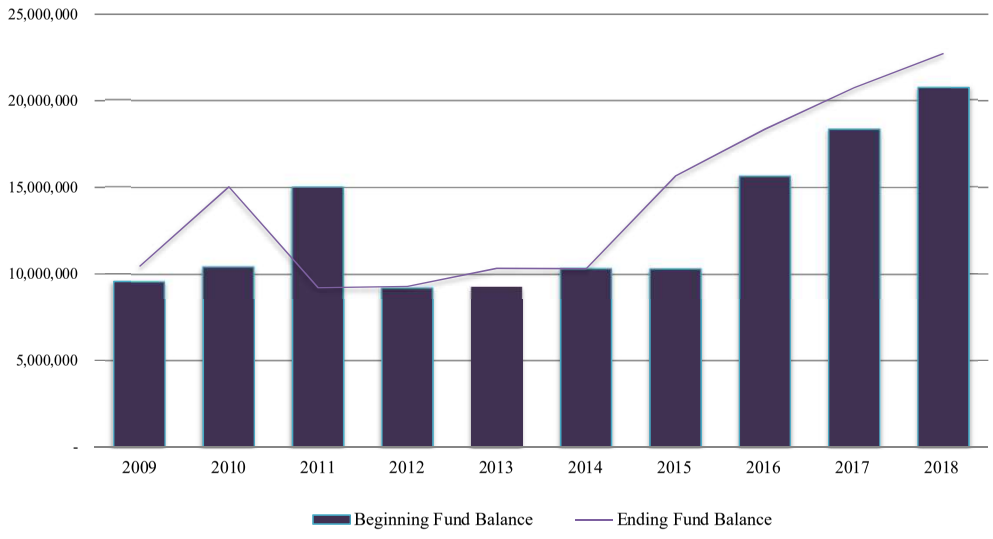
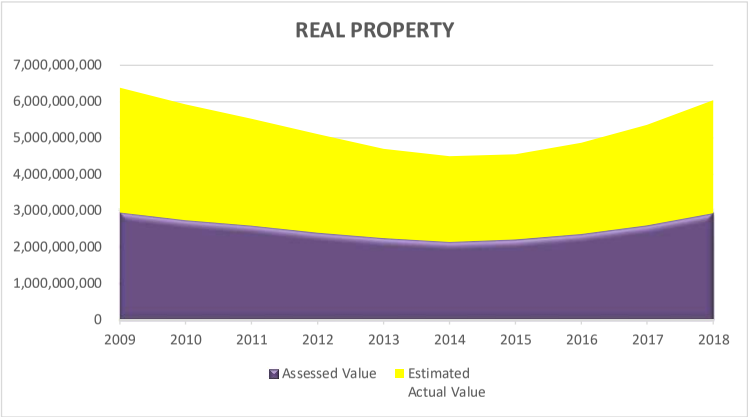
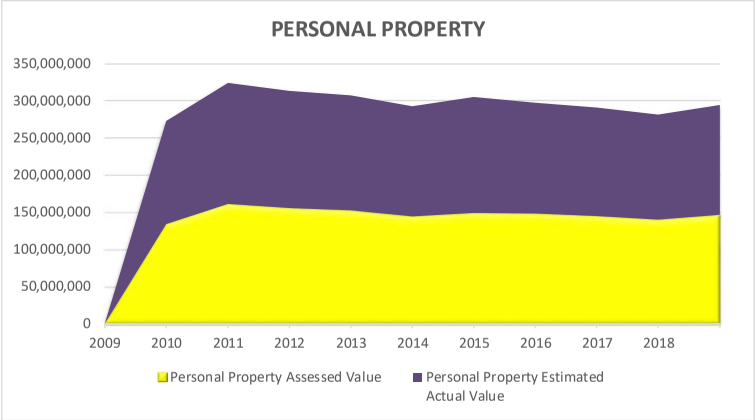


Table 5

Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Property		Personal Property		Total		Ratio of Assessed Value to Estimated Actual Value	Total Levy Rate per $1,000
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2009	2,950,336,030	3,430,623,291	134,404,987	138,704,837	3,084,741,017	3,569,328,128	86.2%	2.76
2010	2,738,164,824	3,187,619,120	161,319,684	163,279,032	2,899,484,508	3,350,898,152	86.2%	2.97
2011	2,592,959,827	2,939,863,749	155,787,967	157,999,967	2,748,747,794	3,097,863,716	88.4%	3.13
2012	2,396,294,922	2,704,621,808	152,670,570	155,153,018	2,548,965,492	2,859,774,826	88.8%	3.37
2013	2,250,204,824	2,445,874,809	144,576,776	148,436,115	2,394,781,600	2,594,310,924	92.1%	3.61
2014	2,143,730,007	2,358,338,842	149,270,722	156,304,421	2,293,000,729	2,514,643,263	91.0%	3.85
2015	2,206,109,042	2,346,924,513	148,433,705	149,480,065	2,354,542,747	2,496,404,578	94.1%	3.83
2016	2,358,328,229	2,508,859,818	145,081,330	146,104,058	2,503,409,559	2,654,963,876	88.9%	3.89
2017	2,596,377,541	2,762,103,767	140,227,596	141,216,109	2,736,605,137	2,903,319,876	89.2%	3.57
2018	2,926,744,313	3,113,557,780	146,755,271	147,789,800	3,073,499,584	3,261,347,580	89.1%	3.27





Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years

Table 6

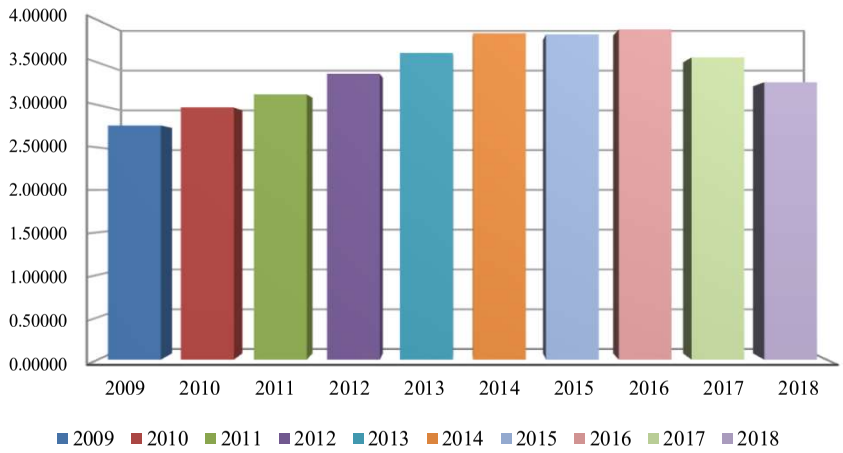
	December 31,									
	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
General Revenues										
Taxes										
Property Tax	8,490,418	8,553,934	8,546,532	8,578,750	8,511,679	8,688,122	8,971,576	9,618,497	9,746,766	10,044,803
Local Sales & Use Tax										
Local Retail Sales & Use Tax	6,114,008	6,120,060	6,604,669	6,844,193	6,489,850	6,864,848	7,288,823	8,007,178	8,568,933	9,041,182
Local Revitalization Financing	-	146,258	370,613	339,594	337,450	340,860	349,901	352,173	356,075	343,160
Hotel/Motel Sales & Use Tax	362,410	347,792	393,288	417,131	388,620	434,001	529,682	555,833	637,423	695,492
Criminal Justice Sales & Use Tax	427,665	418,917	446,258	451,761	462,935	490,256	541,747	591,310	628,843	714,625
Total Local Sales & Use Tax	6,904,083	7,033,027	7,814,828	8,052,679	7,678,855	8,129,965	8,710,153	9,506,494	10,191,274	10,794,459
Business Taxes										
Business & Occupation Taxes	3,155,501	2,811,903	2,765,879	2,698,574	2,609,466	2,664,794	2,838,188	3,254,215	3,075,502	3,127,854
Gambling Excise Taxes	239,959	276,734	93,146	81,841	55,641	68,993	54,108	68,301	61,669	71,722
Total Business Taxes	3,395,460	3,088,637	2,859,025	2,780,415	2,665,107	2,733,787	2,892,296	3,322,516	3,137,171	3,199,576
Utility Taxes										
Electric Utility	1,714,605	1,716,776	1,776,770	1,756,362	1,822,957	1,839,046	1,786,917	1,921,464	2,056,594	1,966,767
Gas Utility	527,349	419,100	449,995	375,524	365,522	394,593	371,878	346,428	401,961	392,287
Garbage/Solid Waste Utility	460,037	454,929	455,621	459,818	476,599	483,359	573,835	653,451	681,545	716,044
Cable TV Utility	575,472	601,782	619,550	617,149	618,076	636,564	609,528	727,765	659,854	626,234
Telephone Utility	1,475,421	1,338,542	1,210,552	1,198,455	1,132,558	978,824	987,549	860,916	788,543	732,356
Water Utility	1,004,461	1,267,675	1,307,466	1,310,542	1,366,011	1,722,961	1,767,957	1,717,541	2,063,033	2,324,594
Wastewater Utility	1,579,797	2,015,319	2,044,970	2,699,404	2,621,252	2,750,903	3,051,164	2,964,677	2,999,130	3,436,132
Stormwater Utility	244,916	327,771	343,308	452,427	481,739	376,536	547,164	581,527	687,123	164,051
Total Utility Taxes	7,582,058	8,141,894	8,208,232	8,869,681	8,884,714	9,182,786	9,695,992	9,773,769	10,337,783	10,358,465
Other Taxes and State Shared Revenue										
Leasehold Tax	62,232	101,570	110,491	112,087	111,758	123,721	128,893	127,049	153,008	156,644
TBD Vehicle Fees	-	-	-	189,169	431,866	444,012	480,625	510,642	549,548	580,020
Parking Tax	311,374	317,898	316,380	476,499	497,088	547,288	626,078	695,664	650,837	806,149
Real Estate Excise Tax	570,619	412,518	336,378	427,807	481,898	788,594	982,512	1,291,762	1,688,426	2,144,954
State & Local Shared Revenue	1,465,909	1,529,170	1,544,471	1,722,117	1,624,554	2,141,696	1,827,137	2,280,493	1,562,466	1,753,031
Total Other Taxes and State Shared Revenue	2,410,134	2,361,156	2,307,720	2,927,679	3,147,164	4,045,311	4,045,245	4,905,610	4,604,285	5,440,798
	28,782,153	29,178,648	29,736,337	31,209,204	30,887,519	32,779,971	34,315,262	37,126,886	38,017,279	39,838,101

Table 7

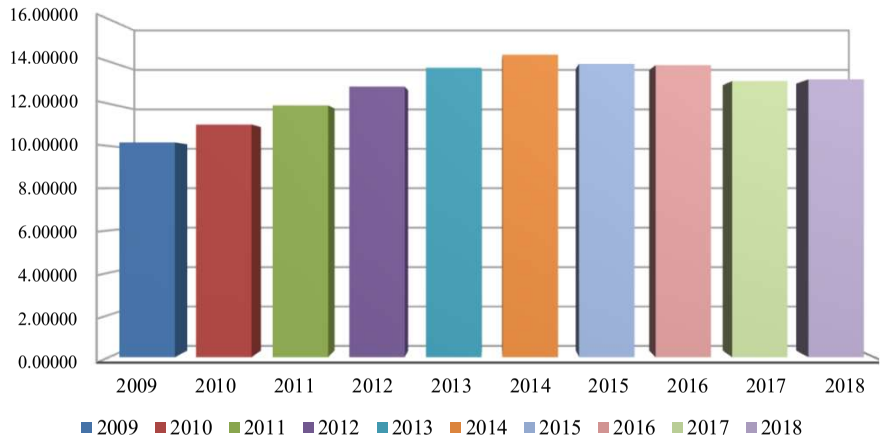
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

	City of Bremerton Direct Rates				Overlapping Rates							
Fiscal Year	Operating Milage	EMS Milage	Debt Service Milage	Total City Milage	Kitsap County Milage	State School Milage	Bremerton School District Milage/Debt	Port of Bremerton Milage/Debt	Public Utility Milage	Kitsap Regional Library Milage	Total Overlapping Rates	Total Direct & Overlapping Rates
2009	1.96901	0.50000	0.29004	2.75905	0.90091	2.02559	3.41376	0.71533	0.06348	0.28792	7.40699	10.16604
2010	2.16239	0.50000	0.30911	2.97151	0.98964	2.13360	3.75818	0.77433	0.06847	0.32040	8.04462	11.01613
2011	2.32957	0.50000	0.29627	3.12583	1.06784	2.37752	4.13613	0.79156	0.07376	0.34726	8.79406	11.91989
2012	2.55906	0.50000	0.30861	3.36767	1.13920	2.49738	4.54333	0.81469	0.07804	0.37076	9.44340	12.81107
2013	2.76184	0.50000	0.35143	3.61327	1.20157	2.50708	5.52472	0.38352	0.08173	0.39111	10.08973	13.70299
2014	2.95020	0.50000	0.39533	3.84554	1.23562	2.47237	5.88763	0.39439	0.08544	0.40208	10.47753	14.32307
2015	2.94554	0.50000	0.38686	3.83240	1.20167	2.17682	5.81830	0.38814	0.08312	0.39013	10.05818	13.89058
2016	2.83000	0.49000	0.57000	3.89000	1.16649	2.35544	5.56692	0.38170	0.08059	0.38179	9.93293	13.82293
2017	2.63000	0.45000	0.48000	3.56000	1.08619	2.11674	5.53232	0.35055	0.07411	0.35337	9.51326	13.07326
2018	2.40800	0.41000	0.45000	3.26800	1.01971	3.02127	5.01543	0.32699	0.06816	0.43169	9.88325	13.15125

City of Bremerton Direct Property Tax Rate



Total Direct & Overlapping Property Tax Rates



Source: Kitsap County Assessor's Office

Table 8

Principal Property Taxpayers

Current Year and Nine Years Ago

	2018				2008		
Taxpayer	Taxable Assessed Valuation	Rank	Percentage of Assessed Valuation	Taxpayer	Taxable Assessed Valuation	Rank	Percentage of Assessed Valuation
Puget Sound Energy	$ 42,567,365	1	1.6%	Puget Sound Energy	$ 32,103,305	1	2.0%
Cascade Living Group	18,456,750	2	0.7%	East Park LLC	20,796,880	2	0.7%
EP Holdings LLC	18,255,340	3	0.7%	Kitsap Community Credit Union	18,925,960	3	0.6%
Pine Ridge Partners LLC	16,411,290	4	0.6%	SHP II Bremerton LLC	11,968,680	4	0.4%
Bremerton Fee Owner LLC	12,550,580	5	0.5%	New Albertsons Inc	11,295,780	5	0.4%
Arch BPBRMWA01 LLC	12,550,580	6	0.5%	Bremer Trust	11,208,290	6	0.4%
Oyster Bay Holdings LLC	12,542,350	7	0.5%	Bremerton Residential Investments	10,609,630	7	0.3%
Qwest Corporation	11,573,106	8	0.4%	Toyexpansion	10,046,230	8	0.3%
Heartland Automobile Prop LLC	10,553,210	9	0.4%	R & L Property Management	9,831,040	9	0.3%
HCK2 LLC	10,210,726	10	0.4%	Ryan Tim Properties LP	9,735,710	10	0.3%
Top Ten Taxpayer Taxable Assessed Valuation	165,671,297		6.1%	Top Ten Taxpayer Taxable Assessed Valuation	146,521,505		4.7%
All Other Taxpayer Taxable Assessed Valuation	2,570,933,840		93.9%	All Other Taxpayer Taxable Assessed Valuation	2,968,236,923		95.3%
Total Taxpayer Taxable Assessed Valuation	$2,736,605,137		100.0%	Total Taxpayer Taxable Assessed Valuation	$3,114,758,428		100.0%

Assessed Valuation of 2018 Top Ten Taxpayers Compared to Total Taxable Assessed Valuation

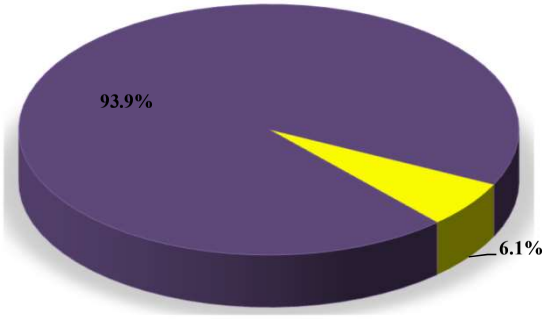


Table 9

Property Tax levies and Collections
Last Ten Fiscal Years
(In Thousands)

Fiscal Year	Tax Levy	Current Tax Collections	% of Tax Levy Collected	Delinquent Tax Collections	Total Tax Collections	% of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	% of Outstanding Delinquent to Tax Levy
2009	8,507	8,064	94.79%	192	8,256	97.05%	735	8.64%
2010	8,613	8,209	95.31%	411	8,620	100.08%	669	7.77%
2011	8,590	8,278	96.37%	283	8,561	99.66%	655	7.63%
2012	8,587	8,242	95.98%	317	8,559	99.67%	614	7.15%
2013	8,647	8,321	96.23%	290	8,611	99.58%	575	6.65%
2014	8,812	8,575	97.31%	256	8,831	100.22%	432	4.90%
2015	9,019	8,824	97.84%	207	9,031	100.13%	373	4.14%
2016	9,730	9,531	97.95%	146	9,677	99.46%	321	3.30%
2017	9,756	9,603	98.43%	127	9,730	99.73%	319	3.27%
2018	10,031	9,885	98.54%	148	10,033	100.02%	327	3.26%

Annual Property Tax Levies and Taxes Collected

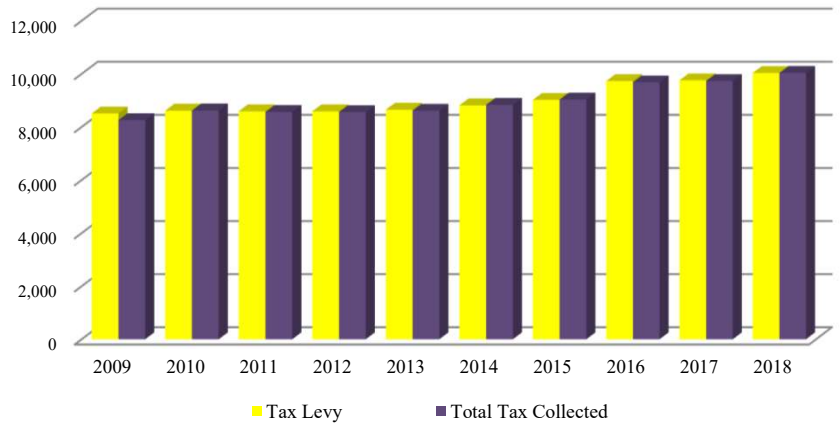


Table 10

Ratio of Net General Bonded Debt
To Assessed Value and Net Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year	Population*	Assessed Value**	General Obligation Bonded Debt	Less Debt Service Fund	Net Bonded Debt	Percentage Net Bonded Debt to Assessed Value	Debt per Capita
2009	36,620	3,084,741,017	26,847,185	313,948	26,533,237	0.86%	725
2010	36,190	2,899,484,508	35,705,685	474,303	35,231,382	1.22%	974
2011	38,790	2,748,747,794	39,511,239	426,513	39,084,726	1.42%	1,008
2012	39,650	2,548,965,492	37,768,000	275,190	37,492,810	1.47%	946
2013	37,850	2,394,781,600	36,260,000	203,725	36,056,275	1.51%	953
2014	37,850	2,293,000,729	34,770,000	293,160	34,476,840	1.50%	911
2015	38,180	2,354,542,747	37,430,000	546,561	36,883,439	1.57%	966
2016	39,410	2,503,409,559	35,460,000	464,060	34,995,940	1.40%	888
2017	40,630	2,736,605,137	33,445,000	438,766	33,006,234	1.21%	812
2018	41,500	3,073,499,584	31,360,000	475,595	30,884,405	1.00%	744

* State of Washington, Office of Financial Management
** Kitsap County Treasurer's Office

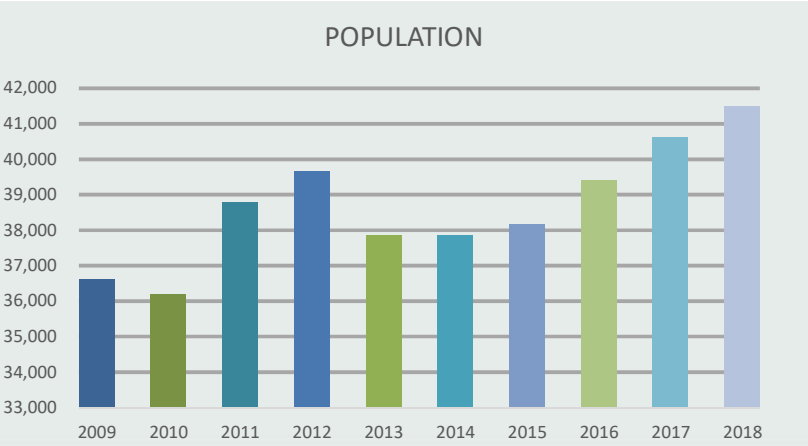


Table 11

Computation of Direct and Overlapping Debt
December 31, 2018

Jurisdiction	Gross General Obligation	Percentage Applicable to Bremerton	Amount Applicable to Bremerton
City of Bremerton	27,750,000	100.00 %	27,750,000
Kitsap County	67,882,879	8.60 %	5,837,928
Central Kitsap Schools	188,665,000	21.68 %	40,902,572
School District #100	2,501,677	73.27 %	1,832,979
So. Kitsap Schools #402	1,861,311	0.36 %	6,701
TOTAL	288,660,867		76,330,179

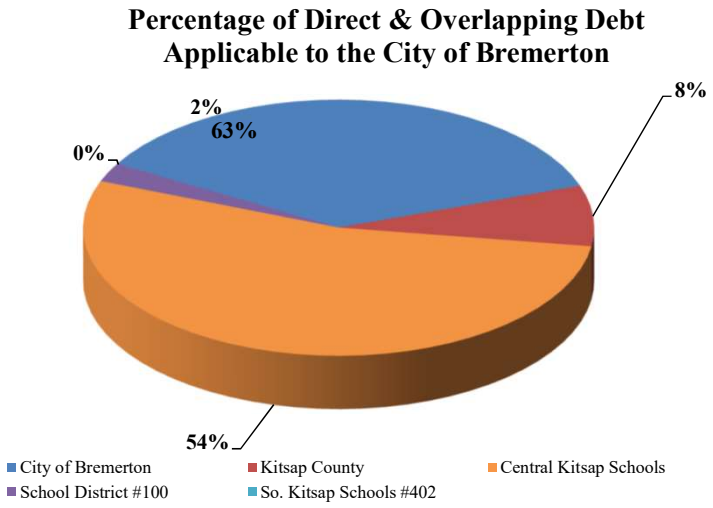


Table 12

Computation of Legal Debt Margin
as of December 31, 2018

Total Taxable Property Value	3,073,499,584	
2.5% General purpose limit is allocated between:	76,837,490	
Up to 1.5% debt without a vote (RCW 39.36.020)	46,102,494	
Less: Outstanding Debt (non-voted)	21,925,000	
Less: Excess of Debt with a Vote	-	
Add: Available Assets	367,392	
Equals remaining debt capacity without a vote		24,544,886
Up to 2.5% debt with a vote (RCW 39.36.020)	55,279,882	
Less: Outstanding Debt (voted)	9,435,000	
Add: Available Assets	56,299	
Equals remaining debt capacity with a vote		45,901,181
2.5% Utility purpose limit, voted (RCW 39.36.020)	76,837,490	
Less: Outstanding Debt	-	
Less: Contracts Payable	-	
Add: Available Assets	-	
Equals remaining debt capacity- Utility purpose, voted		76,837,490
2.5% Open Space, park & capital facilities, voted (RCW 39.36.020)	76,837,490	
Less: Outstanding Debt	-	
Less: Contracts Payable	-	
Add: Available Assets	-	
Equals remaining debt capacity - Open space, park & capital facilites voted		76,837,490

Table 13

Water and Sewer Revenue Bond Coverage
Last Ten Fiscal Years

Fiscal Year	Gross Revenue	Maintenance & Operating Expenses*	Net Revenue Available for Debt Service	Current Principal	Interest	Total	Current Coverage Ratio
2009	22,697,794	13,160,506	9,537,288	320,000	210,148	530,148	17.99
2010	22,172,232	12,563,519	9,608,713	330,000	196,452	526,452	18.25
2011	22,869,304	12,807,726	10,061,578	335,000	182,328	517,328	19.45
2012	23,000,401	12,822,748	10,177,653	350,000	167,990	517,990	19.65
2013	23,418,123	12,907,625	10,510,498	365,000	153,010	518,010	20.29
2014	27,651,623	15,502,853	12,148,770	375,000	137,388	512,388	23.71
2015	31,231,386	15,924,253	15,307,133	595,000	420,344	1,015,344	15.08
2016	30,712,602	17,041,373	13,671,229	620,000	352,046	972,046	14.06
2017	32,292,432	18,577,191	13,715,241	915,000	651,782	1,566,782	8.75
2018	33,149,206	19,014,390	14,134,816	988,950	575,110	1,564,060	9.04

* Net of depreceiation, amortization and City taxes

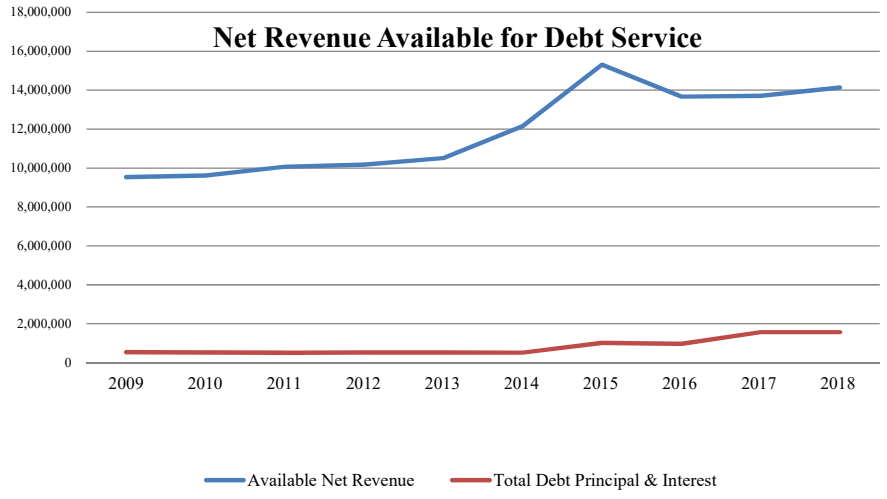


Table 14

Miscellaneous Statistics

DATE OF INCORPORATION
October 14, 1901

FORM OF GOVERNMENT
Council - Mayor

Type of Government
Home-Rule Charter

Demographics in 2018	
Total Area for City of Bremerton	32.1 Square Miles
Number of City Employees 2018	
Full-Time Equivalents	321.00
Fire Protection	
Number of Personnel	59
Number of Stations	3
Fire and Aid Calls - 2018	9,120
Priority 1 Response Time (minutes)	5:35
Police Protection	
Number of Police Officers	54
Calls for Service - 2018	49,679
Average Priority 1 Response Time (minutes)	3:36
Average Priority 2 Response Time (minutes)	4:50
Parks & Recreation	
Number of Developed Parks	36
Number of Park Acres	709.50
Senior Centers	1
Bremerton Family YMCA	1
Community Pool - Jarstad Aquatic Center	1
Golf - Gold Mountain Golf Complex	1
Ice Arena - Bremerton Ice Arena	1
Business Licenses	
Number of Business Licenses Issued - 2018	4,481
Number of Business Licenses Issued in City Limits	1,413
Number of Landlord Licenses Issued - 2018	1,692

Table 14

Miscellaneous Statistics

Water Utility Services 2018

Residential Accounts	17,428
Commercial Accounts	1,887
Storage Capacity (gallons)	33,240,000
Cascade Dam Capacity (gallons)	1.4 billion
Average Daily Demand (millions per gallon-MG)	6.2
Reservoirs	17
Watershed Land (square miles)	12.96
Sources:	
Surface Supply (MG)	1,082
Ground Supply (MG)	1,150
Miles of Main	322

Bremerton supplies 3 billion gallons of water each year to 55,000 people, representing 36% of all the water supplied in Kitsap County. Bremerton regularly monitors the physical, chemical, and bacteriological characteristics to ensure that the drinking water is safe and water quality is the best possible.

Sewer Utility Services 2018

Residential Sewer Accounts	10,341
Commercial Sewer Accounts	934
Miles of Main	151
Miles of Force Main	31
Sewage Pump Stations	39
Grinder Pump Stations	169
Westside Wastewater Treatment Plant:	
Average Annual Flow - MGD	5.0
Hydraulic Peak Capacity - MGD	45
Permitted Average	12.5
Eastside CSO Plant	
Peak Treatment Capacity - MGD	20

Bremerton's sewage system provides sewer service to approximately 37,000 people. The wastewater collection system serves City residents as well as nearby areas in unincorporated Kitsap County.

Stormwater Utility Services 2018

Residential Accounts	10,466
Commercial Accounts	1,034
Miles of Mains	148

It is the mission of the Stormwater Program within the Department to control flooding, enhance water quality, protect sensitive habitat areas, and optimize the recharge of local aquifers.

Table 14

Miscellaneous Statistics

City Streets

Street Miles	144
State Highway Miles	19
Miles of Sidewalks	127
Signalized Traffic Intersections	39
Street Lights:	
City Owned	948
Leased from Puget Sound Energy	1,738
Signs, Crosswalks & Lane Markings	7,700

Forestry

Water and Utlity Forest Lands (acres)	8,300
Miles of Forest Roads	60
Timber Harvested (board feet)	1.19 MBF
Biosolids applied (cubic yards)	2,936
Reforestation (seedlings planted)	32,050

Public Schools

Bremerton is served primarily by Bremerton School District #100. A small percentage of children attend Central Kitsap School District #401.

Elementary	6
Middle School	1
Junior High	1
High School	1
Vocational School	1

Colleges

Olympic College
1600 Chester Ave., Bremerton
360 792-6050
1 800 259-6718

Navy College
Naval Kitsap Bremerton
2255 Cole Ave. Bldg. 853, Bremerton
360 476-4282 Ext. 9176

Hospitals

Harrison Medical Center
2520 Cherry Ave., Bremerton
360 377-3911

Naval Hospital Bremerton
1 Boone Road, Bremerton
1 800 422-1383

Table 14

Miscellaneous Statistics

Local Transportation	
Washington State Ferries	
Seattle Bremerton Route - Total Annual Rides 2018	2,893,235
Kitsap Transit 2018	
Foot Ferry	
Annual Rides - Port Orchard & Annapolis	554,188
Buses (County Wide)	
Annual Bus Rides (*Routed Service*)	2,152,638
Kitsap Access & VanLink	296,602
Worker/Driver Service	357,573
Fast Ferry	299,471
2018 Total Bus Ridership	3,106,284
Vanpool and Other	
Vanpool Service	168,271
2018 Total Vanpool Ridership	168,271
Guaranteed Ride Home	
Guaranteed Ride Home	
2018 Total Guaranteed Ride Home	131
Total Kitsap Transit Ridership	3,828,874

Sources: Washington State Ferries
Kitsap Transit

Schedule of Insurance

COMPANY, POLICY NUMBER & TERM	COVERAGE	LIMITS	
Allied World Insurance Company Policy # 5110-0088-01 02/01/2019 to 02/01/2020	**Excess Liability:** BI, PD, Personal & Advertising Injury, Employee Benefits Liability	$1,000,000	Each Occurrence/$3,000,000 Annual Aggregate
	Automobile Liability	$1,000,000	Each Accident
	Law Enforcement Liability	$1,000,000	Each Occurrence/$3,000,000 Annual Aggregate
	Public Officials Liability	$1,000,000	Each Occurrence/$3,000,000 Annual Aggregate
	Employment Practices Liability	$1,000,000	Each Occurrence/$3,000,000 Annual Aggregate
	Self -Insured Retention	$500,000	Each Accident/Occurrence
Allied World National Insurance Company Policy # 5111-0136-01 02/01/2019 to 02/01/2020	**Follow Form Excess Liability:** Coverages listed above	$9,000,000	Each Occurrence/$9,000,000 Annual Aggregate
Midwest Employers Casualty Company Policy # EWC008924 02/01/2019 to 02/01/2020	**Excess Workers' Compensation:** Workers' Compensation and Employers' Liability	Statutory $1,000,000	Workers' Compensation Employers' Liability
	Self Insured Retentions:	$500,000 $500,000	Each Accident Each Employee for Disease
Hartford Fire Insurance Company Policy # 52 UFJ HC7428 12/31/2018 to 12/31/2019	**Property:** Risk of physical loss and damage to real and personal property (including Earthquake and Flood at specified locations)	$400,000,000 $25,000,000 $50,000,000 $37,083,657 $8,442,618 $1,000,000	Loss Limit excess of applicable deductibles Aggregate on Earth Movement Aggregate on Flood – Non-High Hazard Business Income Covered Vehicles Covered Vehicles – While Over the Road Subject to various sublimits

COMPANY, POLICY NUMBER & TERM	COVERAGE	LIMITS	
	Deductibles:	$100,000 3% 3% $50,000	Deductible - All perils except Deductible - On earth movement, subject to $100,000 minimum Deductible - On High Hazard Flood, subject to $500,000 minimum - $100,000 All Other Flood Deductible – Equipment Breakdown
Empire Indemnity Ins Co Policy # BPP1261270 12/31/2018 to 12/31/2019	**Difference In Conditions:** 75% - $18,750,000 Carrier Participation	3%	Deductible – On earth movement, subject to $100,000
General Security Indemnity Company Policy # TR0001486-05914-18 12/31/2018 to 12/31/2019	**Difference In Conditions:** 25% - $6,250,000 Carrier Participation	3%	Deductible – On earth movement, subject to $100,000
Lloyds of London (Various) Policy # B080113467L18 12/31/2018 to 12/31/2019	**Terrorism:** Act of Terrorism and/or Act of Sabotage Deductible	$150,000,000 $0	Policy Limit
Great American Insurance Company Policy # GVT 124-39-25-20-00 02/01/2019 to 02/01/2020	**Crime:** Employee Dishonesty, Forgery or Alteration, Inside the Premises, Outside the Premises, Computer Fraud, Money Orders & Counterfeit Paper Currency, Funds Transfer Fraud, Fraudulent Transfer, ERIS Dishonesty Coverage Deductible:	$1,000,000 $100,000 $25,000	Per Occurrence Fraudulent Transfer Limit Deductible Per Occurrence

COMPANY, POLICY NUMBER & TERM	COVERAGE	LIMITS	
Indian Harbor Insurance Company (AXA XL Catlin) Policy # MTP 9038172 00 02/01/2019 to 02/01/2020	**Cyber Security Liability:** Third Party - Privacy and Cyber Security, Privacy Regulatory Defense, Awards and Fines First Party – Business Interruption and Extra Expense, Data Recovery, Cyber-Extortion and Ransomware, Data Breach Response and Crisis Management Coverage	$5,000,000 $5,000,000 $25,000	Third Party Liability Limit First Party Liability Limit Subject to various sublimits Retention
Illinois Union Insurance Company Policy # PPL G27270013 002 05/16/2016 to 05/16/2019	**Pollution & Remediation Legal Liability:** Self Insured Retention:	$1,000,000 $1,000,000 $100,000 $400,000 $25,000	Each Pollution Condition Aggregate SIR Each Pollution Condition Aggregate Retention – All Pollution Conditions Maintenance Retention thereafter
Indian Harbor Insurance Company Policy # XEC0051388 01/30/2018 to 05/16/2019	**Excess Pollution & Remediation Legal Liability:**	$2,000,000 $5,000,000 Excess $1,000,000	Each Pollution Condition Aggregate Each Pollution Condition/$1,000,000 Aggregate
Travelers Property Casualty Company of America Policy # ZOH-16N32168-18-ND 10/01/2018 to 10/01/2019	**Hull & Machinery / Protection & Indemnity: Fire Boat** Deductible:	$193,000 $1,000,000 $5,000	Hull & Machinery Limit Protection & Indemnity Limit Per Occurrence
Travelers Property Casualty Company of America Policy # ZOX- 81N04240-18-ND 10/01/2018 to 10/01/2019	**Excess Protection & Indemnity: Fire Boat**	$4,000,000	Limit of Liability

COMPANY, POLICY NUMBER & TERM	***COVERAGE***	***LIMITS***	
Water Quality Insurance Syndicate Policy # 52-82707 10/01/2018 to 10/01/2019	**Vessel Pollution: Fire Boat**	$1,000,000	Limit of Liability

Glossary

Accounting System
The set of records and procedures that are used to record, classify, and report information as to the financial status and operating conditions of an entity.

Accrual Basis of Accounting
Under this accounting method, transactions are recognized when they occur, regardless of the timing of related cash receipts and disbursements. Proprietary (enterprise and internal service) and non-expendable trust funds use this basis of accounting.

Actual
Actual, as used in the fund summaries, revenue summaries and department and division summaries within the budget document, represents the actual financial results. This category is presented on a budgetary basis, and thus excludes full-accrual audit items such as depreciation and amortization.

Ad Valorem Tax
A tax based on the assessed value of a property.

Adopted Budget
Adopted, as used in the fund summaries and department and division summaries within the budget document, represents the final budget approved by the City Council. The adopted budget becomes effective January 1st. Subsequent to adoption, Council may make changes throughout the year.

Appropriation
An authorization made by the City Council that permits officials to make expenditures or incur obligations against governmental resources. Appropriations are usually made for fixed amounts and are typically granted for a one year period. Multi-year appropriations can also be established for capital project and other special purpose funds. Multi-year appropriation authority remains in effect until the amount appropriated has been totally expended or until the fund, program, or project is closed because its assigned purpose has been changed or accomplished.

Assessed Valuation
The assessed value (AV) set on taxable property as a basis for levying property taxes placed upon real and personal property by the Kitsap County Assessor.

Assets
Resources having a monetary value and that are owned or held by an entity.

Audit
An annual financial report prepared by an independent auditor. A comprehensive audit document contains a summary statement of the scope of the audit, explanatory comments concerning any exceptions to generally accepted auditing standards, explanatory comments concerning verification procedures, financial statements and schedules, statistical information, supplemental comments, and any finding or recommendations.

B.A.R.S.
The prescribed "Budgeting, Accounting and Reporting System" where compliance is required for all governmental entities within the State of Washington.

Balanced Budget
Revenues (including Beginning Fund Bal-

ance) equals or exceeds expenditures (including Ending fund Balance).

Beginning Fund Balance
The beginning fund balance is the residual fund balances representing unused funds brought forward from the previous financial year (ending fund balance).

Bond
A debt instrument with a written promise to pay a specified principal amount along with periodic interest at specific future dates. Bonds are typically used for financing of specific capital expenditures.

Budget
A budget is a financial operational plan including an estimate of proposed expenditures and the means of financing them. Used without any modifier, the term usually indicates a financial plan for a certain period of time, typically one or two years. In practice, the term budget is used in two ways. Sometimes it designates the financial plan presented for adoption and other times it designates the plan finally approved. It is usually necessary to specify whether the budget under consideration is preliminary and proposed, or whether the appropriating body has approved it.

Budget Amendment
A change to a budget adopted in accordance with State law. A budget may be amended to increase expenditures/expenses at the fund level by ordinance without public notice or public hearing requirements, when unanticipated revenues occur or emergencies exist (RCW 35A.33.080 and 35A.33.120). Also called Supplemental Appropriation.

Budget Calendar
A schedule of key dates or milestones that the City follows in preparation and adoption of the budget.

Budget Document
A written report showing a government's comprehensive financial plan for a specified period, typically one or two years, that includes both capital and operations.

Budget Message
Written explanation of the budget as proposed by the Mayor including the City's financial priorities, policies, and target goals for the coming budget period.

Budgetary Basis
Budgets are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP), with the exception that neither depreciation nor amortization is budgeted for proprietary funds and bond principal in the enterprise funds is subject to appropriation.

Capital (Outlay/Asset)
Expenditures made to acquire, reconstruct, or construct major fixed or capital assets. A fixed asset is a tangible object of a long-term character that will continue to be held or used such as land, buildings, machinery, furniture, and other equipment. A capital asset must exceed $5,000 in cost and have an expected live expectancy of 12 months. For purposes of this definition, a "fixed asset" includes a group of items purchased together that will be used for a "single purpose" that could not be used effectively by themselves.

Capital Improvement Fund
Account for the acquisition or construction of major capital facilities, with exception to those facilities financed by proprietary and trust funds.

Capital Improvement Program (CIP)
A plan for a capital expenditure to be incurred each year over a period of five or more future years setting forth each capital project, the amount to be expended in each year, and the method of facing those expenditures.

Cash Management
Management of cash necessary to pay for government services while investing temporary cash excesses in order to earn investment income. Includes forecasting inflows and outflows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining banking relationships, and investing funds in accordance with the City's investment policy objectives.

Charges for Service
Includes a wide variety of fees charged for services provided to the public and other agencies.

Comprehensive Plan
An official statement of the goals, objectives and physical plan for the development of the City. Contains a narrative of goals, objectives and policies that describe the desired form, nature and rate of City development.

Consumer Price Index
A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living (i.e., economic inflation).

Contingency
A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted. Contingency may be appropriated for a specific purpose by the City Council upon the approval of a resolution. The City can separate contingencies into those that are designated for specific purposes and undesignated (also see Designated Contingency and Unappropriated Ending Fund Balance).

Debt Service
Principal and Interest on outstanding bonds due and payable during the fiscal year.

Debt Service Fund
Established to account for the accumulation of resources and for the payment of general obligation debt that have been approved by the voters. It would exclude Enterprise fund debt and contractual obligations accounted for in other individual funds.

Department
An organizational unit usually within a fund, though in a broader sense, a department can encompass more than one fund. Departments can further be segregated into Divisions.

Division
A functional unit within a department consisting of one or more cost centers engaged in activities supporting the unit's mission and objectives.

Depreciation
Expiration in the service live of capital assets attributable to wear and tear, deterioration, action of physical elements, inadequacy or obsolescence.

Designated Contingency
Amounts set aside for anticipated non-recurring cash flow needs. Includes items such as moving and remodeling, major building repairs, emergency management and capital project or equipment purchases.

Employee Benefits
Contributions made by a government to meet commitments or obligations for employee-related expenses. Included is the government's share of costs for social security and the various pension, medical and life insurance plans.

Encumbrance
Amount of money committed and set aside, but not yet expended, for the purchases of goods or services.

Ending Fund Balance
The residual non-restricted funds that are spendable or available for appropriation after the end of the fiscal year, or during the fiscal year, if a state of emergency is declared by the Mayor.

Enterprise Fund
Established to account for operations, including debt service that are financed and operated similarly to private businesses—where the intent is the service is self-sufficient, with all costs supported predominantly by user charges.

Expenditures/Expenses
The type of accounts that record transactions for the cost of goods received or services rendered whether cash payments have been made or not. These accounts are called expenditures on the modified accrual basis of accounting and expenses on the accrual basis.

Fees
Charges for specific Service in connection with providing a service, permitting and activity or imposing a fine.

Fiscal Management
A government's directive with respect to revenues, spending, reserves and debt management as these relate to governmental services, programs and capital investment. Financial policy provides an agreed upon set of principles for the planning and programming of governmental budgets and its funding.

Fiscal Year
A twelve-month period designated as the operating year for accounting and budgeting purposes in an organization. The City of Bremerton's fiscal year is January 1 through December 31.

Franchise Fee
Charged to all utilities operating within the City and is a reimbursement to the General fund for the utility's use of City streets and right-of-ways.

Full-Time Equivalent (FTE)
An expression of staff in terms of full-time employment (40 hours per week). For example, a person who works 40 hours per week is described as 1 FTE and 20 hours per week as .50 FTE.

Fund
An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities that are segregated for the purpose of carrying on specific activities or attaining certain objectives.

Fund Balance
The amount of an entity's assets above the amount of its liabilities. A negative fund bal-

ance is sometimes called a deficit. An undesignated fund balance reflects historical receipts less than historical expenditures in non-proprietary funds. When all designated and reserved resources are removed or deducted in arriving at the year-end undesignated fund balance, the remaining value is that available for budgetary appropriation. Also called Ending Fund Balance.

General Fund
Accounts for all receipts and disbursement transactions associated with ordinary City operations not required to be accounted for in another fund. This fund is both tax and general revenue supported. Major revenue sources for the General Fund include property, sales, excise taxes, and miscellaneous permits and fees.

General Long-term Debt
Represents any unmatured debt not considered to be a fund liability. General Obligation Bonds (G.O. Bonds) are secured by the full faith and credit of the issuer. G.O. bonds issued by local units of government are secured by a pledge of the issuer's property taxing power. Usually issued to pay for general capital improvements such as parks and City facilities.

Governmental Funds
Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds.

Grant
A contribution by one government unit to another. The contribution is usually made to aid in the support of a specified function.

Infrastructure
Public domain capital assets such as roads, bridges, streets, sidewalks and similar assets that are immovable.

Indirect Charges
Administrative and overhead costs that are incurred in one area, but charged to another. These charges are budgeted as interfund transfers.

Interfund Transfers
Appropriation category used in the City's budget resolution which includes amounts distributed from one fund to pay for services provided by another fund. Transfers from the other funds are appropriated as expenditures.

Intergovernmental Revenues
Levied by one government but shared on a predetermined basis with another government or class of governments.

Interlocal Agreement
A contract between two government entities whereby one government assumes the lead responsibility of a project that overlaps both jurisdictions.

Internal Service Fund
Account for the financing of goods and services provided by one department or agency to other departments or agencies of government, or to other governments, on a cost reimbursement basis.

Levy
Gross amount of property taxes imposed on the assessed value of taxable property. The net amount received by a government will be

less than the gross levy as a result of delinquent or uncollectible payments or early payment discounts. Budgets are developed on the basis of the projected amount of property taxes receivable.

Line Item Budget
References the individual account lines of budget, where proposed appropriations are based on individual objects of expense within a department or program.

Local Improvement District
Consists of a group property owners desiring improvements to their property. Bonds can be issued to finance these improvements, which are repaid by assessments on their property. Local Improvement District debt is paid for by a compulsory levy (special assessment) made against affected properties to spread out the cost of a specific capital improvement or service deemed to benefit primarily those properties.

Modified Accrual Basis
The modified accrual basis of accounting is used in governmental funds (general, special revenue, debt service, and capital project funds), expendable trust, and agency funds. Under it, revenues and other financial resource increments are recognized when they become both measurable and available to finance expenditures of the current period. Expenditures are generally recognized when they are incurred. The City budgets all funds on a modified accrual basis.

Object
As used in expenditure classification, this term applies to the type of item purchased or the service obtained (as distinguished from the results obtained from expenditures). Examples include personnel services, contractual services, and materials and supplies.

Operating Budget
The operating budget is the primary means by which most of the acquisition, spending, and service delivery activities of a government are controlled. Law requires the use of annual operating budgets.

Operating Transfer
Routine or recurring transfers of assets between funds that support the normal operations of the recipient fund.

Ordinance
A formal legislative enactment by the governing body of a municipality. If it is not in conflict with any higher form of law, such as a state statue or a constitutional provision, it represents the full force and effect of the law within the boundaries of the municipality to which it applies.

Outstanding Debt
The balance due at any given time resulting from the borrowing of money or from the purchase of goods and services.

Personnel Benefits
Employer contributions paid by the City as part of the conditions of employment. Examples include health/dental/vision insurance, state public employee's retirement system, and employment security.

Property Tax
Based off of the assessed value of property times the permanent tax rate and are used as the source of monies to pay general obligation debt and core city services.

Proposed Budget

Combines the operating, non-operating and reserve estimated prepared by the Mayor, then presented to the community and the Budget Committee for their review, approval, and recommendation to City Council.

Resource
Total dollars available for appropriations including estimated revenues, fund transfers, and beginning fund balances.

Revenue
Income received by the City in support of a program of services to the community. It includes such items as property taxes, fees, user charges, grants, fines and forfeitures, interest income, and miscellaneous revenue.

Revenue Bonds
Bonds payable from a pledged source of revenue such as water revenues, which does not also pledge the taxing authority of the City. Pledged revenues may be derived from operation of the financed projects, grants, utility revenues, or other specified revenue streams.

Services and Charges
An expenditure classification that includes professional services, communication, travel, advertising, rentals, leases, insurance, public utility services, and repairs and maintenance.

Special Assessment Bond
A bond issue payable from the payments on special assessments imposed against properties that have been specially benefited by the construction of public improvements such as sidewalks, streets, or sewer systems.

Special Revenue Funds
Accounts for the proceeds of revenue sources (other than special assessment, expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Supplemental Appropriation
An appropriation approved by Council after the initial budget is adopted.

Supplies
An expenditure classification for articles and commodities purchased for consumption or resale. Examples include office and operating supplies, fuel, power, water, gas, inventory, resale items, small tools and equipment.

Taxes
Compulsory charges levied by taxing districts for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered only to those paying such charges, such as water service.

Tax Levy
The total amount of property taxes needed to pay for basic government operations as well as sufficient amounts to pay for principal and interest on voter-approved bond issues.

Tax Rate
The amount of tax levied for each $1,000 of assessed valuation as determined by the Kitsap County Assessor's office.

Taxes
Compulsory charges levied by a government for the purpose of financing services performed for the common benefit.

Trust Funds
Established to administer resources received and held by the City as the trustee or agent for others. Uses of these funds facilitate the discharge of responsibility placed upon the City by virtue of law or other similar authority.

Unappropriated Ending Fund Balance
Represents the portion of the ending fund balance that is not appropriated to be spent in the current year. It must be segregated for future use and is not available for current appropriation or expenditure, except in the event when the Mayor declares an emergency.

User Fees
Charges for services to the specific entity who directly benefits. Often referred to as Charges for Service.

BARS	Budget Accounting and Reporting System
BKAT	Bremerton Kitsap Access Television
BMC	Bremerton Municipal Code
BPOG	Bremerton Police Officers Guild
CAC	Citizens Advisory Committee
CDBG	Community Development Block Grant
CENCOM	Central Communications
COBRA	Consolidated Omnibus Budget Reconciliation Act
COLA	Cost of Living Adjustment
CPI	Consumer Price Index
CSO	Combined Sewer Overflow
DCD	Department of Community Development
DEA	Drug Enforcement Agency
DOE	Department of Ecology
DOH	Department of Health
EMS	Emergency Medical Services
EMT	Emergency Medical Technicians
EPA	Environmental Protection Agency
ERR	Equipment Rental Reserve
FMLA	Family and Medical Leave Act
GAAFR	Governmental Accounting, Auditing & Financial Reporting
GAAP	Generally Accepted Accounting Principles
GASB	Government Accounting Standards Board
GIS	Geographic Information Systems
GMA	Growth Management Act
HUD	Housing and Urban Development
IAFF	International Association of Fire Fighters
ILEADS	Intergraph Law Enforcement Automated Data Systems
IT	Information Technology
KPS	Kitsap Physicians Service
LEOFF	Law Enforcement Officers and Fire Fighters
LID	Low Impact Development

Acronyms

MGD	Million Gallons per Day
MIR	Medical Incident Report
MRSC	Municipal Research Service Center
NCIS	Naval Criminal Investigative Service
PERS	Public Employees Retirement System
PILOT	Payments In Lieu of Taxes
PSNS	Puget Sound Naval Shipyard
RCW	Revised Code of Washington
REET	Real Estate Excise Tax
RMAP	Road Maintenance and Abandonment Plan
SCADA	Supervisory Control and Data Acquisition
SCBA	Self Contained Breathing Apparatus
SOG	Special Operations Group
SSTA	Streamline Sales Tax Act
TIP	Transportation Improvement Plan
UGA	Urban Growth Areas
WAC	Washington Administrative Code
WESTNET	West Sound Narcotics Enforcement Team
WWTP	Wastewater Treatment Plan

Acronyms