

2024 ANNUAL REPORT

City of Port 
Townsend



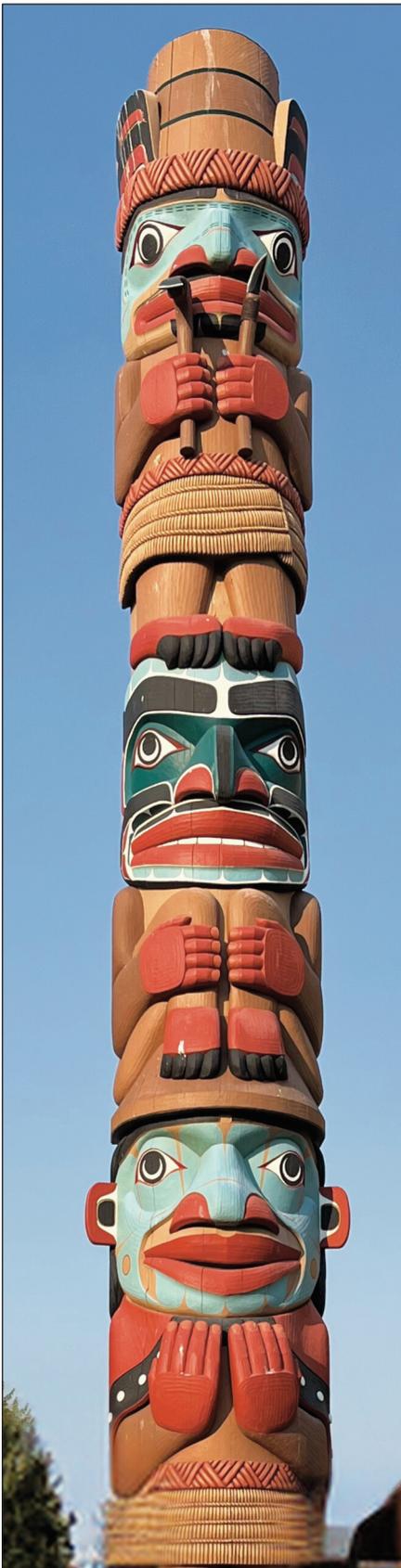


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Land Acknowledgement

The land that we know as Port Townsend was first known as a thriving village of the S’Klallam People; this village was called qatay (“kuh-tai”). The S’Klallam’s well-known chief, čičməhan (“cheech-muh-hann”), or Chetzemoka, was born at qatay in 1808. While this area belonged, and still belongs, to the S’Klallams, it is acknowledged that other local tribes camped along the beaches as they visited or moved along in their travels. The City of Port Townsend honors the sovereignty and treaty rights of the three S’Klallam/Klallam Tribes that are tied to this area and continues to strive in partnership for the betterment of our local Indigenous Peoples.

Purpose

The purpose of the 2024 Annual Report to the Community is to be an accessible, brief, and pictorial account for our community to better understand the City’s key accomplishments in 2024, challenges and lessons learned, our financial position, and what’s in store for 2025. We aim to generate curiosity and engagement and helps build a more trusting and productive relationship between the City and the residents we serve.

ON THE COVER: The Lord’s Lake water reservoir.

Your Elected City Council



Mayor
David Faber



Deputy Mayor
Amy Howard



Monica MickHager



Neil Nelson



Owen Rowe



Ben Thomas



Libby Wennstrom

Our quest continues: we are working hard to deliver the daily services, programs, and infrastructure that you depend on and that underpin our collective success and wellbeing over the long term. At the same time, we courageously commit to seeing further over the horizon so that the unique and valuable characteristics of Port Townsend not only survive the changing world but have a chance to truly thrive.

Doing so is our call to service and community, but it's a labor of love that also comes with challenges. Resources and time are often scarce, tough decisions for long-term success often mean trade-offs in the short-term, and representing diverse views and perspectives often means balancing louder voices with those that are barely audible or even absent. Moreover, structural, systemic challenges our society faces play out starkly in the local context and add pressure and complexity to our already-stretched capabilities.

Despite these headwinds, we continue to find success. As seems to be a pattern over the past few years, our achievements in 2024 have helped positively address and resolve issues our community has grappled with for decades. Whether it be progress on streets or sewer, parks or housing, open space or arts, last year's wins set us up for enduring success in the coming years.

By taking the time to read this Annual Report to the Community in our new quarterly publication – for the first time mailed to all residents in the region – you are taking steps to understand what the City team has accomplished, where we've faced challenges, and what next year holds. Moreover, this is an invitation to partner with us in caring for our community, its past, its people, and its future.

A handwritten signature in black ink, appearing to read 'David Faber'.

Mayor David Faber

A handwritten signature in black ink, appearing to read 'John Mauro'.

City Manager John Mauro

Serving the Community

Key Achievements in 2024: At the high level, 2024 was a year of big projects, new initiatives, and core service delivery. Here are the highlights from the year:

- 1 Completed the **\$6 million Discovery Road Bikeway, Roadway, and Sidewalk Project**, Port Townsend's largest transportation initiative in history.
- 2 Integrated many initiatives into a **holistic, strategic approach to the Comprehensive Plan periodic update** process, including robust community engagement, agency collaboration, technical elements, grant funding, and alignment with infrastructure planning.
- 3 Launched and delivered our **new Quarterly news magazine** with the four editions timed to align with major initiatives like the Comprehensive Plan and annual budget.
- 4 Put our **Transportation Benefit District** funding to work on street repair and leveraged millions of dollars in state funding, including **major improvements on Lawrence Street**.
- 5 Initiated **the City's first organization-wide employee engagement approach**, a journey consisting of a survey, trainings, year-long team and manager milestones and responsibilities, executive coaching, and a new Engagement Champions program.
- 6 Won awards and recognition on the national stage, including the **ICMA Community Sustainability Award** for the Financial Sustainability Initiative and the **3CMA Savy Award of Excellence** for our sewer video.
- 7 Completed the **General Sewer Plan**, with **\$43 million in projects over six years**, corresponding rate adjustments, and an innovative and progressive **income-based discount** that expands eligibility of households by five-fold.
- 8 Completed the six-year **Capital Facilities Plan with its \$79 million** in funded projects.
- 9 Created a new **Community Services Department** through strategic alignment of Library, Parks and Facilities, and a new Arts and Culture function.
- 10 Continued our **financial sustainability journey by building a 2025 budget** that deeply reflects fiscal responsibility and sets us up for multi-year stability and success.

On the following pages are select accomplishments for each of the seven key themes in the strategic City workplan. These themes unite City departments, bringing our work together for smarter and more collaborative delivery of the workplan.

These themes also help reflect the importance of our policy-making work – that is, the City Council delivering on policy and budget decisions – and our operational work – that is, staff delivering on those policies and the workplan. By working together and with our community, agency partners, Tribes, organizations, and state and federal agencies, we can advance lasting positive outcomes for our community together.



Invest in Our People

Our Goal: Build and nurture the capacity of our teams, volunteers, advisory board members, Councilmembers, and partnerships and provide them the toolsets, skillsets, and mindsets to achieve more together.

Key achievements in 2024 include:

- ▶ Initiated the City's first organization-wide employee engagement approach.
- ▶ Provided all-staff diversity, equity, inclusion, and belonging training, promoting a workplace free of harassment, discrimination, and retaliation.
- ▶ Created a new Community Services Department through strategic alignment of Library, Parks and Facilities, and a new Arts and Culture function.
- ▶ Supported participation in the new, state-wide Washington State Collaborative Elected Leaders Initiative (WA-CELI), with three City Councilmembers attending five full days of (grant-funded) training.
- ▶ Stewarded the smooth transition of a resigning Councilmember through the application, public review, selection, and onboarding process of a new appointee.
- ▶ Finished construction of the City Hall workspace improvement project to support customer service.
- ▶ Supported two successful graduates of the Northwest Women's Leadership Academy.
- ▶ Continued to expand and utilize our skills enhancement program to incentivize staff professional development and progression.
- ▶ Held staff appreciation events to celebrate staff work, train together, and make employees feel valued.



Engage Our Community

Our Goal: Build beyond notification and response to more deeply and inclusively engage our community in decisions that affect their lives and livelihoods as well as ground civic dialogue in civility and kindness.

Key achievements in 2024 include:

- ▶ Launched our new printed Quarterly news magazine with four editions timed to align with major initiatives like the Comprehensive Plan and annual budget.
- ▶ Focused efforts and resources to engage a greater diversity of residents on the Comprehensive Plan, including a three-day studio, a virtual workshop, site-tours, engagement with local schools, and a through-line of information in several ongoing channels.
- ▶ Innovated new and successful engagement techniques like sidewalk stickers on Lawrence Street with QR codes to learn about the project underway (and underfoot).
- ▶ Engaged and celebrated the \$6 million Discovery Road Bikeway, Roadway, and Sidewalk Project.
- ▶ Successfully delivered on the first year of the Port Townsend Poet Laureate Program.
- ▶ Established the School Liaison Officer, supported dozens of community events, and delivered police-related events like Coffee with a Cop.
- ▶ Established the Kah Tai Park Host site and position with an enhancement to community connection, safety, access, and cleanliness of the park.
- ▶ Delivered the Council Chambers upgrades, including audio-visual, ADA, and space enhancements for better accessibility.
- ▶ Continued the City Manager's weekly KPTZ radio show, *Brewocracy Now!*, and monthly informal community coffee gatherings.



Strengthen Our Financial Position

Our Goal: Set the City and community up for sustained success by deliberately choosing to build financial sustainability to address the challenges of today and prepare for tomorrow.

Key achievements in 2024 include:

- ▶ Continued our financial sustainability journey by building a 2025 budget that deeply reflects fiscal responsibility, including:
 - Bolstered our contingency fund with a new Rainy-Day Fund.
 - Sustained investment in the Fleets Equipment Repair and Replacement (ERR) fund.
 - Pre-emptively saved for the forthcoming increase to debt payments in 2026 (after paying down debt early in 2023).
 - Initiated new investments to put current interest rates to work for the City's on-hand cash reserves.
- ▶ Made a major change in utility billing from Doxo to CivicPay to drive better customer access
 - Began utilizing the Transportation Benefit District fund to make critical improvements to our 80+ miles street network.
 - Drew in millions of dollars of state and federal dollars for a range of projects, from planning to public works, from sewer to transportation.



Envision Our Sustainable Future

Our Goal: Determine the future of parks, streets, facilities, and community assets, as well as our strategic direction as an organization and community.

Key achievements in 2024 include:

- ▶ Began implementation of new 22-year lease agreement with the Friends of the Port Townsend Golf Park.
- ▶ Transitioned the ongoing collaborative efforts to rebuild a community pool to Jefferson County and staffed the County Commissioner-appointed Task Force.
- ▶ Worked with Jefferson County to expand the Urban Growth Area (UGA) to include Caswell-Brown for utility services for the forthcoming shelter.
- ▶ Worked with Port Townsend Main Street and ArtsWA to plan for the transfer of the Port Townsend Creative District to the City and a new coordinator role to manage the program.
- ▶ Renamed Seamus Sims Skate Park with a dedication and ribbon cutting ceremony.
- ▶ Coordinated with Parks, Recreation, Tree, and Trails Advisory Board (PRTTAB) to articulate needs for philanthropic funding parks, and successfully achieved 23 years as a Tree City USA.
- ▶ Integrated multiple initiatives into a holistic and strategic approach to the Comprehensive Plan periodic update process, including:
 - leveraging significant state funding,
 - innovating our engagement to reach a greater diversity of residents,
 - collaborating with sister agencies like the Growth Management Steering Committee to determine growth and housing targets,
 - making substantive progress on a number of technical elements like the Land Capacity Analysis and Housing Needs Assessment, and
 - incorporating infrastructure elements like the Capital Improvement Plan and General Sewer Plan.



Embrace & Resolve Community Challenges

Our Goal: Work through challenging decisions that help shape our community's well-being.

Key achievements in 2024 include:

- ▶ Completed a Housing Needs Assessment to inventory and analyze existing and projected housing needs and support the Comprehensive Plan update.
- ▶ Approved a new Emergency Shelter and Housing Ordinance to streamline permitting for indoor emergency housing and shelter.
- ▶ Worked with Washington State Parks, the Fort Worden Public Development Authority (PDA), campus tenants/partners, and others to uncover and understand the financial state of the PDA, to collectively assess potential paths forward, and to work toward a major transition.
- ▶ Continued to waive and defer permit fees for affordable housing.
- ▶ Agreed to revisit deer management in 2026 while working to address immediate needs through code enforcement and education.
- ▶ Coordinated regionally to secure a \$35 million grant through the federal Recompete Act that serves regional workforce initiatives.
- ▶ Secured the \$16.13 million Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant alongside peninsula jurisdictions for planning and design of the full extent of the Olympic Discovery Trail (ODT) and suite of connector trails.



Deliver the Basics

Our Goal: Advance additional capital & operational departmental priorities with needed City Council policy or budget action(s).

Key achievements in 2024 include:

- ▶ Initiated emergency sewer repair on Water Street in front of the ferry terminal, completing the repair in record time for the Wooden Boat Festival.
- ▶ Completed library facility upgrades, including the addition of the Zenbooth, the public restroom renovation, and replacement of the annex windows.
- ▶ Initiated open space planning and advanced dialogue and partnership with Jefferson Land Trust.
- ▶ Completed the water service line inventory with no lead service lines found.
- ▶ Provided some relief to health, safety, and sanitation at encampments of the unsheltered population.
- ▶ Housed the Winter Welcoming Center at the Pope Marine building for day-time relief for the unsheltered population.
- ▶ In coordination with East Jefferson Fire Rescue (EJFR), continued grant funding success for FIRE CARES, a partnership for proactive alternative response and intervention.
- ▶ Worked through and agreed new EJFR fees and partnership through an Interlocal Agreement.
- ▶ Worked to understand, collaborate, and advance the County Wildfire Prevention Plan.
- ▶ Completed an emergency repair of the Olympic Gravity Water System (OGWS) pipeline in cooperation with the Port Townsend Paper Mill.



Serve Our Community

Our Goal: Deliver on critical operations, ongoing statutory responsibilities, and core City functions.

Key achievements in 2024 include:

- ▶ Provided clean drinking water.
- ▶ Provided wastewater treatment, including a record 26th consecutive state award.
- ▶ Managed stormwater operations and maintenance.
- ▶ Overcame adversity in response to storms and surprise infrastructure failures and impacts.
- ▶ Bolstered staff recruitment approaches and tools to draw in quality talent for City positions.
- ▶ Provided inspections, including significant work with Jefferson Healthcare on their new hospital facility.
- ▶ Processed a record number of permits due to State Building code update and worked through a number of complex projects.
- ▶ Noticed, held, and recorded regular public meetings, including City Council business meetings, Council workshops, joint meetings, Council committee meetings, and Advisory Body meetings.
- ▶ Provided legal services and public records management and responded to an unusually high volume of records requests.
- ▶ Managed parks, trails, library, facilities, and fleets.
- ▶ Consistently responded to calls for service for police and provided regular patrol, investigations, and emergency response.
- ▶ Responded to calls and inquiries to our front desk and provided consistent customer service for a variety of needs.
- ▶ Implemented cybersecurity measures and training to 100% of the organization.
- ▶ Delivered successful events, programming, and initiatives through the public library, and recognized as the highest materials circulation per capita in the state.

Challenges and Lessons Learned

While success with every effort is desirable, it's not realistic – unless, perhaps, we're setting the bar too low. Below are a few areas where we may not have gotten things quite right and we aim to continuously improve. Three examples of challenges and lessons in 2024:

Our team is fast and ambitious. Keeping our consultants with us on time and pace can be a challenge.

This is especially true for complex initiatives like the Comprehensive Plan and with many grants going all at once. Consultants offer value to expand our capacity, particularly with an influx in external funding. However, it is important to expect a high level of communication and to hold consultants accountable.

It's hard to know when mal-information will materialize and cost us time, money, and progress.

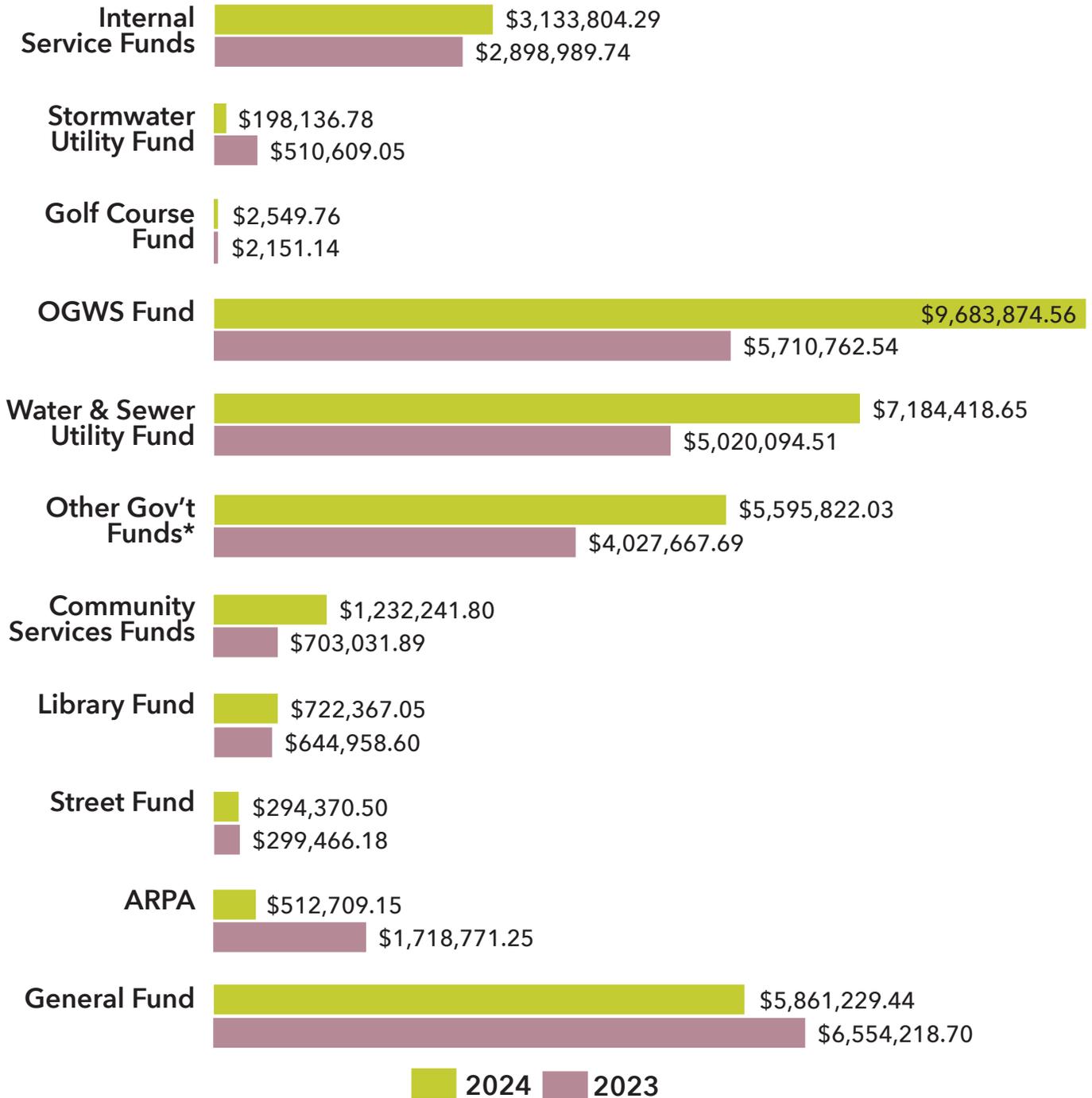
Succinct and explicit clarity of process, roles, and historical fact may help. Better articulating these in advance can reduce fear, and clearly articulating staff and Council roles may help reduce staff time spent responding to individuals and groups on policy decisions made at the City Council level.

Engagement fatigue is real, and more doesn't necessarily mean better.

Right-sizing engagement and diversifying voices that feed into the process is key. Prioritizing inclusivity, identifying potential barriers to participation, and seeking out diverse voices while still maintaining all of the channels by which we communicate, requires strong internal coordination and strategic use of limited resources.

Our Current Financial Position

2024 Financial Recap - Year End Cash Position



*Other General Governmental Funds consists of the Contingency Fund, Real Estate Excise Tax Fund, Lodging Tax Fund, Affordable Housing Fund, Community Development Block Grant Fund, Debt Service Fund, and General Capital Funds. **All figures are unaudited**



2025 Outlook

The City team is eager for an ambitious, optimistic, results-driven, and rewarding 2025. Our strategic workplan is our guide and, like most years, we're not able to predict surprises that may derail us or require reprioritization. It's unlikely we'll deliver all projects to completion in a single year – many projects are multi-year initiatives. Below are the five key themes of our 2025 strategic workplan, and you can expect the City team to take on a lot in 2025:

► **Invest in our people:** focusing on our employee engagement cycle as a way to build an excellent workplace culture that delivers results. We will also finalize the general government contract and continue to evaluate staffing needs, priorities, and changes to the labor market.

► **Engage our community:** focusing on nurturing civil civic dialogue, effective delivery of information, and a more productive, active, and positive partnership with our community. We will also begin our website overhaul.

► **Innovate our systems, structures, and processes:** focusing on coordinated community services through the new integrated Community Services Department. We will also improve interdepartmental coordination, roll-out an Advisory Board Handbook, build our Public

Experience Liaison team, improve permitting procedures, fire inspections, and business license integration, improve financial planning, and begin work on the Police Department strategic plan and accreditation process.

► **Envision our sustainable future:** focusing on delivering the 2025-2045 Comprehensive Plan update by the end of 2025, which incorporates myriad components into a holistic package. We will also work to deliver on other priorities, initiatives, and infrastructure, including in the areas of housing/planning, transportation, community services, and water/sewer/storm.

► **Deliver the basics:** this means keeping the City running smoothly with coordinated operational work and services from each department - about 80-90% of the City team's time and effort overall.

A basic throughline threads much of our work together:

By nurturing a great workplace culture, productive and inclusive civic dialogue with our community, and improving and innovating our systems and structures, we set up our organization for success in delivering meaningful projects with lasting results that enhance equity and the quality of life for all current and future residents.

It takes a team, collaborative partnerships, and you – our community – to make so much of this happen. So let's do it!

2025 Budget in Brief

General Government Expenditures: \$17,134,233
General Government Revenues: \$16,085,911

The City is required to balance the budget. The City does not utilize its reserve balance for operations, but rather to pay for one-time strategic investments as outlined in our Financial Sustainability Initiative. For instance, investing in fleet equipment repair and replacement and the new Rainy-Day Fund sets us up to be more prepared for future downturns in the economy. Want to know more? Go to the Financial Sustainability Initiative and 2025 budget, linked below.

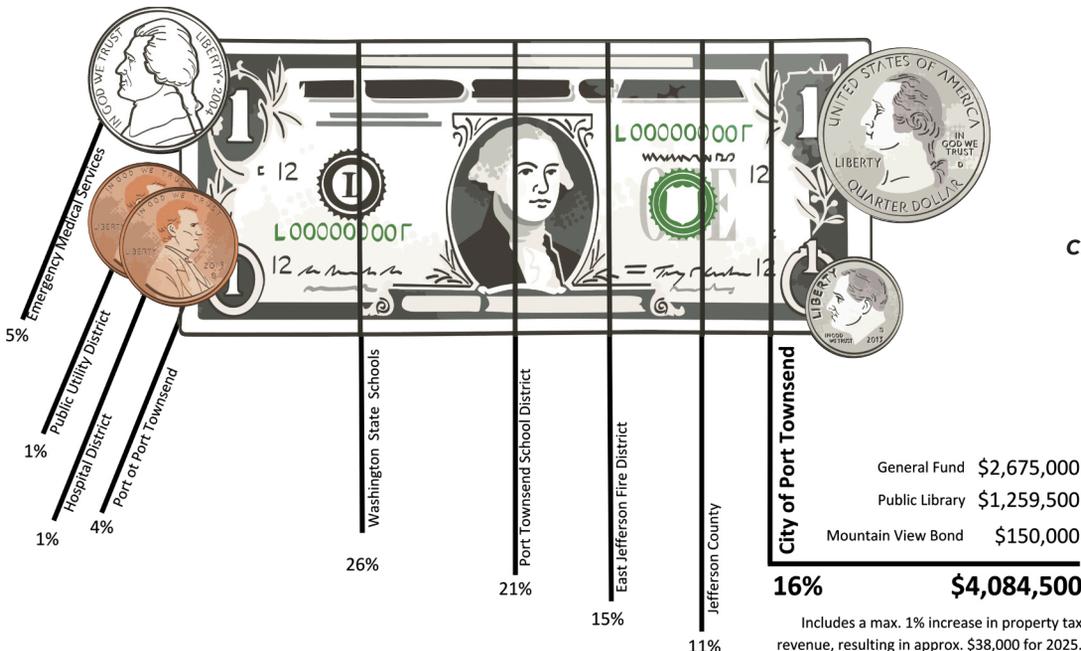
How is the Money Being Spent?



Capital Improvements

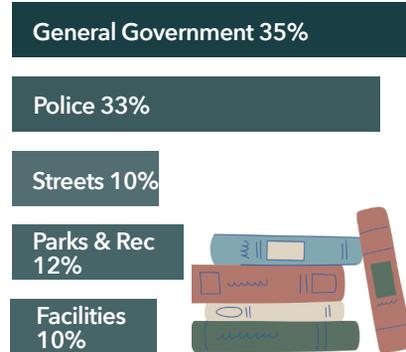


Your Property Taxes



Which Departments are Funded in the General Fund?

Note: Non-departmental expenses (e.g. debt payments, liability insurance, LTAC expenditures, etc.) of approximately \$2.5m & capital of \$1.3m are not reflected in this graph.



General Government Departments include:

- ▶ City Council
- ▶ City Manager
- ▶ City Attorney
- ▶ City Clerk
- ▶ Planning & Community Development
- ▶ Finance
- ▶ Human Resources

View the Complete 2025 Budget: cityofpt.us/finance



City of Port Townsend

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Our Police team are often connecting with the community at events, like Rhody, pictured here.