



CITY OF WASHINGTON

Fiscal Year 2021/2022

Budget Presentation

Fiscal 2021-2022 Budget Overview

- We had a modest increase in taxable valuations this year, and are transitioning from the major facility projects of previous years to emphasizing water distribution infrastructure, streets, equipment, and long-term building maintenance in future budgets.
 - As Presented:
 - The General Fund budget is exactly balanced to keep the projected GF balance at \$1,000,000.00 per the adopted policy related to our City Hall/Police/Fire building projects. We will likely seek to increase this baseline fund balance starting in FY23 to possibly \$1.2 million to ensure that we stay above 25% of budgeted general revenues.
 - Property Tax levy is the same at \$15.22393/\$1,000 valuation.
 - 2% average (non-union) salary increases are included
 - The net change in General Fund spending is -0.76%.
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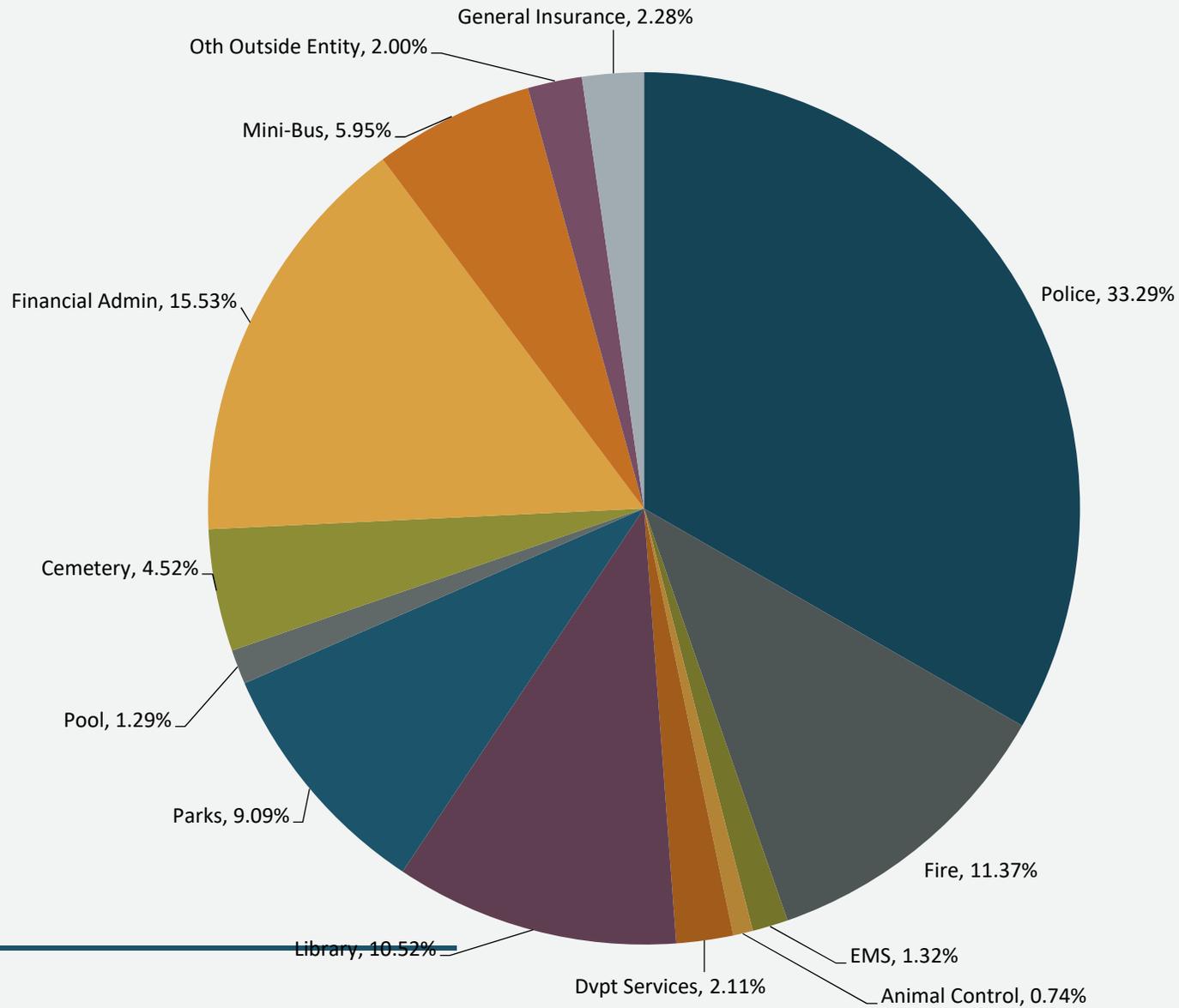
Fiscal 2021-2022 Budget Overview

- As Presented (Continued):
 - Funding is included for projects including the \$1.8 million 2021 Water Main Project, the East Adams paving project, and the West Buchanan paving/Business Park Phase II project. Total capital projects are estimated at \$6.9 million.
 - Water is budgeted at 7.5% on usage only. This is year 2 of 2 in grappling with the decrease in usage by our largest water user. Sewer is budgeted at 5% on usage only.
 - Sanitation is budgeted with the 5% increase already included in our code update.
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General Fund Budget

- Overall:
 - Revenues: \$3,994,335.51
 - Expenditures: \$3,994,335.51
 - Surplus (Deficit): \$0.00
 - Estimated balance at 7/1/21: \$1,000,000.00
 - Estimated balance at 6/30/22: \$1,000,000.00
 - We are getting very close to the 25% minimum undesignated fund balance we need to keep in the General Fund, so in future years, we recommend raising this fund balance amount.
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General Fund Budget Allocation



Police Budget Summary



- Revenues: \$34,950
 - Local Option Sales Tax Transfer In: \$300,000 (same as current)
 - Expenditures: \$1,329,820
 - General funding: \$994,870
 - Net Funding increase/(decrease): \$17,332
 - Highlights:
 - Up-front costs for Patrol Rifle program- \$18,000 cost with \$7,300 revenue; next year will be \$7,300 revenue with no expense
 - Replace K-9 vehicle (\$45,685) and contingent replacement of Chief's vehicle (see Fire Department narrative)
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Fire Budget Summary

- Revenues: \$103,000
- LOST Transfer In: \$142,500
- Expenditures: \$454,135
- General funding: \$208,635
- Net Increase/(decrease): (\$16,666)
- Highlights:
 - No physicals this year
 - Gear replacement: maintained at \$16,000
 - SCBA (Air Pack) Replacement (see next slide)



Air Pack Replacement

- Washington's Self-Contained Breathing Apparatus (SCBA, or Air Packs) are nearing the end of their 15-year life span.
 - It is possible to replace the air bottles only at a lower cost, but our air packs are only rated for 30 minutes, while the surrounding departments all have air packs rated at 45 minutes. The cost of air packs is \$6,600 each.
 - It is recommended that we apply for the FEMA Assistance to Firefighters Program for replacement of all of the packs. We have been successful in getting these grants twice in the past.
 - If we are unable to get the FEMA grant, our next step would be to look at locally available resources to replace 9 air packs this year & 9 more the next year.
 - Pending how this comes out, we are recommending we wait to order a replacement Police Chief's vehicle, due to constraints on available capital equipment funding.



EMS Budget Summary

- While we need to complete the work of the EMS Study Committee, we are anticipating:
 - \$52,587 in expenses in the proposed FY22 budget for training, supplies, and pay per call for first responders.
 - We expect EMS to operate as a division within the Fire Department, reporting to the Fire Chief.
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Animal Control



- We expect to pay PAWS & More approximately \$27,000 in the coming budget.
 - We expect to pay about \$2,500 for dog pound operating costs. \$1,500 is expected to be covered by fees & fines, and \$1,000 is transferred in from Sanitation.
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Development Services Summary

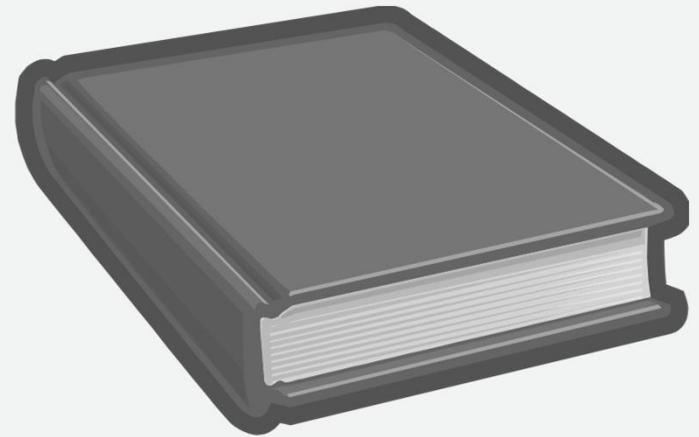
- Revenue: \$61,000
- Expenditures: \$84,213
- General Funding: \$23,213
- Net Increase/(decrease): (\$15,601)
- Highlights:
 - We are budgeting a total of \$50,000 out of the water and sewer funds for Geographic Information System (GIS) mapping with Garden & Associates.



Library Budget Summary

- Revenues: \$87,500
- Expenditures: \$420,102
- General Funding: \$332,602
- Increase/decrease: (55,728)
- Highlights:

- We are proposing to move the Building Maintenance Technician position to the Admin budget and make Kelsey the primary supervisor.



Parks Budget Summary

- Revenues: \$450
- Expenditures: \$363,070
- General Funding: \$362,620
- Increase/decrease: \$9,235
- Highlights:
 - We have allowed additional funding to deal with the maintenance and operational demands of the new Wellness Park. Still pending, with possible impact on the FY23 budget, is the management agreement for operation of the sports complex.
 - Purchase of a dump bed for the existing one-ton truck (\$15,000) is allowed in the Capital Equipment budget, and we plan to purchase a 70" zero-turn mower out of the Wellness Park project owner-supplied budget allocation.



Pool Budget Summary

- Revenues: \$0
- Expenditures: \$51,350
- General Funding: \$51,350
- Increase/(decrease): (\$28,000)
- Highlights:



- Management Fee to YMCA: \$2,500.
 - The budget is somewhat distorted in FY21 due to the CARES revenue and payment to the Y, as well as the planned replacement of the pool heater and repairs to the sand filter this spring.
 - Budget includes \$12,000 for epoxy painting of the bathhouse floors.
 - Continue replacement of lounge chairs: \$2,000.
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Pool Maintenance Plan



- Major Maintenance Already Completed:
 - Main slide structure sandblasting & repainting- FY14
 - Bathhouse re-roofing- FY17
 - FY20: Replace sand filter valve, flange, and bolts; replace non-working & hard to work mechanical valves, flanges, and bolts for various pumps: \$10,539 (completed \$3,000+ under budget due to Parks staff installation work)
 - FY21: Replace pool heater and major maintenance on sand filters
 - Future Maintenance Schedule:
 - FY22: Apply high-quality epoxy paint with chips to bathhouse floor: \$10-14,000
 - FY25: Comprehensive pool basin repairs, painting & sand filter replacement: \$200-300,000 (cover expense with FY25 G.O. Bond)
 - Unscheduled, will work in as possible: Sandblast & repaint 4 light poles: \$4-6,000
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Cemetery Budget

- Revenues: \$68,500
- Expenditures: \$180,598
- General Funding: \$112,098
- Increase/decrease: (\$6,341)
- Highlights:
 - Several minor purchases such as a blade for the Kubota for clearing the anticipated new 8' sidewalk/trail on the south side of Elm Grove being put in with the West Buchanan project.
 - Other purchases include a Pontem cemetery software update and a new trash pump for pumping out open graves when it is wet.



Finance, Legal & City Hall

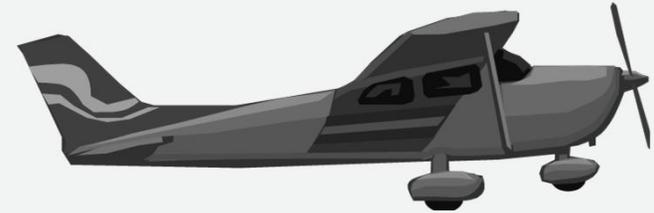
- Revenues (includes property tax): \$3,193,936 (up \$13,782)
- Expenditures: \$1,028,962 (up \$49,357)
- Highlights:
 - Transfer out to pay City Hall/Police/Fire facility construction costs estimated at \$257,398.
 - This should be the final year of this transfer.
 - We need to increase the GF balance eventually to \$1.2 million to keep this policy in line with a 25% reserve.
 - Additional amounts should be available each year for capital equipment and building maintenance funding.
 - \$13,000 transfer out to Housing Rehab Fund 145 for the continuation of the Housing Infill Partner Program.



Outside Entity Funding

- Requests (tentative at this time):
 - WEDG: \$30,000 (same as current)
 - Main Street: \$20,000 (same as current)
 - Tourism Committee: \$24,000 (\$4,000 higher than current)
 - Fireworks: \$6,000
 - Discussion will be held at the 3rd budget workshop on WEDG, Main Street, and Tourism requests.
 - PAWS & More is now shown in the Animal Control department, and is in Year 3 of a 3-year agreement. The agreement will automatically renew one year at a time if no action is taken prior to this fall.
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Airport Budget



- Airport is in Fund 002 and is self-supporting on an operating basis
 - Revenues: \$382,400
 - Expenditures: \$431,703
 - Fund Surplus (Deficit): (\$49,303)
 - Projected FB @ 7/1/21: \$270,557
 - Projected FB @ 6/30/22: \$221,254
 - Highlights:
 - Installation of new Fuel Farm- \$200,000 project (Project shown in Capital Projects 301)
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Tax Rate Comparison: Current vs. Proposed

Levy	Current Rate	Proposed Rate	Increase/ (Decrease)
General	8.10000	8.10000	0.00000
Employee Benefits	2.92436	2.96655	0.04219
General Insurance	0.37110	0.36692	(0.00418)
Emergency	0.26999	0.27000	0.00001
<u>Debt Service</u>	<u>3.55848</u>	<u>3.52046</u>	<u>(0.03802)</u>
Overall	15.22393	15.22393	0.00000
\$100K House City Bill	\$838.45	\$858.77	\$20.32
\$100K Biz City Bill	\$1,370.15	\$1,370.15	\$0.00

Road Use Tax Fund

- ▶ Revenues: \$1,041,251
 - ▶ Expenditures: \$1,305,749
 - ▶ Fund Surplus (Deficit): (\$264,498)
 - ▶ Projected FB @ 7/1/21: \$477,330
 - ▶ Projected FB @ 6/30/22: \$212,832
 - ▶ Highlights:
 - ▶ We are drawing down the balance significantly due to:
 - ▶ South Avenue E project
 - ▶ East Adams Project
 - ▶ South 12th/East Washington Stoplights
 - ▶ TIF is now paying Road Use back \$44,803/year for the foreseeable future, so we should see the fund balance stabilize over time. The projected 6/30/22 fund balance should be the low point.
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Debt Service Fund

- Total debt service payments for year: \$1,304,273.
 - Planned Debt Issuance:
 - We expect a 2021 General Obligation issuance for \$2.2 million, with payments to begin in FY22.
 - Total DS Levy responsibility: \$925,924.
 - Total levy requested is 3.52406, slightly lower than the current year.
 - We project to be at 56.53% of our legal debt limit. Our self-imposed limit is 70% of the legal debt limit.
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Debt Payments for FY22

- \$145,325 for 2015 North Tower/Streets/Fire Truck (Year 7 of 19)
 - \$165,620 for 2016A Nontaxable Refunding of 2009 GO Bond (Year 5 of 12)
 - \$62,363 for 2016B Taxable Refunding of 2009 GO Bond (Year 6 of 13)
 - \$354,370 for 2018A Streets/Sewer/Wellness Park (Year 4 of 13)
 - \$157,940 for 2018B LOST Revenue Bonds (Year 4 of 15)
 - \$219,400 for 2020A Streets/Equipment (Year 2 of 17)
 - \$138,300 for 2020B Bell Land (Year 2 of 4)
 - \$199,600 for 2021 G.O. Proposed Issuance (Year 1 of 15)
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Proposed 2021 G.O. Debt Issuance

- We propose a 2021 General Obligation bond issuance of \$2.2 million. After issuance costs, this would go toward the following:
 - \$1,245,300 for the 2021 Water Main Project (West Madison, West Washington, East Main).
 - \$800,000 toward NLW Subdivision Plat 2 (extension of South 11th).
 - \$100,000 toward Police/Fire capital equipment.
 - The majority of the debt service would be paid by the Water Fund and NLW TIF and lot sales revenue as opposed to the Debt Service levy.
 - The issuance would be for 15 years.
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Historical Tax Levy Rates

	<u>17-18</u>	<u>18-19</u>	<u>19-20</u>	<u>20-21</u>	<u>21-22</u>
General	8.10000	8.10000	8.10000	8.10000	8.10000
General Insurance	0.46788	0.44341	0.40755	0.37110	0.36692
Employee Benefits	3.10873	3.38686	2.87433	2.92436	2.96655
Debt Service	3.87418	3.62052	3.57206	3.55848	3.52046
Emergency	0.27000	0.27000	0.27000	0.27000	0.27000
Total	15.82079	15.82079	15.22394	15.22393	15.22393

Capital Equipment Fund

- Fund Balance at 7/1/21: \$92,116
 - Fund Balance at 6/30/22: \$14,100
 - We are very tight in this fund due to the necessary steps taken to fund the Municipal Building projects, so are at the stage of “making things work” for this year. In FY23, we should be able to start replenishing the fund.
 - Priorities for this year include:
 - Police K-9 unit: \$45,685
 - Police Chief’s car: \$25,315 (if budget allows)
 - Fire Air Packs: \$60,000
 - M/C Water Tank Truck: \$50,000
 - Parks dump bed: \$15,000
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Capital Projects

- Major Projects Include:

- East Adams Paving: \$1,350,000
 - Airport Fuel Farm: \$200,000
 - NLW residential development: \$200,000 allowed for engineering and initial work on Plat 2 (start in Spring 2022)
 - S. 12th & E. Washington Traffic Signals: \$400,000, with \$300k DOT funding
 - West Buchanan: \$2,406,440
 - Wellness Park Soccer Lighting & Phase 1B completion: \$460,000
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Riverboat Capital Projects

- Revenues: \$425,000
 - Expenditures: \$425,000
 - Business Park Phase II: \$250,000
 - Downtown Streetscape Expansion: \$175,000 (year 1 of 4 for requests)
 - Long-term plan for Riverboat Foundation Municipal Grant funds is in budget appendix, page A9
 - The proposed uses beyond FY22 are still subject to approval by the Riverboat Foundation.
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Water Fund Budget

- ▶ Revenues: \$1,962,320
 - ▶ Expenditures: \$1,850,525
 - ▶ Fund Surplus (Deficit): \$111,795
 - ▶ Projected FB @ 7/1/21: \$391,799
 - ▶ Projected FB @ 6/30/22: \$503,594
 - ▶ Highlights:
 - Assumes 7.5% increase on usage only. This needs to be higher due to a big decrease in usage by our largest industrial user over the past couple of years.
 - 4th year of debt payments on the Water Plant, which is expected to be a \$281,321 annual payment for 20 years.
 - 1st year of 15 on debt payments for 2021 Water Main Project.
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Sewer Fund Budget

- Revenues: \$2,497,125
 - Expenditures: \$2,655,707
 - Fund Surplus (Deficit): (\$158,582)
 - Projected FB @ 7/1/21: \$509,061
 - Projected FB @ 6/30/22: \$350,479
 - Highlights:
 - Assumes a 5% increase on usage only.
 - Debt Payments as follows:
 - WWTF SRF Loan: \$787,713 (Payment 10 of 30).
 - West Side Interceptor: \$151,003 (Payment 10 of 30).
 - Includes \$30,000 for replacement of 2007 Ford pickup. The old truck will go to Parks and be fitted with a flat bed (\$3,725 cost).
 - Allowed \$100,000 for starting the Egg Sewer Basin evaluation with FOX.
 - Allowed \$150,000 for demolition of old structures at the WWTP. This space will eventually be used for a large cold storage building.
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Sanitation Budget

- Revenues: \$537,455
 - Expenditures: \$536,712
 - Fund Surplus (Deficit): \$743
 - Projected FB @ 7/1/21: \$66,671
 - Projected FB @ 6/30/22: \$67,414
 - Highlights:
 - We have 5% annual increases through FY24 already in the adopted City Code to slowly bring this fund back to a positive operating margin, which starts in a small way in FY22.
 - This will be Year 3 of 5 on the current contract with Johnson County Refuse.
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