



AGENDA OF THE SPECIAL SESSION OF THE
COUNCIL OF THE CITY OF WASHINGTON, IOWA
TO BE HELD AT WASHINGTON FREE PUBLIC LIBRARY
NICOLA-STOUFER MEETING ROOM
115 W. WASHINGTON STREET
AT 6:00 P.M., TUESDAY, JANUARY 26, 2016

Call to Order

Pledge of Allegiance

Roll Call

Agenda for the Special Session to be held at 6:00 P.M., Tuesday, January 26, 2016 to be approved as proposed or amended.

PRESENTATION FROM THE PUBLIC - Please limit comments to 3 Minutes.

NEW BUSINESS

Fiscal Year 2016-2017 Budget Workshop.

DEPARTMENTAL REPORTS

Police Department
City Administrator
City Attorney

MAYOR & COUNCILPERSONS

Sandra Johnson, Mayor
Brendan DeLong
Kerry Janecek
Jaron Rosien
Kathy Salazar
Millie Youngquist
Russ Zieglowsky

ADJOURNMENT

Illa Earnest, City Clerk

City of Washington

Fiscal Year 2016/2017 Budget Presentation

Fiscal 2016-2017 Budget Overview

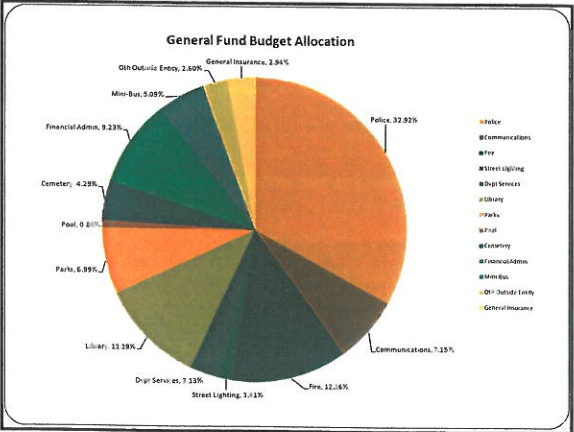
- As Presented:
 - The General Fund budget shows revenue over expenditures of \$15,540.39.
 - We are above our goal fund balance of 25% of annual GF revenues. The 25% threshold is considered the minimum level needed to secure a favorable bond rating.
 - This is essentially an evenly balanced budget, since one-time TIF repayments of \$13,382 are included in this surplus.
 - Property Tax levy stays level at \$15.82079/\$1,000 valuation, with an increase in taxable valuations of \$11 million, the first increase in three years.
 - 2.5% average (non-union) salary increases are included.
 - The net change in General Fund spending is 1.22%.

Fiscal 2016-2017 Budget Overview

- As Presented (Continued):
 - No additional personnel.
 - Funding is included for the Sitrler Drive widening project (Ave B to South Iowa), Avenue H Reconstruction, I/I projects, Water Plant upgrades, and architect costs for the City Hall, Police, and Fire improvement project (final project direction to be determined/finalized).
 - Water budgeted at 5% increase on usage only (better than previous estimates) and Sewer budgeted at 5% increase on usage only. Sanitation fee budgeted to increase \$0.40 to \$6.40 to cover increased cost of 28E Recycling Center and recycling carts.

General Fund Budget

- Overall:
 - Revenues: \$3,555,197
 - Expenditures: \$3,539,656
 - Surplus (Deficit): \$15,540
 - Estimated balance at 7/1/16: \$1,116,638
 - Estimated balance at 6/30/17: \$1,132,178



Police Budget Summary

- Revenues: \$18,550
- Local Option Sales Tax Transfer In: \$300,000 (down \$15,000)
- Expenditures: \$1,430,377
- General funding: \$1,116,824
- Net Funding increase/(decrease): \$33,556
- Highlights:
 - \$42,258 budgeted in Capital Equipment for purchase and outfitting of a Chevy Tahoe.
 - \$15,090 budgeted for RMS System loan (Year 3 of 4)

Fire Budget Summary

- Revenues: \$85,000
- LOST Transfer In: \$132,500 (down \$15,000)
- Expenditures: \$433,939
- General funding: \$216,439
- Net Increase/(decrease): \$31,269

Highlights:

- Township revenues anticipated under new agreement are \$85,000. Of this amount \$29,000 is transferred to Debt Service Fund 200 for Year 2 of 5 on debt service for new brush truck for rural fire response.
- Firefighter physicals year; \$6,500 budgetary impact (these occur every other year).



Development Services Summary

- Revenue: \$70,000
- Expenditures: \$110,918
- General Funding: \$40,918
- Net Increase/(decrease): (\$9,377)

Highlights:

- Tree removal expenses now moved to new Fund 312

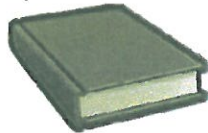


Library Budget Summary

- Revenues: \$88,382
- Expenditures: \$395,981
- General Funding: \$307,599
- Increase/decrease: \$14,250

Highlights:

- Revenues projected to be down \$5,000 from current budget- County funding is partially based on circulation relative to other libraries, so this can fluctuate.



Parks Budget Summary

- Revenues: \$450
- Expenditures: \$247,568
- General Funding: \$247,118
- Increase/decrease: (\$6,427)

Highlights:

- Current budget includes overlap period between Park Superintendents.
- \$7,000 included for Municipal Band, and \$27,000 included for recreation services with YMCA as per our written agreement.



Pool Budget Summary

- Revenues: \$0
- Expenditures: \$28,300
- General Funding: \$28,300
- Increase/(decrease): \$11,935

Highlights:

- Third year of management services agreement with YMCA.
 - Payment to YMCA per formula in the agreement: \$8,500.
- Replacement of bathhouse roof included: \$12,000.
- Begin replacement of lounge chairs: \$2,000.



Cemetery Budget

- Revenues: \$72,500
- Expenditures: \$151,944
- General Funding: \$79,444
- Increase/decrease: (\$22,285)

Highlights:

- Includes hydro-seeder, split with Road Use Tax (\$4,362 total).
- \$6,000 included for new shingles for office building.
- Purchase of mower in Capital Equipment Fund: \$8,526.



Finance, Legal & City Hall

- Revenues (includes property tax): \$2,787,815 (down \$3,610)
- Expenditures: \$690,628 (up \$6,881)
- Highlights:
 - \$11 million increase in taxable valuations helps property tax revenues, but decreases are projected in state backfill and due to retirements of 2 paid-off TIF districts, transfers in are significantly reduced.
 - Budget includes \$5,000 for website upgrades, \$5,000 for recodification services, and \$2,500 for Historical Preservation grant match as previously approved by Council.



Outside Entity Funding

- Requests:
 - WEDG: \$21,420 (2% higher than current)
 - PAWS & More: \$17,000 (Year 3 of 3 of written agreement)
 - Main Street: \$20,000 (\$5,000 higher than current)
 - Tourism Committee: \$15,000 (same as current)
 - Fireworks: \$4,000 (same as current)
- Quarterly Riverboat monies are no longer allotted specifically for community & economic development (WEDG, Tourism, Main Street)
 - These monies (\$25,000) are now allotted for assisting downtown building owners through the WIF program in lieu of using TIF for downtown buildings.
- Discussion will be held at the 3rd budget workshop on WEDG, Main Street, and Tourism requests.

WIF Program Funding

- The budget includes a new proposed program: Instead of using \$25,000 in quarterly Riverboat funds each year to help cover the costs of our contributions to WEDG, Tourism and Main Street, we would instead grant this to the WIF program (funding for those entities would not be reduced).
- WIF stands for Washington Incentive Fund. This is a program of Main Street Washington that provides grants to building owners on a competitive basis for improvement projects, especially for historic buildings.
- If this money came with stipulations that it only could be used for major renovation projects (such as a \$100,000 investment threshold), this program could replace us doing long-term TIF rebates for renovations, which has not ended up being a successful policy for us or for the building owners. This would allow for meaningful up-front assistance for people making major investments in our central business district.

Tax Rate Comparison: Current vs. Proposed

Levy	Current Rate	Proposed Rate	Increase/ (Decrease)
General	8.10000	8.10000	0.00000
Employee Benefits	3.03705	3.03012	(0.00693)
General Insurance	0.50343	0.47596	(0.02747)
Emergency	0.27000	0.27000	0.00000
Debt Service	3.91031	3.94471	0.03440
Overall	15.82079	15.82079	0.00000
\$100K House City Bill	\$881.75	\$880.05	(\$1.70)
\$100K Biz City Bill	\$1,423.87	\$1,423.87	(\$0.00)

Debt Service Fund

- Total debt service payments for year: \$1,240,920.
- Funding for debt payments on a \$450,000 GO Bond for the 2016 Street Program (Sitler Drive Widening, Phase 2) and the Washington Business Park, Phase 1 is included. The Business Park debt service will be paid by TIF.
- Total DS Levy responsibility: \$884,919. Transfer in of \$100,000 from Water & Sewer to assist with debt service on 2009 GO Bond (Water Tower/WWTF) and to hold debt service levy roughly level.
- Total levy requested is 3.94471, which is \$0.03440/\$1,000 valuation more than last year.

Debt Payments for FY16-17

- \$519,420 for 2008 GO Bond- Downtown/Library (Year 9 of 10).
- \$232,220 for 2009 GO Bond- Ground Storage/WWTF Land (Year 8 of 20).
- \$15,090 for Police RMS System Lease/Purchase (Year 3 of 4).
- \$50,375 for 2012 GO Bond- Streets (Year 5 of 5).
- \$50,740 for 2013 GO Bond- Streets/Airport (Year 4 of 5).
- \$52,137 for 2014 GO Bond- Streets (Year 3 of 5).
- \$220,188 for 2015 GO Bond- Water Tower/ Streets/ Fire Truck (Year 2 of 19).
- \$100,750 for 2016 GO Bond- Streets/Business Park (Year 1 of 5).

Historical Tax Levy Rates

	12-13	13-14	14-15	15-16	16-17
General	8.10000	8.10000	8.10000	8.10000	8.10000
General Insurance	0.53300	0.52695	0.49356	0.50343	0.47596
Employee Benefits	3.01481	3.02021	3.05107	3.03705	3.03012
Debt Service	3.90298	3.90363	3.90617	3.91031	3.94471
Emergency	0.27000	0.27000	0.27000	0.27000	0.27000
Total	15.82079	15.82079	15.82079	15.82079	15.82079

Airport Budget



- Airport is in Fund 002 and is self-supporting on an operating basis
- Revenues: \$479,000
- Expenditures: \$447,048
- Fund Surplus (Deficit): \$31,952
- Projected FB @ 7/1/16: \$97,484
- Projected FB @ 6/30/17: \$129,436
- Highlights:
 - Airport Commission is working on plans for long-term parking and other improvements that are tied to the construction of a new hangar. In FY16, they are constructing a taxiway and parking area with 90% FAA funds (10% City match). In FY17, they plan to construct the hangar with their own funds and state grant funds, and the City will provide \$10,993 in match funds toward a \$73,281 project to construct a pavement apron to that new hangar.

Road Use Tax Fund

- ▶ Revenues: \$949,103
- ▶ Expenditures: \$942,296
- ▶ Fund Surplus (Deficit): \$6,807
- ▶ Projected FB @ 7/1/16: \$532,963
- ▶ Projected FB @ 6/30/17: \$539,770
- ▶ Highlights:
 - ▶ Funding is included for \$60,000 in street patching, which is significantly up from previous years. This is possible due to increased Road Use Tax. A very significant patching program should also be able to be done in current FY16 for the same reason.
 - ▶ Sidewalk funding will now be a transfer out to new Sidewalk Fund 311- \$30,000 in this budget.
 - ▶ Tree removal & replacement budgeted at \$25,000 as a transfer out to new Fund 312.
 - ▶ Purchase of a new wheel loader is included in Capital Equipment Fund 300- \$130,000, as well as \$15,000 for a small tractor to replace unsafe 1957 and 1963 models.
 - ▶ Includes replacement of gas pumps at M/C shop, which is used by all departments. Estimated cost of \$25,000.

Capital Projects

- This Year's include:
 - Sitler Drive Widening, Phase 2: \$250,000 (funded by GO Bond).
 - Avenue H Reconstruction- \$110,000 (funded by Riverboat).
 - Municipal Building Project(s): \$233,000 funding included (Riverboat).
 - Business Park Project: \$244,920 funding included to complete project started in FY16.
 - Apron for Large Hangar: \$73,284 funding included. (\$62,291 grant)
 - Historic Preservation/West Side Neighborhood district nomination: \$6,650 funding included (\$)
 - Water Tower Replacement- \$650,658 for anticipated project completion. Funded by GO Bond & Water Fund.
 - South Water Tower Rehab- \$200,000 budgeted for anticipated project completion. Funded by Water Fund.
 - Water Plant Upgrades- \$1,399,300 budgeted (IFA Planning & Design Loan & State Revolving Fund funding).
 - West Washington Boulevard Water Main- \$150,000 budgeted. Funded by Water Fund.
 - Sewer Lining/Separation- \$300,000 budgeted.
 - ACH Foam Detention Pond- \$25,000 budgeted, to be fully repaid by TIF.

Avenue H Street Reconstruction

- Avenue H in Sunset Park is in very bad shape due to drainage issues and due to our dump trucks using it as a route to the snow dump by the Aquatic Center, among other reasons.
- The Park Board has requested this project be prioritized for the past several years. It had to be bumped in FY16 when the Sitler Drive, Phase 1 improvements came in well over the initial projected costs.
- \$110,000 is budgeted for these improvements.

West Washington Boulevard Water Main

- This project would replace the water main from Avenue D to Avenue F, the portion with exposed brick.
 - Frequent water main breaks have been destroying the existing brick, and this needs to be stopped to reduce the damage to the street, which is very expensive & complicated to repair.
- The current concept is to replace an existing water main under the north lane with twin water mains under the sidewalks or in the grass area on each side of the street.
- \$150,000 is budgeted. If projected costs end up significantly exceeding this, we could put the project off for one year and do the South Avenue B (Tyler to Adams) project that has been considered for several years. In FY18, it is expected that we will have up to \$225,000 available for water main replacement projects.

Riverboat Capital Projects

- Starting fund balance (7/1/16): \$95,522
- Revenues: \$425,000
- Expenditures: \$378,000
 - 2016 Street Program (Avenue H)- \$110,000
 - WIF Program- \$25,000
 - Auditorium Project (Year 3 of 5)- \$10,000
 - Municipal Building Project Set-Aside- \$233,000
- Less expenditures are forecast this year, because the projected 2017 Street Program is South Avenue E from Sitler to Lincoln, which will be a more expensive project (forecast at around \$800,000 total).
- Ending fund balance (6/30/17): \$142,522

Capital Equipment Fund

- We began funding the Capital Equipment Fund from Local Option Sales Tax (LOST) 3 years ago. \$107,500 is budgeted from LOST in FY16-17.
- Priorities for this year include:
 - Payment 3 of 4 on the Police records management system (\$15,090),
 - Purchase & equipping of a Police Tahoe (\$42,258),
 - Purchase of a new Wheel Loader (\$130,000),
 - Purchase of a small tractor for ditch mowing (\$15,000), and
 - Purchase of a new mower for Cemetery (\$8,526).

Water Fund Budget

- ▶ Revenues: \$1,799,018
- ▶ Expenditures: \$1,920,305
- ▶ Fund Surplus (Deficit): (\$121,286)
- ▶ Projected FB @ 7/1/16: \$817,472
- ▶ Projected FB @ 6/30/17: \$696,186
- ▶ Highlights:
 - Assumes 5% increase on usage only at 7/1/16. We now have reached a sustainable point in our project to be at this level of increase, which is less than the 3.5% increase on base rate & usage mandated by ordinance without specific Council approval.
 - Includes partial funding of North Water Tower, Water Plant Upgrades design costs, South Water Tower rehabilitation, and West Washington Boulevard Water Main project.
 - Includes purchase & equipping of a used dump truck for \$30,000. This will help us retire the last gas-powered manual transmission truck in the fleet, which has been unreliable and high-maintenance in recent years. The City would look to purchase a 10-15 year old diesel automatic dump truck and equip it with a plow.

Sewer Fund Budget

- Revenues: \$2,153,868
- Expenditures: \$2,267,594
- Fund Surplus (Deficit): (\$113,726)
- Projected FB @ 7/1/16: \$842,063
- Projected FB @ 6/30/17: \$728,337
- Highlights:
 - Assumes a 5% increase on usage only at 7/1/16. We will probably need to look at a larger increase than this at 7/1/17 and possibly also 7/1/18 to adequately address I/I and to be ready for full WWTF debt payments to come on line in FY18.
 - IRE Treatment Agreement revenues are projected at \$96,000.
 - Debt Payments as follows:
 - WWTF SRF Loan: \$522,305 (Payment 5 of 30).
 - West Side Interceptor: \$151,443 (Payment 5 of 30).
 - \$300,000 is budgeted for I/I projects & activities.
 - Installation of 661' of larger storm sewer along West 3rd from Avenue C headed west to make progress on alleviating drainage issues is budgeted as an in-house project.
 - Includes replacement of golf cart that is a safety hazard- \$5,000 budgeted.

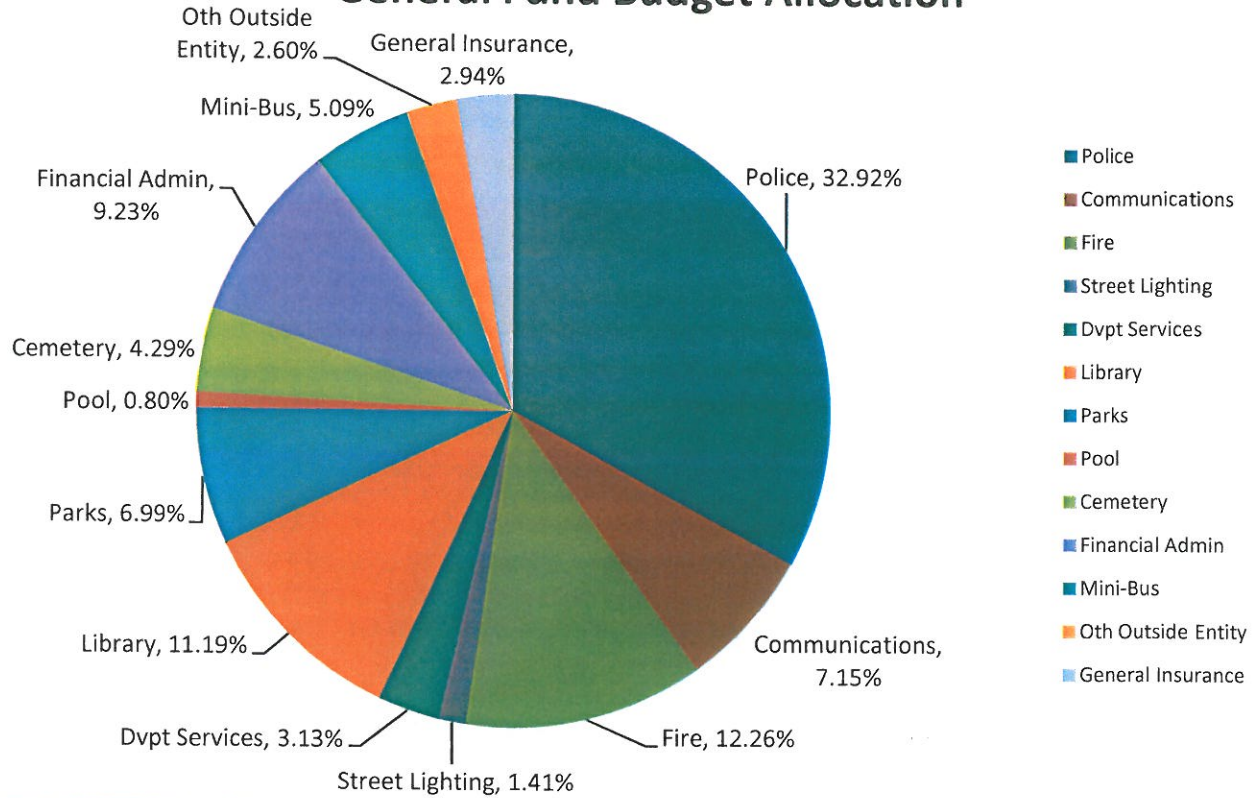
West Main Unsewered Area

- The Council may remember discussions several months ago related to the unsewered area of West Main (from railroad tracks west to close to Highway 1).
 - This is a difficult to serve area with few affected properties.
 - The City Engineer estimated a project to provide this area with sewer at a little over \$200,000.
 - A Council decision is needed to determine how or whether to move forward. 3 possible options for proceeding with this project are:
 - 1) Substitute this project for I/I projects for the year.
 - 2) Raise sewer fees higher than the current recommendation to provide additional funding.
 - 3) Specially assess a large portion of the project, understanding that while the City may eventually be paid, if past precedents were followed most property owners could choose to use their existing septic tanks and not pay the assessment until their tank failed.

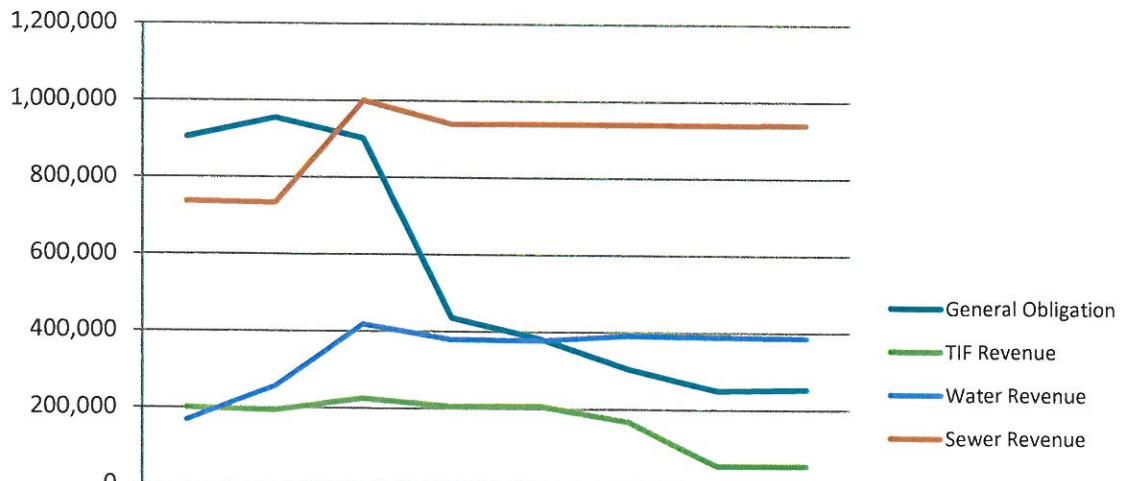
Sanitation Budget

- Revenues: \$409,340
- Expenditures: \$405,493
- Fund Surplus (Deficit): \$3,847
- Projected FB @ 7/1/16: \$111,199
- Projected FB @ 6/30/17: \$115,046
- Highlights:
 - Assumes increase in monthly rate from \$6.00 to \$6.40, and increase annual stickers from \$85 to \$87.50 and bag tags from \$1.75 to \$1.85.
 - This increase is needed to cover anticipated costs for the 28E Recycling Center and for replacements of recycling carts in particular.

General Fund Budget Allocation



Historical & Projected Level of Annual Debt Payments by Type



	15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23
General Obligation	904,188	954,259	902,142	435,630	383,510	304,805	250,180	253,005
TIF Revenue	200,106	193,787	224,703	205,126	207,265	168,443	54,005	54,005
Water Revenue	167,743	255,983	418,688	378,688	378,588	391,675	389,425	386,925
Sewer Revenue	737,078	733,748	999,353	939,150	939,493	939,348	938,715	939,595

Fiscal Year