

# *CITY OF WASHINGTON*

*Fiscal Year 2019/2020  
Budget Presentation*

# *Fiscal 2019-2020 Budget Overview*

- 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.
    - Property Tax levy is down slightly at \$15.22394/\$1,000 valuation, due to Washington County's plan to levy communications on a countywide basis. This tax reduction will hold our taxpayers harmless in terms of rate when the change is made on July 1.
    - 2% average (non-union) salary increases are included; union contracts will not be settled until after negotiations begin starting February 12.
    - The net change in General Fund spending is (0.33%).
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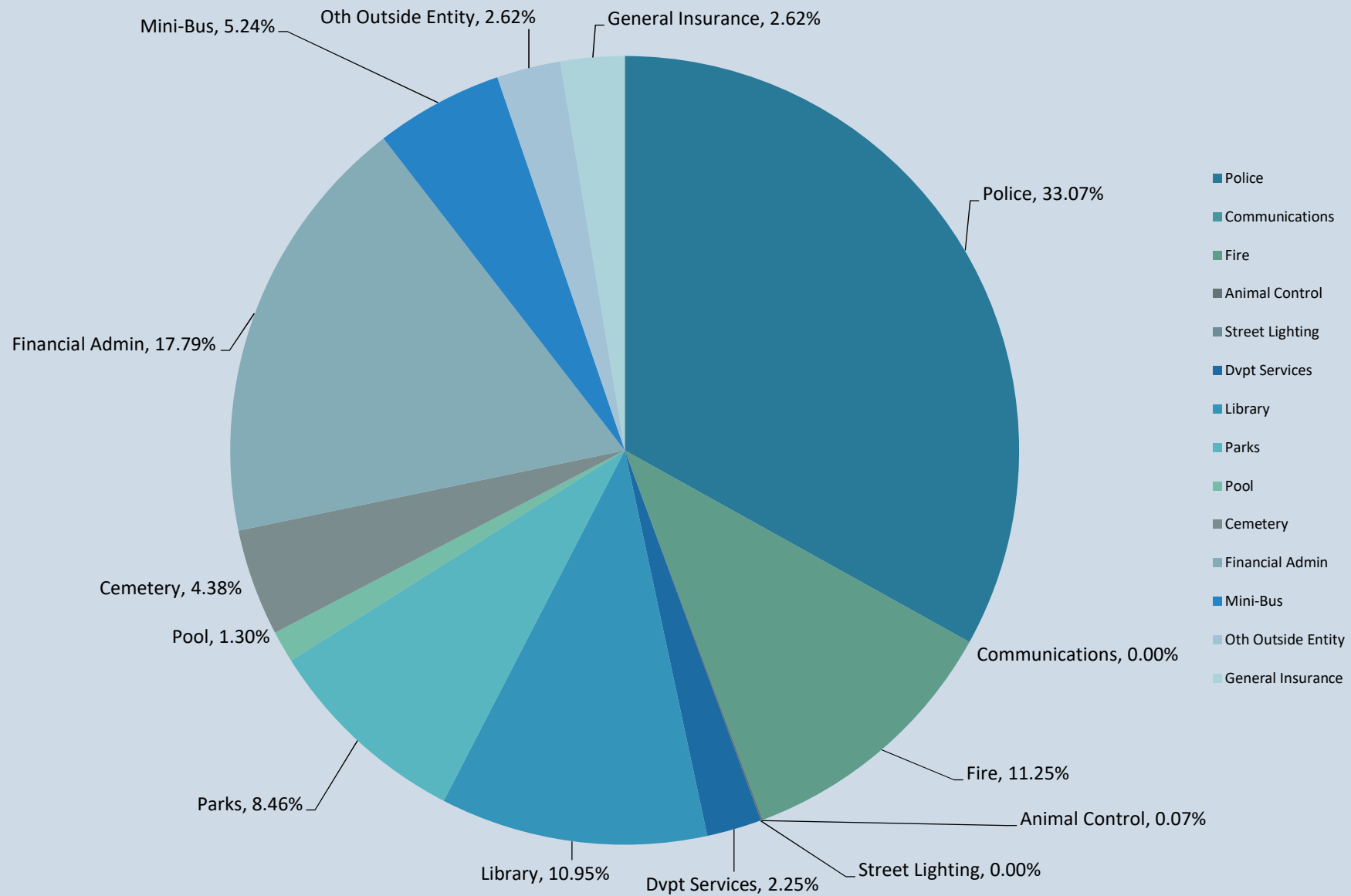
# *Fiscal 2019-2020 Budget Overview*

- As Presented (Continued):
    - Proposed addition of a full-time Parks Maintenance position to deal in part with current and anticipated demands due to the Wellness Park and other initiatives.
    - Funding is included for projects including the North 4<sup>th</sup> sewer separation & street project, City Hall/Police building renovation, and Wellness Park Phases 1B & 1C. Total capital projects are estimated at \$7.8 million.
    - Water & Sewer are both budgeted at 3.5% on usage only, and Sanitation is budgeted with an aggregate 5% increase (more explanation on this later).
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# *General Fund Budget*

- Overall:
    - Revenues: \$3,817,801.36
    - Expenditures: \$3,817,801.36
    - Surplus (Deficit): \$0.00
    - Estimated balance at 7/1/19: \$1,000,000.00
    - Estimated balance at 6/30/20: \$1,000,000.00
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## General Fund Budget Allocation





## *Police Budget Summary*

- Revenues: \$26,975
- Local Option Sales Tax Transfer In: \$300,000 (same as current)
- Expenditures: \$1,262,651
- General funding: \$935,676
- Net Funding increase/(decrease): (\$298,261)
- Highlights:
  - Communications now levied countywide (pending final agreement)
  - Replace 2012 & 2014 Patrol Tahoes (2014 goes to Development Services): \$75,967 (in Capital Equipment 300), GO Bond funding
  - Continue outside tech services: \$8,000

# *Fire Budget Summary*

- Revenues: \$90,000
- LOST Transfer In: \$132,500 (stays same)
- Expenditures: \$429,347
- General funding: \$206,847
- Net Increase/(decrease): \$11,141
- Highlights:
  - Higher utilities anticipated due to larger new building
  - New tanker truck in Capital Equipment 300
  - Not a full department physicals year, but have 2 firefighter positions to replace
  - Gear replacement: maintained at \$15,000



# *Development Services Summary*

- Revenue: \$57,500
- Expenditures: \$86,055
- General Funding: \$28,555
- Net Increase/(decrease): \$10,443
- Highlights:
  - Permit fees reduced by \$5,000 (reflect past trends more closely)
  - Budgeted to take 2014 Tahoe from PD; \$2,000 upfit costs included in departmental budget
  - Replacement of GPS data collector at around \$6,800.

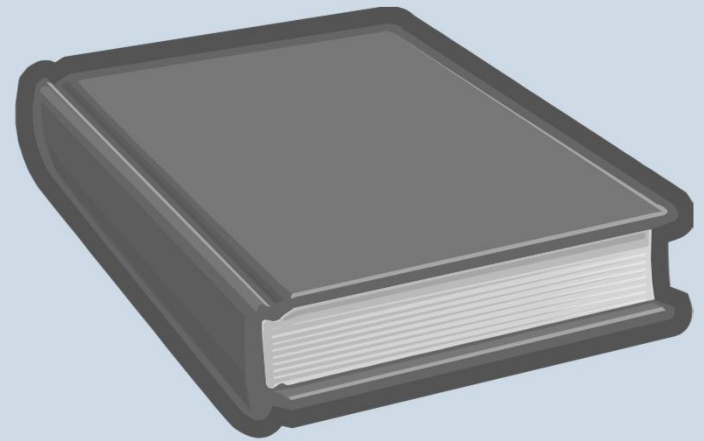




# *Library Budget Summary*

- ☐ Revenues: \$85,000
- ☐ Expenditures: \$418,047
- ☐ General Funding: \$333,047
- ☐ Increase/decrease: \$8,618
- ☐ Highlights:

- ☒ Janitor now shown as a contract position.
- ☒ Around a \$5,000 increase in City share of health premiums due to employees opting to change their coverages.
- ☒ Need to consider a strong proactive building maintenance plan to keep the now 10-year-old facility in top shape. New FT joint City Hall/Library building maintenance technician position is probable for FY21 budget proposal.



# *Parks Budget Summary*

- Revenues: \$450
- Expenditures: \$323,141
- General Funding: \$322,691
- Increase/decrease: \$60,721
- Highlights:
  - Request to add a full-time Parks Maintenance position to assist with additional demands on the department, including the Wellness Park.
    - Position is budgeted to be on the same scale as Public Works union operators.
  - Plan to renovate the main pavilion at Sunset Park (see Capital Projects Fund 301) using Riverboat and Park Gift funds. \$60,000 project.
  - \$12,000 budgeted in Capital Equipment 300 for a new 70" deck mower to handle increased mowing demands.



# *Pool Budget Summary*

- ☐ Revenues: \$0
- ☐ Expenditures: \$49,645
- ☐ General Funding: \$49,645
- ☐ Increase/(decrease): \$14,630
- ☐ Highlights:

- ☒ Management Fee to YMCA: \$6,800
- ☒ Plan to begin a structured maintenance program for this nearly 20-year-old facility (see next slide)
- ☒ Continue replacement of lounge chairs: \$2,000.



# *Pool Maintenance Plan*



## ☐ Major Maintenance Already Completed:

- ☐ Main slide structure sandblasting & repainting- FY14
- ☐ Bathhouse re-roofing- FY17

## ☐ Future Maintenance Schedule:

- ☐ FY20: Replace sand filter valve, flange, and bolts; replace non-working & hard to work mechanical valves, flanges, and bolts for various pumps: \$14,000
- ☐ FY21: Apply high-quality epoxy paint with chips to bathhouse floor: \$10-14,000
- ☐ FY22: Sand filter media replacement: \$10-12,000
- ☐ FY25: Comprehensive pool basin repairs and painting: \$200-300,000 (cover expense with FY25 G.O. Bond)
- ☐ Unscheduled, will work in as possible: Sandblast & repaint 4 light poles: \$4-6,000

# *Cemetery Budget*

- Revenues: \$67,500
- Expenditures: \$167,408
- General Funding: \$99,908
- Increase/decrease: \$4,936
- Highlights:
  - Purchase of mower in Capital Equipment Fund: \$7,829.
  - \$20,000 has been added to the South E paving project to allow for the hiring of a landscape architect and developing a plan to landscape the east and south sides of Elm Grove since this will become a significant entrance to town after the remainder of West Buchanan is paved in FY21.



# *Finance, Legal & City Hall*

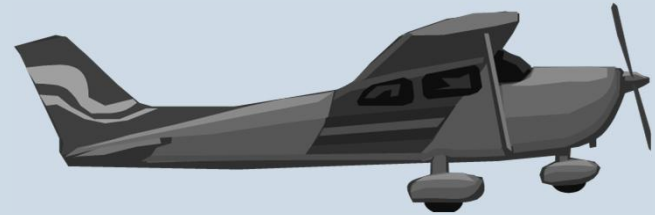
- Revenues (includes property tax): \$3,055,376 (down \$3,649)
- Expenditures: \$1,079,007 (up \$184,123)
- Highlights:
  - Accelerated replacement of computers (Microsoft discontinuing support of Windows 7)
  - Continue policy of maintaining \$1,000,000 fund balance and transferring any additional at year-end to Fund 309 for City Hall, Police, and Fire building improvements
    - Transfer out estimated at \$365,495.



# *Outside Entity Funding*

- Requests (tentative at this time):
    - WEDG: \$25,000 (\$2,713 higher than current)
    - PAWS & More: \$21,000 (same as current)
      - Planning on a new 3-year agreement for FY21, 22 & 23
    - Main Street: \$20,000 (same as current)
    - Tourism Committee: \$20,000 (same as current)
      - Year 2 of 3 at this level
    - Fireworks: \$6,000 (same as current)
  - Discussion will be held at the 3<sup>rd</sup> budget workshop on WEDG, Main Street, Tourism, and PAWS & More requests.
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# *Airport Budget*



- Airport is in Fund 002 and is self-supporting on an operating basis
- Revenues: \$432,400
- Expenditures: \$452,024
- Fund Surplus (Deficit): (\$16,924)
- Projected FB @ 7/1/19: \$255,319.86
- Projected FB @ 6/30/20: \$235,695.93
- Highlights:
  - Complete Taxilane for Fueling project- \$300,000 and proceed to installation of new Fuel Farm- \$200,000 project (Projects shown in Capital Projects 301)



## *Tax Rate Comparison: Current vs. Proposed*

Levy	Current Rate	Proposed Rate	Increase/ (Decrease)
General	8.10000	8.10000	0.00000
Employee Benefits	3.38686	2.87433	(0.51253)
General Insurance	0.44341	0.40755	(0.03586)
Emergency	0.27000	0.27000	0.00000
<u>Debt Service</u>	<u>3.62052</u>	<u>3.57206</u>	<u>(0.04846)</u>
<b>Overall</b>	15.82079	15.22394	(0.59685)
\$100K House City Bill	\$879.97	\$866.52	(\$13.45)
\$100K Biz City Bill	\$1,423.87	\$1,370.15	(\$53.72)

# *Road Use Tax Fund*

- ▶ Revenues: \$1,002,607
  - ▶ Expenditures: \$1,143,266
  - ▶ Fund Surplus (Deficit): (\$140,658)
  - ▶ Projected FB @ 7/1/19: \$456,708
  - ▶ Projected FB @ 6/30/20: \$316,049
  - ▶ Highlights:
    - ▶ We are drawing down the balance significantly in FY18-FY20, due to:
      - ▶ Emerald Ash Borer ROW tree removals
      - ▶ South 15<sup>th</sup> Avenue project
      - ▶ South Avenue E project
      - ▶ East Washington Sidewalk project
      - ▶ Airport Projects
    - ▶ We do plan to do a TIF amendment to allow for the RUT costs involved with the South E and West Buchanan (FY21) projects to be repaid by TIF
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# *Debt Service Fund*

- Total debt service payments for year: \$1,050,995.
  - Planned Debt Issuance:
    - \$4,100,000 General Obligation issuance- close in March or April 2020, so no debt service levy impact in FY20 (see next slide for debt issuance details)
  - Total DS Levy responsibility: \$909,159.
  - Total levy requested is 3.57206, which is \$0.04846/\$1,000 valuation less than last budget.
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# *General Obligation Bond Issuance*

- Budget assumes G.O. bond issuance of \$4,100,000, for net proceeds of \$4,000,000
    - North 4<sup>th</sup> Sewer Separation & Street Project: \$1.53 M debt proceeds
    - Captain's Table Renovation TIF Grant: \$345,000
    - New Fire Department tanker truck: \$245,000
    - Replace M/C Street Sweeper: \$150,000
    - Replace 2 Police Tahoes: \$80,000
    - Garbage & Recycling Bins for automated pickup: \$250,000
    - South 12<sup>th</sup> & East Adams Paving (FY21 Project): \$1,400,000
  - Since we are forecasting out slightly more than a year, the bond amounts or projects may change somewhat
  - Police & street equipment purchases are proposed to be made in mid-2019 and reimbursed by bond proceeds when those become available in early 2020; fire truck is a 425-day window from ordering to delivery
  - Bond is structured for 15 years total, but Captain's Table grant is for 3 years and equipment purchases are for 7 years
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# *Debt Payments for FY19-20*

- \$216,288 for 2015 North Tower/Streets/Fire Truck (Year 5 of 19)
  - \$166,120 for 2016A Nontaxable Refunding of 2009 GO Bond (Year 3 of 12)
  - \$59,713 for 2016B Taxable Refunding of 2009 GO Bond (Year 4 of 13)
  - \$133,525 for 2016C Streets/Business Park (Year 4 of 5)
  - \$443,570 for 2018 Streets/Sewer/Wellness Park (Year 2 of 13)
  - \$158,940 for 2018 LOST Revenue Bonds (Year 2 of 15)
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## *Historical Tax Levy Rates*

	<u><b>15-16</b></u>	<u><b>16-17</b></u>	<u><b>17-18</b></u>	<u><b>18-19</b></u>	<u><b>19-20</b></u>
General	8.10000	8.10000	8.10000	8.10000	8.10000
General Insurance	0.50343	0.47596	0.46788	0.44341	0.40755
Employee Benefits	3.03705	3.03012	3.10873	3.38686	2.87433
Debt Service	3.91031	3.94471	3.87418	3.62052	3.57206
Emergency	0.27000	0.27000	0.27000	0.27000	0.27000
<b>Total</b>	15.82079	15.82079	15.82079	15.82079	15.22394

# *Capital Equipment Fund*

- Due to the City Hall/Police/Fire improvements, we have eliminated the LOST and General Fund contributions to this fund for a few years, so the only sources recommended for FY20 are Road Use Tax and 2020 GO Bond funds. We have enough non-designated fund balance to cover anticipated purchases over that time period.
  - Priorities for this year include:
    - From bond funds: 2 Police vehicles, Fire tanker truck, M/C street sweeper
    - From fund balance: Parks 70" deck mower (\$12,000), Cemetery mower (\$7,829)
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# *Capital Projects*

- New Projects Include:

- North 4<sup>th</sup> Avenue Sewer Separation & Street Project: \$1,750,000
    - New storm sewer to remove significant stormwater inflow from the sanitary sewer (this is the first major I/I project in the Egg Basin since the Courthouse Sewer Separation Project in FY17)
    - Various point repairs and lining along existing North 4<sup>th</sup> sewer
    - Upsized water line to Stewart Elementary to improve fire flow as per 2013 Water Facility Plan
    - Reconstruct North 4<sup>th</sup> Avenue between 5<sup>th</sup> & 7<sup>th</sup>
    - Possible upgrading of North 2nd Underpass stormwater lift station (depends on route of new storm sewer)
  - City Hall/Police Building Renovation: \$1,556,884
  - Airport Fuel Farm: \$200,000 (\$150,000 grant/\$50,000 Airport 002)
  - East Main (12<sup>th</sup> to 15<sup>th</sup>) Water Main: \$200,000
  - Sunset Park Main Pavilion Remodel: \$60,000
  - Lincoln Safe Routes to School Phase 1, East Monroe: \$70,000
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# *Riverboat Capital Projects*

- Revenues: \$425,000
  - Expenditures: \$425,000
    - Wellness Park: \$275,000
    - Downtown Incentive Grants (DIG) Program: \$100,000
    - Sunset Park Main Pavilion Renovation: \$50,000
  - Long-term plan for Riverboat Foundation Municipal Grant funds is in budget appendix, page A9
  - The proposed uses beyond FY20 are still subject to approval by the Riverboat Foundation.
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# *Water Fund Budget*

- ▶ Revenues: \$1,950,309.67
- ▶ Expenditures: \$1,955,496.06
- ▶ Fund Surplus (Deficit): (\$5,186.39)
- ▶ Projected FB @ 7/1/19: \$644,644.50
- ▶ Projected FB @ 6/30/20: \$639,458.10
- ▶ Highlights:
  - Assumes 3.5% increase on usage only, same as FY19
  - 2<sup>nd</sup> year of debt payments on the Water Plant, which is expected to be a \$267,866 annual payment for 20 years.
  - The only capital project is the East Main (12<sup>th</sup> to 15<sup>th</sup>) water main replacement (\$200,000)
  - Includes replacement of Case Backhoe (\$59,000 net) and of 2 handheld electronic water meter readers (\$24,000)
  - Plan to certify full Business Park Water Fund contribution back against TIF (this will result in \$500,000 plus interest being repaid to the fund in the years through FY29)

# *Sewer Fund Budget*

- Revenues: \$2,405,514.65
  - Expenditures: \$2,505,523.78
  - Fund Surplus (Deficit): (\$100,009.13)
  - Projected FB @ 7/1/19: \$730,064.95
  - Projected FB @ 6/30/20: \$630,055.82
  - Highlights:
    - Assumes a 3.5% increase on usage only, the same as FY19
    - Debt Payments as follows:
      - WWTF SRF Loan: \$787,680 (Payment 8 of 30).
      - West Side Interceptor: \$151,813 (Payment 8 of 30).
    - Completion of \$1.6M SE Basin CDBG Sewer project
    - Some drawdown of fund balance due to North 4<sup>th</sup> Sewer & Street project
    - Plan to certify full Business Park Sewer Fund contribution back against TIF (this will result in an additional \$230,000 plus interest being repaid to the fund in the years through FY29)
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# *Sanitation Budget*

- Revenues: \$700,168.60 (includes \$250,000 GO Bond funds)
- Expenditures: \$733,265.02 (includes purchase of 2,500 wheeled garbage carts and 2,500 wheeled recycling carts)
- Fund Surplus (Deficit): (\$33,096.42)
- Projected FB @ 7/1/19: \$127,073.05
- Projected FB @ 6/30/20: \$93,976.63
- Highlights:
  - Budget assumes:
    - 50% refunding of garbage can stickers for 2019 (to take place in FY19) and 5% overall increase in net fees; ; the intention is that only those choosing the 65-gallon garbage can would see more than a 5% increase and those with 35-gallon cans would see 5% or less in year one
    - That the City will need to purchase garbage and recycling carts
    - Drawdown of fund balance to cushion users from rate increases for 2-3 years
  - All of the numbers involved are speculative at this point; we should have much better numbers after proposals are received February 14