CITY OF WASHOUGAL
CITY COUNCIL WORKSHOP AGENDA
Monday, October 25, 2021
5:00 PM

MEETING INFORMATION
Please click the link below to join the webinar:
https://us02web.zoom.us/j/82743050048

I. CALL TO ORDER

II. ROLL CALL

III. PUBLIC COMMENTS

IV. NEW BUSINESS

A. Finance: 2021 3rd Quarter Update and 2022 City Manager's Preliminary Budget presentation

V. PUBLIC COMMENTS

VI. REPORTS AND COMMUNICATIONS

A. CITY MANAGER

B. MAYOR

C. CITY COUNCIL

VII. ADJOURNMENT

UPCOMING MEETINGS: Monday, November 1, 2021 - Workshop at 5:00 pm and Council at 7:00 pm

BUSINESS OF THE CITY COUNCIL

City of Washougal, Washington

FOR AGENDA OF:
10/25/2021

SUBJECT:

MEETING INFORMATION

Please click the link below to join the webinar:
https://us02web.zoom.us/j/82743050048

DEPT. OF ORIGIN:
Administration

REVIEWED AT:

TO BE RETURNED TO COUNCIL:

EXPENDITURE REQUIRED: **BUDGETED:** **APPROPRIATION REQUIRED:**

SUMMARY STATEMENT

RECOMMENDED ACTION

Workshop Coversheet

BUSINESS OF THE CITY COUNCIL

City of Washougal, Washington

FOR AGENDA OF:
10/25/2021

SUBJECT:
2021 3rd Quarter Update and 2022 City Manager's Preliminary Budget presentation

DEPT. OF ORIGIN:
Finance

REVIEWED AT:

TO BE RETURNED TO COUNCIL:

ATTACHMENTS:

- **2021 3rd Q Presentation.pdf**
- **2022 Proposed Budget.pdf**

EXPENDITURE REQUIRED: **BUDGETED:** **APPROPRIATION REQUIRED:**

SUMMARY STATEMENT

RECOMMENDED ACTION

2021 3rd Quarter Review

10/25/2021 | Presented by Jen Forsberg

City of Washougal

Agenda

- 2021 Financial Summary

2021 Revenues – General & Street Funds

2021 3rd quarter revenues are at 77.4% of the budget

- Overall revenue is up 36.6% from 2020 (13.2% without the ARPA funds)

2021 Revenues - General & Street Funds

Revenue Source	3Q 2021 Actual	2021 Budget	3Q % of Budget	2020 Actual	3Q 2021 v 3Q 2020
Regular Property Taxes	$ 3,441,154	$ 5,833,158	59.0%	$ 3,306,165	4.1%
Retail Sales Taxes/Criminal Justice	$ 2,189,698	$ 2,414,000	90.7%	$ 1,745,893	25.4%
Utility Taxes	$ 2,184,975	$ 2,918,715	74.9%	$ 2,089,695	4.6%
Leasehold/Gambling Taxes & TBD	$ 331,386	$ 421,800	78.6%	$ 307,065	7.9%
Licenses and Permits	$ 379,984	$ 397,200	95.7%	$ 313,941	21.0%
State and Federal Grants	$ 2,304,165	$ 2,285,868	100.8%	$ 342,021	573.7%
State Shared Revenues/Entitlements	$ 739,059	$ 822,770	89.8%	$ 579,510	27.5%
Animal Control Fees	$ 113,999	$ 133,075	85.7%	$ 104,235	9.4%
General Government Charges	$ 182,779	$ 302,734	60.4%	$ 194,174	-5.9%
Sub Division/Zoning/Planning Fees	$ 768,240	$ 189,560	405.3%	$ 31,389	2347.5%
Indirect Cost Recovery	$ 437,634	$ 1,121,780	39.0%	$ 467,190	0.0%
Interest and Rents	$ 70,072	$ 84,750	82.7%	$ 137,441	-49.0%
Other Revenue Sources (Transfers)	$ -	$ 60,786	0.0%	$ -	0.0%
Total	**$ 13,143,145**	**$ 16,986,196**	**77.4%**	**$ 9,618,719**	**36.6%**

2021 Expenses – General & Street Funds

2021 3rd quarter expenses are at 66.7% of the budget

- This is up 18.5% from 2020

2021 Expenses – General & Street Funds

Department	3Q 2021 Actual	2021 Budget	3Q % of Budget	2020 Actual	3Q 2021 v 3Q 2020
Council	$ 61,685	$ 106,306	58.0%	$ 70,768	-12.8%
Judicial	$ 311,906	$ 510,500	61.1%	$ 401,127	-22.2%
City Manager's Officer	$ 368,081	$ 531,580	69.2%	$ 329,396	11.7%
Human Resources	$ 142,762	$ 200,032	71.4%	$ 121,332	17.7%
Finance	$ 870,258	$ 1,134,280	76.7%	$ 841,907	3.4%
Economic Development	$ 5,000	$ 55,000	9.1%	$ 5,000	0.0%
Legal	$ 9,206	$ 20,000	46.0%	$ 6,774	35.9%
General Government Services	$ 1,211,858	$ 1,895,050	63.9%	$ 515,352	135.2%
Police	$ 2,663,260	$ 3,736,549	71.3%	$ 2,283,239	16.6%
Fire	$ 2,253,198	$ 3,716,426	60.6%	$ 2,310,260	-2.5%
Intergovernment Services	$ 12,229	$ 17,000	71.9%	$ 11,865	3.1%
Community Development/Planning	$ 1,131,617	$ 1,500,445	75.4%	$ 675,968	67.4%
Engineering	$ 112,235	$ 163,704	68.6%	$ 79,598	41.0%
Animal Control	$ 148,806	$ 251,150	59.2%	$ 163,672	-9.1%
Parks	$ 343,460	$ 552,833	62.1%	$ 325,126	5.6%
City Building Maintenance	$ 343,570	$ 473,950	72.5%	$ 320,697	7.1%
Street Maintenance	$ 638,364	$ 1,073,783	59.4%	$ 503,475	26.8%
Total	**$ 10,627,495**	**$ 15,938,588**	**66.7%**	**$ 8,965,556**	**18.5%**

City of Washougal

2021 Revenue – Utility Funds

2021 3rd quarter revenues:

- Water/sewer revenues are at 81.6% of the budget
- Stormwater revenues are at 84% of the budget

2021 Expenses – Utility Funds

2021 3rd quarter expenses:

- Water/sewer expenses are at 46% of the budgeted amounts
- Stormwater expenses are at 55.2% of the budgeted amounts

2021 Revenues and Expenses – Utility Funds

Water/Sewer Utility	3Q 2021	2021 Budget	3Q % of Budget	2020 Actual
Revenues				
Water Sales	$ 2,897,683	$ 4,038,252	71.8%	$ 2,543,502
Sewer Sales	$ 4,189,428	$ 4,758,864	88.0%	$ 3,674,061
Other Revenues	$ 153,023	$ 80,800	189.4%	$ 80,374
Total Revenue	**$ 7,240,135**	**$ 8,877,916**	**81.6%**	**$ 6,297,937**
Total Expenses	$ 6,351,087	$ 13,792,348	46.0%	$ 5,721,575
Total Net Revenue	**$ 889,048**	**$ (4,914,432)**		**$ 576,362**

Storm Water Utility	3Q 2021	2021 Budget	3Q % of Budget	2020 Actual
Revenues				
Storm Water Sales	$ 1,204,527	$ 1,437,350	83.8%	$ 1,152,625
Storm Water Connection Fee	$ 47,322	$ 45,000	105.2%	$ 16,730
Other Revenues	$ 82,146	$ 106,000	77.5%	$ 107,376
Total Revenue	**$ 1,333,996**	**$ 1,588,350**	**84.0%**	**$ 1,276,731**
Total Expenses	$ 908,771	$ 1,645,751	55.2%	$ 930,865
Total Net Revenue	**$ 425,224**	**$ (57,401)**		**$ 345,866**

2021 Revenue & Expenses – All Funds

2021 Revenues & Expenses – All Funds

		3Q 2021			2021 Budget			3Q 2020		
Fund	Fund Description	Rev	Exp	Surplus/ (Def.)	Rev	Exp	Surplus/ (Def.)	Rev	Exp	Surplus/ (Def.)
001/101	General & Street	$13,143,145	$10,627,495	$ 2,515,650	$16,986,196	$15,938,588	$ 1,047,608	$ 9,618,719	$ 8,965,555	$ 653,164
003	Abatement Fund	$ 24,280	$ 2,228	$ 22,051	$ 1,200	$ 19,500	$ (18,300)	$ 367	$ 16,206	$ (15,839)
103	Cemetery Fund	$ 152,014	$ 162,701	$ (10,687)	$ 203,150	$ 223,150	$ (20,000)	$ 126,297	$ 140,882	$ (14,585)
104	REET-1st 1/4%	$ 506,431	$ 262,236	$ 244,195	$ 360,000	$ 1,094,600	$ (734,600)	$ 304,746	$ 41,425	$ 263,321
105	Park Development Fund	$ 151,104	$ 101,264	$ 49,839	$ 156,000	$ 869,000	$ (713,000)	$ 66,743	$ -	$ 66,743
106	REET-2nd 1/4%	$ 507,468	$ 4,669	$ 502,800	$ 781,800	$ 907,000	$ (125,200)	$ 298,059	$ 33,356	$ 264,703
108	Hotel Motel Tax	$ 69,527	$ 7,674	$ 61,853	$ 61,400	$ 60,000	$ 1,400	$ 47,680	$ 27,284	$ 20,396
110	Transportation Development	$ 318,743	$ -	$ 318,743	$ 262,000	$ 1,550,000	$ (1,288,000)	$ 212,341	$ 104,000	$ 108,341
118	PEG Fees	$ 97	$ -	$ 97	$ 1,600	$ 101,600	$ (100,000)	$ 664	$ 8,636	$ (7,972)
125	EMS Resrticted	$ 51	$ -	$ 51	$ -	$ -	$ -	$ 345	$ -	$ 345
126	Fire Impact Fee Fund	$ 43,205	$ 9,333	$ 33,871	$ 30,500	$ 14,000	$ 16,500	$ 21,165	$ 35,533	$ (14,368)
127	Affordable Housing Sales Tax Credit	$ 14,697	$ -	$ 14,697	$ 15,000	$ 14,500	$ 500	$ -	$ -	$ -
141	Drug Seizure Fund	$ 925	$ 735	$ 190	$ 28,300	$ 37,200	$ (8,900)	$ 2,151	$ 3,137	$ (986)

2021 Revenues & Expenses – All Funds

		3Q 2021			2021 Budget			3Q 2020		
Fund	Fund Description	Rev	Exp	Surplus/ (Def.)	Rev	Exp	Surplus/ (Def.)	Rev	Exp	Surplus/ (Def.)
212	UTGO Bond Redemption Fund	$ 59,163	$ 3,075	$ 56,088	$ 100,200	$ 106,150	$ (5,950)	$ 61,188	$ 4,650	$ 56,538
215/315	Downtown Bond Debt Dund	$ 37,300	$ 37,300	$ 0	$ 354,600	$ 354,600	$ -	$ 41,427	$ 41,425	$ 2
350	Capital Projects Fund	$ 1,070,829	$ 1,642,165	$ (571,336)	$ 2,961,000	$ 2,997,000	$ (36,000)	$ 925,019	$ 241,161	$ 683,858
351	Facilities Capital Project	$ 525,195	$ 464,184	$ 61,011	$ 999,000	$ 999,000	$ -	$ 222,156	$ 304,377	$ (82,221)
353	Transportation Capital Fund	$ 1,302,594	$ 1,325,588	$ (22,993)	$ 3,789,520	$ 3,955,335	$ (165,815)	$ 577,546	$ 649,628	$ (72,082)
355	Art Project Fund	$ 5,000	$ -	$ 5,000	$ 5,000	$ 9,000	$ (4,000)	$ 5,000	$ 718	$ 4,282

2021 Revenues & Expenses – All Funds

		3Q 2021			2021 Budget			3Q 2020		
Fund	Fund Description	Rev	Exp	Surplus/ (Def.)	Rev	Exp	Surplus/ (Def.)	Rev	Exp	Surplus/ (Def.)
401	Water/Sewer Fund	$ 7,240,135	$ 6,351,087	$ 889,048	$ 8,877,916	$ 13,792,348	$ (4,914,432)	$ 6,297,937	$ 5,721,575	$ 576,362
403	Stormwater Utility Fund	$ 1,333,996	$ 908,771	$ 425,224	$ 1,588,350	$ 1,645,751	$ (57,401)	$ 1,276,731	$ 930,865	$ 345,866
406	Water/Sewer Construction Res.	$ 927,083	$ 111,122	$ 815,961	$ 3,674,029	$ 3,666,737	$ 7,292	$ 539,110	$ 53,024	$ 486,086
408	Water/Sewer Bond Redemption	$ -	$ -	$ -	$ 3,443	$ 3,443	$ -	$ -	$ -	$ -
410	PWTF Loan Redemption	$ 301,662	$ 301,662	$ (0)	$ 301,663	$ 301,662	$ 1	$ 303,472	$ 303,472	$ -
412	Water/Sewer Bond Redemption	$ 1	$ -	$ 1	$ -	$ -	$ -	$ 9	$ -	$ 9
413	Water/Sewer/Storm Bond	$ 2,419,067	$ 3,854,358	$ (1,435,291)	$ 7,279,738	$ 9,906,982	$ (2,627,244)	$ 2,852,945	$ 1,055,809	$ 1,797,136
414	Water/Sewer/Storm Bond Res.	$ 82	$ -	$ 82	$ 1,800	$ -	$ 1,800	$ 560	$ -	$ 560

2021 Revenues & Expenses – All Funds

		3Q 2021			2021 Budget			3Q 2020		
Fund	Fund Description	Rev	Exp	Surplus/ (Def.)	Rev	Exp	Surplus/ (Def.)	Rev	Exp	Surplus/ (Def.)
510	Employment Security Reserve	$ 93	$ 17,269	$ (17,176)	$ 3,000	$ 30,450	$ (27,450)	$ 807	$ 7,278	$ (6,471)
520	ER&R - Rolling Stock	$ 447,777	$ 42,209	$ 405,568	$ 62,400	$ 55,000	$ 7,400	$ 7,188	$ 34,369	$ (27,181)
521	ER&R - IT FUND	$ 50,000	$ 33,885	$ 16,115	$ 50,100	$ 50,000	$ 100	$ 15	$ 2,024	$ (2,009)
604	Cemetery Perpetual Care Fund	$ -	$ -	$ -	$ 9,802	$ -	$ 9,802	$ 5,866	$ -	$ 5,866
610	Downtown Bond Guarantee Fund	$ 3,283	$ -	$ 3,283	$ 6,000	$ -	$ 6,000	$ 6,370	$ -	$ 6,370
631	Agency Fund - Low Income	$ 2	$ -	$ 2	$ 10,300	$ 14,000	$ (3,700)	$ 209	$ -	$ 209
	Total All Funds	**$ 30,654,950**	**$ 26,271,012**	**$ 4,383,939**	**$ 48,965,007**	**$ 58,716,596**	**$ (9,751,589)**	**$ 23,822,832**	**$ 18,726,389**	**$ 5,096,443**

LGIP - Investment Update

January	February	March
2,727.86	**2,380.64**	**1,793.75**
0.1395%	0.1347%	0.1133%
April	**May**	**June**
1,260.39	**975.89**	**930.82**
0.1020%	0.0764%	0.0753%
July	**August**	**September**
2,277.48	**1,007.56**	**1,075.92**
0.1783%	0.0789%	0.0870%
October	**November**	**December**
-	-	-
0.0000%	0.0000%	0.0000%

Total LGIP Interest YTD
14,430.31

Note: LGIP investments are liquid

Bond - Investment Update

Purchasing Fund	Rate	Maturity Date	Amount Paid	Maturity Value	Expected Interest
Water/Sewer	0.550%	9/30/2025	1,677,769.92	1,698,000.00	39,332.58
Water/Sewer/Storm/Downtown Bond Fund	0.660%	3/17/2025	2,003,148.00	2,000,000.00	56,000.00
Water/Sewer/Storm	0.430%	6/10/2024	1,997,436.00	2,000,000.00	18,000.00
Water/Sewer 401 and 406	0.310%	7/2/2024	2,094,082.00	2,000,000.00	105,000.00
Water/Sewer/TIF/REET	0.230%	2/5/2024	2,130,142.00	2,000,000.00	150,000.00
General Fund/Downtown Bond Fund	0.850%	1/28/2026	1,978,500.00	2,000,000.00	62,500.00
General Fund	0.460%	2/24/2026	1,001,940.00	1,000,000.00	25,000.00
Water/Sewer	0.260%	2/10/2025	1,002,374.00	1,000,000.00	12,800.00
General Fund	0.260%	2/10/2025	501,187.00	500,000.00	6,400.00
Water/Sewer/General Fund	0.460%	2/24/2026	500,970.00	500,000.00	12,500.00
			14,887,548.92	**14,698,000.00**	**487,532.58**

Earnings Received to Date:		
General Fund	$	9,917.65
Other Funds	$	7,510.00
W/S and SW Bond Funds	$	87,756.64
Total Earnings	$	105,184.29

Questions

Thank You!

2022 City Manager’s Proposed Budget

10/25/2021 | Presented by Jen Forsberg

City of Washougal

Agenda

- Key assumptions
- Budget highlights
- Presentation of the City Manager's 2022 Proposed Budget
- Budget message and proposed ordinance
- Next steps

Key Assumptions – General and Street

- Baseline Budget - Maintain service levels with targeted increases in Public Works and Community Development
- Key investments based on Council priorities
  - Strategic Plan
  - Comprehensive Plan/Town Center Sub Area Plan/Planned Action Ordinance (use of reserves/surplus previously approved and rolling from 2021)
  - General Facilities Plan
  - Community Engagement
- Continue to fund Fire per the latest agreement
  - Use of fire reserves

Key Assumptions – General and Street

Revenue Assumptions:

- 1% councilmanic property tax increase + 1.7% new construction
- Known utility increases
- Trending of revenues and 2% overall increase for remaining revenues
- $2,248,118 in ARPA funding ($2,105,118 remaining from prior payment)
  - Future council decision pending

Key Assumptions – General and Street

Expense assumptions

- Maintain service levels
- COLAs per contracts – subject to negotiations
- Medical costs– 10% Kaiser, 5.92% Regence, 2% Delta Dental
- Use of Economic Development $50K
  - Pursuing funding opportunities for capital projects to enhance economic development
  - Explore new economic development incentive tools

Key Assumptions – General and Street

- **Council's #1 priority: Pavement Management Program** – use TBD funds
  - ✓ $906.8K estimated funding (increased from $863K in 2019)
    - 2021 and 2022 funding will be $261.8K TBD, $170K GF and $475K REET
    - 2020 program truncated due to COVID
    - 2019 funding was $171K TBD, $217K GF and $475K REET
    - 2018 funding was $275K GF and $475K REET

Key Assumptions – Utilities

- Following FCS rate study
- Following capital facilities plan

Budget Highlights ~ Art Capital Projects

Total Budget $14,000

- Other projects ~ $14K
  - Beginning balance $9K

Budget Highlight - Facilities Capital Projects

Total Budget $1,172,000

- Social Service Building Maintenance and Repair Project ~ $959K
  - $227K CDBG
  - $700K Legislative appropriation
  - $32K City match fund balance
- Facilities Master Plan ~ $100K
- Other facility projects ~ $113K
  - Will follow the facilities plan

Budget Highlights - Transportation Capital Projects

Total Budget $ 806K

- Evergreen Way Sidewalks 39th to 42nd ~ $300K
  - $239K Transportation Improvement Board grant has been submitted, project will only proceed if we receive this grant
  - $61K TIF

- 32nd Street Underpass Design ~ $200K
  - $200K Legislative Appropriation

- Traffic Calming ~ $60K
  - Fund Balance

Budget Highlights - Transportation Capital Projects

- Pavement Management Report ~ $20K
  - Fund Balance
- Other Opportunities ~ $226K
  - TIF Eligible ~ $201K
  - Non TIF Eligible ~ $25

Budget Highlights - Parks Capital Project

Total Available Budget $511K

- Hartwood Park Bridge ~ $250K
  - Fund balance
- Pickleball Court ~ $105K
  - $15,800 - donations
  - $89,200 fund balance
- Other PIF eligible projects ~ $156K

Budget Highlights - Water/Sewer Capital Projects

Total Budget $11,681,015

- Water ~ $3,218,023
  - Northside Reservoir ~ $2,100,000
  - Water Main Extension C St to A St ~ $424,360
  - Automatic Meter Reading – AMI ~ $409,383
  - Water Main Installation – 32/34th St / “J” St ~ $284,280
- Sewer ~ $6,165,092
  - Anoxic Selector ~ $952,328
  - Biosolids Management ~ $3,845,661
  - Pump Station #1 relocation ~ $1,254,552
  - SCADA system upgrade ~ $112,551
- Debt Payments (revenue transferred in from O&M accounts) ~ $2,177,900
- Indirect Costs ~ $120,000

Budget Highlights – Community Support & Engagement

- Development & Implementation of Community Engagement Plan - $15K
- Community Event Support - $39,300
  - Children's Home Society - $7.5K
  - Community events - $24K
  - Refuel Washougal - $5.2K
  - Senior Exercise Class - $2.6K

Budget Highlights – General ERR

- Police Department - $502K
  - 7 vehicle replacements (some of 2021 carried over)
- Parks Department - $72K
  - Mower and a truck replacement
- Streets Department - $88K
  - 2 truck replacements
- Community Development - $48K
  - 1 truck replacement
- Cemetery - $19K
  - Mower replacement

Budget Highlights – Utility ERR

- Water Department - $161K
  - 3 truck replacements
- Sewer Department - $246K
  - ½ new vactor truck
- Stormwater Department - $266K
  - ½ new vactor truck
  - 1 mower replacement

City Manager's Proposed 2022 Budget

City of Washougal

General and Street Fund Revenues

	2020 Actual	2021 Budget	2022 Proposed	$ Change	% Change
Regular Property Taxes	$ 5,697,415	$ 5,833,158	$ 6,053,745	$ 220,587.00	3.78%
Retail Sales Taxes/Criminal Justice	$ 2,435,747	$ 2,419,000	$ 2,912,320	$ 493,320.00	20.39%
Utility Taxes	$ 2,869,763	$ 2,918,715	$ 2,771,244	$ (147,471.00)	-5.05%
Leasehold and Gambling Taxes	$ 415,810	$ 421,800	$ 435,000	$ 13,200.00	3.13%
Licenses and Permits	$ 417,593	$ 397,200	$ 1,117,200	$ 720,000.00	181.27%
State and Federal Grants	$ 732,785	$ 2,285,868	$ 2,305,378	$ 19,510.00	0.85%
State Shared Revenues/Entitlements	$ 782,048	$ 822,770	$ 836,869	$ 14,099.00	1.71%
Animal Control Fees	$ 104,280	$ 133,075	$ 142,825	$ 9,750.00	7.33%
General Government Charges	$ 291,333	$ 296,441	$ 300,060	$ 3,619.00	1.22%
Sub Division/Zoning/Planning Fees	$ 305,164	$ 194,320	$ 386,100	$ 191,780.00	98.69%
Indirect Cost Recovery	$ 861,238	$ 1,121,780	$ 1,121,780	$ -	0.00%
Interest and Rents	$ 143,733	$ 79,683	$ 59,883	$ (19,800.00)	-24.85%
Other Revenue - Transfers etc	$ -	$ -	$ -	$ -	0.00%
Total Revenue	**$15,056,909**	**$16,923,810**	**$ 18,442,404**	**$ 1,518,594.00**	**8.97%**

City of Washougal

General and Street Fund Expenses

	2020 Actual	2021 Budget	2022 Proposed	$ Change	% Change
Council	$ 83,334	$ 106,306	$ 106,006	$ (300.00)	-0.28%
Judicial	$ 591,714	$ 510,500	$ 560,500	$ 50,000.00	9.79%
City Managers Office	$ 427,310	$ 531,580	$ 698,680	$ 167,100.00	31.43%
Human Resources	$ 159,961	$ 190,032	$ 211,332	$ 21,300.00	11.21%
Finance	$ 1,180,511	$ 1,134,280	$ 1,163,680	$ 29,400.00	2.59%
Economic Development	$ 5,000	$ 55,000	$ 55,000	$ -	0.00%
Legal	$ 9,654	$ 20,000	$ 20,000	$ -	0.00%
General Government Services	$ 1,633,908	$ 1,105,050	$ 1,512,700	$ 407,650.00	36.89%
Police	$ 3,175,063	$ 3,689,794	$ 3,888,294	$ 198,500.00	5.38%
Fire	$ 3,470,263	$ 3,716,426	$ 4,034,550	$ 318,124.00	8.56%
Intergovernment Services	$ 11,865	$ 17,000	$ 17,500	$ 500.00	2.94%
Community Development/Planning	$ 1,169,677	$ 1,080,445	$ 1,621,745	$ 541,300.00	50.10%
Engineering	$ 151,417	$ 163,704	$ 166,404	$ 2,700.00	1.65%
Animal Control	$ 231,962	$ 251,150	$ 270,650	$ 19,500.00	7.76%
Parks	$ 601,063	$ 552,833	$ 611,833	$ 59,000.00	10.67%
City Building Maintenance	$ 466,309	$ 473,950	$ 570,650	$ 96,700.00	20.40%
Street Maintenance	$ 802,649	$ 1,073,783	$ 1,084,293	$ 10,510.00	0.98%
Total Expenses	**$14,171,660**	**$14,671,833**	**$ 16,593,817**	**$ 1,921,984**	**13%**

Long Range Forecast

	2018 Year End	2019 Est Actual	2020 Est	2021 Est	2022 Est	2023 Est	2024 Est	2024 Est	2024 Est	2025 Est
Population	15,863	16,101	16,342	16,588	16,836	17,089	17,345	17,605	17,869	18,138
Rev/Capita	$ 817	$ 824	$ 921	$ 885	$ 962	$ 976	$ 991	$ 1,005	$ 1,020	$ 1,035
Exp/Capita	$ 832	$ 819	$ 867	$ 885	$ 986	$ 978	$ 993	$ 1,009	$ 1,025	$ 1,041
Forecast Revenue % Chg	5.47%	2.36%	13.48%	-2.53%	10.35%	3.00%	3.00%	3.00%	3.00%	3.00%
Forecast Expense % Chg	6.19%	-0.08%	7.50%	3.53%	13.10%	3.10%	3.10%	3.10%	3.10%	3.10%

	2018 Year End	2019 Est Actual	2020 Est	2021 Est	2022 Est	2023 Est	2024 Est	2024 Est	2024 Est	2025 Est
Revenue	$ 12,962,204	$ 13,268,699	$ 15,056,910	$ 14,675,692	$ 16,194,286	$ 16,680,115	$ 17,180,518	$ 17,695,934	$ 18,226,812	$ 18,773,616
Expenditure	$ 13,193,461	$ 13,182,904	$ 14,171,660	$ 14,671,833	$ 16,593,817	$ 16,708,225	$ 17,226,180	$ 17,760,192	$ 18,310,758	$ 18,878,391
Surplus/(Deficit)	**$ (231,258)**	**$ 85,795**	**$ 885,250**	**$ 3,859**	**$ (399,531)**	**$ (28,111)**	**$ (45,662)**	**$ (64,258)**	**$ (83,946)**	**$ (104,775)**
Ending Cash Reserve	$ 3,424,963	$ 3,510,758	$ 4,396,008	$ 4,399,867	$ 4,000,336	$ 3,972,225	$ 3,926,562	$ 3,862,304	$ 3,778,358	$ 3,673,582
Reserves as % Expense	26.0%	26.6%	31.0%	30.0%	24.1%	23.8%	22.8%	21.7%	20.6%	19.5%
Reserves as % Revenue	26.4%	26.5%	29.2%	30.0%	24.7%	23.8%	22.9%	21.8%	20.7%	19.6%
Net Revenue as % Expense	-1.8%	0.7%	6.2%	0.0%	-2.4%	-0.2%	-0.3%	-0.4%	-0.5%	-0.6%
Minimum Reserve at 16%	$ 1,583,628	$ 1,573,157	$ 1,704,605	$ 1,757,385	$ 2,030,531	$ 2,033,316	$ 2,116,189	$ 2,201,631	$ 2,289,721	$ 2,380,543
Additional Reserves	$ 1,841,335	$ 1,937,601	$ 2,691,402	$ 2,642,481	$ 1,969,805	$ 1,938,909	$ 1,810,374	$ 1,660,673	$ 1,488,637	$ 1,293,040

Utility Funds

Section Title

City of Washougal

Utility Fund – Water/Sewer

Water/Sewer Utility	2020 Actual	2021 Budget	2022 Proposed	$ Change	% Change
Revenues					
Water Sales	$ 3,799,300	$ 4,038,252	$ 4,057,978	$ 19,726	0.49%
Sewer Sales	$ 5,019,964	$ 4,758,864	$ 4,782,333	$ 23,469	0.49%
Other Revenues	$ 144,243	$ 80,800	$ 80,800	$ -	0.00%
Total Revenue	**$ 8,963,507**	**$ 8,877,916**	**$ 8,921,111**	**$ 43,195**	**0.49%**
Total Expenses	$ 7,797,570	$ 13,792,348	$ 10,237,352	$ (3,554,996)	-25.78%
Total Net Revenue	**$ 1,165,937**	**$ (4,914,432)**	**$ (1,316,241)**	**$ 3,598,191**	**73.22%**

Utility Fund – Stormwater

Storm Water Utility	2020 Actual	2021 Budget	2022 Proposed	$ Change	% Change
Revenues					
Storm Water Sales	$ 1,559,299	$ 1,437,350	$ 1,416,900	$ (20,450)	-1.42%
Storm Water Connection Fee	$ 34,177	$ 45,000	$ 45,000	$ -	0.00%
Other Revenues	$ 169,364	$ 106,000	$ 133,500	$ 27,500	25.94%
Total Revenue	**$ 1,762,840**	**$ 1,588,350**	**$ 1,595,400**	**$ 7,050**	**0.44%**
Total Expenses	$ 1,283,058	$ 1,645,751	$ 2,091,153	$ 445,402	27.06%
Total Net Revenue	**$ 479,782**	**$ (57,401)**	**$ (495,753)**	**$ (438,352)**	**763.67%**

Other Funds

City of Washougal

Other Funds – REET 1 & 2

- Use restricted funds for:
  - Bond Payments on Downtown debt
  - Pavement Management Program – Councils #1 priority
    - $906.8K - $261.8 TBD, $170K general fund & $475K REET
  - Further discussion in 2022 for potential grant match opportunities

Other Funds – Hotel Motel Lodging Tax Funds

- Overall appropriation - $110,900
  - Staff Salary/Benefits: $19,900
  - Professional Services: $40K
    - Includes advertising and tourism professional services support
  - Events: $46K
    - Washougal Arts and Culture Alliance Artist Tour - $2,500
    - Washougal Arts and Culture Alliance Art Festival - $3,500
    - Other 2022 events - $40K
  - Indirect Charges: $5K

Other Funds

Fund	Description	Beginning Fund Balance	Revenues	Expenditures	Ending Fund Balance
001	General Fund	$ 4,431,601	$ 17,929,432	$ 16,080,845	$ 6,280,188
003	Abatement Fund	$ 57,543	$ 1,200	$ 19,500	$ 39,243
101	Street Fund	$ -	$ 1,084,293	$ 1,084,293	$ -
103	Cemetery Services Fund	$ 13,733	$ 156,200	$ 155,950	$ 13,983
104	REET Fund - 1st 1/4%	$ 733,397	$ 360,000	$ 358,400	$ 734,997
105	Park Impact Fee Fund	$ -	$ 156,000	$ 156,000	$ -
106	REET Fun -2nd 1/4%	$ 266,800	$ 781,800	$ 907,000	$ 141,600
108	Hotel Motel Tax Fund	$ 31,400	$ 86,400	$ 110,900	$ 6,900
110	Transportation Impact Fee Fund	$ -	$ 262,000	$ 262,000	$ -
118	PEG Fee Fund	$ 100,000	$ 1,600	$ 101,600	$ -
125	EMS Restricted Fund	$ -	$ -	$ -	$ -
126	Fire Impact Fee Fund	$ 396,025	$ 30,500	$ 14,000	$ 412,525
127	Affordable Housing Sales Tax Credit Fund	$ 15,000	$ 15,000	$ 30,000	$ -
141	Drug Seizure Fund	$ 15,100	$ 28,300	$ 37,200	$ 6,200
212	UTGO Bond Redemption Fund	$ 50	$ 110,200	$ 108,150	$ 2,100
215	Downtown Debt Service Bond	$ 336	$ 358,400	$ 358,400	$ 336
350	Capital Projects Fund	$ 250,000	$ 261,000	$ 511,000	$ -
351	Facilities Capital Projects	$ 40,000	$ 1,132,000	$ 1,172,000	$ -
353	Transportation Capital Projects	$ -	$ 806,000	$ 806,000	$ -
355	Art Project Fund	$ 9,000.00	$ 5,000.00	$ 14,000.00	$ -

Other Funds

Fund	Description	Beginning Fund Balance		Revenues		Expenditures		Ending Fund Balance	
401	Water/Sewer	$	1,535,079	$	8,921,111	$	10,237,352	$	218,838
403	Stormwater	$	1,710,414	$	1,595,400	$	2,091,153	$	1,214,661
406	Water/Sewer Construction	$	6,965,000	$	2,693,400	$	512,319	$	9,146,081
408	Water/Sewer Bond Redemption	$	-	$	-	$	-	$	-
410	PWTF Loan Redemption	$	779	$	299,853	$	299,853	$	779
412	Water/Sewer Bond Redemption	$	-	$	-	$	-	$	-
413	Water/Sewer Revenue Bond	$	8,800,000	$	3,376,491	$	11,681,015	$	495,476
414	Water/Sewer Bond Reserve Fund	$	1,596,413	$	1,800	$	-	$	1,598,213
510	Empl. Security Reserve Fund	$	110,000	$	3,000	$	30,450	$	82,550
520	ER&R Rolling Stock	$	428,000	$	332,400	$	729,000	$	31,400
521	ER&R IT Fund	$	5,200	$	50,100	$	50,000	$	5,300
604	Cemetery Perpetual Care Fund	$	381,442	$	13,302	$	-	$	394,744
610	Downtown Bond	$	1,108,800	$	6,000	$	-	$	1,114,800
631	Agency Fund - Low Income	$	10,300	$	10,300	$	14,000	$	6,600

Budget Message and Ordinance

City of Washougal

City Manager's Budget Message

Gateway to the Gorge

To the Mayor, City Council & Residents of Washougal:

I am pleased to present the proposed City of Washougal 2022 Budget. Reflecting the Council's priorities, the proposed 2022 budget allows us to maintain existing services levels and target key service enhancements and continued capital investments.

During this past year we have continued to manage through the implications of the ongoing COVID-19 pandemic. We have adapted our programs and services to a "new normal" and continue to provide a high level of service. As we look to 2022, we continue our conservative budgeting approach. We are cautiously optimistic that economic conditions will continue to improve, resulting in enhanced revenue, while conservatively managing expenses.

With this underpinning approach, we can maintain our current service levels in all program areas. As a result of some reorganization, we can add one position to enhance our maintenance efforts in parks and facilities. We can also add one position in Community Development to ensure we continue to provide a high level of service to customers. This position is funded solely by increases in development fee revenue, which by statute can only be used to provide development review services. We will continue our efforts to address important Council and community priorities by investing in important capital facilities projects and enhancing community livability. Our current Strategic Plan is due for an update by 2023. We can begin this important update toward the adoption of an updated Strategic Plan which will guide the City's efforts for the next decade.

In determining its priorities for the 2022 budget, the Council considered and was guided by our Strategic Plan, our capital facilities plans, the input from the community reflected in the 2018 and 2020 Community Surveys and other feedback received by the City. To ensure that we can address Council's priorities, maintain our current service levels, provide important service enhancements and make additional investments, the 2022 operating budget assumes that the Council will adopt a 1% increase in our overall property tax levy and our EMS levy.

Highlights from the 2022 budget and Council's priorities and their alignment with the Priority Pillars in our Strategic Plan include:

Pillar #1: Communication and Pillar #2: Community Engagement

- Development and Implementation of our Community Engagement Plan
- On-going and enhanced community events (consistent with COVID-19 guidelines)

Pillar #3 Core Services – Community Livability and Services

- Maintaining existing service levels across all programs
- Implement enhanced program in community aesthetics and code compliance
- Building Repairs and enhancements to East County Family Resource Center
- Support for East County Family Resource Center and ReFuel Washougal

Pillar #3 Core Services – Transportation and Public Infrastructure, Parks and Open Space

- Continued enhanced Pavement Management Program
- Evergreen/39th Street realignment
- Ongoing design for 32nd St. railroad underpass
- Sidewalks on Evergreen Way from 39th to 42nd (pending receipt of grant funding)
- Neighborhood traffic calming
- Water, Wastewater and Storm Drainage system improvements
- Completion of Hamllik Park Improvements (work underway currently)
- Replacement of Hartwood Park Bridge
- Pickleball Court improvements
- Enhanced parks and facilities maintenance
- Completion of Facilities Master Plan

Pillar #4 Economic Development

- Initiation of a Towncenter Sub-Area Plan and Planned Action Ordinance
- Exploration of new economic development incentives
- Continued partnership with CREDC
- Tourism promotion

Under the leadership of the Mayor and Council, we can propose a balanced baseline operating budget which maintains all existing service levels for 2022. Enhanced services in response to community and Council priorities are added. We will continue advancing our capital facilities efforts, delivering important projects. Important planning efforts will position Washougal for success in the coming decade.

I would like to thank the Council for their leadership and efforts in identifying priorities and providing policy guidance. I would also like to thank the City staff, who work hard every day to deliver outstanding service. I am especially grateful for the continued initiative and innovation shown by Team Washougal as we continue serving in the context of the global pandemic. Finally, thank you to the many volunteers who serve on our boards and commissions and in support of the various programs that make Washougal a great community.

Respectfully Submitted,

David Scott
City Manager

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Budget Ordinance

Fund	Fund Title	Beginning Fund Balance	Revenues	Expenditures	Ending Fund Balance
001	General	4,431,601	17,929,432	16,080,845	6,280,188
003	Abatement	57,543	1,200	19,500	39,243
101	Street	-	1,084,293	1,084,293	-
103	Cemetery	13,733	156,200	155,950	13,983
104	REET 1st Qtr %	733,397	360,000	358,400	734,997
105	Park Impact Fee	-	156,000	156,000	-
106	REET 2nd Qtr %	266,800	781,800	907,000	141,600
108	Hotel/Motel Tax	31,400	86,400	110,900	6,900
110	Transportation Development	-	262,000	262,000	-
118	PEG Fee	100,000	1,600	101,600	-
125	EMS Restricted Revenue	-	-	-	-
126	Fire impact Fee	396,025	36,000	14,000	418,025
127	Affordable Housing Sales Tax Credit	15,000	15,000	30,000	-
141	Drug Seizure Fund	15,100	19,100	19,100	15,100
212	UTGO Debt	50	110,200	108,150	2,100
215	Downtown Revitalization Bond	336	358,400	358,400	336
350	Parks Capital Projects	250,000	261,000	511,000	-
351	Building Contingency	40,000	1,132,000	1,172,000	-
353	Transportation Capital	-	806,000	806,000	-
355	Art Project Fund	9,000	5,000	14,000	-
401	Water/Sewer	1,535,079	8,921,111	10,102,152	354,038
403	Stormwater	1,710,414	1,595,400	1,824,834	1,480,980
406	Water/Sewer Capital	6,965,000	2,558,200	105,000	9,418,200
408	Water/Sewer Bond	-	-	-	-
410	PW Trust Fund Loan	779	299,853	299,853	779
412	Water/Sewer Loan	-	-	-	-
413	Water/Sewer/Storm Bond	8,800,000	3,376,491	11,681,015	495,476
414	Water/Sewer/Storm Bond Reserve	1,598,216	1,800	-	1,600,016
510	Employment Security	110,000	3,000	30,450	82,550
520	ER&R vehicle	428,000	332,400	760,400	-
521	ER&R IT	5,200	50,100	50,000	5,300
604	Perpetual Care	381,442	13,302	-	394,744
610	Downtown Bond Guarantee	1,111,560	6,000	-	1,117,560
631	Low Income Assistance	10,300	10,300	14,000	6,600
	Grand Total	**29,015,975**	**40,729,582**	**47,136,842**	**22,608,715**

2022 Budget Next Steps

City of Washougal

Formal Budget Calendar

- October 25th – set hearings for ad valorem taxes and budget (to be held 11/8th)
- November 8th – Public Hearings, adopt Ad Valorem, first opportunity to adopt budget
- November 15th (3rd Monday due to Thanksgiving), December 6, December 13, and December 20th – remaining dates for budget adoption

Questions

- Thank you!