



**CITY OF WASHOUGAL
CITY COUNCIL WORKSHOP AGENDA
Monday, September 28, 2020
5:00 PM**

MEETING INFORMATION

Please click the link below to join the webinar:
<https://us02web.zoom.us/j/87669628199>

I. CALL TO ORDER

II. ROLL CALL

III. PUBLIC COMMENTS

IV. NEW BUSINESS

- A. Finance: 2021 Budget - Preliminary Revenue and Expenditure Estimates**
- B. Administration: COVID-19 Update**

V. PUBLIC COMMENTS

VI. REPORTS AND COMMUNICATIONS

- A. CITY MANAGER**
- B. MAYOR**
- C. CITY COUNCIL**

VII. ADJOURNMENT

UPCOMING MEETINGS: Monday, October 12, 2020 - Workshop at 5:00 pm and Council at 7:00 pm

Workshop Coversheet
BUSINESS OF THE CITY COUNCIL
City of Washougal, Washington

FOR AGENDA OF:

9/28/2020

SUBJECT:

2021 Budget - Preliminary Revenue and Expenditure Estimates

DEPT. OF ORIGIN:

Finance

REVIEWED AT:

TO BE RETURNED TO COUNCIL:

ATTACHMENTS:

📎 **Preliminary Revenue and Expenditure Presentation.pdf**

EXPENDITURE REQUIRED:

BUDGETED:

APPROPRIATION REQUIRED:

SUMMARY STATEMENT

RECOMMENDED ACTION

2021 Preliminary Revenue and Expenditure Estimates

09/28/2020 | Presented by Jen Forsberg



City of Washougal

Agenda

- 2021 Budget Approach
- 2021 Preliminary Estimates
- Next Steps



2021 Budget Approach

July - September

- Compile preliminary estimates

September 28

- 2021 Preliminary estimates

October 26 (by November 1st by RCW)

- 2021 Preliminary Budget and Message
- Third quarter 2020 update



2021 General/Street Fund ~ Preliminary Budget Strategy

- Baseline Budget - Maintain service levels
- Assume economic indicators and revenues will ultimately provide ability to maintain services and restore cuts due to COVID
 - ✓ Monitor economic conditions
- Hedge against economic downturn by holding three existing vacancies until there is more economic certainty
 - ✓ Police Officer, administrative position in Public Works, Accounting Specialist
- Continue to fund the two fire FTE in 2021
 - ✓ Continued use of portion of utility tax revenue earmarked for capital, or fire reserves
- Monitor legislative session



2021 General/Street Fund ~ Preliminary Budget Strategy

Revenue Assumptions:

- 1% councilmanic property tax increase + 1.3% new construction
 - IPD is under 1% so a substantial need resolution will be needed
- Lid lift passes
- Known utility increases
- 0.8% overall increase for remaining revenues



2021 General/Street Fund ~ Preliminary Budget Strategy

Expense assumptions

- Maintain service levels
 - ✓ Fill three vacancies (hold vacant until more economic certainty)
- Fill new Code Compliance Officer position (pending disposition of I-976 litigation)
- COLAs per contracts — 2% 307/non-reps and 2.5% police
- Medical costs per AWC estimates — 5% increase



2021 General/Street Fund ~ Preliminary Budget Strategy

➤ **Council's #1 priority: Pavement Management Program** – use TBD funds

- ✓ \$906.8K estimated funding (increased from \$863K in 2019)
 - ❑ 2021 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

➤ **Current Plan - hire additional code compliance officer utilizing the general fund PMP savings above**

- ✓ Pending disposition of I-976 litigation and economic certainty



2021 General/Street Fund ~ Preliminary Budget Strategy

➤ Strategic Plan and Council Goal – Enhance community engagement and communications

➤ Administration/Finance Re-organization with emphasis on this goal (cost neutral)

✓ Before:

- ❑ Administration Department (budget department)
- ❑ Assistant to City Manager in Administration
- ❑ Vacant Accounting Specialist in Finance
- ❑ Communications Specialist reports in IT
- ❑ Salary savings from change in form of government used for consulting

✓ After:

- ❑ City Manager's Office, CMO (budget department)
- ❑ Community Engagement Manager in CMO (title TBD)
- ❑ Finance/City Clerk Specialist in Finance (title TBD) – hold vacancy hold until more economic certainty
- ❑ Communications Specialist Reports to Community Engagement Manager in CMO
- ❑ Reduced use of salary savings from change in form of government used for consulting



2021 General/Street Fund ~ Preliminary Budget Strategy

➤ Public Works Re-organization (cost neutral)

✓ Before:

- ❑ Senior Analyst, Parks and Cemetery Program Manager

✓ After:

- ❑ Analyst, Public Works Business Manager (titles TBD)
- ❑ Analyst position vacancy - hold until more economic certainty



2021 Preliminary Revenue & Expenditure Estimates



City of Washougal

2021 Budget Revenue Estimates

	2019 Actual	2020 Budget	2021 Proposed	\$ Change	% Change
Regular Property Taxes	\$ 5,632,176	\$ 5,744,792	\$ 5,833,158.00	\$ 88,366.00	1.54%
Retail Sales Taxes/Criminal Justice	\$ 2,197,092	\$ 2,369,200	\$ 2,419,000.00	\$ 49,800.00	2.10%
Utility Taxes	\$ 2,554,507	\$ 2,721,260	\$ 2,732,715.00	\$ 11,455.00	0.42%
Leasehold and Gambling Taxes	\$ 275,280	\$ 411,800	\$ 421,800.00	\$ 10,000.00	2.43%
Licenses and Permits	\$ 302,797	\$ 312,250	\$ 392,200.00	\$ 79,950.00	25.60%
State and Federal Grants	\$ 42,510	\$ 17,750	\$ 37,750.00	\$ 20,000.00	112.68%
State Shared Revenues/Entitlements	\$ 794,483	\$ 814,310	\$ 822,770.00	\$ 8,460.00	1.04%
Animal Control Fees	\$ 112,953	\$ 131,500	\$ 133,075.00	\$ 1,575.00	1.20%
General Government Charges	\$ 231,052	\$ 266,441	\$ 296,441.00	\$ 30,000.00	11.26%
Sub Division/Zoning/Planning Fees	\$ 91,410	\$ 189,320	\$ 194,320.00	\$ 5,000.00	2.64%
Indirect Cost Recovery	\$ 921,253	\$ 1,121,780	\$ 1,121,780.00	\$ -	0.00%
Interest and Rents	\$ 113,187	\$ 78,169	\$ 79,683.00	\$ 1,514.00	1.94%
Other Revenue - Transfers etc	\$ -	\$ -	\$ -	\$ -	0.00%
Total Revenue	\$13,268,700	\$14,178,572	\$ 14,484,692	\$ 306,120.00	2.16%



2021 Budget Expenditure Estimates

	2019 Actual	2020 Budget	2021 Proposed	\$ Change	% Change
Council	\$ 86,471	\$ 92,556	\$ 106,306.00	\$ 13,750.00	14.86%
Judicial	\$ 404,611	\$ 505,500	\$ 510,500.00	\$ 5,000.00	0.99%
City Managers Office	\$ 410,614	\$ 460,080	\$ 531,580.00	\$ 71,500.00	15.54%
Human Resources	\$ 166,526	\$ 174,732	\$ 190,032.00	\$ 15,300.00	8.76%
Finance	\$ 1,101,919	\$ 1,189,930	\$ 1,134,280.00	\$ (55,650.00)	-4.68%
Economic Development	\$ 5,000	\$ 55,000	\$ 55,000.00	\$ -	0.00%
Legal	\$ 12,155	\$ 20,000	\$ 20,000.00	\$ -	0.00%
General Government Services	\$ 1,094,277	\$ 999,840	\$ 914,050.00	\$ (85,790.00)	-8.58%
Police	\$ 3,460,330	\$ 3,628,365	\$ 3,689,794.00	\$ 61,429.00	1.69%
Fire	\$ 3,370,488	\$ 3,544,206	\$ 3,716,454.00	\$ 172,248.00	4.86%
Intergovernment Services	\$ -	\$ 17,000	\$ 17,000.00	\$ -	0.00%
Community Development/Planning	\$ 912,786	\$ 1,305,545	\$ 1,080,445.00	\$ (225,100.00)	-17.24%
Engineering	\$ 146,105	\$ 132,004	\$ 163,704.00	\$ 31,700.00	24.01%
Animal Control	\$ 209,091	\$ 245,050	\$ 251,150.00	\$ 6,100.00	2.49%
Parks	\$ 572,721	\$ 563,233	\$ 552,833.00	\$ (10,400.00)	-1.85%
City Building Maintenance	\$ 442,707	\$ 440,663	\$ 473,950.00	\$ 33,287.00	7.55%
Street Maintenance	\$ 787,103	\$ 1,054,583	\$ 1,073,783.00	\$ 19,200.00	1.82%
Total Expenses	\$13,182,904	\$14,428,287	\$ 14,480,861	\$ 52,574	0%



2021 General/Street Fund Budget Estimates - Forecast

	<u>2018 Year End</u>	<u>2019 Est Actual</u>	<u>2020 Est</u>	<u>2021 Est</u>	<u>2022 Est</u>	<u>2023 Est</u>	<u>2024 Est</u>	<u>2024 Est</u>	<u>2024 Est</u>
Population	15,863	16,101	16,342	16,588	16,836	17,089	17,345	17,605	17,869
Rev/Capita	\$ 817	\$ 824	\$ 868	\$ 873	\$ 886	\$ 899	\$ 913	\$ 926	\$ 940
Exp/Capita	\$ 832	\$ 819	\$ 875	\$ 873	\$ 887	\$ 901	\$ 915	\$ 929	\$ 944
Forecast Revenue % Chg	5.47%	2.36%	6.86%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Forecast Expense % Chg	6.19%	-0.08%	8.50%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%

	<u>2018 Year End</u>	<u>2019 Est Actual</u>	<u>2020 Est</u>	<u>2021 Est</u>	<u>2022 Est</u>	<u>2023 Est</u>	<u>2024 Est</u>	<u>2024 Est</u>	<u>2024 Est</u>
Revenue	\$ 12,962,204	\$ 13,268,699	\$ 14,178,571	\$ 14,484,692	\$ 14,919,233	\$ 15,366,810	\$ 15,827,814	\$ 16,302,648	\$ 16,791,728
Expenditure	\$ 13,193,461	\$ 13,182,904	\$ 14,303,287	\$ 14,480,861	\$ 14,929,768	\$ 15,392,590	\$ 15,869,761	\$ 16,361,723	\$ 16,868,937
Surplus/(Deficit)	\$ (231,258)	\$ 85,795	\$ (124,716)	\$ 3,831	\$ (10,535)	\$ (25,781)	\$ (41,947)	\$ (59,075)	\$ (77,209)
Ending Cash Reserve	\$ 3,424,963	\$ 3,510,758	\$ 3,386,042	\$ 3,389,873	\$ 3,379,338	\$ 3,353,557	\$ 3,311,610	\$ 3,252,535	\$ 3,175,326
Reserves as % Expense	26.0%	26.6%	23.7%	23.4%	22.6%	21.8%	20.9%	19.9%	18.8%
Reserves as % Revenue	26.4%	26.5%	23.9%	23.4%	22.7%	21.8%	20.9%	20.0%	18.9%
Net Revenue as % Expense	-1.8%	0.7%	-0.9%	0.0%	-0.1%	-0.2%	-0.3%	-0.4%	-0.5%
Minimum Reserve at 16%	\$ 1,583,628	\$ 1,573,157	\$ 1,725,666	\$ 1,789,612	\$ 1,861,437	\$ 1,935,488	\$ 2,011,836	\$ 2,090,550	\$ 2,171,704
Additional Reserves	\$ 1,841,335	\$ 1,937,601	\$ 1,660,376	\$ 1,600,261	\$ 1,517,901	\$ 1,418,068	\$ 1,299,774	\$ 1,161,986	\$ 1,003,623



2021 Preliminary Revenue & Expenditure Estimates ~ Utility Accounts

Section Title



City of Washougal

2021 Utility Budget Revenue Estimates

- Overall water revenue increase 3%
- Overall sewer revenue increase 5%
- Storm water revenue increase 3%



2021 Utility Budget Expenditure Estimates

- Following proposed FCS rate study
- Following proposed capital facilities plan



2021 Utility Budget Estimates

Water/Sewer Utility

Revenues

Water Sales

Sewer Sales

Other Revenues

Total Revenue

Total Expenses

Total Net Revenue

			2021
	2019 Actual	2020 Budget	Proposed
Water Sales	\$3,920,541	\$ 4,018,623	\$ 4,038,252
Sewer Sales	\$4,234,762	\$ 4,745,511	\$ 4,758,864
Other Revenues	\$ 176,996	\$ 67,600	\$ 80,800
Total Revenue	\$8,332,299	\$ 8,831,734	\$ 8,877,916
Total Expenses	\$7,663,934	\$ 8,804,390	\$11,024,900
Total Net Revenue	\$ 668,365	\$ 27,344	\$ (2,146,984)

\$ Change	% Change
\$ 19,629	0.49%
\$ 13,353	0.28%
\$ 13,200	19.53%
\$ 46,182	0.52%
\$ 2,220,510	25.22%
\$(2,174,328)	7951.76%

Storm Water Utility

Revenues

Storm Water Sales

Storm Water Connection Fee

Other Revenues

Total Revenue

Total Expenses

Total Net Revenue

			2021
	2019 Actual	2020 Budget	Proposed
Storm Water Sales	\$1,361,850	\$ 1,430,336	\$ 1,437,350
Storm Water Connection Fee	\$ 32,513	\$ 45,000	\$ 45,000
Other Revenues	\$ 73,445	\$ 107,000	\$ 106,000
Total Revenue	\$1,467,808	\$ 1,582,336	\$ 1,588,350
Total Expenses	\$1,301,957	\$ 1,542,712	\$ 1,645,751
Total Net Revenue	\$ 165,851	\$ 39,624	\$ (57,401)

\$ Change	% Change
\$ 7,014	0.49%
\$ -	0.00%
\$ (1,000)	-0.93%
\$ 6,014	0.38%
\$ 103,039	6.68%
\$ (97,025)	-244.86%



2021 Budget Estimates – Other Funds



City of Washougal

2021 Budget Estimates ~ Other Funds

		Beginning Fund			Ending Fund	
Fund	Description	Balance	Revenues	Expenditures	Balance	
001	General Fund	\$ 2,779,362	\$ 13,948,939	\$ 13,945,108	\$ 2,783,193	
003	Abatement Fund	\$ 51,232	\$ 1,200	\$ 19,500	\$ 32,932	
101	Street Fund	\$ 4,250	\$ 1,073,783	\$ 1,073,783	\$ 4,250	
103	Cemetery Services Fund	\$ 35,000	\$ 203,150	\$ 203,150	\$ 35,000	
104	REET Fund - 1st 1/4%	\$ 1,060,179	\$ 360,000	\$ 354,600	\$ 1,065,579	
105	Park Impact Fee Fund	\$ 602,000	\$ 206,000	\$ 808,000	\$ -	
106	REET Fun -2nd 1/4%	\$ 309,190	\$ 781,800	\$ 907,000	\$ 183,990	
108	Hotel Motel Tax Fund	\$ -	\$ 61,400	\$ 60,000	\$ 1,400	
110	Transportation Impact Fee Fund	\$ 1,127,489	\$ 262,000	\$ 1,389,489	\$ -	
118	PEG Fee Fund	\$ 100,000	\$ 1,600	\$ 101,600	\$ -	
125	EMS Restricted Fund	\$ -	\$ -		\$ -	
126	Fire Impact Fee Fund	\$ 393,925	\$ 30,500	\$ 14,000	\$ 410,425	
141	Drug Seizure Fund	\$ 15,100	\$ 28,300	\$ 37,200	\$ 6,200	
212	UTGO Bond Redemption Fund	\$ 11,600	\$ 100,200	\$ 106,150	\$ 5,650	
215	Downtown Debt Service Bond	\$ 150	\$ 354,600	\$ 354,600	\$ 150	
350	Capital Projects Fund	\$ 40,000	\$ 2,693,000	\$ 2,732,000	\$ 1,000	
351	Facilities Capital Projects	\$ -	\$ 86,800	\$ 86,800	\$ -	
353	Transportation Capital Projects	\$ 427	\$ 4,043,466	\$ 4,043,039	\$ 854	
355	Art Project Fund	\$ -	\$ 5,000.00	\$ 5,000.00	\$ -	



2021 Budget Estimates ~ Other Funds

Fund	Description	Beginning Fund				Ending Fund	
		Balance		Revenues	Expenditures	Balance	
401	Water/Sewer	\$ 4,323,801	\$	8,877,916	\$ 11,024,900	\$ 2,176,817	
403	Stormwater	\$ 1,767,815	\$	1,588,350	\$ 1,645,751	\$ 1,710,414	
406	Water/Sewer Construction	\$ 2,701,980	\$	3,674,029	\$ 1,466,737	\$ 4,909,272	
408	Water/Sewer Bond Redemption	\$ -	\$	3,443	\$ 3,443	\$ -	
410	PWTF Loan Redemption	\$ 779	\$	301,663	\$ 301,662	\$ 780	
412	Water/Sewer Bond Redemption	\$ -	\$	-		\$ -	
413	Water/Sewer Revenue Bond	\$ 2,500,000	\$	3,764,027	\$ 5,667,656	\$ 596,371	
414	Water/Sewer Bond Reserve Fun	\$ 1,596,416	\$	1,800	\$ -	\$ 1,598,216	
510	Empl. Security Reserve Fund	\$ 85,100	\$	3,000	\$ 30,450	\$ 57,650	
520	ER&R Rolling Stock	\$ 32,000	\$	66,400	\$ 97,000	\$ 1,400	
521	ER&R IT Fund	\$ 5,100	\$	50,100	\$ 50,000	\$ 5,200	
604	Cemetery Perpetual Care Fund	\$ 371,640	\$	9,802	\$ -	\$ 381,442	
610	Downtown Bond	\$ 1,145,807	\$	6,000	\$ -	\$ 1,151,807	
631	Agency Fund - Low Income	\$ 5,300	\$	10,300	\$ 14,000	\$ 1,600	



2021 Budget Next Steps



City of Washougal

Next Steps

- Continued analysis and refinement of projections
- Continuing budget discussions



Formal Budget Calendar

- October 12th – Public Works O&M and Capital projects budget discussions
- October 26th – 2020 3rd Quarter Update and 2021 City Manager's Proposed Budget
- October 26th – set hearings for ad valorem taxes and budget (to be held 11/9)
- November 9th – Public Hearings, adopt Ad Valorem, possibly adopt budget
- November 16th (3rd Monday due to Thanksgiving), December 7, December 14, and December 21 – remaining dates for budget adoption



Questions

➤ Thank you!



Workshop Coversheet
BUSINESS OF THE CITY COUNCIL
City of Washougal, Washington

FOR AGENDA OF:

9/28/2020

SUBJECT:

COVID-19 Update

DEPT. OF ORIGIN:

Administration

REVIEWED AT:

TO BE RETURNED TO COUNCIL:

ATTACHMENTS:

📎 **COVID-19 Response Update September 28 2020 Council worksession.pdf**

EXPENDITURE REQUIRED:

BUDGETED:

APPROPRIATION REQUIRED:

SUMMARY STATEMENT

RECOMMENDED ACTION

Washougal COVID-19 Response

September 28, 2020 Update to Council



City of Washougal

Washougal COVID-19 Response: September 28, 2020 Update

What We Will Cover:

- ❖ Overall Status
- ❖ CARES Funding



Washougal COVID-19 Response: September 28, 2020 Update

❖ Status of Emergency Orders

- Emergency Declaration 2020-01 in place - status to be reviewed at each Council meeting
- Council Emergency Order 2020-06 (adopted June 8, 2020)
 - ✓ Modifies Emergency Orders 2020-02, 2020-03, 2020-04 and 2020-05 (simplified approach)
 - ✓ Directs administration to follow the Governor's proclamations (covers facilities, programs, meetings, events)
 - ✓ Extends Emergency Leave until Phase 4
 - ✓ Extends private mortgage foreclosure, commercial eviction and residential inspection limitations until Phase 3
 - ✓ Duration of Order tied to Governor's proclamations
- Emergency Order 2020-07 on consent this evening – modifications to Emergency Leave

❖ Clark County in Phase 2 of “Safe Start Washington” (effective June 5, 2020)

❖ Potential timeline for future phases

- Phase 3 (On “Pause” indefinitely)
- Phase 4 (three weeks later at the soonest, but Governor has indicated likely not until there is a vaccine or effective treatment)



Washougal COVID-19 Response: September 28, 2020 Update

❖ CARES Funding

- City to receive \$742,500 from State CARES allocation (\$495K original + \$247.5K)
 - ✓ Eligible city expenditures can use full allocation
 - ✓ Estimates: GF - \$400K, Fire - \$123K, Utilities \$388K
- Use of CARES funds internally and for small business support



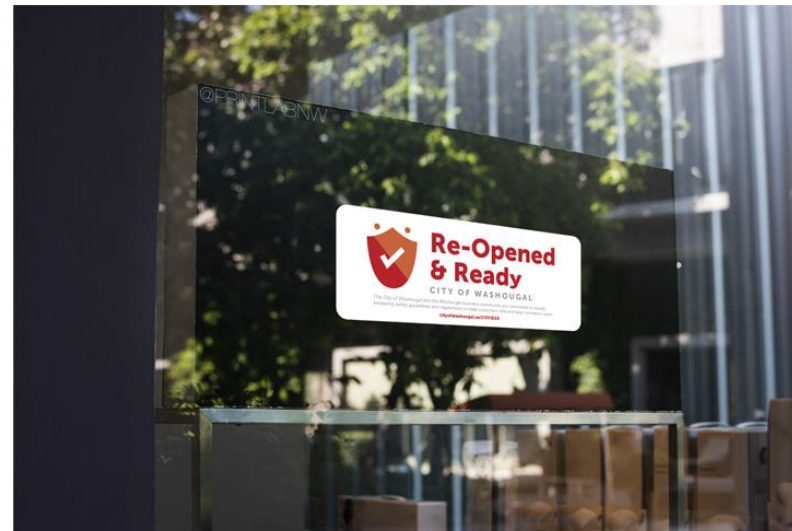
Washougal COVID-19 Response: September 28, 2020 Update

❖ Small Business Support – current direction

- County CDBG Program using CARES Funds for a small business grant program
- CARES small business support program (estimated cost range ~\$5,500 to \$10,300)
 - ✓ Assistance communicating public health information (signs, banners, table tents, floor decals, etc.)
 - ✓ Provide PPE (branded face masks for employees, face masks for customers, other)



Washougal COVID-19 Response: September 28, 2020 Update



Washougal COVID-19 Response: September 28, 2020 Update

❖ **Small Business Support – possible enhancements**

- Direct grants
- Business promotion programs (utility credits for shopping local, gift certificates for local businesses) – some concern re: use of CARES



Washougal COVID-19 Response: September 28, 2020 Update

❖ Questions/Discussion

