



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

I. CALL TO ORDER

Mayor Molly Coston called the meeting to order at 5:00 pm.

II. ROLL CALL

Present: Councilmembers Brent Boger, Michelle Wagner, Paul Greenlee, Alex Yost, Julie Russell, and Ernie Suggs

Staff:

David Scott, City Manager
Jennifer Forsberg, City Clerk/Finance Director
Trevor Evers, Public Works Director
Mitch Kneipp, Community Development Director
Jeanette Cefalo, Human Resources Director
Wendi Steinbronn, Police Chief
Rose Jewell, Assistant to the City Manager

III. PUBLIC COMMENTS

None

IV. NEW BUSINESS

A. Finance: 2021 Budget - Preliminary Revenue and Expenditure Estimates

Jennifer Forsberg presented the following:

- Preliminary estimates due tonight
- Budget timeline
- 2021 General/Street Fund - Preliminary Budget Strategy
 - Expenditures
 - Revenue Assumptions
 - Expense Assumptions
 - Council #1 priority - Pavement Management Program
 - Administration / Manager office changes
 - PW Analyst / Intern positions
 - Revenue Estimates
 - Expenditure Estimates
 - Estimates Forecast - maintaining current service level
- Utility Budget
 - Estimates
 - More details to be presented on October 12
- All other funds
 - Capital and ER&R funds details to be presented on October 12
- Timeframe - budget process

B. Administration: COVID-19 Update

David Scott presented the following:

- Overall Response
 - Emergency Order Status
 - Phase 2 of "Safe Start Washington" effective 6.5.2020
 - Potential timeline for future phases
- Cares Funding
 - States allocation
 - Use of CARES Fund
 - Reopen and Ready Campaign
 - Direct grants
- Additional discussion: business assistance survey, utility assistance for businesses, rent assistance, business promotion ideas, certificates through children's home society, and updates on COVID cases in Clark County

V. PUBLIC COMMENTS

None

VI. REPORTS AND COMMUNICATIONS

A. CITY MANAGER

David Scott reported on the following:

- City Manager's monthly report
- Legislative session
- Position 5 vacancy to be considered at the regular meeting

B. MAYOR

Mayor Coston announced the Exempt Meeting. She then reviewed the appointment committee's recommendations to fill liaison and committee assignments previously held by Councilmember Kutch.

- Mayor Pro tem Julie Russell (voted by council at the 9/14/2020 meeting)
- Port Commission - Julie/Michelle alternates
- CREDC - Paul was the alternate; will assume seat
- ECAB - Ambulance service - to be appointed at the council meeting on 10/12
- Ex-official Chamber of Commerce - Mayor appointment (Suggs volunteered)

C. CITY COUNCIL

Councilmembers deferred reports to the regular meeting.

VII. ADJOURNMENT

Meeting ended at 6:08.

Mayor

City Clerk

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!



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



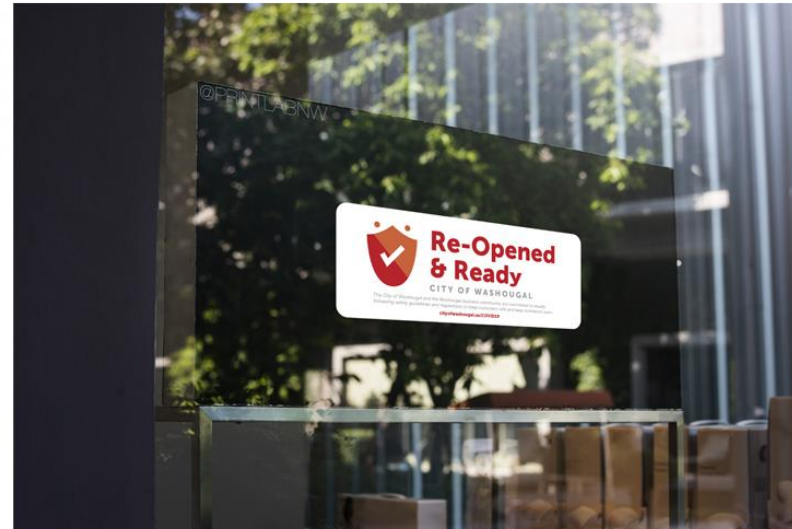
Washougal COVID-19 Response: September 28, 2020 Update

❖ 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

