City of Longview

Preliminary 2017-2018 Biennial Budget

Council Workshop – September 29, 2016

Agenda

- ➢Introduction – David Campbell
- ➢Review 2017-18 Budget Parameters – Dave Campbell
  - May 5, 2016 - September 29, 2016
- ➢General Fund Review (Baseline) – Kurt Sacha
  - Major revenue sources history
  - All revenues by source
  - Salaries/benefits
  - All expenditures by function
  - Department expenditures
  - General Fund Outside Agency Requests
  - 2016 Q1 Summary
  - 2016 Q2 Summary
  - 2017-18 General Fund - Fund Balance Summary

Agenda (Cont.)

➢Baseline Programs & Performance Measures – Kurt Sacha
➢General Fund Enhancements, Including Recommendations – Dave Campbell
➢General Fund Forecast (2017-21) – Kurt Sacha
➢Discussion - All
➢Next Steps – Dave Campbell/Kurt Sacha - Non-utility capital budget workshop - Budget calendar

2017-18 Suggested Parameters

May 5, 2016 Workshop   September 29, 2016 Workshop

- Enhance streets and roads repair and maintenance services
  - Recommendation to absorb costs of new street crew within General Fund
- Sustain existing service levels
  - Accomplished in preliminary budget, but expenditures “tightened up”
- Incorporate labor contract parameters
  - Provision for modest inflation
- General Fund support for enhanced economic development activities
  - Not necessary; continued in Economic Development Fund

2017-18 Suggested Parameters

May 5, 2016 Workshop   September 29, 2016 Workshop

- ADA self-assessment transition plan
  - Intersection ramps inventory underway; appropriation to be recommended in Capital Projects Fund
- West Longview annexation (tbd)
  - Still to be determined
- Restore reserve contributions
  - Fire equipment depreciation (possible General Fund enhancement)
  - Building depreciation (Capital Projects Fund recommendation)
  - Employee Benefits Reserve (rate increase included in preliminary budget)
- Maintain Stage 2 of budget model with minimum 15% fund balance

2017-18 Budget Considerations

- Other Budget Considerations
  - Longview Police Station Remodel Project
  - Library Modernization Study
  - Salary Survey Implementation
  - Police Training Facility Project (Shooting Range)
  - Anticipated PERS/LEOFF Rate Increases
  - Review Public Safety Fund after 2017 Q1

General Fund

Property Tax (000's)

Year	Amount	% Increase/ (Decrease)
2014	$8,691	
2015	$8,844	1.8%
2016	$8,946	1.2%
2017	$9,114	1.9%
2018	$9,280	1.8%

2014-18 average annual increase = 1.7%
Accounts for 25% of General Fund revenue

Note: $515k annually dedicated to Economic Development Fund.

Assessed Value/Property Tax Comparison

City of Longview				
Year	Assessed Value	% Chg	Levy Rate	Property Tax
2008	$2,596,241,283	13.1%	$2.88	$7,472,452
2009	$2,902,511,391	11.8%	$2.72	$7,906,395
2010	$2,809,338,951	(3.2%)	$2.89	$8,134,755
2011	$2,728,499,411	(2.9%)	$3.03	$8,284,506
2012	$2,703,686,847	(0.9%)	$3.11	$8,419,453
2013	$2,502,611,760	(7.4%)	$3.41	$8,535,363
2014	$2,532,716,797	1.2%	$3.42	$8,671,021
2015	$2,581,691,836	1.9%	$3.43	$8,846,768
2016	$2,632,167,111	2.0%	$3.40	$8,946,920
2017	$2,708,868,468	4.9%	$3.36	$9,113,645

Sales Tax (000's)

Year	Amount	% Increase/ (Decrease)
2014	$6,995	
2015	$7,303	6.6%
2016	$7,395	1.3%
2017	$7,500	1.4%
2018	$7,650	2.0%
2000 – 2015 16 year historical average increase = 2.08% Accounts for 21% of General Fund revenue		

B&O Tax (000's)

Year	Amount	% Increase/ (Decrease)
2014	$9,495	
2015	$9,606	1.2%
2016	$9,870	2.8%
2017	$10,083	2.2%
2018	$10,306	2.2%

2014-18 average annual increase = 2.1%
Accounts for 29% of General Fund revenue

General Fund Taxes (000's)

Year	Amount	% Increase/ (Decrease)
2014	$25,748	
2015	$26,325	2.2%
2016	$26,774	1.7%
2017	$27,318	2.0%
2018	$27,879	2.1%
2014-18 average annual increase = 2.0% Accounts for 78% of General Fund revenue		

General Fund Revenues (000's)

Year	Amount	$ Increase/ (Decrease)	% Increase/ (Decrease)
2014	$33,137		
2015	$33,585	$448	1.4%
2016	$34,340	$755	2.2%
2017	$34,925	$585	1.7%
2018	$35,721	$796	2.3%
2014-18 average annual increase = 1.9%			

2017-18 General Fund Revenue

- by source (000's)

Revenue:	2016	2017	%	2018	%
Taxes	$26,774	$27,318	2.0%	$27,879	2.1%
Licenses & Permits	876	885	1.0%	907	2.5%
Intergovernmental	1,910	1,843	-3.5%	1,947	5.6%
Charges for Services	3,678	3,791	3.1%	3,885	2.5%
Fines & Forfeits	592	608	2.7%	616	1.3%
Miscellaneous	321	295	-8.1%	300	1.7%
Other Fin. Sources	189	185	-2.1%	187	1.1%
Total Revenue	$34,340	$34,925	1.7%	$35,721	2.3%

General Fund Salaries/Benefits
(000's)

Year	Salaries/Benefits	% Increase/ (Decrease)
2014	$21,346	
2015	$22,636	6.0%
2016	$23,683	4.6%
2017	$24,673	4.2%
2018	$25,818	4.6%

2014-18 salaries/benefits average annual increase = 4.8%
Salaries and benefits account for 69% of General fund expenditures.

General Fund Baseline Expenditures

(000's)

Year	Total Expenditures	% Increase/ (Decrease)
2014	$32,118	
2015	$32,798	2.1%
2016	$34,260	4.5%
2017	$35,644	4.0%
2018	$36,746	3.1%
2014-18 General Fund expenditures average annual increase = 3.4%		

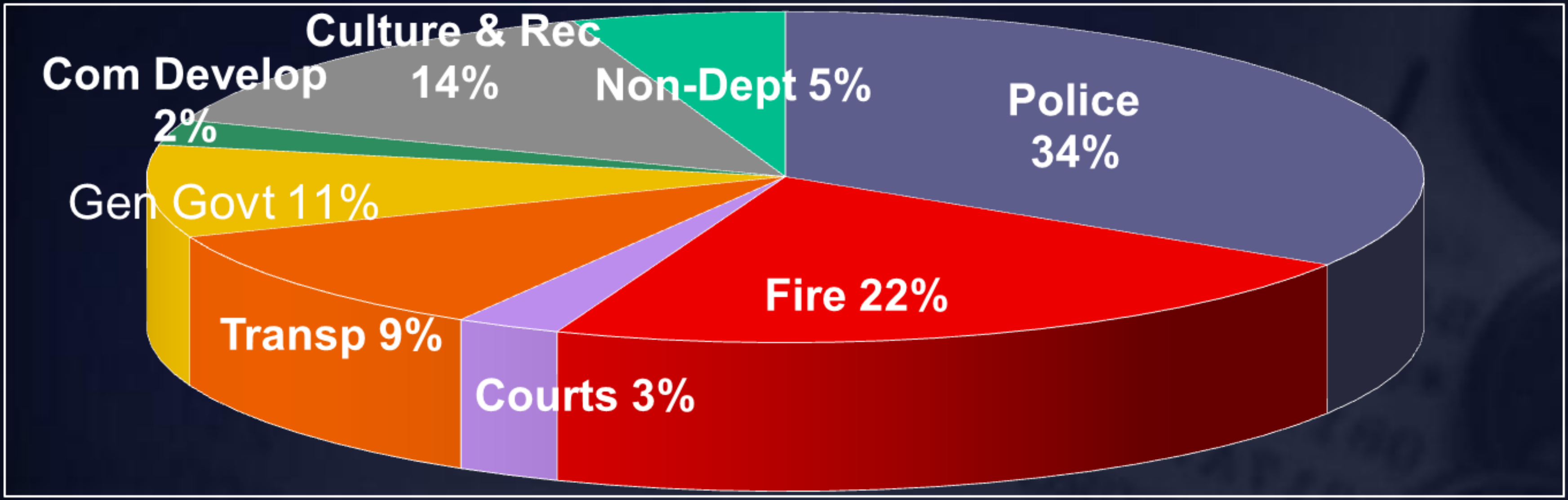
2017-18 General Fund Expenditures

Function:	2015 Actual	2016 Budget	2017 Budget	2018 Budget
General Govt	$3,456,396	$3,740,880	$3,751,240	$3,926,940
Public Safety	19,110,861	20,878,830	20,859,010	21,460,710
Transportation	3,003,911	3,339,860	3,204,890	3,313,150
Community Dev	787,784	810,550	886,200	924,010
Culture & Rec	4,496,239	4,845,710	4,976,130	5,169,810
Non-Department	1,942,375	1,994,410	1,966,520	1,951,590
Total Expenses	$32,797,566	$35,610,240	$35,643,990	$36,746,210

Departments at a glance

Department:	2016 Budget	2017 Budget	2018 Budget
Legislative	$187,040	$200,290	$202,970
Judicial	$1,172,700	$963,500	$961,250
Executive	$115,020	$112,450	$118,280
Finance	$1,459,510	$1,373,420	$1,448,820
Human Resources	$333,860	$346,450	$366,330
Legal	$490,730	$505,040	$524,480
Info Technology	$1,154,720	$1,213,590	$1,266,060
Police	$11,793,490	$12,078,830	$12,467,870
Fire	$7,912,640	$7,816,680	$8,031,590
Traffic	$1,173,650	$1,164,490	$1,195,520
Street Maintenance	$979,490	$948,030	$985,950
Engineering	$1,186,720	$1,092,370	$1,131,680
Community Dev	$810,550	$886,200	$924,010
Library	$2,043,460	$2,050,000	$2,139,190
Recreation	$1,182,970	$1,216,650	$1,262,220
Park Maintenance	$1,619,280	$1,709,480	$1,768,400
Non-Department	$1,994,410	$1,966,520	$1,951,590

2017-18 General Fund Expenditures



2017-18 General Fund = $72,390,200

Outside Agency Requests

(General Fund)

2017-18 Outside Agency Requests (General Fund)

	Request	
	2017	2018
Children's Justice Advocacy Center– Program Support	$11,000	$11,000
City of Kelso/Kelso-Longview Chamber of Commerce– Visitor Center Operations Support	$9,300	$9,600
Community Health Partners– Low-Income Medical Assistance	$4,000	$4,000
Totals:	$24,300	$24,600

Budget also includes an annual appropriation of $5,500 for the Meals on Wheels Program.

General Fund Summary

2016 Q1/Q2 General Fund Overview (in 000's)

	2016 Budget	2016 Q1	2016 Q2
Beg Fund Balance	$6,684	$9,424	$9,424
Revenue	$33,991	$34,072	$34,340
Total Revenue	$33,991	$34,072	$34,340
Expenditures	$35,610	$34,254	$34,260
Total Expenditures	$35,610	$34,254	$34,260
Beg Cash Required	($1,619)	($182)	$80
End Fund Balance	$5,065	$9,242	$9,504
% of End Fund Bal	14.2%	26.2%	27.7%

2017-18 General Fund Baseline Summary (in 000's)

	2017 Budget	2018 Budget
Beg Fund Balance	$9,504	$8,785
Revenue	$34,925	$35,721
Total Revenue	$34,925	$35,721
Baseline Expenditures	$35,644	$36,746
Total Expenditures	$35,644	$36,746
Beg Cash Required	(719)	(1,025)
End Fund Balance	$8,785	$7,760
% of End Fund Bal	24.6%	21.1%

2015-16 General Fund Summary

with Enhancements

	2015 Budget	2016 Budget
Beg Fund Balance	$7,800,000	$6,544,840
Revenue	33,042,790	33,746,830
Total Revenue	33,042,790	33,746,830
2015-16 Baseline Expenditures	33,836,830	35,388,210
Enhancements:		
Community Services Unit Officer	+ 179,270	-
Street Crimes Unit Officer	+ 96,980	+ 100,040
Street Crimes Unit Officer	+ 54,500	-
Public Safety I.T. Support	+ 85,370	-
Restore Street Mtnce Materials	+ 45,000	-
Total 2015-16 Rec. Enhancements	$34,297,950	35,488,250
Beg Cash Required	(1,255,160)	(1,741,420)
End Fund Balance	$6,544,840	$4,803,420
% of End Fund Bal	19.1%	11.8%

General Fund Enhancements

2017-18 General Fund Summary ($000's)

with Recommended Enhancements

	2017 Budget	2018 Budget
Beg Fund Balance	$9,504	$8,243
Revenue	$34,925	$35,721
Total Revenue	$34,925	$35,721
2017-18 Baseline Expenditures	$35,644	$36,746
Enhancements:		
Additional Street Crew	+ 491	+ 509
Debt Service: Equipment (New Street Crew)	+ 51	+ 50
Total 2017-18 Exp. with Rec. Enhancements	$36,186	$37,305
Beg Cash Required	($1,261)	($1,584)
End Fund Balance	$8,243	$6,659
% of End Fund Bal	22.7%	17.9%

Other Possible Enhancements

	2017	2018
Legal: additional prosecutor	$ 95	$102
Fire: personal protective equipmt	$ 76	$ 12
Fire: restore apparatus depr	$200	$200
Legal: additional legal tech	$ 38	$ 40
IT: additional application support	$ 47	$ 47
Parks: Full-time office staff	$ 6	$ 6
CED: restore admin asst	$ 45	$ 47
Police: public records asst	$ 81	$ 82
Parks: restore parks maint tech	$ 44	$ 45
Rec: expand after-school program	$ 18*	$ 19*
Rec: restore rec specialist	$ 61*	$ 64*

* Costs to be fully offset by new revenue – monitor closely

General Fund Forecast

2017 - 2021

General Fund Forecast 2017 – 2021

with enhancements

Revenue-
2017-18 {2.1%}; 2019-21 {3%}

Expenditure-
2017 {6.1%}; 2018 {3.1%}; 2019-21 {3.5%}

2017-18 Budget Discussion

Next Steps

- October 20th - Council workshop: Non-Utility Capital Projects
- November 3rd / 17th - Public hearing: Present 2017 ad valorem tax levy
- November 17th - Adopt 2017 ad valorem tax
- December 1st – 2017-18 preliminary budget document distributed to Council, media and public
- December 8th & 15th – Public hearing: 2017-18 biennial budget and 2017-21 CIP
- December 15th - Adopt 2017-18 biennial budget and 2017-21 CIP

2017-18 Budget Workshop

The end.