

The background of the slide features a dark, blue-tinted image of several US dollar bills. The bills are slightly out of focus, with the \$100 bill being the most prominent. The text is overlaid on this background.

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 ⁹

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%		

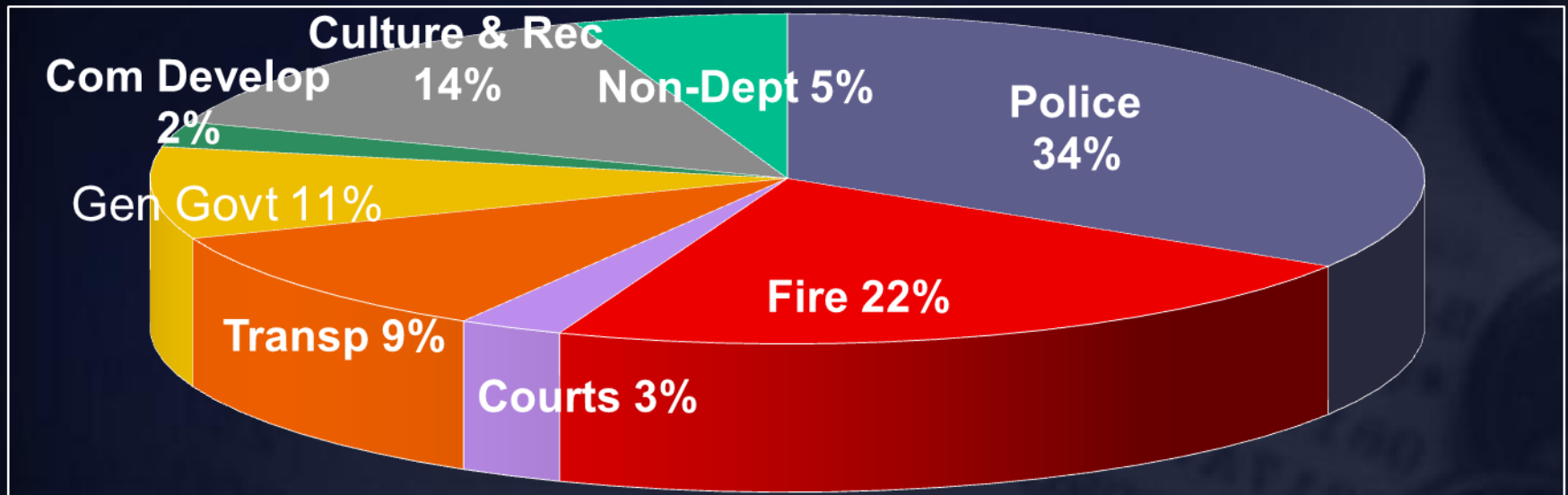
2017-18 General Fund Expenditures

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	<u>1,942,375</u>	<u>1,994,410</u>	<u>1,966,520</u>	<u>1,951,590</u>
Total Expenses	\$32,797,566	\$35,610,240	\$35,643,990	\$36,746,210

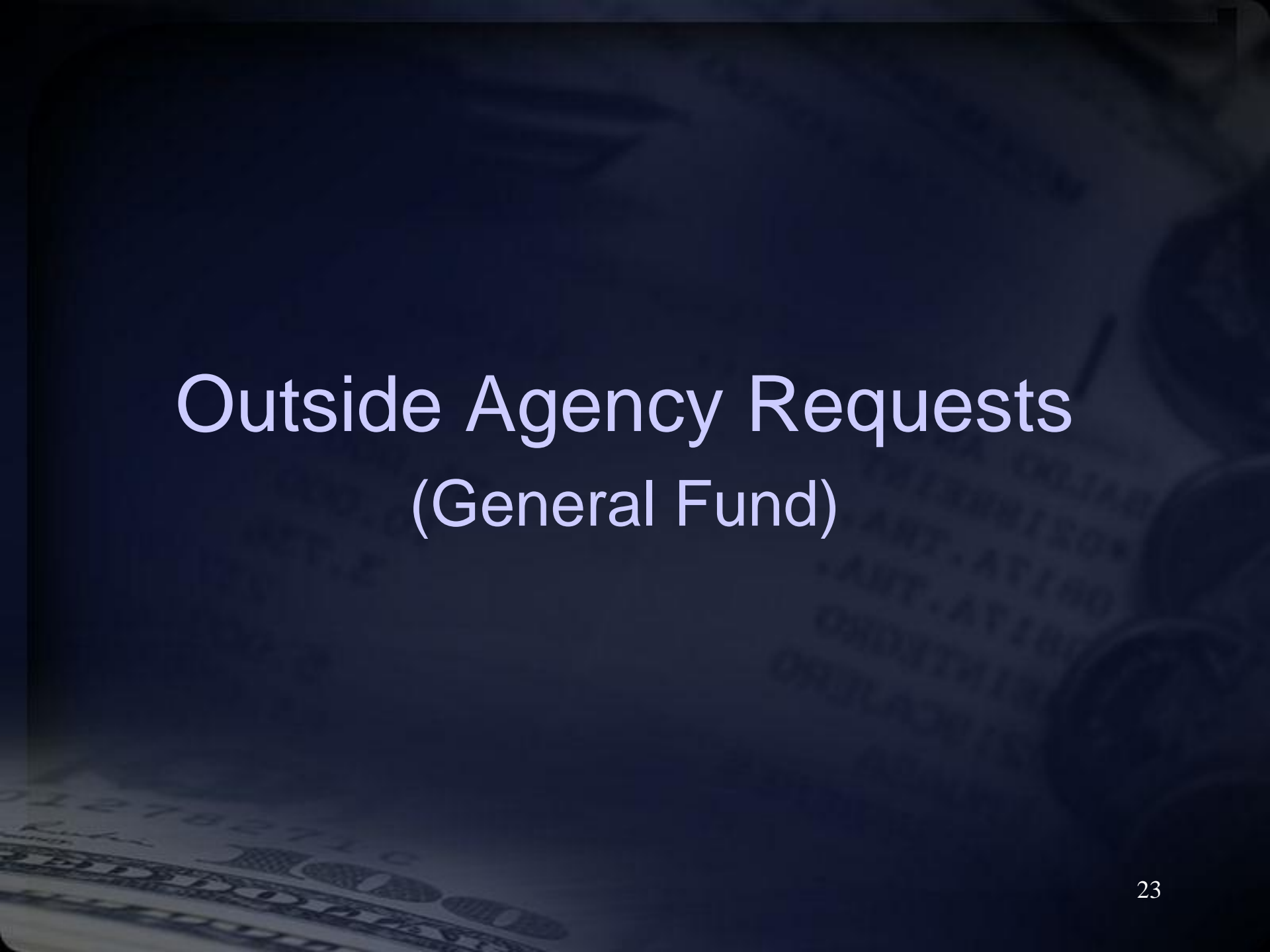
Departments at a glance

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

The background of the slide is a dark, blue-tinted image of US currency. It features a close-up of a \$100 bill on the left side, showing the serial number '1278271C' and the word 'HUNDRED'. On the right side, there are several US coins, including a quarter and a dime, with some of their details visible. The overall image is slightly blurred and has a dark, moody atmosphere.

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	<u>\$4,000</u>	<u>\$4,000</u>
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	<u>\$33,991</u>	<u>\$34,072</u>	<u>\$34,340</u>
Total Revenue	\$33,991	\$34,072	\$34,340
Expenditures	<u>\$35,610</u>	<u>\$34,254</u>	<u>\$34,260</u>
Total Expenditures	\$35,610	\$34,254	\$34,260
Beg Cash Required	<u>(\$1,619)</u>	<u>(\$182)</u>	<u>\$80</u>
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	<u>\$34,925</u>	<u>\$35,721</u>
Total Revenue	\$34,925	\$35,721
Baseline Expenditures	<u>\$35,644</u>	<u>\$36,746</u>
Total Expenditures	\$35,644	\$36,746
Beg Cash Required	<u>(719)</u>	<u>(1,025)</u>
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	<u>33,042,790</u>	<u>33,746,830</u>
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	<u>+ 45,000</u>	=
Total 2015-16 Rec. Enhancements	\$34,297,950	35,488,250
Beg Cash Required	<u>(1,255,160)</u>	<u>(1,741,420)</u>
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	<u>\$34,925</u>	<u>\$35,721</u>
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)	<u>+ 51</u>	<u>+ 50</u>
Total 2017-18 Exp. with Rec. Enhancements	\$36,186	\$37,305
Beg Cash Required	<u>(\$1,261)</u>	<u>(\$1,584)</u>
End Fund Balance	\$8,243	\$6,659
% of End Fund Bal	22.7%	17.9%

Other Possible Enhancements

	<u>2017</u>	<u>2018</u>
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*

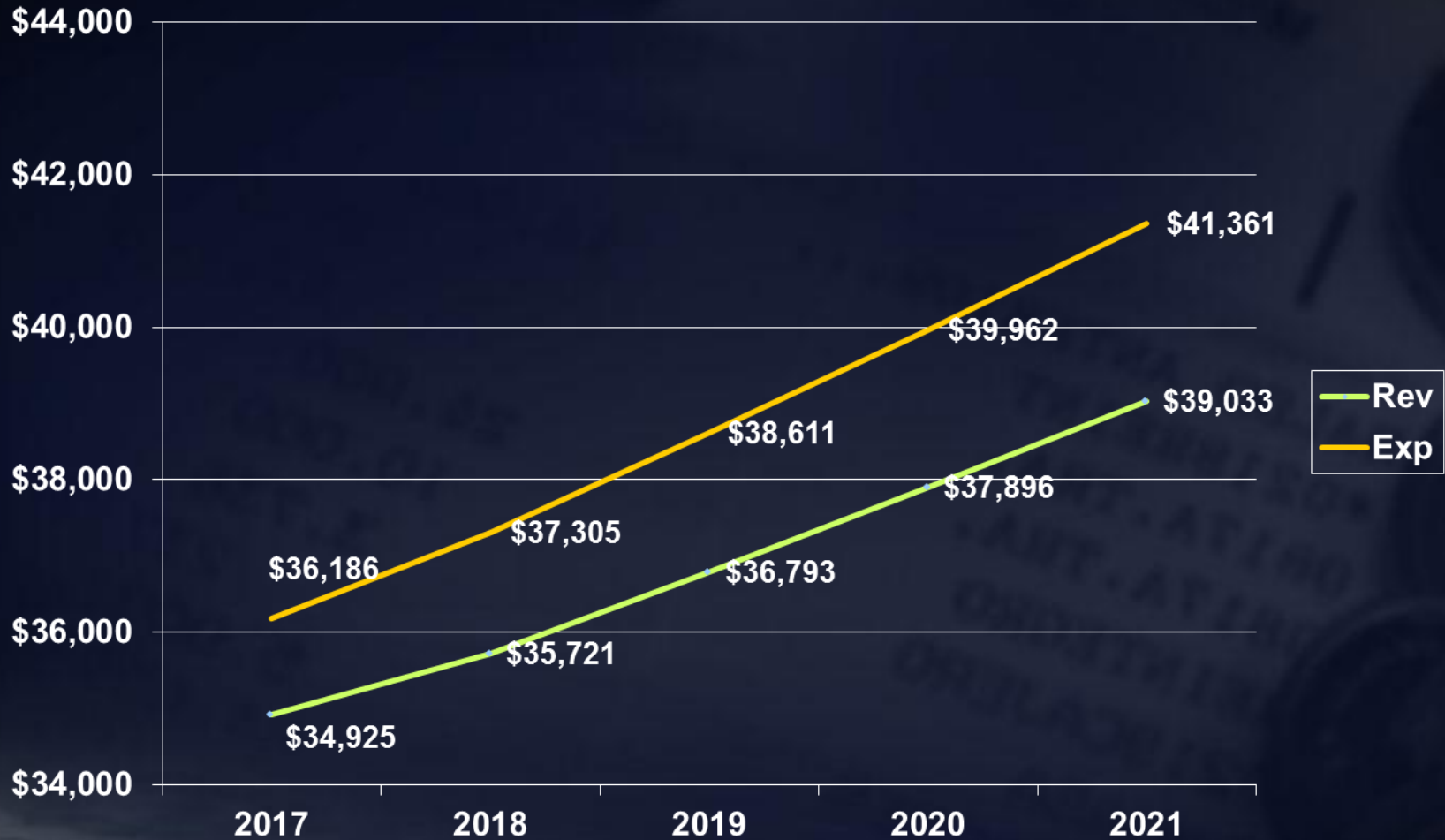
* Costs to be fully offset by new revenue – monitor closely

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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.