



City of Longview

1525 Broadway
Longview, WA 98632
www.ci.longview.wa.us

City Council

*Mayor MaryAlice Wallis
Mayor Pro Tem Michael Wallin
Council Member Ruth Kendall
Council Member Chet Makinster
Council Member Steve Moon
Council Member Christine Schott
Council Member Hillary Strobel*

Thursday, September 17, 2020

6:00 PM

Virtual Meeting

NOTICE IS HEREBY GIVEN, in accordance with RCW Chapter 42.30, that the City Council of the City of Longview, Washington, will conduct a virtual Zoom meeting on Thursday, September 17th, at 6:00 p.m.

For information about Zoom accessibility, please contact the City Clerk's Office at 360-442-5041.

Please click the link below to join the meeting:

<https://us02web.zoom.us/j/83398556657>

Telephone options (you may need to try more than one number if you receive a busy signal):

Dial any of the following numbers:

1-253-215-8782

1-669-900-6833

1-346-248-7799

1-408-638-0968

1-646-876-9923

1-301-715-8592

1-312-626-6799

Meeting ID: 833 9855 6657

1. CALL TO ORDER

2. ROLL CALL

3. **EXECUTIVE SESSION**

20-000385 TOPICS:
POTENTIAL LITIGATION
REAL ESTATE TRANSACTION

4. **WORKSHOP**

20-000382 2021-2022 GENERAL FUND BUDGET

- 2021-2022 PARAMETERS
- GENERAL FUND REVENUE SUMMARY
- GENERAL FUND EXPENDITURE SUMMARY
- GEMT REVENUE/FIRE DEPARTMENT REQUESTS
- ENHANCEMENTS

5. **ADJOURNMENT**

NEXT REGULAR COUNCIL MEETINGS:
THURSDAY, SEPTEMBER 24, 2020 – 7:00 P.M.
THURSDAY, OCTOBER 8, 2020 – 7:00 P.M.

NEXT COUNCIL WORKSHOPS:
THURSDAY, SEPTEMBER 24, 2020 – 6:00 P.M. 2021 STATE LEGISLATIVE AGENDA

City of Longview

Preliminary 2021-2022 Biennial Budget

Council Workshop – September 17, 2020

Agenda

➤ Introduction

➤ Review 2021-22 Budget Parameters

➤ General Fund Review (Baseline)

- Major revenue sources history
- All revenues by source
- Salaries/benefits
- All expenditures by function
- Department expenditures
- 2021-22 Fund Balance Summary
- General Fund Outside Agency Requests

➤ Enhancements

➤ Discussion

➤ Next Steps

2021-22 Suggested Parameters

September 17, 2020 Workshop

- Sustain existing service levels
 - Accomplished in preliminary budget, but expenditures outpacing revenues
- Provide for 1% property tax levy
 - Inherent in revenue assumption
- Preserve regular full-time positions
 - Accomplished in preliminary budget
- Incorporate labor contract parameters
 - Provision for modest inflation
- Eliminate seasonal/temporary
 - Subject to COVID-19 budgetary impacts
- Hold O&M expenditures to a minimum
 - Accomplished in preliminary budget

2021-22 Suggested Parameters

September 17, 2020 Workshop

- Evaluate reserve contributions
 - Fleet Depreciation
 - Fire equipment depreciation increased \$136,550 (Total \$380,280)
 - Police fleet depreciation increased \$106,280 (Total \$358,760)
 - Street maintenance depreciation increased \$120,370 (Total \$208,640)
 - Building Depreciation
 - Unemployment Compensation
 - Employee Benefits Reserve
- Maintain Stage 2 of budget model with minimum 15% fund balance

General Fund

Property Tax (000's)

Year	Amount	% Increase/ (Decrease)
2015	\$8,832	
2016	\$8,972	1.6%
2017	\$9,113	1.6%
2018	\$9,244	1.4%
2019	\$9,312	0.7%
2020	\$9,434	1.3%
2021	\$9,560	1.3%
2022	\$9,685	1.3%

2016-20 average annual increase = 1.3%

Accounts for 24% of General Fund revenue

Note: \$400k annually dedicated to Economic Development Fund.

Assessed Value/Property Tax Comparison

City of Longview

Year	Assessed Value	% Chg	Levy Rate	Property Tax
2012	\$2,703,686,847		\$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	\$2,702,263,377	2.7%	\$3.35	\$9,064,379
2018	\$2,928,021,239	8.4%	\$3.16	\$9,249,163
2019	\$3,255,976,089	11.1%	\$2.89	\$9,396,286
2020	\$3,575,298,668	9.8%	\$2.64	\$9,434,878
2021	\$3,930,468,875	9.9%	\$2.45	\$9,646,766

Sales Tax (000's)

Year	Amount	% Increase/ (Decrease)
2015	\$7,333	
2016	\$7,711	5.2%
2017	\$8,252	7.0%
2018	\$8,985	8.9%
2019	\$9,279	3.3%
2020	\$9,278	0.0%
2021	\$9,313	0.4%
2022	\$9,503	2.0%
2016–2020 average annual increase = 4.9%		
Accounts for 24% of General Fund revenue		

Business B&O Tax (000's)

Year	Amount	% Increase/ (Decrease)
2015	\$2,444	
2016	\$2,597	6.3%
2017	\$2,539	-2.2%
2018	\$3,016	18.8%
2019	\$2,825	-6.3%
2020	\$2,904	2.8%
2021	\$2,963	2.0%
2022	\$3,128	5.6%
2016-20 average annual increase = 3.9% Accounts for 7.5% of General Fund revenue		

Utility B&O Tax (000's)

Year	Amount	% Increase/ (Decrease)
2015	\$7,176	
2016	\$7,298	1.7%
2017	\$7,698	5.5%
2018	\$7,519	-2.3%
2019	\$7,569	0.7%
2020	\$7,547	-0.3%
2021	\$7,721	2.3%
2022	\$7,951	2.9%
2016-20 average annual increase = 1.1% Accounts for 20% of General Fund revenue		

General Fund Taxes (000's)

Year	Amount	% Increase/ (Decrease)
2015	\$26,329	
2016	\$27,112	3.0%
2017	\$28,186	4.0%
2018	\$29,472	4.6%
2019	\$29,383	-0.3%
2020	\$29,803	1.4%
2021	\$30,446	2.2%
2022	\$31,120	2.2%
2016-20 average annual increase = 2.5%		
Accounts for 78% of General Fund revenue		

General Fund Revenues (000's)

Year	Amount	\$ Increase/ (Decrease)	% Increase/ (Decrease)
2015	\$33,585		
2016	\$34,538	\$953	4.2%
2017	\$35,455	\$917	2.7%
2018	\$37,385	\$1,930	5.4%
2019	\$37,855	\$470	1.3%
2020	\$36,611	-\$774	-3.3%
2021	\$39,054	\$2,443	6.7%
2022	\$40,070	\$1,016	2.6%

2016-20 average annual increase = 2.1%

Note: Excludes GEMT Revenue

2021-22 General Fund Revenue

- by source (000's)

Revenue:	2020	2021	%	2022	%
Taxes	\$29,856	\$30,446	2.0%	\$31,120	2.2%
Licenses & Permits	617	906	46.8%	922	1.8%
Intergovernmental	2,164	3,452	59.5%	3,600	4.3%
Charges for Services	3,061	3,394	10.9%	3,517	3.6%
Fines & Forfeits	501	487	-2.8%	520	6.8%
Miscellaneous	370	368	-0.5%	390	6.0%
Other Fin. Sources	<u>42</u>	<u>1</u>	-97.6%	<u>1</u>	0.0%
Total Revenue	\$36,611	\$39,054	6.7%	\$40,070	2.6%

General Fund Salaries/Benefits

(000's)

Year	Salaries/Benefits	% Increase/ (Decrease)
2015	\$22,636	
2016	\$23,255	2.7%
2017	\$25,065	7.8%
2018	\$26,454	5.5%
2019	\$26,990	2.0%
2020	\$28,359	2.9%
2021	\$28,700	1.2%
2022	\$29,118	1.5%

2016-20 salaries/benefits average annual increase = 4.2%

Salaries and benefits account for 69% of General fund expenditures.

General Fund Baseline Expenditures

(000's)

Year	Total Expenditures	% Increase/ (Decrease)
2015	\$32,798	
2016	\$33,537	2.3%
2017	\$37,471	11.7%
2018	\$39,804	6.2%
2019	\$39,356	-1.1%
2020	\$37,284	-5.3%
2021	\$41,525	11.4%
2022	\$41,876	0.8%

2016-20 General Fund expenditures average annual increase = 2.8%

2017 includes transfer of bond proceeds \$1,844

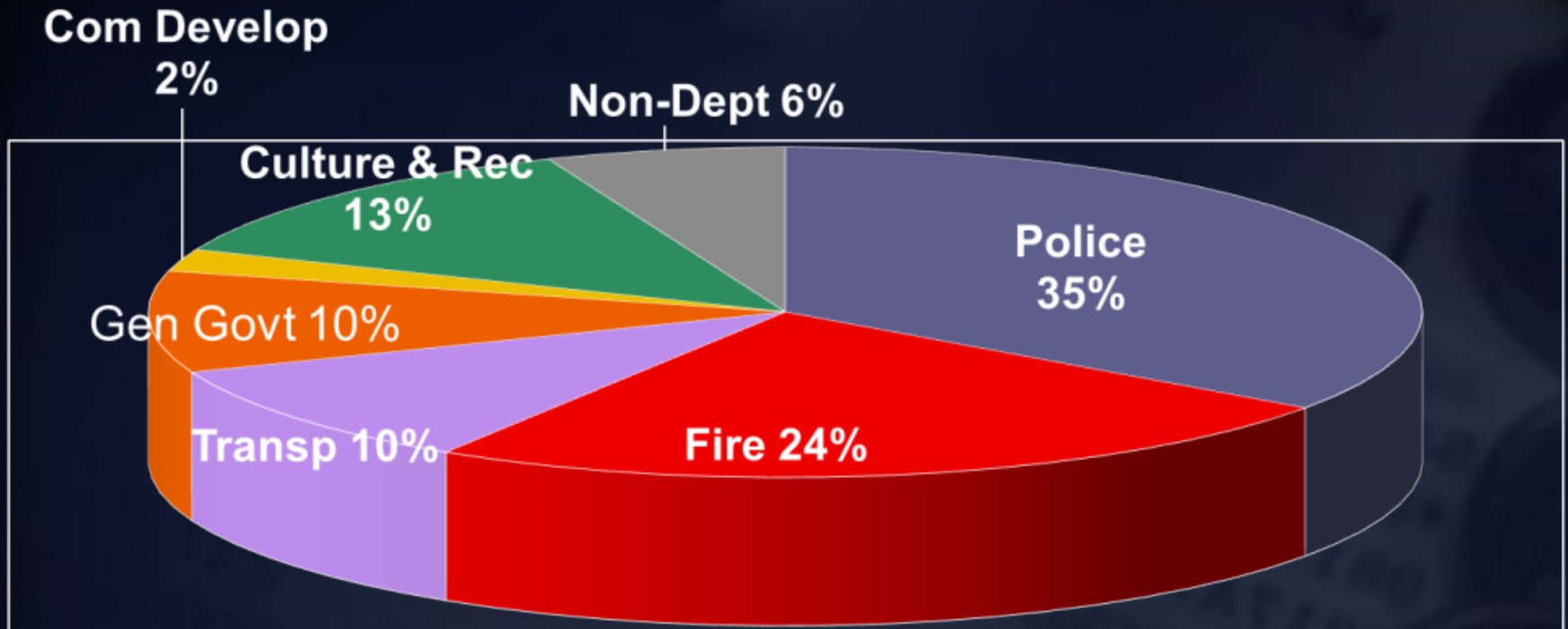
2021-22 General Fund Expenditures

Function:	2020 Projected	2021 Proposed	2022 Proposed
General Govt	\$3,865	\$4,257	\$4,192
Public Safety	22,830	24,430	24,708
Transportation	3,103	4,113	4,182
Community Dev	745	899	905
Culture & Rec	4,680	5,291	5,352
Non-Department	<u>2,061</u>	<u>2,535</u>	<u>2,537</u>
Total Expenditures	\$37,284	\$41,525	\$41,876

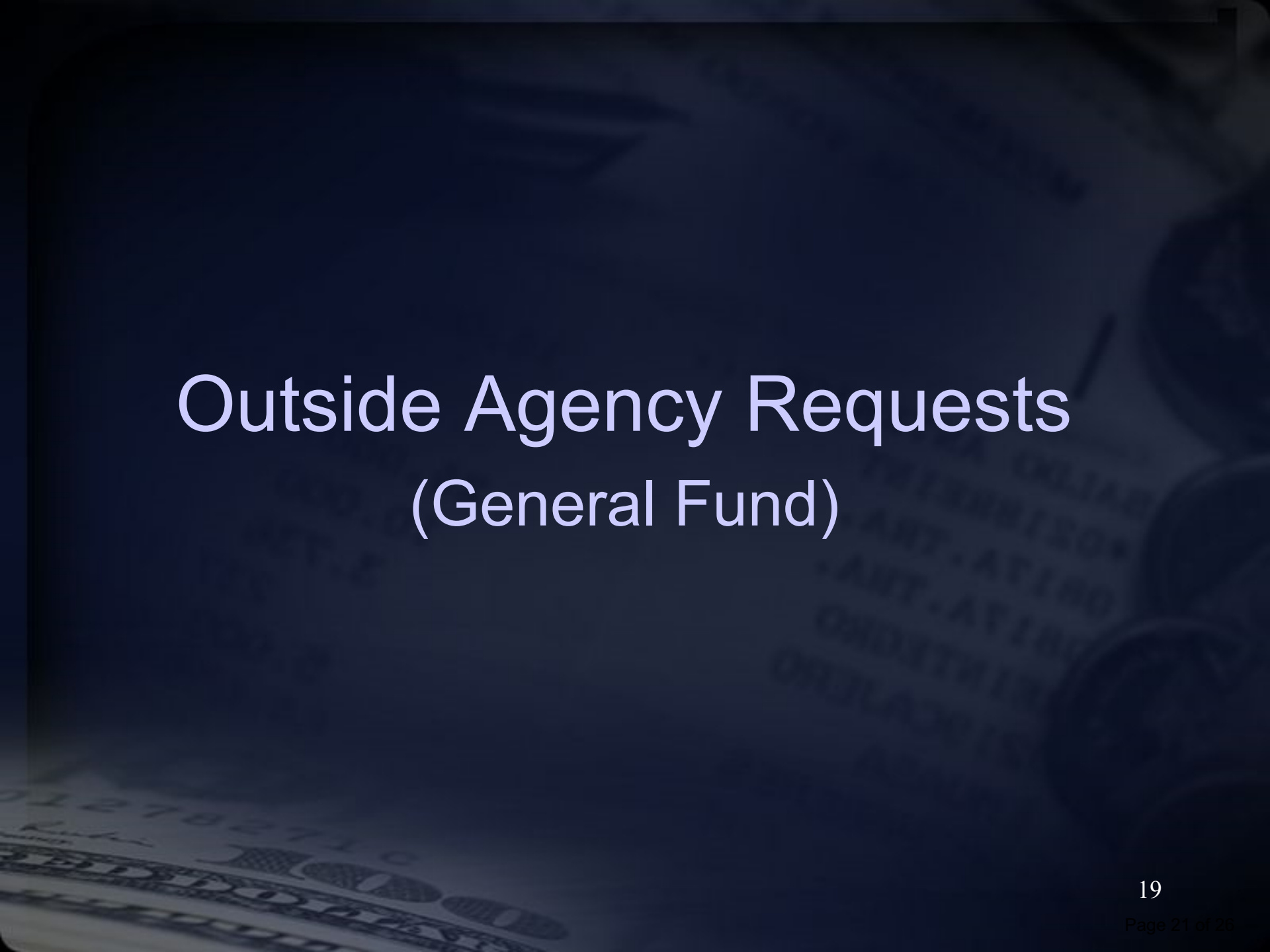
Departments at a glance

Department:	2020 Budget	2021 Budget	2020 Budget
Legislative	\$200,420	\$207,280	\$207,680
Judicial	\$994,250	\$1,069,250	\$1,069,250
Executive	\$176,550	\$298,890	\$304,860
Finance	\$1,569,410	\$1,527,810	\$1,465,150
Human Resources	\$382,580	\$382,340	\$391,790
Legal	\$712,570	\$741,310	\$746,370
Info Technology	\$1,183,350	\$1,099,620	\$1,075,750
Police	\$12,983,180	\$13,423,350	\$13,503,440
Fire	\$9,563,930	\$9,937,780	\$10,135,490
Traffic	\$1,271,880	\$1,229,750	\$1,248,930
Street Maintenance	\$1,753,550	\$1,727,640	\$1,759,770
Engineering	\$1,186,680	\$1,155,400	\$1,173,640
Community Dev	\$925,780	\$898,680	\$904,730
Library	\$2,003,240	\$2,037,810	\$2,067,400
Recreation	\$1,394,190	\$1,422,060	\$1,430,940
Park Maintenance	\$1,926,190	\$1,831,490	\$1,853,450
Non-Department	\$2,540,670	\$2,535,010	\$2,537,560

2021-22 General Fund Expenditures



2021-22 General Fund = \$83,401,660



Outside Agency Requests (General Fund)

2021-22 Outside Agency Requests (General Fund)

	Request	
	2021	2022
Children's Justice Advocacy Center– Program Support	\$12,500	\$12,500
Community Health Partners– Low-Income Medical Assistance	\$4,000	\$4,000
Lower Columbia CAP– Meals on Wheels	<u>\$5,500</u>	<u>\$5,500</u>
Totals:	\$22,000	\$22,000

General Fund Summary

2021-22 General Fund Baseline Summary

(in 000's)

	2021 Budget	2022 Budget
Beg Fund Balance (Excludes GEMT)	\$9,626	\$7,155
Baseline Revenue	<u>\$39,054</u>	<u>\$40,070</u>
Total Revenue	\$39,054	\$40,070
Baseline Expenditures	<u>\$41,525</u>	<u>\$41,876</u>
Total Expenditures	\$41,525	\$41,876
Beg Cash Required	<u>(\$2,471)</u>	<u>(\$1,806)</u>
End Fund Balance	\$7,155	\$5,349



Next Steps

- October 8th – Utility Capital/Wholesale Water Rates
- October 15th - Budget Workshop
- October 22nd – Utility Rate Workshop
- November 5th - Public hearing: 2021 Revenue sources
- November 12th - Adopt 2021 ad valorem tax levy
- November 12th – November 19th - Public hearing: 2021-22 Biennial Budget & CIP
- December 10th - Adopt 2021-22 Biennial Budget and 2021-25 Capital Improvement Plan

2021-2022 Budget Workshop

The end.