



**CITY OF COVINGTON  
SPECIAL MEETING AGENDA  
CITY COUNCIL BUDGET WORKSHOP**

[www.covingtonwa.gov](http://www.covingtonwa.gov)

**Saturday, October 24, 2020  
8:00 a.m.**

**Virtually/Telephonically  
via Zoom Platform**

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*This City Council Special Meeting will both be held telephonically and virtually to comply with Governor Inslee's Proclamation 20-28 (as amended and extended), which, among other things, suspended various requirements under the Open Public Meetings Act, Chapter 42.30 RCW, and prohibited public agencies from conducting meetings in person through November 9, 2020.*

**The City Council Budget Workshop will be held telephonically and virtually as follows:**

**Join Online:** <https://us02web.zoom.us/j/88482769046?pwd=Z2xEQVJHcDFuL1ptOGl0NUhoUWtmUT09>  
Passcode: Budget

**Or Telephone:** 253-215-8782  
Webinar ID: 884 8276 9046  
Passcode: 756872

**GENERAL INFORMATION:**

*The workshop is an informal meeting involving discussion between and among the City Council and city staff regarding presentations and strategies. Workshops may involve presentations, feedback, brainstorming, etc., regarding further work to be done by the staff on key policy matters.*

**CALL CITY COUNCIL WORKSHOP TO ORDER**

**APPROVAL OF AGENDA**

**ITEMS FOR DISCUSSION**

1. Review Budget Strategies (Bolli)
2. Department 2021 Budget Presentations (Parker)
  - Executive (Bolli)
  - Finance (Parker)
  - Police (McCurdy)
  - Community Development (Estep)
  - Public Works (Vondran)
  - Parks & Recreation (Newton)
3. Future Significant Budget Issues (Parker)
4. Review Budget Forecast (Parker)
5. Budget Deliberations (Council)

**ADJOURN**

**Americans with Disabilities Act – reasonable accommodations provided upon request a minimum of 24 hours in advance (253-480-2400).**

# City of Covington

## 2021 Budget Workshop

Saturday, October 24, 2020

Virtually via Zoom

# Budget Strategies

## Budget Development Strategies:

- Fund only what is crucial to continue operations.
- Health and safety related, legally mandated, or necessary for grant eligibility.
- Use fund balance in cases where operating funds have deficits to cover (for 2021 that would be the general fund, development services fund, and capital investment program fund).

## Major Budget Decisions:

- Retain funds in the capital facilities reserve fund.
  - \$2.1 million for the Town Center Reserve.
  - \$1.2 million for the Aquatic Center Reserve.
  - \$400,000 for the Parks Reserve.
- Explore utilizing town center property for a police department.
- Maintain a General Fund balance of 20%.

# Executive Department

## 2021 Budget Presentation

# Comparative Budget

<i>Executive</i>			
	2020	2020	2021
<u>Description</u>	<u>Budget</u>	<u>Estim Actual</u>	<u>Requested</u>
Salaries and Wages	663,983	586,636	625,555
Personnel Benefits	245,600	213,516	265,547
Supplies	10,185	3,058	7,685
Other Services and Charges	226,209	185,834	220,097
Capital Outlay	-	-	-
<b>Executive</b>	<b>1,145,977</b>	<b>995,602</b>	<b>1,118,884</b>

# Comparative Budget

<i>Personnel</i>			
	2020	2020	2021
<u>Description</u>	<u>Budget</u>	<u>Estim Actual</u>	<u>Requested</u>
Salaries and Wages	187,069	186,745	192,494
Personnel Benefits	56,410	55,700	57,974
Supplies	2,010	1,895	2,600
Other Services and Charges	199,050	180,333	202,060
<b>Personnel</b>	<b>444,539</b>	<b>424,673</b>	<b>455,128</b>

# 2021 Decision Cards

## Unfunded

- Cost of Living Adjustment, Additional funding - \$66,283 ongoing  
Total cost is \$66,823 allocated as follows: General Fund \$40,743, Street Fund \$4,262, Development Services Fund \$10,703, SWM Fund \$9,391, and CIP Fund \$1,184

# Future Significant Budget Issues

- None



# Council, Court, Legal & Central

## 2021 Budget Presentation

# Comparative Budget

<i>City Council</i>			
	2020	2020	2021
<u>Description</u>	<u>Budget</u>	<u>Estim Actual</u>	<u>Requested</u>
Operating Transfer Out	1,040,709	1,263,229	690,458
Salaries and Wages	63,600	59,097	61,440
Personnel Benefits	5,230	4,886	5,098
Supplies	4,610	2,206	4,330
Other Services and Charges	138,890	121,216	110,076
<b>City Council</b>	<b>1,253,039</b>	<b>1,450,634</b>	<b>871,402</b>

# Comparative Budget

<i>Municipal Court</i>			
	2020	2020	2021
<u>Description</u>	<u>Budget</u>	<u>Estim Actual</u>	<u>Requested</u>
Supplies	250	-	250
Other Services and Charges	639,400	493,305	634,480
<b>Municipal Court</b>	<b>639,650</b>	<b>493,305</b>	<b>634,730</b>

# Comparative Budget

<i>Legal</i>			
	2020	2020	2021
<u>Description</u>	<u>Budget</u>	<u>Estim Actual</u>	<u>Requested</u>
Salaries and Wages	150,735	149,153	151,243
Personnel Benefits	46,040	39,946	38,891
Supplies	975	640	500
Other Services and Charges	25,000	18,580	25,475
<b>Legal</b>	<b>222,750</b>	<b>208,319</b>	<b>216,109</b>

# Comparative Budget

<b>Central Services</b>			
	<b>2020</b>	<b>2020</b>	<b>2021</b>
<u>Description</u>	<u>Budget</u>	<u>Estim Actual</u>	<u>Requested</u>
Central Services Overhead Payment	(430,490)	(400,490)	(434,727)
Salaries and Wages	168,050	152,967	169,919
Personnel Benefits	71,270	66,540	72,634
Supplies	52,216	31,336	52,650
Other Services and Charges	582,493	541,598	615,288
Debt Service	436,915	435,237	448,544
Capital Outlay	7,000	16,610	-
<b>Central Services</b>	<b>887,454</b>	<b>843,798</b>	<b>924,308</b>

# 2021 Decision Cards

- **City Council**
  - None
- **Municipal Court**
  - None
- **Legal Services**
  - None
- **Central Services**
  - None

# Future Significant Budget Issues

- None

# Finance Department

## 2021 Budget Presentation



# Comparative Budget

<i>Finance</i>			
	2020	2020	2021
<u>Description</u>	<u>Budget</u>	<u>Estim Actual</u>	<u>Requested</u>
Salaries and Wages	372,217	310,416	380,619
Personnel Benefits	160,467	125,954	161,044
Supplies	2,430	2,069	2,515
Other Services and Charges	137,370	126,552	145,700
Debt Service	1,475	1,476	1,475
<b>Finance</b>	<b>673,959</b>	<b>566,467</b>	<b>691,353</b>

# 2021 Decision Cards

None

# Future Significant Budget Issues

- Largest expenditure is audit fees.
- Potential software conversion or upgrade.
- Additional staff as the city grows.

# Police Department

## 2021 Budget Presentation

# Comparative Budget

<b>Law Enforcement</b>			
	<b>2020</b>	<b>2020</b>	<b>2021</b>
<u>Description</u>	<u>Budget</u>	<u>Estim Actual</u>	<u>Requested</u>
Supplies	10,899	10,660	10,850
Other Services and Charges	4,792,813	5,002,379	5,003,423
Debt Service	1,200	1,300	1,300
<b>Law Enforcement</b>	<b>4,804,912</b>	<b>5,014,339</b>	<b>5,015,573</b>

# Future Significant Budget Issues

- Continued residential growth (add 1 officer/1000)
- Continued retail growth (Lakepointe and others)
- Add 5 Officers over next 10 years
- Increasing calls for services
  - 2011: 3,803
  - 2012: 4,289
  - 2013: 4,421
  - 2014: 4,581
  - 2015: 4,843
  - 2016: 5,097
  - 2017: 5,493
  - 2018: 5,365
  - 2019: 5,565

# 2021 Decision Cards

None

# Community Development Department

## 2021 Budget Presentation



# Comparative Budget

<b>Community Development</b>			
	<b>2020</b>	<b>2020</b>	<b>2021</b>
<u>Description</u>	<u>Budget</u>	<u>Estim Actual</u>	<u>Requested</u>
Salaries and Wages	295,607	226,059	306,753
Personnel Benefits	96,435	75,276	103,101
Supplies	2,750	1,125	2,640
Other Services and Charges	99,666	77,141	99,916
<b>Community Development</b>	<b>494,458</b>	<b>379,601</b>	<b>512,410</b>

# Comparative Budget

<b>Development Services Fund</b>			
	<b>2020</b>	<b>2020</b>	<b>2021</b>
<b><u>Description</u></b>	<b><u>Budget</u></b>	<b><u>Estim Actual</u></b>	<b><u>Requested</u></b>
Salaries and Wages	911,077	833,740	911,750
Personnel Benefits	318,200	286,287	336,251
Supplies	12,724	5,400	12,554
Other Services and Charges	1,073,361	916,155	1,217,482
<b>Development Services</b>	<b>2,315,362</b>	<b>2,041,582</b>	<b>2,478,037</b>

# 2021 Decision Cards

None

# Future Significant Budget Issues

- The long-term fiscal impacts from COVID-19 are unknown, making forecasting of development services expenditures with anticipated revenues a bit more difficult. To date we have not seen a drop-in construction activity.
- **Implementation of New Projects & Program Service Needs.**
  - *The implementation of the new “Equity, Cultural and Social Justice Commission – Dafne Hernandez is a CD staff member.*
  - *Ongoing development & project review*
    - Economic Impacts due to COVID-19; its effects on private investment, and development and construction.
    - infrastructure needs – concurrency & utilities

# Public Works Department

## 2021 Budget Presentation

# Comparative Budget

<b><i>Parks Maintenance</i></b>			
	<b>2020</b>	<b>2020</b>	<b>2021</b>
<b><u>Description</u></b>	<b><u>Budget</u></b>	<b><u>Estim Actual</u></b>	<b><u>Requested</u></b>
Salaries and Wages	277,177	179,429	253,142
Personnel Benefits	124,435	89,141	106,271
Supplies	41,441	46,806	41,769
Other Services and Charges	181,561	170,822	167,416
Debt Service	5,980	5,980	5,980
Capital Outlay	-	1,500	-
<b>Parks Maintenance</b>	<b>630,594</b>	<b>493,678</b>	<b>574,578</b>

# Comparative Budget

<i>Street Fund</i>			
	2020	2020	2021
<u>Description</u>	<u>Budget</u>	<u>Estim Actual</u>	<u>Requested</u>
Salaries and Wages	370,016	338,587	370,525
Personnel Benefits	145,534	138,972	148,135
Supplies	62,456	51,363	60,433
Other Services and Charges	748,687	679,096	631,059
Debt Service	5,185	5,000	5,185
Capital Outlay	5,000	-	-
<b>Street Fund</b>	<b>1,336,878</b>	<b>1,213,108</b>	<b>1,215,337</b>

# Comparative Budget

<b>Surface Water Management Fund</b>			
	<b>2020</b>	<b>2020</b>	<b>2021</b>
<b><u>Description</u></b>	<b><u>Budget</u></b>	<b><u>Estim Actual</u></b>	<b><u>Requested</u></b>
Salaries and Wages	801,146	557,705	810,547
Personnel Benefits	314,326	267,214	349,072
Supplies	62,493	45,647	62,824
Other Services and Charges	1,405,618	1,239,369	1,443,825
Capital Outlay	188,000	278,126	40,000
Debt Service	6,915	6,880	7,558
<b>Surface Water Management</b>	<b>2,778,498</b>	<b>2,394,941</b>	<b>2,713,826</b>



# 2021 Budget

<b><i>CIP Fund – Public Works Projects</i></b>	<b>2021 Budget</b>
CIP 1145 – 256 <sup>th</sup> Street	\$462,774
CIP 1201 – 204 <sup>th</sup> Connector	\$10,416,068
Maintenance Facility	\$470,000
CIP 1063 – SR 516 Covington Way	\$1,158,690
CIP 1127 – SR 516 Widening at Jenkins Creek	\$5,625,662
CIP 1128 – SR 516 (185 <sup>th</sup> – 192 <sup>nd</sup> )	\$636,364

# 2021 Decision Cards

## Funded

- Wired/Wireless Network Replacement - \$21,300 one-time, \$3,500 ongoing (GF - Central)
- Wetland Maintenance - \$30,000 ongoing (GF – Parks Maintenance)
- Arrow Board - \$5,000 one-time, (\$1,000) ongoing (Street)

# Future Significant Budget Issues

- No overlay program
- Sustainability of Street Fund
- Emergency Management
- Fleet replacement funding
- Additional staff

# Parks & Recreation Department

## 2021 Budget Presentation

# Comparative Budget

<i>Aquatics</i>			
	2020	2020	2021
<u>Description</u>	<u>Budget</u>	<u>Estim Actual</u>	<u>Requested</u>
Salaries and Wages	879,099	498,299	817,879
Personnel Benefits	219,861	159,521	214,064
Supplies	69,994	47,625	69,965
Other Services and Charges	251,015	189,504	215,444
Debt Service	1,340	2,305	2,660
Capital Outlay	102,070	104,630	-
<b>Aquatics</b>	<b>1,523,379</b>	<b>1,001,884</b>	<b>1,320,012</b>

# Comparative Budget

<b>Recreation and Cultural Arts</b>			
	<b>2020</b>	<b>2020</b>	<b>2021</b>
<u>Description</u>	<u>Budget</u>	<u>Estim Actual</u>	<u>Requested</u>
Salaries and Wages	360,033	242,904	358,886
Personnel Benefits	117,134	95,354	119,483
Supplies	103,022	32,270	93,185
Other Services and Charges	239,819	102,175	209,530
<b>Recreation and Cultural Arts</b>	<b>820,008</b>	<b>472,703</b>	<b>781,084</b>

# Comparative Budget

<b>Parks</b>			
	<b>2020</b>	<b>2020</b>	<b>2021</b>
<u><b>Description</b></u>	<u><b>Budget</b></u>	<u><b>Estim Actual</b></u>	<u><b>Requested</b></u>
Salaries and Wages	242,953	245,146	250,250
Personnel Benefits	92,632	91,716	95,554
Supplies	1,740	580	1,740
Other Services and Charges	141,840	217,457	196,204
Debt Service	1,800	1,750	1,800
<b>Parks</b>	<b>480,965</b>	<b>556,649</b>	<b>545,548</b>

# 2021 Budget

<b><i>CIP Fund – Parks Projects</i></b>	<b>2021 Budget</b>
Public Art	\$28,739
CIP 1172 – Covington Aquatic Center	\$100,000



# 2021 Decision Cards

## Funded

- Aquatic Center Hot Water Supply - \$136,800 one-time (aquatic center reserve – Aquatics)
- PROS Plan - \$80,000 one-time (park reserve – Parks)
- Welcome Park - \$354,500 one-time (\$265,875 WWRP grant; \$88,625 PIF funds – CIP)
- Jenkins Creek Park Expansion - \$1,928,500 one-time (\$500,000 WWRP grant; \$250,000 LWCF grant; \$744,750 CFT grant; \$403,750 Park-Fee-In-Lieu funds - CIP)
- Jenkins Creek Trail - \$3,824,556 one-time (\$3,274,645 WWRP grant; \$517,741 Park-Fee-In-Lieu funds; \$32,170 PIF funds – CIP)

# Future Significant Budget Issues

- Capital improvements
  - Existing parks and facilities
  - New and expanded parks and facilities
- Sustaining levels of service as city grows

# Other Budget Considerations

# HB 1406 Sales tax credit – options for spending

- City administered rental assistance program
  - Providing rent, security deposits, or utility payment assistance
- City could retain the funds for a future project
- Interlocal agreement with other local governments
  - Pool tax receipts, pledge tax collections to bond for qualifying projects
- Interlocal agreement with South King County Housing and Homeless Partners (SKHHP)
  - Pool tax receipts, pledge tax collections to bond for qualifying projects

# HB 1590 Sales Tax – options for spending

- A minimum of 60 percent of the money must be used for construction of affordable housing and related facilities for various population groups at or below 60 percent of the median income:
  - Constructing affordable housing, which may include new units of affordable housing within an existing structure, and facilities providing housing-related services; or
  - Constructing mental and behavioral health-related facilities; or
  - Funding the operations and maintenance costs of new units of affordable housing and facilities where housing-related programs are provided, or newly constructed evaluation and treatment centers.
- The remaining 40 percent (or less) of the funds must be used for operation, delivery, or evaluation of mental and behavioral health treatment programs and services or housing-related services.

# Initiative 976 Ruling

- The Washington Supreme Court found that the initiative was unconstitutional in that it violated both the “single subject” rule of Article II, section 19 of the Washington State Constitution, and the “subject-in-title” requirement of Article II, section 19. This will provide the City of Covington’s street fund \$361,850 in 2021.

# Potential Police Move

<u>Description</u>	<u>One-time start up costs</u>	<u>Ongoing</u>	<u>Total</u>
Furniture	5,000	-	5,000
IT	50,000	-	50,000
Security	500	-	500
Professional Services	1,500	-	1,500
Annual Base Budget	-	47,700	47,700
<b>Total</b>	<b>57,000</b>	<b>47,700</b>	<b>104,700</b>

- City Hall space needs with teleworking

# Review Budget Forecast