



**CITY OF COVINGTON  
SPECIAL MEETING AGENDA  
CITY COUNCIL BUDGET WORKSHOP**  
Council Chambers – 16720 SE 271<sup>st</sup> Street, Suite 100, Covington  
[www.covingtonwa.gov](http://www.covingtonwa.gov)

**Saturday, November 16, 2019 – 8:00 a.m.**  
**(Council & Leadership Team Breakfast beginning @ 7:30 a.m.)**

**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**

**ITEM(S) FOR DISCUSSION**

1. Review Budget Strategies (Bolli)
2. Department 2020 Budget Presentations
  - Executive (Bolli)
  - Finance (Parker)
  - Police (McCurdy)
  - Community Development (Estep)
  - Public Works (Vondran)
  - Parks & Recreation (Newton)
3. Discussion on Impacts of I-976
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

## 2020 Budget Workshop

Saturday, November 16, 2019

Covington Council Chambers

# COVINGTON

#lovethecov

We are not the council

We are not staff

We are not individual councilmembers

Nor are we siloed departments

**WE ARE COVINGTON!**

# Budget Strategies

## Budget Development Strategies

- Fund only what is crucial to continue operations.
- Requests show a link to the strategic plan and goals, are health and safety related, or legally mandated.
- Return unused monies from the capital investment program fund to the general fund.
- Use fund balance only in cases where funds have deficits to cover (for 2020 that would be the general fund (using town center reserve for demolition and potential tenant improvements), street fund, development services fund, and capital investment program fund).

## Major Budget Decisions:

- Retain funds in the capital facilities reserve fund.
  - \$2.3 million for the Town Center Reserve.
  - \$1.3 million for the Aquatic Center Reserve.
  - \$500,000 for the Parks Reserve.
- Planning phase of maintenance shop.
- Explore utilizing town center property for a police department.
- Maintain a General Fund balance of 20%.

# Executive Department

## 2020 Budget Presentation

# Comparative Budget

<b>Executive</b>			
	<b>2019</b>	<b>2019</b>	<b>2020</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	655,661	631,365	663,983
Personnel Benefits	252,174	235,746	245,600
Supplies	6,560	8,332	7,685
Other Services and Charges	218,835	211,245	223,709
Capital Outlay	-	6,965	-
<b>Executive</b>	<b>1,133,230</b>	<b>1,093,653</b>	<b>1,140,977</b>

# Comparative Budget

<i>Personnel</i>			
	2019	2019	2020
<u>Description</u>	<u>Budget</u>	<u>Estim Actual</u>	<u>Requested</u>
Salaries and Wages	178,781	178,680	184,789
Personnel Benefits	55,898	54,343	56,189
Supplies	2,080	2,090	2,010
Other Services and Charges	206,850	208,105	196,760
<b>Personnel</b>	<b>443,609</b>	<b>443,218</b>	<b>439,748</b>

# 2020 Decision Cards

## Funded

- Branding Initiatives - \$5,000 one-time
- Human Resources Certification for Personnel and Human Services Planner - \$2,290 one-time
- Office Assistant, Personnel & Human Services (160 hours) - \$2,500 ongoing

## Unfunded

- Minor Home Repair, Additional funding - \$20,000 ongoing



# Future Significant Budget Issues

- None

# Council, Court, Legal & Central

## 2020 Budget Presentation

# Comparative Budget

<b>City Council</b>			
	<b>2019</b>	<b>2019</b>	<b>2020</b>
<b><u>Description</u></b>	<b><u>Budget</u></b>	<b><u>Estim Actual</u></b>	<b><u>Requested</u></b>
Operating Transfer Out	1,219,807	1,686,770	798,419
Salaries and Wages	52,800	52,000	52,800
Personnel Benefits	4,552	4,395	5,078
Supplies	4,010	4,295	4,810
Other Services and Charges	151,075	164,022	182,990
<b>City Council</b>	<b>1,432,244</b>	<b>1,911,482</b>	<b>1,044,097</b>

# Comparative Budget

<b>Municipal Court</b>			
	<b>2019</b>	<b>2019</b>	<b>2020</b>
<u>Description</u>	<u>Budget</u>	<u>Estim Actual</u>	<u>Requested</u>
Supplies	250	-	250
Other Services and Charges	570,900	550,400	639,400
<b>Municipal Court</b>	<b>571,150</b>	<b>550,400</b>	<b>639,650</b>

# Comparative Budget

<i>Legal</i>			
	2019	2019	2020
<u>Description</u>	<u>Budget</u>	<u>Estim Actual</u>	<u>Requested</u>
Salaries and Wages	144,279	144,273	150,735
Personnel Benefits	44,912	40,895	46,040
Supplies	975	250	975
Other Services and Charges	25,000	15,000	25,000
<b>Personnel</b>	<b>215,166</b>	<b>200,418</b>	<b>222,750</b>

# Comparative Budget

<b>Central Services</b>			
	<b>2019</b>	<b>2019</b>	<b>2020</b>
<u>Description</u>	<u>Budget</u>	<u>Estim Actual</u>	<u>Requested</u>
Central Services Overhead Payment	(372,223)	(372,223)	(430,490)
Salaries and Wages	160,752	160,923	168,050
Personnel Benefits	70,832	68,516	71,270
Supplies	53,925	61,001	55,516
Other Services and Charges	911,935	914,729	1,016,928
Capital Outlay	11,000	6,000	-
<b>Central Services</b>	<b>836,221</b>	<b>838,946</b>	<b>881,274</b>

# 2020 Decision Cards

- **City council**
  - None
- **Municipal court**
  - None
- **Legal services**
  - None
- **Central services**
  - None

# Future Significant Budget Issues

- None



# Finance Department

## 2020 Budget Presentation

# Comparative Budget

<b>Finance</b>			
	<b>2019</b>	<b>2019</b>	<b>2020</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	438,672	345,015	372,217
Personnel Benefits	166,243	145,816	160,467
Supplies	1,970	3,320	2,430
Other Services and Charges	120,165	116,539	138,845
<b>Finance</b>	<b>727,050</b>	<b>610,690</b>	<b>673,959</b>

# 2020 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

## 2020 Budget Presentation

# Comparative Budget

<b>Law Enforcement</b>			
	<b>2019</b>	<b>2019</b>	<b>2020</b>
<u>Description</u>	<u>Budget</u>	<u>Estim Actual</u>	<u>Requested</u>
Supplies	10,299	9,125	10,899
Other Services and Charges	4,637,589	4,840,464	4,792,383
<b>Law Enforcement</b>	<b>4,647,888</b>	<b>4,849,589</b>	<b>4,803,282</b>

# 2020 Decision Cards

## Funded

- Traffic Cloud Subscription - \$1,630 ongoing

## Unfunded

- Police Community Liaison - \$101,945 ongoing

# 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: 4,190 (3Q- +101 from 2018)



# Community Development Department

2020 Budget Presentation

# Comparative Budget

<b>Community Development</b>			
	<b>2019</b>	<b>2019</b>	<b>2020</b>
<u>Description</u>	<u>Budget</u>	<u>Estim Actual</u>	<u>Requested</u>
Salaries and Wages	293,292	270,092	295,607
Personnel Benefits	100,795	89,440	96,435
Supplies	2,495	2,576	2,750
Other Services and Charges	77,046	114,115	79,666
<b>Community Development</b>	<b>473,628</b>	<b>476,223</b>	<b>474,458</b>

# Comparative Budget

<b>Development Services Fund</b>			
	<b>2019</b>	<b>2019</b>	<b>2020</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	761,224	820,840	911,077
Personnel Benefits	267,434	277,664	318,200
Supplies	11,677	12,115	12,724
Other Services and Charges	834,241	813,655	953,361
<b>Development Services</b>	<b>1,874,576</b>	<b>1,924,274</b>	<b>2,195,362</b>

# 2020 Decision Cards

## Funded

- Downtown Study Update - \$125,000 one-time, (\$35,000 General Fund \$90,000 Development Services Fund)
  - Since the budget notebook was published, the City has received a grant from the Department of Commerce to do Form Based Code and Infill Exemption in the amount of \$100,000. This will reduce the General fund portion to \$0 and reduce the Development Services Fund portion to \$40,000, for a total project budget of \$140,000.

# Future Significant Budget Issues

- **Forecasting and matching development services expenditures with anticipated revenues.**
- **Implementation of New Projects & Program Service Needs.**
  - *Code enforcement complaints and the associated inspections.*
    - Increased complaints from SeeClickFix.
    - Proactive code enforcement
    - Sign Enforcement
  - *Ongoing development & project review*
    - Potential slow-down of the housing market
    - Limited Large Commercial Properties (> 2 acres)
    - Infrastructure needs – concurrency & utilities

# Public Works Department

## 2020 Budget Presentation

# Comparative Budget

<b>Parks Maintenance</b>			
	<b>2019</b>	<b>2019</b>	<b>2020</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	224,204	210,089	247,668
Personnel Benefits	106,185	102,103	112,428
Supplies	42,148	37,195	41,166
Other Services and Charges	129,209	142,305	181,024
Capital Outlay	30,410	35,441	-
<b>Parks Maintenance</b>	<b>532,156</b>	<b>527,133</b>	<b>582,286</b>

# Comparative Budget

<i>Street Fund</i>			
	2019	2019	2020
<u>Description</u>	<u>Budget</u>	<u>Estim Actual</u>	<u>Requested</u>
Operating Transfer Out	419,275	407,511	-
Salaries and Wages	426,414	466,885	399,521
Personnel Benefits	174,651	178,071	157,543
Supplies	64,728	76,835	65,656
Other Services and Charges	738,228	888,450	656,000
Capital Outlay	-	1,541	-
<b>Street Fund</b>	<b>1,823,296</b>	<b>2,019,293</b>	<b>1,278,720</b>



# Comparative Budget

<b>Surface Water Management Fund</b>			
	<b>2019</b>	<b>2019</b>	<b>2020</b>
<b><u>Description</u></b>	<b><u>Budget</u></b>	<b><u>Estim Actual</u></b>	<b><u>Requested</u></b>
Transfer Out	499,455	541,261	-
Salaries and Wages	741,008	699,780	801,146
Personnel Benefits	300,506	288,866	314,326
Supplies	40,609	46,640	61,593
Other Services and Charges	1,353,687	1,342,858	1,380,372
Capital Outlay	206,680	264,490	-
Debt Service: Interest	2,025	2,025	1,380
<b>Surface Water Management</b>	<b>3,143,970</b>	<b>3,185,920</b>	<b>2,558,817</b>

# 2020 Budget

<b>CIP Fund – Public Works Projects</b>	<b>2020 Budget</b>
CIP 1145 – 256 <sup>th</sup> Street	\$603,927
CIP 1201 – 204 <sup>th</sup> Connector	\$16,205,275
Maintenance Facility	\$998,185
Town Center	\$473,970
CIP 1063 – SR 516 Covington Way	\$605,661
CIP 1127 – SR 516 Widening at Jenkins Creek	\$5,505,275
CIP 1128 – SR 516 (185 <sup>th</sup> – 192 <sup>nd</sup> )	\$815,661

# 2020 Decision Cards

## Funded

- Network Security Monitoring Improvements - \$7,000 one-time, \$3,900 ongoing (GF - Central)
- Windows 10 Enterprise - \$5,100 ongoing (GF – Central)
- Parks Maintenance Worker (1.0 FTE) - \$2,400 one-time, \$83,840 ongoing (GF – Parks Maintenance)
- Freightliner 5-Yard Dump Truck Replacement - \$213,400 (GF – Parks Maintenance, Street, SWM, ER)
- CIP Project Manager - \$4,657 ongoing (Street), \$147,805 ongoing (Grant funded, postponed until funds are secured)
- ADA Transition Policy Improvements - \$18,000 ongoing (Street)
- Arrow Board - \$5,000 one-time (Street)
- Side Arm Mower - \$163,000 one-time, \$21,200 ongoing (SWM)

## Unfunded

- Increase Emergency Management Program Manager to Full-Time - \$82,930 ongoing (GF – Central), \$11,190 ongoing (Grant funded)
- Desktop Management Software - \$1,535 ongoing (GF – Central)
- Microsoft EMS User Licensing - \$6,450 ongoing (GF – Central)
- Increase Equipment Replacement Funding for Maintenance - \$71,316 ongoing (GF – Parks Maintenance, Street, SWM)
- Storage Shed - \$28,200 one-time (GF – Parks Maintenance, Parks)

# Future Significant Budget Issues

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

# Parks & Recreation Department

## 2020 Budget Presentation

# Comparative Budget

<i>Aquatics</i>			
	2019	2019	2020
<u>Description</u>	<u>Budget</u>	<u>Estim Actual</u>	<u>Requested</u>
Salaries and Wages	828,347	780,151	850,353
Personnel Benefits	238,169	190,999	217,428
Supplies	68,092	75,540	69,490
Other Services and Charges	258,403	245,561	248,635
Capital Outlay	151,000	91,238	83,530
<b>Aquatics</b>	<b>1,544,011</b>	<b>1,383,489</b>	<b>1,469,418</b>

# Comparative Budget

<b>Recreation and Cultural Arts</b>			
	<b>2019</b>	<b>2019</b>	<b>2020</b>
<u>Description</u>	<u>Budget</u>	<u>Estim Actual</u>	<u>Requested</u>
Salaries and Wages	370,719	371,917	358,748
Personnel Benefits	145,223	127,723	117,204
Supplies	118,744	105,740	111,377
Other Services and Charges	231,426	238,070	267,164
<b>Recreation and Cultural Arts</b>	<b>866,112</b>	<b>843,450</b>	<b>854,493</b>

# Comparative Budget

<b>Parks</b>			
	<b>2019</b>	<b>2019</b>	<b>2020</b>
<u>Description</u>	<u>Budget</u>	<u>Estim Actual</u>	<u>Requested</u>
Salaries and Wages	232,055	232,939	242,953
Personnel Benefits	94,046	88,895	92,632
Supplies	1,700	2,735	1,740
Other Services and Charges	31,220	40,560	143,640
<b>Parks</b>	<b>359,021</b>	<b>365,129</b>	<b>480,965</b>



# 2020 Budget

<b><i>CIP Fund – Parks Projects</i></b>	<b>2020 Budget</b>
Public Art	\$13,000
CIP 1019 – SoCo Park	\$660,700
CIP 1172 – Covington Aquatic Center	\$224,250

# 2020 Decision Cards

## Funded

- None

## Partially Funded

- Vehicle for Aquatics Division - \$18,540 one-time and \$4,224 ongoing (GF-Aquatics)

## Unfunded

- Resurface Spectator Area – Option A \$84,500 one-time or Option B \$24,000 one-time (GF-Aquatics)
- Customer Service Representatives (0.5 FTE) - \$19,795 ongoing (GF-Aquatics)
- Planning Services for Parks - \$13,500 ongoing (GF-Parks)

# Future Significant Budget Issues

- Capital improvements
  - Existing parks and facilities
  - New and expanded parks and facilities
- Staff resources as city grows

# 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

# Initiative 976

- King County & Seattle announced law suits, but nothing has been filed.
- On November 13<sup>th</sup> AWC announced it is joining a broad coalition in filing suit to seek an injunction and determine the legality of I-976.
- Sounds Transit is meeting with its board to discuss on November 21.
- Two most likely legal challenges may be Single Subject and Impairment of Contract
- Single Subject.
  - Single Subject rules prevent single initiatives from containing multiple topics that are not necessarily related to each other.
    - Essentially, you should be able to vote on a single proposal that is not held captive by something else in the initiative.
- I-976 calls for multiple actions and a court may conclude that these all have to be separately adopted.
- Impairment of Contract
  - Restricts the passage of laws that conflict with existing contracts entered into by the government.
    - I-976 does attempt to address that by requiring Sound Transit to refinance its already-issued bonds by the end of March 2020, but it's unclear this can be required in an initiative.
- Injunction: Any potential lawsuit could include an injunction which would put the measure on hold while it is litigated in the courts.
- Options:
  - Move forward without making cuts on the hopes of an injunction.
  - Make cuts in anticipation of I-976 being implemented.

- **Review Budget Forecast**