



City of College Place

2018

PRELIMINARY

BUDGET

WORKSHOP

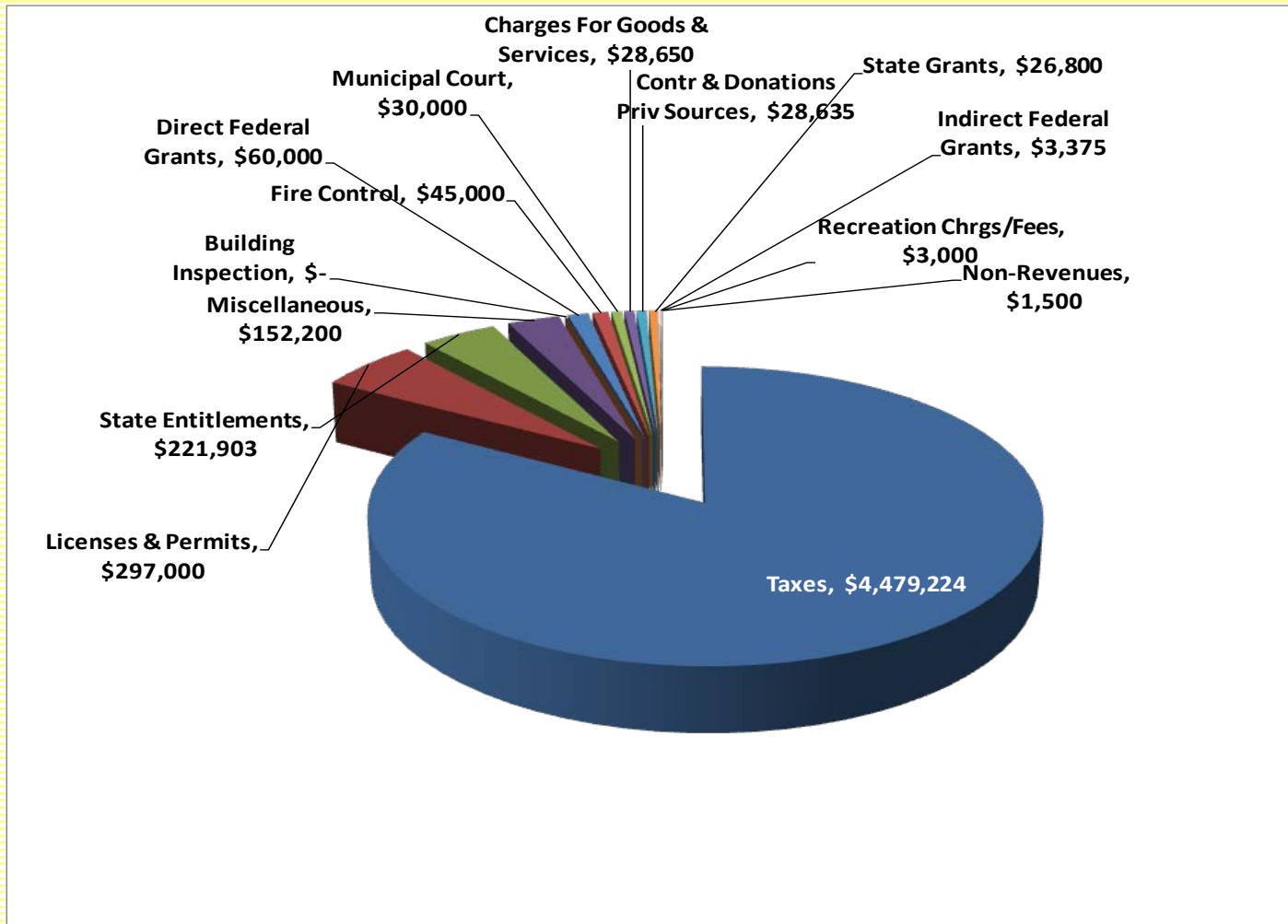
November 9, 2017

Current Expense Fund #001

- Total Budget: \$7,557,362
- Recurring Revenues: \$5,259,777
- Recurring Expenditures: \$5,543,354
- **Recurring Deficit of (\$283,577)**
- Minimum Proposed Policy Ending Fund Balance is 20% of Recurring Revenues
\$1,051,955
- Budgeted Ending Fund Balance:
\$1,474,751

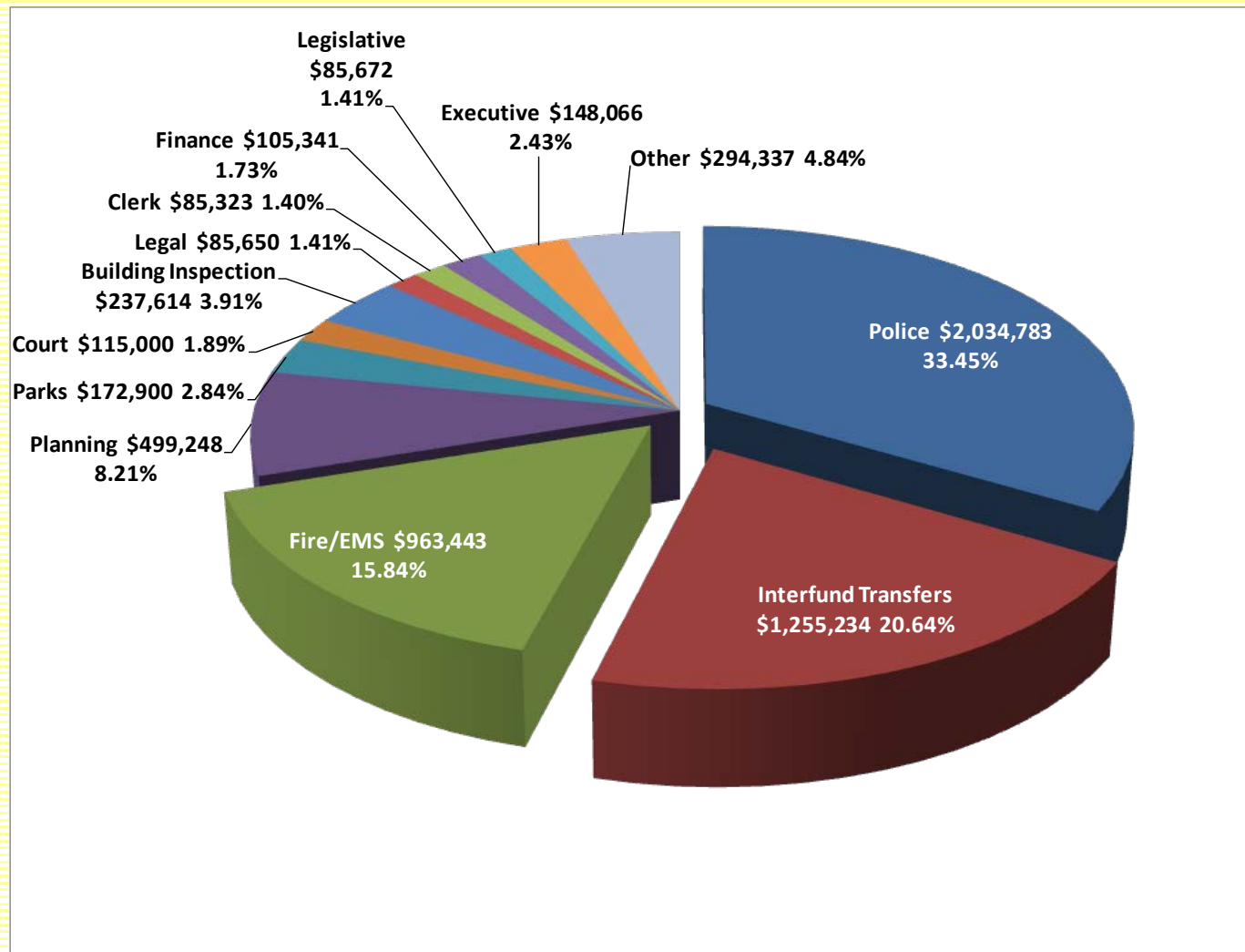


Current Expense Fund Revenues



*Miscellaneous consists primarily of tower rental revenue and interest income

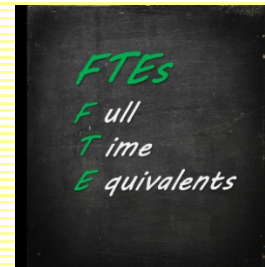
Current Expense Fund Expenditures



Legal fees have been pulled out of departments and grouped together in this slide in order to illustrate what we have budgeted for legal for 2018. This impacts the departmental budgets in that they are slightly lower on this slide than they are in your budget report, due to being net of legal.

Current Expense Notable Items

- Budgeted FTEs are 35.5. Requested FTEs were 46.0.
- FTEs includes new positions:
 - Additional patrol officer
 - Administrative position for Community Development and Public Works
 - Additional public safety positions needed if revenues exist to support



Current Expense Notable Items, Cont.

- Equipment Replacement Program Transfers:
 - Fire/EMS: \$221,000 (includes \$80,000 for wildland vehicle)
 - Police: \$62,000
 - Building Inspection and Travel Vehicles: \$23,000
 - Parks: \$10,000
 - Total Current Expense Replacement Contributions: \$316,000



The Problem

- We have a recurring deficit of approximately **\$285,000** in the Current Expense Fund
 - Recurring Revenues: \$5,259,777
 - Recurring Expenditures: \$5,543,354

Possible Revenue Solutions

- Implement tax on Water and Wastewater Utilities



- Transportation Benefit District Tab Tax



- Increase Cable and Solid Waste Taxes



A Note on Current Utility Taxes

- Utility taxes on the following utilities are at max of 6% without a vote of the public:
 - Electricity
 - Gas
 - Telephone
- There is no limit on Cable TV, but the rate may not be “unduly discriminatory”
- Solid Waste has no limit (currently at 6%)

Possible Solution #1: Water and Wastewater Utility Tax

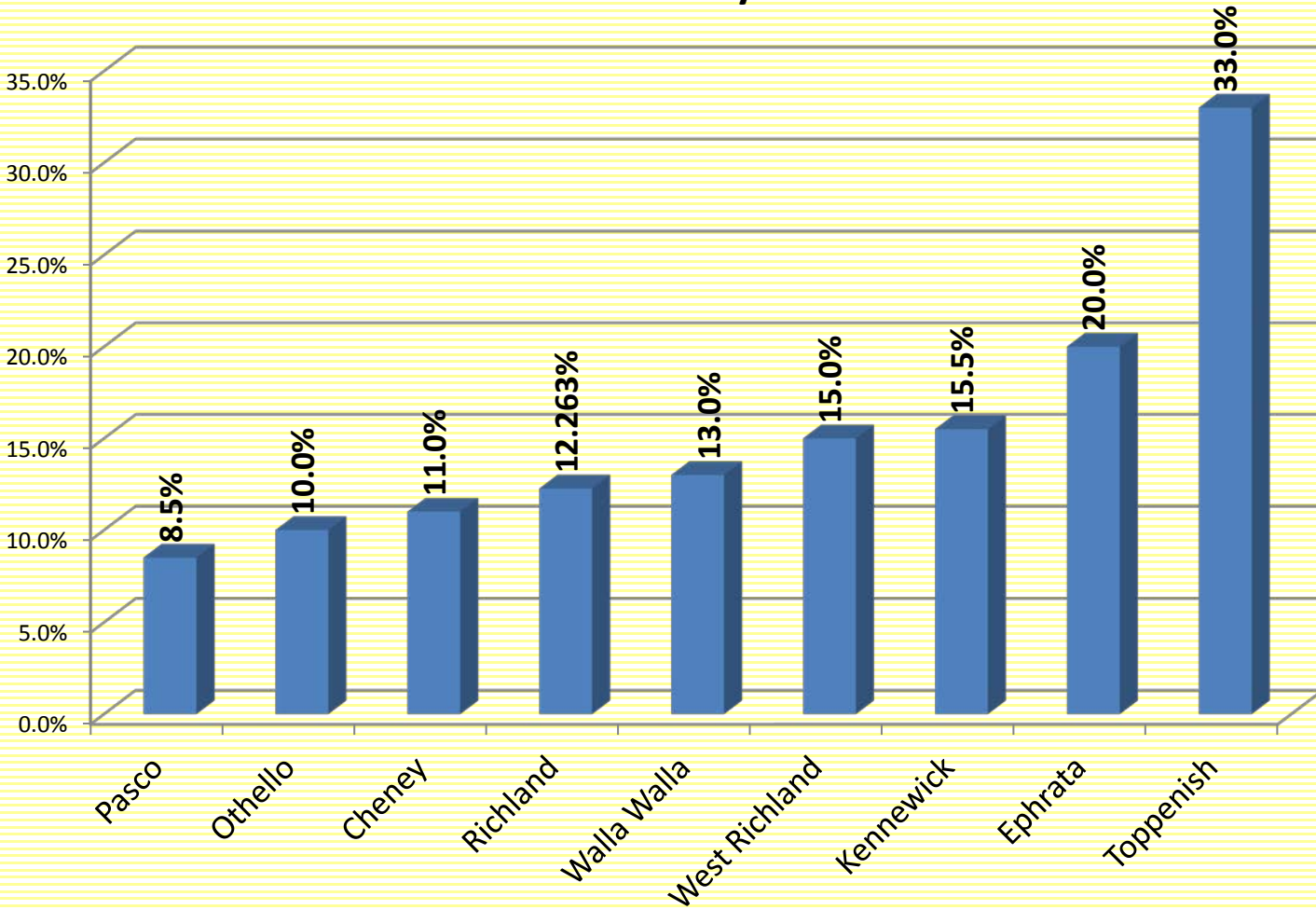
- Tax would be applied to both CP utilities and irrigation districts
- Can't estimate Consolidated Irrigation District 14 as we don't know how many of their customers are within our City Limits.
- Estimates of CP and Green Tank tax revenues would fill our budget gap.

Implement Tax on Water and Wastewater Utilities, cont.

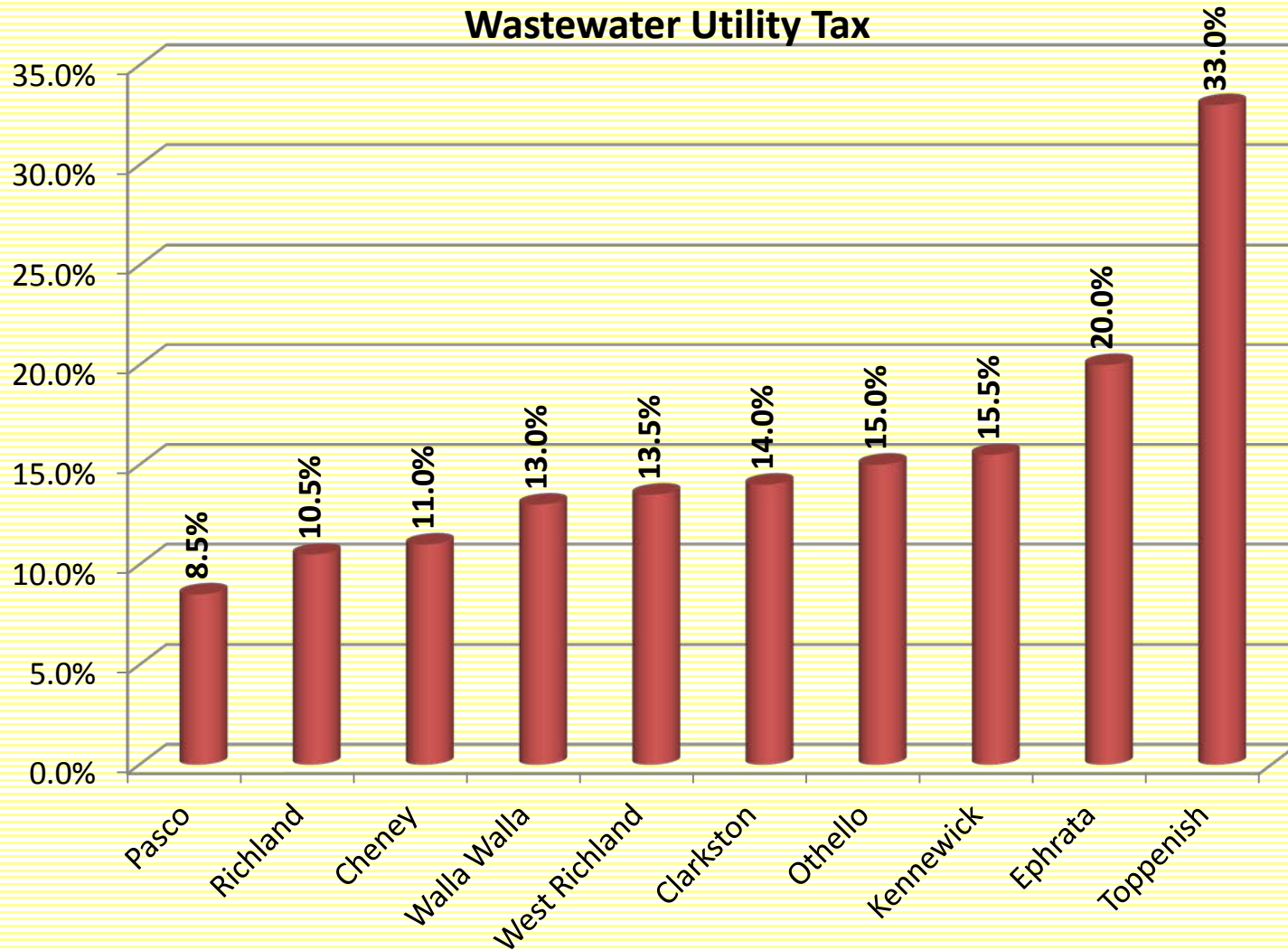
	2018
Proposed CP Water Charges	\$ 2,015,600
Proposed CP Wastewater Charges	\$ 2,640,500
Total	\$ 4,656,100
Estimated Tax on CP Sales	\$ 279,366
Consolidated Irrigation District #14	\$ 142,800
Estimated Tax on District 14 Sales	\$ 8,568
Green Tank Estimated Water Sales	\$ 125,000
Estimated Tax on Green Tank Sales	\$ 7,500
Total Estimated Tax	\$ 295,434

Comparison of proposed utility tax to comparable and nearby cities

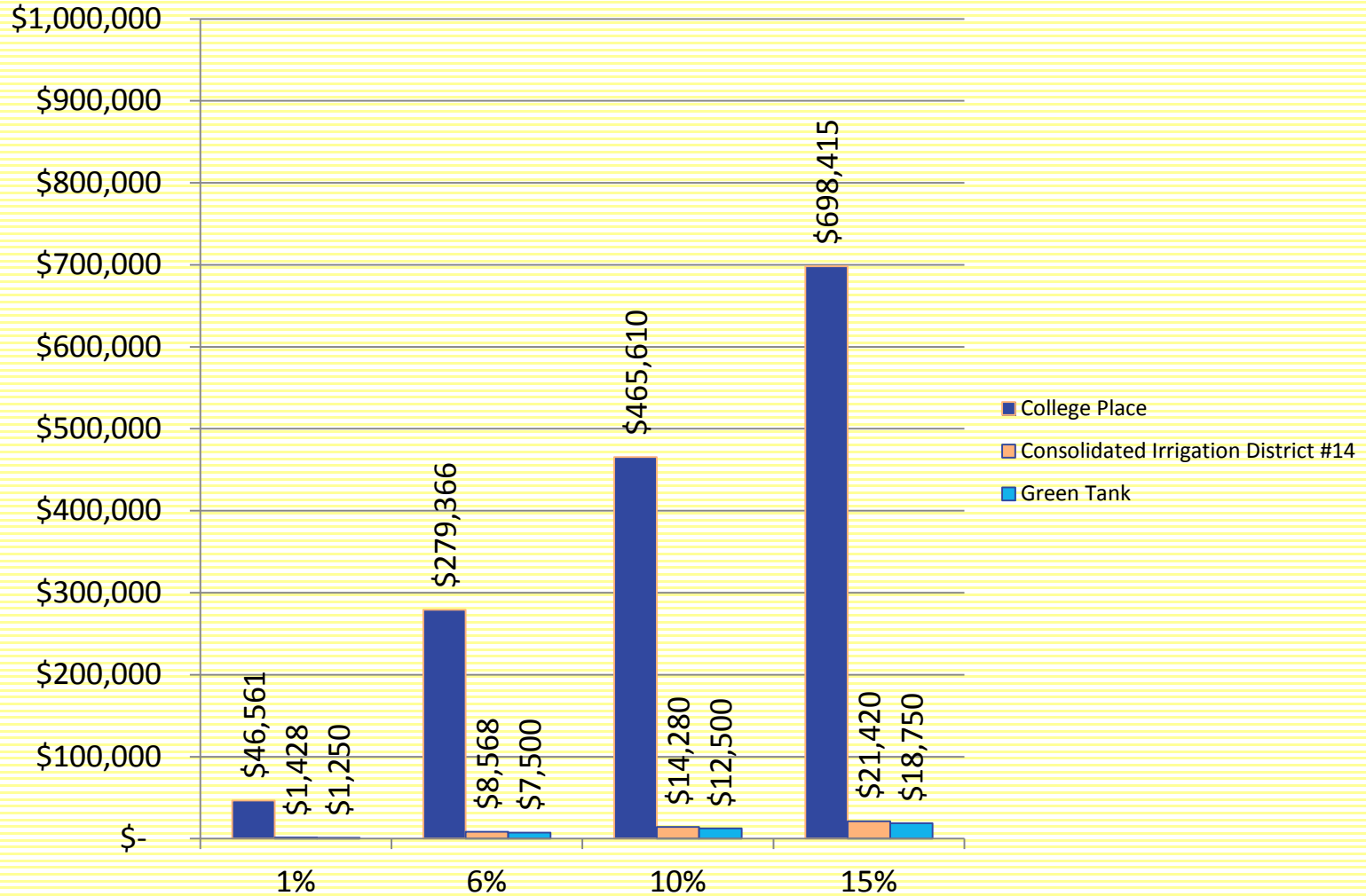
Water Utility Tax



Comparison of proposed utility tax to comparable and nearby cities



Utility Tax Revenue per %

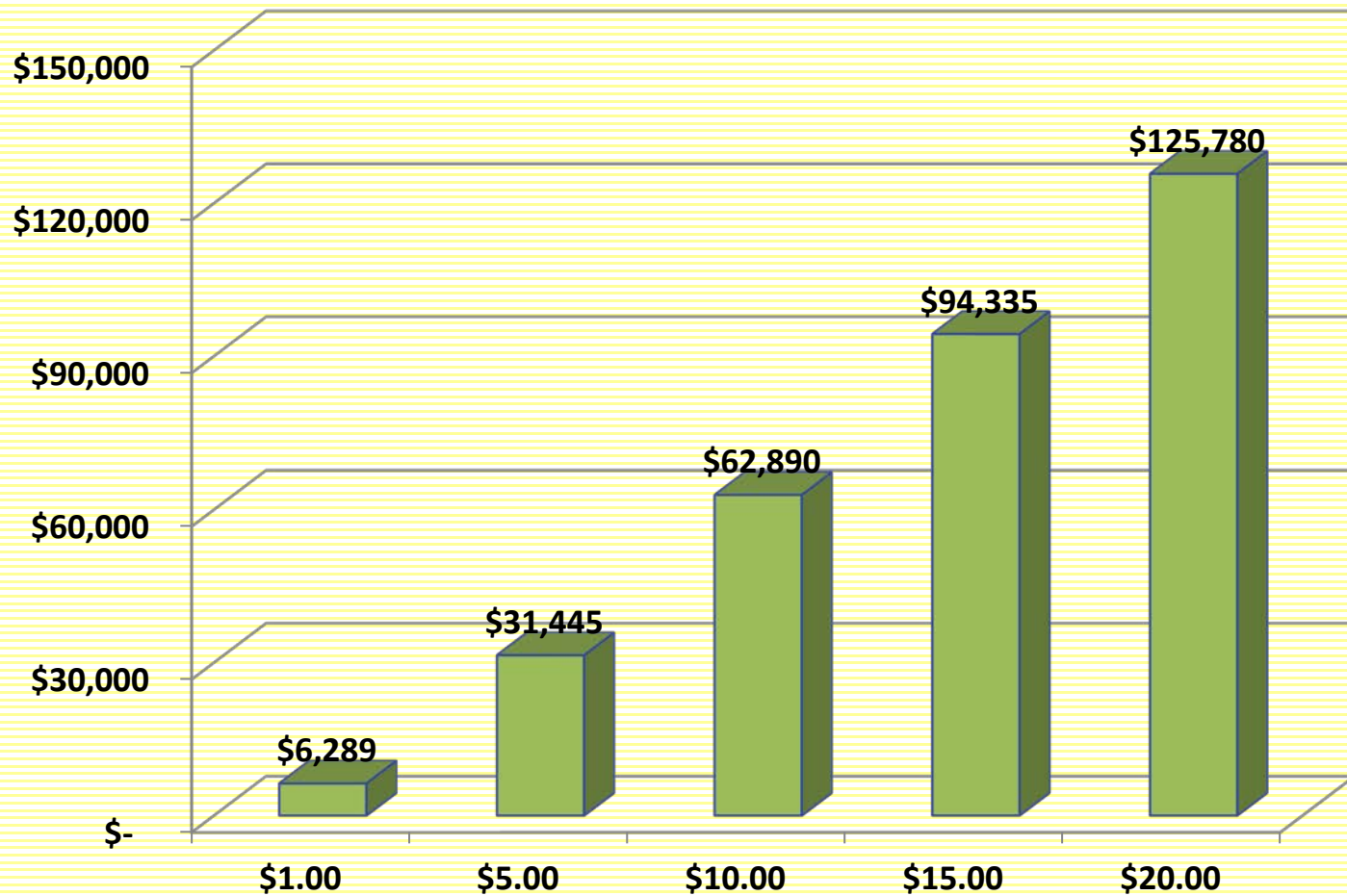


Possible Solution #2: Transportation Benefit District Tab Tax

- Would generate approximately \$125,000 annually for the City
- There is a 6 month waiting period after adoption of the tax before collections begin, so the first year (2018) would only generate 1/2 of that, or \$62,500
- Unfortunately this would not adequately fill our budget gap.

Transportation Benefit District Tab Tax

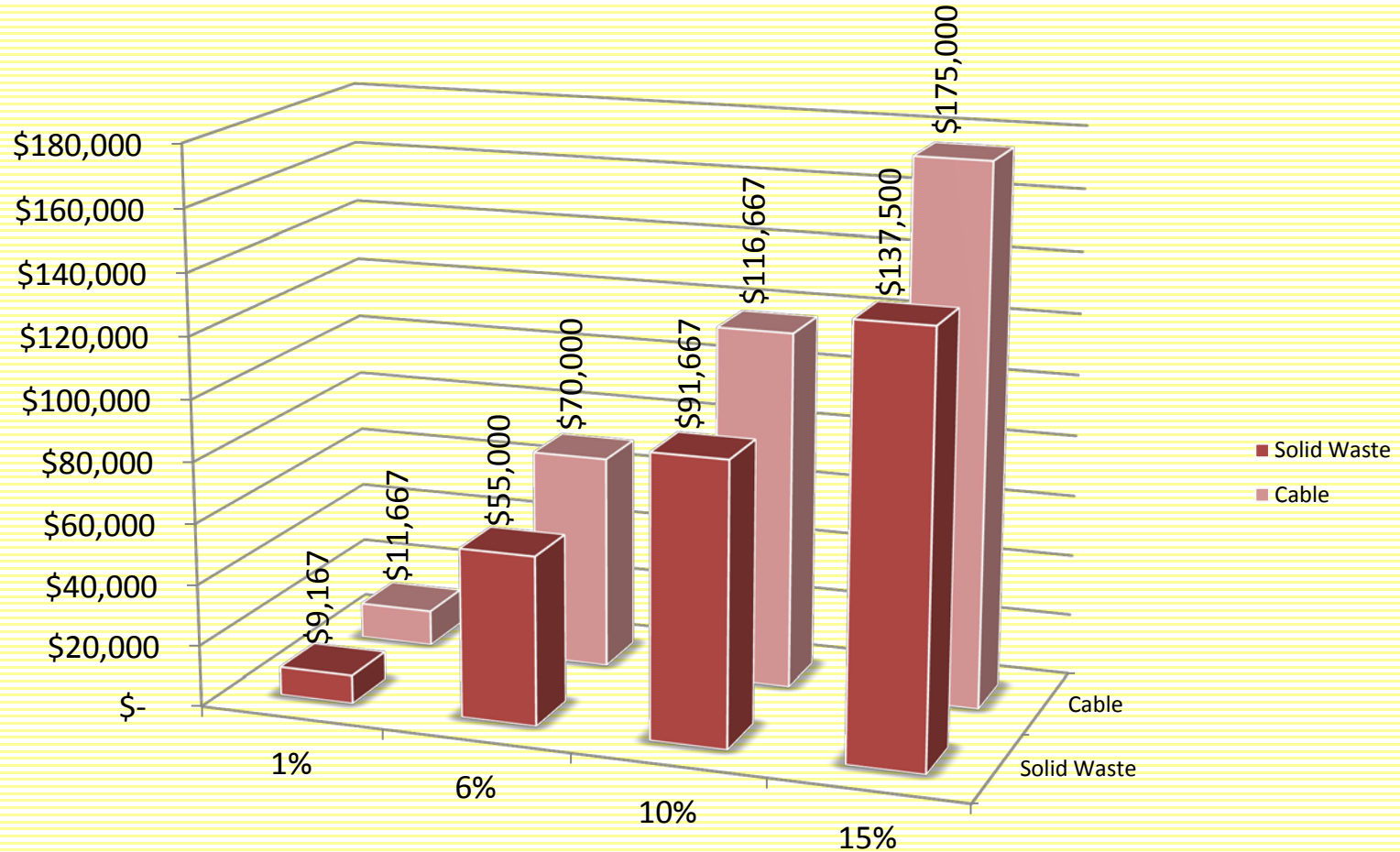
Tab Tax Revenue



Possible Solution #3: Raise Cable and Solid Waste Utility Taxes

- Both are currently at 6%
- Option could be to raise them to whatever amount the water and wastewater utility tax is implemented at, if those taxes are instituted.

Cable and Solid Waste Utility Taxes per %



Prospective Positions/Equipment to Fund

- Community Development Admin: \$75,000
- Police Officer(s): \$95,000 each
- FD Training Officer: \$95,000
- Take-Home Vehicles for Patrol Officers: \$60,000-\$80,000 + recurring increase in ER&R O&M of approximately \$12,000/year + replacement transfers of \$30,000/year (to fund replacement with new vehicles)

Summary

- Water/Wastewater utility tax would adequately fund necessary service levels.
- TBD Tab tax alone would be inadequate but could/should be considered for a slow implementation.
- Combination of Water/Wastewater utility tax and increase in Cable and Solid Waste taxes as well as incremental implementation of Tab tax may be most palatable for our citizens.
- If we want growth and to continue to provide the services we currently have, we cannot continue as status-quo.