

# **City of Walla Walla General Fund Financial Overview**

# General Fund Supported Services

## General Fund supports basic City services

- **Police**
- **Fire**
- **Streets**
- **Parks and Recreation**
- **Library**
- **Public Works and Engineering**
- **Development Services**
- **General administration and support operations (e.g. finance, human resources, legal, technology services, city clerk)**

# General Fund Budget Challenges

- ▶ **Struggle to sustain General Fund levels of services and meet established financial objectives**
  - **Relatively flat revenue sources vs. increasing expenses**
  - **Extremely limited Council revenue raising opportunities – how are we going to sustain our services without cutting expenses or identifying new revenue sources.**
  - **Targeted unrestricted fund balance short of 15%\***
  - **High citizen demand for streets repair and maintenance**
  - **Current bond rating of AA is short of AAA goal.**

\* **Government Finance Officers Association recommends a minimum unrestricted fund balance of 16.66%.**

# Bond Rating Deficiencies

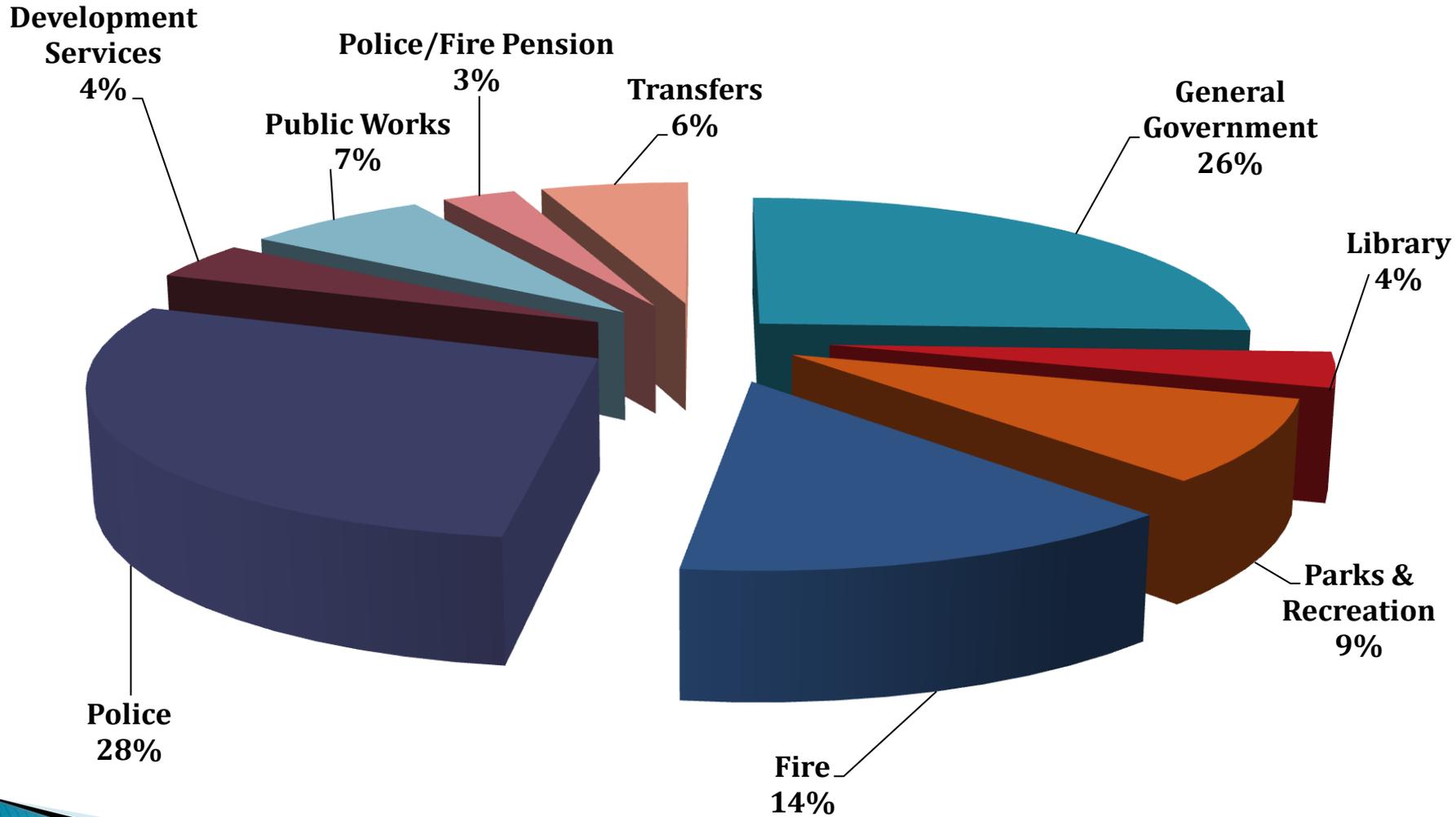
- **Financial position shortcomings**
  - **Inadequacies of current reserves and contingency funds in fund balance**
  - **Projected revenue shortfalls**
  - **Balancing budget with cash reserves**
- **Overall health of the economy in the area**
  - **Slow to no growth in population and tax base**
  - **Stagnant economy**
  - **Retail bleed to College Place, Tri-Cities, and Internet**
- **Interest Savings as bond rating increases**

**City of Walla Walla is rated AA; goal is AAA rating.**

# Citizen Survey Results

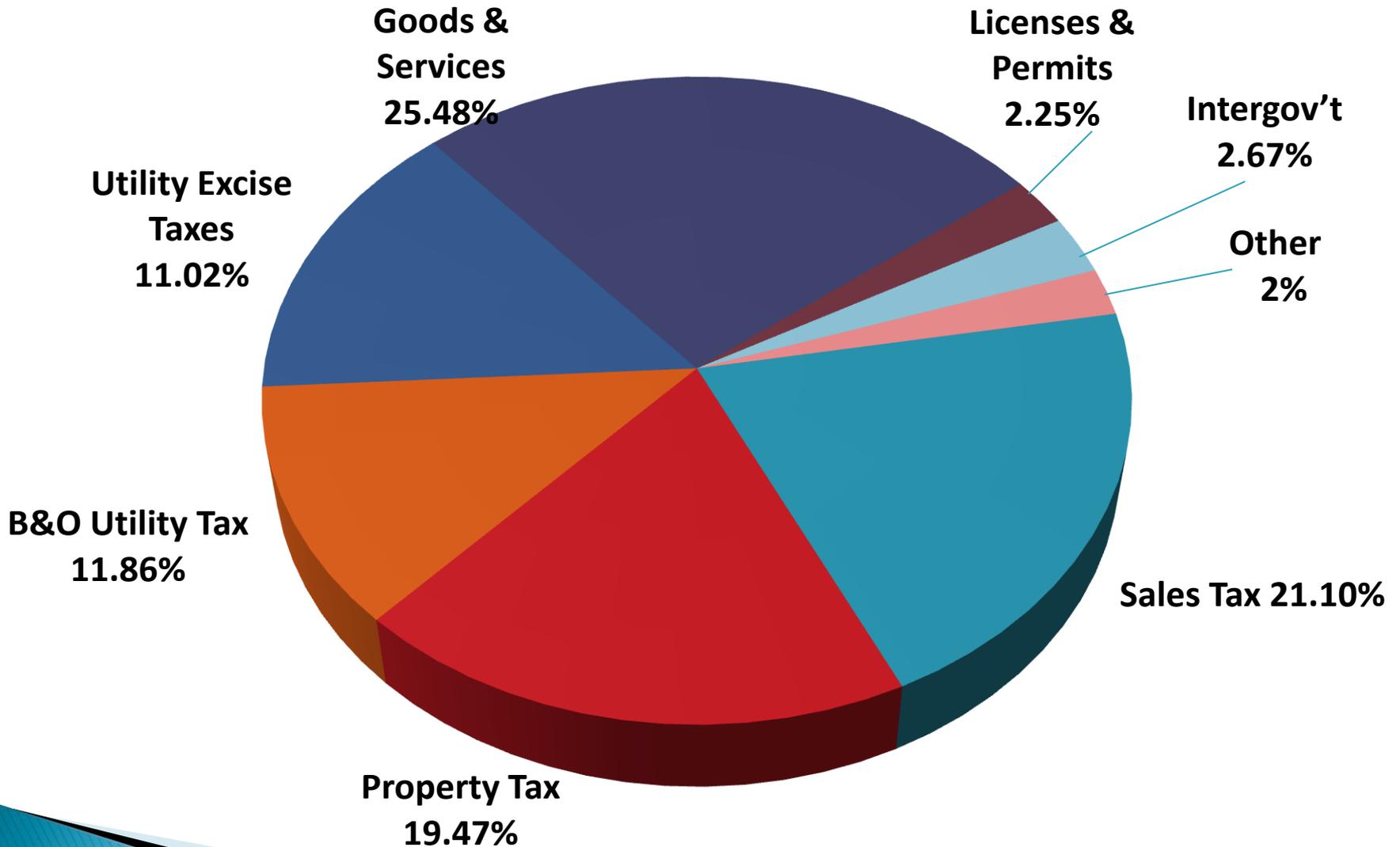
- The City's overall American Customer Satisfaction Index score **(ACSI) score is a 59** (perfect score is 100)
  - Benchmarks
    - Washington State Average ACSI = 71
    - Four-State Region (WA, OR, ID, MT) = 65
    - Western Region = 63
    - National = 62
- Areas where improvement can have **significant impact** on engagement:
  - Economic Health
  - Transportation Infrastructure (especially road maintenance)
  - Shopping Opportunities
  - Local Government Management

# Unrestricted General Fund Expenses 2015-16



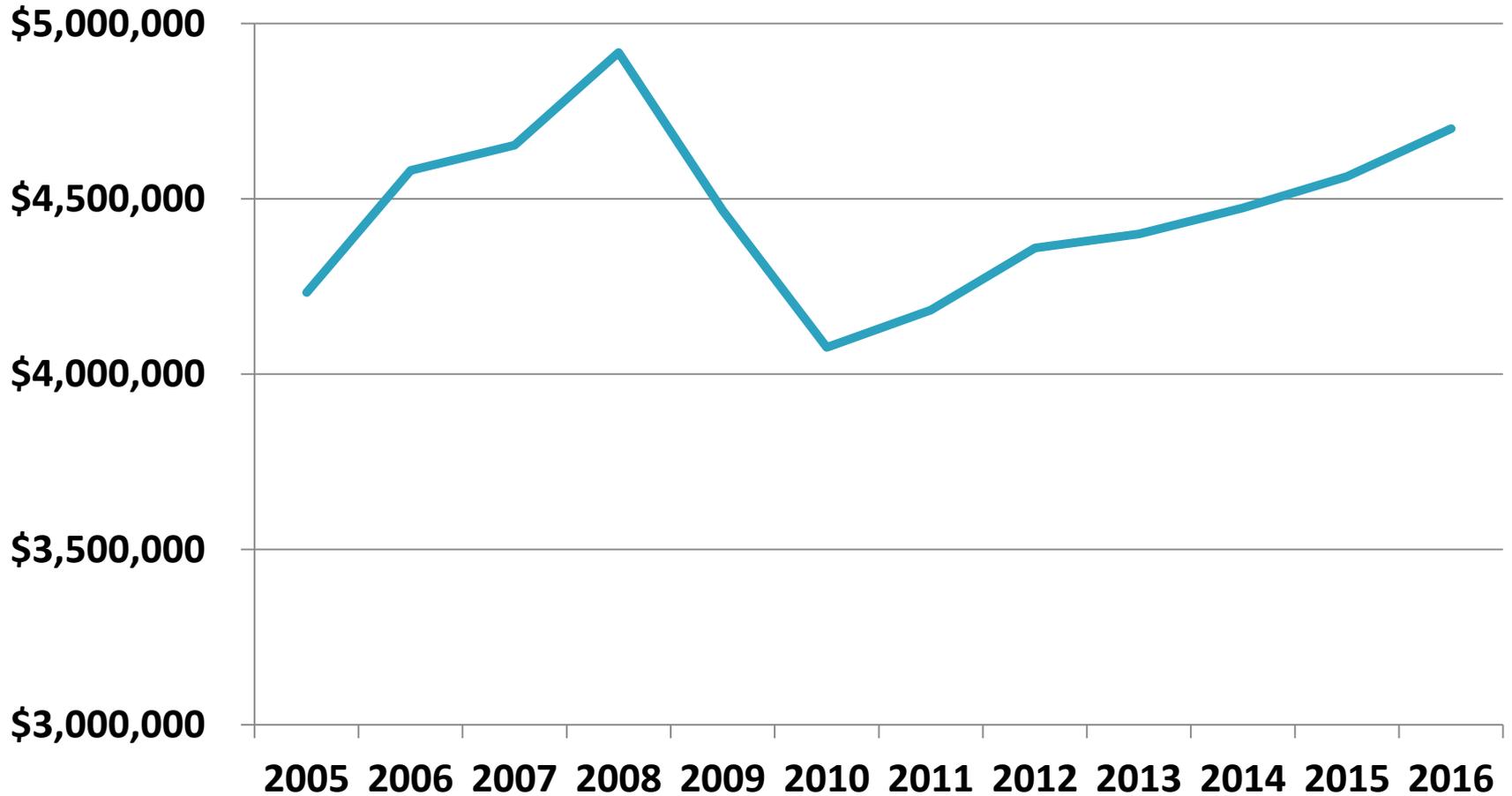
Total General Fund Expense - \$56,176,510 6

# 2015-16 Unrestricted General Fund Revenues

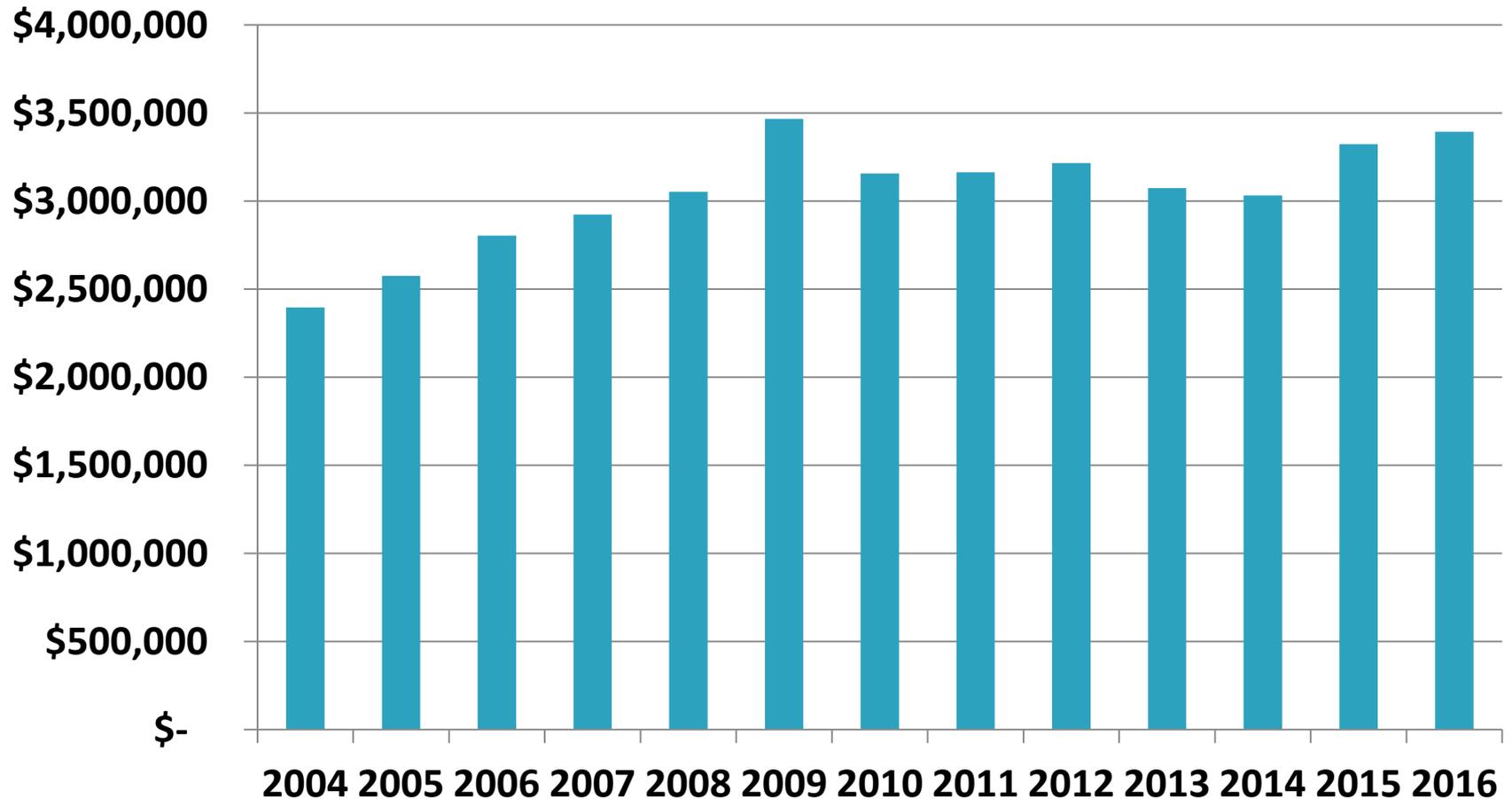


**Total General Fund Revenues - \$56,312,770**

# General Sales Tax Trend

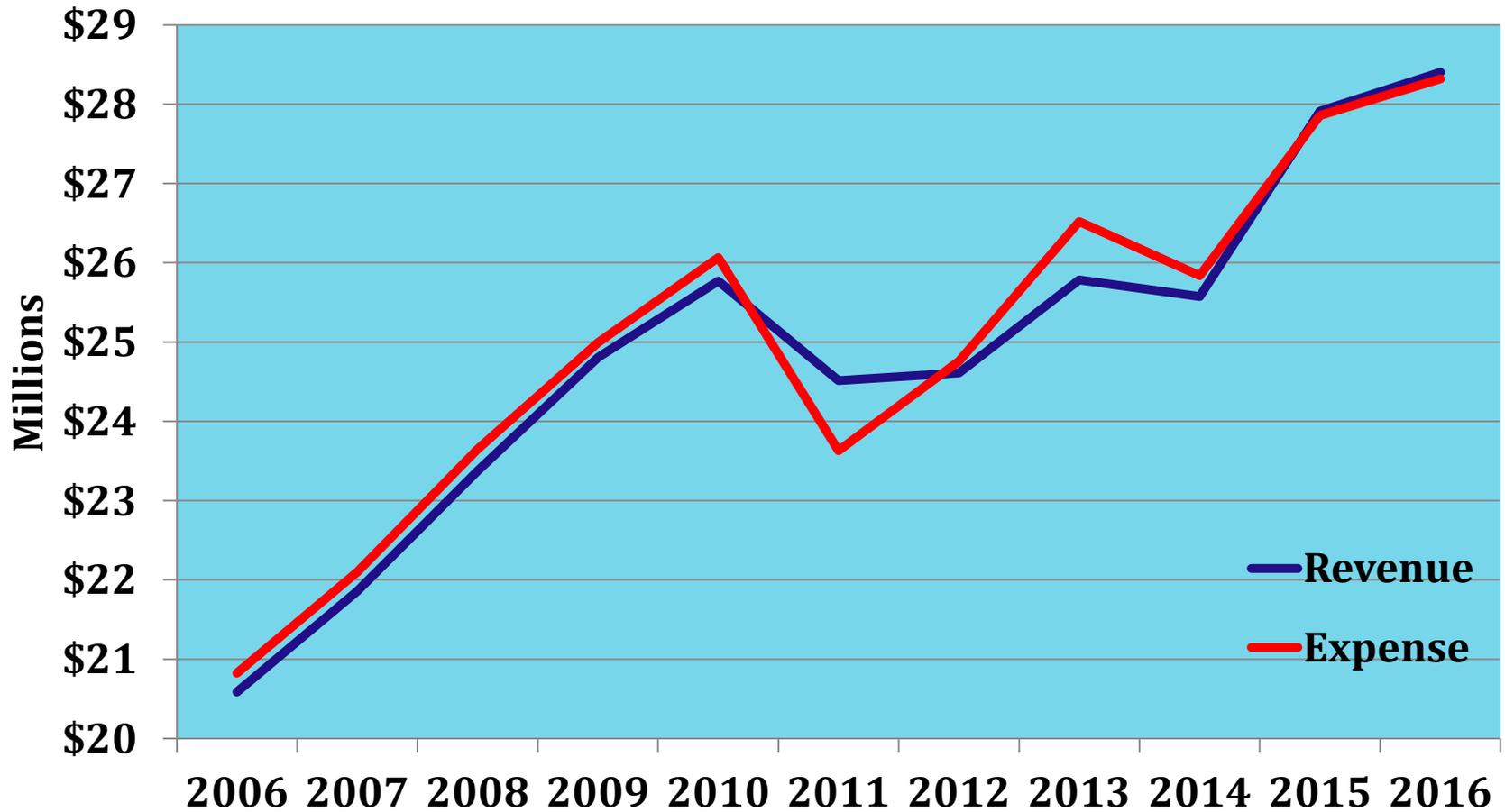


# B&O Utility Tax Revenue Trend



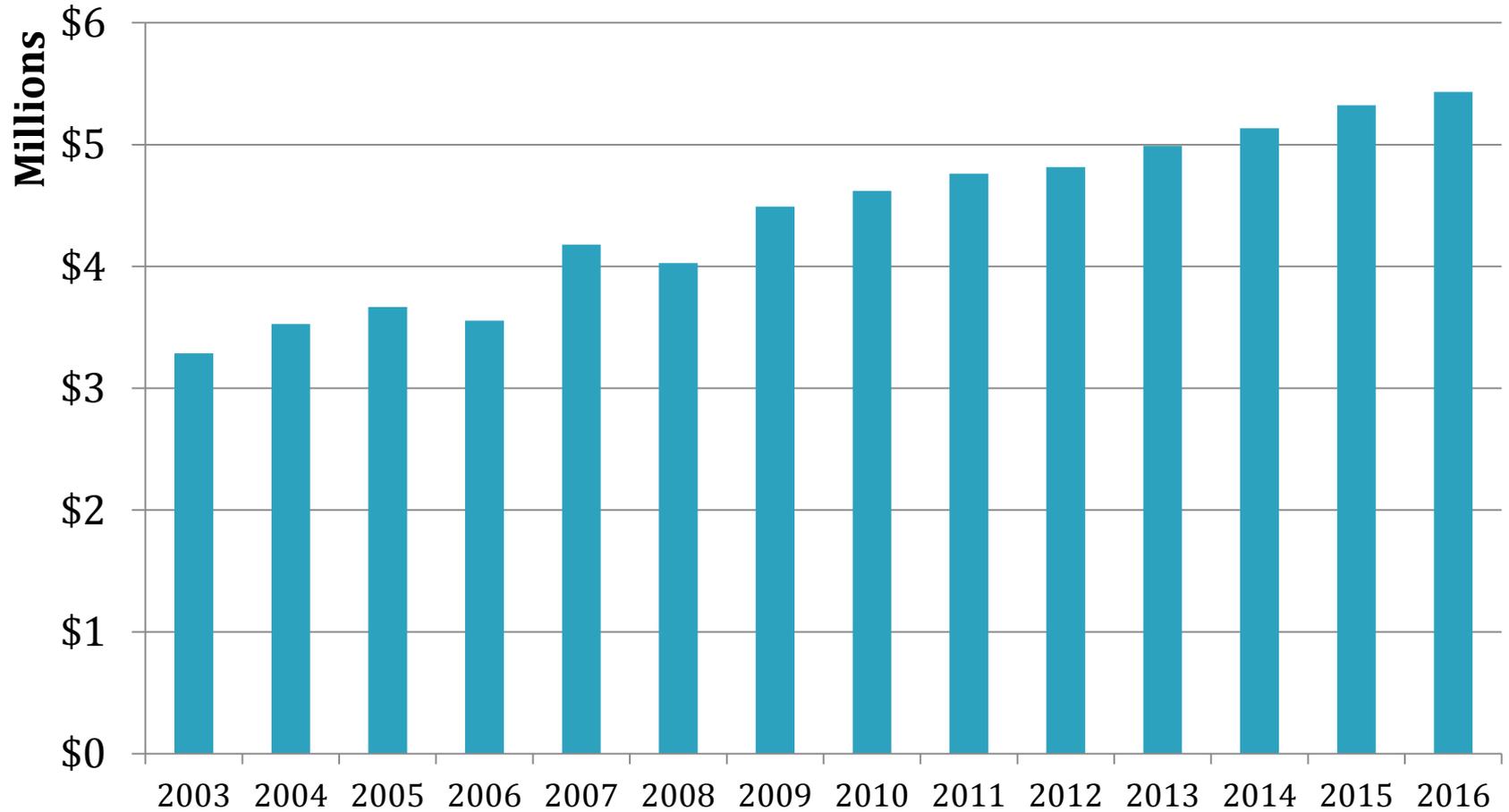
Electricity, Natural Gas, Cable TV, and Telephone

# 2006-16 General Fund Unrestricted Revenue & Expense Trend



**Goal of “expenses equal to or less than available revenue” has been met.**

# Property Tax 2003-2016



# Property Tax Comparison

Walla Walla				
City/County/College Place 2014 Property Tax Levy Comparison				
<b>Jurisdiction Taxes</b>				
<b>City Resident Taxes</b>	<b>County</b>	<b>City</b>	<b>College Place</b>	
City General Fund		\$2.5577	\$2.2996	
City Debt Service		<u>\$0.6072</u>	<u>\$0.8481</u>	
<b>City Resident Total</b>		\$3.1649	\$3.1477	
<b>County Resident Taxes</b>				
Rural Library	\$0.4677			
Fire District 4	\$1.1599			
County Public Works (Road Tax)	<u>\$2.0513</u>			
<b>County Total</b>	<b>\$3.6789</b>			
<b>All Residents Taxes</b>				
School Fund	\$2.3606	\$2.3606	\$2.3606	
County Current Expense	\$1.4737	\$1.4737	\$1.4737	
Port	\$0.3709	\$0.3709	\$0.3709	
EMS	\$0.4986	\$0.4986	\$0.4986	
Local School Bond (Special Project)	\$3.6869	\$3.6869	\$3.3950	
School O&M Bond	<u>\$1.2309</u>	<u>\$1.2309</u>	<u>\$2.6601</u>	
<b>Totals</b>	<b>\$13.3005</b>	<b>\$12.7865</b>	<b>\$13.9067</b>	

# General Fund Unrestricted Balance Estimate for 2015-16

	2015	2016
Estimated Beginning Unrestricted Fund Balance	\$3,875,000	\$3,927,370
Estimated Revenue	27,909,570	28,403,200
Estimated Expenditures	27,857,200	28,319,310
Budgeted Ending Fund Balance	\$3,927,370	\$4,011,260
Percentage Reserve	15.0%	15.0%

**GFOA recommended minimum fund balance is 16.67%.  
Projected fund balance meets City's target of 15%.**

# Changes from Previous Biennium

- ▶ Aviary Expenditures – assuming ½ expenses covered by donations/grants/FOPPA
  - \$49,240 in 2015
  - \$51,170 in 2016
- ▶ Add a Prevention Officer – this position is offset by new revenue generated by fire inspections
- ▶ Hire HR Specialist – offset by benefit of being a Well City
- ▶ Reinstate Arborist position in Parks – partially funded by Parks
  - \$68,790 in 2015
  - \$74,095 in 2016

# Changes from Previous Biennium

- ▶ Re-establish Development Services – no additional cost to City
- ▶ Add a training captain to the Fire Department
  - \$109,450 salary and benefits in 2015
  - \$113,200 in 2016
- ▶ Increase utility excise tax from 10.75% to 13%
- ▶ Increase funding for C2C (\$50,000)
- ▶ Grant matching for two new police officers
- ▶ Promote Library Associates to Library Technicians

# Changes from Previous Biennium

- ▶ Move 50% Emergency Medical Clerk from Ambulance to the General Fund
- ▶ Move Fire Chief from 33% to 50% in the General Fund
- ▶ Potential bond for facilities

# WW Fire

## ▶ Fill Training Captain position (internally funded)

- 2015 = \$106,674                      2016 = \$110,570
- Coordinated training for Fire/EMS
- Maintain training records (WSRB)
- Compliance with WAC 296-305
- Manage TRT
- Training plan development for IFSAC FFI & II
- Facilitate training with mutual aid departments

## ▶ Staff fire inspector (externally funded)

2015 = \$101,548                      2016 = \$111,045

- Develop a fee for fire inspection services that is fair and equitable.

# WW Fire - Inspections

- ▶ WWFD is unable to meet the requirements set forth by the International Fire Code and the Washington State Survey and Rating Bureau for annual fire inspections with current staffing.

# WW Fire

## Washington State Survey & Rating Bureau

### 2014 Summary of Points

	Max points	WWFD
Water supply	1450	(-154)
<b>Fire Department</b>	<b>1950</b>	<b>(-829) Inadequate Training</b> <small>(Training Officer is top FD position backfill)</small>
Emergency Communications	450	(-161)
<b>Fire Safety Control</b>	<b>650</b>	<b>(-458) Inadequate Inspections</b>

- ▶ WSRB Projection IF WW went from a rating of 3 to 4:
  - ▶ 1-3% increase in fire insurance rates for residential properties
  - ▶ 5-8% increase in fire insurance rates for commercial properties

# WW Fire



# WW Fire

## Inspection fee formula

- (Base rate) X (Sq foot factor) X ( Difficulty factor)
- Base rate = \$40
- Sq foot factor
  - 0 – 1000                      times 1
  - 1001 – 3000                  times 2
  - 3001 – 10000                times 3
  - 10001 – 40000               times 4
  - 40001 – 80000               times 5
  - > 80000                      times 6

## Difficulty factor by occupancy

- A3, A4, A5, B, R2, R3 & S2                      times 1
- A1, A2, E, M, R1, S1 & U                      times 2
- F1, F2, H1, H2, H3, H4,                      times 3
- H5, I1, I2, I3, I4
- Estimated revenue for 100% completion of all business inspections annually \$132,000 to \$175,000.

## Examples

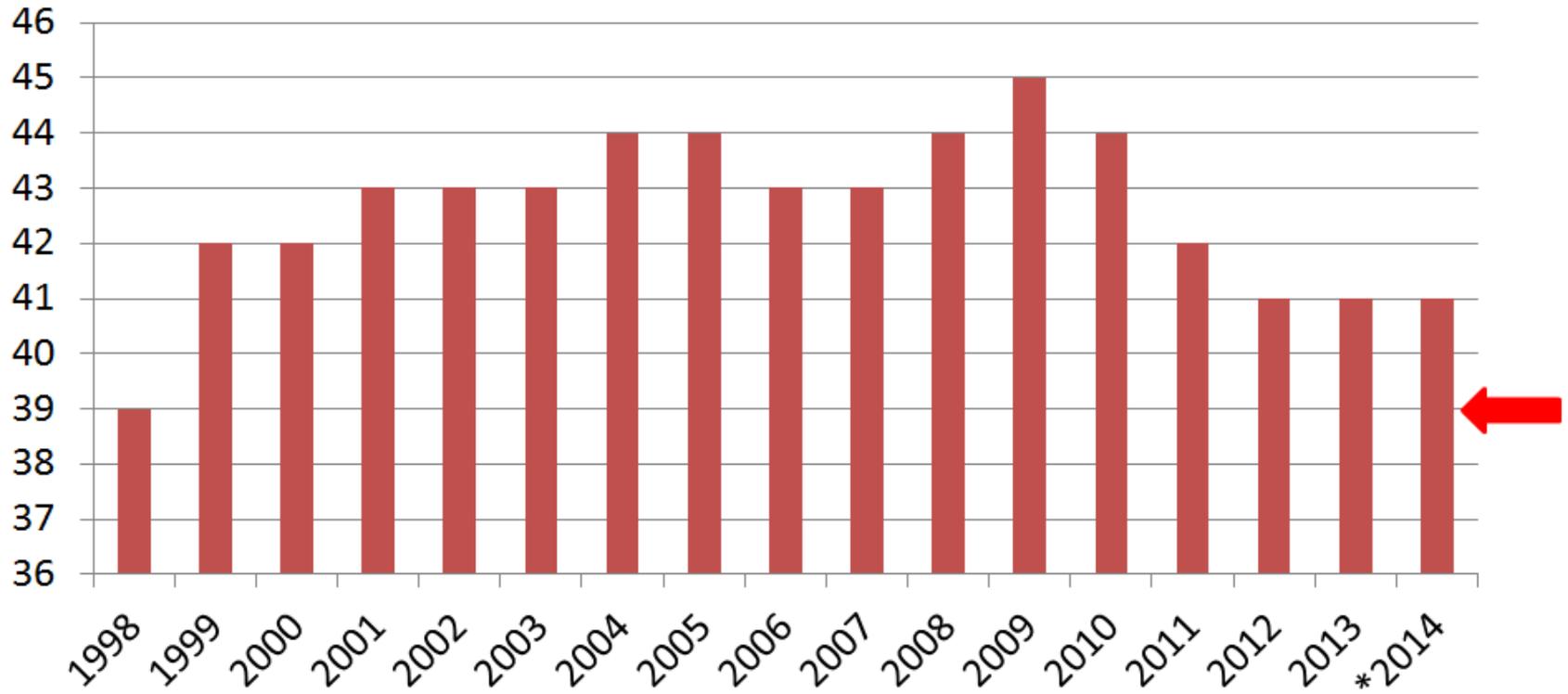
<u>Business</u>	<u>SQ ft factor</u>	<u>difficulty</u>	<u>Cost</u>
Shopko	6	2	\$480.00
Cliff Starr	6	3	\$720.00
City Hall	4	1	\$160.00
BurgerKing	2	2	\$160.00
BBB	5	1	\$200.00
Grand Cinemas	4	2	\$320.00
Onion World	1	1	\$40.00
Jiffy Lube	2	1	\$80.00
Edison School	5	2	\$400.00

## Fee comparison

- City of Pasco                      flat rate \$75.00
- City of Vancouver                \$60 - \$545 (depending on occupancy class and square footage)
- Kittitas County.                    \$57.50 - \$640 (deepening on square footage)
- Yakima County.                    \$50.55 - \$749.95 (depending on occupancy, square footage)

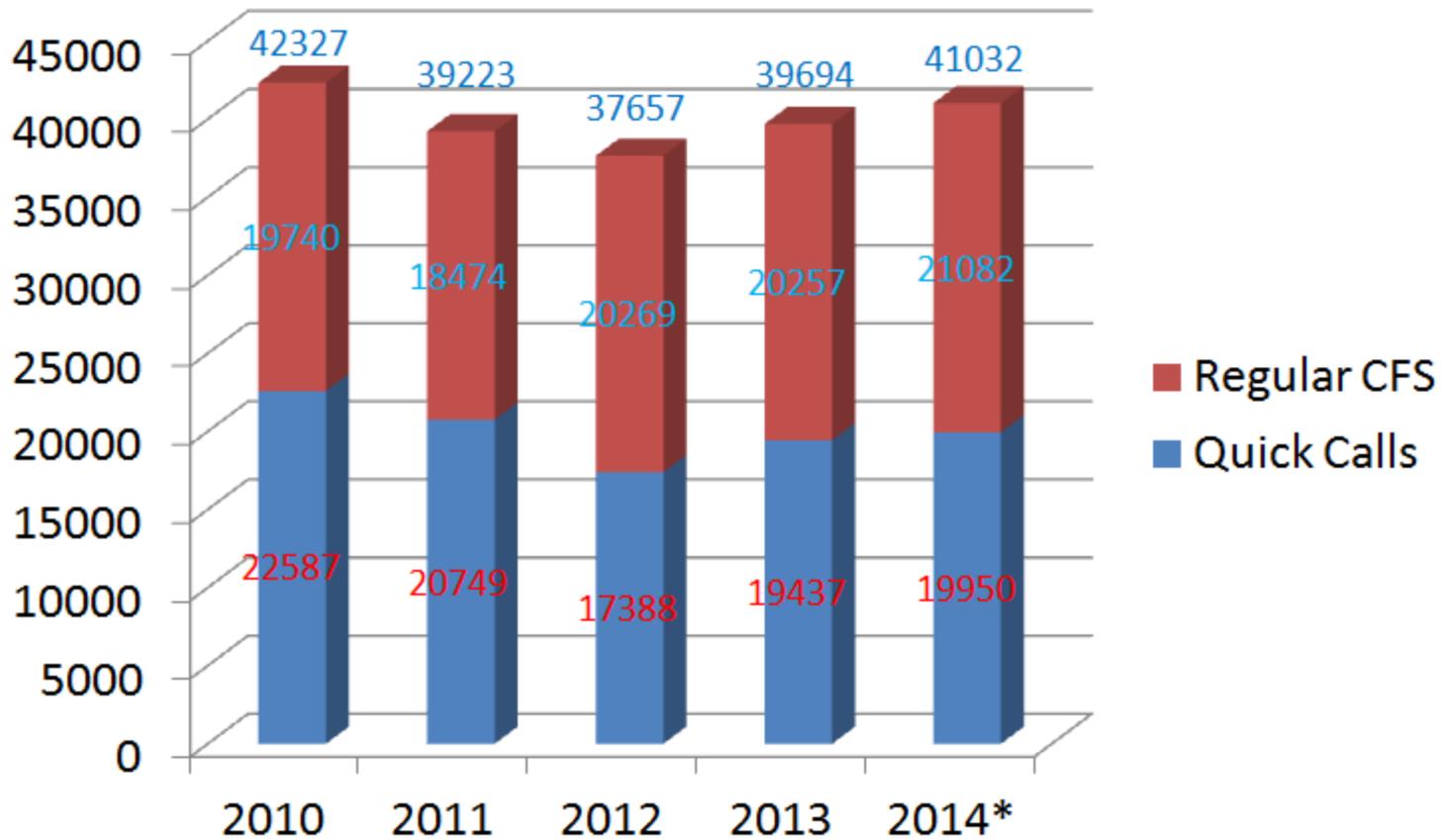
# WALLA WALLA POLICE DEPARTMENT

Commissioned Police Officers  
(year ending totals)

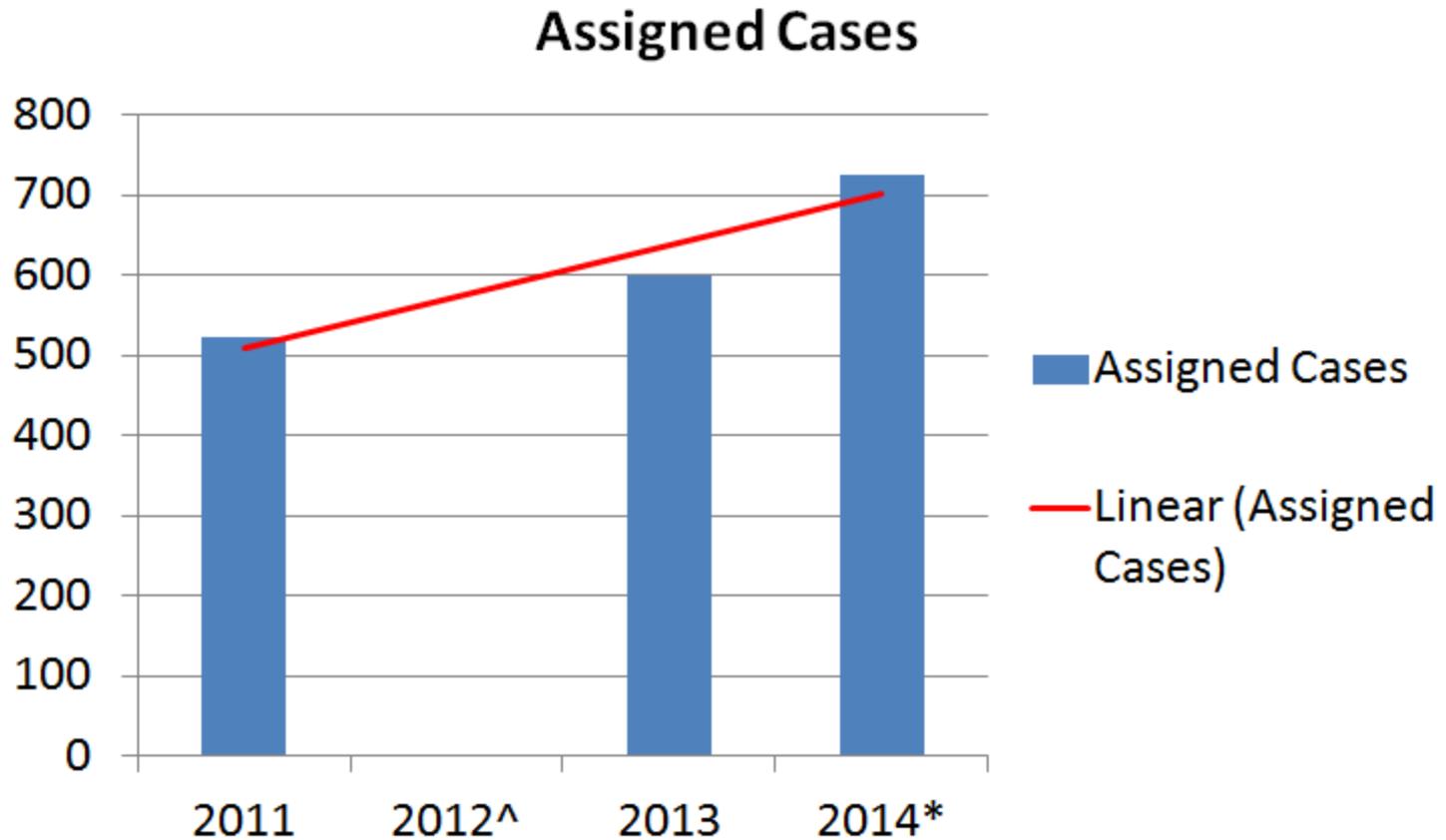


**\*2014 – Currently 39 “commissioned” – one in training and one vacancy working to fill**

# Police Calls For Service

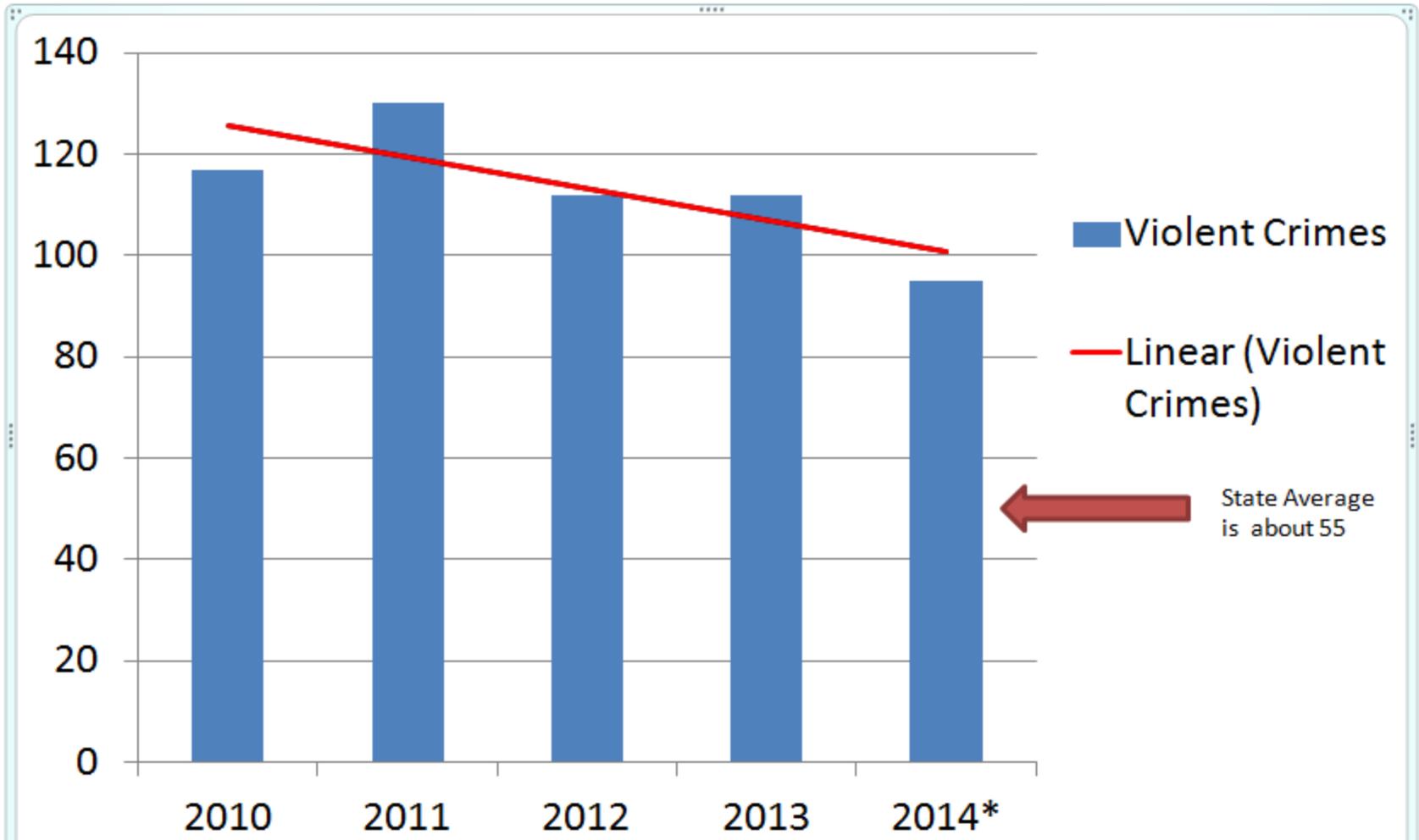


# Detective Case Loads Trending Up



^2012 data corrupted / \*2014 based on year end estimate

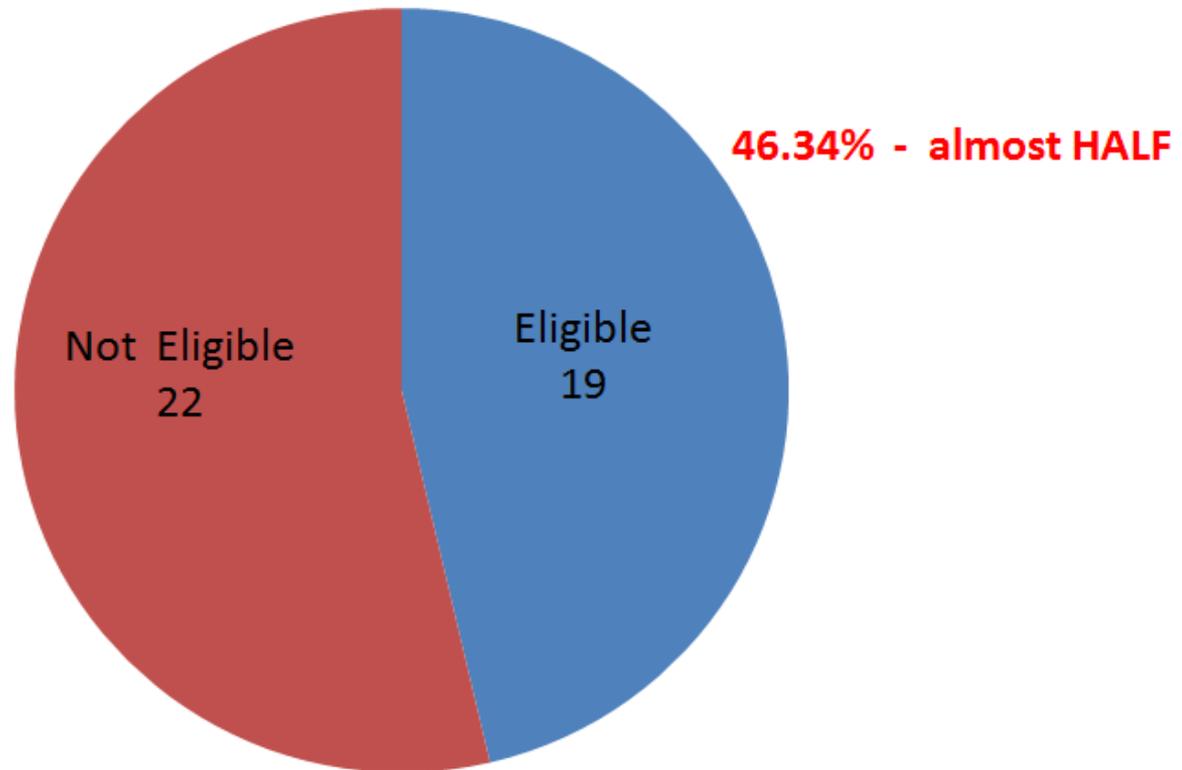
# Violent Crime Trending Down



# WALLA WALLA POLICE DEPARTMENT

## Commissioned Staff Eligible to Retire

Within 5 Years



# WALLA WALLA POLICE DEPARTMENT

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## Current Requests for 2015-2016 Budget

### 2. Fund Two (2) Patrol Officer FTE's

- DOJ COPS Hiring Grant Pending = \$250,000/\$669,161 over four years

To **support** the operational objectives of the Police Department included in the **Strategic Plan**:

- Improve overall resident satisfaction and loyalty with City services and programs to Top WA city Performance.
- Improve overall business satisfaction and loyalty with the City to Top WA city Performance.
- Improve Police Response Times to Calls for Service
- Reduce Crime Rate to Top Washington City Performance

# WW Public Library

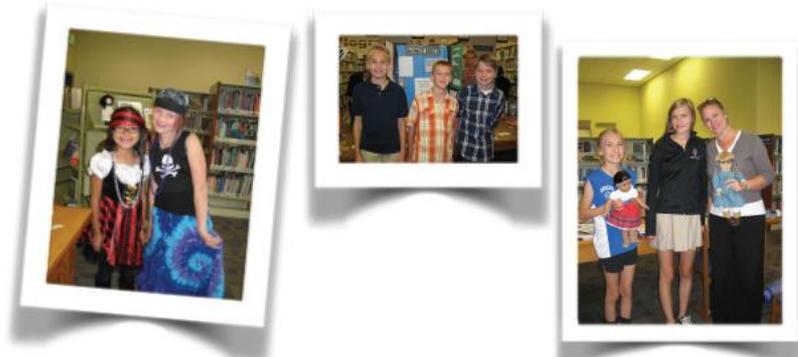


## CrewSpace Support

a request for \$19,000 in 2015 and for \$25,000 in 2016

- Partnerships formed in conjunction with CrewSpace:
  - Walla Walla VA Medical Center
  - Walla Walla County Vet Center
  - Walla Walla Public Schools' 21st Century Grant
  - A local manufacturing business
  - The Red Badge Project - training support from co-founders and faculty
  - College Place Public Schools
- Class attendance since 6/2013: 1,790

# WW Public Library



## **Needs, as expressed by the public: More open hours.**

Without increasing staff (or their hours) we cannot provide more open hours unless we change the way staff is used and that should enable us to open one hour earlier on Tuesday - Friday. Every open hour needs two staff members in the Circulation area; more open hours will mean relying on the Technicians to stop processing and fill in at the Circulation area. **If Associates became Technicians then the Library would have 6 people processing materials and 6 people sharing the Circulation area duties and the turnaround time for getting books unpacked would improve while providing more open hours.** Other benefits: new skills set necessary for this promotion will mean that those staff members can more readily retrieve materials through their increased understanding and it also means that they are able to help in other areas in the Library as described in their new job description.

Cost: \$6,882.52 in 2015; \$10559.09 in 2016

# Arborist/Horticulturist

## Responsibilities - \$68,000

- Position eliminated in 2010
  - Urban Forest – more than 15,000 trees
  - Horticulture best practices
  - Assist with Park Maintenance projects
  - Tree removal, pruning, planning
  - Code require Certified Arborist to work on City Trees

## Downtown Streetscape



# Commitment To Community (C2C)

## Healthy Neighborhoods - \$50,000

- Creates Ownership of neighborhoods – resident based Best Practices
- Is a conduit to direct neighbors to resources
- Creates Relationships
- Neighborhood Improvements



# WW Development Services

- ▶ 2015 Total Cost if Remaining w/ WWJCDA  
(including City Long Range Planner position)
  - 2015 - \$1,130,606
- ▶ 2015 Projected Cost of Re-establishing Development Services
  - 2015 - \$1,014,850
- Projected savings \$115,756

# Minor Fee and Rate Changes

- ▶ Ambulance Standby Fee
  - Increase from \$91 to \$162
- ▶ Parks Fees – update fee structure to remove obsolete fees and consolidate some fees
- ▶ Cemetery Fees – increase 3% and establish fees for new garden niches -
- ▶ Library Fees – set cap on overdue materials fees to \$5.00; cap has varied between \$5.00 and \$8.00
- ▶ What does the change mean to revenue

# Significant Fee Increases

- ▶ Fire Inspection Fee – establish a fee for fire inspections; estimated revenue - \$132,000 per year
- ▶ General Property Tax
  - 1% - \$51,350
- ▶ Sanitation
  - Collection fee –\$20.56 in 2015; \$22.00 in 2016
  - Recycling - \$4.39 in 2014; \$4.47 in 2015
- ▶ Landfill – increase 8% each year: \$2015 - \$76.70; 2016 - \$81.80

# Utility Rate Increases

<b>Utility</b>	<b>Description</b>	<b>2014</b>	<b>Adopted 2015</b>	<b>Proposed 2015</b>
Water	Base	\$ 27.80	\$ 30.00	\$ 32.90
	Consumption	\$ 15.80	\$ 17.10	\$ 17.10
Wastewater	Base	\$ 52.10	\$ 55.70	\$ 52.10
Storm Water	ERU	\$ 6.90	\$ 7.20	\$ 7.20
<b>Total</b>		<b>\$ 102.60</b>	<b>\$ 110.00</b>	<b>\$ 109.30</b>

# Outstanding Issues That Will Not Be Resolved With This Budget

- ▶ Library HVAC - \$750,000
  - 43 years old
- ▶ City Hall fire/seismic upgrade - \$550,000?
- ▶ Fire Truck - \$400,000
- ▶ Public Safety Server associated with New World software - \$200,000
- ▶ Total outstanding issues - \$1.9M
- ▶ Bond issuance of \$1.9M @ 4.5% for 20 years - \$147,000 per year

Questions???