

Mayor

Clay Koplin

Council Members

Tom Bailer

Kenneth Jones

Jeff Guard

Melina Meyer

Anne Schaefer

David Allison

David Glasen

City Manager

Helen Howarth

City Clerk

Susan Bourgeois

Deputy Clerk

Tina Hammer

Student Council

William Deaton

**City Council Work Session
November 6, 2019 @ 6:00 pm
Cordova Center Community Rooms
Agenda**

A. Call to order

B. Roll call

Mayor Clay Koplin, Council members Tom Bailer, Kenneth Jones, Jeff Guard, Melina Meyer, Anne Schaefer, David Allison and David Glasen

C. Work Session topics

1. 2020 Budget..... (page 1)

D. Adjournment

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Full City Council agendas and packets available online at www.cityofcordova.net

BUDGET MEMO: November 5, 2019

TO: City Council
FROM: Helen Howarth, City Manager
RE: Draft General Fund budget for work session

Attached is the draft General Fund budget for the work session on 11/6/19. It is presented in a consolidated format to encourage discussion on a macro level to find preferred solutions to close the budget gap. Staff will finalize the line item budget for the next meeting with direction provided by Council. Enterprise budgets will be presented at the next meeting as well.

Council Action

Recommend strategies to close the \$1.043M budget gap in the General Fund.

Background

Alan Lanning presented a draft budget at the 10/16/19 Council budget work session. Department heads subsequently reviewed the draft, and Dean and I met with each of them to further refine their numbers. Changes were made after consultation with department heads and we are confident the budget as presented will provide for services the community expects.

Considerations

- Personnel costs will increase \$427K due to new IBEW collective bargaining agreement impact of \$236K plus non-union 2% COLA/step and new hires of \$191K.
- CCMC contribution of \$900K: Request per Greg Meyer plus in-kind budgeted at \$156K.
- Cordova School District: \$1.75M contribution per Alex Russin.
- Transfers to other entities breakdown: Cordova School District: \$1.75M cash and \$156K in-kind; CCMC 900K cash; Chamber \$90K cash/\$28K in-kind; Community Resource Center \$20K; Community College \$10K
- Police is budgeted for four officers per Chief Hicks. Two vacancies to be filled before year end 2019
- 2019 Raw Fish Tax received late October at \$1.233M. Budget is for \$1.05M
- State debt reimbursement is \$463K compared to \$926K in 2019.
- 2019 Other Revenue line includes \$152K from Reserve Fund not budgeted 2020

**CITY OF CORDOVA
2020 GENERAL FUND BUDGET
CITY COUNCIL WORK SESSION 11/4/19**

GENERAL FUND REVENUE 2020	FY19 Budget	VARIANCE	FY20 Budget
TAXES	\$ 6,507,455	\$ 130,502	\$ 6,637,957
LICENSES & PERMITS	\$ 20,600	\$ -	\$ 20,600
OTHER GOVERNMENTAL (raw fish tax, USFS)	\$ 2,154,253	\$ 90,958	\$ 2,245,211
LEASES & RENTS	\$ 294,200	\$ -	\$ 294,200
LAW ENFORCEMENT	\$ 270,286	\$ 40,007	\$ 310,293
D. M. V.	\$ 69,600	\$ (8,900)	\$ 60,700
PLANNING DEPARTMENT REVENUE	\$ 13,500	\$ -	\$ 13,500
RECREATION DEPT REVENUE	\$ 84,900	\$ 5,600	\$ 90,500
POOL REVENUE	\$ 34,000	\$ 3,500	\$ 37,500
SALE OF PROPERTY	\$ 12,000	\$ -	\$ 12,000
INTERFUND TRANSFERS IN (11% allocated admin.)	\$ 461,491	\$ 26,524	\$ 488,015
OTHER REVENUE (investment, cdv ctr, reserve fund, misc)	\$ 367,000	\$ (187,000)	\$ 180,000
STATE DEBT SERVICE REIMBURSEMENT	\$ 926,143	\$ (463,072)	\$ 463,071
TOTAL	\$ 11,215,428	\$ (361,881)	\$ 10,853,547

GENERAL FUND EXPENSES 2020	FY19 Budget	VARIANCE	FY20 Budget
CITY COUNCIL	\$ 8,250	\$ 2,000	\$ 10,250
CLERK'S DEPARTMENT	\$ 277,198	\$ 16,715	\$ 293,913
MAYOR'S OFFICE	\$ 2,825	\$ 25	\$ 2,850
CITY MANAGER'S DEPARTMENT	\$ 317,848	\$ (6,980)	\$ 310,868
FINANCE DEPARTMENT	\$ 405,505	\$ 30,752	\$ 436,257
PLANNING DEPARTMENT	\$ 119,699	\$ 4,525	\$ 124,224
PLANNING COMMISSION	\$ 1,500	\$ 1,400	\$ 2,900
INFORMATION SERVICES	\$ 816,355	\$ 78,489	\$ 894,844
PUBLIC WORKS ADMINISTRATION	\$ 205,662	\$ 3,578	\$ 209,240

<u>GENERAL FUND EXPENSES 2020 (cont.)</u>	<u>FY19 Budget</u>	<u>VARIANCE</u>	<u>FY20 Budget</u>
LAW ENFORCEMENT (4 officers and chief)	\$ 898,968	\$ 129,365	\$ 1,028,333
JAIL OPERATIONS	\$ 251,967	\$ (1,985)	\$ 249,982
FIRE/EMS/DISASTER MGMT	\$ 357,599	\$ 16,510	\$ 374,109
DMV	\$ 71,750	\$ 29,184	\$ 100,934
FACILITY UTILITIES	\$ 149,850	\$ 15,000	\$ 164,850
FACILITY MAINTENANCE	\$ 303,221	\$ 65,284	\$ 368,505
EQUIPMENT MAINTENANCE	\$ 310,047	\$ 19,644	\$ 329,691
STREET MAINTENANCE	\$ 873,624	\$ 228,513	\$ 1,102,137
SNOW REMOVAL	\$ 63,284	\$ 7,165	\$ 70,449
PARKS MAINTENANCE	\$ 95,643	\$ 6,129	\$ 101,772
CEMENTARY MAINTENANCE	\$ 20,154	\$ 383	\$ 20,537
BIDARKI	\$ 282,961	\$ 3,136	\$ 286,097
POOL	\$ 216,682	\$ -	\$ 216,682
SKI HILL	\$ 92,012	\$ -	\$ 92,012
NON DEPARTMENTAL	\$ 264,013	\$ 45,000	\$ 309,013
LONG TERM DEBT SERVICE	\$ 1,988,758	\$ (162,247)	\$ 1,826,511
TRANSFERS TO OTHER ENTITIES	\$ 2,630,287	\$ 323,983	\$ 2,954,270
INTERFUND TRANSFERS OUT	\$ 37,766	\$ (22,766)	\$ 15,000
TOTAL	\$ 11,063,428	\$ 855,568	\$ 11,896,230
GENERAL FUND REVENUE TOTAL:	\$ 11,215,428	\$ (361,881)	\$ 10,853,547
GENERAL FUND EXPENDITURE TOTAL:	\$ 11,063,428	\$ 855,568	\$ 11,896,230
NET TOTAL GENERAL FUND:	\$ 152,000	\$ (1,194,683)	\$ (1,042,683)

	revenue option	est revenue to GF	how to put this in place	when the revenue would be in effect
1	half percent local raw fish tax dedicated to GF	\$190,000	March 3, regular election (not required)	we'd get summer fisheries but wouldn't get rev until March 2021 unless we changed due date to Dec 15, 2020 (maybe)
		\$190,000	council code change	we'd get summer fisheries but wouldn't get rev until March 2021 unless we changed due date to Dec 15, 2020 (maybe)
2	\$10/mo public safety fee billed with utilities	\$120,000	fee schedule passage of resolution in Dec 2019 for start in Januray 2020	immediately
3	surtax of 6% for alcohol, tobacco and marijuana	\$167,000	March 3, regular election (not required)	could collect for 2, 3 and 4 quarters in 2020
		\$200,000	council code change	could collect all of 2020
4	1 mill property tax increase	\$223,600	mill rate setting resolution in June 2020	Aug 31 & Oct 31, 2020
5	1% sales tax increase to 7%	\$458,315	March 3, regular election (not required)	could collect for 2, 3 and 4 quarters in 2020
		\$550,000	council code change	could collect all of 2020
6	seasonal sales tax 7%/6% 2Q & 3Q see higher rate	\$366,000	March 3, regular election (not required)	could collect all of 2020
		\$366,000	council code change	could collect all of 2020
7	seasonal sales tax 8%/5% 2Q & 3Q see higher rate	\$641,000	March 3, regular election (not required)	could collect all of 2020, wouldn't be able to drop 1Q to 5%
		\$550,000	council code change	could collect all of 2020
8	wharfage on fuels .03/gallon dedicated to GF	\$180,000	fee schedule passage of resolution in Dec 2019 for start in Januray 2020	immediately
9	motor fuel tax .04/gallon	\$146,000	March 3, regular election (not required)	could collect for 2, 3 and 4 quarters in 2020
		\$116,000	could put in via ordinance after May 15, 2020	could collect after May 15, 2020