

# 2020 BUDGET MESSAGE



DECEMBER 2019

City of Long Beach

Jerry Phillips, Mayor

City Council: Sue Svendsen, Tina McGuire, Del Murry, Kevin Cline & Holli Kemmer,



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## *A Message from the Mayor*

With 2019 coming to an end, there have been many triumphs and challenges throughout the year. The city nears the end of the Biosolids Treatment Facility construction. The battle with code enforcement continues as we strive to make the city a better place to live and visit.

Our sales tax and lodging tax dollars continue to grow. Clamming dates were announced, and we should see some of those revenues come in late December. Transportation Benefit District money supported the Idaho Avenue Improvements; through an Interlocal Agreement with Pacific County, we were able to secure substantial savings. The overlay will occur in 2020 and wrap up that project. The Bolstad Restroom project was completed this year; we are making final touches and paving a portion of the parking area. There are multiple other projects happening, just to mention a few: wrapping up the water comprehensive plan, beginning the sewer comprehensive plan, and Culbertson Park ADA upgrades, the Police Station relocation and renovation, the South Washington waterline and pavement overlay project and the update of the City's Comprehensive Plan will be completed in 2020.

We have created sinking funds in almost every fund, allowing us to earmark funds for future projects. Much-needed boardwalk repairs could cost anywhere from \$800,000 to \$1.2 million.

The overall debt level for the City after 2020 will push \$9.6 million. This is a result of the mandate by the Department of Ecology to change how we dispose of biosolids, and the facility must be operational by early 2020.

We have fantastic City employees doing an overall superior job. The City personnel roster stands at 25, plus eight Police Officers, a City Attorney, a City Prosecutor, a City Judge, five Council Members, and the Mayor.

I'm looking forward to 2020. Long Beach is a tremendous city to visit, live and work. We have so many natural wonders that make us the greatest destination spot in the state. Thank you for helping make 2019 a fantastic year for our city. I am honored and proud to be your Mayor.

*Mayor Jerry Phillips*



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## Introduction

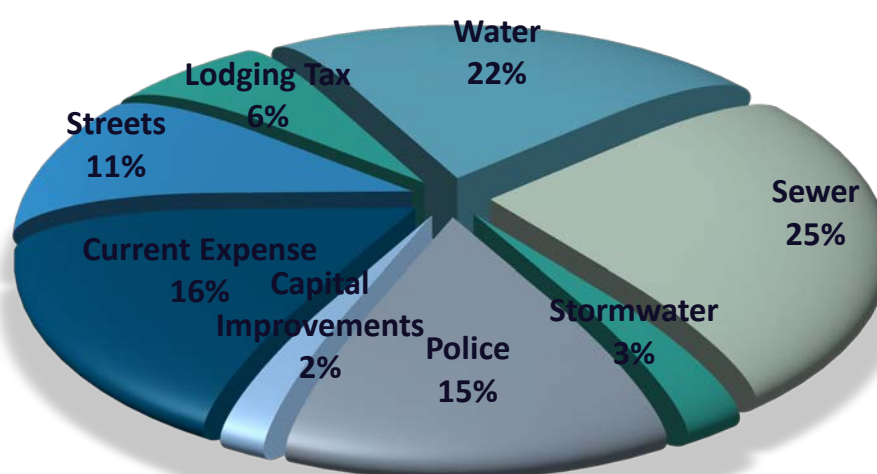
During 2019, the City saw record numbers in sales tax and lodging tax, setting the bar high for 2020. There are some large projects happening in 2020, including wrapping up the Regional Biosolids Treatment Facility that will be located behind the wastewater plant. This project is estimated to cost roughly \$7 million. The funding source is the Department of Ecology, with 40% grant and forgivable principal. The plant is set to be up and running towards the beginning of 2020.



The City is also in the process of upgrading some of the facilities, including City Hall, with painting and foundation upgrades. The City was awarded funding from the Recreation Conservation Office for ADA upgrades to Culbertson Park. That project will be completed in 2020.

Mayor Phillips is constantly looking for ways to improve the City of Long Beach and gain funding sources for the Current Expense fund, which is always in need. He continues to be diligent with code enforcement and cleaning up the city. There have been large strides within the last year, and he plans to continue his work dedicated to the beautification of Long Beach.

### 2020 City of Long Beach Budget

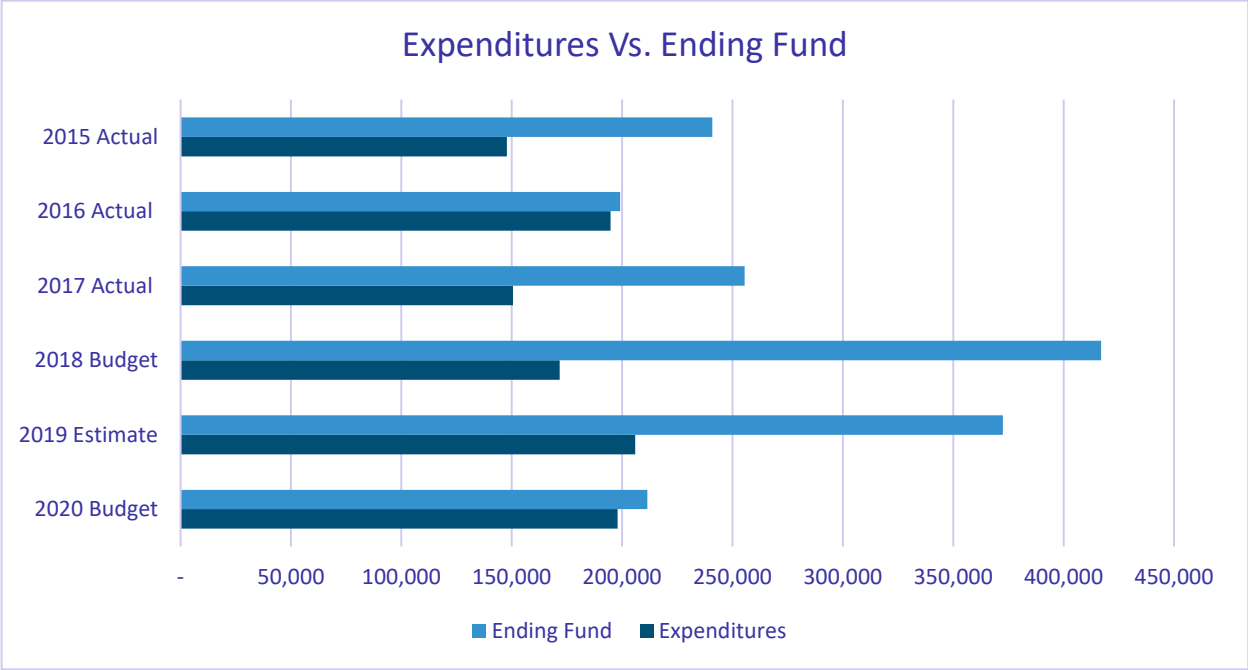


#### Current Expense Fund

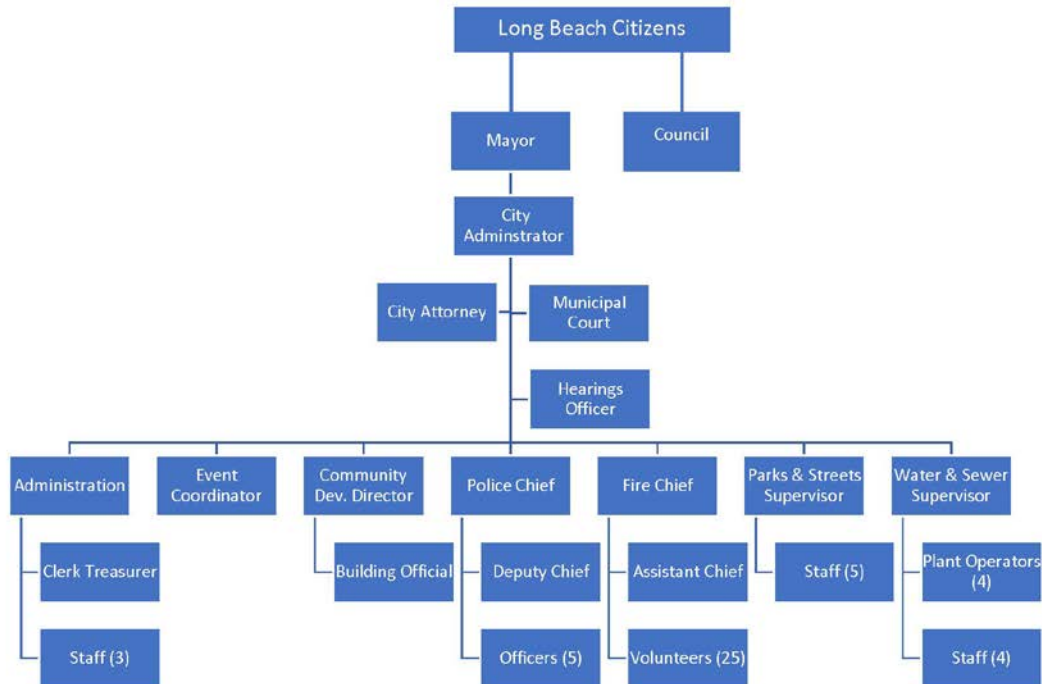
This fund is vital to the City operations. Most tax revenues go to this fund, including 75% of property tax, sales tax and all other business taxes. This makes up roughly \$1.6 million in revenue projected for 2020. Sales tax revenues had a fantastic year in 2019, bringing in nearly \$720,000.

The largest expense is the transfer to the Law Enforcement fund, which is roughly \$755,000. This fund holds all the Legislative, Finance, Administration, Building, Planning, Fire and Parks expenses. The Mayor has been very diligent when it comes to code enforcement, so there is additional money set aside for that within the building sub-fund. The City maintains numerous pocket parks, Discovery Trail, Culbertson Park and Stanley Field. The beginning balance for 2020 is projected to be \$372,524, ending the year with \$211,429. This includes another \$50,000 contribution

to the Current Expense Sinking Fund. The Sinking Fund, which is there for emergencies or capital equipment purchases, will have a balance of \$270,000 at the end of 2020. This money can also be used as local match for a project such as the Boardwalk reconstruction. Another important item to point out is that the voters passed a bond to purchase a new fire truck for the city. That will happen in 2020.



# Long Beach Organization Chart



Revised 12/3/18

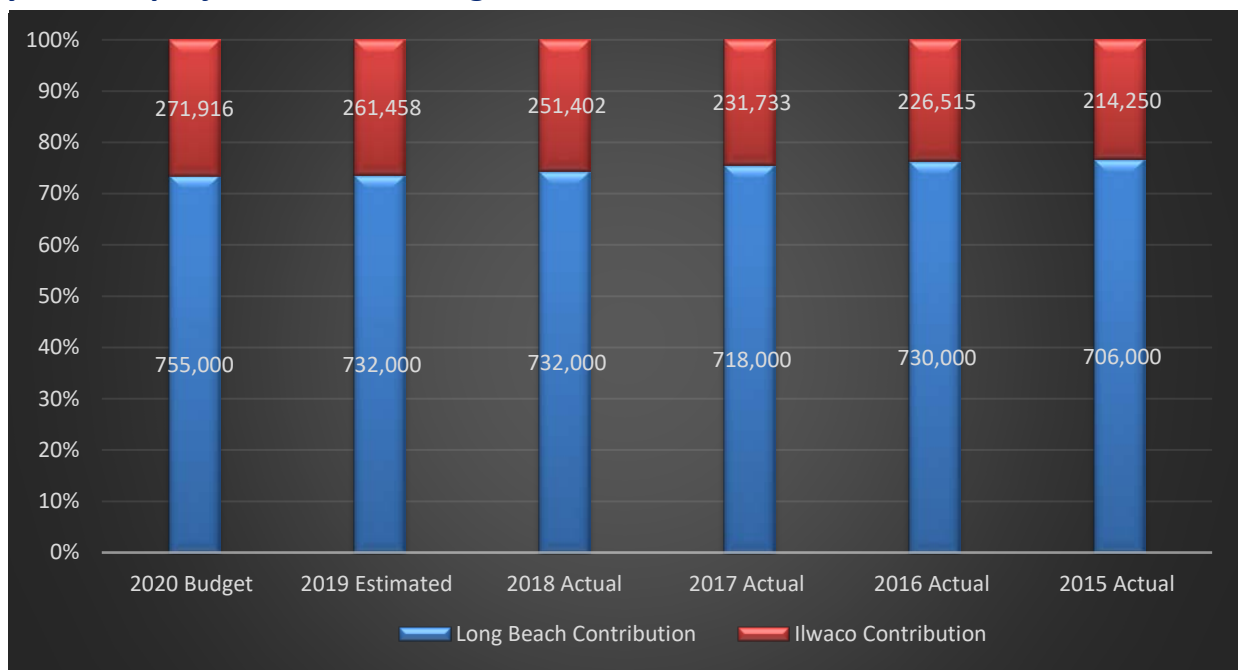
## Capital Projects Fund

The revenues from this fund are based on real estate sales within the city limits. This money must be spent on capital expenditures. As mentioned above, the City has been awarded a grant to complete ADA upgrades to Culbertson Park. The project is mostly funded through the Washington State Recreation and Conservation Office, with \$75,000 in grant money. The City will contribute labor and roughly \$30,000 in cash contributions. This project includes improvements to the field, new dugouts, resurfacing the basketball court and tennis court, adding pickle ball lines to each court, and paving the pathway connecting each field so that the entire park is ADA accessible. This project will be wrapped up in 2020 and will be a great addition to Culbertson Park. The Council has also requested that an inclusive wheel be budgeted for 2020, another item to add near the play structure. The beginning fund balance for 2020 is estimated to be \$61,516, and the ending fund balance at \$78,516.



## Law Enforcement

Most of the revenue in this fund comes from a transfer from the Current Expense fund (\$755,000). Other revenue sources include the City of Ilwaco contribution of \$271,916. The fund supports all the law enforcement that covers both Long Beach and Ilwaco. Law Enforcement staff consists of six officers, a working Chief, a Deputy Chief, and an Administrative Assistant. During 2020, a police station relocation and renovation is planned. A capital budget request was awarded for \$705,000 to the City for this project. This fund begins 2020 with \$13,536 and ends with \$3,916.



## Street Fund

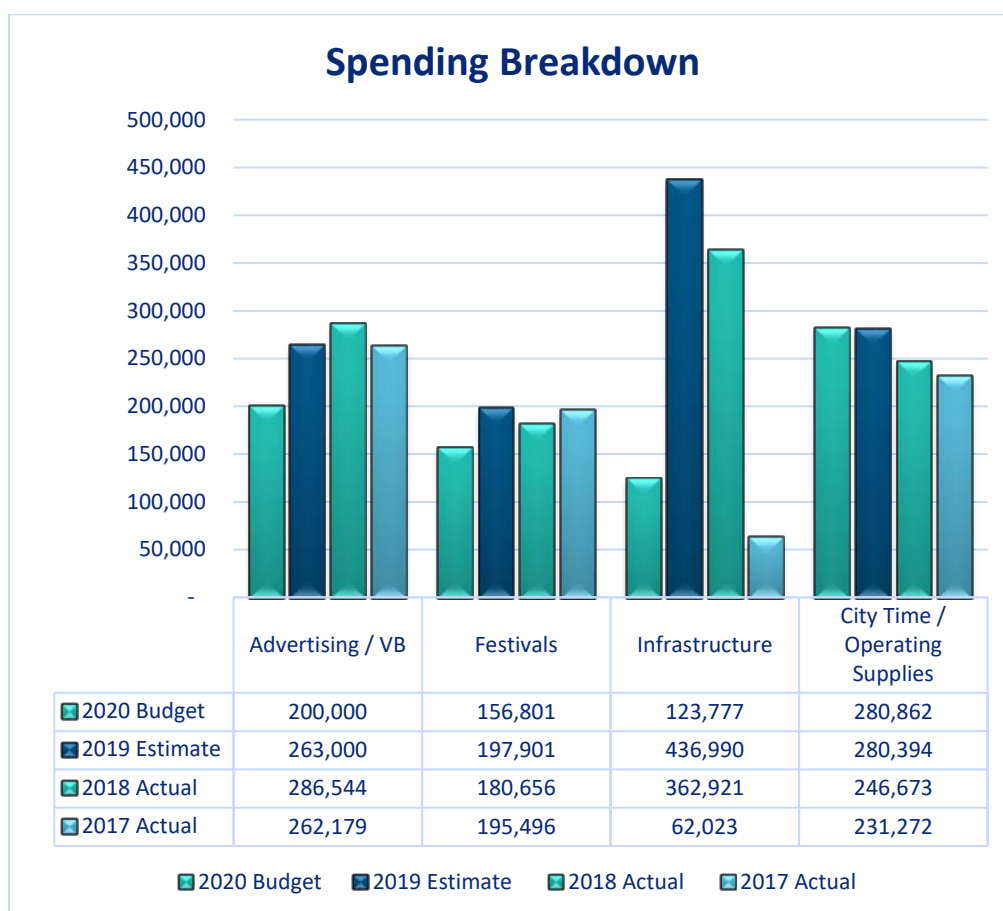
Most revenues generated in this fund come from the property tax split, where 75% goes to the Current Expense fund and the other 25% goes to this fund. The other large revenue source is the Transportation Benefit District tax that was passed by the voters in 2018. This tax is projected to bring in \$110,000 in 2020. This money is specifically intended for street improvements, and the City plans to complete the Idaho Street South improvements. The City was also awarded a Public Works Trust Fund loan to improve Washington Avenue South by upsizing the waterline and completing an overlay. The overlay is incorporated into the Streets budget with a cost of roughly \$830,000. The City also applied for TIB money to help with this project and was awarded \$400,000. There is a total of \$60,000 set aside to contribute



to the Streets Sinking Fund, which is there for emergencies or capital equipment purchases.

### Lodging Tax Fund

All the revenues from this fund are generated from overnight lodging taxes. This fund supports staff that contribute to the generation of more lodging. This fund also provides money to help support local festivals, events, and the Pacific County Tourism Bureau. The City completed the Bolstad Restroom project in 2019 and, by purchasing a prefabricated building, saved some money in the process. As this fund has been heavily utilized during years past, the ending fund balance is small and appropriations are now being analyzed carefully. The sinking fund for lodging tax is what the City hopes to use as local match for the Boardwalk reconstruction. There is also a \$45,000 contribution to the Lodging Tax Sinking Fund budgeted for 2020. At the end of 2020, the Lodging Tax Sinking Fund should be sitting at roughly \$225,000.



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### Capital Improvements Fund

The majority of revenues in this fund are generated from Business and Occupation taxes. This is a .02% tax that business owners pay based on their quarterly gross receipts within Long Beach city limits. In 2020, money from this fund will help improve some capital facilities throughout the city, contribute to the north end street improvements, Fish Alley improvements and Culbertson Park. This fund also supports the local farmer's market and helps pay off the loan for the Stanley Field improvements.

### Water Fund

The majority of the revenues in this fund come from water customers with current services as well as new installs. The rates support this fund and all that it is able to do, including salaries, benefits, operating supplies, equipment and water related capital expenditures. The City is in the midst of installing remote read meters, cutting down substantially on the man power that it takes to read meters manually. This project began in 2017 and is one of the largest budget items again in 2020. One large focus in the water fund in 2020 is improving taste and smell. There is \$260,000 set aside for water filter replacement and \$35,000 for a pilot study to determine where we can possibly improve. Other purchases include replacement and back-up pumps, a new tank mixer and a portion of the new backhoe. The rates for 2020 will include a 4% increase from 2019, putting the water minimum charge at \$37.71 per month. The beginning fund balance is \$130,842, with a contribution to the Water Sinking Fund of \$65,000, leaving an estimated ending fund balance of \$178,348 for 2020. The Sinking Fund is in place to hold a reserve in case of an emergency or to build up cash for a large purchase. After 2020's contribution, the Water Sinking Fund will be sitting at \$265,000.

Below are capital projects that are planned within the next three years.

Project / Item	Department	2020	2021	2022
Pall Micro Filter Replacement	Water	\$ 108,000	\$ 108,000	
Seaview System Upgrade	Water	\$ 2,500,000		
North Long Beach System Upgrade	Water		\$ 500,000	
Remote Read Meters (Long Beach/Seaview)	Water	\$ 150,000	\$ 150,000	\$ 150,000

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### Wastewater Fund

Like the Water Fund, most of the revenue in the Wastewater Fund is associated with the rates. The rates support this fund and all that it is able to do, including salaries, benefits, operating supplies, equipment and wastewater-related capital expenditures. Maintenance to the lift stations is always a priority and something that is being scheduled for 2020.

The City is currently near the end of the construction phase of the Regional Biosolids Treatment Plant. The cost of the plant is roughly \$7 million. 40% of that cost is grant and forgivable principal, leaving the City with roughly \$4.2 million in debt at 1.9% interest over the next 20 years. The rates for 2020 include an 8% increase from 2019, leaving the wastewater minimum charge at \$72.96 per month. The beginning fund balance of \$304,382, with a contribution to the Wastewater Sinking Fund of \$60,000, leaves an estimated ending fund balance of \$242,870 for 2020. The Sinking Fund is in place to hold a reserve in case of an emergency or to build up cash for a large purchase. After 2020's contribution, the Wastewater Sinking Fund will be sitting at \$120,000.

Below are capital projects that are planned to happen within the next 3 years.

Project / Item	Department	2020	2021	2022
TV Clean and Repair	Wastewater	\$ 30,000	\$ 30,000	\$ 30,000
Lift Station Plumbing upgrades to 5 Stations	Wastewater	\$ 250,000		\$ 250,000
BioSolids Engineering and Construction	Wastewater			

### Stormwater Fund

This fund is also supported by the rates and connection fees. This fund is much smaller in comparison to Water and Wastewater. Some projects in 2020 include beginning the Stormwater Comprehensive Plan update, back-up generator for the 3<sup>rd</sup> Street pump station, and installing new culverts and catch basins. There was an interfund loan back in 2014 where the Water and Wastewater Funds loaned money to the Stormwater Fund; this payback is now fulfilled. There is a 3% rate increase

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proposed for this fund; bringing the rate to \$14.36 per month. The beginning fund balance is \$36,649, leaving an estimated ending fund balance of \$42,476 for 2020.

We look forward to another great year in 2020. As always, feel free to contact City Hall with any questions.

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