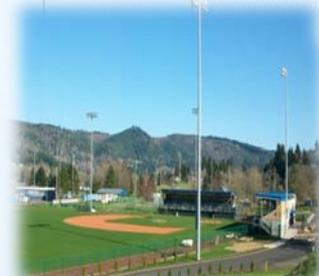


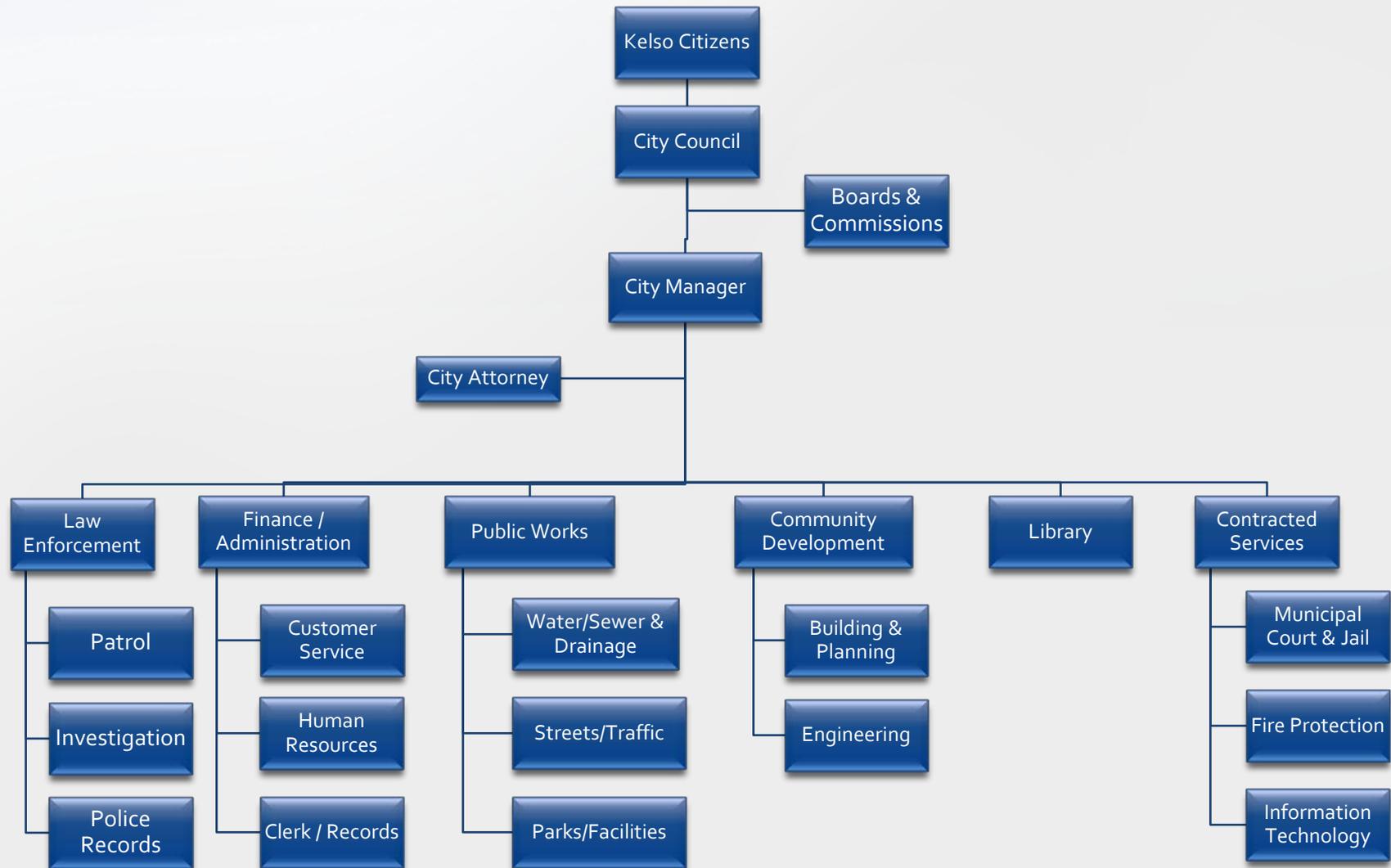
# City of Kelso

## State of the City 2013





# City Organization



# Kelso City Council



**Bottom Row: Todd McDaniel, Mayor David Futcher, Kim Lefebvre**  
**Top Row: Gary Archer, Dan Myers, Rick Roberson, Gary Schimmel**



# Council Action

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- Adopted 2013/2014 Budget
- Established Transportation Benefit District
- Secured West Main Realignment Right of Way
- New Employee Health Benefit System
- Visitor Center Purchase & Partnership



# Council Action

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- Updated Commercial Zoning Regulations/Uses
- Approved new Labor Agreements
- Moratorium on Cannabis Uses
- Leased Land for Wetland Mitigation Bank
- Prohibited Smoking in City Parks



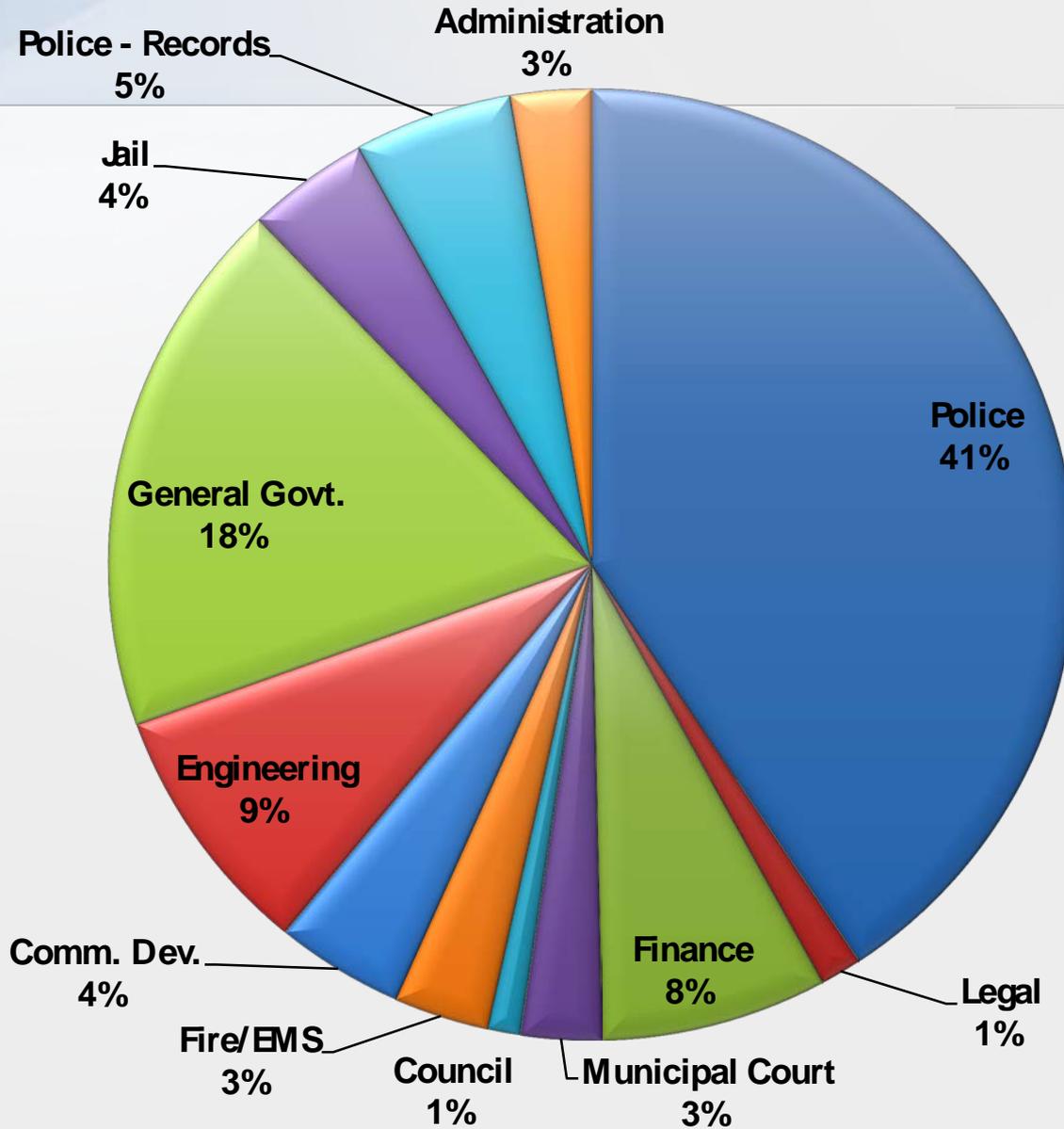
# Budget Highlights

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- 2013 Budget: \$32,072,245
- General Fund Budget: \$7,528,822
- Beginning GF Balance - \$1.54 mil
- Ending GF Balance - \$1.42 mil. (19% Reserve)
- 2012 savings used to balance 2013/14 budgets
- City-owned utility taxes reduced
- Trans. Benefit District approved - \$20 reg. fee



# 2013 General Fund Breakdown





# Law Enforcement

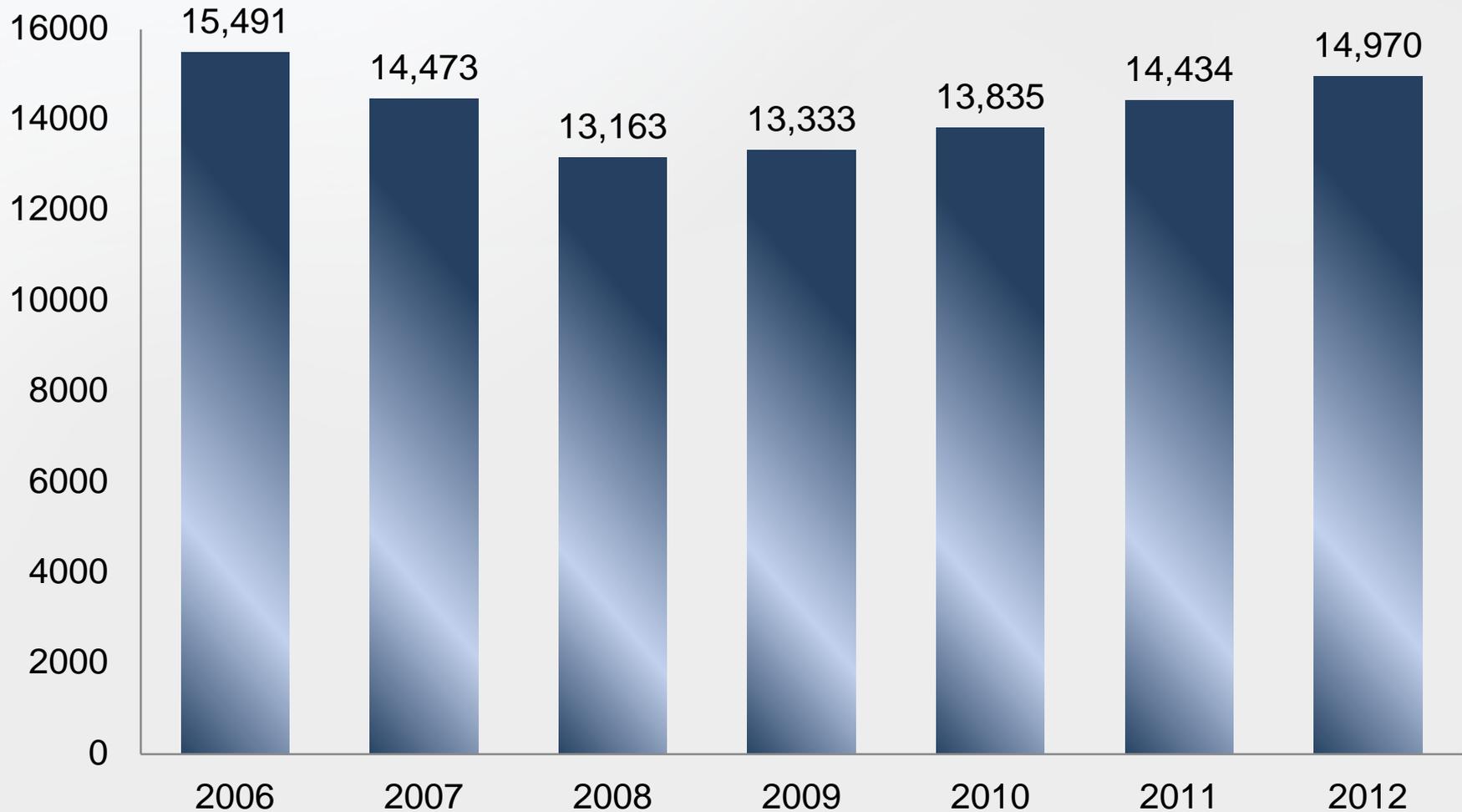
## Kelso Police Department 2013 Staffing

- 2 Command
- 17 Patrol Officers
- 4 Investigation & Narcotics Task Force
- 1 School Resource Officer
- 4 Records/Administration



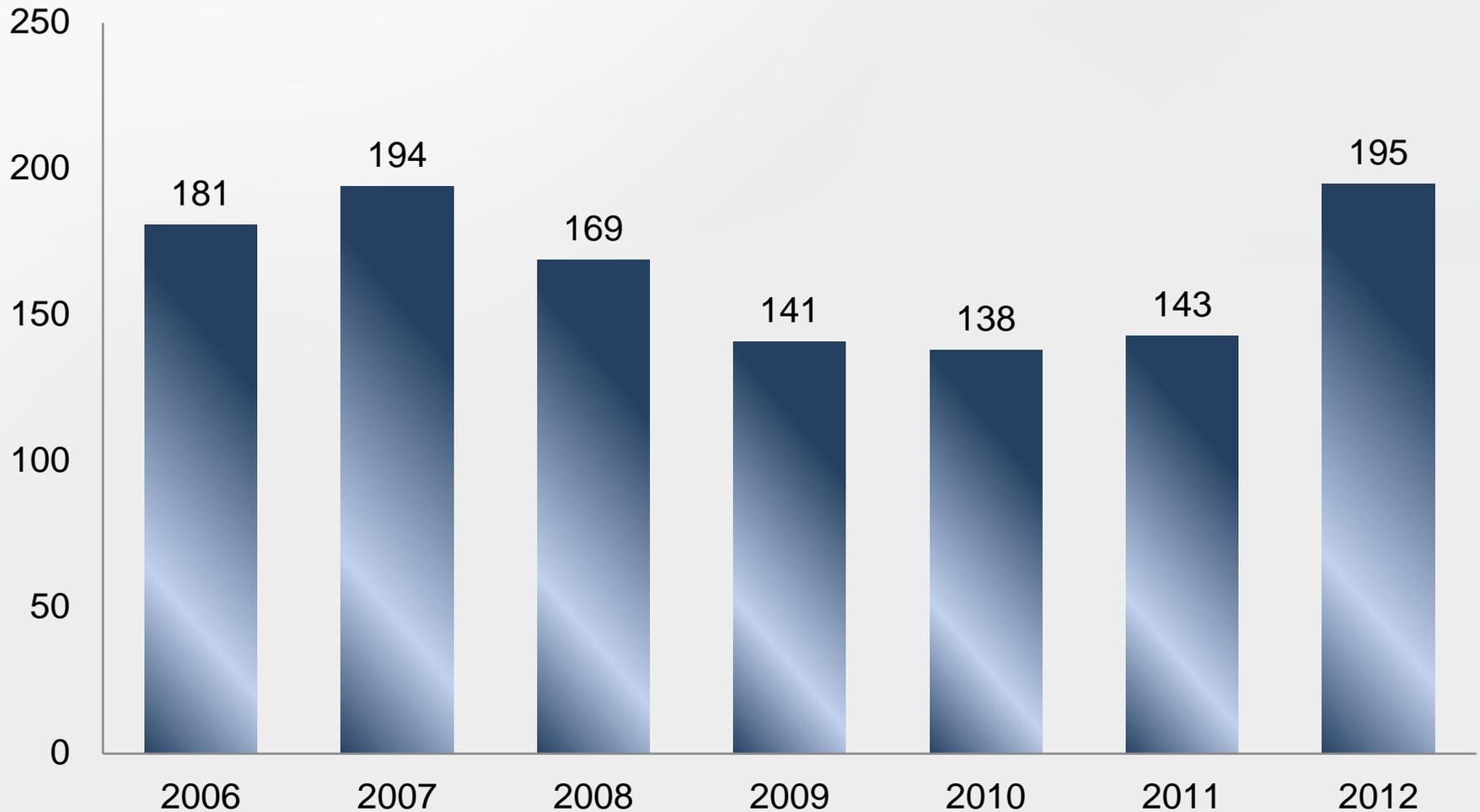


# Calls for Service



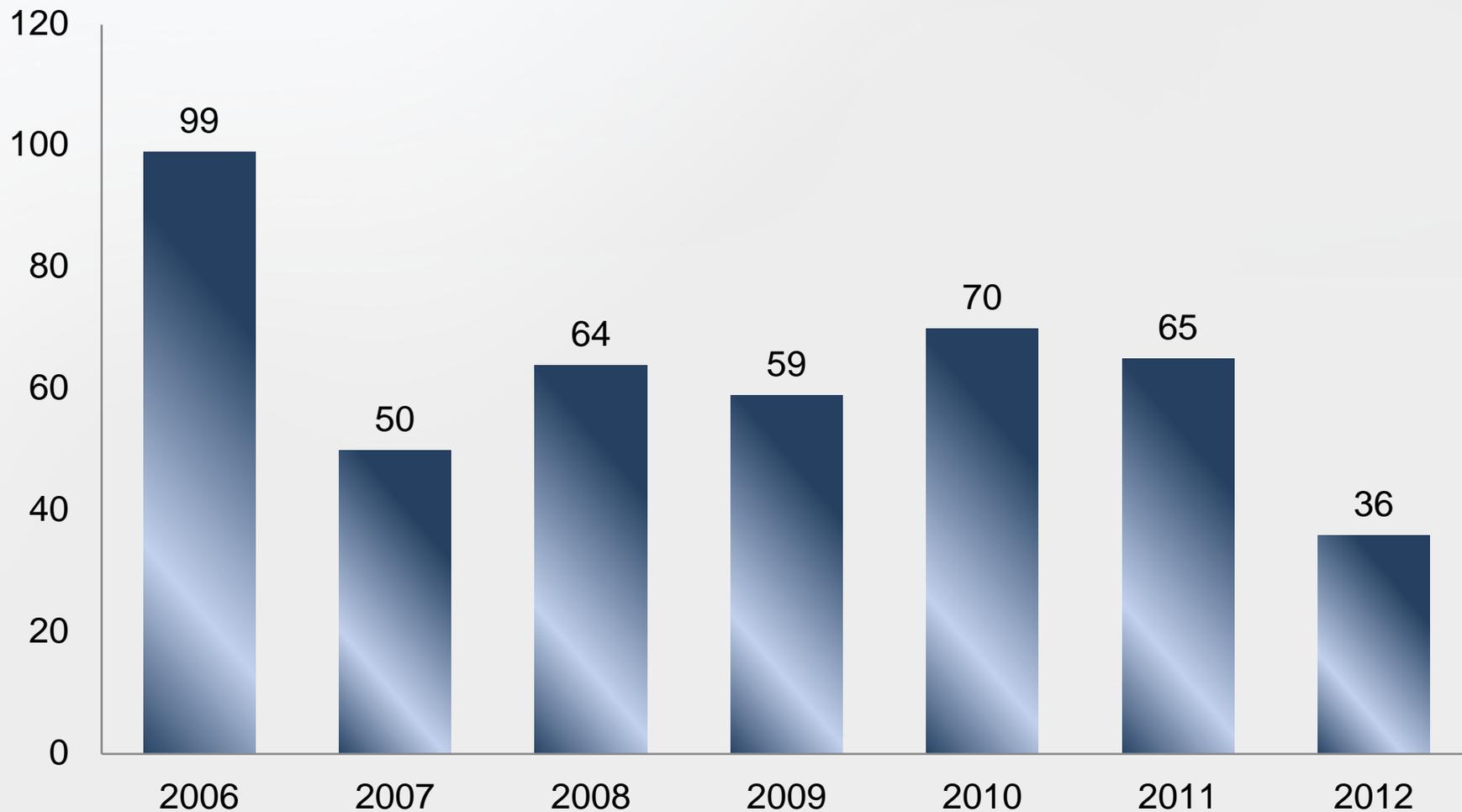


# Domestic Violence Arrests





# DUI Arrests



# Capital Projects



# West Main Realignment

- Secured Right of Way
- Awarded \$4.2 million construction contract
- Obtained additional \$1.14 million Grant



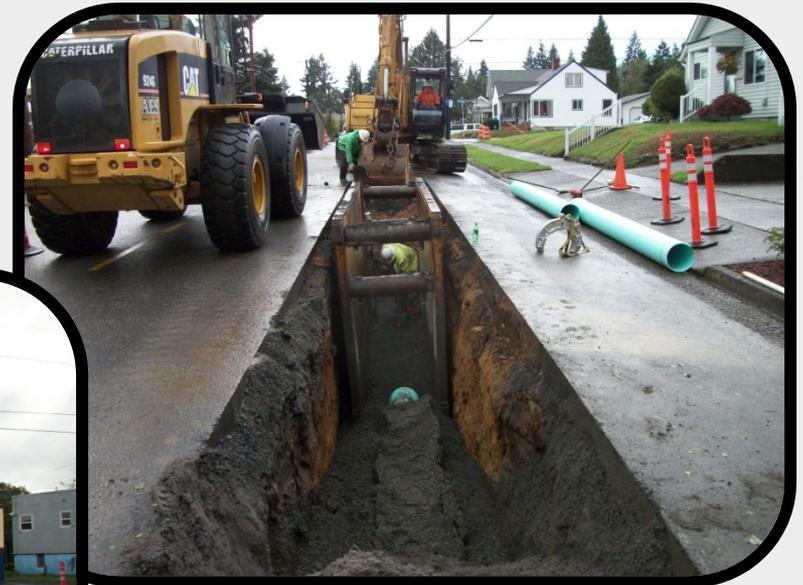
# Mill Street Reconstruction/Preservation

- \$576,000 Project Cost
- \$500,000 TIB Grant



# Ayers & Harris Street Sewer Replacement

- 1,800 feet of new sewer line; addresses significant maintenance problems
- \$582,000 project cost

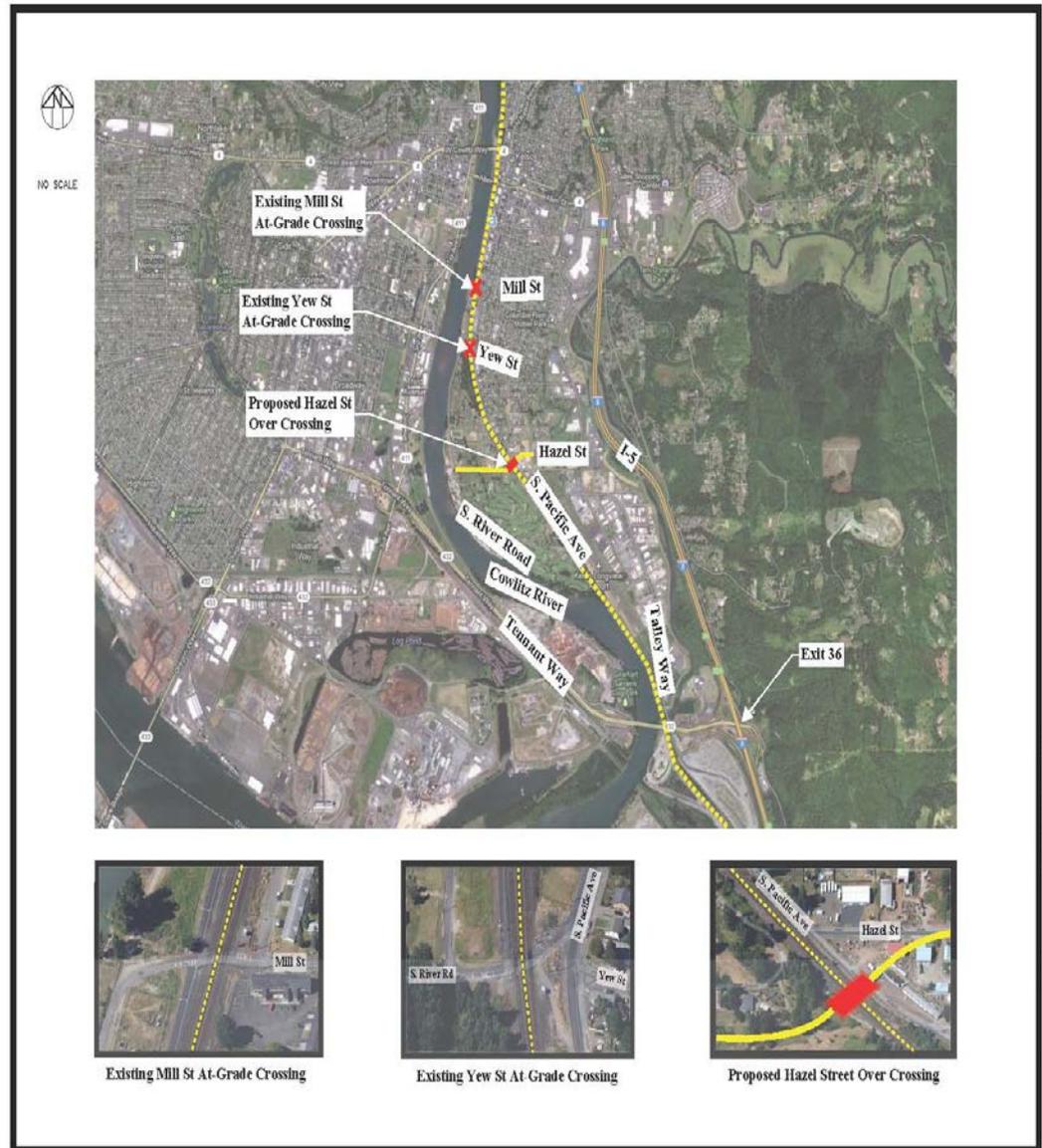




# South Kelso Grade Separation Study



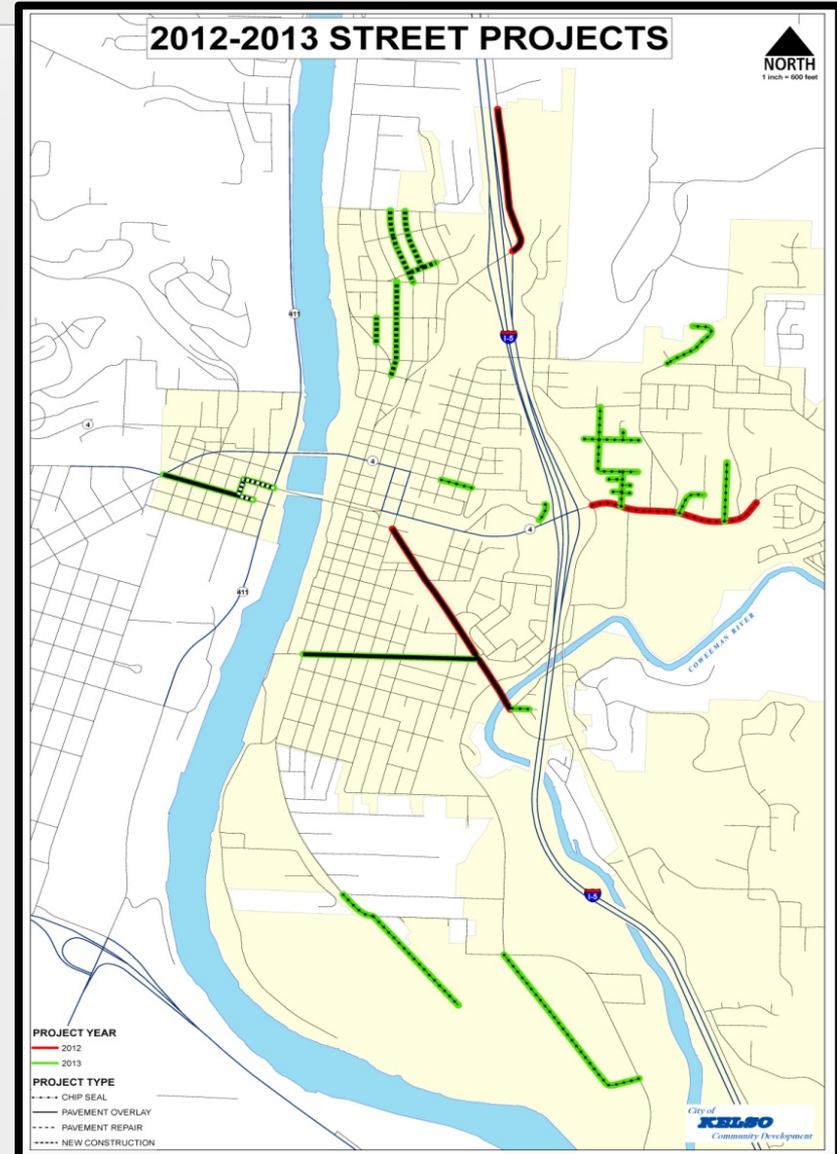
- Addresses Cowlitz River property access issues
- Kelso to Martin's Bluff High Speed Rail project
- Seeking legislative funding for environmental engineering



# City-Wide Pavement Preservation



- \$220,000 in street overlay
- General Fund and TBD support future expanded programs





# Visitors Center/Tourism

- \$315,000 Project
- Funding Partnership with Chamber and Cowlitz County
- Enhanced local business promotion





# Building and Planning

## Major Projects

- Updating Comprehensive and Shoreline Master Plans
- Obtained Ecology and EPA grants for N. Kelso auto salvage yard cleanup and redevelopment
- Commercial zoning amendments and preparation for legal marijuana uses

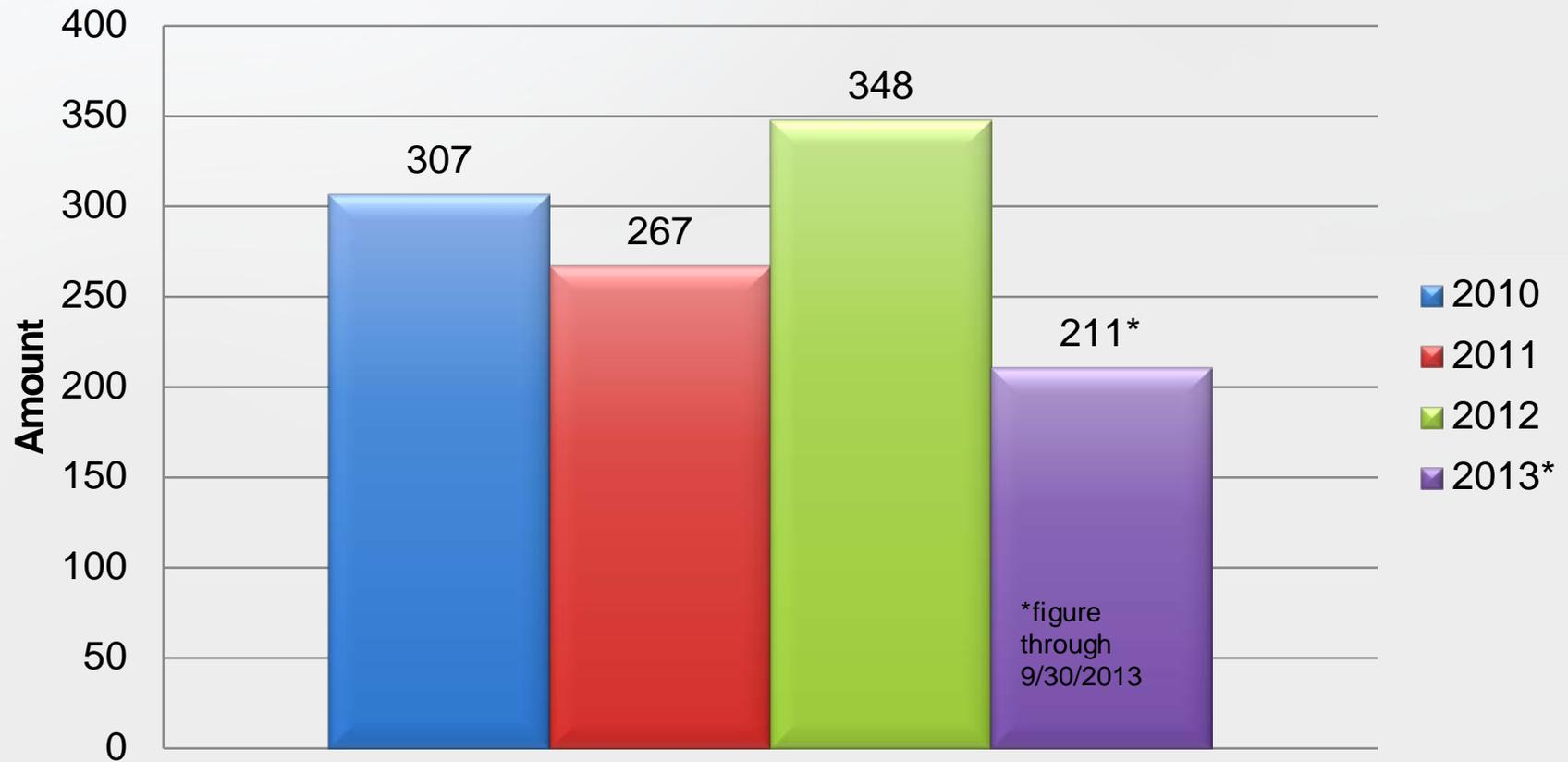


Cottage Housing Concept Site Plan



# Building Planning

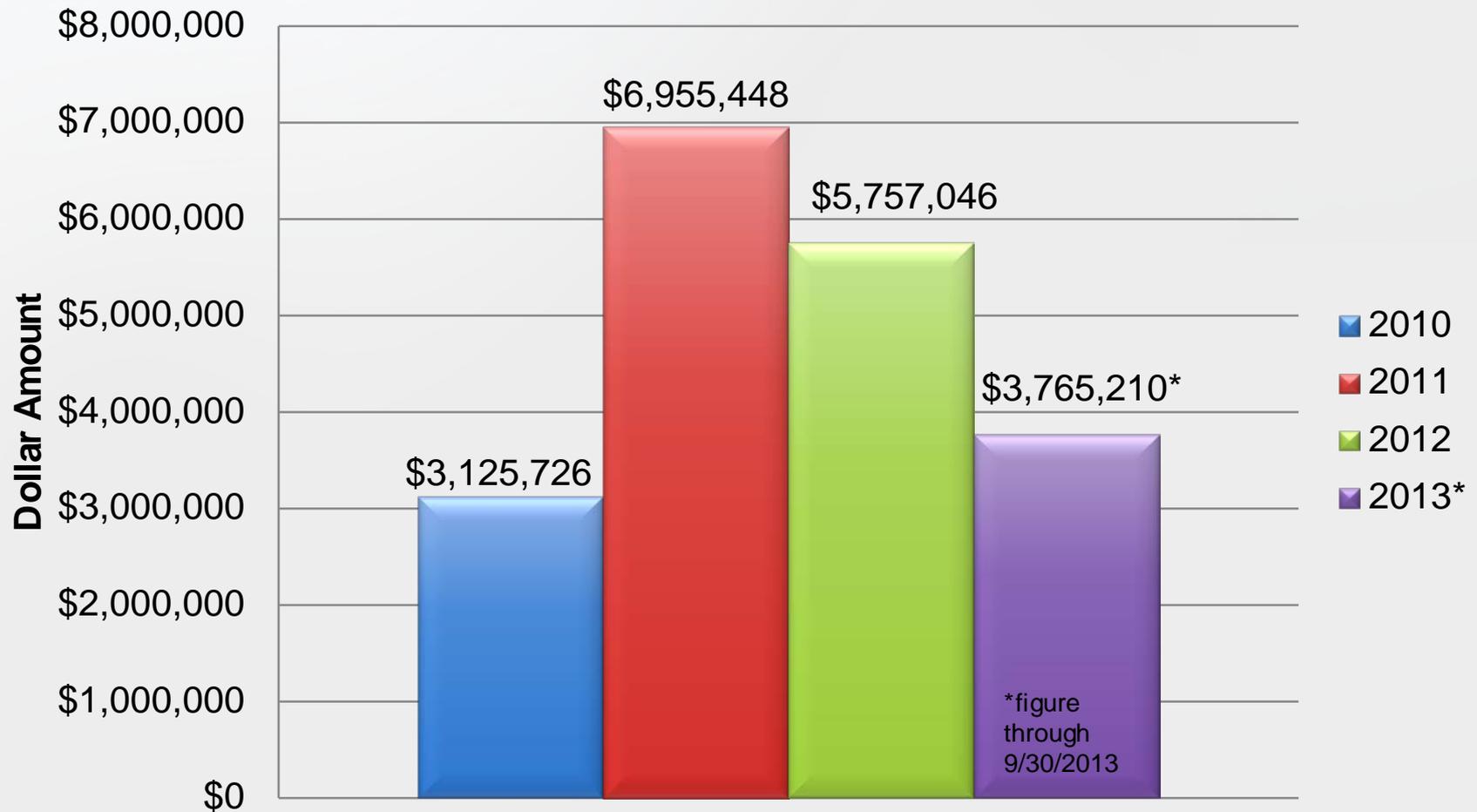
## Building Permits Issued





# Building Planning

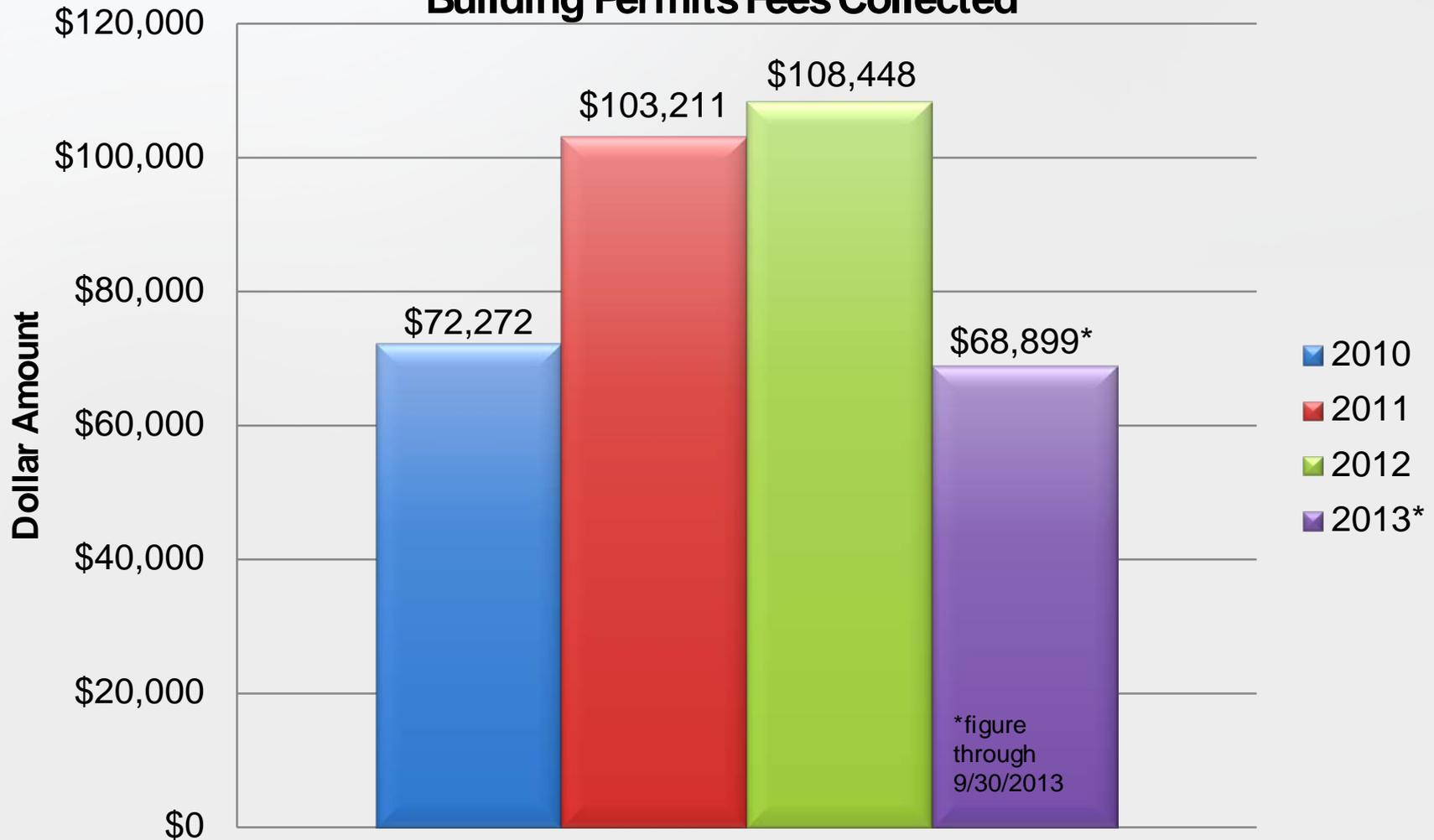
## Building Permit Valuation Amounts





# Building Planning

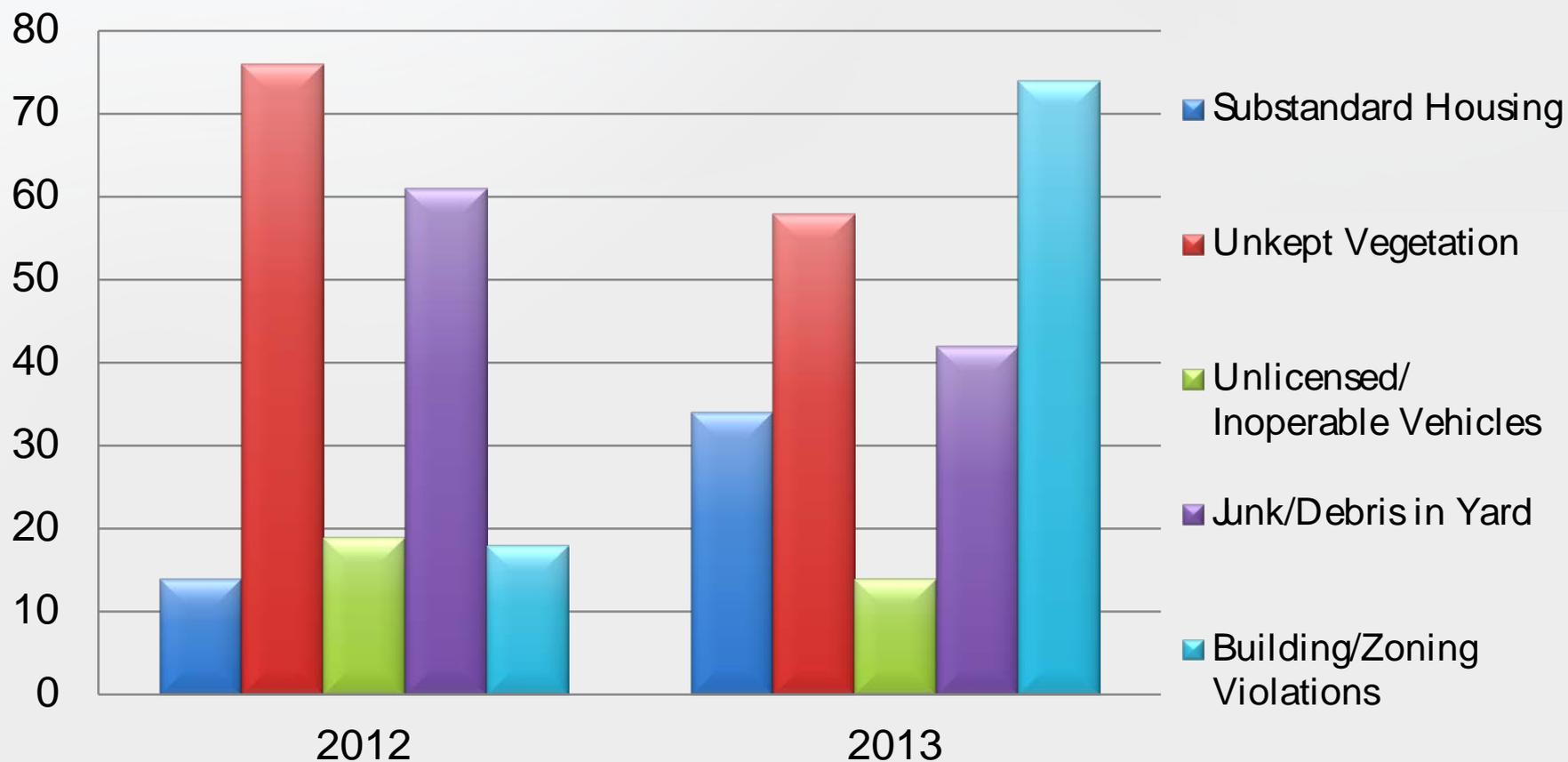
## Building Permits Fees Collected





# Code Enforcement

## Nuisance Abatement Complaints



(Figure through 08/31/2013)



# 1124 N. Pacific Brownfield Cleanup



# Three Rivers – Regal Cinemas



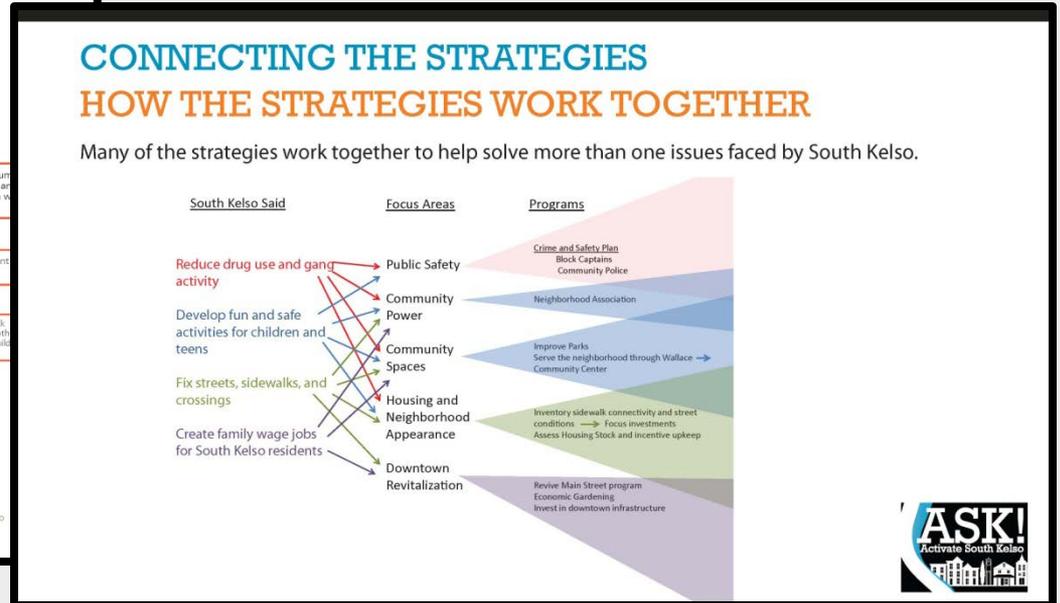
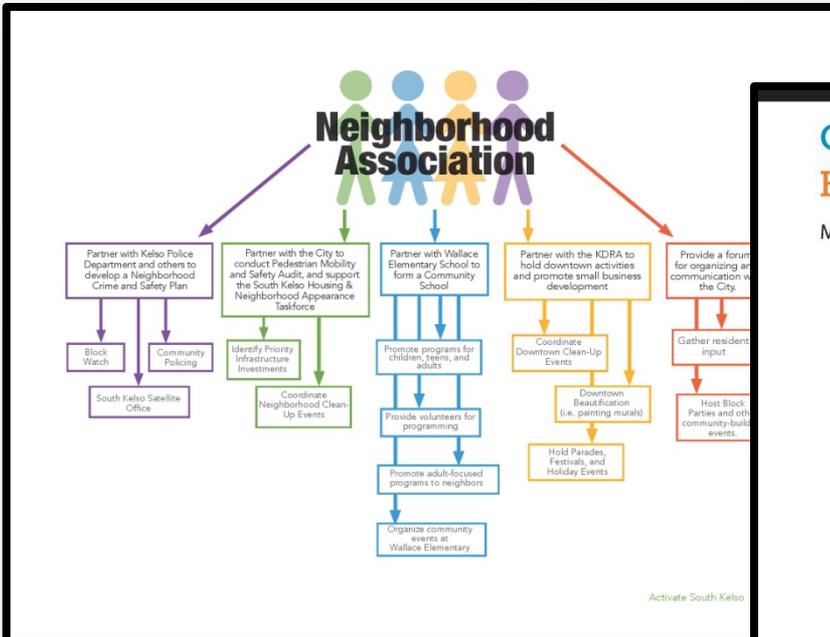
# South Kelso Revitalization Strategy

- Partnership with Portland State University Planning program
- Study actively engaged S. Kelso residents



# South Kelso Revitalization Strategy

- Formation of Neighborhood Association is currently underway
- Identified 10 social, economic, and infrastructure renewal strategies



# Public Works & Parks





# Public Works

- Kelso Train Depot is complete multi-modal center with Amtrak, Greyhound, and River Cities Transit
- Transfer of SW Washington Regional Airport operations and governance





# Public Works

- Adopted Water System Plan Update
- Large water meter replacement
  - 21 replacements
  - Accuracy in billing
  - Equity in allocation of utility rates
- Enhanced preventive maintenance program
  - 160 Hydrants flushed
  - 542 Valves exercised





# Thorstenson Disc Golf Course

- 9 hole disc golf course at Tam O'Shanter Park
- Donated, installed, and maintained by Thorstenson Family
- Additional attraction for sports tournaments





# Library

- Patrons – 82,561
- Program Participants – 2,029
- New Library Cards Issued – 722
- Reference Questions Answered – 3,411





# Library

- Library Collection – nearly 44,000 items
- Circulation – 75,500 items during past year
- Three Rivers location is 3,000 sq ft larger than previous library





# Financial Notes

- Received a Clean Audit Opinion for 2012
- Earned GFOA Certificate of Achievement for Excellence in Financial Reporting for 8<sup>th</sup> Straight Year
- Retained General Fund Surplus in 2012
- Earned AWC Well City Award for third straight year – 2% discount on health benefit premiums





# Financial Picture

- General Fund revenues are flat
- Declining property values
- Loss of state shared & gambling tax revenues
- Greater reliance on utility taxes





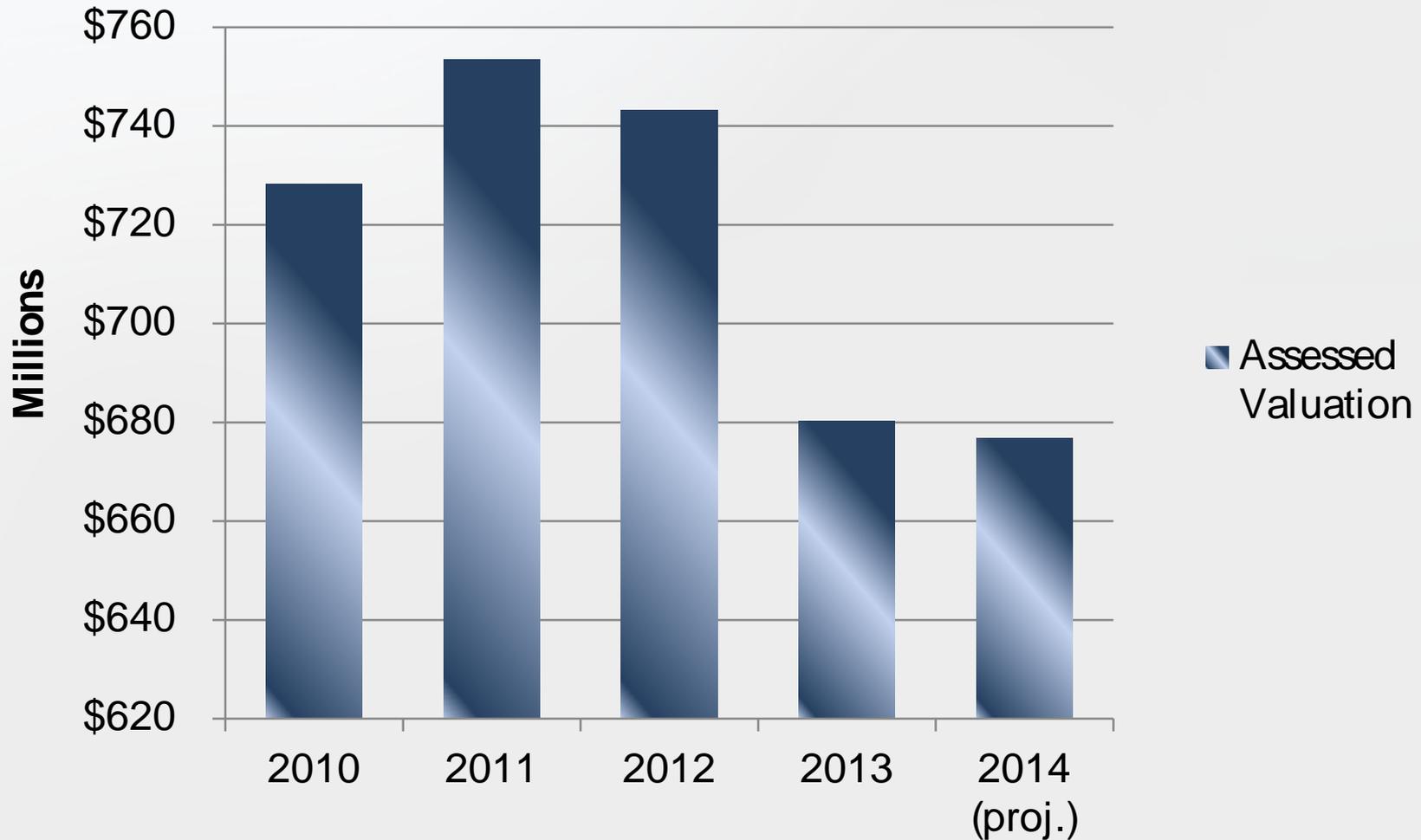
# Financial Picture

- Resized organization – doing more with less
- Streamlined services
- Tackling growth in personnel costs
- Rebuilding reserves and investing in capital



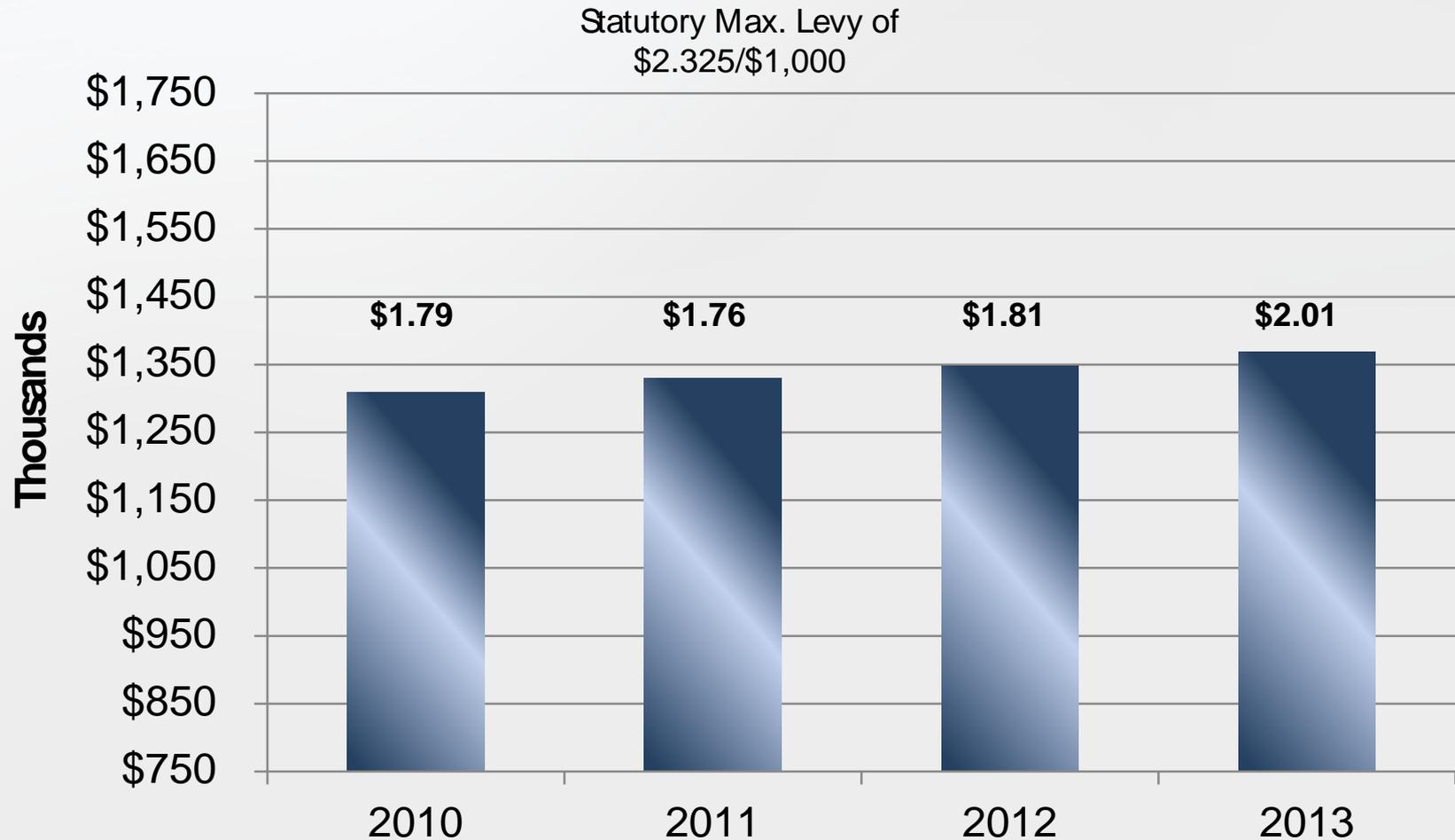


# Property Valuation



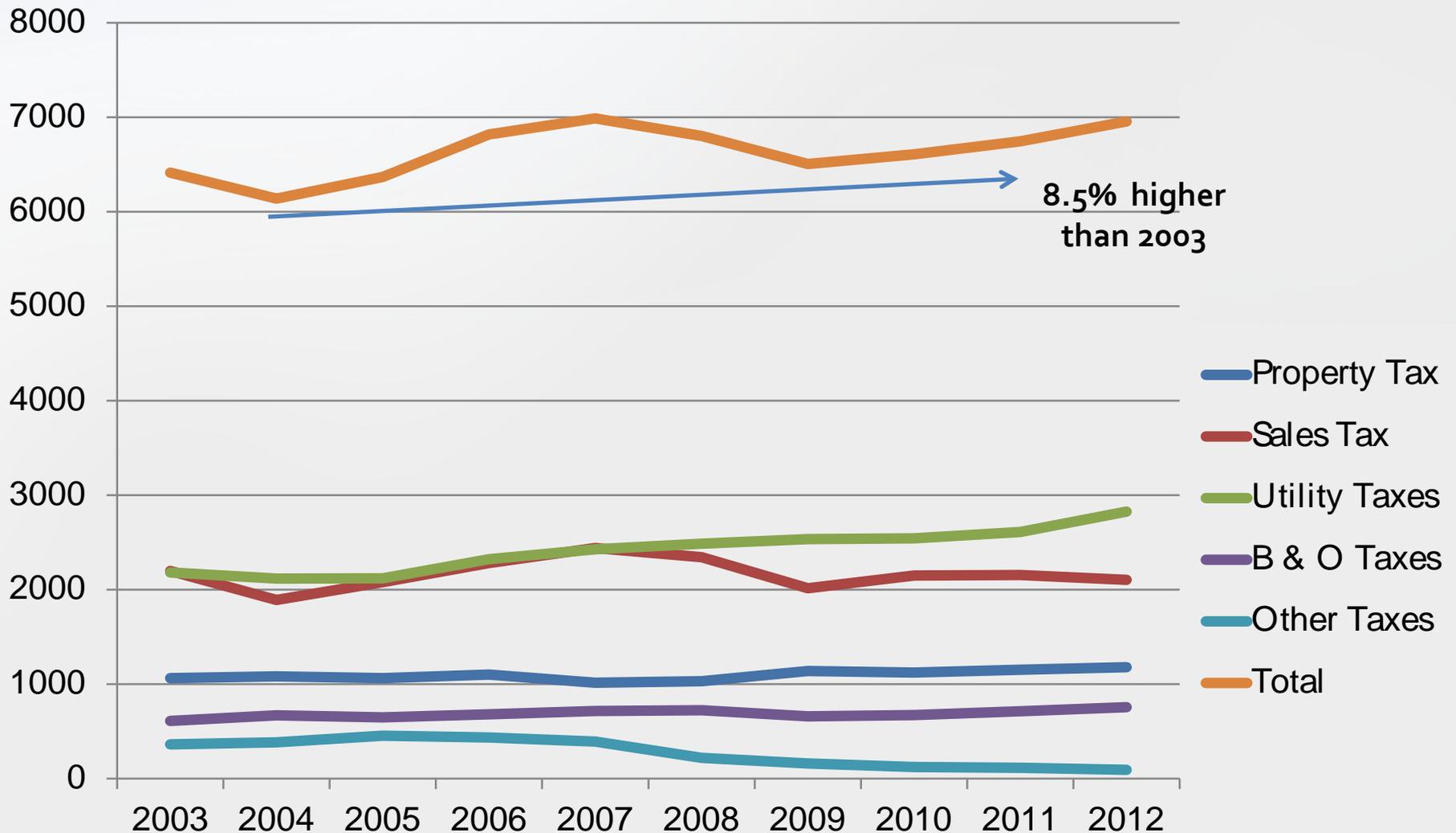


# Property Tax Levy (including Rate per \$1,000 AV)



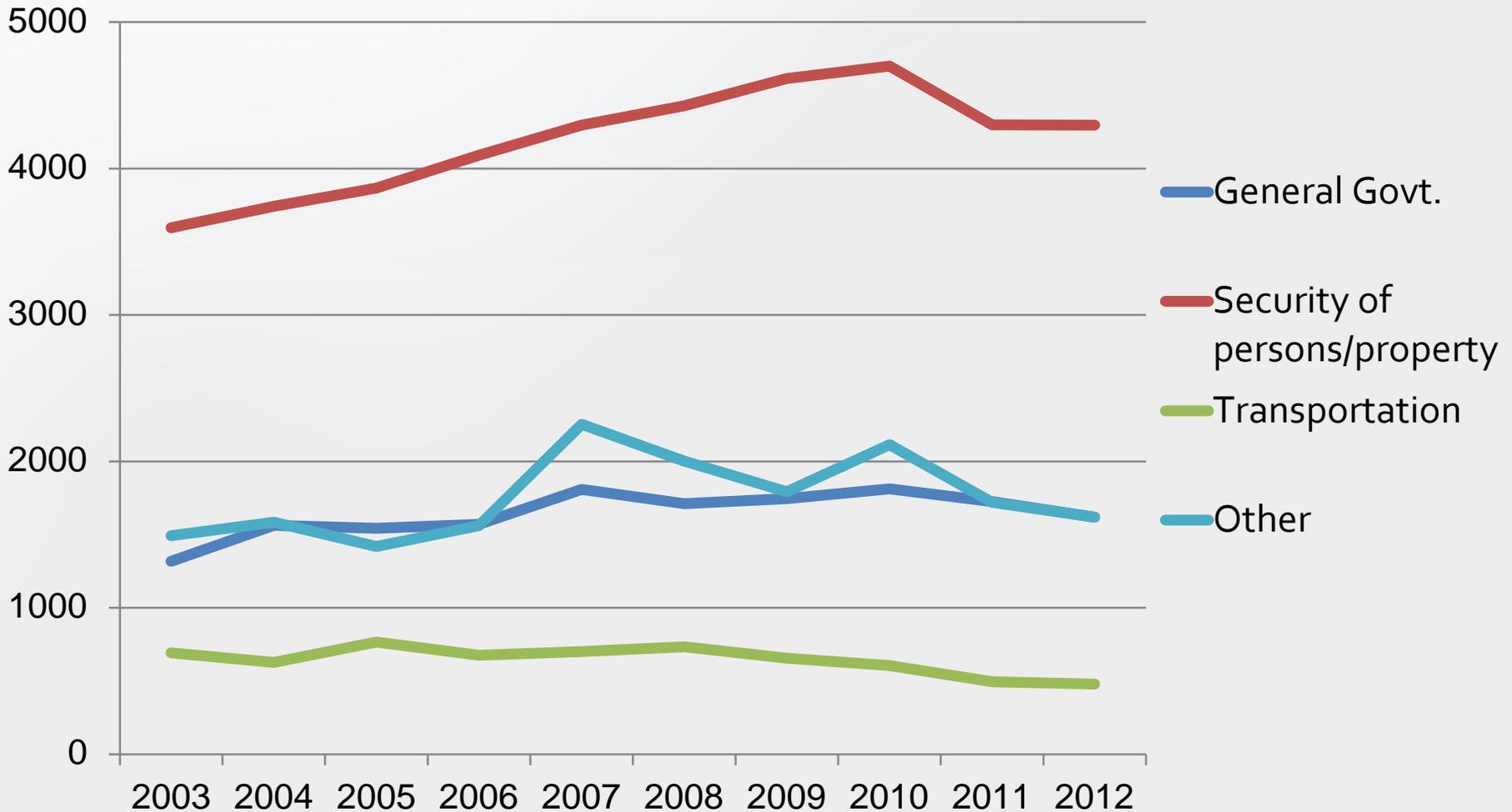


# General Govt. Taxes (in thousands)



# General Operating Expenditures

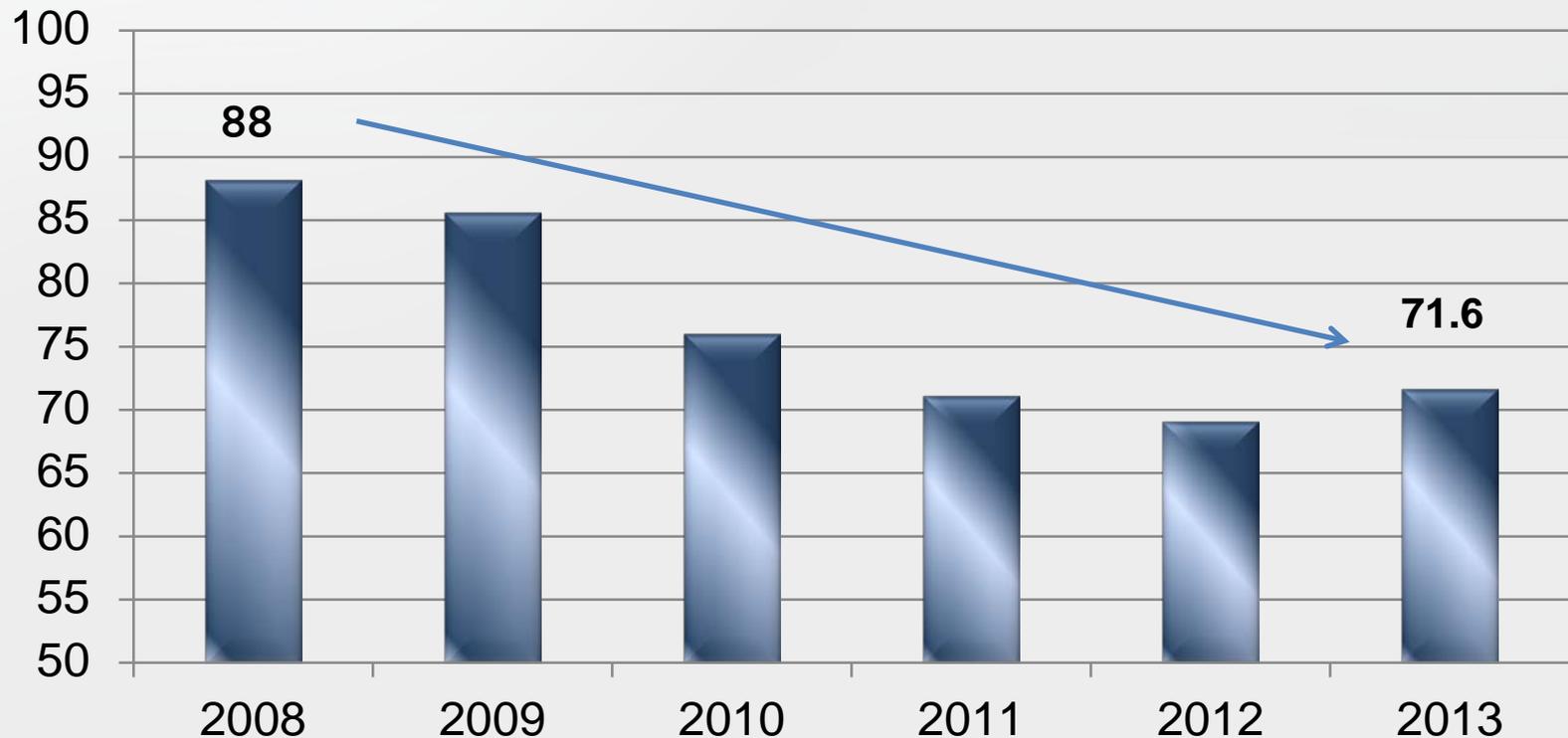
(in thousands)





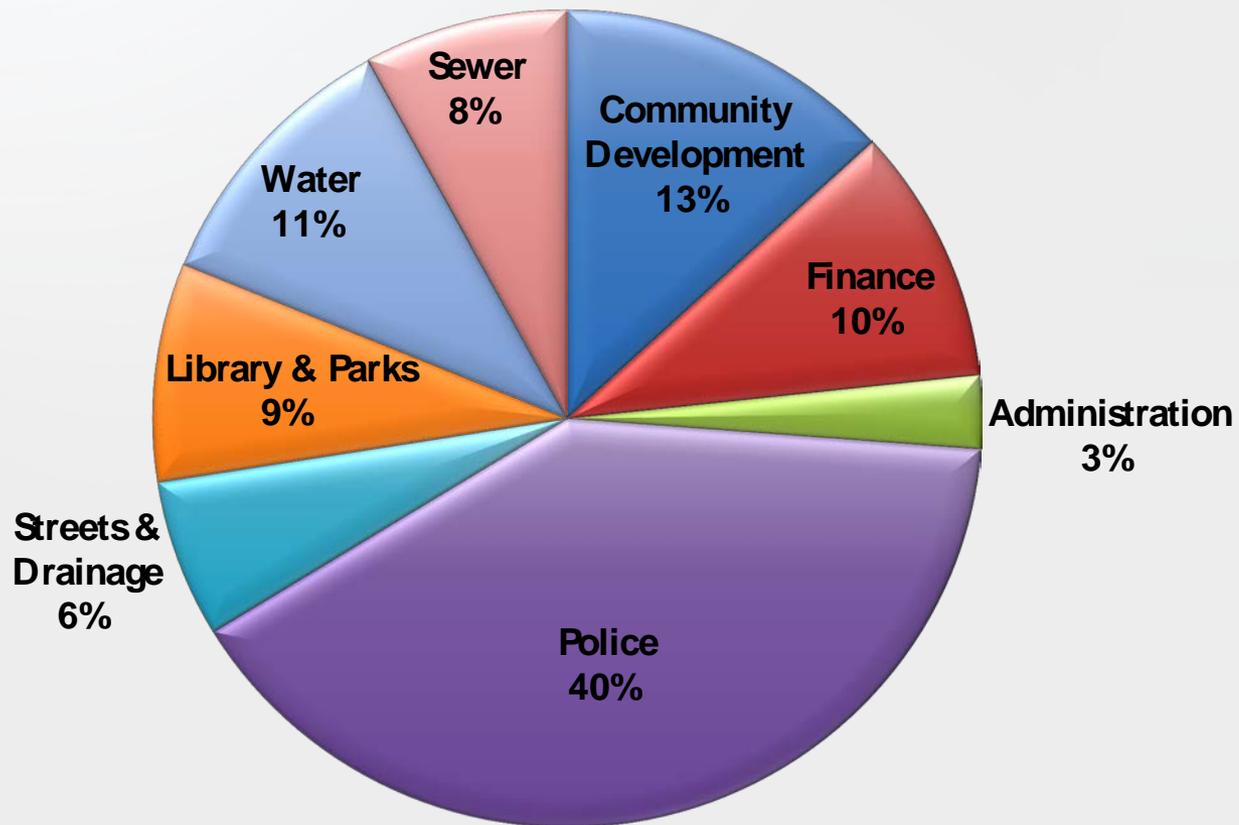
# City Staffing Levels

## Full Time Equivalent Employees 2008 - 2013





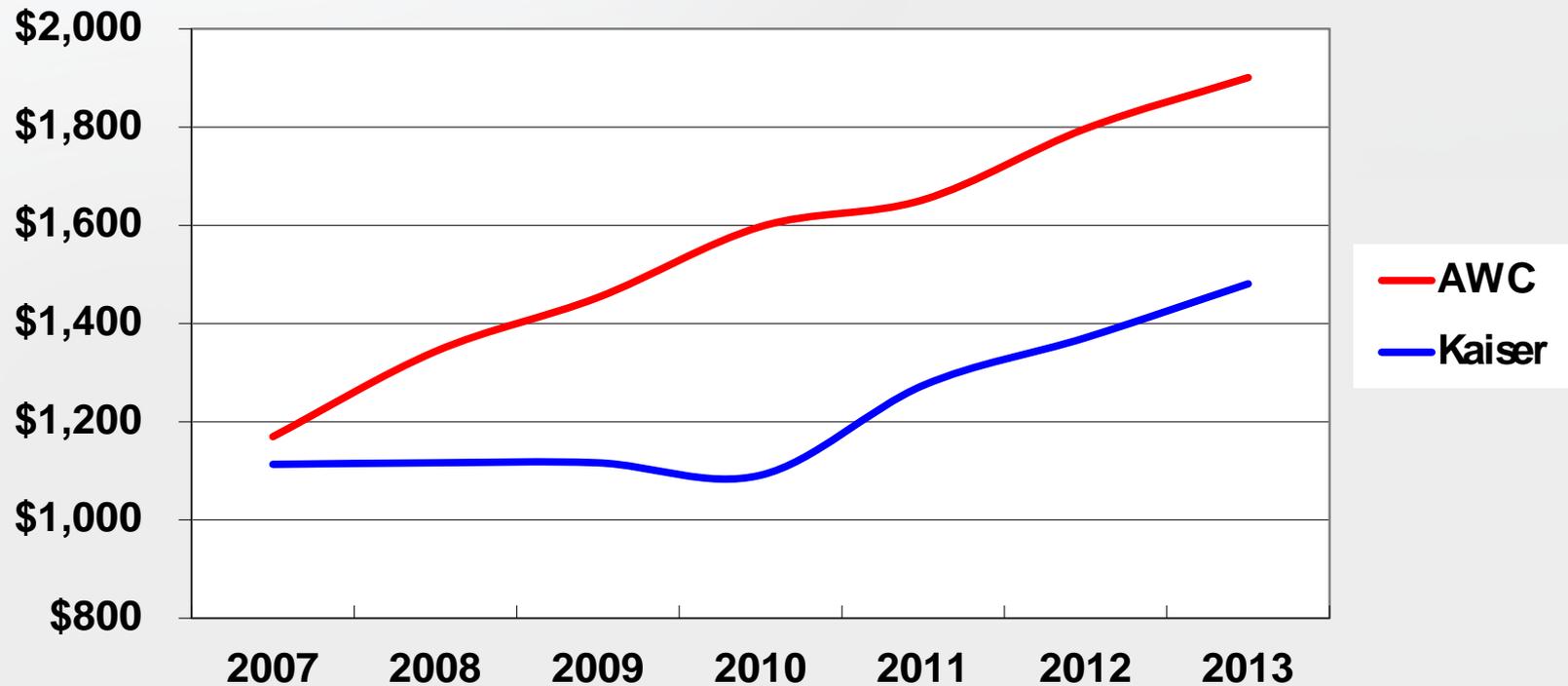
# 2012 Staffing by Service





# Unsustainable Trend...

## Monthly Health Premium Costs



# Health Benefit Solutions

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- Kelso modified its personnel benefit model to reflect private sector practices.
- Health Benefit Premiums
  - Assoc. Wa Cities – 63% increase from 2007 – 2013
  - Kaiser Foundation – 33% increase same period
- City offered new plans with higher deductibles and health savings incentives
- 20-25% estimated savings



# Challenges

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- Economic rebound is slow
- Challenging retail expansion environment
- Loss of state-shared revenues, impact of initiatives, dwindling federal support (CDBG, criminal justice)
- New mandates (public defense, cannabis, Low Impact Development)
- Aging infrastructure and capital assets



# Opportunities

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- Port development and new jobs
- Retail investment at Three Rivers and Kelso Village
- West Kelso – West Main renewal
- South Kelso Neighborhood Revitalization Effort
- Airport expansion and River Road development



# Trending Toward Excellence

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- Dedicated staff and team approach to problem solving
- Investment in people, technology, and innovation is key to fiscal sustainability
- Regional collaboration and public/private partnerships
- Outstanding support from the community and volunteers



# We Are Kelso!



## Questions?