MINUTES
CITY OF LAUREL
CITY COUNCIL WORKSHOP
TUESDAY, AUGUST 18, 2020

A Council Workshop was held in Council Chambers and called to order by Mayor Tom Nelson at 6:31 p.m. on August 4, 2020.

COUNCIL MEMBERS PRESENT:

_x_ Emelie Eaton	_x_ Heidi Sparks
_x_ Bruce McGee	_x_ Richard Herr
_x_ Scot Stokes	_x_ Irv Wilke
_x_ Richard Klose	_x_ Don Nelson

OTHERS PRESENT:

Nick Altonaga, Planning Director

Bethany Langve, Clerk/Treasurer

Kurt Markegard, Public Works Director

Nancy Schmidt – Library Director via Zoom

Stan Langve, Police Chief

Public Input:

There were none.

General Items

Executive Review

1. Resolution - LURA Large Grants

Nick Altonaga, Planning Director, stated LURA made a recommendation on July 6, 2020, with a slight amendment to their recommendation on July 20, 2020. The total of $218,150.84 which is below the max allotted for $225,000 for the Large Grant Program; see the attached spreadsheet. The work being done includes energy efficiency, water drainage updates, utility improvements, roof replacement, window replacement, etc. Two grants were denied.

Council noted some good projects were going on and thanked the Planning Director for his hard work.

2. Ordinance No. O20-03: An Ordinance Amending Title 12 Chapter 12.04 Of The Laurel Municipal Code Relating To The City's Street And Sidewalk Construction And Maintenance.

Kurt Markegard, Public Works Director, stated this ordinance is to update the chapter on Construction of Streets and Sidewalks in LMC. It incorporates the changes from the last two legislative sessions—Changed City Engineer to Public Works Director. They also changed "he" to "he/she" to be inclusive. Different types of assessments are included. It will give the City a variety of ways they can assess the street maintenance assessments. The bulk of the changes are simply updating the code to meet State statute.

Council Issues

3. Discussion on Budget

Bethany Langve, Clerk/Treasurer, stated the main discussion for this evening is centered around the General Fund and the distribution of mills; see attached handout. General Fund has been expenditures has been decreased by 3% already. Keeping our reserves for General Fund at 10%, we are short 46.04 mills. That is having no reserves in any other funds. In dollars, that is $387,806.37. The discussion is on where Council is comfortable with the Mayor and Clerk/Treasurer to go with this Budget. They do not want to make decisions without Council's input.

The Clerk/Treasurer stated she included a National League of Cities survey; see attached. They are stating that Cities dependent upon property tax revenues can expect to see a .3% to 10% decrease in property tax revenues. They are anticipating Cities will see this in Fiscal Year 2021 when citizens cannot pay their taxes or house payments. Those who are dependent upon sales tax were hit immediately. How hard the City will be hit with decreased revenue is not clear at this time.

Council stated that they nor the Mayor should receive a raise this year. It was clarified that the Mayor was budgeted at a 0% increase. Council was budgeted at a 1% increase. The total Budget for Council is $40,000; the raise was a $4,000 increase to that Budget. The raise for Council was $470.

Council questioned the seven mills increase for Library. It was clarified that the Library Board submits their Budget. The increase is due to the significant increase in wages. Each of their Staff members received a $3.50 per hour increase. With that raise, it increases Unemployment, FICA, Workers Comp, PERS, etc. Council can choose the allocated mills for Library. Included is what was requested. Library Board had come before the Budget/Finance Committee previously. Budget/Finance Committee asked if their Board had tried to decrease their Budget, and they had not.

Nancy Schmidt, Library Director, stated she is at her Board meeting and has Board members with her right now. They did not say they cannot cut their Budget. She stated that she has areas she is willing to cut after she discussed it with the Board. The wage increases that were put in, they had asked for two years ago and were ignored. Two Staff members tried to join the Union they realized they needed to increase wages to Union levels. They are not going to have a lot of options on that point.

Council noted that the Mayor and the Clerk/Treasurer have reduced last year's Budget by 3% and are still approximately $387,000 short. It was questioned where else cuts could be made. The Clerk/Treasurer stated that General Fund is out of money, that she has been saying this for the last four years. The City is only getting $15,000 to $20,000 increases in revenues each year. Yet the expenditures increase exponentially; eventually, you are going to drain your reserves. Health insurance went up 6%. Liability insurance went down, which could be due to Covid. The 3% decrease is from not budgeting a CAO, not rehiring a Utility Billing Clerk, and a layoff in the Planning Department. Their wages, along with unemployment, FICA, health insurance, etc., that went along with those people helped decrease General Fund.

It was questioned besides wages, what is the most significant increase in General Fund. It was clarified that the biggest increase was health insurance. It was further questioned if health insurance is different that group health. It was clarified that health insurance is built into the General Fund appropriations. Group health insurance is milled into a separate fund. Those monies can be shared with any fund that has employees, except enterprise funds. General Fund is to the point it takes all of those monies. The permissive health levy is the same thing, the City levies on taxpayers to help pay for health insurance. Health insurance for just General Fund is over $407,000 this next fiscal year. The General Fund needs all of the monies from the permissive health levy just to survive.

The entitlement share also goes into the General Fund. The State may try to take the entitlement share in this next legislative session. The City has the option to divide the entitlement share between funds; however, almost all of it goes into General Fund. General Fund needs the money. The City needs to increase its revenue by annexing and growing. Or it needs to reduce its appropriations. The City added five new employees last fiscal year. That right there is, in a sense, the overage. The Clerk/Treasurer reiterated that the City needs more revenue to keep up with its expenditures. If the City did not lose three employees, the expenditures would be well over $5 million, and they received $20,000 more in revenue. The only thing the City can do with insurance is to be safer and take better care of equipment. The Mechanic is doing a great job trying to maintain our equipment. Try to be safer to reduce workers' comp claims. Raises will increase PERS, as PERS is based solely on wage. Group health ebbs and flows. The more claims, the more costs go up. Fewer claims and the cost will go down.

The goal is to budget for a certain percentage of the shortfall and be prepared for the worst-case scenario. The bottom line, the City needs to grow. Ambulance needs more personnel; Fire needs new equipment, Police needs new rigs, etc.

Council noted that even if the Library was knocked down to the seven required by State law mills, the City is still short. Is there any other area that the Clerk/Treasurer or Mayor is aware that they could break even?

The Clerk/Treasurer stated that she would hate to take all of the cash reserve. The Mayor can ask all Department Heads to cut their budgets. When the Mayor sent out the memo, he told Department Heads to be prepared to cut their budgets.

Nancy Schmidt, Library Director, asked for clarification if Council was considering defunding the Library. It was clarified that Council Members were trying to find a way to come up with the $387,000 shortfall. The only area that can be cut is the Library; however, even if cutting back to the mandated mills, the City is still short. The Library Director asked how they could run the

Library on $56,000. Council asked how they can make a recommendation and how can the budget break even.
Various Council Members agreed that the Library mills need to be cut, but not down to the State required minimum. The Library is essential, especially while students are distance learning. The agreed recommendation was to keep Library at the mills they had last year and ask Department Heads to cut their budgets where they can. Many provisions for homeowners are coming to an end, as are the provisions for student loans. Those impacts will affect the City's revenues. The economic outlook for a while is not looking promising. The City could lose 10% of its revenues. Council asked that Departments Heads find it in their budgets.

The Library Director stated that Library Staff had received their wage increase on July 1st. The Library can cut $15,000 off the top; however, she had spent $1,100 out of her own pocket to keep the Library running. They are running off donations.

It was questioned if each Department would have to cut approximately $136,000 from their budgets. It was clarified the total per Department would be up to the Mayor. It was further stated that if Library was taken back to 27.61 mills like they had last year, the City is still looking at being short 39.17 mills or $327,378.79. It was clarified that there are certain areas we can look at first. Some budgets can be stripped entirely, such as the pool budget. Council stated they felt more people would use the Library than the pool and agreed that stripping the pool budget would make sense.

It was questioned what the City's obligation is on raises. It was clarified that Union 303 is in the final year of its contract. They are under contract for a 2% base wage increase. Union 316 is in the process of negotiating and has not been voted on yet. Non-union was offered 2% via the Budget. However, they cannot get that raise until Council approves it. Both unions will be negotiating in Spring 2021.

It was questioned what the City has for Park Development for this upcoming year. It was clarified they have $425,000, and it is for finishing Riverside Park and Lions Family Park. Both have revenue that comes in and then goes back out. Part is the States contribution, and then there are the monies set aside coming from General Fund via the CIP Fund.

There is no point in bringing forward a budget without Council input. It is a very difficult budget year. The City has already lost close to $50,000 in interest revenue from Covid. The Clerk/Treasurer attended this training with the National League of Cities. When the 2007 crisis hit, just for General Funds to recover, it took 12 years. This economic crisis is much shorter but much more severe. We are trying to protect the General Fund as much as possible.

Council asked that anything that can be cut is cut out of this year's Budget. It was questioned if Council was asking to reduce the 2% non-union increase and reduce non-essential Department.

It was questioned if Council will vote on August 25th for the LURA Large Grants and September 1st for the Budget. It was further questioned what would happen come September 1st if Council wanted to reduce specific areas. It was clarified that the Budget would be presented on the 1st. The Budget can be passed no later than the 3rd of September.

Council requested to send this back to Department Heads and bringing forward a revised proposal next week due to the time crunch. Council requested a full budget at next week's meeting.

Next week a Workshop will be held after the business meeting.

The Clerk/Treasurer stated some positive news: the Transit Fund was awarded $67,356.64 in the form of a grant for the new transit bus. It will take ten months to build, but we will get one. We have been trying to get one for a few years now.

Council noted that earlier, it was stated that it would be helpful if the town grew. How do we do that?

Other Items

Mayor Nelson reminded the Council that any of their Boards/Commissions/Committees need to hold a special meeting; they must give 48 hours' notice. The Council Secretary needs more time than that to get it appropriately noticed.

Mayor Nelson asked the Police Chief to address the repeater and dispatch boxes over in dispatch that are ancient and starting to cause server problems. It did fail on the 4th of July, not a good time to have an issue. We were lucky that resetting the system brought it back online, but it needs to be addressed because that may not be the case the next time this happens. Funding is available in a reserve account.

Stan Langve, Police Chief, stated that a quote had been provided; see attached. This had to put off for a few weeks due to a personal matter, but it is simply that critical. They are looking at two position dispatch consoles. These are the brain to the system. They started with replacing the data reporting system, which what the Zuercher project. These boxes work with Zuercher, phone system, and paging system. So when they went down, Dispatchers lost the ability to page, have phone calls come to the headsets, run through Zuercher. These boxes are electronic components that have approximately 15 years on them. They are simply too old and not functioning correctly. The backup should these go down is to do things the old school way. They could still pick up the phone and type things in, but they would not able the ability to page people. The cost to install is $100,000. The 50-watt base is the backup radio. It monitors Public Works and is the backup if the repeater goes down. They also monitor County (Yellowstone, Carbon, and Stillwater) over that radio as well. They can hear issues that may be coming into town, such as a pursuit. The other one is an Atlas repeater. The one that we have currently is ancient. When it fails, it cannot be serviced and will need to be replaced. Currently, our repeaters are 40-60 watts. This is a 100-watt repeater and will give a lot better coverage. There are a lot of dead shots in town. There are times when an Officer is trying to have a critical conversation, and they are unable to communicate. This will save the City money. By moving it to City property, it will save $1500 per quarter. There is also a discussion about putting Ambulance and Fire's repeaters in the same location in the future. The Police Department is also upgrading the handhelds. By moving to the new handhelds, it will save approximately $4,000 per unit. The current handhelds have been used for about a decade and were hand-me-downs for another agency. They need to be replaced. They are using Federal Equitable Sharing Funds for this purchase.

There is an opportunity to use some Water Funds as well. The control unit for the intake transmits information as well.

At the Budget/Finance Committee meeting, it was brought up that Beartooth RC&D may have a grant writer to assist in finding grant opportunities.

Review of Draft Council Agendas

4. Draft Council Agenda 8.25.2020
   Draft Council Agenda 9.1.2020

No suggested changes.

Attendance at Upcoming Council Meeting

All Council Members in attendance will be at next week's meeting.

Announcements

There were no announcements.

The council workshop adjourned at 7:49 p.m.

Respectfully submitted,

Brittney Moorman
Administrative Assistant

NOTE: This meeting is open to the public. This meeting is for information and discussion of the Council for the listed workshop agenda items.

LURA Large Grants 2020										Funding	19-20
							LURA	City Council	Total Available:	$ 225,000.00	$ -
Applicant	**Project**	**Application Date**	**Start Date**	**Completion Date**	**Initial Requested Amount**	**Working Amount(50%)**	**Approval Date1**	**Approval Date2**	**Eligibility Date**	**Disbursed Date**	**Awarded Amount**
Lorna Krueger-Coburn	Coburn Tax Services - energy efficiency upgrades, water drainage repairs on north of building	3/26/2020	2/1/2019	9/1/2019	$ 26,371.92	$ 13,185.96	7/6/2020				
Darrell Dyer	Demolition of current single family residence and construction of mixed use buildings with 17 resdiential units and 5 commercial storefronts. Improvement of public infrastructure.	6/1/2020	8/1/2020	Winter 2020/ 2021	$ 124,400.00	$ 62,200.00	7/6/2020				
Kirk and Doris Linse	20 Idaho Ave - Full remodel of interior and exterior, repair of foundations, basement; lighting replacement, HVAC upgrade, landscaping work.	6/1/2020	6/1/2015	9/1/2020	$ 51,998.75	$ 25,999.38	7/6/2020				
Ken Miller and Peggy Miller	201 E. Main Street - Project completed in 2019 - Part of 2018 Large Grant Award ($17,698) - Updated Building Exterior and structural work - Is this project eligible for current round of funding?	6/1/2020	6/1/2018	5/1/2019	$ 16,059.16						
Ken Miller and Peggy Miller	403-407 E. Main Street - Update to building electrical, update to building HVAC, installation of Air Scrubber Plus system.	6/1/2020	6/1/2019	5/1/2020	$ 40,124.00	$ 20,062.00	7/6/2020				
Ron Seder	119 W. Main Street - Foundation replacement, replacement of old painted ceiling tiles, new sheetrock, plaster, electrical, insulation, high efficiency lighting, roof replacement	6/1/2020	10/1/2018	7/1/2020	$ 88,657.00	$ 44,328.50	7/6/2020				
Shaun Jones	101 W. Main St. - Remove and Replace windows on second story of building (front, side, rear) Remove and replace awning AC on interior of structure façade.	6/19/2020	8/1/2020	10/1/2020	$ 90,750.00	$ 45,375.00	7/6/2020				
Sarah Kuhr	The Front Porch - Roof Replacement of currently leaking and aging roof.	6/24/2020	7/1/2020	11/1/2020	$ 14,000.00	$ 7,000.00	7/6/2020				
Ken Olson	MT State Firefighters Memorial - Addition of benches and archway sign, improvement of landscaping and installation of iron fence (Requested LURA funds on application is $22,422.50, which is approximately 50% of total invoice details, appears slightly below actual 50% mark)	6/25/2020	1/30/2019	12/1/2019	$ 47,845.00		7/6/2020				
					$ 500,205.83	$ 218,150.84					$ -

TAX REVENUE COMPARISON

2019-2020	2020-2021
# OF MILLS 152.22	# OF MILLS 154.79
$ PER MILL 8,367.513	$ PER MILL 8,357.896
TOTAL TAX REVENUE $1,273,702.83	TOTAL TAX REVENUE $1,293,718.72

WE GAINED 2.57 TOTAL MILLS

WE LOST $9.617 PER MILL

WE GAINED $20,015.89 IN REVENUE

Determination of Tax Revenue and Mill Levy Limitations

Section 15-10-420, MCA
Aggregate of all Funds

FYE June 30, 2020
CITY OF LAUREL, MONTANA

Reference Line		Enter amounts in yellow cells	Auto-Calculation (If completing manually enter amounts as instructed)
(1)	Enter Ad valorem tax revenue ACTUALLY assessed in the prior year (from Prior Year's form Line 17)	$ 1,260,866	$ 1,260,866
(2)	Add: Current year inflation adjustment @ 1.02%		$ 12,861
(3)	Subtract: Ad valorem tax revenue ACTUALLY assessed in the prior year for Class 1 and 2 property, (net and gross proceeds) (from Prior Year's form Line 20)- (enter as negative)		$ -
(4) = (1) + (2) + (3)	Adjusted ad valorem tax revenue		$ 1,273,727
	ENTERING TAXABLE VALUES		
(5)	Enter 'Total Taxable Value' - from Department of Revenue *Certified Taxable Valuation Information* form, line # 2	$ 9,511,847	$ 9,511.847
(6)	Subtract: 'Total Incremental Value' of all tax increment financing districts (TIF Districts) - from Department of Revenue *Certified Taxable Valuation Information* form, line # 6 (enter as negative)	$ (1,101,218)	$ (1,101.218)
(7) = (5) + (6)	Taxable value per mill (after adjustment for removal of TIF per mill incremental district value)		$ 8,410.629
(8)	Subtract: 'Total Value of Newly Taxable Property' - from Department of Revenue *Certified Taxable Valuation Information* form, line # 3 (enter as negative)	$ (43,116)	$ (43.116)
(9)	Subtract: 'Taxable Value of Net and Gross Proceeds, (Class 1 & 2 properties)' - from Department of Revenue *Certified Taxable Valuation Information* form, line # 5 (enter as negative)		$ -
(10) = (7) + (8) + (9)	Adjusted Taxable value per mill		$ 8,367.513
(11) =(4) / (10)	CURRENT YEAR calculated mill levy		152.22
(12) = (7) x (11)	CURRENT YEAR calculated ad valorem tax revenue		$ 1,280,266
	CURRENT YEAR AUTHORIZED LEVY/ASSESSMENT		
(13)	Enter total number of carry forward mills from prior year (from Prior Year's form Line 22)	0.00	0.00
(14) =(11) + (13)	Total current year authorized mill levy, including Prior Years' carry forward mills		152.22
(15) =(7) x (14)	Total current year authorized ad valorem tax revenue assessment		$ 1,280,266
	CURRENT YEAR ACTUALLY LEVIED/ASSESSED		
(16)	Enter number of mills actually levied in current year (Number should equal total non-voted mills, which includes the number of carry forward mills, actually imposed per the final approved current year budget document. Do Not include voted or permissve mills imposed in the current year.)	152.22	152.22
(17) =(7) x (16)	Total ad valorem tax revenue actually assessed in current year		$ 1,280,266
	RECAPITULATION OF ACTUAL:		
(18) '= (10) x (16)	Ad valorem tax revenue actually assessed		$ 1,273,703
(19)	Ad valorem tax revenue actually assessed for newly taxable property		$ 6,563
(20)	Ad valorem tax revenue actually assessed for Class 1 & 2 properties (net-gross proceeds)		$ -
(21) =(18) + (19) + (20)	Total ad valorem tax revenue actually assessed in current year		$ 1,280,266
(22) =(14) - (16)	Total carry forward mills that may be levied in a subsequent year (Number should be equal to or greater than zero. A (negative) number indicates an over levy.)		0.00

Determination of Tax Revenue and Mill Levy Limitations

Section 15-10-420, MCA

Aggregate of all Funds/or ______________ Fund

FYE June 30, 2021

Entity Name: ____

Reference Line		Enter amounts in yellow cells	Auto-Calculation (If completing manually enter amounts as instructed)
(1)	Enter Ad valorem tax revenue ACTUALLY assessed in the prior year (from Prior Year's form Line 17)	$ 1,280,266	$ 1,280,266
(2)	Add: Current year inflation adjustment @ 1.05%		$ 13,443
(3)	Subtract: Ad valorem tax revenue ACTUALLY assessed in the prior year for Class 1 and 2 property, (net and gross proceeds) (from Prior Year's form Line 20) - (enter as negative)		$ -
(4) = (1) + (2) + (3)	Adjusted ad valorem tax revenue		$ 1,293,709
	ENTERING TAXABLE VALUES		
(5)	Enter 'Total Taxable Value' - from Department of Revenue *Certified Taxable Valuation Information* form, line # 2	$ 9,673,210	$ 9,673.210
(6)	Subtract: 'Total Incremental Value' of all tax increment financing districts (TIF Districts) - from Department of Revenue *Certified Taxable Valuation Information* form, line # 6 (enter as negative)	$ (1,176,328)	$ (1,176.328)
(7) = (5) + (6)	Taxable value per mill (after adjustment for removal of TIF per mill incremental district value)		$ 8,496.882
(8)	Subtract: 'Total Value of Newly Taxable Property' - from Department of Revenue *Certified Taxable Valuation Information* form, line # 3 (enter as negative)	$ (138,986)	$ (138.986)
(9)	Subtract: 'Taxable Value of Net and Gross Proceeds, (Class 1 & 2 properties)' - from Department of Revenue *Certified Taxable Valuation Information* form, line # 5 (enter as negative)		$ -
(10) = (7) + (8) + (9)	Adjusted Taxable value per mill		$ 8,357.896
(11) =(4) / (10)	CURRENT YEAR calculated mill levy		154.79
(12) = (7) x (11)	CURRENT YEAR calculated ad valorem tax revenue		$ 1,315,232
	CURRENT YEAR AUTHORIZED LEVY/ASSESSMENT		
(13)	Enter total number of carry forward mills from prior year (from Prior Year's form Line 22)		0.00
(14) =(11) + (13)	Total current year authorized mill levy, including Prior Years' carry forward mills		154.79
(15) =(7) x (14)	Total current year authorized ad valorem tax revenue assessment		$ 1,315,232
	CURRENT YEAR ACTUALLY LEVIED/ASSESSED		
(16)	Enter number of mills actually levied in current year (Number should equal total non-voted mills, which includes the number of carry forward mills, actually imposed per the final approved current year budget document. Do Not include voted or permissive mills imposed in the current year.)	154.79	154.79
(17) =(7) x (16)	Total ad valorem tax revenue actually assessed in current year		$ 1,315,232
	RECAPITULATION OF ACTUAL:		
(18) '= (10) x (16)	Ad valorem tax revenue actually assessed		$ 1,293,718
(19)	Ad valorem tax revenue actually assessed for newly taxable property		$ 21,514
(20)	Ad valorem tax revenue actually assessed for Class 1 & 2 properties (net-gross proceeds)		$ -
(21) =(18) + (19) + (20)	Total ad valorem tax revenue actually assessed in current year		$ 1,315,232
(22) =(14) - (16)	Total carry forward mills that may be levied in a subsequent year (Number should be equal to or greater than zero. A (negative) number indicates an over levy.)		0.00

City of Laurel
TAX LEVY REQUIREMENTS SCHEDULE
2020-2021

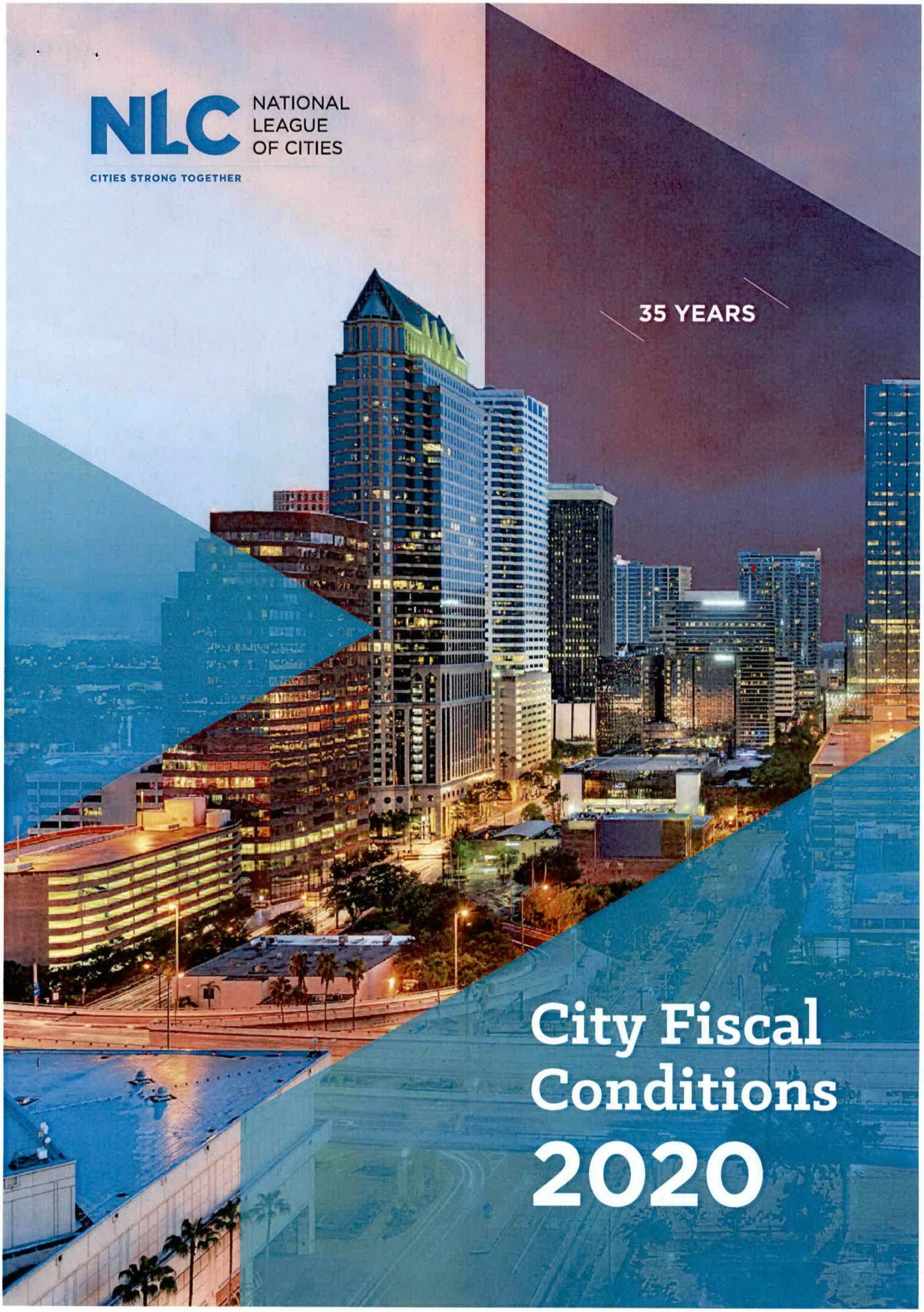
Assessed Valuation.. $ 595,712,339.00
Tax Valuation.. $ 9,673,210.00
1 Mill Yields (10) $ 8,357.896 Less TIFD

154.79 AVAILABLE MILLS
201.19 MILLS USED
-46.40 LEFT OVER MILLS

FUND #	FUND NAME	(1) APPROPRIATION	(2) BUDGETED CASH RESERVE	(3)=(1)+(2) TOTAL REQUIREMENTS	(4) CASH AVAILABLE (Less current Liabilities)	(5) NON-TAX REVENUES	(6)=(9)X(10) PROPERTY TAX REVENUES	(7)=(5)+(6) TOTAL REVENUES	(8)=(4)+(7) TOTAL RESOURCES	(9)=(6)/(10) 20-21 CURRENT YR MILL LEVY	19-20 PRIOR YEAR LEVY
NON-VOTED LEVIES											
1000	General Fund	$ 4,565,015.00	$ 477,003.95	$ 5,042,018.95	$ 980,375.22	$ 3,077,000.00	$ 984,643.73	$ 4,061,643.73	$ 5,042,018.95	117.81	89.47
	Reserves at FYE - 10%										
2220	Library	$ 296,553.00	$ -	$ 296,553.00	$ 5,382.55	$ -	$ 291,189.10	$ 291,189.10	$ 296,571.65	34.84	27.61
	Reserves at FYE - 0%										
2190	Comp Insurance	$ 97,129.00	$ 8.51	$ 97,137.51	$ 1,422.58	$ -	$ 95,697.91	$ 95,697.91	$ 97,120.49	11.45	6.00
	Reserves at FYE - 0%										
2370	PERS	$ 99,341.00	$ 10.75	$ 99,351.75	$ 22,793.42	$ -	$ 76,558.33	$ 76,558.33	$ 99,351.75	9.16	8.14
	Reserves at FYE - 0%										
2371	Group Health Ins	$ 200,000.00	$ 4.45	$ 200,004.45	$ -	$ -	$ 200,004.45	$ 200,004.45	$ 200,004.45	23.93	17.00
	Reserves at FYE - 0%										
7120	Fire Disablity	$ 33,431.58	$ -	$ 33,431.58	$ -	$ -	$ 33,431.58	$ 33,431.58	$ 33,431.58	4.00	4.00
	Reserves at FYE - 0%									201.19	152.22
PERMISSIVE LEVY											
2372	Permissive Health	$ -		$ -	$ -		$ -	$ -	$ -	0.00	19.75
	Reserves at FYE - #DIV/0!										
SEPARATE LEVYING AUTHORITY											
7850	Airport Authority	$ -		$ -	$ -		$ -	$ -	$ -	0.00	3.15
	Reserves at FYE - #DIV/0!										
Emergency Mill Levy											
2260	Emergency Disaster	$ 121,000.00		$ 121,000.00	$ 121,000.00		$ -	$ -	$ 121,000.00	0.00	0.00
	Reserves at FYE - 0%										

NLC NATIONAL LEAGUE OF CITIES

CITIES STRONG TOGETHER



35 YEARS

City Fiscal Conditions 2020

35 YEARS

NATIONAL LEAGUE OF CITIES

CENTER FOR CITY SOLUTIONS

About the National League of Cities (NLC)

The National League of Cities (NLC) is the voice of America's cities, towns and villages, representing more than 200 million people. NLC works to strengthen local leadership, influence federal policy and drive innovative solutions.

About the Authors

Christiana K. McFarland is the National League of Cities research director in the Center for City Solutions.

Michael A. Pagano is dean of the College of Urban Planning and Public Affairs and director of the Government Finance Research Center at the University of Illinois at Chicago.

Acknowledgements

Many thanks to the hard work of Farhad Kaab Omeyr, a doctoral student in the Department of Public Administration at the University of Illinois at Chicago, Rose Kim, NLC research program specialist, and Joshua Pine, NLC research fellow, who collected general fund data on nearly 300 of the nation's largest cities and supported this year's analysis.

The authors also gratefully acknowledge the respondents to this year's fiscal survey. The commitment of finance officers to the project is critical to its continued success.

Lastly, we extend full appreciation and recognition to those authors who have prepared the report over the past 35 years, including Doug Peterson, Michael Guttman, Christopher Hoene and William Barnes.

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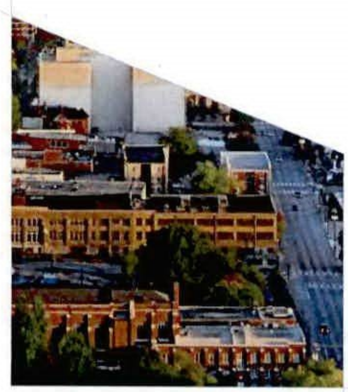
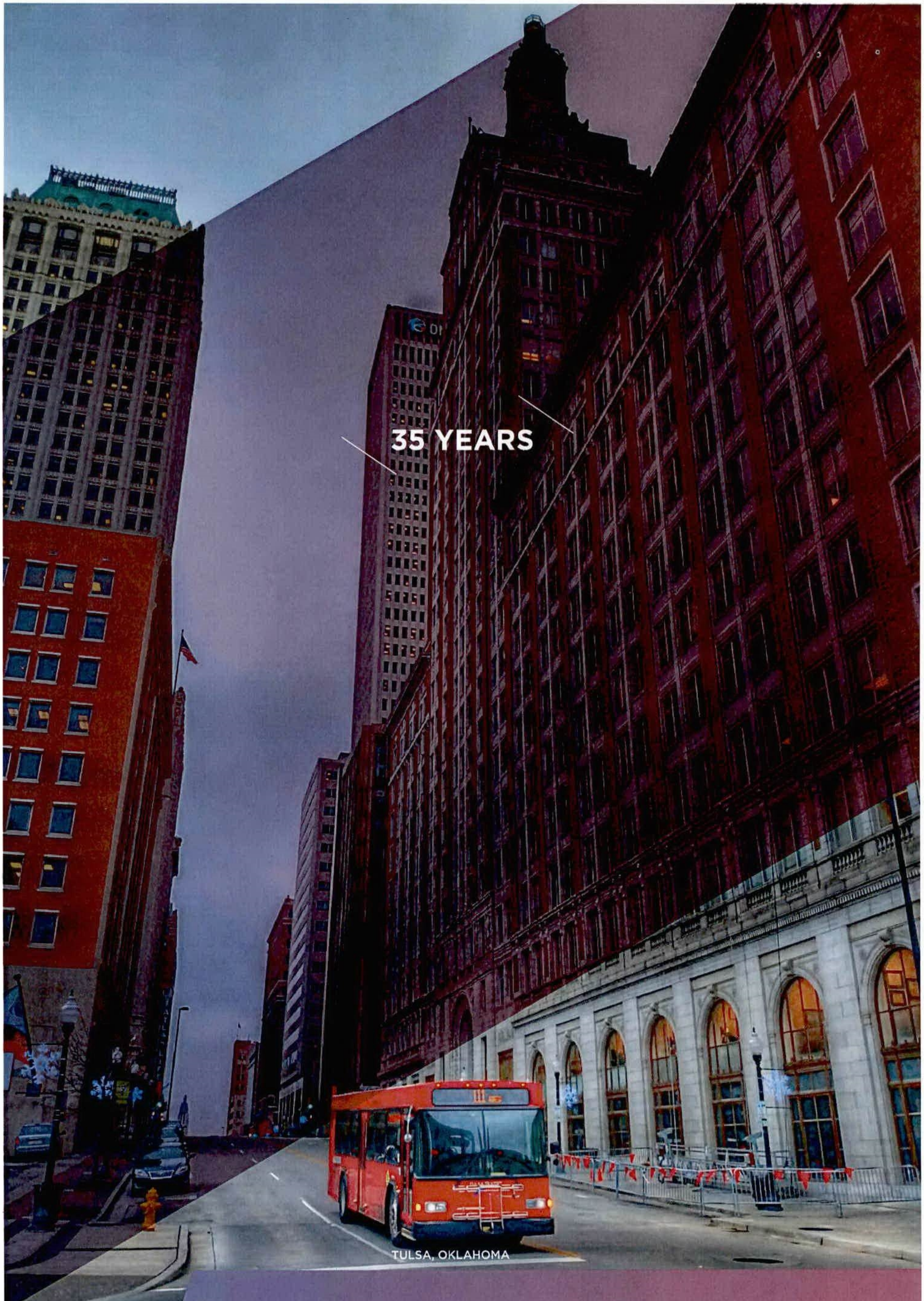


Photo credits: Getty Images. Cover:



TULSA, OKLAHOMA

Foreword

This year marks the 35th Anniversary of the National League of Cities' (NLC) Annual City Fiscal Conditions survey. Over its history, the City Fiscal Conditions survey of city finance officers has become the nation's most trusted barometer of the financial well-being of cities, towns and villages across the U.S.

We have reached a new turning point in the fiscal history of cities, with the onset of the coronavirus pandemic and ensuing recession. City Fiscal Conditions once again offers a critical view into the impact of the economy on local budgets as it has done through its history.

In the mid-1970s, the Joint Economic Committee of the U.S. Congress (JEC) commissioned biennial reports to inform Congress about the fiscal shifts and changes among America's municipalities. Called "Trends in the Fiscal Condition of Cities," this and similar reports were useful for researchers and even more useful for municipalities to understand how well their fiscal systems were performing and to explain the factors that affected their changing fiscal conditions. Policy officials, public interest groups (including the National League of Cities), policy analysts and the general public awaited the report to inform trends, concerns, issues of national interest and the like.

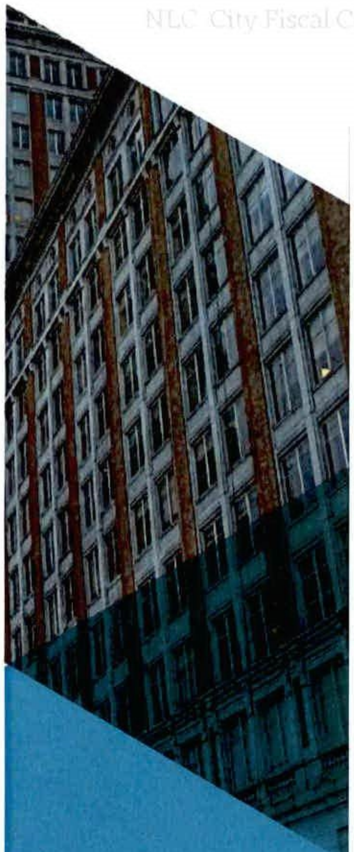
In the mid-1980s when the JEC stopped commissioning the reports, NLC stepped up and started replicating the study and expanding its scope. Since 1986, NLC's annual City Fiscal Conditions report has been prepared by analysts working with NLC to inform policy officials, public interest groups, analysts and the general public.

The report has become an annual snapshot of city fiscal conditions, with a firm grasp on trends over time. It documented the steady growth of cities' revenues in the 1990s, followed by the decline in state aid after the dotcom bust in 2000-2001. Our reports in the late 2000s monitored the coping strategies of cities in the face of the Great Recession. While there was much concern registered about the prospects of city bankruptcies due to the worst recession in 70 years, the survey's assessment was that cities were indeed suffering, but they were also adjusting and adapting to changing fiscal circumstances.

Even when Detroit was filing Chapter 9 bankruptcy in December 2013, City Fiscal Conditions documented the manifold responses to the fiscal challenges of the day. The continued upward trend in revenues during the 2010s that the annual analysis presented also reminded us that it took more than a decade for cities' general funds to recoup the losses generated by the Great Recession. All in all, NLC's City Fiscal Conditions reports have chronicled the changing fiscal circumstances of our nation's cities.

Our 2020 City Fiscal Conditions provides perspective about the importance of local fiscal health to our nation's economic recovery. The survey's 35th year reminds us of the value of the survey in telling the story of cities.

Clarence E. Anthony
CEO and Executive Director
National League of Cities



Introduction

In March 2020, as the coronavirus pandemic took hold, the U.S. economy went into free fall. Retail sales plummeted, unemployment skyrocketed, businesses shuttered, uncertainty abounded. The fiscal impact of these swift economic changes were felt immediately in cities across the country. Sales and income tax revenues were the first to be hit, and cities that rely on these sources, like Cincinnati, OH and Tulsa, OK, were forced to take immediate draconian actions.[1] Even property tax revenues, which typically take longer to respond to economic changes, started showing signs of weakening as economic hardship dampened real estate demand and the ability of many to afford their mortgage.

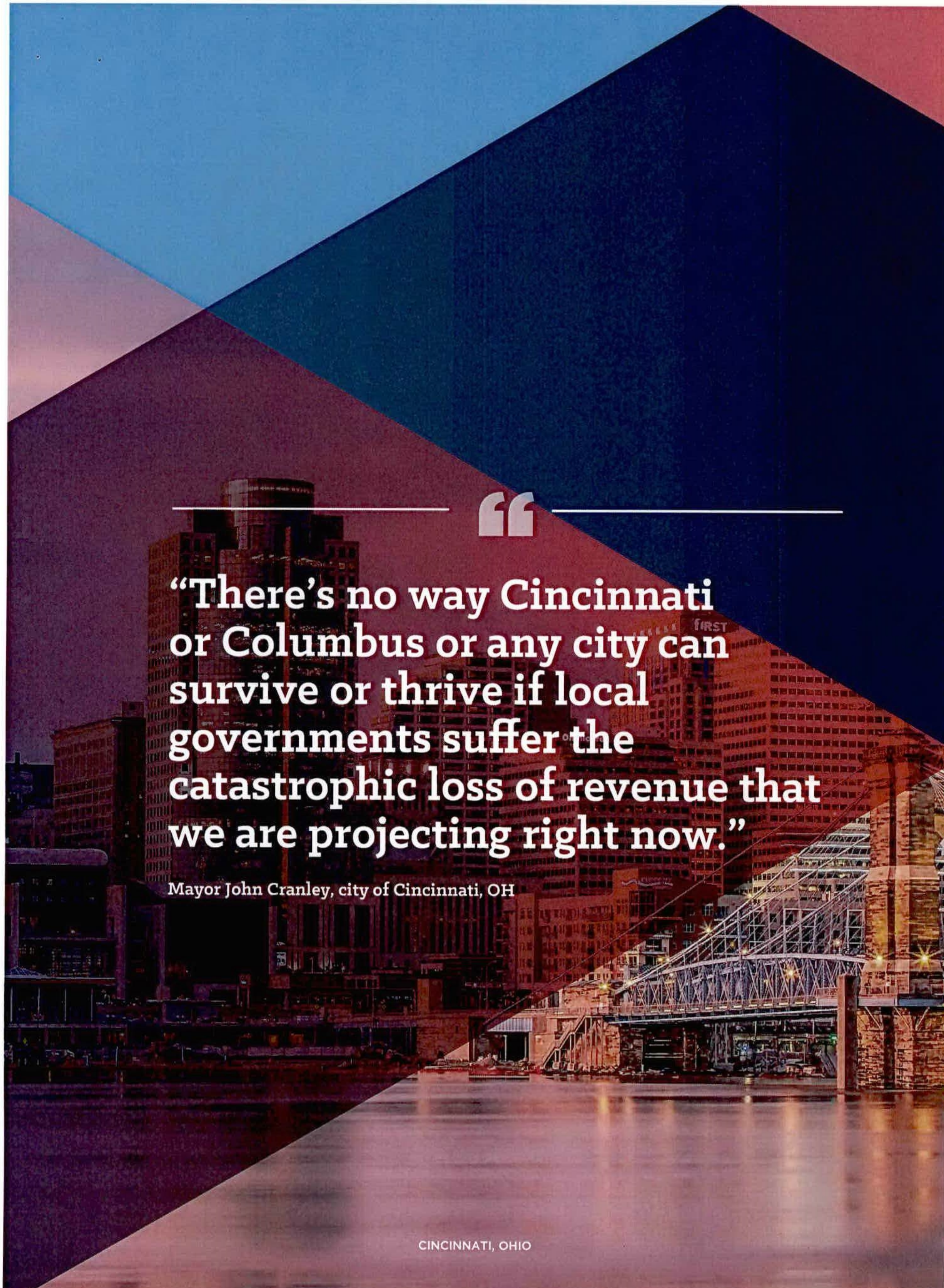
Given that most cities' FY 2020 budget captures only a couple of months of the pandemic recession, FY 2020 more closely represents a pre-recession baseline of city fiscal conditions for most cities. FY 2021 budgets (which start for many cities in July 2020) begin to more fully capture the fiscal impacts felt by cities across the country. As the virus persists, the toll on city finances is set to be more severe than that experienced during the Great Recession.

Now in its 35th year, the City Fiscal Conditions survey of 485 cities reveals the breadth and depth of challenges facing city budgets, including:

- Nearly 90 percent of cities will be less able in FY 2021 than in FY 2020 to meet the fiscal needs of their communities. This widespread sentiment about lack of fiscal capacity has not been reported since the low point of the Great Recession;
- Current estimates for FY 2020 put year-over-year general fund revenue growth at near zero;
- All major local tax revenue sources slowed in FY 2020, with severe year-over-year declines in sales (-11%) and income tax (-3.4%) receipts; and
- On average, cities anticipate a 13 percent decline in FY 2021 general fund revenues over FY 2020.

Looking beyond 2020, cities continue to face economic and fiscal uncertainty while trying to keep their communities safe from the public health crisis. As states face their own fiscal challenges and the federal government provides only minimal fiscal relief to cities, cities are once again in a position to largely go it alone. In this environment, cities' balanced-budget requirements and revenue-raising restrictions have translated to severe service cuts, extensive layoffs, furloughs and hiring freezes, and rollbacks in capital projects. These decisions are necessary but not without consequence. Government investment in the economy is exactly what is needed during downturns, meaning that the future economic health of our nation relies on fiscally strong cities, towns and villages, along with state and federal investments. Without them, the road to recovery and reopening will be long and tenuous.

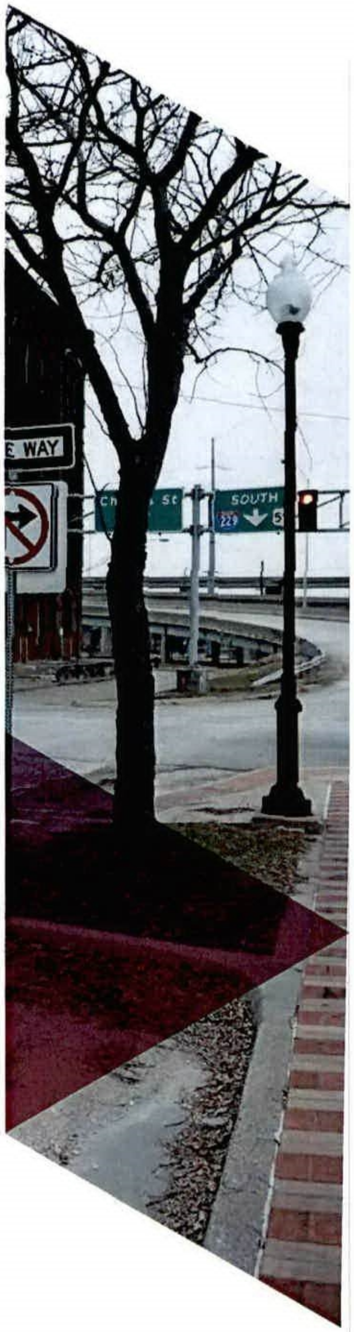
[1] **Michael Pagano and Christiana K. McFarland. When will your city feel the fiscal impact of COVID-19?** The Brookings Institution. March 31, 2020.



“There’s no way Cincinnati or Columbus or any city can survive or thrive if local governments suffer the catastrophic loss of revenue that we are projecting right now.”

Mayor John Cranley, city of Cincinnati, OH

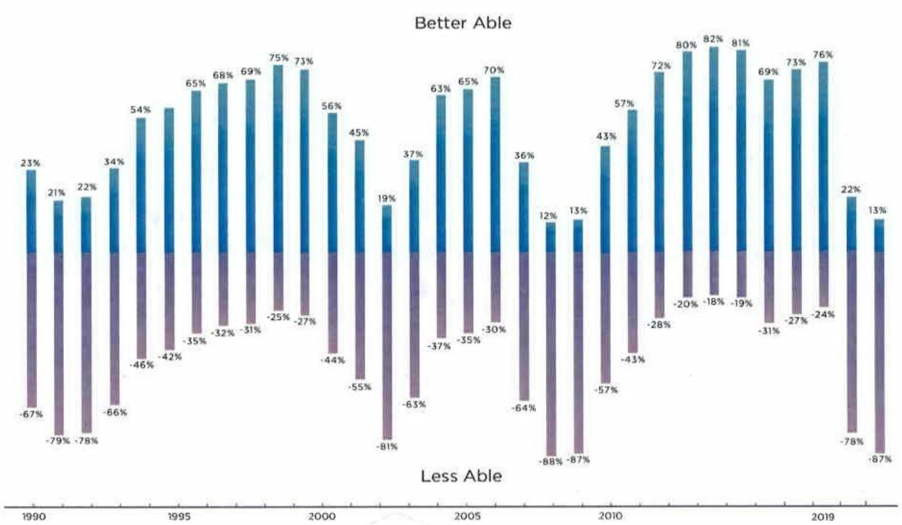
CINCINNATI, OHIO



Ability to Meet Needs

Nearly eight in 10 finance officers indicate that their cities are less able to meet the fiscal needs of their communities in FY 2020 than they were in FY 2019 **(Figure 1)**. This trend jumps to about nine in 10 cities reporting "less able" when asked to anticipate their fiscal capacity for FY 2021. By comparison, in 2019, only 24 percent of finance officers reported that their city was less able to meet fiscal needs. This sudden reversal of fiscal fortunes is unprecedented, while the breadth of restricted fiscal capacity is on par with what cities reported during the depths of the Great Recession.

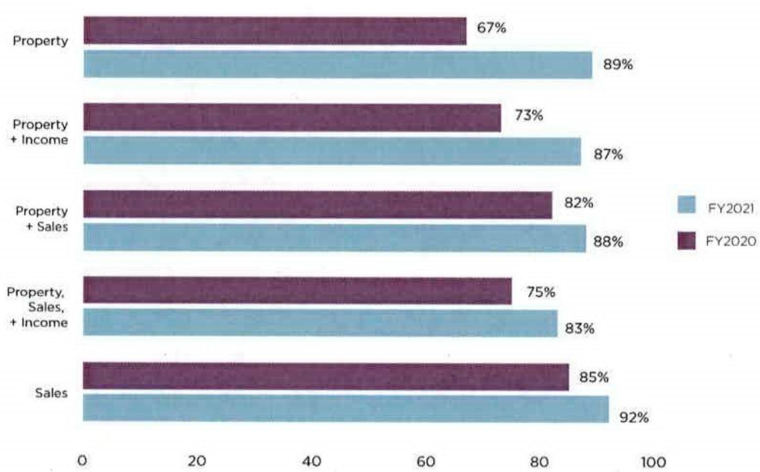
FIGURE 1 **SHARE OF CITIES BETTER/LESS ABLE TO MEET FISCAL NEEDS**



When examining fiscal capacity by tax structure, the immediate and longer-term impacts of COVID-19 on city economies and finances become evident. Cities more reliant on sales tax revenues are most likely to experience fiscal challenges both this year and next **(Figure 2)**. Those more reliant on property tax revenues are less likely to experience limited fiscal capacity this year. However, this share jumps to almost nine in 10 in FY 2021 when property tax collections are anticipated to catch up with economic realities.

FIGURE 2

SHARE OF CITIES LESS ABLE TO MEET FISCAL NEEDS IN FY 2020 AND FY 2021, BY TAX STRUCTURE



Fiscal Structure and the Economy

Cities in the U.S. generate the majority of their revenue by designing their own tax and fee structures within limits imposed by their states. As a consequence, cities' fiscal structures vary across the country, with some relying heavily on property taxes and others primarily on sales taxes. Only a few cities—approximately one in 10—rely mostly on income or wage taxes.

Each source of revenue responds to economic changes differently. Local property tax revenues are driven by the value of residential and commercial property, with property tax bills determined by local governments' assessment of property values. Because of assessment practices, property tax revenues typically reflect the value of a property anywhere from 18 months to several years prior, so they are less immediately responsive to economic changes than other types of taxes.

While property tax revenues are considered a lagged indicator of economic changes, sales taxes are elastic - or more responsive to economic changes - and often better reflect economic shifts. This is because people tend to spend more on goods and services when consumer confidence is high, and vice versa. Like sales taxes, income taxes are also a more elastic source of revenue. At the city level, income tax revenues are driven primarily by income and wages, rather than by capital gains (New York City is a notable exception).

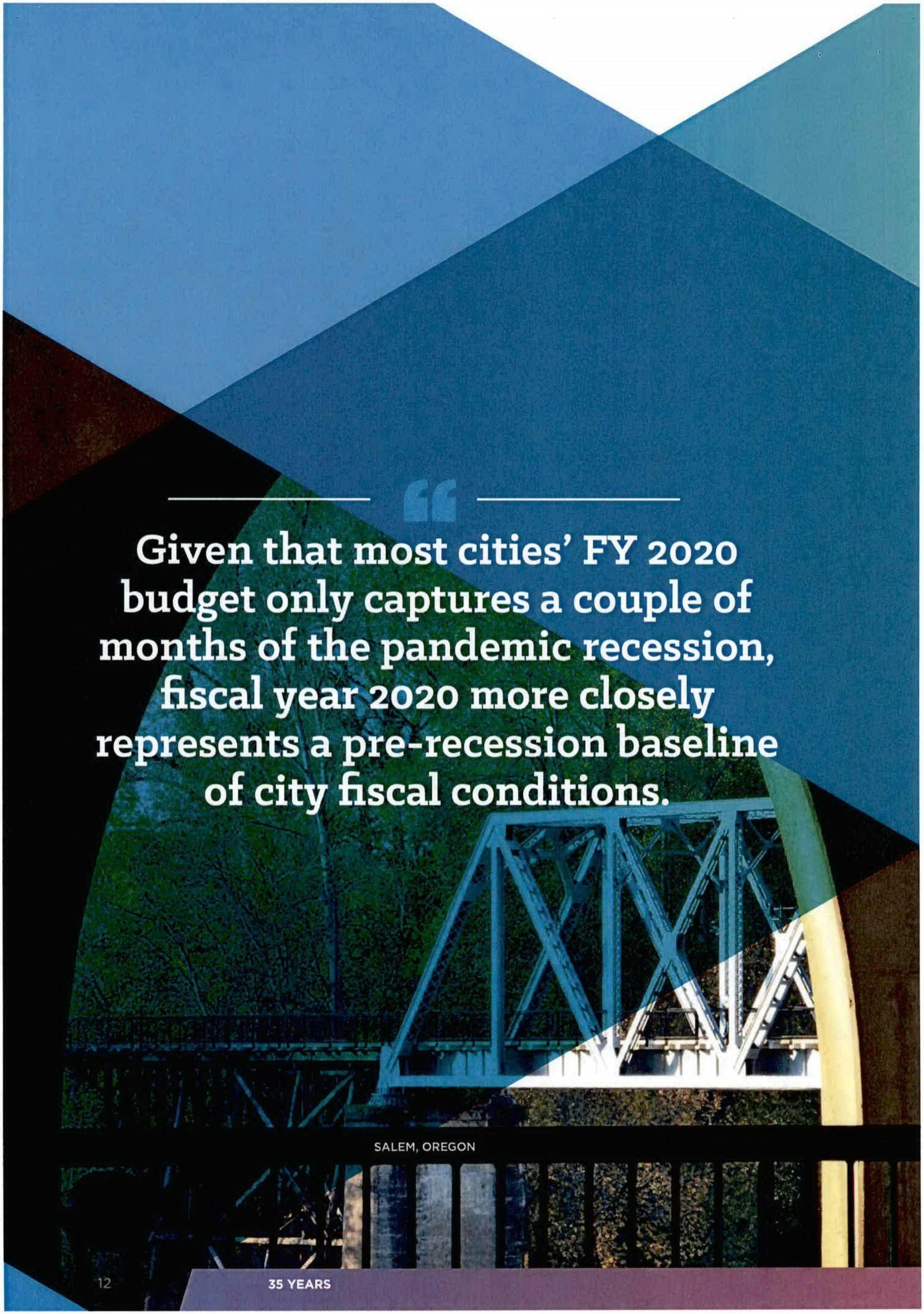
Fiscal Year Start Month and Budget Response

Although the federal government's fiscal year begins October 1 and 46 state fiscal years begin July 1, city fiscal years vary, many beginning January 1, July 1 or October 1, with some during other months **(Figure 3).** Because fiscal years start at different times, some cities' 2020 fiscal years were just beginning as the coronavirus spread, meaning their budgets are facing the full brunt of the economic downturn throughout 2020, while others, which started their fiscal years in 2019, reaped the benefits of a stronger economy and only felt the downturn in the tail end of their fiscal year. Consequently, measuring the severity and impact of the coronavirus on cities' FY 2020 budget will be influenced by when the fiscal year begins.

For example, Salem, OR's 2020 fiscal year began June 1, 2019, meaning its FY 2020 budget only experienced a couple of months of the pandemic downturn. As a result of limited economic impact, the city anticipates ending its fiscal year with general fund revenues exceeding that of FY 2019 by at least five percent. Meanwhile, Seattle, WA, whose 2020 fiscal year began January 1, 2020, indicated that it would be adjusting its revenues downward by five to 15 percent as the majority of its fiscal year will fall within the downturn period.

When considering these variations in fiscal years on the overall trends experienced by cities nationwide, the aggregate impact will appear muted in the short term, with the true depth of impact more evident in subsequent years as budgets absorb the economic hit. Given that most cities' FY 2020 budget only captures a couple of months of the pandemic recession, fiscal year 2020 more closely represents a pre-recession baseline of city fiscal conditions.

FIGURE 3 **FISCAL YEAR START MONTH**



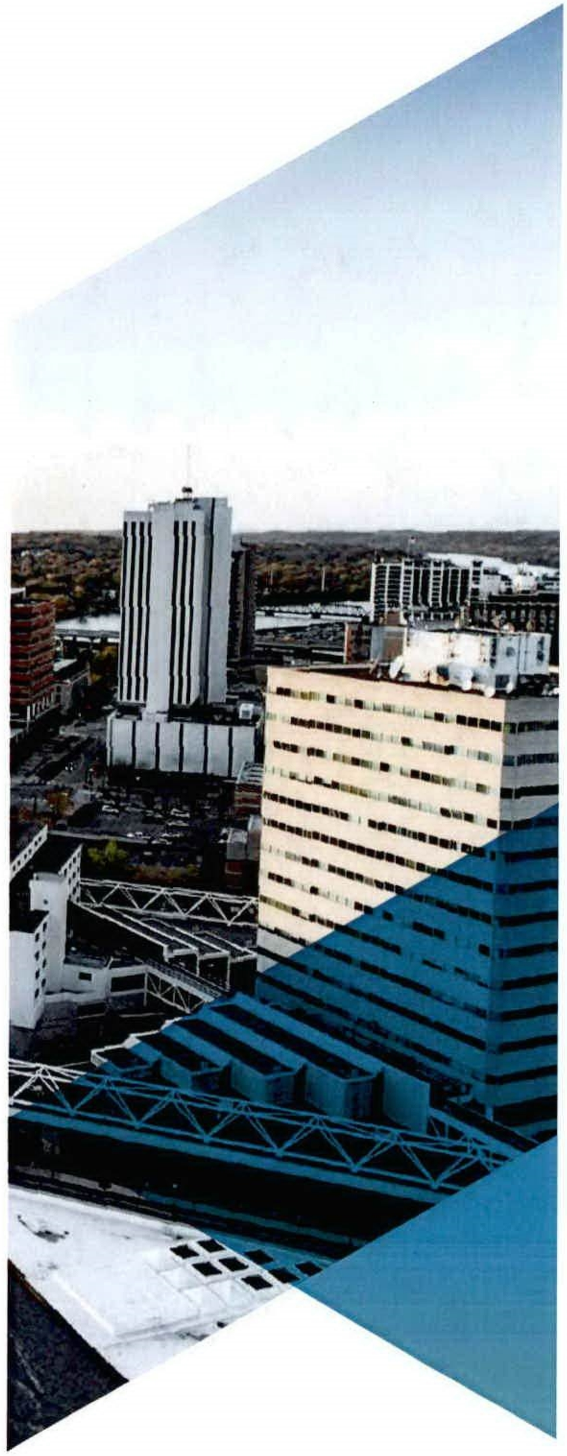
> **Given that most cities' FY 2020 budget only captures a couple of months of the pandemic recession, fiscal year 2020 more closely represents a pre-recession baseline of city fiscal conditions.**

SALEM, OREGON

Revenue and Spending Trends

This analysis focuses squarely on cities' general funds. Changes in general fund revenues are typically a good proxy for local economic and fiscal conditions. General fund revenues are derived primarily from property and sales taxes, while some cities also tax income.[2] Utility and other taxes, user fees and shared revenues round out the picture for cities. General fund expenditures provide funding to cities' general operations, such as infrastructure, employee wages and public safety. On average, they account for more than 55 percent of total city spending.

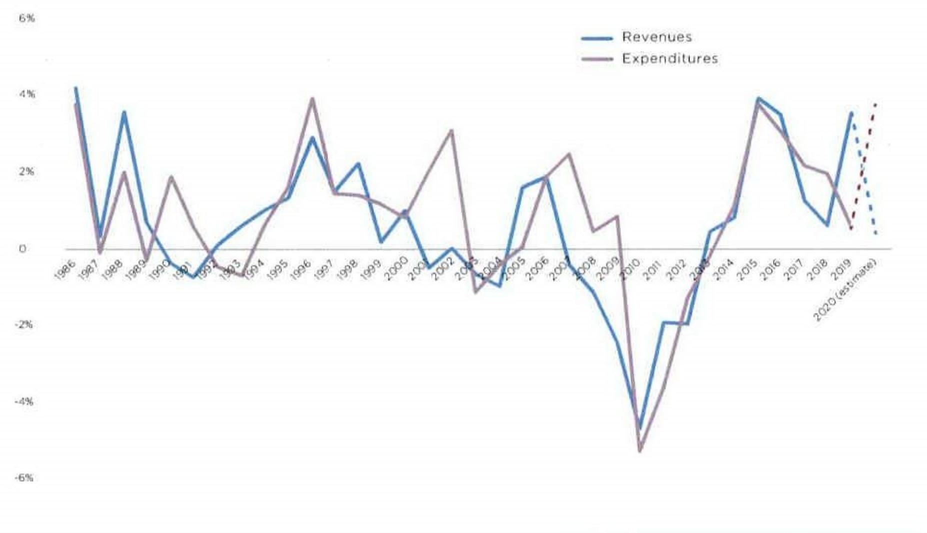
This analysis examines year-over-year growth of general fund expenditures and revenues, adjusts for inflation (constant dollars) and includes fiscal data over several years.[3] Specifically, FY 2019 is the fiscal year for which finance officers have most recently closed the books (and therefore have verified the final numbers) and FY 2020 is the fiscal year that ended by June 30 for most cities, but for which it may be too soon for figures to be finalized. Therefore, this analysis includes the cities' most current estimates of FY 2020 revenue and expenditures.



[2] Anita Yadavalli, Christiana K. McFarland and Spencer Wagner. What COVID-19 means for city finances. National League of Cities. June 2020.

[3] Revenues and expenditures are adjusted for inflation by subtracting the year-over-year change in the Implicit Price Deflator for State & Local Government Purchases (S&L IPD) as defined by the U.S. Bureau of Economic Analysis. The change from 2018-2019 was 1.97% and 2019-2020 is 2.09%, based on the first quarter of 2020.

FIGURE 4 **YEAR-OVER-YEAR CHANGE IN GENERAL FUND REVENUES AND EXPENDITURES**

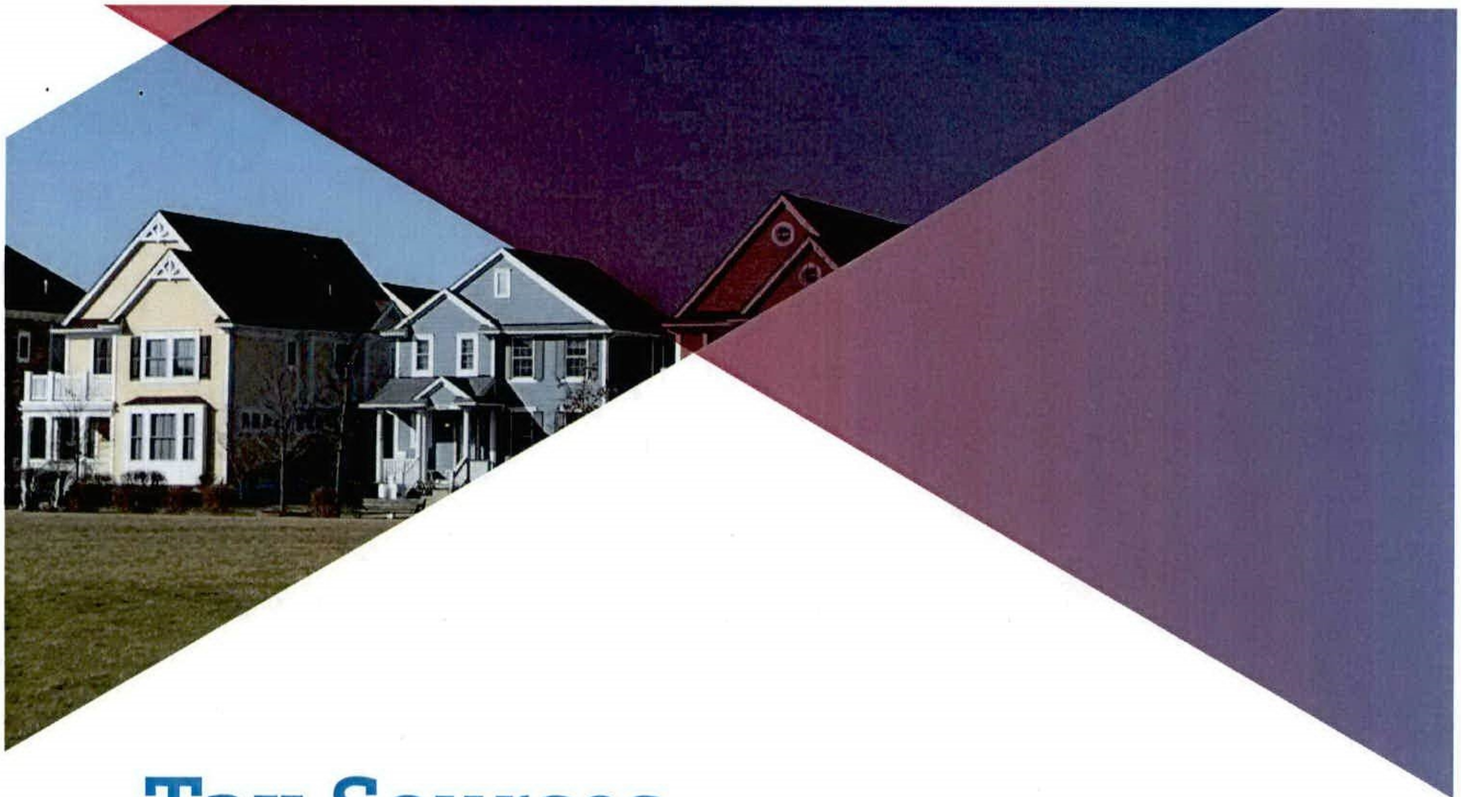


Note: General fund trend data is based on aggregated fiscal data across all responding cities. This means that cities with larger budgets have a greater influence on the trends. 2012 base year.

Over the past few years, total general fund revenues have been slowing, but growing nonetheless **(Figure 4).** Fiscal year 2019 demonstrates that cities were finally shifting to fortifying their revenues in the wake of a slow recovery from the Great Recession. Current estimates for FY 2020, however, start to reverse this trend. Spending growth, on the other hand, has outpaced revenue growth in recent years, a trend reinforced by current economic conditions.

The dramatic increase in FY 2020 spending is most likely an artifact of what cities originally planned to do as their fiscal years began. But events since March, and balanced-budget requirements, will require cities to rebudget and adjust their spending plans, an act that will reduce spending levels over the remaining months of the fiscal year. Once the fiscal year closes, the true effects of the COVID-19 recession will be known and most likely the growth rate will be much less than the projected four percent.

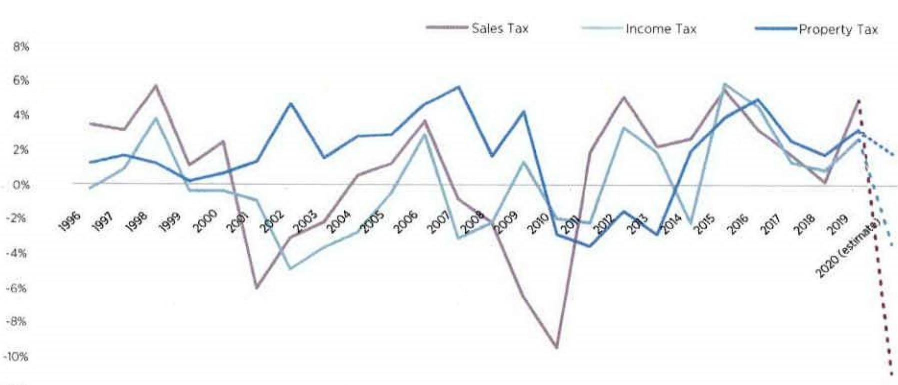
Likewise, even though the FY 2020 revenue estimates were revisited by many of the responding cities and in the aggregate is expected to stagnate (+0.4%), the full extent of the pandemic's impact on FY 2020 revenues will not be known until the fiscal year ends. The resulting year-over-year change from FY 2019 to FY 2020 is likely to reflect a much more significant decline than cities projected. For this reason, FY 2020 serves more as a modified pre-COVID fiscal baseline in this analysis.



Tax Sources

Despite most city budgets only accounting for a few months of the pandemic-induced economic downturn, FY 2020 general fund revenues are starting to reflect the severe and immediate hit across major tax streams, namely sales and income tax receipts **(Figure 5)**. Data for FY 2019 indicates that all three major general tax sources were continuing to grow at a robust rate. The projected impact of COVID-19 on FY 2020 budget estimates, which were collected only two months after the pandemic started, demonstrates the immediate responsiveness of elastic revenues sources (sales and income) to changes in the economy.

FIGURE 5 **YEAR-OVER-YEAR CHANGE IN SALES, INCOME AND PROPERTY TAX RECEIPTS**



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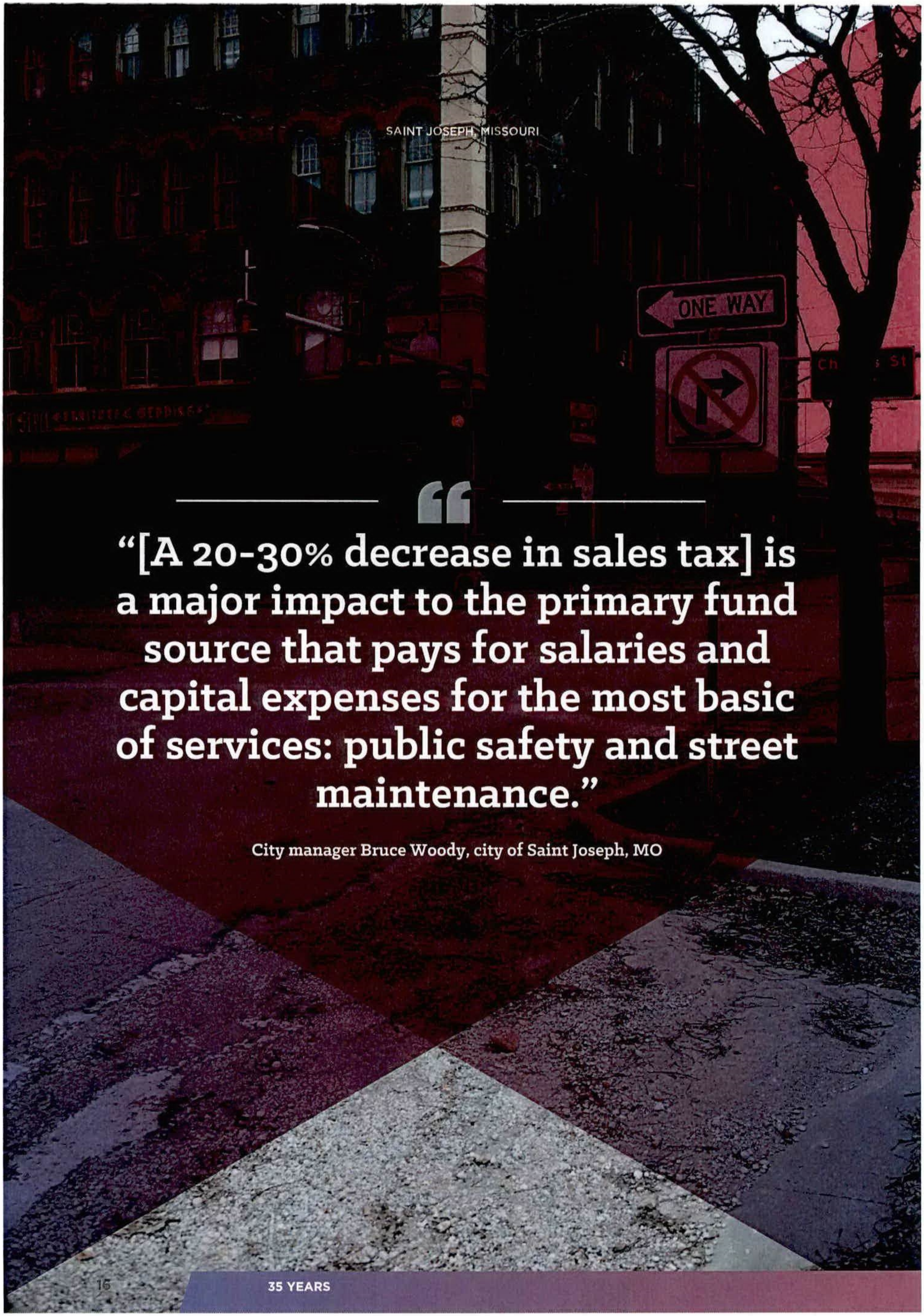
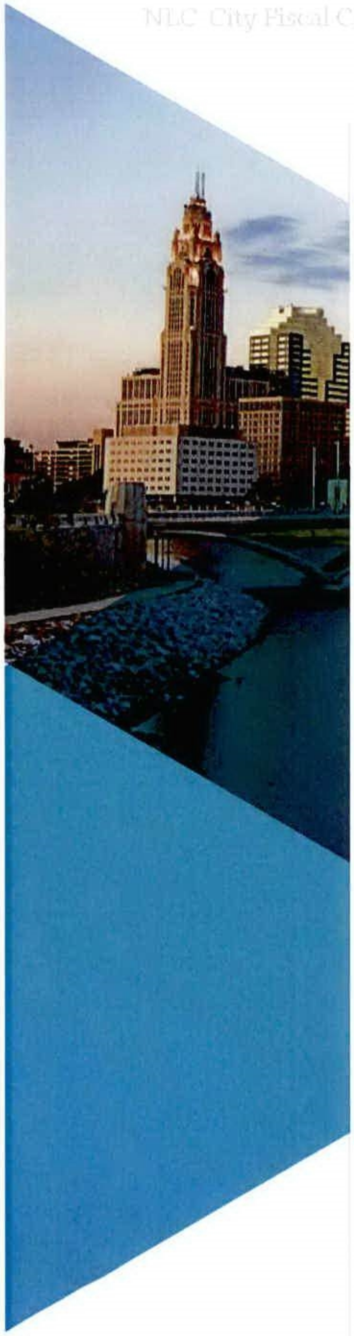


"[A 20-30% decrease in sales tax] is a major impact to the primary fund source that pays for salaries and capital expenses for the most basic of services: public safety and street maintenance."

City manager Bruce Woody, city of Saint Joseph, MO

Cities estimate FY 2020 sales tax receipts to register negative year-over-year growth of 11 percent, with income tax receipts expected to decline 3.4 percent over 2019 levels. It is expected that both sales tax and income tax receipts would decline during a recession, since both are tied to employment and the general state of the economy. What is noteworthy, however, is the immediacy of the decline, which damaged cities' receipts in a devastating fashion. Compared to the Great Recession, during which cities experienced year-over-year declines in sales tax receipts for four years, the suddenness of the FY 2020 decline in sales tax receipts stands out.

Also noteworthy is that the property tax, which lags the changes to the underlying economy due to assessment practices, will slow its rate of growth in FY 2020 to just 1.9 percent over its FY 2019 levels. The growth rate will likely slow further, and experience decline, in FY 2021 and FY 2022 if the economy continues to operate at recessionary levels. For example, Clifton, NJ, which relies exclusively on property tax revenue, has not adjusted estimates downward for FY 2020, but anticipates significant revenue decreases in FY 2021.

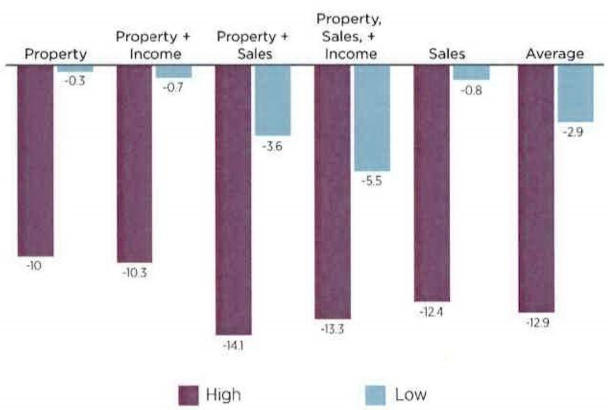


Revenue Loss in Context

When examining the combined impact of the downturn on the 2020 fiscal year and anticipated FY 2021 revenues, general fund revenues are expected to decrease, on average, up to 13 percent.[4]

Cities relying at least partly on sales tax revenues are feeling the hit of the downturn more acutely **(Figure 6)**.

FIGURE 6 **FY 2020 - FY 2021 REVENUE LOSS ESTIMATION** BY TAX STRUCTURE



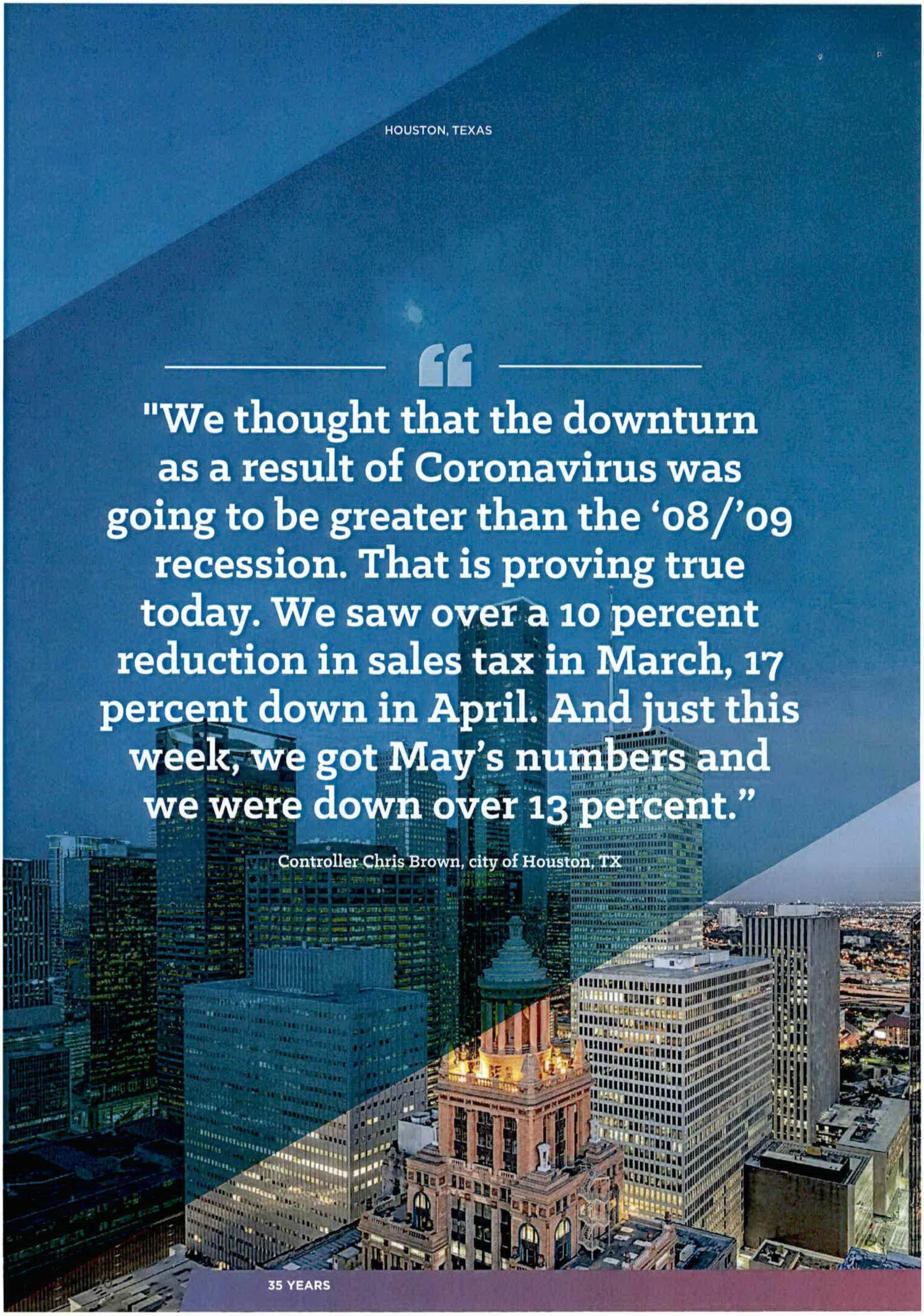
[4] Responding cities were asked to estimate the percent difference between FY 2020 budgeted general fund revenues and FY 2020 current revenue estimates, as well as the difference between FY 2020 and FY 2021 general fund revenues. For each city, these percentages were added together to generate a fuller picture of the expected FY 2020 - FY 2021 impact.

By comparison, the Great Recession was the only recession in recent memory to fuel this level of revenue decline, and even then, the decline progressively reached these depths over six years **(see Figure 7)**.

Importantly, the sudden and deep decline in revenues during the second quarter of this year does not imply a sudden and steep rise in revenues when the economy (and public health crisis) turns around. Based on previous years' data on general fund revenues, we estimate that constant dollar revenues returned to 2007 (pre-Great Recession) levels only in 2019, or more than a decade after the start of the Great Recession. If the Great Recession provides a lesson, it is that it takes years for cities to recover lost revenue.

FIGURE 7 **COMPARATIVE REVENUE TRENDS DURING RECENT RECESSIONS**

Note: Reflects year-over-year changes in general fund revenues adjusted for inflation with 2012 base year.



"We thought that the downturn as a result of Coronavirus was going to be greater than the '08/'09 recession. That is proving true today. We saw over a 10 percent reduction in sales tax in March, 17 percent down in April. And just this week, we got May's numbers and we were down over 13 percent."

Controller Chris Brown, city of Houston, TX

Beyond 2020

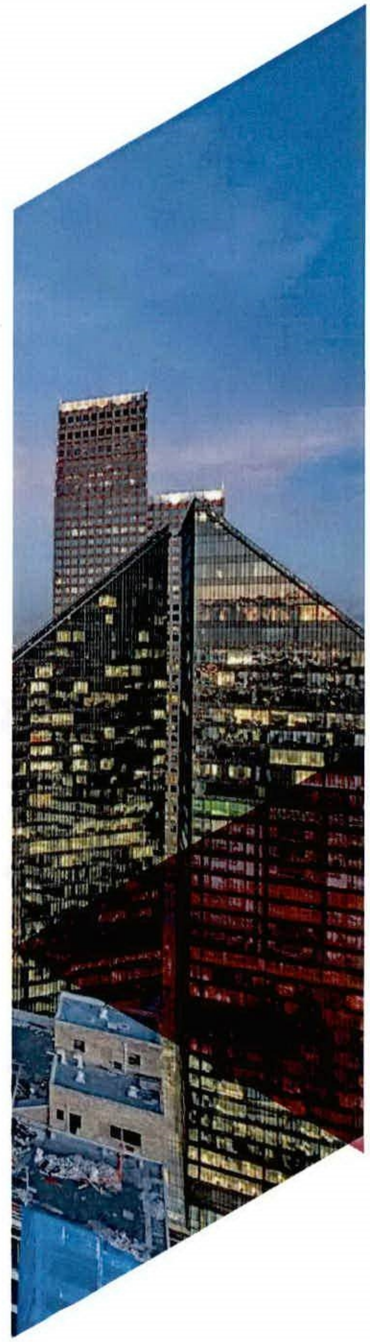
The fiscal impact of COVID-19 on cities' fiscal conditions in 2020 will continue to evolve. Since March 2020, retail sales and wages have suffered historic losses that have immediately impacted cities' sales tax receipts (and for those cities that impose a wage or income tax, on their income tax revenue). As the economy rebounded somewhat in June, cities continued to be presented with significant challenges, especially in light of the expected decline in real estate taxes in the near future. Concerns of rental evictions, declining property values and employment will continue to roil the fiscal fortunes of municipalities for the remainder of FY 2020 and beyond.

Cities are facing an unknown fiscal future, as their revenues continue to be damaged by the coronavirus public health crisis.

At the same time, states are also suffering their worst fiscal crisis since the Great Depression and may not be a reliable fiscal safety net in the near future. Since more than one-fifth of municipal revenues are derived from the state, the tenuous fiscal position of states must be considered by cities in their future revenue forecasts. The federal government, because it does not operate under a balanced-budget regulation as states and cities do, has the authority and ability to play a critical countercyclical role in the fiscal future of cities.

In the meantime, with significant restrictions on raising new revenues, cities are turning to their options of last resort, which are to spend down reserves, severely cut services at a time when communities need them most, to layoff and furlough employees, who comprise a large share of America's middle class, and to pull back on capital projects, further impacting local employment, business contracts and overall investment in the economy. These cuts will also exacerbate infrastructure challenges, which will place a future fiscal burden on local, state and federal governments.

In its 35th year, the City Fiscal Conditions survey of city finance officers tells the story of many cities once again facing untenable fiscal challenges, adapting and leading their communities and longing for a stronger intergovernmental partnership. Looking forward to the next 35 years, we hope to be able to tell a different story, one in which cities have the authority to align their fiscal tools with sources of local economic growth and one in which we have successfully enacted bold reforms to fiscal federalism.



Appendix II

About the Survey

The NLC City Fiscal Conditions survey is a national survey of finance officers in U.S. cities conducted this year in June and July. Surveys were emailed to city finance officers from cities with populations greater than 10,000. Officers were asked to give their assessments of their cities' fiscal conditions. The survey also requested budget and finance data from all but nearly 300 of the nation's large cities; data for those cities were collected directly from online city budget documents. In total, the 2020 data were drawn from 485 cities out of the sample of 1,005 cities (48.3%). The data allow for generalizations about the fiscal conditions in cities.

Much of the statistical data presented here must also be understood within the context of cross-state variations in tax authority, functional responsibilities and accounting systems. The number and scope of governmental functions influence both revenues and expenditures. For example, many Northeastern cities are responsible for funding not only general government functions but also public education. Additionally, some cities are required by their states to assume more social welfare responsibilities or traditional county functions.

Population	Responses	%
300,000+	62	13%
100,000-299,999	155	32%
50,000-99,999	197	41%
10,000-49,999	71	15%
TOTAL	**485**	**100%**

Region	Responses	%
Northeast	37	8%
Midwest	98	20%
South	162	33%
West	188	39%
TOTAL	**485**	**100%**

Cities also vary according to their revenue-generating authority. Certain states—notably Kentucky, Michigan, Ohio and Pennsylvania—allow their cities to tax earnings and wages. Meanwhile, several cities—such as those in Colorado, Louisiana, New Mexico and Oklahoma—depend heavily on sales tax revenues. Moreover, state laws vary in how they require cities to account for funds.

When we report on fiscal data such as general fund revenues and expenditures, we are referring to all responding cities' aggregated fiscal data. Therefore, the data are influenced by relatively larger cities that have more substantial budgets and that deliver services to a preponderance of the nation's residents.

When we report on non-fiscal data—such as finance officers' assessments of their cities' ability to meet fiscal needs, or factors they perceive as affecting their budgets—we refer to the percentage of officers responding in a particular way. Each city's response to these questions is weighted equally, regardless of population size.

Appendix III
Data Tables

FIGURE 1 **SHARE OF CITIES BETTER/LESS ABLE TO MEET FISCAL NEEDS**

Year	Better Able (%)	Less Able (%)
2021	13%	-87%
2020	22%	-78%
2019	76%	-24%
2018	73%	-27%
2017	69%	-31%
2016	81%	-19%
2015	82%	-18%
2014	80%	-20%
2013	72%	-28%
2012	57%	-43%
2011	43%	-57%
2010	13%	-87%
2009	12%	-88%
2008	36%	-64%
2007	70%	-30%
2006	65%	-35%
2005	63%	-37%
2004	37%	-63%
2003	19%	-81%
2002	45%	-55%
2001	56%	-44%
2000	73%	-27%
1999	75%	-25%
1998	69%	-31%
1997	68%	-32%
1996	65%	-35%
1995	58%	-42%
1994	54%	-46%
1993	34%	-66%
1992	22%	-78%
1991	21%	-79%
1990	33%	-67%

FIGURE 4 **YEAR-OVER-YEAR CHANGE IN GENERAL FUND REVENUES AND EXPENDITURES**

Year	Revenues	Expenditures
1986	4.2%	3.8%
1987	0.3%	-0.1%
1988	3.6%	2.0%
1989	0.7%	-0.3%
1990	-0.4%	1.9%
1991	-0.7%	0.6%
1992	0.1%	-0.5%
1993	0.6%	-0.7%
1994	1.0%	0.6%
1995	1.3%	1.6%
1996	2.9%	3.9%
1997	1.5%	1.4%
1998	2.2%	1.4%
1999	0.2%	1.1%
2000	1.0%	0.8%
2001	-0.5%	2.0%
2002	0.0%	3.1%
2003	-0.7%	-1.1%
2004	-1.0%	-0.4%
2005	1.6%	0.1%
2006	1.9%	1.9%
2007	-0.4%	2.4%
2008	-1.1%	0.4%
2009	-2.4%	0.8%
2010	-4.7%	-5.3%
2011	-1.9%	-3.6%
2012	-2.0%	-1.3%
2013	0.4%	-0.2%
2014	0.8%	1.1%
2015	3.9%	3.8%
2016	3.5%	3.0%
2017	1.3%	2.2%
2018	0.6%	1.9%
2019	3.5%	0.6%
2020 (estimate)	0.4%	3.8%

FIGURE 5 **YEAR-OVER-YEAR CHANGE IN SALES, INCOME AND PROPERTY TAX RECEIPTS**

Year	Sales Tax	Income Tax	Property Tax
1996	3.5%	-0.2%	1.2%
1997	3.1%	0.9%	1.7%
1998	5.7%	3.8%	1.2%
1999	1.2%	-0.3%	0.3%
2000	2.5%	-0.4%	0.6%
2001	-6.0%	-0.9%	1.3%
2002	-3.1%	-4.9%	4.7%
2003	-2.1%	-3.6%	1.6%
2004	0.5%	-2.8%	2.8%
2005	1.2%	-0.5%	2.9%
2006	3.7%	3.0%	4.7%
2007	-0.9%	-3.1%	5.7%
2008	-2.2%	-2.2%	1.7%
2009	-6.5%	1.4%	4.3%
2010	-9.3%	-1.9%	-2.9%
2011	2.0%	-2.1%	-3.5%
2012	5.2%	3.4%	-1.5%
2013	2.3%	1.9%	-2.8%
2014	2.7%	-2.1%	2.0%
2015	5.7%	6.0%	4.0%
2016	3.3%	4.6%	5.1%
2017	1.8%	1.3%	2.6%
2018	0.2%	0.8%	1.8%
2019	5.0%	2.7%	3.3%
2020 (estimate)	-10.9%	-3.4%	1.9%

NLC NATIONAL LEAGUE OF CITIES

CITIES STRONG TOGETHER

Dunne Communications, Inc
P.O. Box 97
204 East Commercial Ave
Anaconda Mt 59711
406.563.7115 406.563.6065 (fax)

City Of Laurel Police 5/28/2020

Q20-0528-5

QTY	PART#	DESC.	COST EA.	EXT.
1	MAX DISPATCH	2 POS DISPATCH CONSOLE	$ 94,405.50	$ 94,405.50
1	LABOR	INSTALL CONSOLE	$ 5,000.00	$ 5,000.00
				$ -
3	NX5000B	50 WATT BASE RADIO (p25)	$ 1,500.00	$ 4,500.00
3	DB222/KIT	BASE ANTENNA KIT	$ 600.00	$ 1,800.00
1	LABOR	INSTALL BASE RADIOS	$ 2,000.00	$ 2,000.00
				$ -
1	ATLAS 1200	VHF 100 WATT REPEATER	$ 12,000.00	$ 12,000.00
1		DUPLEXER	$ 1,000.00	$ 1,000.00
1	DB222/KIT	ANTENNA KIT	$ 600.00	$ 600.00
1	MISC HARDWARE		$ 500.00	$ 500.00
1	LABOR	INSTALL REPEATER	$ 2,500.00	$ 2,500.00

NOT REPEATER IS QUOTED AS P25 READY OPERATION.

12	5000 SERIES PORTABLE	VHF PORTABLE P25 inc spkr mic and leather case	$ 1,220.00	$ 14,640.00

TOTAL $ 138,945.50

78,739.1

ZETRON.

MAX Dispatch
NASPO ValuePoint Contract #06913
Quote Number: 67612-00

Laurel Police Dept
Customer #:
215 W 1st St
Laurel, MT 59044
Stanley Langve
Phone: 406-628-8737
Fax: (406) 628-4641
Email: slangve@laurel.mt.gov

Quote Date: 5/27/2020
Quote Expires: 9/24/2020
Terms: TO BE DETERMINED
Ship Quote: 8 weeks ARO
Ship Via: UPS GROUND
FOB: Destination
End User/Site: Laurel
System ID:
Salesperson: Luis Melchert

NASPO end user quote - MAX Dispatch quote for the City of Laurel MT including 2 workstations, radio gateways for 2 tone control radios and 3 Kenwood radios, 16 AUX I/O and PSP through year 5. ***NASPO Entity Level Participating Addendum - City of Laurel MT***

Part #	Description	List Price	Disc. %	Net Price	Qty	Ext. List	Ext. Net
MAX Standard Package							
905-0380	MAX Standard Workstation Bundle Position: 1 Operator Workstation PC, 1 Media Dock, 2 Speakers & power supply Licenses: 1 MAX Base Software License All manuals are included in soft copy format with the MAX Software.	$11,034.00	10.00 %	$9,930.60	2	$22,068.00	$19,861.20
MAX Operator Workstation Software Licenses (per workstation)							
930-0222	Individual Call Software Feature Set Includes: Individual radio call, Call Alert, Radio Check, Radio Monitor, Inhibit, Uninhibit	$1,102.00	10.00 %	$991.80	2	$2,204.00	$1,983.60
930-0224	Tone Signaling/Paging Feature Set Includes: Manual paging operation, instant call & stacked paging, 2-tone 100, 1000, & Custom Calls (Mot & GE), Quick Call (2+2), DTMF, Knox.	$1,654.00	10.00 %	$1,488.60	2	$3,308.00	$2,977.20
930-0225	Event Replay Short term audio playback at the console position.	$1,867.00	10.00 %	$1,680.30	2	$3,734.00	$3,360.60
930-0226	Aux I/O Software Feature Set	$1,654.00	10.00 %	$1,488.60	2	$3,308.00	$2,977.20
Workstation Hardware Options							
950-0454	Wireless Headset, 6-Wire, Noise Canceling (comes with 2 batteries) Plantronics CA12CD-S improved belt-mounted PTT pack has secure battery retention and accepts Plantronics H-Series headset tops. Comes with a spare battery.	$1,005.00	10.00 %	$904.50	2	$2,010.00	$1,809.00
802-0115	Headset Top, Noise Cancelling	$122.00	10.00 %	$109.80	4	$488.00	$439.20
950-1077	Dual Prong Headset Jackbox Option; Dual Volume Control Needed for TRHI functionality	$880.00	10.00 %	$792.00	2	$1,760.00	$1,584.00
901-9731	Desktop Microphone, with 6' RJ45 to RJ45 Cable	$846.00	10.00 %	$761.40	2	$1,692.00	$1,522.80
950-9102	Footswitch, Single with 10' cable	$134.00	10.00 %	$120.60	2	$268.00	$241.20
709-0170-10	10 ft Shielded Cat 5e Cable for Speakers	$18.00	10.00 %	$16.20	2	$36.00	$32.40
MAX Radio Gateway Interface & Options (DB15)							
Part #	Description	List Price	Disc. %	Net Price	Qty	Ext. List	Ext. Net

This quote is subject to NASPO ValuePoint Contract #06913 terms and conditions.

MAX Radio Gateway Interface & Options (DB15)

901-9675	MAX Radio Gateway Conventional (DB15) Hardware This hardware variant is used when the radio is co-located with the MAX Radio Gateway and the cable can run directly from the unit to the radio itself. This device supports 2 radio connections. Includes one 10' shielded Cat 5e cable.	$2,756.00	10.00 %	$2,480.40	2	$5,512.00	$4,960.80
930-0229	Kenwood Interface License (Tk-x180, Tk-5x10, NX-x00, 820) Note: Per Channel	$333.00	10.00 %	$299.70	3	$999.00	$899.10
709-7977-10	MAX Radio Gateway to Kenwood Radios (TK-x180, TK-5x10, NX-700/800/900) Cable (10ft)	$114.00	10.00 %	$102.60	3	$342.00	$307.80

MAX Radio Gateway Interface & Options (RJ21)

Part #	Description	List Price	Disc. %	Net Price	Qty	Ext. List	Ext. Net
901-9677	MAX Radio Gateway Conventional (RJ21) Hardware This hardware variant is used when the site requires that the interconnects be demarcated on punch down blocks. Includes one 10' shielded Cat 5e cable. This device supports 2 radio channels.	$2,756.00	10.00 %	$2,480.40	1	$2,756.00	$2,480.40
709-0167-10	25-pr Cable, M180-M90 (10 feet)	$62.00	10.00 %	$55.80	1	$62.00	$55.80
950-9351	Connectorized Punch Down Block	$97.00	10.00 %	$87.30	1	$97.00	$87.30

MAX System Hardware/Software

Part #	Description	List Price	Disc. %	Net Price	Qty	Ext. List	Ext. Net
901-9715	MAX Central MAX Central is the hardware platform that hosts the MAX Manager, Telephony Gateway, IP Voice Logger Gateway, and the Aux I/O Gateway. Includes five 10' shielded Cat 5e cables.	$3,531.00	10.00 %	$3,177.90	2	$7,062.00	$6,355.80
930-0231	Z-Node Manager At least 1 Z-Node Manager is required for each system.	$3,422.00	10.00 %	$3,079.80	2	$6,844.00	$6,159.60
930-0221	Block of 10 Radio Channel Licenses	$685.00	10.00 %	$616.50	1	$685.00	$616.50
930-1214	AUX I/O Port License - 16 Ports Supports any combination of Inputs and Outputs up to 16	$426.00	10.00 %	$383.40	1	$426.00	$383.40
802-1111	Acromag Ethernet I/O Unit 16 Discrete I/O Channels - Any mix of Inputs and Outputs 12 - 32 VDC	$614.00	10.00 %	$552.60	1	$614.00	$552.60

Rack Mounting & Power Equipment

Part #	Description	List Price	Disc. %	Net Price	Qty	Ext. List	Ext. Net
950-1142	Redundant 12VDC Power System - Up to 20 Devices This is a redundant power supply that can support up to 20 MAX Dispatch devices. Includes 19" rack mount enclosure.	$2,756.00	10.00 %	$2,480.40	1	$2,756.00	$2,480.40
950-1134	12VDC Power Distribution Panel Can support up to 40 MAX Dispatch devices. Fuses not included.	$494.00	10.00 %	$444.60	1	$494.00	$444.60
416-0043	Fuse, 3 Amp	$6.00	10.00 %	$5.40	24	$144.00	$129.60
950-0588	Dual Unit Rack Mount Option	$187.00	10.00 %	$168.30	4	$748.00	$673.20

Monitors & Network Equipment

Part #	Description	List Price	Disc. %	Net Price	Qty	Ext. List	Ext. Net
802-2311	23" Widescreen LCD Monitor Supports up to 1920x1080 resolution.	$297.00	10.00 %	$267.30	2	$594.00	$534.60
950-1281	24 Port Managed Gigabit Rack Mount Switch Two required for high availability network.	$2,142.00	10.00 %	$1,927.80	2	$4,284.00	$3,855.60

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On-Site Operator Training (Non-Discountable)

Part #	Description	List Price	Disc. %	Net Price	Qty	Ext. List	Ext. Net
XMP-0344-OSO	MAX-PSP On-Site Operator Training, Per Day Price is Per Day, is for North America Only and with 3 weeks Advance Notice	$2,500.00	10.00 %	$2,250.00	2	$5,000.00	$4,500.00

On-Site Technical Support (Non-Discountable)

Part #	Description	List Price	Disc. %	Net Price	Qty	Ext. List	Ext. Net
XMP-0344-OST	MAX-PSP On-Site Configuration Service, Per Day Price is Per Day, is for North America Only and with 3 weeks Advance Notice	$2,500.00	10.00 %	$2,250.00	3	$7,500.00	$6,750.00

Product Service Plans

Part #	Description	List Price	Disc. %	Net Price	Qty	Ext. List	Ext. Net
XMP-0344-EBS	MAX-PSP Extended Service Plan Price is for 2 workstation seats 1 year Software services, 1 year Hardware, After Hours Phone Support and 1 year membership in the Zetron MAX Users Group, per position per year	$3,500.00	10.00 %	$3,150.00	4	$14,000.00	$12,600.00
XMP-0344-RCS	MAX-PSP Remote Configuration Services Systems & CSSI Remote assistance for initial system configuration. Additional remote and/or on-site configuration may be necessary based on design and project complexity.	$4,500.00	10.00 %	$4,050.00	1	$4,500.00	$4,050.00

Product Warranty Package

Part #	Description	List Price	Disc. %	Net Price	Qty	Ext. List	Ext. Net
XMP-0344-BAS	MAX-PSP Base Service Plan 1 year Software Services, 1 years Hardware Services, 1 year of Advance Hardware replacement, Operator web training (2-4 hr sessions) and 1 year membership in the Zetron MAX Users Group	$0.00	10.00 %	$0.00	1	$0.00	$0.00

List Total	$106,295.00
Net Sub-Total	$95,665.50

Sales Concession

Part #	Description	List Price	Disc. %	Net Price	Qty	Ext. List	Ext. Net
N-0344-02	10% discount on XMP-0344-EBS MAX-PSP Extended Service Plan if 4 years are purchased with the initial purchase of the equipment	($350.00)	10.00 %	($315.00)	4	($1,400.00)	($1,260.00)

Net Total	$94,405.50

\- 39,198.6

55,206.4
5,000 . install

60,206.4

This quote is subject to NASPO ValuePoint Contract #06913 terms and conditions.