



# First Public Hearing on 2023 Operating Budget

City Council  
October 18, 2022

# Agenda

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1. 2023 Budget Assumptions
2. 2023 Budget Inclusions & Exclusions
3. 2023 Operating & General Fund Budget Summary
4. Budget Meeting Schedule

# 2023 Revenue Assumptions/Projections

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- Taxes don't assume any rate increases besides the Inspire Olympia sales tax.
- 2023 revenue projections are based on 2022 forecasted collections.
- Revenues projections are conservative but assume some growth in revenue.
- We are monitoring inflation and a potential economic slow down.

# 2023 Expenditure Assumptions/Projections

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Maintaining all current programs

Wage Increase – 5% for all employees

- Each 1% increase is roughly \$460,000 GF and \$600,000 Citywide impact
- \$2.3 million General Fund and \$3.0 million Citywide impact total

Medical Insurance Increase Estimates

- Regence/Asuris – 6%
- Kaiser – 7%
- Delta Dental – 2%
- Vision Service Plan – 2%
- NW Firefighter Trust – 6%

Known contractual increases

- including WCIA liability insurance 52% increase, property portion 13%

All other expenditure types – status quo

# Housing and Climate Programs in the 2023 Budget

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| FTEs        | Description                       | Cost Estimate    |
|-------------|-----------------------------------|------------------|
| 1.00        | Housing & Homelessness Director   | \$162,000        |
| 1.00        | Housing Program Specialist        | \$108,000        |
| 1.00        | Building & Energy Program Manager | \$140,000        |
| 1.00        | Climate Program Specialist        | \$115,000        |
| <b>4.00</b> | <b>Total</b>                      | <b>\$525,000</b> |

# Other Additions in the 2023 Budget

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| FTEs        | Other General Fund Positions          | Cost Estimate    | Revenue Estimate |
|-------------|---------------------------------------|------------------|------------------|
| 1.00        | Engineering Survey Field Tech II      | \$123,000        | \$123,000        |
| 1.00        | Engineering Survey Mapping Tech II    | \$123,000        | \$61,500         |
| 1.00        | Utility Billing Accounting Technician | \$108,000        | \$108,000        |
| 1.00        | Firefighter Paramedic                 | \$138,000        | \$108,152        |
| <b>4.00</b> | <b>Total</b>                          | <b>\$492,000</b> | <b>\$400,652</b> |

| FTEs        | OPARD Positions                     | Cost Estimate*   |
|-------------|-------------------------------------|------------------|
| 1.00        | OPARD Armory Program Manager        | \$140,000        |
| 0.50        | OPARD Public Service Representative | \$49,000         |
| 0.50        | OPARD Maintenance Worker            | \$51,000         |
| <b>2.00</b> | <b>Total</b>                        | <b>\$240,000</b> |

| FTEs        | Outside General Fund Positions     | Cost Estimate    |
|-------------|------------------------------------|------------------|
| 1.00        | Water Resources Project Engineer I | \$140,000        |
| 1.00        | Waste Resources Refuse Collector   | \$112,000        |
| 0.25        | Stormwater Inventory Specialist II | \$21,000         |
| 1.00        | Cultural Access Program Manager    | \$150,000        |
| 1.00        | Cultural Access Program Specialist | \$115,000        |
| 1.00        | CP&D Contract Specialist           | \$119,000        |
| 0.50        | CP&D Office Specialist II          | \$49,000         |
| <b>5.75</b> | <b>Total</b>                       | <b>\$706,000</b> |

The positions listed here are funded in whole or in part by new revenues.

These include:

- Utility Charges
- User Fees
- Cultural Access Sales Tax

\*OPARD Tax Revenue Agreement

# Non-labor Inclusions (Significant)

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## ***One-Time Cost:***

Annexation Consultant - \$50,000

Housing Tax Exempt Study Phase 2 - \$50,000

Housing Displacement Analysis - \$50,000

\*Thurston Conservation Urban Agriculture Task 1 – \$129,000

\*To be included in Final, submitted after preliminary budget

## ***On Going Cost:***

Reimagining Public Safety - \$280,000

Utility Billing Credit Card Fees - \$100,000

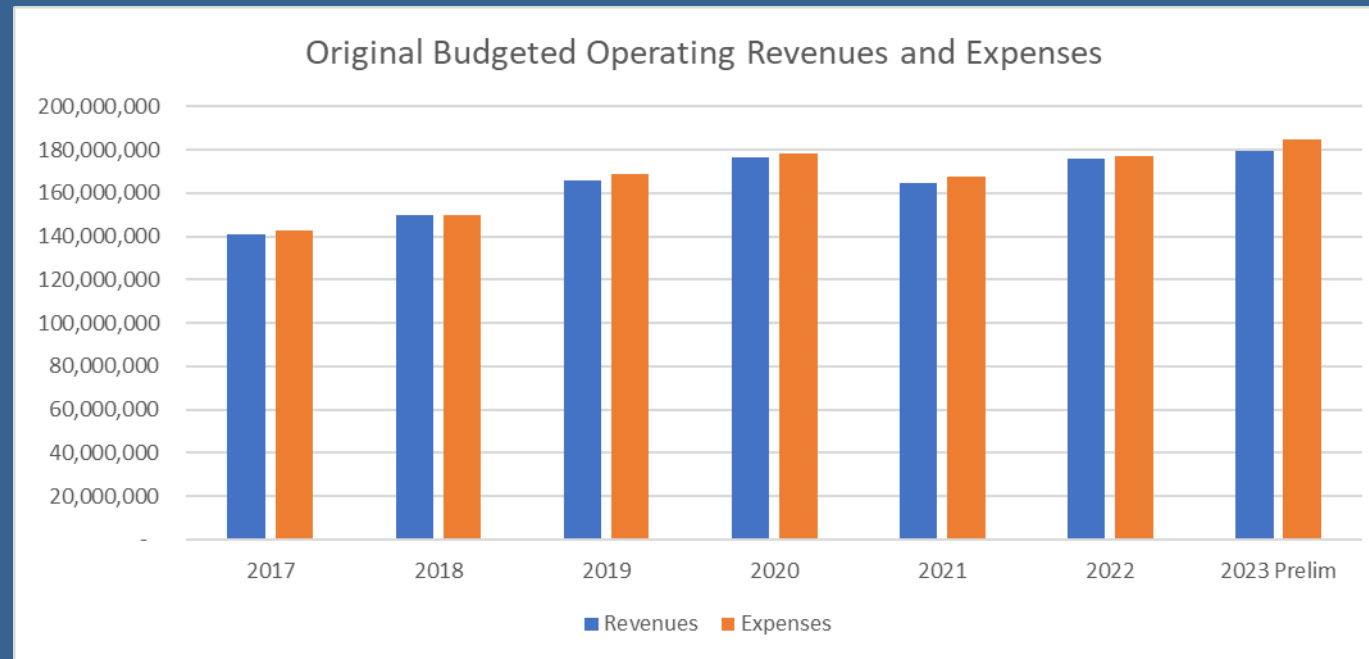
Thurston Climate Mitigation - \$110,000

\*Police Auditor - \$100,000

\*Youth Council – Pending

\*Diversity, Equity, and Inclusion Training - Pending

# Citywide Operating Budget History

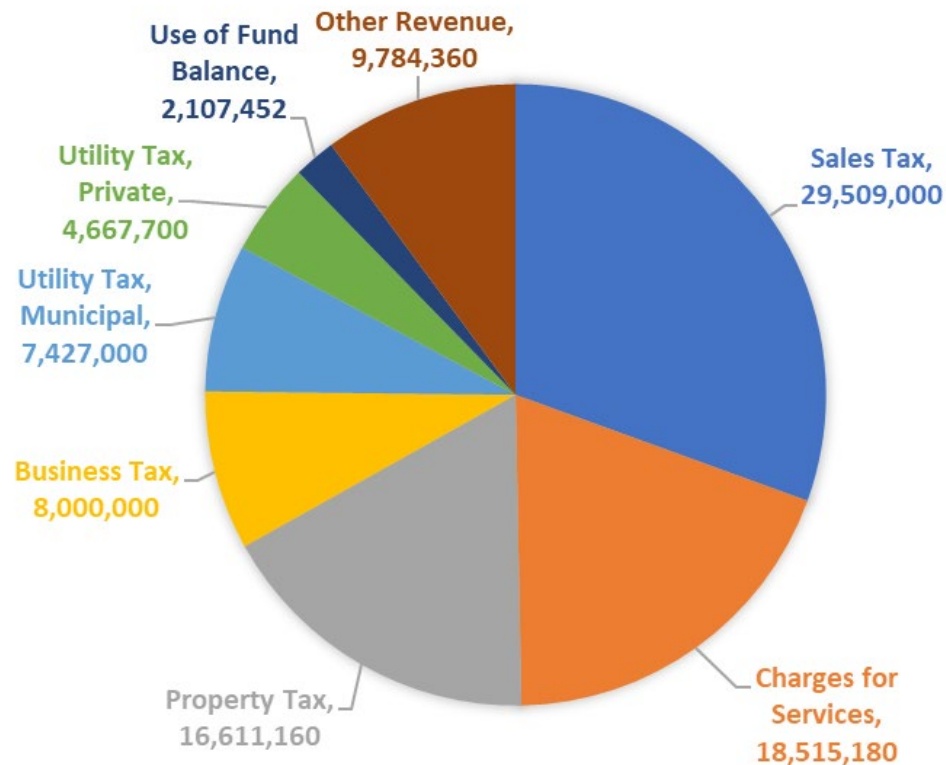


| Original <b>Budgeted</b> Operating Revenues and Expenses |             |             |             |             |             |             |                  |
|--|-------------|-------------|-------------|-------------|-------------|-------------|------------------|
|  | 2017        | 2018        | 2019        | 2020        | 2021        | 2022        | 2023 Preliminary |
| Revenues   | 140,865,651 | 149,898,319 | 165,833,195 | 176,672,899 | 164,894,336 | 176,161,242 | 179,342,319      |
| Expenses   | 142,559,278 | 150,016,108 | 169,061,988 | 178,151,013 | 167,601,399 | 177,050,484 | 184,994,841      |
| Use of Fund Balance                                      | 1,693,627   | 117,789     | 3,228,793   | 1,478,114   | 2,707,063   | 889,242     | 5,652,522        |

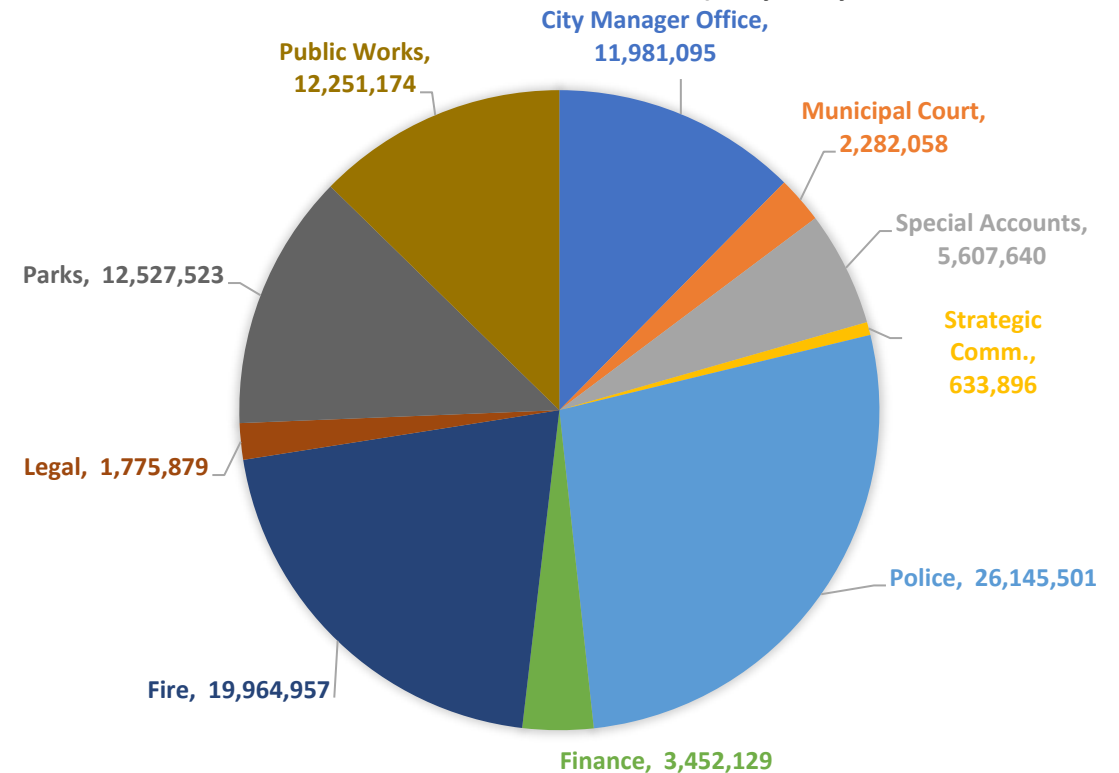


# General Fund Preliminary Budget

## GENERAL FUND RESOURCES - \$96,621,852



## GENERAL FUND EXPENSES - \$96,621,852



# General Fund Preliminary Budget

|                        | BUDGET<br>2022 | BUDGET<br>2023 | % CHANGE<br>2022 to 2023 |
|------------------------|----------------|----------------|--------------------------|
| Revenue                |                |                |                          |
| Property Tax           | 16,208,548     | 16,611,160     | 2%                       |
| Sales Tax              | 29,066,282     | 29,509,000     | 2%                       |
| Business Tax           | 7,056,895      | 8,000,000      | 13%                      |
| Utility Tax, Private   | 4,162,406      | 4,667,700      | 12%                      |
| Utility Tax, Municipal | 6,960,622      | 7,427,000      | 7%                       |
| Gambling Tax           | 174,070        | 267,000        | 53%                      |
| Leasehold Tax          | 187,544        | 195,000        | 4%                       |
| Licenses and Permits   | 913,611        | 839,100        | -8%                      |
| Intergovernmental      | 2,862,423      | 3,020,761      | 6%                       |
| Charges for Services   | 17,689,536     | 18,515,180     | 5%                       |
| Fines and Penalties    | 336,673        | 283,725        | -16%                     |
| Rents and Leases       | 991,461        | 956,089        | -4%                      |
| Other Revenue          | 7,222,091      | 4,222,685      | -42%                     |
|                        | 93,832,162     | 94,514,400     | 1%                       |

|                            | BUDGET<br>2022 | BUDGET<br>2023 | % CHANGE<br>2022 to 2023 |
|----------------------------|----------------|----------------|--------------------------|
| Expenses                   |                |                |                          |
| Salaries and Wages         | 56,133,381     | 55,233,300     | -2%                      |
| Personnel Benefits         | 18,448,642     | 17,972,918     | -3%                      |
| Supplies                   | 2,455,617      | 2,467,235      | 0%                       |
| Other Services and Charges | 10,671,306     | 9,223,641      | -14%                     |
| Intergovernmental Services | 2,603,290      | 5,172,068      | 99%                      |
| Interfund Payments         | 6,141,891      | 6,448,879      | 5%                       |
| Capital Outlay             | 24,500         | 103,811        | 324%                     |
|                            | 96,478,627     | 96,621,852     | 0%                       |
| Use of Fund Balance        | 2,646,465      | 2,107,452      | -20%                     |

# Budget Review Schedule

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| Date           | Time   | Meeting                 |
|----------------|--------|-------------------------|
| October 19th   | 5:30pm | Finance Committee       |
| *November 1st  | 5:30pm | Council - Study Session |
| November 2nd   | 5:30pm | Finance Committee       |
| *November 15th | 5:30pm | Council - Study Session |
| November 16th  | 5:30pm | Finance Committee       |
| *December 6th  | 7pm    | Council                 |

\*actionable item for Council (7pm)

Nov 1<sup>st</sup> , Property Tax Adoption

Nov 15<sup>th</sup>, 2<sup>nd</sup> Public Hearing

Dec 6<sup>th</sup>, Budget Adoption



## More Information:

Preliminary Budget Available Online

Online:

[https://www.olympiawa.gov/government/budget\\_financial\\_reports.php](https://www.olympiawa.gov/government/budget_financial_reports.php)

Email:

[financeadmin@ci.olympia.wa.us](mailto:financeadmin@ci.olympia.wa.us)