



2023 Preliminary Operating Budget

City Council Study Session
October 4, 2022

Agenda

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

2023 Budget Process

Balancing the 2023 operating budget was difficult:

- Needs far outpaced resources and all needs could not be funded.
- Expansion of programs was based on need, value to the community and Council priorities.
- Departments submitted budget enhancements with on-going costs totaling about \$2.6 million.
- Meeting the goal of budget sustainability will require continued work in 2023 and 2024.

2023 Revenue Assumptions/Projections

- 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

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

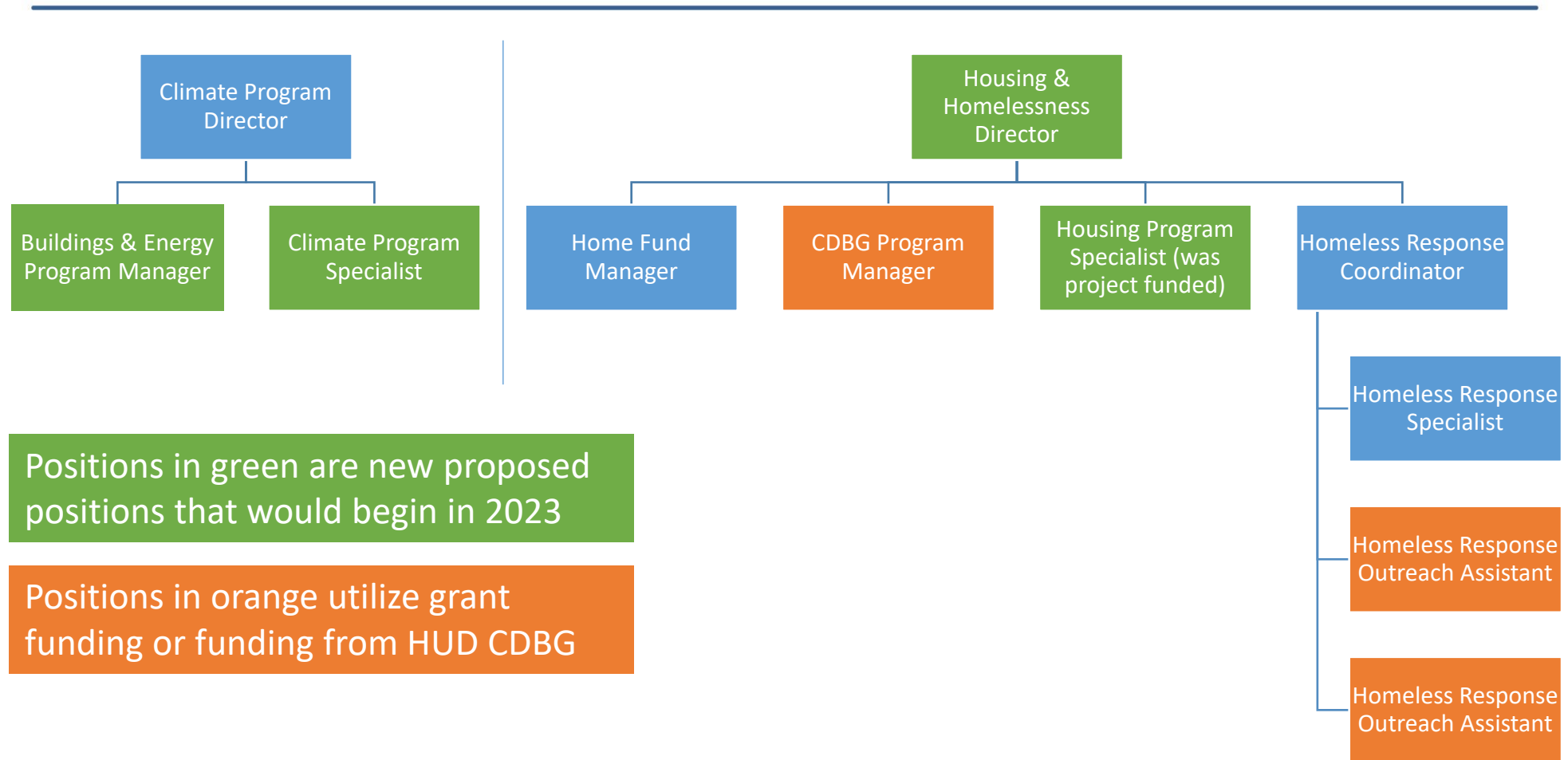
- including WCIA liability insurance 52% increase, property portion 13%

All other expenditure types – status quo

Housing and Climate Programs in the 2023 Budget

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
4.00	Total	\$525,000

Housing and Climate Programs New Org Charts



Other Additions in the 2023 Budget

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
4.00	Total	\$492,000	\$400,652

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
2.00	Total	\$240,000

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
5.75	Total	\$706,000

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)

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

On Going Cost:

Reimagining Public Safety - \$280,000

Utility Billing Credit Card Fees - \$100,000

Thurston Climate Mitigation - \$110,000

*Youth Council – Pending

*To be included in Final, submitted after preliminary budget

Unfunded Enhancement Requests

One Time Cost:

Wayfinding Signage

Additional Fire Bunker Gear

On Going Cost:

Performance Management Specialist

Audio Visual Specialist

Conducted Energy Weapon Update

Weekend Probable Cause Calls

Increase in Outside Legal Services

Watersmart Software Subscription

American Rescue Plan Act (ARPA) Update

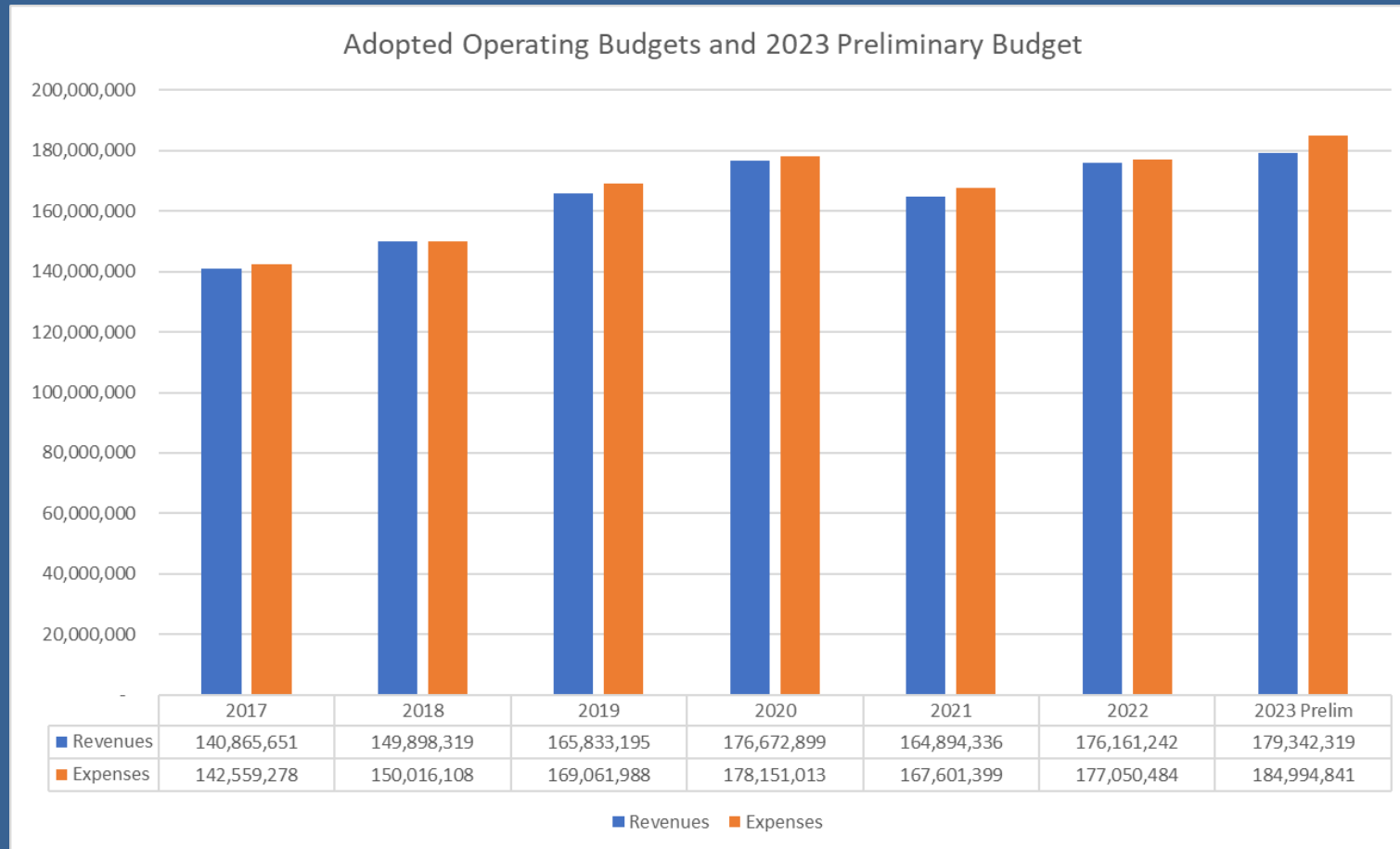
Focus Area	Allocated	Spent	Remaining
Public Health and Safety			
Quince Street Property	2,175,000	2,175,000	-
Mitigation Move to New Site	643,225	643,225	-
Franz Anderson Property	2,000,000	835,478	-
Quince St Village Operations	650,000	650,000	1,164,522
Scattered Site Homeless Response	150,000	150,000	-
Crisis Response Unit Expansion - 1 FTE	274,000	274,000	-
Body Camera's (2 year's) - 4 FTEs	1,133,394	600,000	533,394
Community Livability			
Utility Assistance	1,156,775	1,156,775	-
Parks Revenue Restoration	200,000	200,000	-
Economy			
Parking Revenue Restoration	500,000	500,000	-
Support Staff to OCV & OP&D	43,730	43,730	-
Rapid Response Team - 2 FTEs	94,500	94,500	-
City Resources & Support			
Climate Program Support	100,000	100,000	-
Court Software	35,000	35,000	-
Annexation Consultant	50,000	50,000	-

The remaining funds allocated to the Franz Anderson property purchase will be used for Quince St Village operations in 2023

Improvements to the Franz Anderson property are now funded by a \$2.9 grant from the Department of Commerce

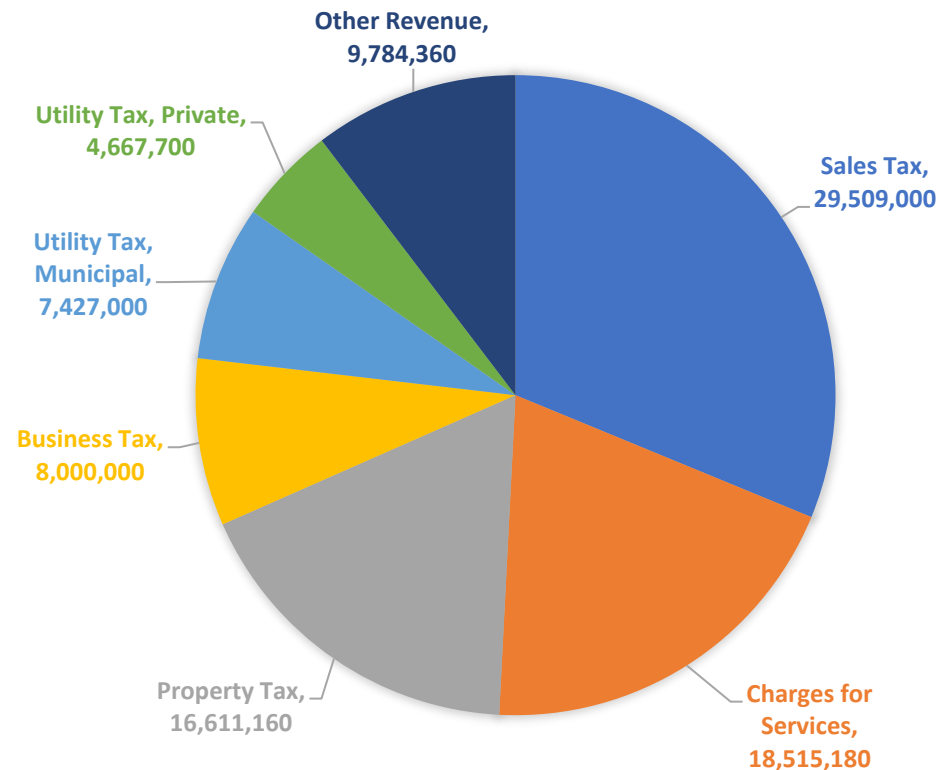
Contracted funds are shown as spent

Citywide Operating Budget History

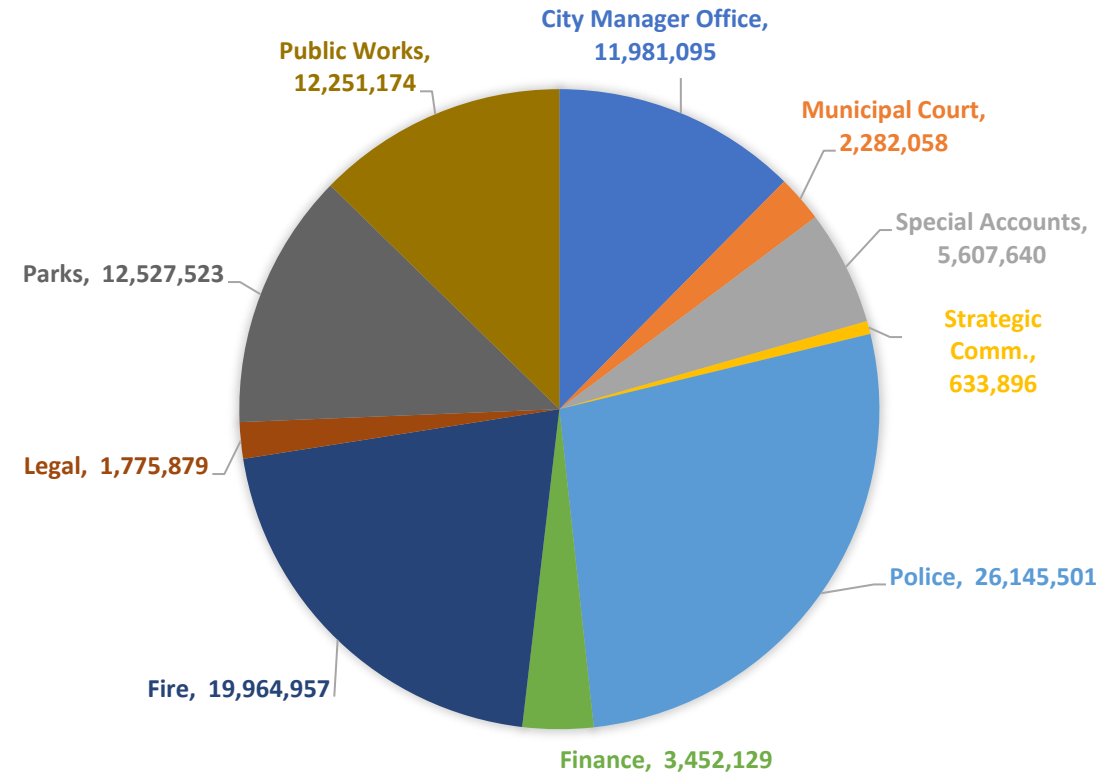


General Fund Preliminary Budget

GENERAL FUND REVENUES - \$94,514,400



GENERAL FUND EXPENSES - \$96,621,852



General Fund Preliminary Budget

	BUDGET 2022	BUDGET 2023	% CHANGE 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 2022	BUDGET 2023	% CHANGE 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%

General Fund Adjustments from Base

Total Base Revenues	99,633,984	New Housing & Climate Positions	525,000
Remove CP&D Revenues	(3,853,601)	Thurston Regional Climate Action Plan	110,000
Remove Facilities Revenues	(1,265,983)	Other GF Appropriation Additions	1,660,106
	<u>(5,119,584)</u>	Other GF Revenue Additions	(988,103)
Adjusted General Fund Revenues	94,514,400	Additional 1% COLA Increase to 5%	623,180
			<u>1,930,183</u>
		General Fund Expenses On-Going	95,570,935
Total Base Appropriations	102,649,696	2024 Bow Wave	(1,056,535)
Remove CPD Expenses	(6,614,962)	Net One-Time Expenses/Revenues	1,050,917
Remove Facilities Expenses	(2,393,982)	Total 2023 Proposed GF Appr	96,621,852
	<u>(9,008,944)</u>		
Adjusted General Fund Appropriations	93,640,752		

2023 Budget Process

- ✓ January to April - Planning Phase
- ✓ June - Department Budget Kick-Off
- ✓ June to July - Department Budget Preparation
- ✓ August - Budget Review Team Meetings
- ✓ September - Balancing
- ✓ October – Budget Presentation to Council
 - October to November - Council Review Process
 - December - Final Budget Considerations by Council
 - December - Council Approval & Adoption



Upcoming Budget Meetings Plan

Date	Meeting	Item
October 5th	Finance Committee	Rate and Fee Changes, 2023 Revenue, Ad Valorem Tax, Enhancements, and FTE Increases.
October 18th	Council	2023 budget information (study session). First Public Hearing on Operating Budget (Council meeting).
October 19th	Finance Committee	OPARD fee changes, special revenue funds, expense drivers, tax/service revenue, use of fund balance, budget sustainability/forecast.
November 1st	Council	2023 budget information (study session). Public Hearing and adoption of Property Tax (Council meeting).
November 2nd	Finance Committee	2023 budget information.
November 15th	Council	2023 budget information (study session). Second Public Hearing on Operating Budget (Council meeting).
November 16th	Finance Committee	2022 YE comparison to 2023 Budget. Potential available end-of-year uses. Unaddressed outstanding items.
November 22nd	Council	Final Balancing
December 6th	Council	Adoption of 2023 Operating and CFP Budgets.



More Information:

Preliminary Budget Available Online October 5th

Online:

https://www.olympiawa.gov/government/budget_financial_reports.php

Email:

financeadmin@ci.olympia.wa.us