



City Council

Approval of an Ordinance Adopting the 2020 Operating, Special Funds, Capital Budget, Capital Facilities Plan, and 2020-2025 Financial Plan

Agenda Date: 12/17/2019
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File Number: 19-1149

Type: ordinance **Version:** 2 **Status:** Passed

Title

Approval of an Ordinance Adopting the 2020 Operating, Special Funds, Capital Budget, Capital Facilities Plan, and 2020-2025 Financial Plan

Recommended Action

Committee Recommendation:

The Finance Committee considered public testimony received at Public Hearings held on October 29 and November 19, as well as the Council budget balancing discussion on November 26.

City Manager Recommendation:

Move to approve the ordinance adopting the 2020 Operating, Special Funds and Capital budgets, and the Capital Facilities Plan: 2020-2025 Financial Plan on second reading.

Report

Issue:

Whether to approve the ordinance adopting the 2020 Operating, Special Funds and Capital budgets, and the Capital Facilities Plan: 2020-2025 Financial Plan on second reading.

Staff Contact:

Debbie Sullivan, Administrative Services Director, 360.753.8499

Presenter(s):

None - Consent calendar item

Background and Analysis:

Background and analysis has not changed from first to second reading.

State law requires the City Manager to present a balanced Preliminary Operating budget and Capital budget to Council each year. By State law the budget must be adopted no later than December 31. The City Council's Finance Committee met throughout the year to review, discuss, and provide direction to the City Manager on the 2020 Preliminary Operating budget, Capital budget, and the

Capital Facilities Plan (CFP) and 2020-2025 Financial Plan.

The 2020 Preliminary Operating, Special Funds, and Capital budgets include resources to provide services such as police and fire protection, developing and maintaining parks, open space and recreational centers, and building and maintaining City streets and utility infrastructure.

Operating Budget

The Operating Budget was presented to Council on October 29. A public hearing was held on November 19. Finance Committee met on November 20 to prepare a final recommendation which was presented to the full Council on November 26. Since the Preliminary Operating budget was presented on October 29, changes in revenue and expenditures were adjusted. The following major changes to the Operating budget were discussed with Council on November 26 and made to the final document:

1. Increase of General Fund Revenues of \$100,000. This is a result of updated revenue projections.
2. Increase General Fund Expenditures of \$100,000, which includes City Council changes to preliminary budget to fund a Police Auditor; "Five Things" mailed to renters; increased hours of Olympia Fire Department (OFD) Cares; adding fire vehicles to the equipment reserve fund; and increasing Council Goal money.
3. Increase utility expenditures to account for a 1 percent increase in Municipal Utilities, and adopt corresponding utility rates presented to Council on November 12.

Capital Budget and Capital Facilities Plan: 2020-2025 Financial Plan

The Capital Facilities Plan (CFP) is a Chapter in the City's 20-Year Comprehensive Plan adopted by Council in 2014. The CFP portion of the Plan is updated annually. The first year of the six-year financial plan serves as the City's annual Capital budget.

The Planning Commission received a briefing on the CFP and a copy of the Olympia School District's draft 2020-2025 CFP on August 19. On September 16, the Planning Commission held a public hearing. The City's Preliminary CFP and 2020-2025 Financial Plan also went to the Bicycle Pedestrian and Advisory Committee (BPAC); Parks and Recreation Committee (PRAC); and the Utility Advisory Committee (UAC) for review and comment. The Planning Commission, BPAC, PRAC, and UAC submitted comments for Council's consideration.

City Council held public hearings on October 29 and November 26 to hear testimony on both the

2020 Preliminary Capital Budget and the CFP: 2020-2025 Financial Plan.

Since the Preliminary Capital budget and CFP: 2020-2025 Financial Plan was presented on August 13, the following major changes to the Capital budget were discussed with Council on November 26 and made to the final document:

1. Real Estate Excise Tax. Increase 2020 revenue by \$500,000 and allocate to Transportation - Street Repair & Reconstruction
2. Sidewalk & Pathways. Change Funding Source of \$150,000 from Stormwater Utility to General Fund
3. Olympia Metropolitan Park District. Increase revenue by \$354,611. Allocate \$280,000 to Lions Park Sprayground and \$74,611 to Percival Landing Repair Reserve.
4. New project pages for the Lee Creighton Justice Center Reconstruction, Waste ReSources Maintenance Center Construction, Public Works & Parks Maintenance Center Reconstruction, and West Olympia Commercial Property projects.

Special Funds

The budget also includes Special funds such as Home Fund, Lodging Tax, Parking & Business Improvement Area, Farmers Market Repair & Replacement, and Hands on Children's Museum. Since the Preliminary budget was presented on October 29, changes in revenue and expenditures were adjusted. The following major changes to the Special Funds were made to the final document:

1. Home Fund. Increase Housing and Homelessness Expenditures of \$1,579,656 to include appropriations related to the six Housing programs: Community Health & Safety, Shelter, Housing, Staffing and Affordable and Supportive Housing. Funding from previously approved interfund loans and HB-1406.

Neighborhood/Community Interests (if known):

City Council held public hearings on October 29 and November 19 to hear testimony on the CFP: 2020-2025 Financial Plan. Council also held a public hearing on November 19 to hearing testimony on the Preliminary Operating Budget.

The Planning Commission received a briefing on the CFP and a copy of the Olympia School District's draft 2020-2025 CFP on August 19. On September 16, the Planning Commission held a public hearing. The City's Preliminary CFP and 2020-2025 Financial Plan also went to the Bicycle

Pedestrian and Advisory Committee (BPAC); Parks and Recreation Committee (PRAC); and the Utility Advisory Committee (UAC) for review and comment. The Planning Commission, BPAC, PRAC, and UAC prepared comments for Council's consideration.

Options:

1. Approve the Ordinance Adopting the 2020 Operating, Special Funds and Capital budgets and the Capital Facilities Plan: 2020-2025 Financial Plan on first reading and move to second reading.
2. Direct staff to make changes to the Ordinances and/or the Capital Facilities Plan: 2020-2025 Financial Plan and move to second reading.

Financial Impact:

Total 2020 Appropriations:

- Operating Funds - \$178,151,013
- Special Funds - \$11,560,724
- Capital Funds - \$34,153,377
- Totals \$223,865,114

Attachments:

Ordinance