



City Council

Public Hearing on the 2022 Preliminary Operating Budget

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Title

Public Hearing on the 2022 Preliminary Operating Budget

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Hold the public hearing and receive testimony on the 2022 Preliminary Operating Budget.

Report

Issue:

Whether to hold a public hearing and receive testimony on the 2022 Preliminary Operating Budget.

Staff Contact:

Aaron BeMiller, Finance Director, 360.753.8465

Presenter(s):

Jay Burney, City Manager
Aaron BeMiller, Finance Director

Background and Analysis:

2022 Preliminary Operating Budget

The 2021 Preliminary Operating Budget was presented to Council on November 1, 2022. The preliminary budget maintains basic service levels and programs as well as reductions and enhancements in various areas. This hearing provides additional opportunity for the Council to hear from the public. The operating budget maintains service levels and programs with some enhancements in priority areas.

The 2022 Preliminary Operating Budget appropriates \$177.7 million for expenditures, a 6% increase from the 2021 Operating Budget. The Preliminary General Fund, which is part of the Operating Budget, covers basic core municipal services (i.e. Fire, Police and Parks) with appropriations of \$94.3 million, a 7% increase over the 2021 budget.

The 2021 Preliminary Operating Budget includes appropriations to fund:

- 1) General Fund - basic core municipal services such as Administration, Engineering, Finance, Facilities, Fire, Human Resources, Information Services, Municipal Court, Legal, Parks, Planning, Police, Transportation, etc.;
- 2) Debt Service Funds - debt service to support outstanding debt obligations;
- 3) Enterprise Funds - utility operations: Drinking Water, Wastewater, Storm Surface Water, Waste ReSources;
- 4) Specials Funds - appropriations for lodging tax recipients and Parking Business Improvement Area; etc.; and
- 5) Operating transfers between funds, including revenues collected through special revenue and utility funds that will be transferred to the capital budget to support projects.

The Preliminary Operating Revenue estimates include: a 1% increase in property tax revenue over 2021 collections exclusive of legally allowed add-ons, a 1% increase in the Municipal Utility Tax rate on City utilities, a utility rate increases for the Drinking Water, Wastewater, and Storm & Surface Water utilities and increase in Transportation Impact Fees.

Neighborhood/Community Interests (if known):

The 2022 Preliminary Operating budget serves as a financial plan, planning document, and communications tool on resource generation and the planned services, and cost of those services, for the coming year.

Options:

1. Hold the public hearing to provide an opportunity for input from Olympia residents and the community.
2. Move the public hearing to a future City Council meeting.
3. Do not hold a public hearing.

Financial Impact:

The 2022 Preliminary Operating Expenditure Budget is \$177.7 million.

Attachments:

Link to 2022 Preliminary Operating Budget: