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City Council

2022 Preliminary Operating Budget Balancing Discussion

Agenda Date: 11/23/2021
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Title

2022 Preliminary Operating Budget Balancing Discussion

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Hold a discussion on the 2022 Preliminary Operating Budget to identify any changes the Council would like to bring forward.

Report

Issue:

Whether to discuss final balancing of the 2022 City Preliminary Operating Budget.

Staff Contact:

Aaron BeMiller, Finance Director, 360.753.8465

Presenter(s):

Jay Burney, City Manager

Joan Lutz, Budget/Financial Analyst

Aaron BeMiller, Finance Director

Background and Analysis:

The 2022 Preliminary Operating Budget was presented to Council on November 1, 2021. The first public hearing on the budget took place November 16 and the second public hearing took place on November 23, 2021. 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):

Public hearings occurred on November 16 and November 23, 2021, on the Operating and Capital Budgets.

Options:

1. After the discussion, request additional information from City staff.
2. After the discussion, request staff to bring a Budget Ordinance forward with the budget as presented.

Financial Impact:

The financial impacts are stated throughout the staff report and are within the 2022 Preliminary Operating Budget.

Attachments:

[Link to 2022 Preliminary Operating Budget](#)