



City Council

Approval of an Ordinance Adopting the 2022 Operating, Special Funds, Capital Budget, and Capital Facilities Plan: 2022-2027 Financial Plan

Agenda Date: 12/14/2021
Agenda Item Number: 4.L
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Type: ordinance **Version:** 2 **Status:** Passed

Title

Approval of an Ordinance Adopting the 2022 Operating, Special Funds, Capital Budget, and Capital Facilities Plan: 2022-2027 Financial Plan

Recommended Action

Committee Recommendation:

The Finance Committee recommends Approval of an Ordinance adopting the 2022 Operating, Special Funds, Capital Budget and Capital Facilities Plan 2022-2027 Financial Plan.

City Manager Recommendation:

Move to approve the Ordinance adopting the 2022 Operating, Special Funds, Capital budgets and the Capital Facilities Plan: 2022-2027 Financial Plan on second reading.

Report

Issue:

Whether to approve an Ordinance adopting the 2022 Operating, Special Funds and Capital Budget and the Capital Facilities Plan: 2022-2027 Financial Plan on second reading.

Staff Contact:

Aaron BeMiller, Finance Director, 360.753.8465
Joan Lutz, Budget/Financial Analyst, 360.753.8760

Presenter(s):

Aaron BeMiller, Finance Director

Background and Analysis:

Background and Analysis did not change from first to second readings.

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 2022 Preliminary Operating budget, Capital budget and the Capital Facilities Plan (CFP) and the 2022 - 2027 Financial Plan.

The 2022 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 as well as building and maintaining City streets and utility infrastructure.

Operating Budget

The Preliminary Operating Budget was presented to Council on November 1. A public hearing on Ad Valorem was held on November 9 and a public hearing on the Operating Budget on November 16 and November 23. Finance Committee met on November 17 to prepare a final recommendation which was presented to the full Council on November 23. Since the Operating Budget was presented on November 1, adjustments in revenues and expenditures were made. Major changes to the Operating Budget were discussed with Council on November 23 and are included in the Ordinance.

Capital Budget and Capital Facilities Plan: 2022-2027 Financial Plan

The Capital Facility Plan (CFP) is a chapter in the City's 20-year Comprehensive Plan adopted by the 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.

City Council received a briefing on utility rates, general facility charges and impact fees, including the Olympia School District's impact fees on November 9. Major changes to the Preliminary Capital Budget and 2022-2027 Financial Plan were discussed with Council on November 23 and are included in the Ordinance.

Special Funds

The budget also includes Special Funds, such as Home Fund, Lodging Tax, Parking & Business Improvement Area, Farmers Market Repair and Replacement and Hands on Children's Museum. Since the Preliminary budget was presented on November 1, changes in revenue and expenditures were adjusted and are included in the Ordinance.

Neighborhood/Community Interests (if known):

City Council held public hearings on October 12 to hear testimony on the Capital Facilities Plan and 2022-2027 Financial Plan. Council also held public hearings on November 16 and November 23 to hear testimony on the Preliminary Operating Budget.

Options:

1. Approve the ordinance adopting the 2022 Operating, Special Funds and Capital budget and the Capital Facilities Plan: 2022-2027 Financial Plan on second reading.
2. Direct staff to make changes to the Ordinance and/or the Capital Facilities Plan: 2022-2027 Financial Plan and approve on second reading.

Financial Impact:

Total 2022 Appropriations:

- Operating Funds - \$ 177,050,484
- Special Funds - \$ 13,330,321
- Capital Funds - \$ 51,832,553
- Total \$ 242,213,358

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Attachments:

Ordinance