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City Council

Approval of an Ordinance Adopting the 2023 Operating, Special Funds, Capital Budget, and Capital Facilities Plan: 2023-2028 Financial Plan

Agenda Date: 12/13/2022

Agenda Item Number: 4.N

File Number: 22-1145

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

Title

Approval of an Ordinance Adopting the 2023 Operating, Special Funds, Capital Budget, and Capital Facilities Plan: 2023-2028 Financial Plan

Recommended Action

Committee Recommendation:

Move to accept the Finance Committee's recommendation to adopt the 2023 Operating, Special Funds, Capital Budget and Capital Facilities Plan: 2023-2028 Financial Plan.

City Manager Recommendation:

Move to approve the Ordinance adopting the 2023 Operating, Special Funds, Capital budgets and the Capital Facilities Plan: 2023-2028 Financial Plan on second reading.

Report

Issue:

Whether to approve the ordinance adopting the 2023 Operating, Special Funds and Capital Budget and the Capital Facilities Plan: 2023-2028 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, 360.753.8465

Background and Analysis:

Background and Analysis did not change 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 2023 Preliminary Operating budget, Capital budget and the Capital Facilities Plan (CFP) and the 2023 - 2028 Financial Plan.

The 2023 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 at Study Session on October 4. A public hearing on Ad Valorem was held on November 1 and a public hearing on the Operating Budget on October 18 and November 15. Finance Committee met on November 16 to prepare a final recommendation which was presented to the full Council on November 22. Since the Preliminary Operating Budget was presented on October 4, adjustments in revenues and expenditures were made. Major changes to the Operating Budget were discussed with Council on November 22 and are included in the Ordinance.

Capital Budget and Capital Facilities Plan: 2023-2028 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 22. Major changes to the Preliminary Capital Budget and 2023-2028 Financial Plan were discussed with Council on November 22 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 October 4, 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 18 to hear testimony on the Capital Facilities Plan and 2023-2028 Financial Plan. Council also held public hearings on October 18 and November 15 to hear testimony on the Preliminary Operating Budget.

Options:

1. Move to approve the Ordinance adopting the 2023 Operating, Special Funds and Capital budget and the Capital Facilities Plan: 2023-2028 Financial Plan on second reading.
2. Direct staff to make changes to the Ordinance and/or the Capital Facilities Plan: 2023-2028 Financial Plan and move approve with amendments on second reading.

Financial Impact:

Total 2023 Appropriations:

• Operating Funds -	\$ 188,995,811
• Special Funds -	\$ 20,052,740
• Capital Funds -	\$ 64,830,474
• Total	\$ 273,879,025

Attachments:

Ordinance