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City Council

Public Hearing on the 2013 Operating Budget, Capital Facilities Plan, Impact Fees, and Lodging Tax

Agenda Date: 11/13/2012
Agenda Item Number: 5.B
File Number: 12-0728

Type: public hearing **Version:** 1 **Status:** Filed

Agenda Item:

Public Hearing on the 2013 Operating Budget, Capital Facilities Plan, Impact Fees, and Lodging Tax

Issue:

An opportunity for the public to comment on the 2013 Preliminary Operating Budget, Capital Facilities Plan, Impact Fees, and Lodging Tax recommendations

Committee Recommendation:

The Finance Committee will present recommendations on the operating budget at a later date.

City Manager's Recommendation:

Open the public hearing and take comments on the 2013 Preliminary Budget. The Council should close the public hearing but may choose to accept written comments until a later specified date and time.

Staff Contact:

Jane Kirkemo, Administrative Services Director, 360.753.8499

Presenter(s):

Jane Kirkemo, Administrative Services Director

Julie Hankins, Councilmember and Lodging Tax Committee Chair

Thad Curtz, Utility Advisory Committee Chair

Background and Analysis:

The 2013 Preliminary Operating budget was presented on October 16, 2012. The public hearing provides an opportunity for the council to hear from the public on the Capital and Operating Budgets of the city.

Operating Budget

The 2013 Operating Expenditure Budget is \$113 million. This represents a 1.3% increase over the 2012 budget. The General Fund, comprising the basic municipal services, is \$59 million or a 1% decrease.

The utilities comprise about 38% of the total budget. The Utility budgets include the following increases in residential rates:

Drinking Water:	7%	revenue increase
Wastewater	-0-	rate increase

Stormwater:	6%	rate increase
LOTT	3%	rate increase
Waste Resources:	-0-	rate increase

Attachment #1 provides additional information about the proposed Drinking Water Rates.

See attachment #2 for the GFC (General Facilities Charges) rate increases.

Capital Facilities Plan (CFP)

The 2013-2018 City of Olympia Capital Facilities Plan is \$134 million. The School District CFP was presented separately but will be included in the final CFP document. The Utilities represent approximately 30% of the Preliminary CFP.

Changes to Preliminary CFP: Since the public hearing on the CFP there have been some recommended changes from staff and the numbers for the Washington Center renovations have been revised.

- **Isthmus Property Acquisition and Demolition:** In the Community Park Expansion project for Parks, staff is recommending that the \$500,000 for the fountain block acquisition and the \$200,000 for Woodruff tennis court replacement be used for Isthmus Property acquisition and demolition.
- **Percival Landing Docks:** Attachment #7 is a possible funding strategy for replacement of Percival Landing floats (including water and electricity) as requested at Council's November 5 meeting. The strategy includes a possible finding trade off.
- **Ward Lake Master Plan:** The Parks & Recreation Advisory Committee (PRAC) and staff recommend delay on the work of the Ward Lake Master Plan.
- **Washington Center Renovation:** The total cost (including contingency) is \$4,549,578. This includes \$390,000 of design costs already spent. Hopefully, the city will receive a grant for \$816,000 leaving \$3.3 million to be bonded.

Impact Fees

Impact fees are a significant funding source for the CFP. See attachment #2 for the proposed changes to single-family residential impact fees:

Lodging Tax

Councilmember Hankins will present the report and recommendations from the Lodging Tax Advisory Committee. The committee recommends \$221,000 in tourism service contracts for 2013, plus the final \$30,000 payment of the long-term capital commitment for the new Hands on Children's Museum building, a city-owned tourism facility.

Neighborhood/Community Interests (if known):

The 2013 budget includes \$5000 for the implementation of the Coalition of Neighborhood Associations agreement and a \$5000 increase in the amount for neighborhood matching grants (the total amount is now \$23,000).

Options:

Hold the public hearing. The Council may choose to allow written comments to specific date. Any recommended changes to the Operating Budget or Capital Facilities Plan can be discussed at the November 20th Study Session on the budget.

Financial Impact:

The 2013 Operating Expenditure Budget is \$113 million and the 2013 - 2018 Capital Facilities Plan is \$134 million.

Both the preliminary operating budget and the preliminary Capital Facilities Plan are available on the City's website for public review.