



City Council

Public Hearing on the 2018 Preliminary City of Olympia Operating Budget and 2018-2023 Preliminary Capital Facilities Plan

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Title

Public Hearing on the 2018 Preliminary City of Olympia Operating Budget and 2018-2023 Preliminary Capital Facilities Plan

Recommended Action

Committee Recommendation:

Various City advisory committees forwarded written recommendations to the Council at an earlier date. The Finance Committee has reviewed various aspects of the budget and will meet on November 22 to finalize their recommendations.

City Manager Recommendation:

Hold the public hearing and receive testimony on the 2018 City of Olympia Preliminary Operating Budget and 2018-2023 Preliminary Capital Facilities Plan. Upon closing the public hearing, accept written comments until Friday, November 24, 2017 at 5:00 p.m.

Report

Issue:

Whether to hold a hearing for the public to comment on the 2018 Preliminary Operating Budget and 2018-2023 Preliminary Capital Facilities Plan.

Staff Contact:

Steve Hall, City Manager, 360.753.8447
Dean Walz, Acting Administrative Services Director, 360.753.8465

Presenter(s):

Steve Hall, City Manager
Dean Walz, Acting Administrative Services Director

Background and Analysis:

2018 Operating Budget

The 2018 Preliminary Operating Budget was presented on October 30, 2017. This hearing provides additional opportunity for the Council to hear from the public on the operating budget of the City. The operating budget includes a property tax increase, utility rate increases, other fee increases, and

recommendations for the Lodging Tax.

The 2018 City of Olympia Preliminary Operating Budget is \$146.6 million representing a 2.9% increase over the 2017 budget. The General Fund, comprising the basic municipal services is \$75.1 million, or a 4.15% increase in expenditures. Subsequent to the preparation of the preliminary budget, voters approved a levy lid lift to finance public safety, law enforcement, police training and recruitment; code enforcement; mental health; and community court services. It is proposed \$2,800,000 to be added to the budget for these services.

Utility rate increases in the preliminary budget and recommendation of the Utility Advisory Committee (UAC) are:

	<u>Preliminary Budget</u>	<u>UAC</u>
Drinking Water	4.4%	4.4%
Wastewater Collections	0%	0%
LOTT	0%	2.0%
Stormwater	0%	0%
Waste Resources		
Residential	2.0%	6.0%
Commercial	0%	5.0%
Organics	6.0%	0%
Drop Box	2.0%	6.0%

The UAC recommends the Waste Resources utility increase rates for residential, commercial, and drop box services by 4% to build capacity to fund a future facility for waste resource operations.

Capital Facilities Plan

The 2018-2023 Preliminary Capital Facilities Plan (CFP) was presented on July 18 followed by Planning Commission review. On October 17 the Council held an earlier public hearing. This hearing provides additional opportunity for the Council to hear from the public on changes made since the earlier hearing (attached).

The 2018-2023 Preliminary CFP is \$147,404,126. The 2018 portion is \$23,838,466.

CFP by category:

23%	Parks
36%	Transportation
6%	General Facilities
18%	Drinking Water
7%	Wastewater
10%	Stormwater

The City's Capital Facility Plan incorporates the Olympia School Districts (OSD) CFP. The City collects the impact fees on behalf of the OSD once the City's CFP is adopted.

Below are the 2018 proposed impact fee increase:

Single Family	\$5,350 (\$52 increase from 2017)
Multi-Family	\$2,621 (\$101 increase from 2017)

Neighborhood/Community Interests (if known):

The 2018 Preliminary Operating Budget includes \$23,000 for neighborhood matching grants.

Options:

1. Hold the public hearing and accept written comments until 5:00 p.m. on Friday November 24, 2017.
2. Do not hold the public hearing or accept written comments until 5:00 p.m. on Friday November 24, 2017.
3. Move the public hearing to another date.

Financial Impact:

The 2018 Preliminary Operating Expenditure Budget is \$146.6 million. The Preliminary Operating Budget (including LTAC recommendations and utility rate increases) is available on the City website for public review.

The 2018-2023 Preliminary CFP is \$147.4 million.

Attachments:

Olympia School District Capital Facilities Plan 2018-2023