



City Council

Public Hearing on the 2021 Preliminary Operating Budget and Preliminary Capital Facilities Plan and 2021 - 2026 Financial Plan

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Title

Public Hearing on the 2021 Preliminary Operating Budget and Preliminary Capital Facilities Plan and 2021 - 2026 Financial Plan

Recommended Action

Committee Recommendation:

Planning Commission, Bicycle Pedestrian Advisory Committee, Parks and Recreation Advisory Committee and Utility Advisory Committee forwarded written comments to the City Council. The Finance Committee has reviewed the budget and will meet on November 17 and/or November 24 to finalize their recommendations.

City Manager Recommendation:

Hold the public hearing and receive testimony on the 2021 Preliminary Operating Budget and Capital Facilities Plan (CFP) and 2021-2026 Financial Plan.

Report

Issue:

Whether to hold a public hearing and receive testimony on the 2021 Preliminary Operating Budget and Preliminary CFP and 2021-2026 Financial Plan.

Staff Contact:

Nanci Lien, Finance Director, 360.753.8465

Presenter(s):

Jay Burney, City Manager
Nanci Lien, Finance Director

Background and Analysis:

2021 Preliminary Operating Budget

The 2021 Preliminary Operating Budget was presented to Council on October 20, 2020. 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 2021 Preliminary Operating Budget appropriates \$166.8 million for expenditures, a 6% reduction from the 2020 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 \$87.8 million, a 2% increase over the 2020 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.
- 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 levy over 2019; a utility rate increase for Storm & Surface Water and recommended increases in impact fees for Parks and Transportation.

Preliminary CFP and 2021-2026 CFP Financial Plan

The Preliminary CFP and 2021-2026 Financial Plan CFP was presented to Council on August 11. On October 13, the Council held a public hearing. Council also received a briefing on proposed 2021 impact fees for Transportation, Parks, and Olympia School District on November 10. City impact fee provide revenue to fund projects identified in the CFP.

The 2021 - 2026 Preliminary CFP presents \$192.1 million in capital project costs. The 2021 capital budget is \$29.3 million, a 17% increase over the 2020 capital budget. This hearing provides an additional opportunity for the Council to hear from the public.

Both the 2021 Preliminary Operating Budget and 2021-2026 CFP are on the City website for public review.

Neighborhood/Community Interests (if known):

None

Options:

1. Hold the public hearing and accept written comments until 5:00 P.M. Friday, November 20, 2020.
2. Move the public hearing to a future City Council meeting.

Financial Impact:

The 2021 Preliminary Operating Expenditure Budget is \$166.8 million, and the 2021 CFP capital budget is \$29.3 million.

Attachments:

2021 Preliminary Operating Budget

2021 - 2026 Preliminary Capital Facilities Plan