



MEDINA, WASHINGTON

AGENDA BILL

Monday, September 27, 2021

Subject: Detailed review of 2022 Preliminary Budget

Category: City Council Business

Staff Contact: Julie Ketter, Finance & HR Director

Summary

This is the time of the year that Council and Staff review next year's preliminary budget at the line-item detail level, AKA The Deep Dive. The goal is to familiarize Council with the staff-prepared 2022 preliminary budget using a study session style, to allow questions and discussion to flow more organically than can be accomplished in a more formal presentation form.

As presented, the 2022 preliminary budget achieves the criteria outlined in the City's long-term financial plan created as part of the Levy Lid Lift measure of 2019:

- General Fund must have a minimum carryover balance of 25% at the end of the year.
- Expense increases must be controlled in such a way to maintain fiscal sustainability of the City through *at least* 2029.
- A minimum of \$2M must be in the Levy Stabilization Fund by 2025; we are projected to have half of that amount saved by the end of 2022.

This year, in addition to working through the traditional Big Spreadsheet, there will be special emphasis placed on notable changes over prior year:

- CPI-W of 6/30/2021 (6.3%)--labor contract negotiated COLA "ceilings" vs. unrepresented employees
- Pros & cons of carving Development Services out of General Fund into its own enterprise fund.
- Resuming passport application acceptance services, likely as an early agency to reopen for this service. Due to extreme pent-up demand, it is anticipated that this action would make it impossible for existing staff to manage without severely reducing other community services. Recent research indicated the potential volume to be close to 23 times that of our busiest year, 2019. Staff has a plan that they would like to discuss with Council.
- One-time revenues and one-time expenses: American Rescue Plan Act (ARPA), passport fees, PD cameras, etc.

Attachment(s)

-Budget Variances at a Glance, 2022 vs 2021

-2022 Consolidated Preliminary Budget, v1

Budget/Fiscal Impact: NA

Recommendation: NA

City Manager Approval: 

Proposed Council Motion: NA

Time Estimate: 60 minutes