

# Budget Workshop

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## 2021-2022 Biennial Budget

CITY COUNCIL | November 2, 2020 (continued from October 20, 2020)

# Agenda

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- ❑ Budget Recap
- ❑ Budget Proposals
- ❑ Prioritization Tool
- ❑ Next Steps

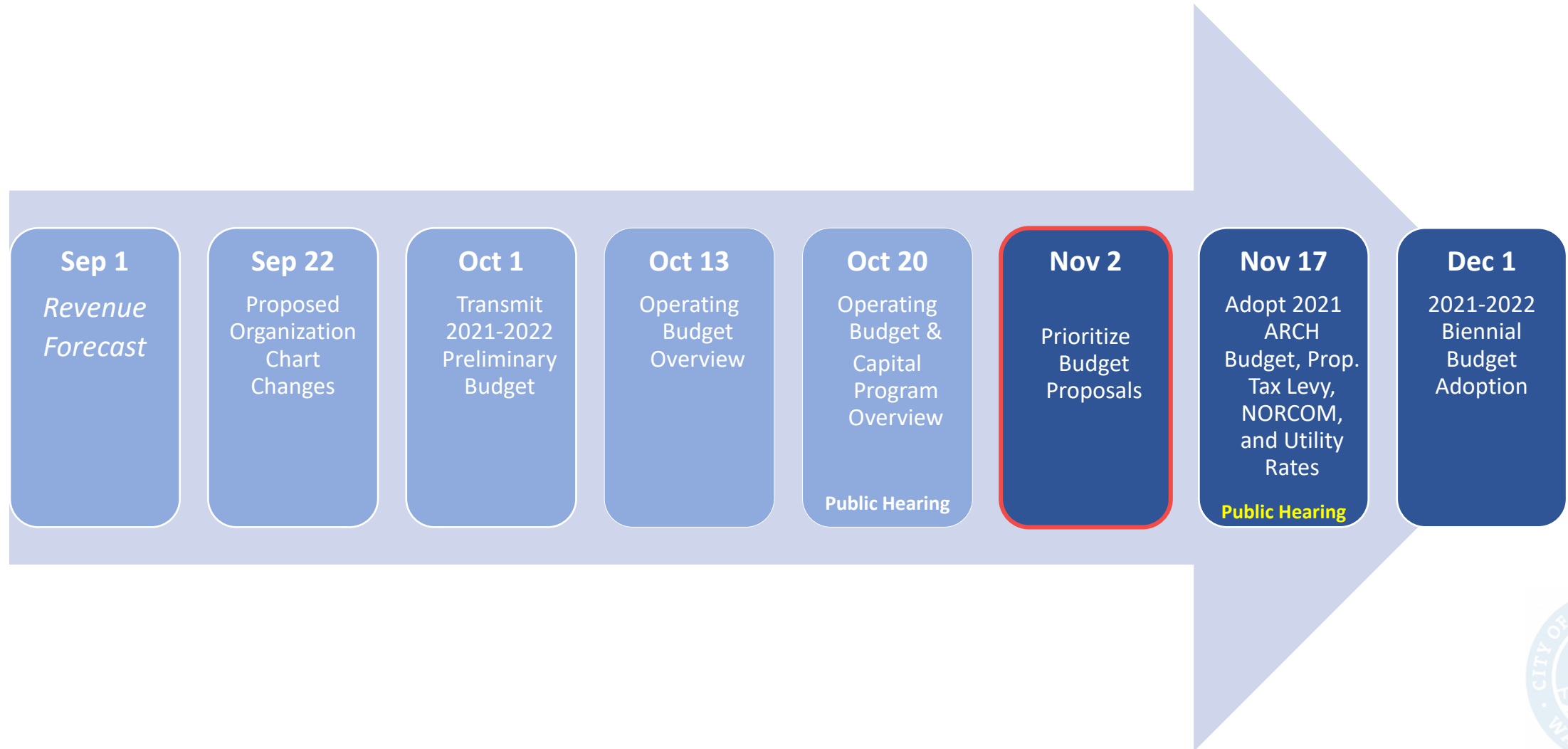


# Budget Recap

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# Budget Calendar



# General Fund Overview

- ❑ Unassigned Fund Balance is \$4.4 Million.
- ❑ Of this, \$0.8 M in FY 2021 and \$1.1 M in 2022 are revenues exceeding expenditures.

| GENERAL FUND                       | 2019A        | 2020E        | 2021B        | 2022B        |
|------------------------------------|--------------|--------------|--------------|--------------|
| TOTAL REVENUES                     | \$32,411,525 | \$30,493,128 | \$29,981,487 | \$30,690,407 |
| TOTAL EXPENDITURES                 | \$31,250,600 | \$30,527,539 | \$29,153,452 | \$29,621,855 |
| REVENUES OVER/(UNDER) EXPENDITURES | 1,160,925    | (34,411)     | 828,035      | 1,068,552    |



# How to use Revenue Surplus

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- ❑ Examples of how \$0.8 M of ongoing funds may be appropriated:
  - ❑ Support Town Center beautification efforts
  - ❑ Add shelter support alongside reform of public camping laws
  - ❑ Reinstate park maintenance casual labor



# General Fund Overview

- Unassigned General Fund Balance FY 2021 is \$4.4 M.
  - \$0.8 M where ongoing revenues exceed expenditures
  - \$3.6 M is unspent resources from prior fiscal years (historical surpluses)

| GENERAL FUND                       | 2019A        | 2020E        | 2021B        | 2022B        |
|------------------------------------|--------------|--------------|--------------|--------------|
| TOTAL REVENUES                     | \$32,411,525 | \$30,493,128 | \$29,981,487 | \$30,690,407 |
| TOTAL EXPENDITURES                 | \$31,250,600 | \$30,527,539 | \$29,153,452 | \$29,621,855 |
| REVENUES OVER/(UNDER) EXPENDITURES | 1,160,925    | (34,411)     | 828,035      | 1,068,552    |
| FUND BALANCE-FYE                   | 6,958,857    | 6,924,446    | 7,752,481    | 8,821,033    |
| LESS: COMMITTED/RESERVED           | 4,220,612    | 3,301,969    | 3,390,769    | 3,479,569    |
| UNASSIGNED FUND BALANCE-FYE        | \$2,738,245  | \$3,622,477  | \$4,361,712  | \$5,341,464  |



# Origin of one-time Savings

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- ❑ What makes up \$3.6 M of historical one-time dollars?
  - ❑ 2017 GF Surplus -> \$0.8 M
  - ❑ 2018 GF Surplus -> \$1.3 M
  - ❑ 2019 GF Surplus -> \$1.2 M



# How to use one-time Savings

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- ❑ Examples of how \$3.6 M of one-time funds may be appropriated:
  - ❑ One-time contribution to LEOFF-1 Reserve.
  - ❑ One-time startup resources for Thrift Shop, MICEC, and recreation programs.
  - ❑ Fund special projects or one-time budget proposals.
  - ❑ Leave portion unappropriated for future use given ongoing economic uncertainty.



# Budget Proposals

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# Budget Proposals

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- ❑ Predominantly tie to the General Fund.
- ❑ Budget proposals impact the Utility/ Capital Improvement Fund
  - 9. Enterprise Resource Planning Software Acquisition (one-time)
  - 13. Town Center Parking Study (one-time)
  - 21. Financial Analyst (ongoing)
  - 24. Sustainability Program Manager (ongoing)
  - 29. Contract Utility Locate Services (ongoing)



# Budget Proposals – One-time

| ONE-TIME CHANGES (GENERAL FUND)                    |  | 2021B              | 2022B              |
|--|--|--------------------|--------------------|
| <i>Paydown long-term liability in Fund (606)</i>   |  |                    |                    |
| <i>Paydown long-term liability LEOFF 1 Reserve</i> |  |                    |                    |
| 1  | Classification & Compensation study                  | 60,000             | -                  |
| 2  | Biennial Public Opinion Survey                       | -                  | 20,000             |
| 3  | Municipal Court Services Study                       | 20,000             | -                  |
| 4  | <del>Customer Relationship Management Software</del> |                    |                    |
| 5  | Cultural Competency Training                         | 20,000             | 20,000             |
| 6  | Town Center Retail Analysis & Code Update            | 50,000             | -                  |
| 7  | Transportation, Parks, & Fire Impact Fee Study       | -                  | 125,000            |
| 8  | <del>CPD Fee Schedule and Cost Recovery Study</del>  | -                  | -                  |
| 9  | Enterprise Resource Planning Software Acquisition    | 65,500             | 98,250             |
| 10   | ADA Transition Plan                                  | 100,000            | 150,000            |
| 11   | Soil Remediation & Site Characterization             | 148,000            | 55,500             |
| 12   | Appropriation: Youth & Family Services Funding       | 103,122            | 857,455            |
| 13   | Town Center Parking Study                            | 80,000             | -                  |
| 14   | Consultant to create the City's Housing Action Plan  | 150,000            | -                  |
| 15   | Fire Services Request for Proposals                  | 80,000             | -                  |
| 16   | Funding for a Special Election                       | 55,000             | -                  |
| 17   | Recreation Recovery Plan Startup Funding             | 400,000            | -                  |
| 18   | Thrift Shop Startup Funding                          | 100,000            | -                  |
| <b>SUBTOTAL - ONE-TIME CHANGES</b>                 |  | <b>\$1,431,622</b> | <b>\$1,326,205</b> |



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|--|--|-------------|-------------|
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| <i>Paydown long-term liability LEOFF 1 Reserve</i> |  |             |             |
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| 3  | Municipal Court Services Study                       | 20,000      | -           |
| 4  | <del>Customer Relationship Management Software</del> |             |             |
| 5  | Cultural Competency Training                         | 20,000      | 20,000      |
| 6  | Town Center Retail Analysis & Code Update            | 50,000      | -           |
| 7  | Transportation, Parks, & Fire Impact Fee Study       | -           | 125,000     |
| 8  | <del>CPD Fee Schedule and Cost Recovery Study</del>  | -           | -           |
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| SUBTOTAL - ONE-TIME CHANGES                        |  | \$1,391,622 | \$1,326,205 |

Staff recommends 50% of project funded by Street Fund, seeking Sound Transit mitigation reimbursement.

New items since 9/30  
Total \$785,000



# Budget Proposals – Ongoing

| ONGOING CHANGES (GENERAL FUND)                                   | 2021B            | 2022B              | 2023F              | 2024F              | 2025F              | 2026F              |
|--|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 19 Economic Development Coordinator (1.0 FTE)                    | 119,882          | 122,941            | 126,015            | 129,165            | 132,394            | 135,704            |
| 20 Senior Policy Analyst (1.0 FTE)                               | 135,480          | 138,848            | 142,319            | 145,877            | 149,524            | 153,262            |
| 21 Financial Analyst (1.0 FTE)                                   | -                | 55,143             | 56,521             | 57,934             | 59,382             | 60,867             |
| 22 Mobile Integrated Health (MIH) Program                        | 108,000          | 110,000            | 112,750            | 115,569            | 118,458            | 121,419            |
| King County ALS/EMS Levy for MIH Program                         | (108,000)        | (110,000)          | (112,750)          | (115,569)          | (118,458)          | (121,419)          |
| 23 Patrol Officers (2.0 FTE)                                     | -                | 243,242            | 249,323            | 255,556            | 261,945            | 268,494            |
| 24 Sustainability Program Manager (1.0 FTE)                      | 35,640           | 36,517             | 37,430             | 38,366             | 39,325             | 40,308             |
| 25 Reinstate Park Maintenance Casual Labor                       | 263,224          | 274,346            | 281,204            | 288,234            | 295,440            | 302,826            |
| 26 Town Center Beautification                                    | 60,000           | 60,000             | 61,500             | 63,038             | 64,613             | 66,229             |
| 27 YFS Diversity, Equity, & Inclusion Training                   | 5,000            | 5,000              | 5,000              | 5,000              | 5,000              | 5,000              |
| 28 Public Camping & Shelter Support                              | 10,000           | 10,000             | 10,250             | 10,506             | 10,769             | 11,038             |
| 29 Contract Utility Locate Services (\$60K/yr. to Utility Funds) | -                | -                  | -                  | -                  | -                  | -                  |
| 30 Recreation Programming Operating Subsidy                      | -                | 400,000            | 410,000            | 420,250            | 430,756            | 441,525            |
| <b>SUBTOTAL - ONGOING CHANGES</b>                                | <b>\$629,226</b> | <b>\$1,346,036</b> | <b>\$1,378,902</b> | <b>\$1,412,577</b> | <b>\$1,447,081</b> | <b>\$1,482,435</b> |



# Budget Proposals – Ongoing

❑ New items since 9/30, total \$420,000 in the General Fund in 2021-2022 biennium.

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| <b>SUBTOTAL - ONGOING CHANGES</b>                                | <b>\$629,226</b> | <b>\$1,346,036</b> | <b>\$1,378,902</b> | <b>\$1,412,577</b> | <b>\$1,447,081</b> | <b>\$1,482,435</b> |



# Budget Proposal Prioritization Tool

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# New Budget Proposals

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- ❑ Before we begin the budget proposal review process, are there any new budget proposals the City Council would like to consider?
  - ❑ Requires support from four or more Councilmembers to add to the list.
  - ❑ Recommend adding “baseline” reserve amounts (if desired) for LEOFF 1, Firefighters Pension etc.



# Process to Review Budget Proposals

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- ❑ Consensus based discussion - City Manager will facilitate.
- ❑ Initially go through list one-by-one and ask for thumbs up or thumbs down.



Supports budget proposal going forward to final budget



(1) Do not support, (2) Need more info, or (3) Want to discuss



# Process to Review Budget Proposals

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- ❑ Initial review of each proposal with a thumbs up/thumbs down vote
  - ❑ Include in Final Budget: 5 or more thumbs up
  - ❑ Review/Discuss: 4 or less thumbs up
- ❑ Staff will track a “yes” list to update the calculator (on screen) and to inform a final motion.



# Review Process – Items with 4 or less Thumbs Up

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- ❑ City Manager to facilitate the discussion.
- ❑ Staff available to provide additional information or answer questions.
- ❑ This is the time to propose amendments to the proposal (if any)
- ❑ If after discussion, the item has support of five or more City

Councilmembers, it moves to the “yes” list.



# Final Motion

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- ❑ Staff seeks a final motion to confirm direction re: budget proposals.
- ❑ Staff will read back the items with supermajority support (5 or more) to inform a final motion.
- ❑ City Councilmembers may propose amendments.



# Budget Proposal Prioritization Tool

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# Next Steps

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## ❑ November 17

- ❑ Address follow-up questions.
- ❑ Adopt Resolution of Substantial Need, Property Tax Levy, NORCOM rates, and Water, Sewer, and Storm Water Utility rate increases per Utility Board recommendations.

## ❑ December 1

- ❑ Return with final 2021-2022 Biennial Budget for City Council adoption.



# Questions

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*Prepared by*

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*Matthew Mornick, Interim Finance Director*

