



**2020 Preliminary Budget
Overview and Highlights**



2020 Preliminary Budget

- State Law:
 - Presented by November 1
 - Adopted by December 31
- City Schedule:
 - Presented on October 7
 - Scheduled for Adoption by November 12



Budget Document

- Mayor's 2020 Budget Message (pgs. i-v)
- Budget Building Process & Related Policies (pgs. vi-xvii)
- Exhibits for all 21 City Funds (pgs. xviii-14)
- Funds Organized by Type (pgs. 15-149)
 - General Fund
 - Reserve Funds
 - Special Revenue Funds
 - Debt Service Fund
 - Capital Project Funds
 - Enterprise Fund
 - Internal Service Funds



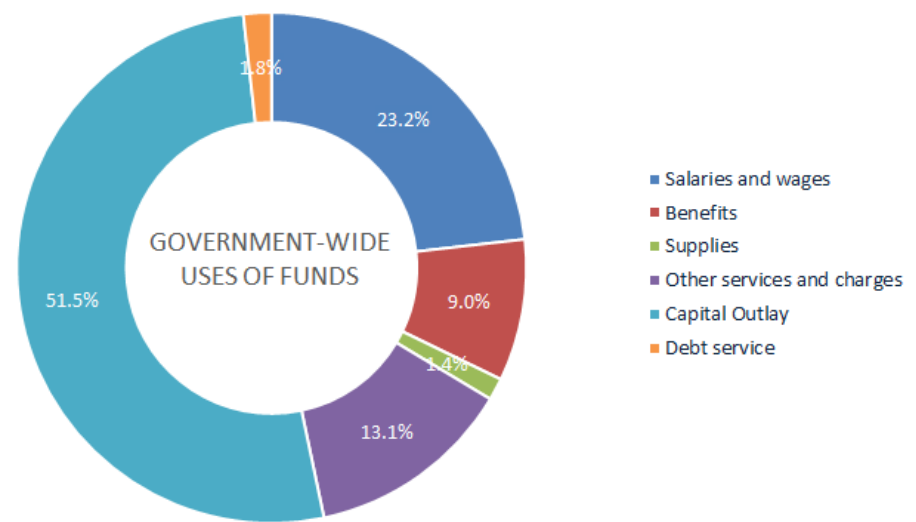
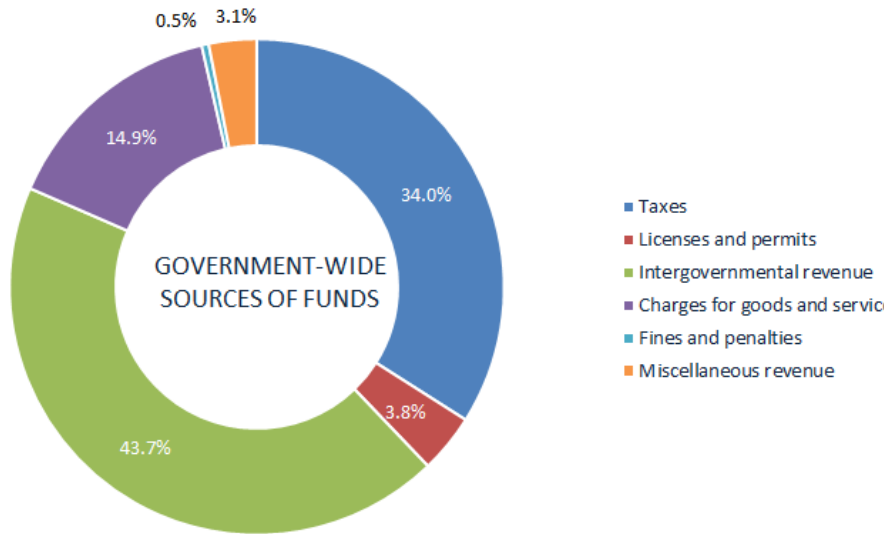
Budget Document

- Fund/Department Information:
 - Narrative Overview
 - Organizational Chart
 - Expenditure Summary
 - Division Narrative
 - Division Line Item Budget for Services & Supplies
 - New Budget Items



Overview of All Funds

- \$50,540,558 total Revenues (pgs. 1-5)
- \$54,03,003 total Expenditures (pgs. 1-5, 9)

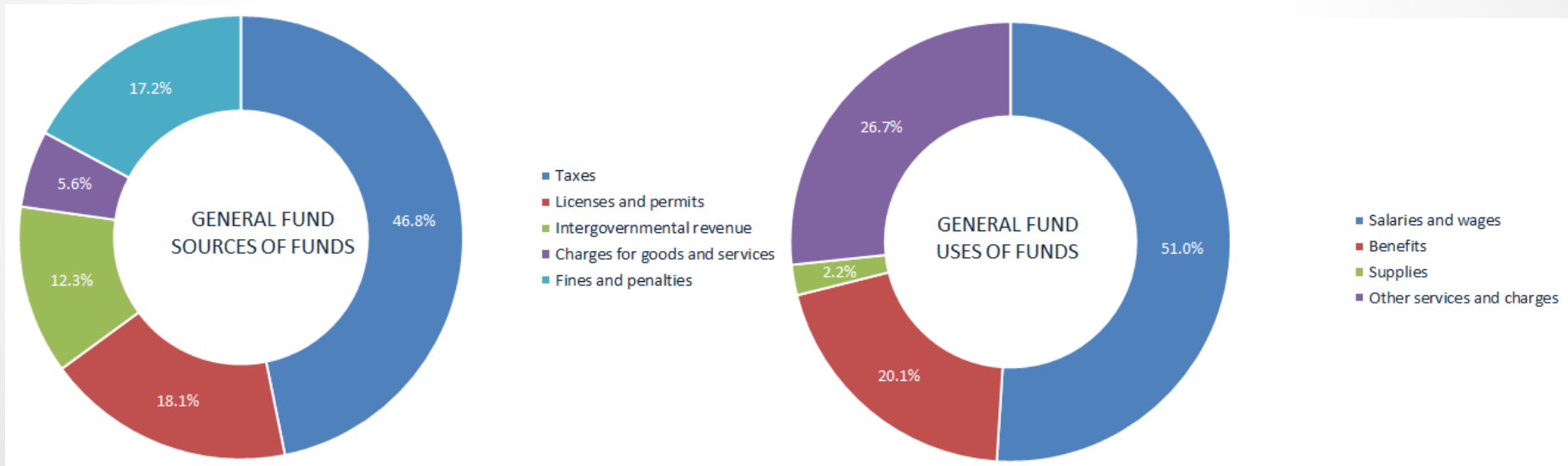


- Capital Grants make up the largest revenue
- Personnel costs make up the largest expenditure



General Fund Overview

- City's main operating fund for governmental services
- \$15,559,118 total Revenue and Expenditure Budget for 2020



- Taxes make up the largest revenue source
- Personnel costs make up the largest expenditure



GF Revenue Highlights

- 2020 Operating Revenues fully cover 2020 Operating Expenditures while maintaining 22.7% fund balance
- Property Taxes totaling \$5.6 Million
 - Includes 1% allowable by law and .24% for new growth
- Sales Tax totaling \$2.7 Million
 - Based on 2018 and 2019 and includes ferry project
- Water & Sewer Franchise Fees \$470,000
 - Includes \$45,000 from proposed new 0.75% increase
- Admissions Tax \$112,500
 - Includes \$22,500 from 1% increase
- Recreation Revenues now included in General Fund



GF Expenditure Highlights

- Fully Funds Reserve Funds:
 - \$430,000 in Equipment Replacement Charges
 - \$190,000 Transfer to Facility Renewal Fund
 - \$60,000 Transfer to Technology Replacement Reserve
- Fully Funds Operational Funds:
 - \$707,600 in Facility Maintenance
 - \$238,375 Transfer to Street Fund
- Recreation Expenditures now included in General Fund
- No Transfer required to balance EMS Fund
- New Budget Items:
 - Human Resources Coordinator (pg. 20)
 - Recreation Office Tech. from .75 to 1.0 FTE (pg. 79)



Reserve Fund Highlights

- City Reserve Fund(pgs. 83-84)
 - Maintains \$1 Million Balance
 - In Compliance with Fund Balance Reserve Policy (pgs. xvi-xvii)
- Law Enforcement Officer's & Firefighters' Retirement System Reserve Fund (LEOFF I) (pgs. 85-86)
 - Fund Balance sufficient to cover projected 2020 expenditures without transfer in from General Fund



Special Revenue Funds

Highlights

- Transportation Benefit District (pgs. 88-89)
 - .01% Sales Tax dedicated to Pavement Preservation
- Waterfront Parking (pgs. 90-93)
 - Includes \$25,000 to Equip. Rep. Fund for new meters
- Street Fund (pgs. 94-98)
 - New Budget Item for Maintenance Worker I (pg. 95)
- Hotel/Motel Lodging Tax Fund (pgs. 99-100)
 - Maintains Compliance with Fund Balance Policy
- Emergency Medical Services Fund (pgs. 101-102)
 - Revenues include 1% allowable by law and .24% for new growth in property taxes plus increased transport fees
 - Contributions to Equipment Replacement and Facility Renewal
- Drug Enforcement (pgs. 103-104)
 - Actual budget will be dependent on seizures



Debt Service Fund Highlights

- Limited Tax General Obligation Bond (pgs. 105-107)
 - City's only outstanding LTGO Bond
 - Revenues in the form of Transfer-In from REET I
 - Bonds mature in 2029



Capital Projects Funds Highlights

- New Capital Projects Fund (pgs. 109-120)
 - Revenue Sources (REET II, TBD, etc.) will be shown as transfers to Capital Projects Fund
 - Capital Projects Fund will receive all grant/other revenues
 - Capital Projects Fund will budget to expend total project authority



Capital Projects Funds Highlights

- Capital Projects Fund New Budget Items:
 - Pavement Preservation (pg. 110)
 - 5th St. Bicycle & Pedestrian Improvements Grant (pg. 111)
 - 76th & SR 525 Pedestrian Improvements (pg. 112)
 - ADA Upgrades (pg. 113)
 - BTW Program (pg. 114)
 - Pedestrian Crosswalk Enhancement Program (pg. 115)
 - Traffic Calming Program (pg. 116)
 - Sidewalk Repair Program (pg. 117)



Capital Projects Funds Highlights

- Park Acquisition & Development Fund (pgs. 119-120)
- Transportation Impact Fee Fund (pgs. 121-122)
 - Continues to fund portion of Capital Projects Engineer's salary and benefits (transfer to General)
- Real Estate Excise Taxes (REET I & II) (pgs. 123-127)
 - REET I Transfers to LTGO Bond
 - REET II Transfers to Capital Projects Fund for new and ongoing capital projects
 - REET II Transfers to General Fund for portion of Capital Projects Engineer's Salary and Benefits



Enterprise Fund Highlights

- Surface Water (pgs. 128-137)
 - Revenues from Surface Water charges and grants
- New Budget Items:
 - Decant Facility Construction (pg. 130)
 - Surface Water Maintenance Projects (pg. 131)
 - NPDES SW Management Action Planning (pg. 132)
 - SW Pipe Assessment & Asset Mgmt. Plan (pg. 133)



Internal Service Funds Highlights

- Technology Replacement Fund (pgs. 139-140)
 - Revenues in the form of Transfer-In from General and 5% of certain General Fund revenues
 - Maintains compliance with Fund Balance Policy
- Equipment Replacement Reserve Fund (pgs. 141-143)
 - Revenues from General, EMS and WFP Funds
 - New Budget Items (pg. 142):
 - Ambulance (5-year lease purchase amount in budget)
 - Fire Dept. Battalion Chief SUV
 - Police Dept. Assistant Chief SUV
 - Two Police Dept. Patrol SUVs
 - Facility Maintenance Janitorial Van



Internal Service Funds Highlights

- Facility Maintenance Fund (pgs. 144-146)
 - Revenues from General, WFP and SW Funds
 - Provides maintenance and operation activities for 23 City Facilities
- Facility Renewal Fund (pgs. 147-149)
 - Revenues from General, EMS and SW Funds and grants
 - New Budget Items (pg. 148):
 - Fire Station 25 HVAC (carried forward from 2019)
 - Police Department Security Camera Upgrade
 - Christiansen Room Flooring at Rosehill
 - Lighthouse Park Roof Replacement (grant funded)
 - Lighthouse Park Meter Replacement



Next Steps/ Budget Timeline

- Next week: October 14 Council Meeting
 - Continue Preliminary Budget PH, Open Property Tax PH
- October 21 Council Meeting
 - Continue Preliminary Budget PH, Open Final Budget PH
- October 28 Council Meeting
 - Continue Final Budget PH
- November 4 Council Meeting
 - Continue Final Budget PH
- November 12 Council Meeting
 - Final Budget Public Hearing, Adopt Property Tax Levies, Budget Adoption



Questions