



CITY OF

MUKILTEO

2021 Final Budget

November 16, 2020



Balancing the Budget

- Revenue Review: shared understanding of ending fund balance status
- Rosehill Investment discussion
- City-wide Staffing and Furlough Targets
- Other Reductions



Balancing the Budget

Revenues: What has changed?

- Property Taxes totaling \$5.7 Million
 - Increased by \$19,787 after Assessor data received
- TV Cable Tax: +\$20,000
- Leasehold Tax: +\$65,000
- Admissions Tax: down (\$12,500)
- Business Licensing: \$15,000
- Garbage Franchise: \$10,000
- Reduced 2021 Sales Tax Estimates to \$2,300,000



Balancing the Budget

With those Changes in Revenue Projections:

- Uses \$587,000 of Ending Fund Balance, leaving 21.4% in the balance



A Shared Goal

GENERAL FUND

- Is there a specific amount of ending fund balance that we should retain?
- Is there a specific amount of reductions that should be made?



Rosehill Investment

- Policy Question: How much “subsidy” does the Council wish to invest in Rosehill?
- All scenarios include a closure until April 1.

	General Fund “Subsidy”
2021 Preliminary Budget	\$372,976
Scenario A	\$421,714
Scenario B	\$449,303
Scenario C	\$172,094

Historical Subsidy	
2019	\$ 314,419
2018	\$ 100,347
2017	\$ 177,290
2016	\$ 137,553
2015	\$ 157,835
2014	\$ 170,000
2013	\$ 225,502
2012	\$ 234,400
2011	\$ 242,300
2010	\$ 242,860
2009	\$ 231,535
2008	\$ 232,915
Average	\$ 205,580

2021 Preliminary Budget: 25% Q2, 100% Q3-4
 Scenario A: closed Q2, 25% Q3, 100% Q4
 Scenario B: closed Q2, Q3, 25% Q4.
 Scenario C: 50% Q2, 100% Q3-4



Staffing and Furlough Expenses

- Citywide furloughs, layoffs and shared work options can be implemented through City Administration discussions with city leadership, human resources, and specific labor groups.
- A targeted amount will be the most effective method for Council to provide direction on this issue. For example:
 - \$20,000 savings
 - \$50,000
 - \$100,000
 - \$200,000



Surface Water Dump Truck

- Kenworth model: \$310,000
 - Heavy Duty Kenworth - T880, 6x4 – 13-liter engine
- International model: \$290,000
 - Heavy Duty International - HV 613, 6x4 – 13-liter engine
 - Staff recommended option
- Medium International model: \$270,000
 - Medium Duty International - HV 607 , 6x4 – 9-liter engine



EMS Cardiac Monitor

- New 2021 Equipment Replacement Purchase
 - \$21,400
 - One of 5 units: three on ambulances, two on front line engines.
 - Includes 50% discount from trade-in value of failed unit



Other Reductions

City Leadership Furloughs	GENERAL FUND
5 Furlough Days for City Leadership Team	
Impact: (\$19,418) savings and (\$1,424) in savings in Surface Water Fund	
Service Impact and Explanation:	
<ol style="list-style-type: none">1. To avoid one furlough day for all staff, the Department Directors, City Administrator and Mayor will take 5 furlough days. The Mayor will write a check back to the City to account for her furlough days.2. One furlough day for all staff, besides IAFF Firefighters and LEO Police Officers Guild, is \$16,266 in General Fund, \$850 in Waterfront Parking and \$3,560 in Surface Water. Ms. Meyer updated this estimate this week.3. Salaried, exempt staff must be furloughed one work week at a time, so 5 days is the minimum.	



Other Reductions

Eliminate Beautification Design Project	GENERAL FUND
Delay investment in design until 2022.	
Impact: (\$22,000) savings	
Service Impact Considerations: This project pays for the design of improved gateway locations and SR525 and SR526 medians. It does not pay for installation, and there are no funds in 2021 to complete the improvements once designed. The project can be reconsidered in 2022 and could be budgeted then to include installation.	

Phone System Savings	GENERAL FUND
Account for savings from adjustments in new phone system.	
Impact: (\$10,000) savings	
Service Impact Considerations: In the last week, the IT Department has neared completion of the phone system change. Staff have also audited all existing landlines. The new system and auditing of lines no longer needed resulted in anticipated cost reductions for 2021.	



Other Reductions

Large Item Pick Up within Contract Constraints	GENERAL FUND
Allow Waste Management to conduct a curbside cleanup of 2 large items and one yard of bagged trash for all single family homes.	
Impact: (\$20,000) in eliminated new costs	
Service Impact Considerations: Some number of residents will not be served under this model and will be required to pay individually for a larger pick up or organize a donation pick-up or transport their large items themselves.	

Reduce Memberships	GENERAL FUND
Non-Departmental Association Memberships and Dues Reductions	
Impact: (\$2,200) savings	
Service Impact Considerations: <ol style="list-style-type: none">1. Snohomish Cities and Towns Executive Board decided last week to not request contributions for 2021. (\$200)2. Cut contribution to the Economic Alliance of Snohomish County, rejoin in 2022. (\$2,500)	



Other Reductions

Planning Division Reductions	GENERAL FUND
Various Reductions to Planning Division line-items	
Impact: (\$8,000) savings	
Service Impact Considerations and Explanation:	
<ol style="list-style-type: none"> 1. Reduce overtime due to reduced workload when Assistant Planner vacancy is filled (\$1250) 2. Professional Services reduction (\$5,000), which may impact technical support on sign code amendment, industrial design standards amendment and Japanese Gulch Master Plan Amendment related to Senior Center. (<i>e.g. graphics, environmental review, possibly public outreach</i>) 3. Reduce travel and subsistence (\$1,000) assuming most conferences are remote 4. Reduce postage and supplies (\$750), with efforts to manage to this budget. 	

Cancel one year's contribution to Public Art Fund	GENERAL FUND
This line item is in the Recreation budget. It can be eliminated or reduced in some amount.	
Impact: (\$5,338) savings	
Service Impact Considerations:	
<ol style="list-style-type: none"> 1. Staff are still working with the Parks and Arts Commission to establish a procedure for expending these funds. That work will continue, though it will be delayed until staffing levels allow the Director to focus on projects later in the year. 2. This would still leave \$5,338 available from the 2019 unspent funds. 	



Other Reductions

Executive Department Reductions	GENERAL FUND
Various Reductions to Executive Department line-items	
Impact: (\$6,000) savings	
Service Impact Considerations and Explanation:	
<ol style="list-style-type: none">1. Reduce training and travel for Executive Department (Mayor, City Administrator, Clerk, Executive Assistant) (\$4,000). The Department is confident that it can achieve adequate training with this reduced funding in 2021, considering the budget constraints.2. Reduce Other Professional Services from \$10,000 to \$8,000. The Department will keep expenses in line. If special projects warrant additional funds, they will be delayed or canceled.	



Other Reductions

Reduce Fire Overtime	GENERAL FUND
Reduce overtime, and if needed to meet budget each month, do not fill Fire Station 24 vacancies, redirecting those crews to Fire Station 25.	
Impact: (\$90,000) savings	
Service Impact and Explanation:	
<ol style="list-style-type: none"> 1. Instead of increasing fire overtime to \$350,000 (8 months at \$20k and 4 months at \$47.5k), budget fire overtime at \$20k for 12 months (\$240,000). Staff will manage overtime hours monthly. When the month exceeds the budgeted hours, any additional overtime in the month to maintain staffing would be cancelled. Station 24 crew would be moved to Station 25 for the shift to staff a dedicated ambulance and a cross staffed engine/ambulance in the area with the highest demand. Station 24 would be closed for the shift. Overtime would only be used to maintain the modified Station 25 staffing, if needed. 2. Closing Station 24 likely would not be needed if all the positions are filled and there are no long-term absences. One or more long term absences could require Station 24 be closed for the greater part of the month. 	

EMS Division Reduction	EMS FUND
Reduce EMS supply budget by \$1,000	
Impact: (\$1,000) savings	
Service Impact Considerations:	
Supply purchases can be deferred or canceled.	



Other Reductions

Public Works Department Reductions	GENERAL FUND
Various Reductions to Public Works Department line-items	
Impact: (\$7,250) savings	
Service Impact Considerations and Explanation:	
<ol style="list-style-type: none">1. (\$1750) Flower basket program – this would eliminate that program for 2021 similar to this year2. (\$1000) Landscape materials – Beauty bark and flowers for facilities3. (\$4500) Work equipment and machine rental – Remove Honey Buckets at Edgewater, Dog Park, Community Garden – this would result in no restroom facilities in those locations all year.	



Summary

Proposed Budget Adjustments	Updated 11/16/20	
	Revenues	Expenditures
GENERAL FUND		
FURLOUGHS/STAFFING		
Furlough Target		(20,000)
ROSEHILL		
Rosehill new Scenario: Full Closure Q1, but with 50% in Q2; 100% in Q3-Q4	(29,400)	(230,282)
OTHER PROGRAMS		
Eliminate Beautification Design Project		(22,000)
Reduce Memberships		(2,200)
Planning Division Reductions		(8,000)
Executive Division Reductions		(6,000)
Cancel one year's contribution to the Public Art Fund		(5,338)
Reduce Fire Overtime		(90,000)
Public Works Department Reductions		(7,250)
SURFACE WATER FUND	Revenues	Expenditures
Furlough Target		(3,560)
Switch Dump Truck Chassis to the International body, total of \$290,000		(20,000)
EMS FUND	Revenues	Expenditures
Reduce Supplies		(1,000)
WATERFRONT PARKING FUND	Revenues	Expenditures
Furlough Target		(850)



Discussion