



**2021 Preliminary Budget  
Overview and Highlights**



# Meeting Outline

- Budget Timeline
- Budget Document Walk-Through
- Budget Hearings Process
- Budget Overview
- Fund Highlights
- Deeper Dive into 2020
- Revenues
- Council Questions
- Public Comment
- Continue the Hearing to October 12



# 2021 Preliminary Budget

- State Law:
  - Presented by November 1
  - Adopted by December 31
- City Schedule:
  - Presented tonight, on October 5, 2020
  - Goal to Adopt by November 16, 2020



# Next Steps/ Budget Timeline

- October 5 Council Meeting
  - Council Receives Full Budget Document (October 1)
  - Open Preliminary Hearing
  - Mayor's Budget Address
  - Budget Overview, Revenues
- October 12 Council Special Meeting (6pm start)
  - Continue Preliminary Public Hearing
  - Department Presentations: Fire & EMS Funds, Finance, Planning and Community Development, Recreation
- October 19 Council Meeting
  - Continue Preliminary Public Hearing
  - Department Presentations: Executive, Police, Public Works, Capital Projects, Equipment Replacement & Facility Renewal



# Next Steps/ Budget Timeline

- October 26 Council Special Meeting (6pm start)
  - Close Preliminary Public Hearing
  - Open and Continue Tax Hearings
- November 2 Council Meeting
  - Open Final Budget Public Hearing
- November 9 Council Special Meeting (6pm start)
  - Continue Final Budget Hearing
- November 16 Council Meeting
  - Continue & Close Final Budget Public Hearing
  - Close Tax Hearings and Adopt Property Tax Levies
  - Adopt Final Budget



# The Budget Document

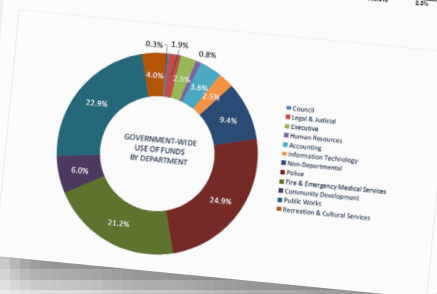
- Exhibits (pages 1-14) showing overall picture
  - Exhibits 4-5, 7-8 focus on the General Fund, our main operating fund
  - Exhibit 9 shows transfers between funds
  - Exhibit 10 summarizes New Budget Items

EXHIBIT 4 - GENERAL FUND REVENUES AND EXPENDITURES

	2019 Actuals	2020 Budget	2020 Estimated Actuals	2021 Budget	Change in Budget (\$)	Change in Budget (%)
<b>REVENUE SOURCE</b>						
Taxes	\$ 11,827,320	\$ 11,639,058	\$ 11,673,568	\$ 11,551,054	\$ (83,474)	-0.7%
License and permits	1,029,280	1,710,000	1,607,200	1,600,000	(7,200)	-0.4%
Intergovernmental revenue	646,710	691,400	712,000	750,000	37,000	5.3%
Charges for goods and services	370,562	462,000	364,000	364,000	(98,000)	-21.2%
Fines and penalties	186,324	190,000	190,000	190,000	(0)	0.0%
Miscellaneous revenue	204,430	646,150	204,430	154,710	(111,000)	-17.0%
<b>TOTAL REVENUES</b>	<b>\$ 14,164,626</b>	<b>\$ 15,938,610</b>	<b>\$ 15,161,198</b>	<b>\$ 15,355,654</b>	<b>\$ (136,354)</b>	<b>(0.9%)</b>
<b>EXPENDITURE TYPE</b>						
Salaries and wages	\$ 6,732,341	\$ 7,494,160	\$ 7,415,500	\$ 7,391,900	\$ (23,600)	-0.3%
Benefits	2,285,761	2,953,840	2,855,700	2,891,100	(122,000)	-4.2%
Supplies	284,136	334,000	277,000	280,000	(57,000)	-17.1%
Other services and charges	3,907,263	4,000,000	4,296,162	3,975,898	(130,000)	-3.2%
Intergovernmental services	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 13,009,501</b>	<b>\$ 14,882,000</b>	<b>\$ 14,598,362</b>	<b>\$ 14,558,898</b>	<b>\$ (423,102)</b>	<b>(2.8%)</b>

EXHIBIT 6 - OPERATING EXPENDITURES FOR ALL FUNDS (Excludes Transfers-out)

	2019 Actuals	2020 Budget	2020 Estimated Actuals	2021 Budget	Change in Budget (\$)	Change in Budget (%)
<b>Council</b>	\$ 77,707	\$ 71,340	\$ 75,890	\$ 75,340	\$ -500	-0.7%
<b>Legal &amp; Judicial</b>	477,734	453,000	453,000	443,000	(10,000)	-2.2%
<b>Police</b>	185,586	440,000	380,870	443,000	62,130	14.2%
<b>Fire</b>	789,189	100,000	100,000	100,000	(0)	0.0%
<b>Public Works</b>	488,351	576,000	576,000	576,000	(0)	0.0%
<b>Police</b>	2,232,064	2,342,100	2,342,100	2,342,100	(0)	0.0%
<b>Fire &amp; Emergency Medical Services</b>	5,308,273	5,347,700	5,347,700	5,347,700	(0)	0.0%
<b>Community Development</b>	4,330,167	4,330,167	4,330,167	4,330,167	(0)	0.0%
<b>Public Works</b>	1,000,327	1,362,300	1,362,300	1,362,300	(0)	0.0%
<b>Recreation &amp; Cultural Services</b>	1,460,784	1,122,000	1,122,000	1,122,000	(0)	0.0%
<b>Public Works</b>	858,295	953,000	953,000	953,000	(0)	0.0%
<b>TOTAL</b>	<b>\$ 21,891,290</b>	<b>\$ 22,471,127</b>	<b>\$ 22,072,332</b>	<b>\$ 22,072,332</b>	<b>\$ -408,795</b>	<b>-1.8%</b>



OPERATING REQUESTS  
FACILITY RENEWAL FUND

PAGE	FACILITY	PROJECT	2021 AMOUNT	IN 2021 PRELIMINARY	IN 2021 ADOPTED
153	FIRE STATION 24	HVAC Replacement	\$ 70,000	X	
153	LIGHT STATION	Interior Paint (Lodging Tax Grant Funded)	\$ 15,000	X	
153	VARIOUS	Unanticipated Capital Repairs	\$ 100,000	X	
		<b>TOTAL</b>	<b>\$ 185,000</b>		

EQUIPMENT REPLACEMENT RESERVE FUND

PAGE	DEPARTMENT	VEHICLE TO BE REPLACED	2021 AMOUNT	IN 2021 PRELIMINARY	IN 2021 ADOPTED
144	POLICE	Police Patrol Vehicle Car 54	\$ 73,000	X	
145	POLICE	Police Patrol Vehicle Car 55	\$ 70,000	X	
146	POLICE	Police Special Operations Vehicle	\$ 15,000	X	
147	PUBLIC WORKS	Public Works Electric Sator	\$ 231,000	X	
		<b>TOTAL</b>	<b>\$ 389,000</b>		

SURFACE WATER VEHICLE REPLACEMENT

PAGE	DEPARTMENT	VEHICLE TO BE REPLACED	2021 AMOUNT	IN 2021 PRELIMINARY	IN 2021 ADOPTED
131	SURFACE WATER	Surface Water 10 Yard Dump Truck & Trailer Replacement	\$ 325,000	X	

NEW CAPITAL PROJECTS

PRIORITY ORDER	PAGE	FUNDING SOURCE	PROJECT	2021 AMOUNT	IN 2021 PRELIMINARY	IN 2021 ADOPTED
T-2	111	TRANSP. BENEFIT DIST	ANNUAL PAVEMENT PRESERVATION PROGRAM	\$ 317,650	X	
T-2	111	TRANSP. BENEFIT DIST	Sales Tax Revenues for Pavement Preservation	\$ 445,000		
T-3	111	REEST II	REEST II Revenues for Pavement Preservation	\$ 25,000	X	
T-3	112	REEST II	Annual ADA Upgrade Program	\$ 25,000	X	
T-3	113	REEST II	Annual Bike Transit Walk (By the Way) Program	\$ 25,000	X	
T-4	114	REEST II	Annual Traffic Calming Program	\$ 25,000	X	
T-4	115	REEST II	Annual Pedestrian Crosswalk Enhancement Program	\$ 25,000	X	
T-4	116	REEST II	Annual Sidewalk Repair Program	\$ 184,275	X	
T-4	117	REEST II	City Match for 7th Street SBV & SR 825 Pedestrian Improvements	\$ 176,925		
		<b>TOTAL REEST II</b>		<b>\$ 1,176,925</b>		
S-1	130	SURFACE WATER	Source Control Program Development	\$ 85,000	X	
S-1	133	SURFACE WATER	Schmidler Pipe Inspection and Assessment Implementation	\$ 501,520	X	
S-1	134	SURFACE WATER	620th Avenue West Drainage Repairs	\$ 686,520		
		<b>TOTAL SURFACE WATER</b>		<b>\$ 1,273,040</b>		
		<b>TOTAL</b>		<b>\$ 3,176,570</b>		
			Sales Tax Revenues dedicated to Pavement Preservation	\$ 317,650	X	
			<b>TOTAL TRANSPORTATION BENEFIT DISTRICT</b>	<b>\$ 317,650</b>		



# The Budget Document

- Exhibits (pages 1-14) showing overall picture
  - Exhibit 11 shows “carry forward” projects. These are multi-year projects that were approved in a prior year. Adopting the 2021 budget will also approve continuing these projects into the coming year.

EXHIBIT 11 – CAPITAL PROJECT CARRY FORWARDS

		2020 Budgeted Amount*	2020 Estimated Actuals	2021 Carry Forward**
<b>Capital Projects Carried Forward Description</b>		611,826	200,000	411,826
Transportation Benefit District	Pavement Preservation	611,826	200,000	411,826
<b>Total Transportation Benefit District</b>				
		25,000	-	25,000
REET I	Pavement Preservation	422,725	22,275	400,450
REET II	Pavement Preservation	125,138	55,000	70,138
REET II	ADA Upgrades	516,155	387,661	128,494
REET II	Bike Transit Walk & SR 525 Sidewalk	16,163,444	9,663,444	6,500,000
REET II	Harbour Reach Corridor Project	145,000	574	144,426
REET II	Annual Sidewalk Repair	165,000	145,000	20,000
REET II	SRTS 76th & SR 525	62,603	12,060	50,543
REET II	Traffic Calming Program	66,873	-	66,873
REET II	Pedestrian Crosswalk Enhancement Program	17,691,938	10,286,014	7,405,924
<b>Total Capital Projects</b>				
		277,282	21,000	256,282
Surface Water Management	61st Place Culvert	1,044,450	65,176	979,274
Surface Water Management	61st Place Retaining Wall Repairs	75,000	45,000	30,000
Surface Water Management	Stormwater Pipe Inspections and Risk Assessment	137,580	92,580	45,000
Surface Water Management	LID Retrofit	248,000	-	248,000
Surface Water Management	Pond M, Clearview and 6 control structures	1,782,312	223,756	1,558,556
<b>Total Surface Water Management</b>				
		\$ 20,086,076	\$ 10,709,770	\$ 9,376,306
<b>Total Capital Projects Carried Forward</b>				

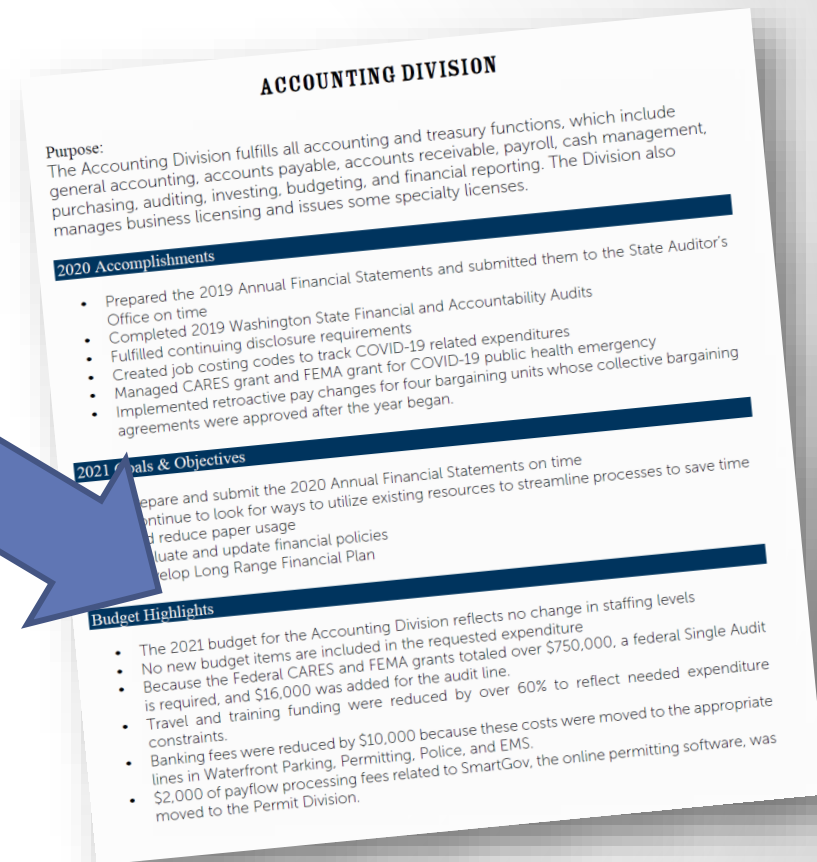
\*2020 Budgeted Amount reflects adopted 2020 budget amount OR the amount the budget should have been if the actual carry-forward from 2019 was different than the budgeted estimate  
\*\*2021 Carry Forward Amount reflects estimated actuals for 2020; actual carry forward amounts may vary if 2020 actuals differ from estimates





# The Budget Document

- Organized by Fund
- Department Pages
  - Expenditure Summary provides a general overview
  - Budget Highlights point out changes in the 2021 budget
- Non-Departmental “Department”
  - Transfers are shown here, as well as many different payments to other agencies and city-wide expenditures
  - Some lines show zero in 2021. By law, we must include lines that had expenses back to 2019. You will find that in some other funds as well.







# The Budget Document

- Exhibit 6 shows a summary by department, with all funds
- Police Department
  - The Expenditure Summary includes the Rangers (funded from Waterfront Parking Fund) and the other divisions (General Fund-related). The detail for the Rangers division can be found on page 95, in the Waterfront Parking Fund.
- Fire Department
  - Similarly, EMS detail can be found on page 103 in the EMS Fund.
- Public Works Department
  - Streets on pages 96-99
  - Waterfront Parking on pages 93-94
  - Surface Water on pages 130-138, 140
  - Facilities Maintenance Division on pages 150-152
- Planning Department
  - GIS Division is included, and should be also be examined with the GIS expenses in the Surface Water Management Fund, found on page 139



# Budget Hearing Process

- Questions should be directed to the Mayor
  - If materials are prepared to answer specific questions, they will be distributed via a memo and posted both to the next Council meeting agenda page and on the 2021 Budget page on the City's website
- The next two meetings provide an opportunity to focus on departments, funds, fees and taxes, and to begin Council discussions
- October 26-November 9 (three meetings) allow for further deliberation, an opportunity to propose changes, and answers to questions
- November 16 should be the final round of deliberations and a night to adopt all ordinances related to the budget



# What About Our Property Taxes?

**WASHINGTON STATE - 34%**

**MUKILTEO SCHOOLS - 31%**

**CITY OF MUKILTEO - 17%**

**SNOHOMISH COUNTY - 8%**

**SNO-ISLE LIBRARY - 5%**

**PORT OF EVERETT - 3%**

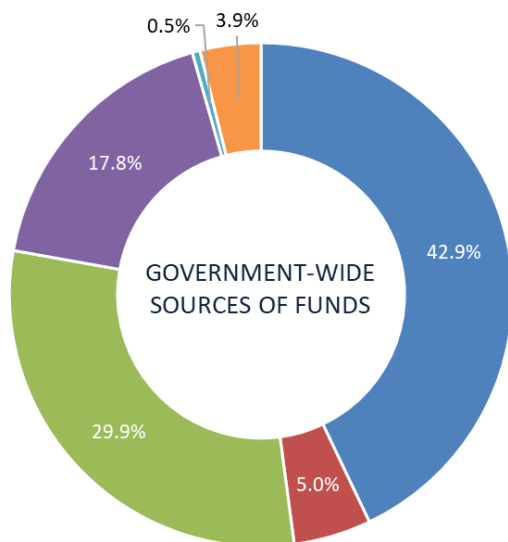
**SOUND TRANSIT - 2%**



# Overview of All Funds

## Revenues, All Funds

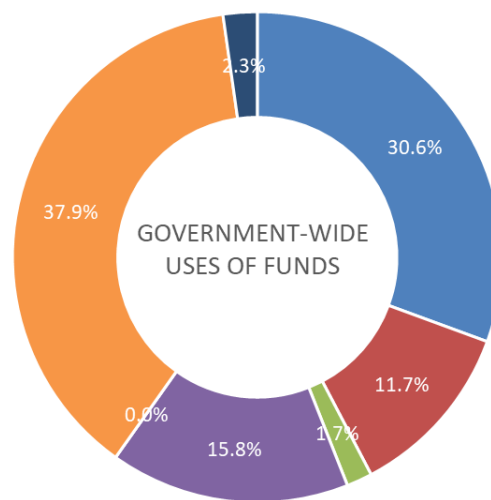
\$36,090,853



- Taxes
- Licenses and permits
- Intergovernmental revenue
- Charges for goods and services
- Fines and penalties
- Miscellaneous revenue

## Expenditures, All Funds

\$39,013,849



- Salaries and wages
- Benefits
- Supplies
- Other services and charges
- Intergovernmental services
- Capital Outlay
- Debt service

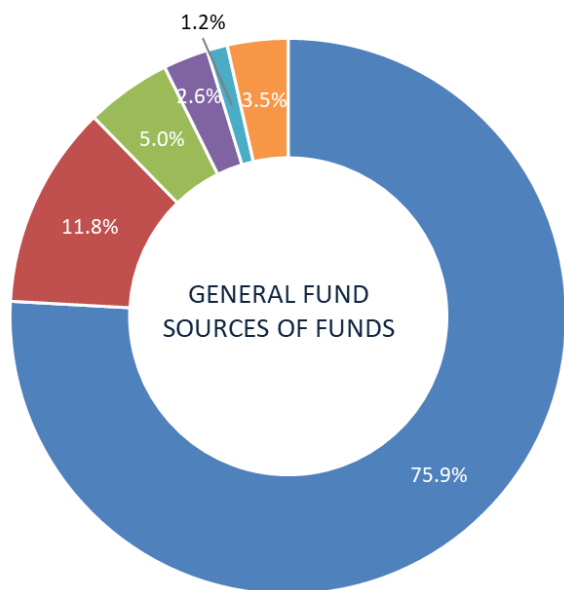


# General Fund Overview

The General Fund is City's main operating fund for governmental services.

## Revenues, General Fund

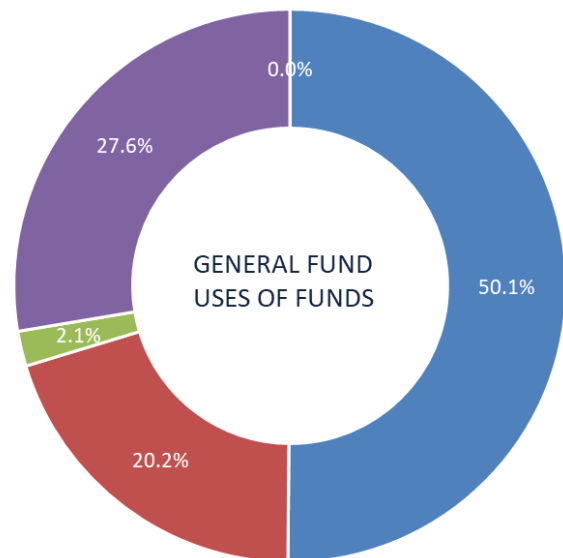
\$15,380,694



- Taxes
- Licenses and permits
- Intergovernmental revenue
- Charges for goods and services
- Fines and penalties

## Expenditures, General Fund

\$15,637,524



- Salaries and wages
- Benefits
- Supplies
- Other services and charges
- Intergovernmental services



# General Fund Expenditure Highlights

- Operational Funds and Reserve Funds:
  - \$306,541 Transfer to Street Fund
  - \$1,179,145 Transfer to EMS Fund using updated personnel cost split of 90/10 percentages
  - \$103,000 Transfer to Technology Replacement Reserve
  - \$22,000 Transfer to Facility Renewal Fund
  - \$231,000 in Equipment Replacement Charges
  - \$720,385 in Facility Maintenance Charges
- No New Budget Items in the General Fund





# General Fund

## Expenditure Highlights

- Budget Reductions:
  - Some vacant positions: Assistant Planner for 3 months; Recreation Customer Service Clerks in current status
  - Other reductions will be noted in Department Budget presentations and are explained in the Budget Highlights for each division and fund.
    - Various reductions in all departments to travel and training, office supplies, small items of equipment and other line items





# Reserve Fund Highlights

## RESERVE FUNDS

- CITY RESERVE
- LEOFF I RESERVE

- City Reserve Fund
  - Maintains \$1 Million Balance
  - In Compliance with Fund Balance Reserve Policy
- Law Enforcement Officer's & Firefighters' Retirement System Reserve Fund (LEOFF I)
  - Fund Balance sufficient to cover projected 2021 expenditures without transfer in from General Fund



Photos include our park facilities (1, 2); WSF Elevator artwork (3); Recreation Department's Virtual Marathon (4); A bench near Rosehill as photographed by resident Terry Preshaw (8); and Public Works crews preserving and maintaining our infrastructure (5, 7, 9).

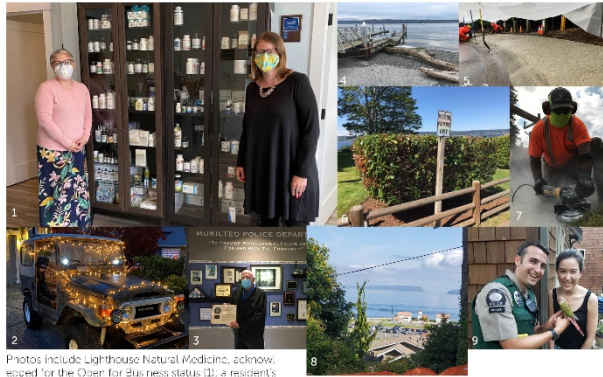


# Special Revenue Funds

## Highlights

### SPECIAL REVENUE FUNDS

- TRANSPORTATION BENEFIT DISTRICT
- WATERFRONT PARKING
- STREETS
- HOTEL/MOTEL LODGING TAX
- EMERGENCY MEDICAL SERVICES
- DRUG ENFORCEMENT



Photos include Lighthouse Natural Medicine, acknowledged for the Open for Business status (1); a resident's vehicle decorated for the Lights On Day of Mukilteo Spirit Week (2); Chaplain Burrows acknowledged as he retired from service (3); large wood removal at the boat launch (4); Parks Works streets and parks crews repairing sidewalks, maintaining vegetation and caring for parks and streets (4, 5, 6, 7); tree trimming at Byers Family Park; and Ranger Fox returning a lost bird to a happy resident (9).

- Waterfront Parking Fund
  - Includes \$25,000 to Equipment Replacement Fund for meter future replacement
- Street Fund
  - Maintenance Worker position held open for 6 months
- Hotel/Motel Lodging Tax Fund
  - Maintains Compliance with Fund Balance Policy
  - Grant Awards were approved by Council on September 21

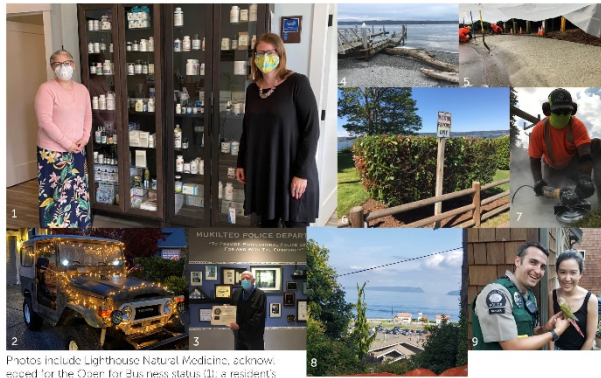


# Special Revenue Funds

## Highlights

### SPECIAL REVENUE FUNDS

- **TRANSPORTATION BENEFIT DISTRICT**
- **WATERFRONT PARKING**
- **STREETS**
- **HOTEL/MOTEL LODGING TAX**
- **EMERGENCY MEDICAL SERVICES**
- **DRUG ENFORCEMENT**



Photos include Lighthouse Natural Medicine, acknowledged for the Open for Business status (1); a resident's vehicle decorated for the Lights On Day of Mukilteo Spirit Week (2); Chaplain Burrows acknowledged as he retired from service (3); large wood removal at the boat launch (4); Public Works streets and parks crews repairing sidewalks, maintaining vegetation and caring for parks and streets (4, 5, 6, 7); tree trimming at Byers Family Park and Ranger box returning a lost bird to a happy resident (9).

- **Emergency Medical Services Fund**
  - EMS Levy: Revenues include 1% increase allowed by law, adopted after a Public Hearing.
  - Transport Fees: Revenues include 10% increase, included in the 2021 Fee Schedule scheduled for 11/16/20 adoption
- **Drug Enforcement Fund**
  - Actual budget will be dependent on seizures



# Debt Service Fund Highlights

## DEBT SERVICE FUND

### • LIMITED TAX GENERAL OBLIGATION BOND



Photos include Rosehill (1); sidewalk maintenance by Public Works crews (2, 3, 4, 7); Senior Department Assistant Lila Robinson receiving her Employee of the Quarter certificate (5); Officer Fabia taking a selfie after playing some basketball with Muxiteo kids (6); Harbour Reach Corridor Project sidewalk construction (8); clean up after a private vehicle accident.

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





# Other Funds Highlights

## CAPITAL PROJECTS FUNDS

- PARK ACQUISITION AND DEVELOPMENT
- TRANSPORTATION IMPACT FEE
- REAL ESTATE EXCISE TAX I
- REAL ESTATE EXCISE TAX II
- CAPITAL PROJECTS



Photos include Harbour Reach Corridor Project culvert number one, allowing wildlife passage and Picnic Point Stream (1); 61st Place West retaining wall construction (2); Harbour Reach Corridor Project stormwater vault (3, 7); and Public Works crews in action (4, 5, 6, 8, 9).

- Park Acquisition & Development Fund
  - Only 2020 project was Peace Park which will be complete in the next month or less
- Transportation Impact Fee Fund
  - Continues to fund portion of Capital Projects Engineer's salary and benefits (transfer to General)
  - Funds Pavement Preservation, could also fund pedestrian and bicycle projects if funds allowed



# Other Funds Highlights

## CAPITAL PROJECTS FUNDS

- PARK ACQUISITION AND DEVELOPMENT
- TRANSPORTATION IMPACT FEE
- REAL ESTATE EXCISE TAX I
- REAL ESTATE EXCISE TAX II
- CAPITAL PROJECTS



Photos include Harbour Reach Corridor Project culvert number one, allowing wildlife passage and Picnic Point Stream (1); 61st Place West retaining wall construction (2); Harbour Reach Corridor Project stormwater vault (3, 7); and Public Works crews in action (4, 5, 6, 8, 9).

- Real Estate Excise Taxes ( REET I & II)
  - 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



# Capital Projects Funds

## Highlights

- Capital Projects Fund
  - Revenue Sources (REET II, TBD, etc.) will be shown as transfers from restricted funds to Capital Projects Fund
  - Capital Projects Fund will receive all grant/other revenues
  - Capital Projects Fund will budget to expend total project authority
- New Budget Items:
  - Annual Programs
    - Pavement Preservation
    - ADA Upgrades
    - BTW Program (pedestrian and bicycle improvements)
    - Pedestrian Crosswalk Enhancement Program
    - Traffic Calming Program
    - Sidewalk Repair Program
  - 76<sup>th</sup> & SR 525 Pedestrian Improvements





**2020 Analysis**



# Presentation Outline

- Deeper Dive into 2020
  - 2020 Budget Overview: Estimated Actuals for Expenditures and Revenues
  - 2020 Top General Fund Revenues
  - 2020 Sales Tax Analysis
  - 2020 Fire Department Overtime



# So, how is 2020 looking?

- **Revenue** Summary By Fund (from page 2)

	2020 Budget	2020 Estimated Actuals
General	\$ 15,504,118	\$ 15,304,018
City Reserve	-	-
LEOFF I Reserve	-	-
Transportation Benefit District	317,650	292,006
Streets	788,575	692,275
Waterfront Parking	719,200	575,200
Recreation & Cultural Services	-	-
Hotel/Motel Lodging Tax	245,000	145,000
Emergency Medical Services	2,894,924	2,894,924
Drug Enforcement	20,000	20,000
Debt Service	880,345	880,345
Capital Projects	20,567,102	11,387,927
Park Acquisition & Development	262,749	262,749
Transportation Impact Fee	50,000	50,000
Real Estate Excise Tax I	713,500	706,750
Real Estate Excise Tax II	700,000	700,000
Surface Water Management	5,586,606	5,669,842
Surface Water Reserve	-	-
Technology Replacement Reserve	78,500	78,500
Equipment Replacement Reserve	471,200	471,200
Facilities Maintenance	784,200	833,884
Facility Renewal	290,450	290,450
	<b>\$ 50,874,119</b>	<b>\$ 41,255,070</b>



# 2020 Top Ten General Fund Revenues

	2020 Budget	2020 Estimated Actuals
Property Tax	\$ 5,652,568	\$ 5,652,568
Sales Tax	2,700,000	2,430,000
Electricity Tax	960,000	920,000
Recreation Services	722,800	165,150
Business Licenses	510,000	470,000
Telephone Tax	450,000	325,000
Television (Cable) Tax	400,000	365,000
Criminal Justice	400,000	376,000
Natural Gas Tax	350,000	355,000
Cable-Television Franchise Fee	340,000	310,000
	<b>\$ 12,485,368</b>	<b>\$ 11,368,718</b>
Transfers Into the General Fund	151,100	151,100
<b>Remaining General Fund Revenue</b>	<b>2,867,650</b>	<b>3,784,200</b>
<b>Total General Fund Revenue</b>	<b>\$ 15,504,118</b>	<b>\$ 15,304,018</b>



# 2020 Expenditures

- **Expenditure** Summary By Fund (from page 3)

	<b>2020 Budget</b>	<b>2020 Estimated Actuals</b>
General	\$ 15,377,568	\$ 15,346,947
City Reserve	-	-
LEOFF I Reserve	11,200	11,200
Transportation Benefit District	924,536	465,000
Streets	863,650	779,500
Waterfront Parking	719,200	615,400
Recreation & Cultural Services	-	-
Hotel/Motel Lodging Tax	262,200	188,200
Emergency Medical Services	2,880,250	2,988,375
Drug Enforcement	20,000	20,000
Debt Service	877,000	877,000
Capital Projects	20,567,102	11,387,927
Park Acquisition & Development	242,749	242,749
Transportation Impact Fee	90,700	90,700
Real Estate Excise Tax I	905,345	880,345
Real Estate Excise Tax II	2,020,566	986,658
Surface Water Management	6,384,763	4,449,470
Surface Water Reserve	-	-
Technology Replacement Reserve	125,000	125,000
Equipment Replacement Reserve	95,000	215,000
Facilities Maintenance	784,200	832,450
Facility Renewal	375,000	375,000
	<b>\$ 53,526,029</b>	<b>\$ 40,876,921</b>



# 2020 Budget to Estimated Actuals

- **Expenditure** and **Revenue** Side by Side

	2020 Estimated Revenues	2020 Estimated Expenditures
General	\$ 15,304,018	\$ 15,346,947
City Reserve	-	-
LEOFF I Reserve	-	11,200
Transportation Benefit District	292,006	465,000
Streets	692,275	779,500
Waterfront Parking	575,200	615,400
Recreation & Cultural Services	-	-
Hotel/Motel Lodging Tax	145,000	188,200
Emergency Medical Services	2,894,924	2,988,375
Drug Enforcement	20,000	20,000
Debt Service	880,345	877,000
Capital Projects	11,387,927	11,387,927
Park Acquisition & Development	262,749	242,749
Transportation Impact Fee	50,000	90,700
Real Estate Excise Tax I	706,750	880,345
Real Estate Excise Tax II	700,000	986,658
Surface Water Management	5,669,842	4,449,470
Surface Water Reserve	-	-
Technology Replacement Reserve	78,500	125,000
Equipment Replacement Reserve	471,200	215,000
Facilities Maintenance	833,884	832,450
Facility Renewal	290,450	375,000
	<b>\$ 41,255,070</b>	<b>\$ 40,876,921</b>



# 2020 Sales Tax

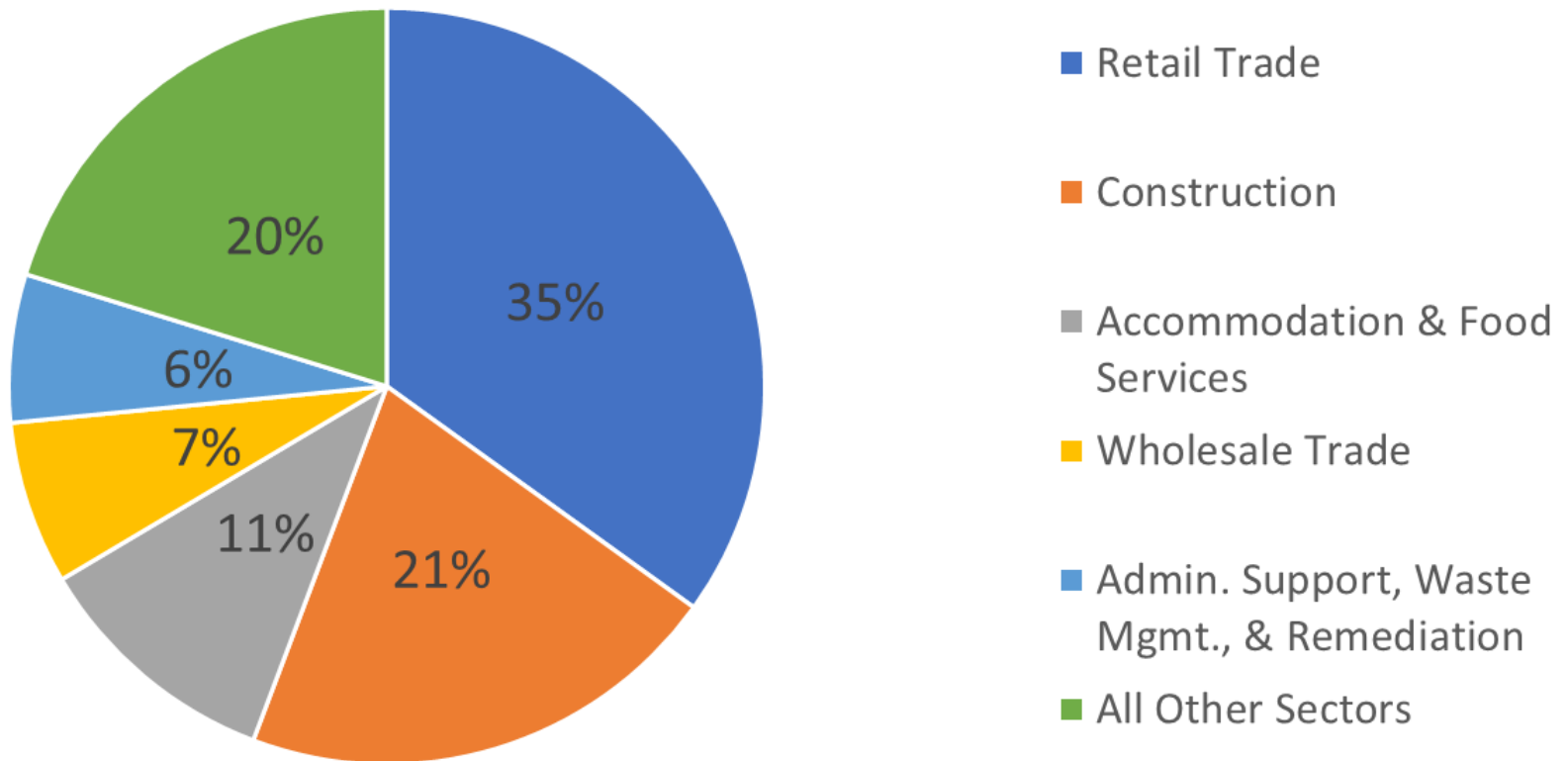
- Budgeted \$2,700,000; projected to receive \$2,430,000
- Top Sales Tax Sectors
- January to July Analysis
- April to July Analysis





# Sales Tax Analysis

2020 Top Sales Tax Sectors





# Sales Tax January-July

## 2019 to 2020

	Jan-July	Jan-July
	2019	2020
Retail Trade	\$ 527,625	\$ 603,668
Construction	\$ 249,923	\$ 359,870
Accommodation & Food Services	\$ 249,445	\$ 185,342
Wholesale Trade	\$ 133,676	\$ 120,655
Admin. Support, Waste Mgmt., & Remediation	\$ 86,193	\$ 109,421
Information	\$ 82,738	\$ 88,577
Manufacturing	\$ 65,130	\$ 84,866
Other Services (except Public Administration)	\$ 49,385	\$ 43,968
Real Estate Rental and Leasing	\$ 37,521	\$ 36,271
Professional, Scientific, & Technical Services	\$ 35,238	\$ 36,383
*Misc. Including Public Admin, Education, Health Care, Transportation & Warehousing, Agriculture, Mining & Utilities	\$ 30,989	\$ 28,688
Arts, Entertainment, & Recreation	\$ 18,251	\$ 13,299
Finance & Insurance	\$ 15,980	\$ 17,294
<b>Total Sales Tax Collected</b>	<b>\$ 1,582,096</b>	<b>\$ 1,728,302</b>



# But, hey- what about COVID?

	May-July 2019	May-July 2020
Retail Trade	244,567	\$ 248,480
Construction	126,972	\$ 130,868
Accommodation & Food Services	113,512	\$ 67,773
Wholesale Trade	67,642	\$ 55,891
Information	38,335	\$ 40,027
Admin. Support, Waste Mgmt., & Remediation	37,732	\$ 47,353
Manufacturing	28,869	\$ 36,027
Other Services (except Public Administration)	22,049	\$ 16,853
Real Estate Rental and Leasing	17,517	\$ 14,233
*Misc. Including Public Admin, Education, Health Care, Transportation & Warehousing, Agriculture, Mining & Utilities	17,025	\$ 11,311
Professional, Scientific, & Technical Services	15,001	\$ 19,645
Arts, Entertainment, & Recreation	10,979	\$ 4,722
Finance & Insurance	7,513	\$ 7,478
	-	\$ -
Total Sales Tax Collected	747,712	\$ 700,663



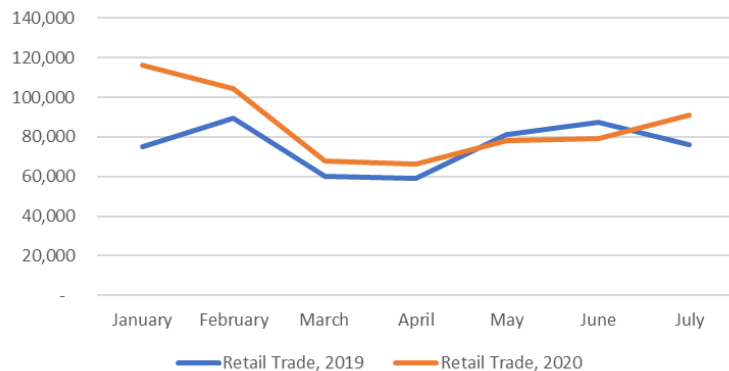
# Sales Tax

## Month by Month Impacts

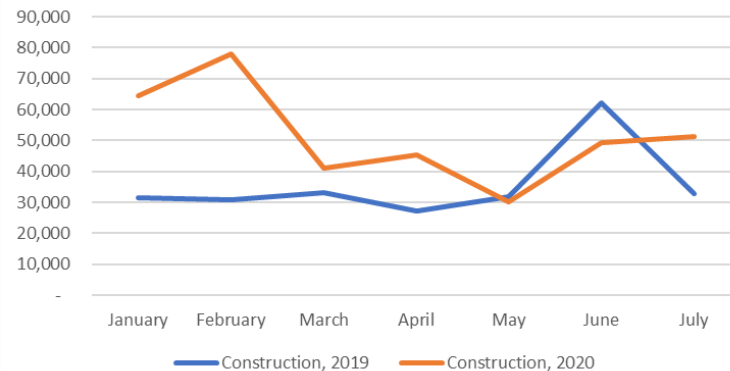
	January	February	March	April	May	June	July
2019, All Sectors	\$ 210,327	\$245,109	\$197,966	\$180,982	\$251,328	\$270,351	\$226,033
2020, All Sectors	\$ 290,119	\$305,344	\$231,176	\$201,000	\$206,817	\$240,039	\$253,807
Sales Tax Increase or Decrease, 2020 compared to 2019	27.5%	19.7%	14.4%	10.0%	-21.5%	-12.6%	10.9%



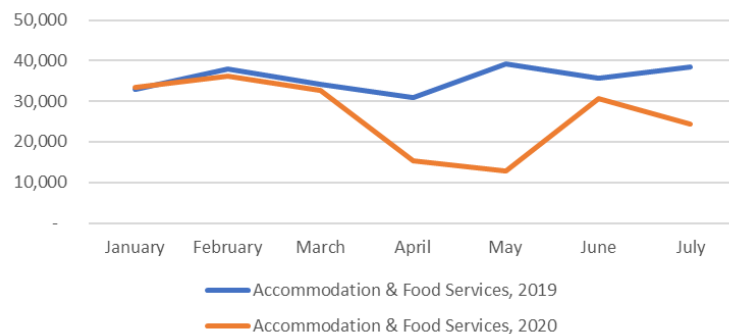
### Sales Tax: Retail Trade 2019 and 2020



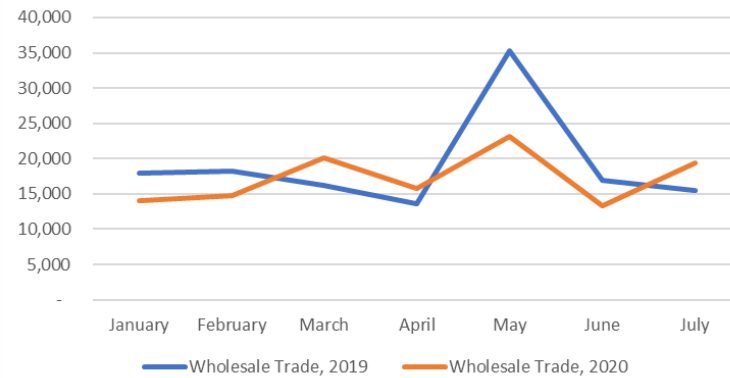
### Sales Tax: Construction 2019 and 2020



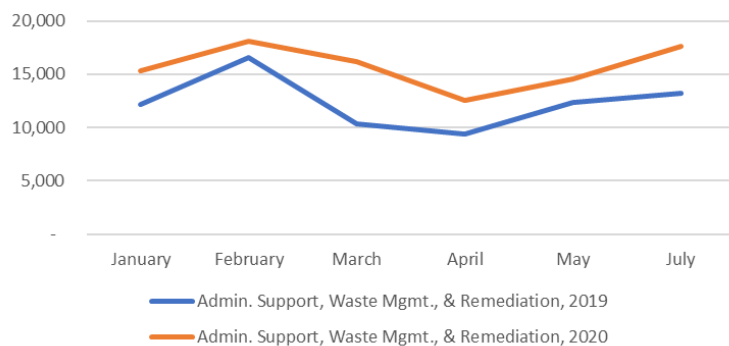
### Sales Tax: Accommodation and Food Services 2019 and 2020



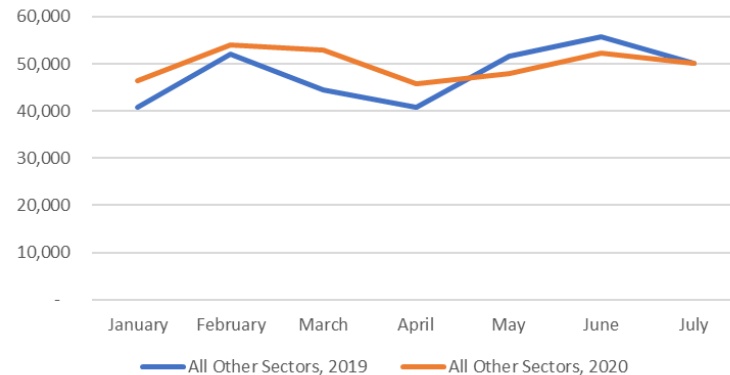
### Sales Tax: Wholesale Trade 2019 and 2020



### Sales Tax: Admin. Support, Waste Mgmt., & Remediation 2019 and 2020



### Sales Tax: All Other Sectors, 2019 and 2020





## 2020 Fire Overtime

- With passage of the 2020 Budget, the Council approved this motion: *to put a provision on the Fire Department budget if it exceeds overtime, to require Council approval for a budget amendment.*
  - 2020 Budget Amendment scheduled for December 7
  - Full department budget over by \$49,175; about 1%.

	2020 Budget	2020 Estimated Actuals	Increase/ (Decrease)
Administration	\$ 271,550	\$ 191,950	(79,600.00)
Operations	1,493,900	1,508,950	15,050.00
Prevention	15,250	40,650	25,400.00
Training	46,050	26,250	(19,800.00)
EMS	2,880,250	2,988,375	108,125.00
Total Fire and EMS expenditures	\$ 4,707,000	\$ 4,756,175	49,175.00



# 2020 Fire Overtime Detail

Administration			
	2020 Budget	2020 Estimated Actuals	Increase/ (Decrease)
FULL TIME EMPLOYEES	173,300	123,000	(50,300)
OVERTIME	2,000	100	(1,900)
<b>Salaries and wages</b>	<b>\$ 175,300</b>	<b>\$ 123,100</b>	<b>(52,200)</b>
Operations			
	2020 Budget	2020 Estimated Actuals	Increase/ (Decrease)
FULL TIME EMPLOYEES	880,750	863,150	(17,600)
SPECIAL ASSIGNMENT PAY	-	-	-
EDUCATION INCENTIVE	19,000	20,000	1,000
ACTING SUPERVISOR PAY	2,500	3,650	1,150
PARAMEDIC INCENTIVE	29,750	29,400	(350)
MERIT/LONGEVITY PAY	16,850	16,350	(500)
FIRE - HOLIDAY BUY BACK	27,150	22,000	(5,150)
OVERTIME	88,950	160,000	71,050
OT - DISASTER SUPPORT/SEVERE WEATHER	-	-	-
<b>Salaries and wages</b>	<b>\$ 1,064,950</b>	<b>\$ 1,114,550</b>	<b>49,600</b>
Emergency Medical Services Fund			
	2020 Budget	2020 Estimated Actuals	Increase/ (Decrease)
FULL TIME EMPLOYEES	135,000	135,200	200
FULL TIME EMPLOYEES	1,573,000	1,534,650	(38,350)
SPECIAL ASSIGNMENT PAY	-	-	-
EDUCATION PREMIUM PAY	34,000	35,500	1,500
ACTING SUPERVISOR PAY	5,800	6,550	750
PARAMEDIC INCENTIVE	52,500	52,300	(200)
MERIT/LONGEVITY PAY	27,000	29,000	2,000
FIRE - HOLIDAY BUY BACK	35,000	37,200	2,200
OVERTIME	144,650	290,000	145,350
<b>Salaries and wages</b>	<b>\$ 2,006,950</b>	<b>\$ 2,120,400</b>	<b>113,450</b>





**2021 Revenues**



# 2021 Preliminary Budget

- Moving on to the 2021 Budget!
- Top Ten General Fund Revenues
- Plus, a Deeper Look at:
  - State Shared Revenues
  - Recreation Revenues
  - Waterfront Parking Revenues
  - Development Revenues
  - Other Restricted Revenues



# General Fund

## Revenue Highlights

- 2021 Operating Revenues cover 2021 Operating Expenditures using \$256,830 of fund balance while maintaining 23% fund balance (policy is 16.67% minimum)
- Property Taxes totaling \$5.7 Million
  - Includes 1% increase allowable by law, adopted after a Public Hearing on the property tax levy
- Sales Taxes totaling \$2.7 Million
  - Based on 2018, 2019, 2020 and includes any construction projects
- Water & Sewer Franchise Fees \$571,850
  - Includes \$41,850 from 0.75% mid-year increase
- Recreation Revenues based on full operations beginning in April, with 25% operations in the first quarter



# 2021 Preliminary Budget

- Top 10 General Fund Revenues (Exhibit 8, page 11)

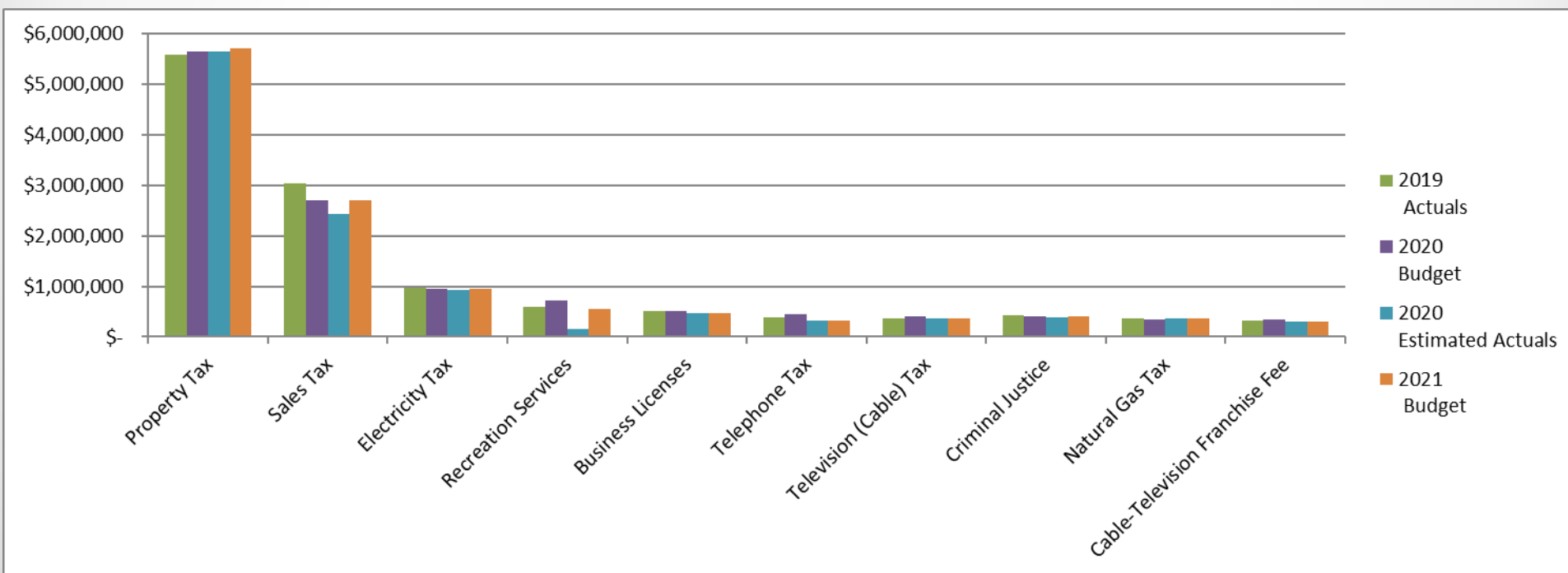
	2019 Actuals	2020 Budget	2020 Estimated Actuals	2021 Budget	Change in Budget (\$)	Change in Budget (%)
Property Tax	\$ 5,577,574	\$ 5,652,568	\$ 5,652,568	\$ 5,709,094	\$ 56,526	1.0%
Sales Tax	3,039,474	2,700,000	2,430,000	2,700,000	-	-
Electricity Tax	963,208	960,000	920,000	960,000	-	-
Recreation Services	584,356	722,800	165,150	543,600	(179,200)	-24.8%
Business Licenses	508,533	510,000	470,000	475,000	(35,000)	-6.9%
Telephone Tax	377,962	450,000	325,000	325,000	(125,000)	-27.8%
Television (Cable) Tax	364,304	400,000	365,000	365,000	(35,000)	-8.8%
Criminal Justice	417,675	400,000	376,000	400,000	-	-
Natural Gas Tax	356,464	350,000	355,000	360,000	10,000	2.9%
Cable-Television Franchise Fee	329,013	340,000	310,000	300,000	(40,000)	-11.8%
	<b>\$ 12,518,563</b> 84.9%	<b>\$ 12,485,368</b> 81.3%	<b>\$ 11,368,718</b> 75.0%	<b>\$ 12,137,694</b> 79.7%	<b>\$ (347,674)</b>	<b>6.8%</b>
<b>Remaining General Fund Revenue</b>	2,223,872	2,867,650	3,784,200	3,089,000		
<b>Total General Fund Revenue</b>	<b>\$ 14,742,435</b>	<b>\$ 15,353,018</b>	<b>\$ 15,152,918</b>	<b>\$ 15,226,694</b>		

All totals and calculations exclude transfers in



# 2021 Preliminary Budget

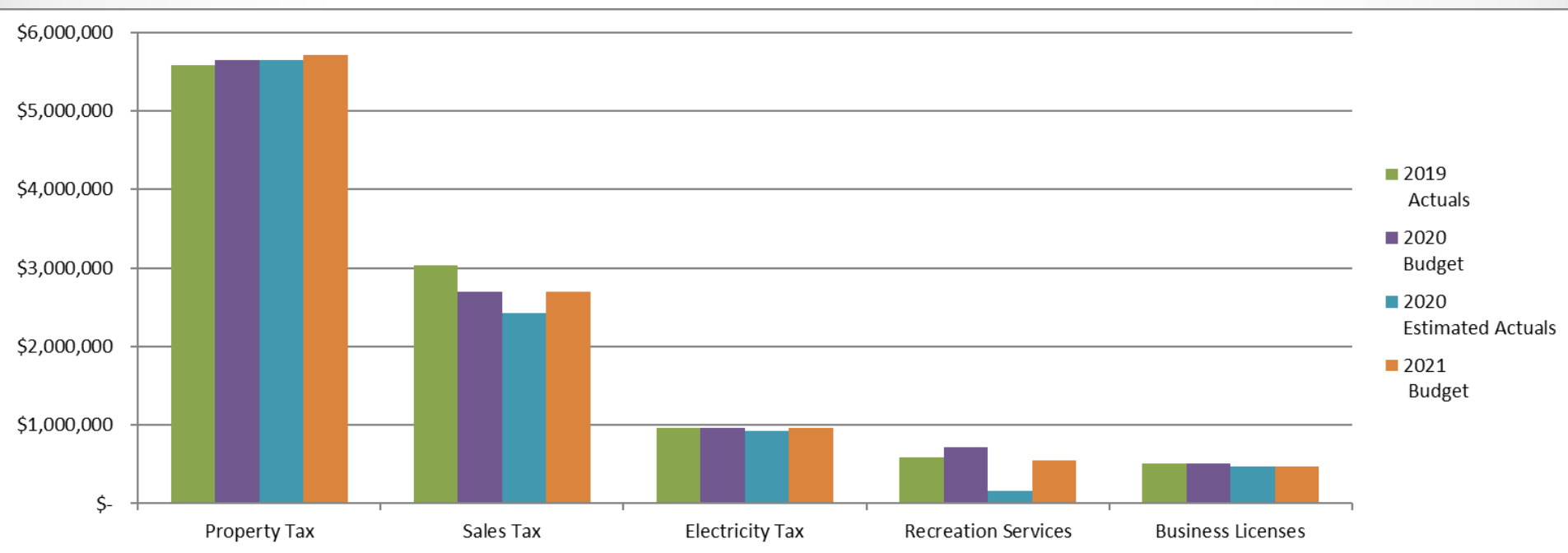
- Top 10 General Fund Revenues (Exhibit 8, page 11)





# 2021 Preliminary Budget

- A Closer Look: **Top 5** General Fund Revenues







# State Shared Revenues

- Generally Per Capita Distributions, set by the State

	2019 Actuals	2020 Budget	2020 Estimated Actuals	2021 Budget
<b>General Fund</b>				
CRIMINAL JUSTICE - POPULATION	\$ 6,454	\$ 6,600	\$ 6,500	\$ 7,050
CJ - SPECIAL PROGRAMS	\$ 23,193	\$ 23,900	\$ 23,200	\$ 25,000
MARIJUANA EXCISE TAX	\$ 28,555	\$ 30,000	\$ 30,000	\$ 30,000
LIQUOR EXCISE TAX	\$118,531	\$ 117,200	\$ 122,500	\$ 120,900
LIQUOR BOARD PROFITS	\$173,795	\$ 171,200	\$ 171,220	\$ 168,750
<b>Street Fund</b>				
MULTIMODAL TRANSPORTATION - CITIE	\$ 29,515	\$ 29,000	\$ 29,000	\$ 28,600
STREET FUEL TAX	\$451,363	\$ 482,700	\$ 396,000	\$ 482,300



# Development Revenues

- Based on Planning and Community Development Department analysis of expected projects

	<b>2020 Budget</b>	<b>2020 Estimated Actuals</b>	<b>2021 Budget</b>	<b>Increase/ (Decrease)</b>
FIRE PERMIT	10,000	5,000	10,000	-
BUILDING PERMITS	135,000	120,000	125,000	(10,000)
PLUMBING PERMIT	15,000	12,500	12,500	(2,500)
MECHANICAL PERMIT	40,000	40,000	40,000	-
SIGN PERMITS	5,000	5,000	5,000	-
RIGHT OF WAY PERMITS	20,000	20,000	20,000	-
ENGINEERING SERVICES - PERMITS	8,500	4,500	5,000	(3,500)
ENGINEERING SERVICES - INSPECTION	-	3,500	3,500	3,500
ENGINEERING SERVICES - PLAN REVIEW	5,000	7,000	7,000	2,000
ENGINEERING SERVICES - STREET VACATION	3,500	1,000	1,000	(2,500)
ZONING AND SUBDIVISION FEES	35,000	35,000	35,000	-
HEARING EXAMINER FEES	8,000	8,000	8,000	-
PLAN CHECKING FEES	90,000	90,000	90,000	-
FIRE PLAN CHECKING FEES	5,000	3,000	1,000	(4,000)



# Recreation Revenues

- Assuming 25% operations January 1-March 30
  - Revenue reduction of \$82,500
- Assuming full operations beginning April 1
- Staff are currently working to reopen partially in the next 60 days for small events, following state guidelines



# Waterfront Parking Revenues

- Budget includes a \$3 increase in parking fines and a \$0.25 increase in hourly parking (up to \$2.50 per hour).



# Other Restricted Revenues

- REET I/II (pages 124-128)
  - 2020 Projected Revenue: \$700,000 in each fund.
  - 2019 Actual Revenue: \$682,178 in each fund
  - \$700,000 in REET I, \$700,000 in REET II
  - Flat projection, matches 2020 projections
- Surface Water (pages 129-140)
  - Includes no rate increase for 2020



# Questions





# Next Steps: Tonight

- Initial questions from City Councilmembers
- Take public testimony
- Further questions from Councilmembers and discussion
- MOTION to continue the public hearing to October 12

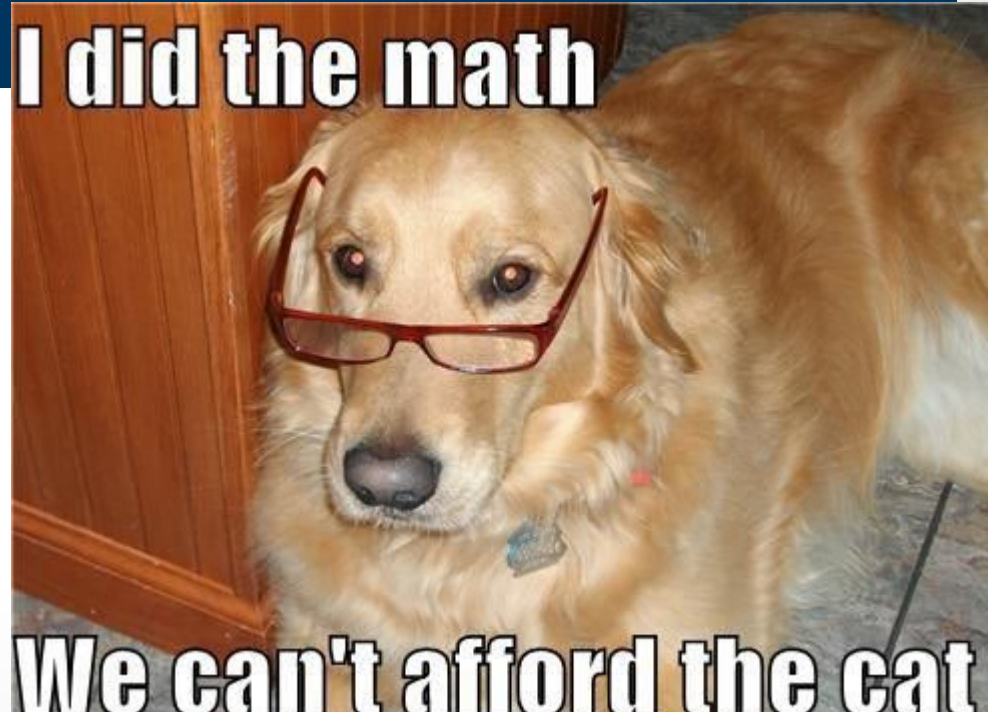


**Your kitty treat**



**budget is too small**

**I did the math**



**We can't afford the cat**