

MUKILTEO CITY COUNCIL AGENDA BILL 2020-68	
<b>SUBJECT TITLE:</b> 2021 Final Budget –Public Hearing	<b>Meeting Date:</b> November 2, 2020
<b>Staff Lead:</b> Mayor Jennifer Gregerson	<b>Exhibits:</b> 1. <a href="#">Memos and 2021 Preliminary Budget Document</a>
<b>Department Director:</b>	
<b>Estimated Time:</b> 120 minutes	
<b>Previous Review:</b> Council Worksession: <a href="#">9/14/20</a> , Regular Meeting: <a href="#">10/05/2020</a> , Special Meeting <a href="#">10/12/20</a> , Regular Meeting <a href="#">10/19/20</a> , Special Meeting <a href="#">10/26/20</a> ;	

**RECOMMENDATION:** Council **MOTION** to continue the public hearing on the 2021 Final Budget to November 9, 2020.

**SUMMARY:**

The Mayor’s goals for the 2021 Preliminary Budget are:

- focus on core services
- identify all possible savings and communicate impacts
- seek funding options to continue preferred levels of city services where possible

Additional budget memos and information are regularly posted here:

<https://mukilteowa.gov/departments/finance/budget/2021-prelim-budget/>

The next page includes items discussed Councilmembers, as well as a list of staff recommended changes to the final budget for adoption. These staff recommended items are:

- Following receipt of the actual projected 2021 assessed valuation from the County:
  - Increase General Fund (GF) Property Tax revenues by \$19,787
  - Increase EMS Property Tax revenues by \$7,676 (which also lowers the GF transfer out to EMS)
- Following the Mayor’s recommendation to amend sales tax projections:
  - Decreases General Fund Sales Tax revenues by \$135,000
- Following receipt of the new 2021 billing rate from Mukilteo Water and Wastewater District for billing the City’s surface water customers:
  - Added the 3.5% increase, totaling \$3,950
- Updated Stormwater Dump Truck to \$310,000: removing the trailer and updating the cost quote

Summary of Changes to 2021 Preliminary Budget prior to Final Budget Public Hearing		
<b>GENERAL FUND</b>	Revenues	Expenditures
Decrease Sales Tax Revenues based on Economic Forecast	(135,000)	
Increase Property Tax Revenues based on Preliminary Assessed Valuation from County	19,787	
Reduce Transfer-Out to Emergency Medical Services Fund due to higher tax revenues in EMS		(7,676)
<b>Subtotal Net Impact to General Fund Balance</b>	<b>(107,537)</b>	
<b>EMERGENCY MEDICAL SERVICES FUND</b>	Revenues	Expenditures
Increase Property Tax Revenues based on Preliminary Assessed Valuation from County	7,676	
Decrease Transfer-In from General Fund due to higher property tax revenues	(7,676)	
<b>Subtotal Net Impact to Emergency Medical Services Fund Balance</b>	<b>0</b>	
<b>SURFACE WATER FUND</b>	Revenues	Expenditures
Decrease Surface Water Dump Truck Cost, Removing Trailer		(15,000)
Increase SW Billing Services based on updated overhead rate received from MWWD		3,950
<b>Subtotal Net Impact to Surface Water Fund Balance</b>	<b>(11,050)</b>	

Further explanation for many of the items below can be found [here](#).

Council member	Council-Proposed Budget Adjustments		
	<b>GENERAL FUND</b>	Revenues	Expenditures
BC	One Day of Furlough, All Employees except Public Safety		(15,968)
EC	Dog Park Maintenance, Public Works		500
BC, RK, RE	Scenario A, Rosehill Closure through July 1 (difference between budgeted April 1 and July 1)	(281,943)	(233,205)
BC	Scenario B, Rosehill Closure through October 1 (difference between July 1 and October 1)	(150,848)	(123,259)
BC	Large Item Pick Up (\$15,000-\$25,000)		20,000
BC	Reduce Contribution to the Snohomish Health District (requires \$2500 for naloxone purchase)		(18,978)
RE	Equity Training		20,000
BC	Additional 6 Months Vacancy Streets Maintenance Worker 1		(30,924)
BC	Additional 9 Months Vacancy Assistant Planner		(65,412)
BC	Hold 3 Police Officer Positions Vacant		(314,445)
BC	Hold 1 Firefighter/EMT Position Vacant April 1-December 31		(66,537)
EC	Add Full Time Embedded Social Worker (need is 0.25 time, but no partners available)		160,000
	<b>Subtotal Net Impact to General Fund Balance</b>	<b>235,437</b>	
	<b>SURFACE WATER FUND</b>	Revenues	Expenditures
BC	One Day of Furlough, All Employees		(3,560)
	<b>Subtotal Net Impact to Surface Water Fund Balance</b>	<b>3,560</b>	
	<b>WATERFRONT PARKING FUND</b>	Revenues	Expenditures
BC	One Day of Furlough, All Employees		(850)
	<b>Subtotal Net Impact to Waterfront Parking Fund Balance</b>	<b>850</b>	
	<b>CAPITAL PROJECTS FUND</b>	Revenues	Expenditures
BC	Reduce Traffic Calming Budget		(25,000)
	<b>Subtotal Net Impact to Capital Projects Fund Balance</b>	<b>25,000</b>	

## **BACKGROUND**

The 2021 budget process timeline is below:

- June 8 Council Meeting
  - Reviewed Proposed Equipment Replacement and Facility Renewal New Budget Items (NBIs)
- July 13 Work Session
  - Reviewed proposed methodology for updating the personnel cost split for the Fire Department
- August 10 Work Session
  - Reviewed Capital Project NBIs
- September 14 Work Session
  - Reviewed Preliminary Budget Estimates
- 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
- October 26 Council Special Meeting (6pm start)
  - Close Preliminary Public Hearing and Open & 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