

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

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 | | |
| GENERAL FUND | 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) |
| Subtotal Net Impact to General Fund Balance | (107,537) | |
| EMERGENCY MEDICAL SERVICES FUND | 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) | |
| Subtotal Net Impact to Emergency Medical Services Fund Balance | 0 | |
| SURFACE WATER FUND | 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 |
| Subtotal Net Impact to Surface Water Fund Balance | (11,050) | |

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

| Council member | Council-Proposed Budget Adjustments | Revenues | Expenditures |
|----------------|--|----------------|--------------|
| | GENERAL FUND | | |
| 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 |
| | Subtotal Net Impact to General Fund Balance | 235,437 | |
| | SURFACE WATER FUND | Revenues | Expenditures |
| BC | One Day of Furlough, All Employees | | (3,560) |
| | Subtotal Net Impact to Surface Water Fund Balance | 3,560 | |
| | WATERFRONT PARKING FUND | Revenues | Expenditures |
| BC | One Day of Furlough, All Employees | | (850) |
| | Subtotal Net Impact to Waterfront Parking Fund Balance | 850 | |
| | CAPITAL PROJECTS FUND | Revenues | Expenditures |
| BC | Reduce Traffic Calming Budget | | (25,000) |
| | Subtotal Net Impact to Capital Projects Fund Balance | 25,000 | |

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