

2021 Budget

1st Hearing



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Every Budget's Goals

- ✓ Achieve a balanced budget in every fund
- ✓ Assure prioritized services citywide
- ✓ Protect General Fund's reserves
- ✓ Assure long-term sustainability

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Study Sessions

10/6 – Budget Basics <ul style="list-style-type: none"> • Economy • Revenue forecasting • Capital • Debt 	10/13 – Capital Budget <ul style="list-style-type: none"> • REET • Parks • Water • Arterial Streets
10/8 – Operations <ul style="list-style-type: none"> • Police • Fire • Community Development • Public Works • Airport 	10/15 – Policy discussion <ul style="list-style-type: none"> • Fund Balance Policy • Vehicle Replacement • Millsite • Refuse Rate

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Subsequent Changes

- ✓ Lodging Tax revised allocation
- ✓ TBD revenue restored to 2021 budget
- ✓ Mill site funding revised allocation

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Lodging Tax Allocation

	LTAC		LTAC
	Adopted Budget	Recommendation	Recommendation
	2020	August 27	October 22
Revenue forecast	1,620,000	1,310,000	1,310,470
Less, existing city obligations			
Convention Center debt	486,000	347,051	347,051
Convention Center capital exp	238,430	72,949	65,654
Convention Center operations	489,600	606,000	545,400
Visitor Center Operations	74,020	52,900	57,375
Sports Commission Operations	84,660	87,500	78,750
	1,372,710	1,166,400	1,094,230
Capitol Theatre Operations	198,910	75,000	154,500
SunDome	48,380	48,600	43,740
Airport	-	-	-
SOZO	-	20,000	18,000
Museum	-	-	-
Total Expenses	1,620,000	1,310,000	1,310,470
Surplus (Deficit)	-	-	0

TBD Revenue

	2017	2018	2019	2020	2020	2021
Budgeted		\$550,000	\$550,000	\$1,598,000	forecast	forecast
Jan.	-	-	108,346	110,761	110,761	110,000
Feb.	-	-	120,027	134,937	134,937	127,000
Mar.	-	-	99,080	121,097	121,097	110,000
Apr.	-	-	152,638	155,806	155,806	154,000
May	-	-	168,716	140,224	140,224	154,000
Jun.	-	-	152,302	144,441	144,441	148,000
Jul.	-	30,136	133,195	154,539	154,539	144,000
Aug.	-	110,821	139,927	127,294	127,294	134,000
Sept.	-	133,056	160,578	165,587	165,587	163,000
Oct.	-	121,889	122,582	-	122,000	122,000
Nov.	-	126,779	155,174	-	141,000	141,000
Dec.	-	111,182	94,248	-	103,000	103,000
Total	\$0	\$633,862	\$1,606,811	\$1,254,686	\$1,620,686	\$1,610,000

Mill Site Development Funding

Funds	Amount	Notes
Department of Ecology Grant	\$ 8,700,000	Reimbursement Grant
Solid Waste Fund Cash Balance	\$ 500,000	Leaves estimated fund balance of \$1.3 million
Utility Contributions from Water, Wastewater, and Stormwater	\$ 3,218,000	Contribution for the preparation of the site area for utility installations
LIFT (2021/2022 contributions)	\$ 2,000,000	Covers the share of road contributions
TOTAL	\$14,418,000	

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Budget to be Adopted

All Funds



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Proposed Budget

	Estimated 2021 Beg.	2021 Projected	2021 Proposed	Increase in (Decrease in) Reserves	Estimated 2021 Ending
Fund Balance	Revenues	Expenditures		Balance	
General Fund	\$ 10,867,571	\$ 69,664,332	\$ 69,630,142	\$ 34,190	10,901,761
Parks and Recreation	666,337	5,795,833	5,795,001	832	667,169
Street & Traffic Operations	100,077	6,353,125	6,352,464	661	100,738
General Government Subtotal	11,713,985	81,813,290	81,777,607	35,683	11,749,668
Other Governmental Operating Funds	6,881,203	16,321,270	16,533,542	(212,272)	6,668,931
Government Capital Funds	13,003,621	17,905,321	24,886,789	(6,981,468)	6,022,153
Enterprise Operating Funds	22,312,101	67,087,170	66,779,715	307,455	22,619,556
Enterprise Capital Funds	30,097,360	31,845,671	27,463,930	4,381,741	34,479,101
Internal Service Funds	1,844,972	7,235,396	8,255,095	(1,019,699)	825,273
Employee Benefit Reserve	5,100,391	16,293,943	16,433,061	(139,118)	4,961,273
Risk Management Reserves	2,432,234	5,126,916	5,680,793	(561,877)	1,870,357
Debt Service & Agency Funds	2,935,032	7,495,303	7,495,303	—	2,935,032
Total	\$ 96,321,699	\$ 251,124,200	\$ 255,313,035	\$ (14,109,500)	92,132,144

General Fund Reserve Improvement

2019 Actual Savings \$1,700,000

2020 Forecast breakeven?!

2021 Budget \$34,000

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2020 In-process

Surprises / budget unknowns

- COVID-19 (less revenue and more expenses)
- CARES Act recovery on-going
- Audit overhead allocation requirement
- Snow

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Challenges to Overcome


1. Maintaining General Fund reserves
2. Property Tax 1% cap
3. Prior year lingering issues
 - Vehicle Replacement Funding
 - Mill site development
 - Loss of TBD Streets project revenue

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Key Dates		
Oct	6	Council Study Session 1
	8	Council Study Session 2
	13	Council Study Session 3
	15	Council Study Session 4
Nov	2	Public Hearing, Ordinances on Ad Valorem Tax Rate
	2	1st Budget Public Hearing
	17	Last budget changes
	17	2nd Budget Public hearing
Dec	1	Adopt Budget

2021 Budget Process

An increasingly well-managed city



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