



## City Council Changes to 2019 Preliminary Budget

On November 27, City Council held its final meeting on November 27 on the proposed 2019 Operating Budget and Capital Facilities Plan: 2019-2024 Financial Plan. Here is a summary of changes.

### OPERATING BUDGET

**Unallocated General Fund Dollars** – Staff presented a General Fund balancing position of \$42,556 on November 27. This will be appropriated to Council Goal money so Council can prioritize use of the funds in 2019.

**Firefighter Transition** - Included in the 2019 baseline budget sufficient funds (estimated \$283,000) to continue employment of 6 firefighter positions. These positions, originally hired under the SAFER Grant, will transfer to regular assignments as the Downtown Aid Unit ramps down.

**Budget Stabilization Account Funding** – Funding for a budget stabilization fund is listed as the top priority for the use of 2018 year end funds.

**New 2019 Dedicated Accounts & Funds** – Add the following dedicated accounts and funds to enhance transparency and accountability:

- Homeless Response - Operating
- Homeless Response - Capital
- Home Fund Capital
- Public Safety Levy Lid Lift

**Housing Stimulus Proposal** – Council will continue to discuss the affordable housing crisis by considering options for legislative actions in 2019 (assess impact on housing affordability as well as revenue reductions and impacts on park and transportation projects for the various scenarios).

#### Discussion:

1. Impact Fee legislative discounts to be discussed in 2019.
2. Low Income Housing Impact Fee Waiver scheduled for Council action on December 11.
3. School and Transportation impact fee reductions scheduled for Council action on December 11
4. Multi-Family tax exemption boundaries discussion for Land Use and Environment Committee on December 20.
5. Developing new categories of Parks/Transportation impact fees for missing middle-type housing.

## **CAPITAL BUDGET**

**4<sup>th</sup> and Columbia Property** – A new project page has been added to the CFP that identifies revenue from the Economic Development/Clean-Up Fund for the next phase of public engagement and feasibility work.

**Parks impact Fees** – Parks Impact Fee ordinance is based on the same calculation formula for 2019 but a Legislative discount is applied so that rates remain the same as 2018.

**Real Estate Excise Tax (REET) for Homeless Services** – Revisit the use of REET for Homeless Capital projects after we know if the Franklin or Legion Way road projects receive State grant funds, estimate of \$1.8 million. If the Franklin or Legion Way road projects are funded with grants, up to \$337,500 of REET funds can be transferred to homeless capital needs.

**Hazard Tree Abatement** – Reallocating \$23,000 in 2019 from Building Repair and Maintenance to Hazard Tree Abatement in the Capital Facilities Plan. A new project page has been added to the CFP.

**Transportation Impact Fees** – Staff proposed appropriating \$873,317 of Transportation Impact Fees in 2019 for Henderson Boulevard and Eskridge Boulevard intersection improvements. This funding is currently included in the 2020-2024 Financial Plan and will be moved to 2019.

**Home Fund Capital** – A new project page has been added to the Capital Facilities Plan recognize the Home Fund Capital revenue.

## **2019 FINANCE COMMITTEE ITEMS**

The following topics were identified as needing further discussion and evaluation during the budget process and will be included in the 2019 Finance Committee Work Plan.

**Parks Funding** – Evaluate options to account for, track and report on Parks funding and associated expenditures (General Fund 11% contributions, program revenues, and Olympia Metropolitan District).

**Fire Truck Replacement** - Discuss options to address the unfunded costs (\$3.3M) to replace a ladder truck and fire engine in 2020. The intent is to order the fire trucks in time to avoid steel tariffs which will save approximately \$650,000 in the purchase price.

**Overall Fire Needs** – Review the current and future unfunded needs of the Fire Department (short term engine /ladder replacement, overall vehicle replacement needs, equipment ongoing replacement, restoration of Downtown aid unit).