

**2021-22 City Manager's
Recommended Operating Budget:
General and Supported Funds**

CITY OF
Vancouver
WASHINGTON

**Vancouver City Council
Workshop
Natasha Ramras, CFO**

Presentation Overview

- 2021-2022 Recommended Changes in the General, Street Fire funds:
 - Decision package grouping
 - Strategic initiatives and major new additions
 - Staffing changes overview
 - Impact on reserves
- Major Changes in Other Operating Funds:
 - Internal Service Funds
 - Enterprise Funds, except for Utilities
- Next Steps

2021-2022 City Manager's Recommended Budget: \$1.3 billion

Operating Budget:
\$1.1 billion

Capital
Budget:
\$0.2 billion

General, Street, and
Fire Funds:
\$479 million

All Other
Operating Funds:
\$572 million

Projects:
\$177
million

Funding
Transfers:
\$30
million

2021-22 Recommended Budget

Type of Decision Packages



- **Administrative:** updates in rates, re-justification of existing budget (due to zero-basing certain categories)
- **Budget Reductions**
- **Cost Neutral:** grants, other revenue
- **Carry Forward:** budget appropriated in 2019-2020, but projects are to be completed in 2021-22
- **Strategic Initiatives and New**

2021-22 Recommended Budget: General, Street and Fire

Type of Decision Packages



Decision Packages by Category	Dollars in Millions
Administrative	\$35.3
Budget Reduction	(\$6.6)
Cost Neutral	\$2.0
Carry Forward (Operating and Capital)	\$2.7
Strategic Initiative	\$16.4
Capital - New	\$11.8

2021-22 Recommended Budget: General, Street and Fire

EXPENDITURES:

Administrative: \$35.3 mil

Rate adjustments for:

- Internal cost allocation (HR, Finance, IT, Civil Legal)
- Grounds and Facilities
- Vehicle ER&R
- Lease rate true up: extend lease for 521 Chkalov

Cost impact from labor contract settlements and related transfers



2021-22 Budget Framework: General, Street and Fire

EXPENDITURES:



Budget Reductions/Freezes: (\$6.6) mil

Frozen FTEs: 13.25

0.5 FTE CED Support Spec.

1 Attorney in Legal

4.75 FTEs in Recreation

5 FTEs in Police (PST)

1 Deputy Fire Marshall

1 Deputy Fire Chief

Other Budget Reductions:

Supplies \$0.3 m

Professional Services \$1.2 m

Travel & Training \$0.3 m

Not Recommended:

Reductions of additional 9 VPD FTEs and reductions in the sidewalk program

2021-22 Recommended Budget: General, Street, Fire

Cost Neutral:

\$2.8 m

VPD JAG Grants	\$0.4 m
WASPC Grant	\$0.3 m
AFG Fire Grants	\$0.5 m
EPA Brownfields	\$0.7 m
Fourth Plain Commons	\$0.8 m



2021-22 Recommended Budget: General, Street, Fire

Carry-Forwards **\$1.6 m**

Vehicle purchases from 2020

Fourth Plain Corridor

McLoughlin Safety Improvements

Major Facilities Projects

Traffic Signal Sustainability 2020

Mill Plain 104th to Chkalov



2021-22 Recommended Budget: General, Street and Fire Funds

Implement Key Strategic Initiatives: \$6.8 m

- Comprehensive Parks Plan Update \$0.2 m
- Transportation System Plan Completion \$0.7 m
- Comp Plan Update \$0.3 m
- Complete Streets: \$0.7 m
 - 112th (NE 51st to Mill Plain)
 - Fort Vancouver Way
 - Fourth Plain
 - SE 34th St (SE 164th - SE 192nd)



2021-22 Recommended Budget: General, Street and Fire Funds

Implement Key Strategic Initiatives (cont.)

- | | |
|--|---------|
| ➤ Heights District Plan Implementation | \$0.3 m |
| ➤ Fourth Plain Commons Initiative (CDBG) | \$0.3 m |
| ➤ Fourth Plain Forward | \$0.3 m |
| ➤ Communications (strategy, web & brand refresh) | \$0.3 m |
| ➤ Criminal Case Management System | \$0.4 m |
| ➤ Consulting for climate change, outreach | \$0.1 m |
| ➤ 3.5 New FTEs and position extensions | |



2021-22 Recommended Budget: General, Street and Fire Funds

Implement Key Strategic Initiatives: **\$18.8 m**

- Transportation Capital Contingency **\$7.0 m**
- Purchase 521 Chkalov in 2022 **\$10.6 m**



2021-22 City Manager's Recommended Budget

STAFFING SUMMARY: General, Street and Fire Funds: 706.5 FTEs

New Positions: 3.5

- 1 Diversity, Equity and Inclusion Director
- 1 Assistant City Manager
- 1 Parks Developer
- 0.5 LT Support Specialist in Fire Marshal's Office

Extended/Converted Existing LT FTEs: 5

- 2 CED Planners – Limited Term extended
- 2 CED Planners Converted to Regular
- 1 Parks Communications to Regular

Frozen FTEs: 13.25

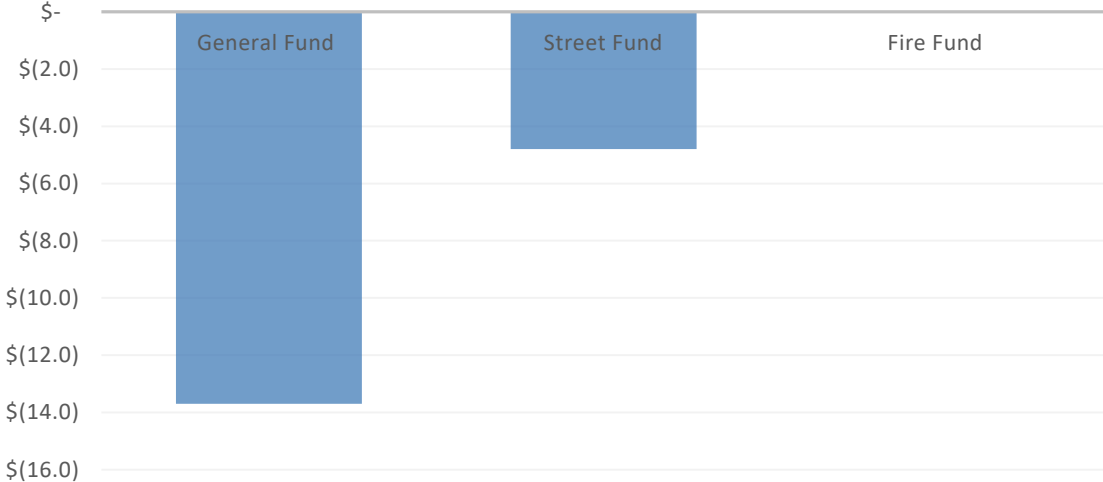
- 0.5 FTE CED Support Spec.
- 1 Attorney in Legal
- 4.75 FTEs in Recreation
- 5 FTEs in Police (PST)
- 1 Deputy Fire Marshal
- 1 Deputy Fire Chief



❖ 1.0 FTE Additional Deputy Fire Marshal 2/Plans Examiner eliminated – lack of fire permit revenue

2021-22 City Manager's Recommended Budget

Projected Impact on Balances
(in millions of dollars)



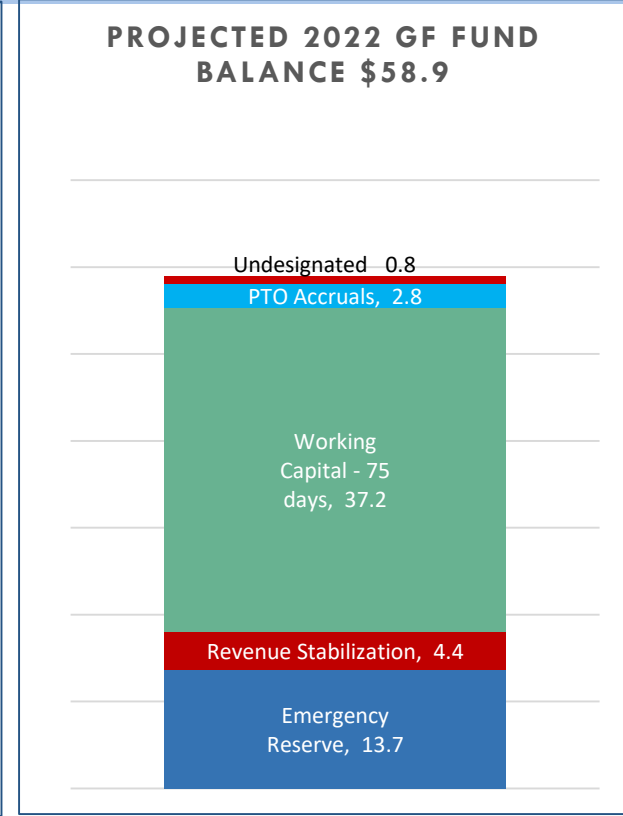
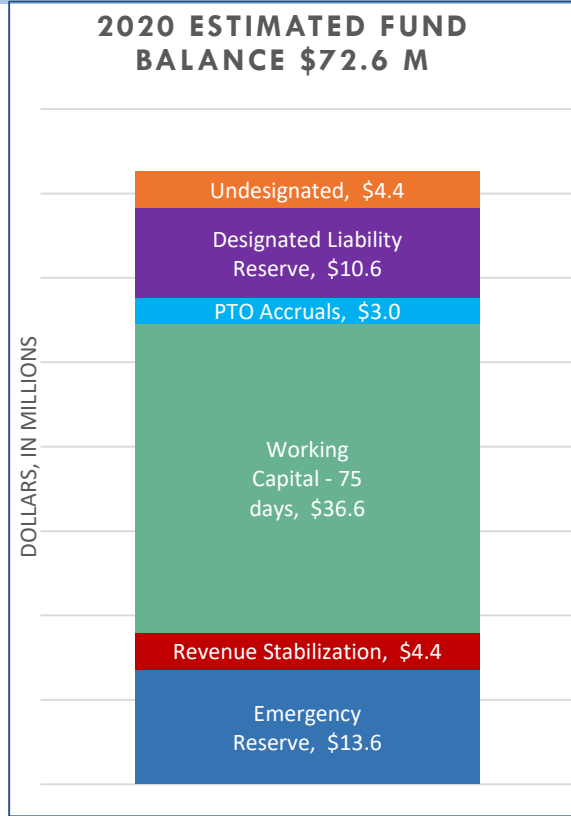
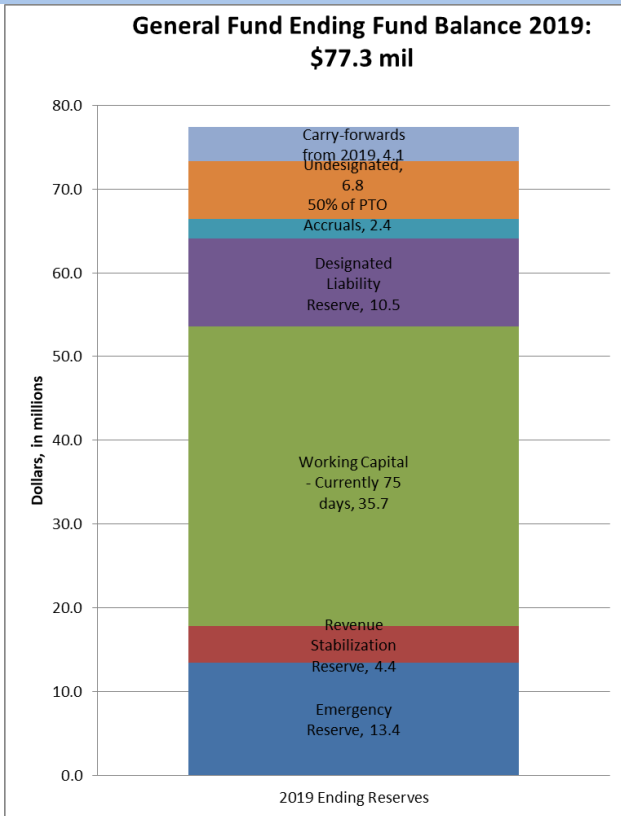
2021-22 City Manager's Recommended Budget

General Fund Reserve Policies:

Emergency Reserve (natural emergency)	7%
Revenue Stabilization Reserve	2.5%
Accrued Compensated Absences	50%
Designated Liability Reserve	Item-specific
Working Capital	60-90 Days
Carry-Forward Funding	



City of Vancouver Financial Policies: Reserves



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**All Other
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\$572 million**

**Projects:
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**Funding
Transfers:
\$30
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**Utility
Capital
Support:
\$45 m**

**Utility
Operating:
\$212 m**

**Other
Funds:
\$314 m**

2021-22 City Manager's Recommended Budget



2021-22 City Manager's Recommended Budget

Implement Key Strategic Initiatives: New

- Affordable Housing Sales Tax of 1/10 of 1 percent in Vancouver to support construction and supportive services for income restricted households

\$4-4.5 m/ year

- Continue to dedicate Real Estate Excise Tax (REET) to supporting public infrastructure projects that facilitate economic development

\$1 m/year



2021-22 City Manager's Recommended Budget

STAFFING SUMMARY: All Other Funds: 484.3 FTEs

New Positions: 5

3 New FTEs in utility funds (W/S/D)

1 New FTE limited term in Finance, revenue funded

1 New General Services Manager

Extended/Converted Existing LT FTEs: 4

2 Limited Term Capital Project Managers extended

1 FTE conversion from LT to Regular and 1 extended in HR

Frozen FTEs: 6.75

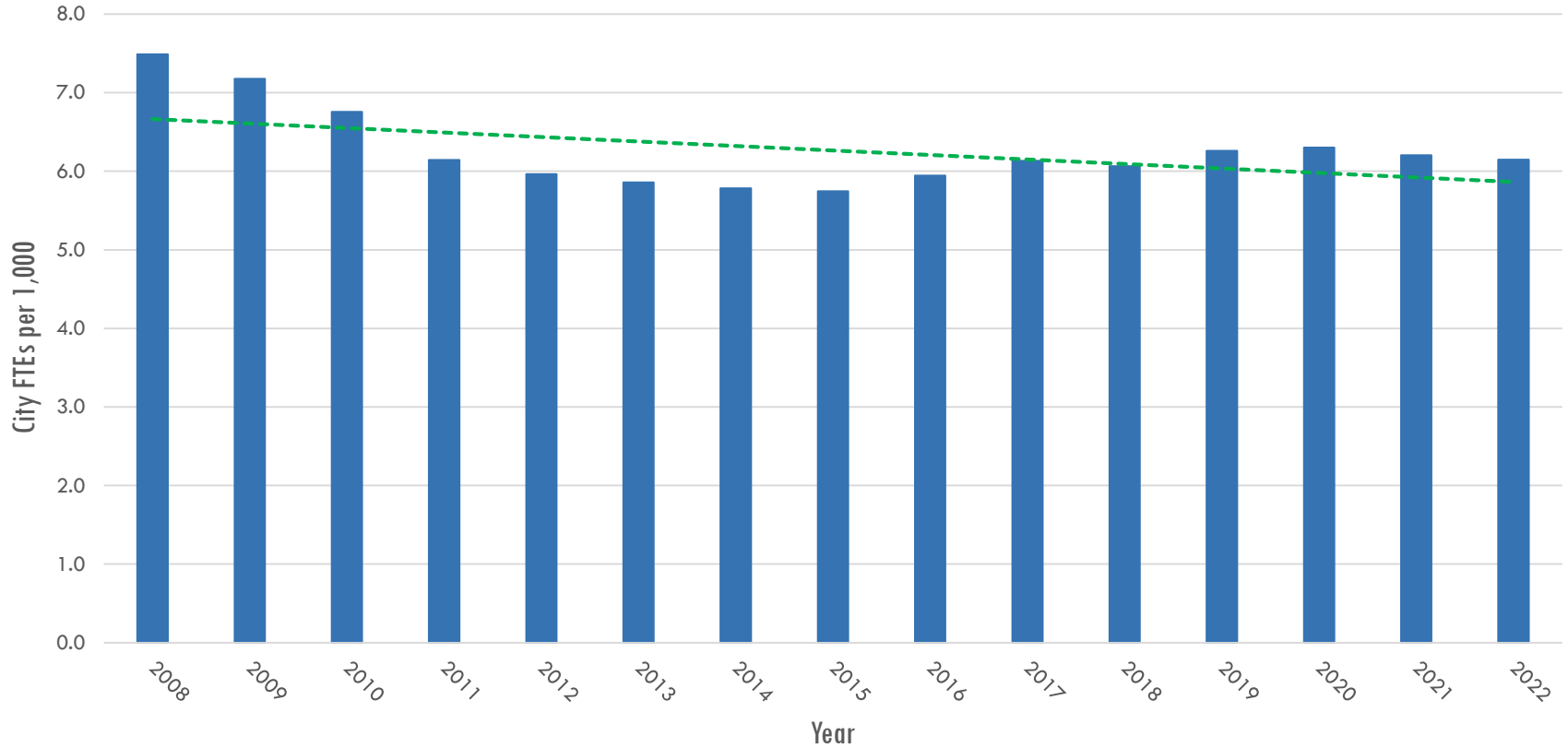
6.75 FTEs frozen in Finance, IT, Equipment Services, Grounds

2021-22 Recommended Budget: Other Operating Funds

Other Major Initiatives:

- Utilize Section 108 Loan to fund Fourth Plain Commons \$3.5 m
 - *Debt will be supported by CDBG*
- Affordable Housing Fund (Property Tax) \$12.0 m
- Vehicle Replacement Purchase Carry Forward \$7.0 m
- Increase cost of Microsoft licenses \$1.5 m
- Continued no Subsidy for Parking Fund \$0.0 m

City of Vancouver FTE for every 1,000 people



2021-22 City Manager's Recommended Budget - 22

Budget Ordinances

- 2021-22 Budget Ordinance and Financial Policies Resolution
- Property Tax Ordinances – recommended 0.6% increase for 2021
- Utility Rate Increase Ordinances based on a rate study
- Affordable Housing Sales Tax Increase Ordinance
- Fire Marshal Office and Fire Hazmat Fee Increases
- Parks Impact Fees increase consistent with A Stronger Vancouver
- Affordable Housing Sales Tax of 1/10 of 1%
- Real Estate Excise Tax' portion re-dedication to projects supporting new jobs

Next Steps/Timeline

City Manager's Recommended Budget published	✓ October 1 st
On-line budget review tool available	✓ October 5 th
First Council Workshop on the City Manager's Recommended Budget	✓ October 5 th
Continued Recommended Budget Council Review	October - November
First Reading	November 9 th
Public Hearing	November 16 th

Questions and Discussion

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