

2025 Proposed Budget

September 30, 2024



2025 Proposed Budget

Leverages creative use of existing resources to provide short-term relief from a structural General Fund deficit

Makes targeted reductions to allow for priority program expansions

Uses non-General Fund resources to continue investments across the city

Budget policies, laws and constraints

Laws & Constraints

- The City has over 50 funds, all except the General Fund are restricted by policy or law
- State law says one fund cannot benefit another
- Budgets are the legal limit that can be spent
- Budgeted expenditures cannot exceed projected revenues plus reserves

Policies

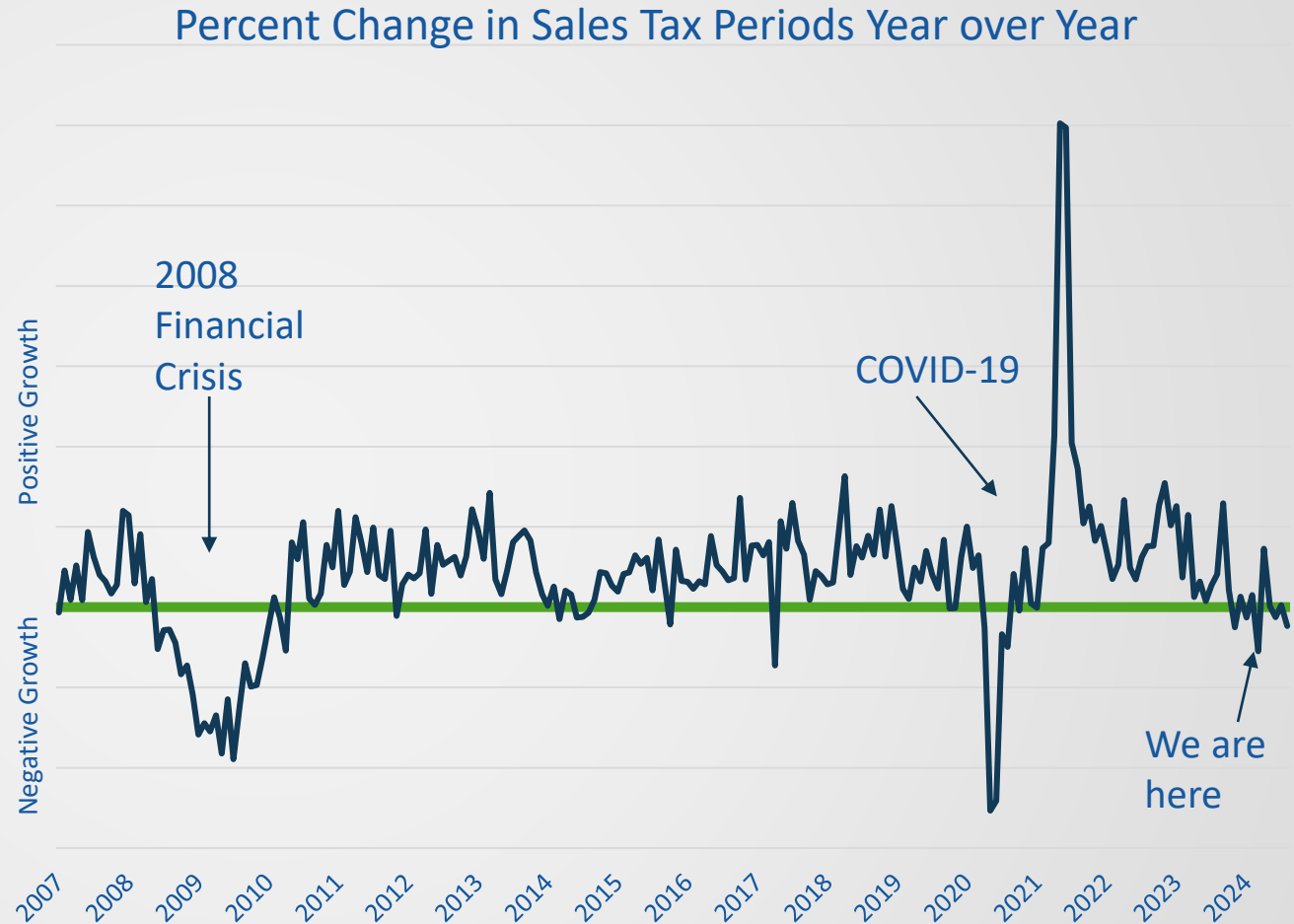
- Ongoing expenditures should not exceed ongoing revenues
- Existing reserves and one-time revenues should only be used for one-time expenses

2024 General Fund revenues are not meeting expectations

Five 2024 tax periods have been less than comparable 2023 periods

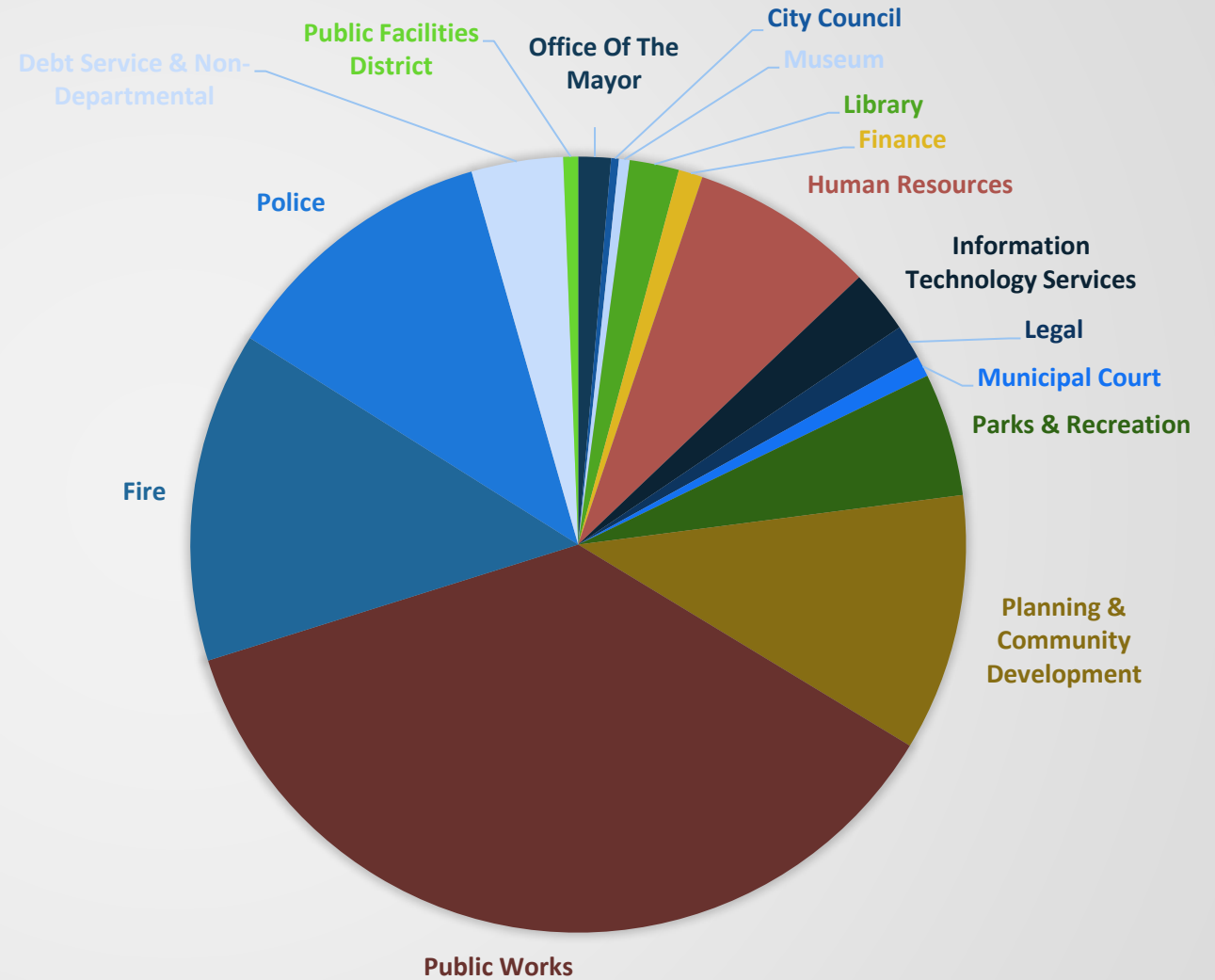
Revenues will likely miss targets by \$2-\$3 million.

Is this the first time since 2008?



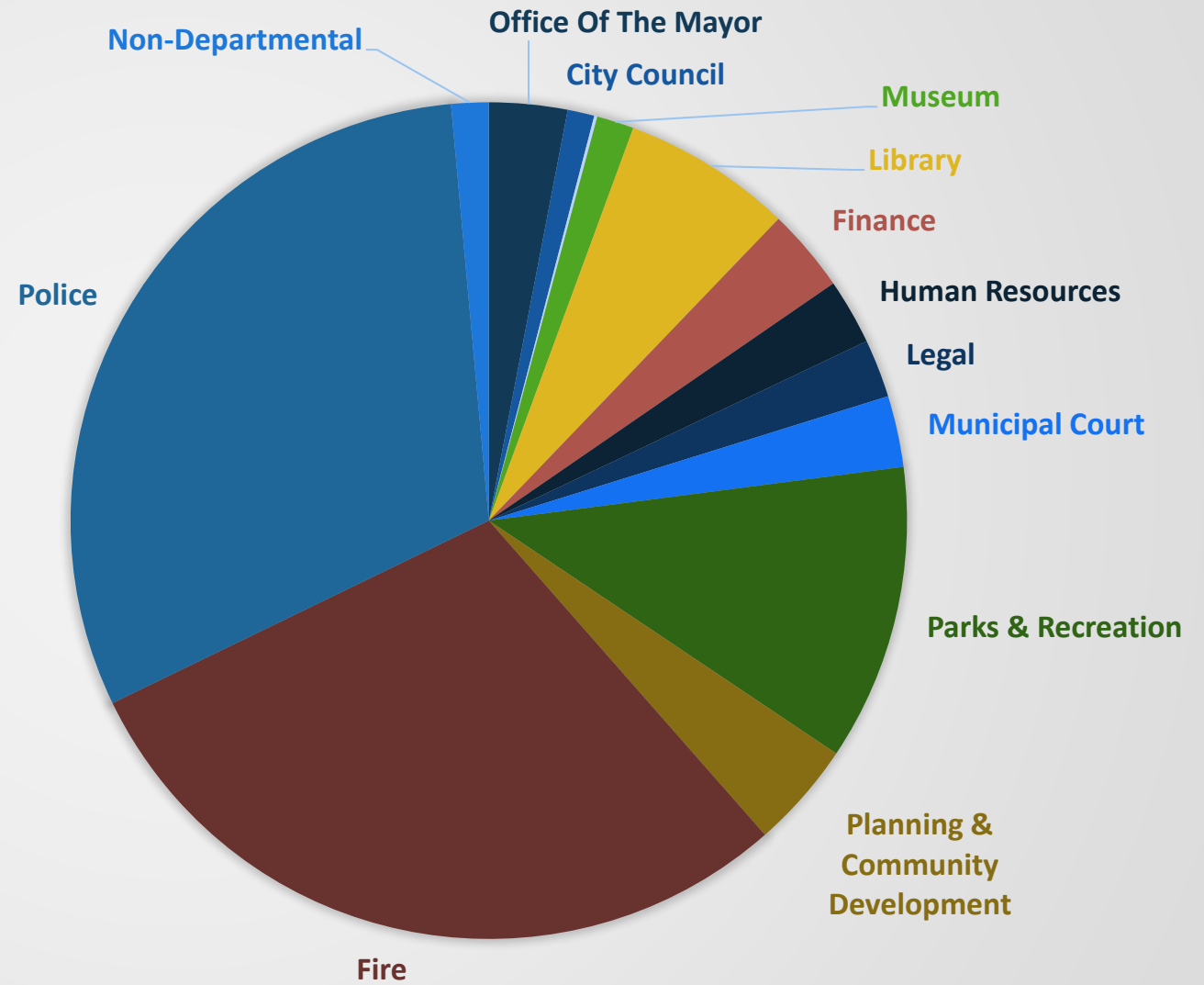
2025 Proposed Budget

Operating Budget by
Department



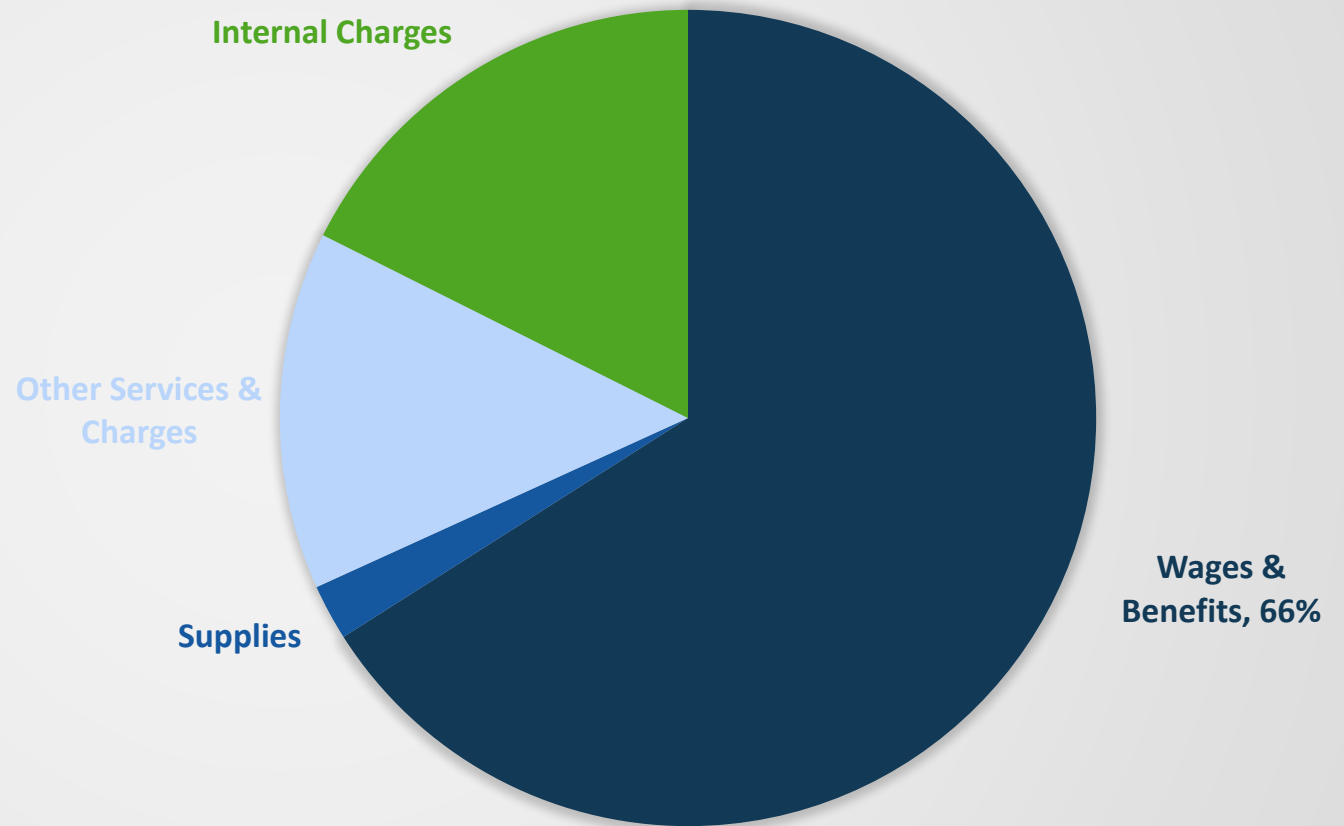
2025 Proposed Budget

General Fund Operating by
Department



2025 Proposed Budget

General Fund by
Type



Changes to revenue allocation



Increases Sales Tax allocation to General Fund to 68% - reducing Street fund allocation by 5%



Temporary diversion of property taxes from fully-funded pre-LEOFF firefighter's pension to General Fund to support increased public safety costs



Uses interest from City's cash pool and investments to support the General Fund consistent with RCW 35.39.034



Proposes increase to Solid Waste Utility Tax to support remediation efforts

Strategic Investments



Two additional Police Officers to support the return of specialty units, including the downtown bicycle unit



Prosecutor for the new therapeutic Community Court



Contributes \$1 million of Opioid Settlement funds to support the County's construction of a 23-Hour Crisis Relief Center



Continues to invest heavily in affordable housing, community development and alternative responses

Overall General Fund budget impact

Citywide the Proposed Budget includes \$389 million in operating and \$153 million in capital

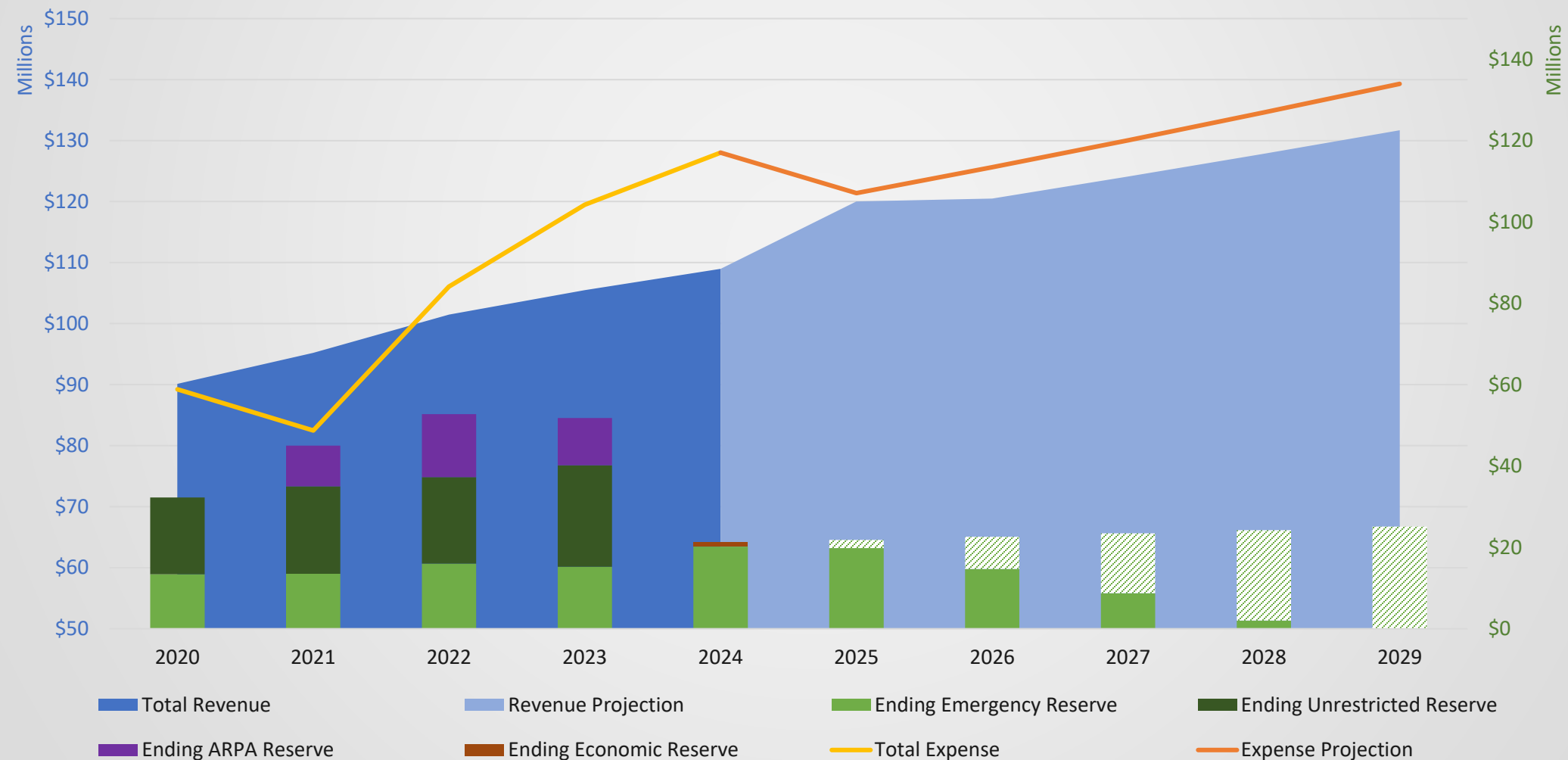
The General Fund includes a \$6 million ongoing deficit after accounting for one-time and temporarily diverted revenues

General Fund Budget

	<u>2025 Proposed Budget</u>
<i>Beginning Reserve</i>	26,500,000
Budgeted Revenue	
Taxes	92,401,304
Licenses and Permits	873,400
Intergovernmental Revenue	6,217,837
Charges for Services	13,812,066
Fines and Penalties	392,946
Interest and Other Revenues	3,167,072
Transfers and Repayments	2,507,415
Total Budgeted Revenue	120,072,041
Budgeted Expense	
Transfers	262,510
Salaries and Wages	59,806,851
Personal Benefits	20,233,106
Supplies	2,682,329
Other Services & Charges	38,571,002
Total Budgeted Expense	121,555,797
Total Surplus/(Deficit)	(1,483,756)
<i>Budgeted Ending Reserve</i>	25,016,244

Long-term General Fund Outlook

Five-Year Revenue and Expense Projection



Budget Schedule

Work sessions

- October 7
 - Revenue Uses
 - Public Safety
- October 14
 - Internal Services
 - Mayor's Office
- October 21
 - Parks & Rec
 - Planning & CD
- October 28
 - Public Works
 - Museum
 - Library
- November 4
 - Municipal Court
 - Other discussion as needed
 - Council Changes

Public Hearings

- Revenue – Oct 21
- Budget
 - October 7
 - November 04

Budget Ordinance

- Intro November 18
- 3rd & Final December 9