

**2025-2026 Budget:**

**Continuation of Public Hearing**

City Council Meeting | November 12, 2024



# Agenda

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- Reminder of budget philosophy
- Reminder of budget amendments approved on November 4, 2024
- Effect of approved budget amendments on general fund
- Continuation of Public Hearing
- Next Steps



# Budget Philosophy

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- Generally maintain LOS and hold staff harmless – following Council direction
- Follow Fiscal Sustainability Taskforce recommendations
- Reflect Council’s Fiscal Sustainability goal
- Improve trust and transparency in the budget and capital planning process
- Acknowledge structural imbalance requires new revenues
  - Implement 6% Utility Tax by January 2026
  - Direction to staff to explore creation of Metropolitan Park District

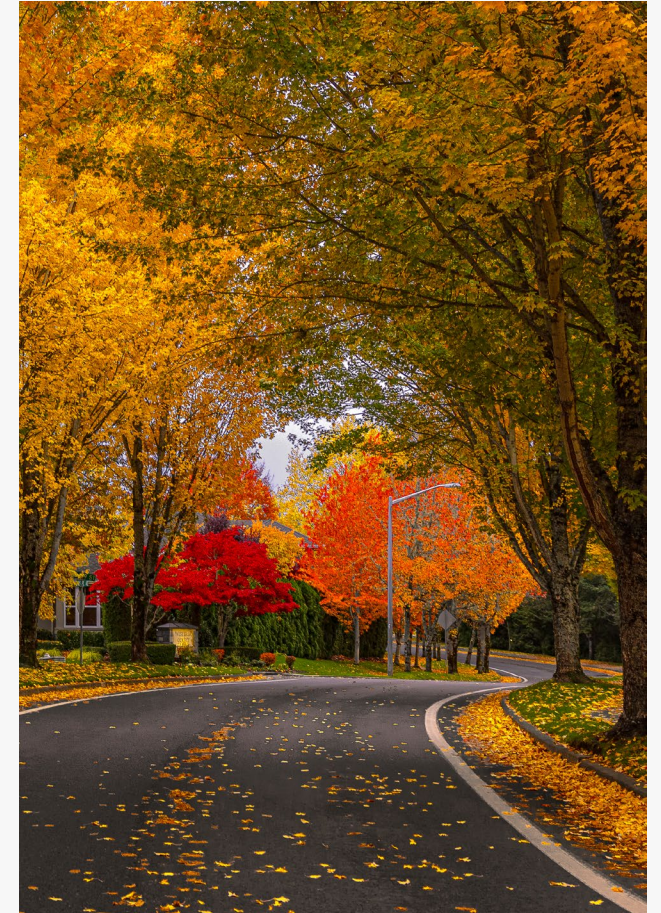


# 2025-2026 Budget Highlights

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## **Cost-saving measures applied to all departments**

- “What ifs” and contingencies gone
- Office supplies reduced
- Out of state travel restricted & training reduced
- Reduced number of seasonal positions
- Greatly reduced meeting meals
- Limited overtime
- Continuing to reduce costs (e.g., cell phones)



# Budget Amendment #1 | Staff Recommended

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## **Amendment #1 - General Fund Changes:**

- Move project costs from 2024 to 2025, zero net effect on fund balance:
  - Repair costs
  - Impact fee study
  - EMPG grant
- Adjusted final fire budget
- Adjusted final police budget
- Reduced budget for change in level of service for snow & ice removal
- Increased vacancy allowance, resulting in budget reduction

# Budget Amendment #1 | Other Funds (no effect on general fund)

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## **Amendment #1 - Other Fund Changes:**

- **Fund 301:** Added \$200 thousand to fire station 83 for owner representative
- **Fund 302:** Removed contingency budget, removed budget for signage, moved greenhouse project budget to the 2027-2028 biennium
- **Fund 340:** Added budget for ELSP analysis and 30% design
- **Funds 408 & 438:** Adjusted budget for Hazel Wolf culvert improvement and ELSP analysis & 30% design
- **Fund 501:** Reduced budget for snow & ice LOS, moved purchase of one vehicle from 2024 into 2025
- No effect on General Fund at this time

# Budget Amendments #5 and #7 | Council Recommended

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## **Council amendments approved on November 4, 2024:**

- Swap the primary funding source for the Town Square project from the general fund to the Parks CIP land acquisition dollars
- Add \$300 thousand aimed at enhancing the City's sustainability initiatives, funded by savings from the amendment above

# General Fund After Amendments Applied

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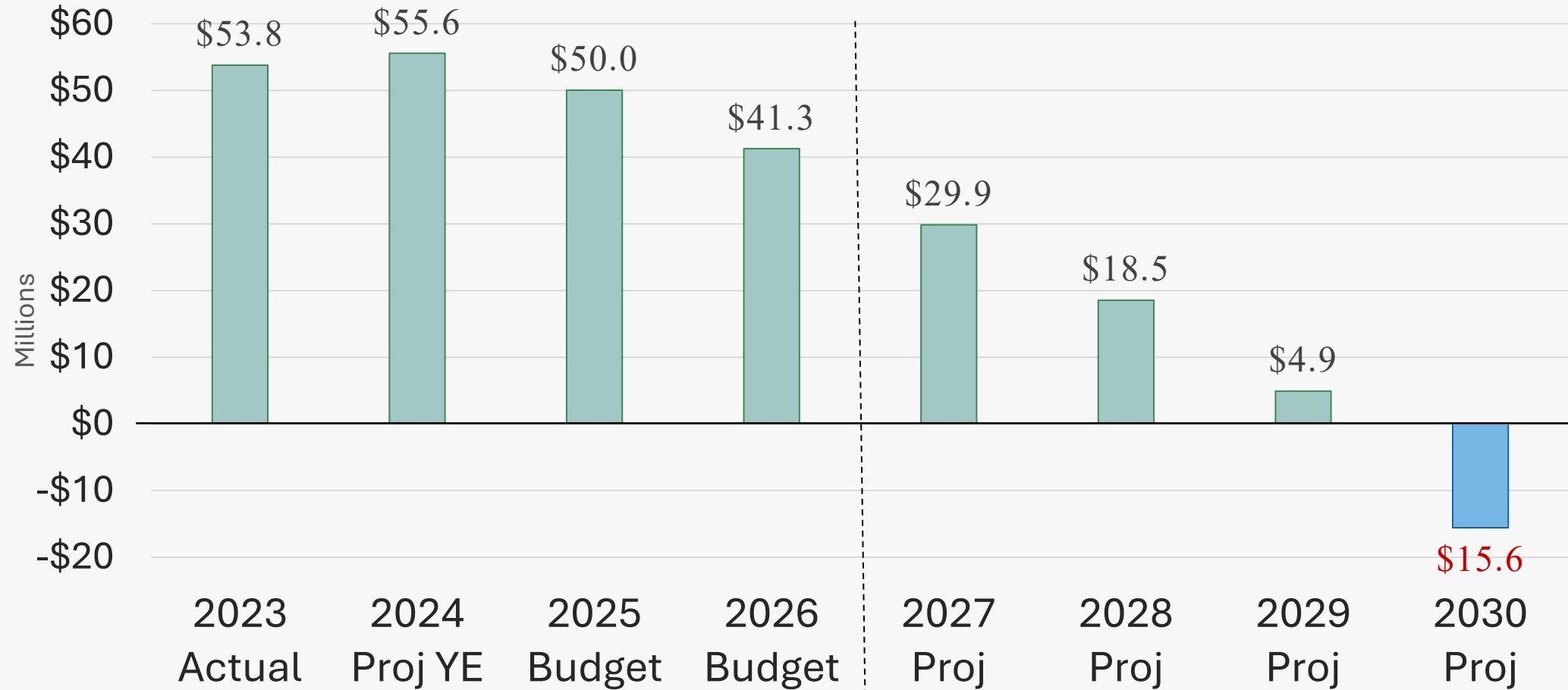
## **Net effect of amendments on General Fund:**

- Use of \$14.3 million in existing fund balance
- After adjustments, ongoing expenditures exceed ongoing revenues by \$6.7 million for the biennium
- Departmental expenditure budget increases of just 0.4% compared to the 2023-2024 biennial budget, excluding transfers for capital projects



# Net Effect on General Fund after Inclusion of Amendments

**General Fund Balance Total - spending proposed reserve requirement**  
as currently budgeted/projected



# Next Steps

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## **November 19 Regular Meeting**

- Close public hearing
- Planned budget adoption

# Budget Schedule

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~~**Sept 3:** Discuss funds, the budget, and CIP document~~

~~**Sept 10:** Discuss the Capital Improvement Plan (CIP)~~

~~**Sept 17:** Focus on maintenance and operations~~

~~**Oct 1:** Full budget and CIP presented to Council~~

~~**Oct 8:** Department budget presentations~~

~~**Oct 15:** Department budget presentations / Revenue Options~~

~~**Nov 4:** Public hearing & Council deliberations~~

~~**Nov 12:** Public hearing & Council deliberations (continued)~~

~~**Nov 19:** Public hearing & Budget adoption~~

Questions?

# Budget Amendment #7 | Scope

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## Adds \$300,000 total in 2025-2026 for sustainability

- **Scope:** Land use, building, and public works code and policy updates.
- **Objective:** Identify incentives and requirements to integrate sustainable practices into building and site design
- **Methods:** Gap analysis and inventory, community outreach, industry outreach, market feasibility, and economic viability analysis
- **Process:** Sustainability Commission, Planning Commission, City Council review
- **Outcome:** Some near term implementation with emphasis on far term recommendation of code and policy updates. Will inform future work plan items

# Budget Amendment #7 | Work Plan Impact

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## Environment

- **E4 | PSE Green Power:** Delay citywide promotion component one year
- **E5 | Waste Reduction Programs:** Delay program expansion at least one year
- **E9 | Urban Forest Management Plan Right Sizing:** Delay to 2027-2028
- **E13 | Tree Regulations Update:** Delay six months

## Housing

- **H2 | Neighborhood Centers Plan:** Delay 1.5 years
- **H4 | Centers and Corridors Plan:** Delay one year

## Trust & Transparency

- **T2 | Title 24A Update:** Delay to 2027-2028