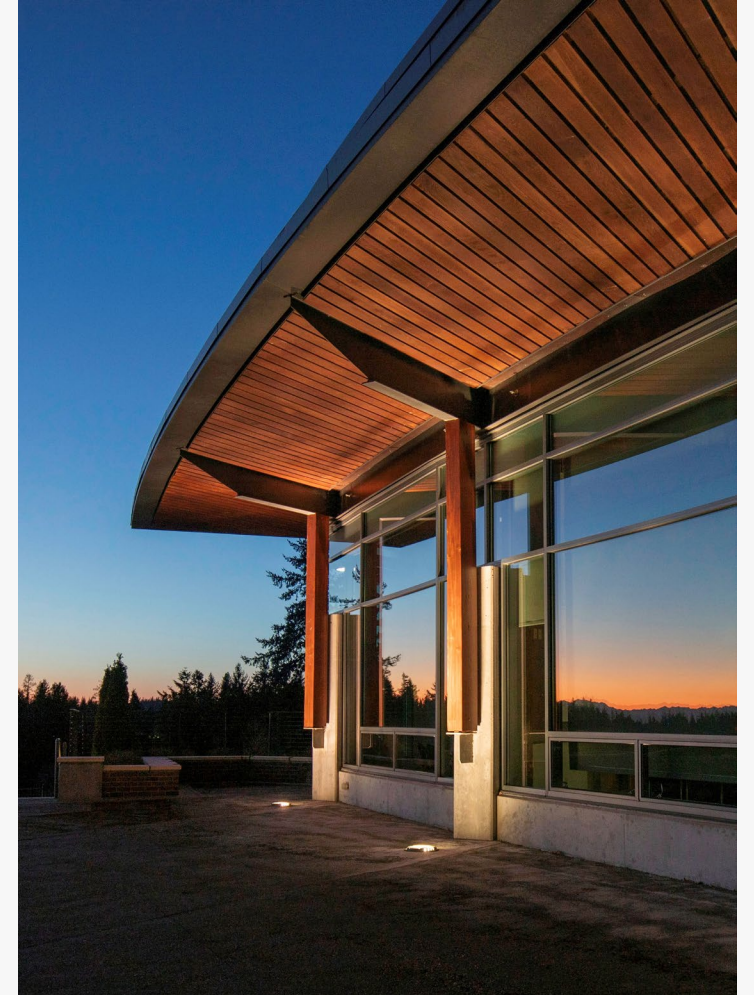


2025-2026 Budget - Department Overviews

City Council Meeting | October 15, 2024

Tonight's Presentation

- Overall philosophy
- Cost saving measures applied to all departments
- Department budget presentations
 - › Major Work Plan Items
 - › Service level reductions
 - › 2023-2024 Underspend
(Threshold: 10% of department budget or greater)



Budget Philosophy

- 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 Parks District

2025-2026 Budget and Workplan Highlights

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 find ways to reduce costs (e.g., cell phones)

Net result: Total 2025-2026 departmental general fund budget increase of 0.7% over 2023-2024 budget

excluding non-departmental budget

City Council Department

Department Summary | Pg.104-105

Budget Detail | Pg. 217

Work Plan | Pg. 33-46

Major Work Plan Items

- Review and approve major initiatives across departments' work plans

City Council Department | Service Level Reductions

- Reduction in travel and training
- No funding for "what if" Council projects
- No funding for federal lobbyist
- Maintaining association memberships (AWC, NLC, SCA)

City Council Department | 2023-2024 Underspend

Estimated underspend: 14.0% (\$107,534)

- Underspend due to "what if" budgeting

City Manager Department

Department Summary | Pg. 106-108

Budget Detail | Pg. 218-221

Work Plan | Pg. 33-46

Major Work Plan Items

- Sustainability initiatives (E1 - E11):
 - Energy Smart Eastside Heat Pump Program (E1)
 - Climate Action Plan Implementation (E6)
 - UFMP Right-Sizing (E9)
 - Right of Way Tree Study (E11)
- Implement Racial Equity Workplan (D1)
- Impact Fee Study (F1)
- Service Levels Review (F2)

City Manager Department | Service Level Reductions

- Reduced funding for DEIB professional services from previous biennium; adequate funds remain to implement Racial Equity Workplan
- No funding for "what ifs"

Social & Human Services Department

Department Summary | Pg. 127-128

Budget Detail | Pg. 234

Work Plan | Pg. 33-46

Major Work Plan Items

- Human Services Grants (2027-2028) (D3)

Note: Human Services funding was held harmless – Increased funding for senior programming to more fully cover program expenses

Legal Services Department

Department Summary | Pg. 111-112

Budget Detail | Pg. 223

Work Plan | Pg. 33-46

Major Work Plan Items

- Ongoing legal services

Public Safety Department (contracted)

Department Summary | Pg. 119-120

Budget Detail | Pg. 228

Work Plan | Pg. 33-46

Major Work Plan Items

- Restructured with Police, Fire, Prosecution and other public safety services
- Police contract funded at 7% increase per year above 2024
- Fire contract funded at 23% increase above 2024 for 2025 and additional 8.5% increase in 2026
- Other public safety contracts right sized

Police Services Department (non-contract)

Department Summary | Pg. 117-118

Budget Detail | Pg. 227

Work Plan | Pg. 33-46

Major Work Plan Items

- Community Police Academy (S5)
- Sammamish Police Explorers (S6)

Police Services Department | 2023-2024 Underspend

Estimated underspend: 10.2% (\$2,147,780)

- KCSO contract savings due to staff vacancies
- Jail numbers were below estimates

Community Development Department

Department Summary | Pg. 129-132

Budget Detail | Pg. 235-238

Work Plan | Pg. 33-46

Major Work Plan Items

- Town Center Plan & Code Amendment Project (H1)
- Neighborhood Centers Plan (H2)
- Centers and Corridors Plan (H4)
- Tree Regulations Update (E13)
- Permitting System Replacement (T3 / IT-1)

Administrative Services/Emergency Management Department

Administrative Services

Department Summary | Pg. 113-114

Budget Detail | Pg. 224-225

Work Plan | Pg. 33-46

Emergency Management

Department Summary | Pg. 121-122

Budget Detail | Pg. 229

Work Plan | Pg. 33-46

Major Work Plan Items

- Emergency Sheltering Planning (S1)
- Emergency Management Program (S2)
- Emergency Management Supplies (S3)

Admin Services/EM Department | 2023-2024 Underspend

Administrative Services Department Underspend: 15.8% (\$494,215)

- Included “what if” budget
- Anticipated higher levels of recruitment and hiring

Emergency Management Department Underspend: 46.9% (\$60,342)

- Due to timing of work related to FY2023 and FY2024 EMPGs and matching funds
 - The \$36K from the 2023 grant will be spent this year
 - The 2023 match will be spent in 2025
 - Both the 2024 grant and the match to be spent in 2025

Risk Management Fund

Fund Summary | Pg.171-172

Budget Detail | Pg. 265

Work Plan | Pg. 33-46

Major Work Plan Items

- Obtain adequate insurance at the most reasonable cost.
- Operate safety programs to minimize risk to employees and the City.

Finance Department

Department Summary | Pg.109-110

Budget Detail | Pg. 222

Work Plan | Pg. 33-46

Major Work Plan Items

- Process improvements (F10) - no dollars but significant staff time
- Modernize accounting practices (F9)
- Diversify City Revenues (F4)
- Financial System Upgrade (F7 / IT-2)

Finance Department | 2023-2024 Underspend

2023-2024 estimated underspend: 20.1% (\$711,366)

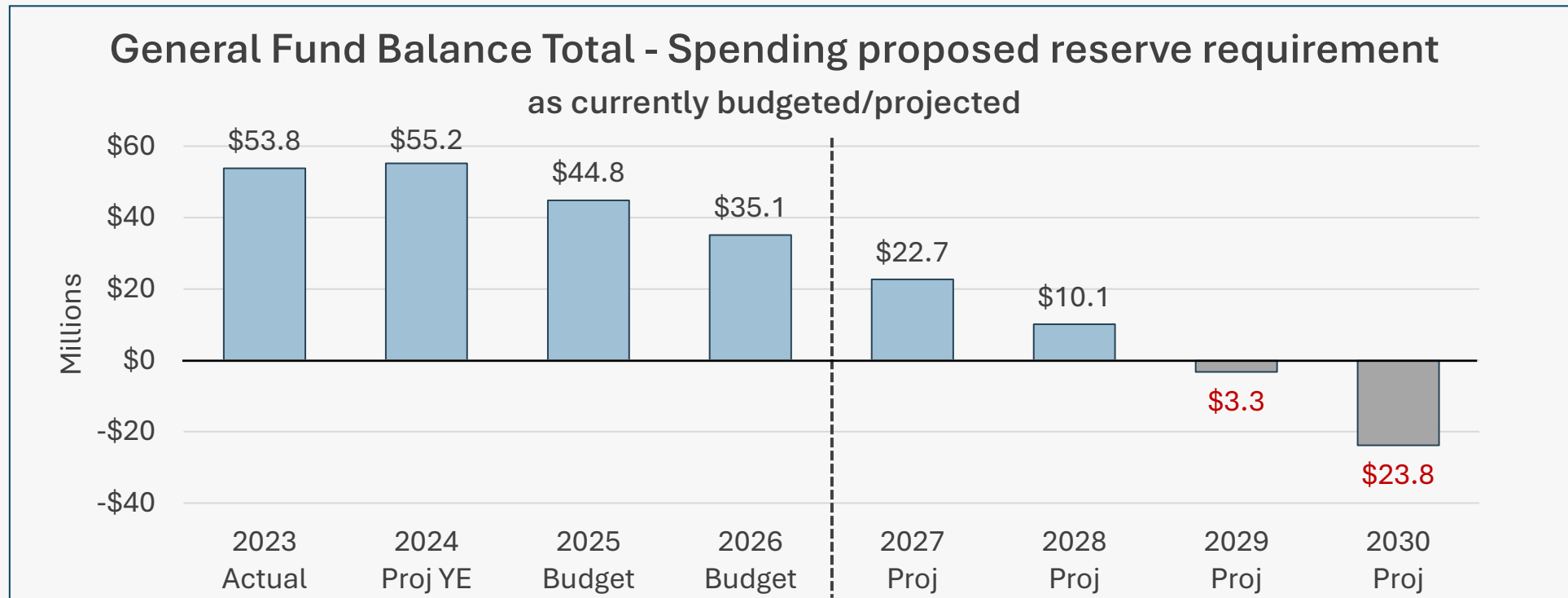
- Staff vacancies
- Overbudgeting for merchant fees

Administrative Accounts

- Non-Departmental
- American Rescue Plan Act (ARPA) Fund
- Debt Service Fund

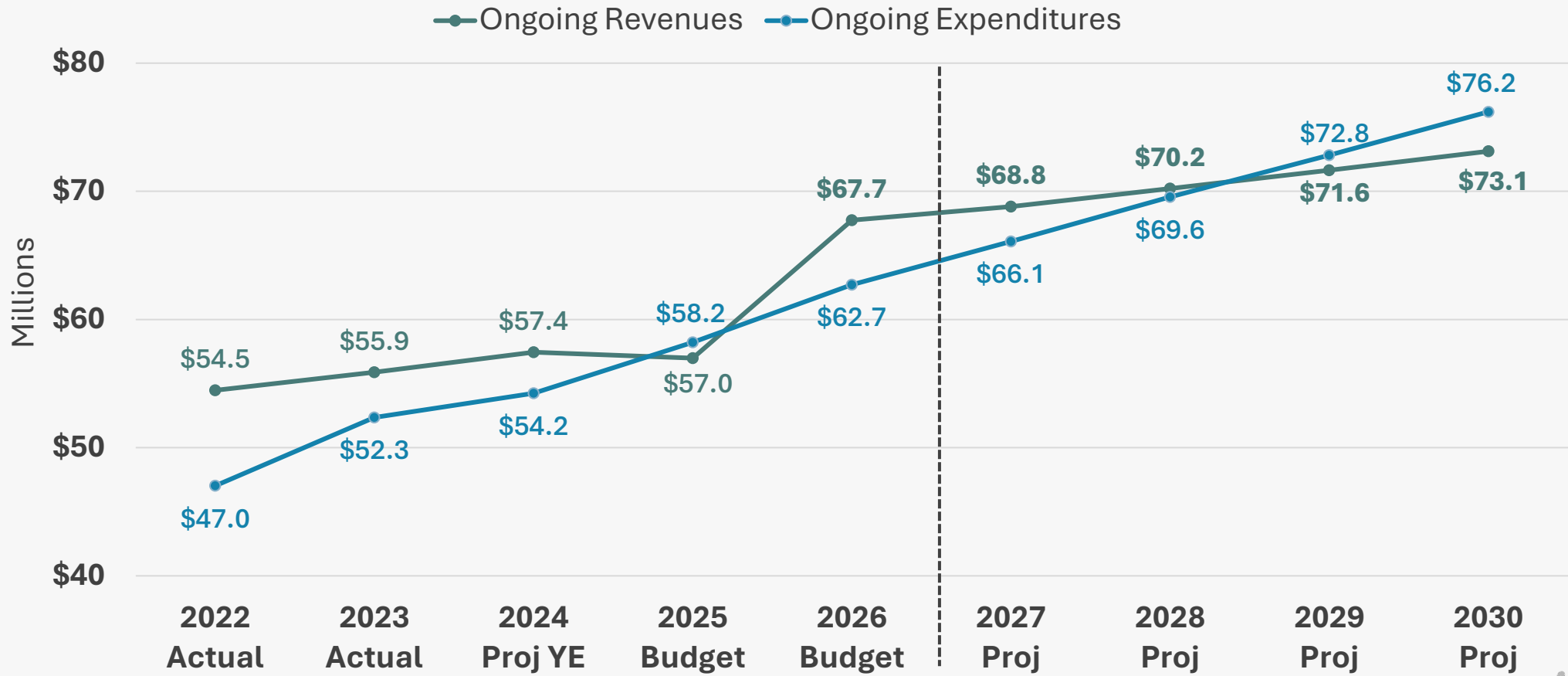
Next Steps

- Council-proposed amendments due Oct 25
- Reminder: Amendments should not add to the budget
 - Must identify revenue source or reductions elsewhere
- Reductions in service levels should reduce deficit, not go to new projects



General Fund – Fund Balance Projection

Ongoing Revenues vs Ongoing Expenditures
with utility tax starting in 2026 (3% growth)



Budget Schedule

~~**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 5: Public hearing & Council deliberations

Nov 12: Public hearing & Council deliberations (continued)

Nov 19: Public hearing & Budget adoption