



# Long Term Financial Strategy

## Key Financial Principles

- **Make Trade-Offs**  
Do not initiate major new services without either  
—ensuring that revenue to pay for the service can be sustained over time, or  
—making trade-offs of existing services.
- **Do It Well**  
If the City cannot deliver a service well, the service will not be provided at all.
- **Focus Programs on Olympia Residents & Businesses**  
Give priority to maintaining existing infrastructure.
- **Preserve Physical Infrastructure**  
Give priority to maintaining existing infrastructure.
- **Use Unexpected One-Time Revenues for One-Time Costs or Reserves**  
One-time revenues—or revenues above projections—will be used strategically to fund prioritized capital projects.
- **Invest in Employees**  
The City will invest in employees and provide resources to maximize their productivity.
- **Pursue Innovative Approaches to Service Delivery**  
Continue to implement operational efficiencies and cost saving measures in achieving community values.  
Pursue partnerships and cost sharing strategies with others.
- **Contract In/Contract Out**  
Consider alternative service delivery to maximize efficiency and effectiveness.
- **Maintain Capacity to Respond to Emerging Community Needs**
- **Pursue Entrepreneurial Initiatives**
- **Address Unfunded Liabilities**
- **Selectively Recover Costs**  
On a selective basis, have those who use a service pay the full cost.
- **Recognize the Connection Between the Operating Budget and the Capital Budget**

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## Guidelines

- **What Should the City Do in the Following Year's Budget When the Financial Forecast is Positive?**
  - Assess the situation
  - Maintain adequate reserves
  - Use one-time revenues only for one-time expenses
  - Use recurring revenues for recurring costs OR for one-time expenses
  - Stay faithful to City goals over the long run
  - Think carefully when considering revenue cuts
  - Think long-term
- **What Should the City Do Every Year, Whether the Financial Forecast is Positive or Negative?**
  - Increase operating cost recovery
  - Pursue cost sharing
- **What Should the City Do in the Following Year's Budget When the Financial Forecast is Negative?**
  - Assess the situation
  - Use reserves sparingly
  - Reduce services
  - Continue to think carefully when considering tax increases