

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 maintain 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**

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