

Budget Sustainability 2026 Operating Budget

City Council Study Session May 13, 2025

Jay Burney, City Manager



Agenda

Purpose: Update Council on the efforts underway to achieve long-term budget sustainability and begin discussions on the approach to balancing 2026 operating budget.

- Revenue & Expenditure Update
 - Business & Occupation Tax Considerations
 - Olympia Metropolitan District – Interlocal Agreement and Sunset Clauses
 - Other factors impacting the 2026 Operating Budget
 - Priority Based Budget Update
 - Next Steps
-

Revenue & Expenditure Update

- 2024 Year-End General Fund Financial Position
- Sales Tax Revenue – thru Q1
- 2025 General Fund Expenditures– thru Q1



Current General Fund Financial Position

Current Fund Balance (12.5%)	\$14,298,893
Minimum 10% Reserve (2025)	\$11,452,159
Fund Balance Above 10% Reserve	\$2,846,734

Fund Balance Policy – Between 10% and 25%



Revenues thru Q1

March 2025
Financial Report

General Fund Overview - Revenues by Category				
		Percentage of year complete		25.0 %
Revenue Categories	2025 Amended Budget	2025 YTD	Budget %	Actuals to Budget %
Taxes:				
Property Tax	20,547,505	506,776	18.6 %	2.5 %
Sales & Use Tax	35,590,000	8,602,016	32.2 %	24.2 %
Business and Occupation Tax				
B&O Tax	9,025,000	2,875,377	8.2 %	31.9 %
Private Utility Tax	5,345,332	1,374,362	4.8 %	25.7 %
Public Utility Tax	7,850,000	1,690,235	7.1 %	21.5 %
Excise in Lieu	300,000	62,499	0.3 %	20.8 %
Other Taxes	260,000	77,316	0.2 %	29.7 %
Licenses and Permits	796,000	217,313	0.7 %	27.3 %
Intergovernmental Payments	2,699,640	839,736	2.4 %	31.1 %
Charges for Service	20,847,685	3,917,752	18.9 %	18.8 %
Fines and Forfeitures	380,700	122,785	0.3 %	32.3 %
Miscellaneous	1,227,810	414,712	1.1 %	33.8 %
Transfers In	5,506,820	152,316	5.0 %	2.8 %
Total Revenues	110,376,492	20,853,195	99.8 %	18.9 %

Notes:

Property Tax - May and November are the large payment months.

Miscellaneous - Comprised of investment earnings, interest, rents, leases, etc.

Transfers In - Some annual transfers have been entered in April, some will be entered at year end.

2025 General Fund Expenditures – thru Q1

General Fund Overview - Expenditures by Category

Percentage of year complete 25.0 %

March 2025
Financial Report

Category	2025 Adj Budget	2025 YTD	Budget %	Actuals to Budget %
Personnel Costs	81,688,776	19,288,114	71.3 %	23.6 %
Supplies for Consumption and Resale	2,104,540	692,766	1.8 %	32.9 %
Services and Pass-Through Payments	12,143,200	2,561,741	10.6 %	21.1 %
Intergovernmental Payments	3,013,997	713,672	2.6 %	23.7 %
Capital Outlay	25,500	47,985	— %	188.2 %
Debt Service	—	—	— %	— %
Interfund Payments	10,294,262	4,753,675	9.0 %	46.2 %
Transfers Out	5,251,313	200,000	4.6 %	3.8 %
Total Expenditures	114,521,588	28,257,953	100.0 %	24.7 %

Notes:

Capital Outlay - Over budget due to Armory purchases. Carryover submitted in 1st Q BA to cover.

Interfund Payments - \$3 million contribution towards insurance payments at the beginning of the year

Total Expenditures - Differs from other General Fund tables due to purchase card clearing process

Business & Occupation Tax Revenue Considerations

Discussion Items

- Review of proposed changes to B&O Tax Program
 - About our B&O Tax
 - Average B&O Tax
 - Median Size of Business
 - Taxpayers by NAICS and Region
 - Business Size by NAICS and Region
 - Impacts from Proposed Changes
 - Impacts to B&O Revenue
 - Impacts to B&O Taxpayers
 - Exemptions
-

Proposed Changes

- The following changes to the B&O Tax program are considered:
 - Raise Retail rates from .001 to .002
 - Increase no-tax-due threshold from \$20k to \$200k
 - Increase no-tax-due threshold from \$20k to \$500k
 - Create a tax exemption

- Goal: To better understand the profile of impacted businesses



Average B&O Tax

Business Located	B&O Revenues	Taxpayers	Average Tax Paid
West Side	2,633,198	1,012	\$ 2,602
Downtown	522,507	373	\$ 1,401
East Side	2,449,541	1,041	\$ 2,353
Outside	2,429,960	2,694	\$ 902
* Zero Dollar Filers	-	3,813	\$ -
Total	8,035,206	8,933	\$ 899

Taxpayers represent businesses at or above the \$20,000 threshold.

Zero Dollar Filers submit a filing but owe \$0 in tax.

A north-south line through Budd Inlet & Capitol Lake divides West Side from East Side; Downtown is the sum of 3 PBIA zones; Outside is outside of City Limits.

Median Size of Business

Category (Business Activity)	All Business Activity	West Side Business	Downtown Business	East Side Business	Outside Business
	Median	Median	Median	Median	Median
Manufacturing	\$ 24,168	\$ 102,468	\$ 111,107	\$ 49,003	\$ 18,146
Printing & Publishing	21,246	28,326	265,496	15,514	21,246
Retail Service	53,976	180,758	216,294	85,926	31,132
Retailing	69,023	537,574	379,343	97,564	43,435
Road Construction or Extraction	21,463	17,470	none	4,233	21,700
Service & Other Activity	72,309	117,546	155,688	93,742	32,588
Wholesaling	54,639	140,201	25,829	49,191	53,114
Total	\$ 64,101	\$ 172,446	\$ 192,386	\$ 85,728	\$ 38,676

Taxpayers by NAICS/Region

NAICS Groups	Categories Used on B&O Filings	West Side	Downtown	East Side	Businesses
		Businesses	Businesses	Businesses	Outside Olympia
		Taxpayers	Taxpayers	Taxpayers	Taxpayers
Accom & Food Svcs	Retail, Service & Other, Wholesaling	68	66	71	13
Admin Support	Manufacturing, Printing, Retail, Road Construction, Service & Other, Wholesaling	25	13	44	299
Arts, Entertainment	Retail, Service & Other, Wholesaling	13	11	12	16
Construction	Manufacturing, Retail, Road Construction, Service & Other, Wholesaling	28	13	57	1,047
Educational Svcs	Retail, Service & Other, Wholesaling	11	5	17	12
Finance & Insurance	Retail, Service & Other, Wholesaling	49	21	26	32
Health Care	Retail, Service & Other, Wholesaling	238	10	254	68
Information	Printing, Retail, Service & Other, Wholesaling	14	8	13	65
Manufacturing	Manufacturing, Printing, Retail, Service & Other, Wholesaling	9	16	17	93
Other Services	Manufacturing, Retail, Service & Other, Wholesaling	120	47	113	72
Real Estate	Retail, Service & Other, Wholesaling	28	11	48	120
Retail Trade	Manufacturing, Retail, Service & Other, Wholesaling	262	78	185	218
Technical Services	Manufacturing, Printing, Retail, Service & Other, Wholesaling	132	60	152	241
Wholesaling	Manufacturing, Printing, Retail, Service & Other, Wholesaling	6	9	23	327
Others Not Shown		9	5	9	71
Grand Total		1,012	373	1,041	2,694

Business Size by NAICS/Region

NAICS Groups	Categories Used on B&O Filings	West Side Businesses Average Size	Downtown Businesses Average Size	East Side Businesses Average Size	Businesses Outside Olympia Average Size
Accom & Food Svcs	Retail, Service & Other, Wholesaling	\$1,253,619	\$974,549	\$998,996	\$329,117
Admin Support	Manufacturing, Printing, Retail, Road Construction, Service & Other, Wholesaling	405,745	338,738	372,230	338,012
Arts, Entertainment	Retail, Service & Other, Wholesaling	493,936	143,703	143,723	346,459
Construction	Manufacturing, Retail, Road Construction, Service & Other, Wholesaling	441,219	1,719,053	201,532	356,283
Educational Svcs	Retail, Service & Other, Wholesaling	332,832	120,125	121,504	178,778
Finance & Insurance	Retail, Service & Other, Wholesaling	2,269,752	3,481,493	1,228,559	3,794,551
Health Care	Retail, Service & Other, Wholesaling	1,582,204	212,517	2,658,225	436,127
Information	Printing, Retail, Service & Other, Wholesaling	997,633	319,520	551,416	657,350
Manufacturing	Manufacturing, Printing, Retail, Service & Other, Wholesaling	1,684,630	211,589	12,498,721	336,193
Other Services	Manufacturing, Retail, Service & Other, Wholesaling	335,836	350,775	358,427	253,025
Real Estate	Retail, Service & Other, Wholesaling	1,566,621	756,586	399,603	445,732
Retail Trade	Manufacturing, Retail, Service & Other, Wholesaling	4,422,580	639,201	1,913,581	881,796
Technical Services	Manufacturing, Printing, Retail, Service & Other, Wholesaling	601,018	1,072,632	615,163	839,140
Wholesaling	Manufacturing, Printing, Retail, Service & Other, Wholesaling	670,053	637,148	1,637,391	2,090,775
Others Not Shown		570,538	6,000,495	1,727,019	1,215,606
Grand Total		\$1,942,795	\$936,172	\$1,527,153	\$722,828

Impacts to B&O Revenue

Business Located	Increase Retail Rate to .002	Raise Threshold to \$200k	Impact from Both Changes
West Side	\$ 1,172,302	\$ (40,827)	\$ 1,127,171
Downtown	163,315	(14,007)	145,579
East Side	442,600	(46,862)	387,979
Outside	750,049	(107,707)	599,002
Total	2,528,266	(209,403)	2,259,731

Business Located	Increase Retail Rate to .002	Raise Threshold to \$500k	Impact from Both Changes
West Side	\$ 1,172,302	\$ (105,669)	\$ 1,046,866
Downtown	163,315	(45,224)	103,609
East Side	442,600	(111,847)	308,825
Outside	750,049	(246,939)	398,668
Total	2,528,266	(509,678)	1,857,969

Businesses Impacted

\$200k Threshold + Rate Change

Current

Business Located	Everyone	\$0 Dollar Filers	Taxpayers
West Side	1,414	402	1,012
Downtown	505	132	373
East Side	1,630	589	1,041
Outside	5,384	2,690	2,694
Total	8,933	3,813	5,120

Changes – 200K Threshold + Rate Change

Business Located	Impacted by Both	New \$0 Dollar Filers	Paying Higher Tax
West Side	680	338	342
Downtown	251	113	138
East Side	680	406	274
Outside	2,077	1,416	661
Total	3,688	2,273	1,415

Businesses Impacted

\$500K Threshold + Rate Change

Current

Business Located	Everyone	\$0 Dollar Filers	Taxpayers
West Side	1,414	402	1,012
Downtown	505	132	373
East Side	1,630	589	1,041
Outside	5,384	2,690	2,694
Total	8,933	3,813	5,120

Changes – \$500K Threshold + Rate Change

Business Located	Impacted by Both	New \$0 Dollar Filers	Paying Higher Tax
West Side	769	492	277
Downtown	286	187	99
East Side	773	574	199
Outside	2,272	1,914	358
Total	4,100	3,167	933

Exemptions

- Olympia provides more exemptions than the Washington Cities B&O Model Ordinance
- Cities may modify exemptions
- See Handout – Summary of B&O Exemptions



Olympia Metropolitan Interlocal Agreement and Sunset Clauses

HISTORY

- 2004 Voted Utility Tax
- 2016 Park Plan process identified need for metropolitan park district
- Ballot measure passed in 2015 with 56% voter support
- March 2016 City and Board entered into Interlocal Agreement (ILA)
- ILA directed creation of Advisory Committee and funding commitments



PARKS PLAN AND CAPITAL INVESTMENT STRATEGY



2022-2028 Parks, Arts & Recreation Plan

City of Olympia



February 1, 2022

Figure 7.2 - Parks Arts and Recreation Plan Capital Investment Strategy (2022-2041)

6 Year Capital Facilities Plan (2022-2027)									Long Range Options (2028-2041)	
2% Voted Utility Tax	Fund Balance	2022	2023	2024	2025	2026	2027	Total	2% Voted Utility Tax	2028-2041
Revenue	882,000	1,786,274	1,782,895	1,798,287	1,816,955	1,834,404	1,852,141	11,834,456	Revenue	25,929,974
Debt Payment - \$16M Bond (2020)		(1,012,513)	(1,005,263)	(1,007,013)	(1,012,263)	(1,005,763)	(1,000,013)	(6,050,825)	Debt Payment - \$16M Bond (2020)	(12,111,406)
Land Acquisition		(700,000)	(500,000)					(1,200,000)	Maintenance Staff for new land & projects	(9,800,000)
Maintenance Staff for new land & projects			(300,000)	(500,000)	(700,000)	(700,000)	(700,000)	(2,900,000)	Off-Street Walking Connection Program	(350,000)
Off-Street Walking Connection Program		(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(150,000)	8th Avenue Parcel Development	(3,650,000)
Evergreen Park Playground and Restroom						(700,000)		(700,000)		
8th Avenue Parcel Cleanup and Park Design							(750,000)	(750,000)		
Running Balance	882,000	1,010,762	963,594	1,231,189	610,661	714,503	83,631	0	Running Balance	0
Est. Revenue from Potential SE Annexation				251,459	251,459	251,459	251,459	1,005,836	Est. Revenue from Potential SE Annexation	3,520,426
Neighborhood Park Development							(1,000,000)	(1,000,000)	Log Cabin Parcel Development	(3,500,000)
Running Balance of Annexation Funds	0	0	0	251,459	502,918	754,377	5,836	0	Running Balance of Annexation Funds	20,426

Non-Voted Utility Tax	Fund Balance	2022	2023	2024	2025	2026	2027	Total	Non-Voted Utility Tax	2028-2041
Non VUT (1/2%) Revenue		421,426	425,629	429,899	434,239	438,649	443,131	2,992,971	Non VUT (1/2%) Revenue	886,261
Non VUT (1/2%) Revenue or year-end funds		421,426	425,629	429,899	434,239	438,649	443,131	2,992,971		
Park Land Acquisition					(2,634,163)			(2,634,163)	Park Land Acquisition	(898,261)
4 Neighborhood Park Acquisitions					(2,700,000)			(2,700,000)	Est. Revenue from Potential SE Annexation	124,310
Est. Revenue from Potential SE Annexation				42,155	42,155	42,155	42,155	168,620		

Metropolitan Park District	Fund Balance	2022	2023	2024	2025	2026	2027	Total	Metropolitan Park District	2028-2041
Revenue (projections based on \$5.54/\$1000 assessed value)		4,926,658	5,123,724	5,328,673	5,541,820	5,763,493	5,994,033	32,678,402	Revenue	83,916,459
Operating Budget Support		(3,083,658)	(3,255,724)	(3,440,673)	(3,631,820)	(3,826,493)	(4,126,033)	(21,455,402)	Operating Budget Support	(60,075,037)
Perceival Landing									Perceival Landing	(2,100,000)
Maintenance Reserve Fund		(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(900,000)	Maintenance reserve fund	(104,000)
Annual Inspections		(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(56,000)	Annual Inspections	(9,750,000)
Major Maintenance (CAMP)		(725,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(4,475,000)	Major Maintenance (CAMP)	(1,800,000)
ADA Upgrades		(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(1,200,000)	ADA Upgrades	(1,800,000)
High Priority Project									High Priority Project	
Armory Design		(250,000)						(250,000)	Armory Phase I Construction (debt service)	(3,750,000)
Armory Phase I Construction (debt service)			(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(1,250,000)	Karen Fraser Woodland Trail Phase III Development	(4,500,000)
Yelm Highway Community Park Phase I Construction		(500,000)	(500,000)	(500,000)				(1,500,000)	Aquatic Facility Development*	(20,000,000)
Inclusive Playground at Priest Point Park					(500,000)			(500,000)	Karen Fraser Woodland Trail Phase IV Development*	(25,000,000)
Lily Road Park Development						(500,000)		(500,000)	Maintenance Facility**	(2,500,000)
Downtown Active Park Development							(500,000)	(500,000)	Perceival Landing Phase II*	(20,000,000)
Administrative OMPD Costs		(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(60,000)	West Bay Park, Restoration and Trail*	(46,000,000)
Running Balance		0	0	0	0	0	0	0	Administrative OMPD Costs	(140,000)
Est. Revenue from Potential SE Annexation				533,523	538,854	544,245	549,687	2,166,309	Balance	1,697,422
Operating Budget Support				(160,256)	(161,657)	(163,273)	(164,906)	(649,193)	Est. Revenue from Potential SE Annexation	7,695,621
Pickleball Courts				(350,000)				(350,000)	Operating Budget Support	(2,308,656)
Slate Feature Enhancement (Friendly Grove Park)						(700,000)		(700,000)	Add to high priority projects above	(5,356,935)
Dog Park Enhancements							(400,000)	(400,000)		
Downtown Active Park Development							(50,000)	(50,000)		
Running Balance of Annexation Funds		0	0	23,465	400,664	81,633	16,416	0	Balance of Annexation Funds	0

FUNDING COMMITMENTS

- 1. 11% of the City's General Fund revenues will be the baseline for allocating General Fund revenues to OPARD**
- 2. 2% Voted Utility Tax Revenues**
 - Park land acquisition and maintain/develop those properties**
 - \$1M committed to debt service payment (\$16M land acquisition bond)**
 - \$470,000 committed to the Operating Budget for Park Maintenance**

FUNDING COMMITMENTS

3. ½% Non-Voted Utility Tax (NVUT) revenues

- Park land acquisition and maintain/develop those properties
- Sunsets Dec. 31, 2029

4. ½% NVUT revenues or allocate first \$500,000 of year-end funds

- Emphasis on park land acquisition
- Sunsets Dec. 31, 2025

ADDENDUM 1

ADDENDUM 1

Olympia General Fund Appropriation for Parks Revenues Relevant For Parks % of Revenues

	2015 Budget	General Use Portion	Source	Notes
Sales Tax	\$ 18,683,610	\$ 16,398,600	P. 43 Budget	excluding currently dedicated portions
B&O Tax	\$ 5,240,000	\$ 5,240,000	P. 36 Budget	excluding currently dedicated portions
Property Tax	\$ 13,710,639	\$ 10,269,888	P. 36 Budget	excluding currently dedicated portions
Private Utility Tax	\$ 4,946,860	\$ 4,946,860	P. 36 Budget	excluding currently dedicated portions
Public Utility Tax	\$ 4,217,430	\$ 4,217,430	P. 36 Budget	excluding currently dedicated portions
Total:	\$ 46,798,539	\$ 41,072,778		

Parks General Fund Appropriation Requirement				
From Budget	\$ 5,335,445		P. 110 Budget	
Less program revenues	\$ (929,713)		P. 110 Budget	Generated by Parks activities
Net Demand on General Fund	\$ 4,405,732			

Designated Tax Revenue:	\$ 41,072,778
Parks General Fund Requirement	\$ 4,405,732
Parks Portion	10.7%

Results of Predictable and Reliable Funding



Expanded Outdoor Programs



Before



Land Acquisitions

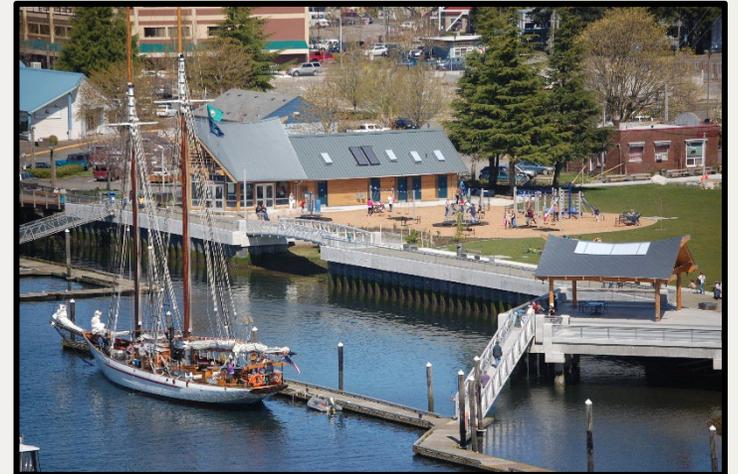


Stewardship/Ranger Program



After

Major Maintenance/ADA Program



Percival Landing

Results of Predictable and Reliable Funding



3 Dog Parks



Cultural Events



Transfer of Armory



2 Spraygrounds



Oly on Ice

Results of Predictable and Reliable Funding

Yelm Highway Community Park Phase I



Armory Creative Campus Critical Improvements



QUESTIONS AND DISCUSSION



Factors Impacting the 2026 Budget

- State Revenue Update
 - 1% property tax cap - did not move forward
 - HB 2015: Public Safety Funding – moving to governor for signature
 - ROW Funding – allocation discussions underway
- Indigent Public Defense Standards
- Federal Funding/Grant Update



Priority Based Budget Update

What is Priority Based Budgeting?

- Transforms our current, line-item budget, into Programs and Services
- Tells the story of what we do, why we do it, and how much it costs
- Provides a framework for decisionmakers to evaluate how to optimize resources and explore new revenue



Program Inventory

February - March

Definition: a collection of resources or tasks organized to deliver a service or a products

1. Community (External Services)
2. Governance (Internal Services)

Status: Complete



Program Cost Allocation

March - April

- Separate personnel costs from non-personnel costs
- Allocate personnel and non-personnel costs to the programs they support
- Connect cost recovery dollars to specific programs and services
- Connect dedicated revenue to programs and services

Status:

- Final review underway



Program Scoring

May

Comprehensive Plan Focus Areas

- Public Safety
- Community Livability
- Economy
- Environmental Stewardship
- Well-Planned City
- Organizational Excellence

Status:

- Peer Review Team

Basic Program Attributes

- Reliance
- Mandate
- Cost Recovery
- Demand
- Population Served
- *Climate*
- *Equity*



Programs and Budgeted Costs

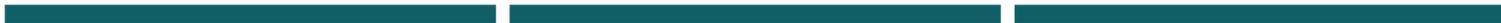
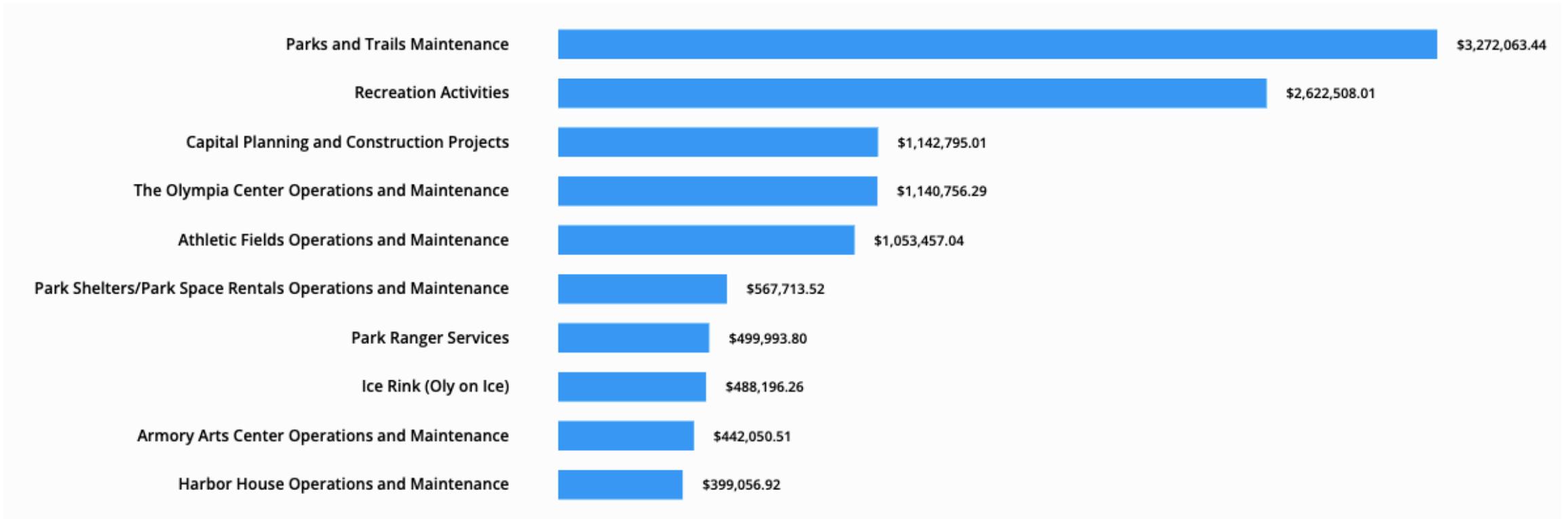
Parks, Arts and Recreation

Revenue Sources and Operating Budget

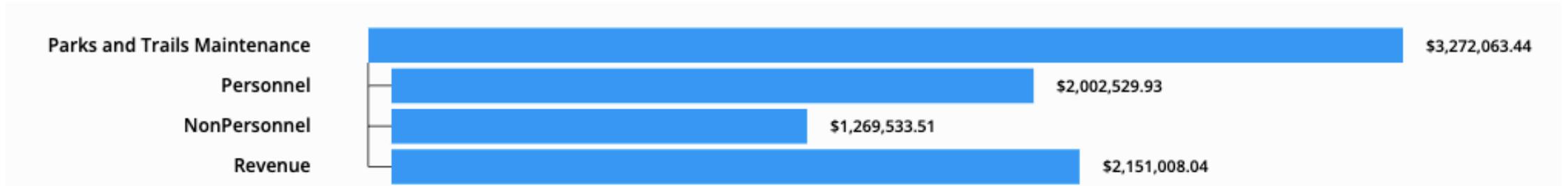
	General Fund	Program Revenue	OMPD	Total
Revenue	\$6,894,017	\$2,396,070	\$3,896,208	\$13,186,295

Budget by Line of Business				
Administration	\$1,163,313	\$40	\$0	\$1,163,353
Arts & Events	224,255	18,000	95,943	338,198
Facility Operations	1,128,919	397,482	300,563	1,826,964
Park Maintenance	2,512,867	149,800	2,424,825	5,087,492
Stewardship	-25,606	0	873,090	847,484
Planning & Design	279,622	437,221	181,787	898,630
Recreation	620,904	1,393,527	20,000	2,034,431
Support Services	1,052,962	0	0	1,052,962
Total Operations	\$6,957,236	\$2,396,070	\$3,896,208	\$13,249,514

Programs and Budgeted Costs



Programs and Budgeted Costs



Programs and Budgeted Costs

Program or Service: Parks and Trails Maintenance

Total Cost: \$3,272,063.44

Personnel Cost: \$2,002,529.93

NonPersonnel Cost: \$1,269,533.51

Revenue: \$2,151,008.04

FTE count: 15.36

[Create new Insight](#)

[Create new Request](#)

Personnel

User Group ↑	Fund ↑	Account Type ↑	Account Number ↑	Total Cost ↑	Position ↑	Position Number ↑	Allocation ↑	Program or Service Cost ↑
700 - Parks	001 - GENERAL FUND	Expense	001.700.7080	\$126,761.57	Maintenance Worker II (Union) Mow Crew		100.00	% \$126,761.57
700 - Parks	001 - GENERAL FUND	Expense	001.700.7060	\$157,605.73	Supervisor III		20.00	% \$31,521.15
700 - Parks	001 - GENERAL FUND	Expense	001.700.7000	\$227,731.66	Director Parks Arts and Recreation		5.00	% \$11,386.59
700 - Parks	001 - GENERAL FUND	Expense	001.700.7000	\$196,259.17	Director of Parks Planning and Maintenance		10.00	% \$19,625.92
700 - Parks	001 - GENERAL FUND	Expense	001.700.7060	\$403,043.56	Park Ranger II		10.00	% \$40,304.35
700 - Parks	001 - GENERAL FUND	Expense	001.700.7060	\$141,337.14	Program Specialist - AFSCME		10.00	% \$14,133.72
700 - Parks	001 - GENERAL FUND	Expense	001.700.7060	\$123,179.07	Program Assistant (AFSCME)		20.00	% \$24,635.82



Programs and Budgeted Costs

NonPersonnel

User Group ↑	Fund ↑	Account Type ↑	Account Number ↑	Total Cost ↑	Category ↑	Reference Code ↑	Allocation ↑	Program or Service Cost ↑
700 - Parks	001 - GENERAL FUND	Revenue	001.700.7080.705..RC_3670002	\$750.00	3670000 Contributions and Donations from Nongovernmental Sources (Private Contrib, Etc)	RC_3670002	100.00 	\$750.00
700 - Parks	001 - GENERAL FUND	Revenue	001.700.7080.705..RC_3970134	\$470,000.00	3970000 Transfers In From Park & Recreation Sidewalk Utility Tax	RC_3970134	100.00 	\$470,000.00
700 - Parks	001 - GENERAL FUND	Revenue	001.700.7080.705..RC_3476002	\$200.00	3476000 Program Fees (Stewardship Program)	RC_3476002	100.00 	\$200.00
700 - Parks	001 - GENERAL FUND	Revenue	001.700.7080.705..RC_3691000	\$600.00	3691000 Sale of Surplus	RC_3691000	100.00 	\$600.00
700 - Parks	001 - GENERAL FUND	Expense	001.700.7003.701.0030.SC_4300	\$375.00	4300 Travel	SC_4300	5.00 	\$18.75
700 - Parks	001 - GENERAL FUND	Expense	001.700.7002.702..SC_6400	\$10,500.00	6400 Machinery and Equipment	SC_6400	100.00 	\$10,500.00

PBB Next Steps

May 30 All Data Finalized and Delivered to Consultant

June 13 Mid-Year Retreat

- DRAFT Results on Programs, Costing, Revenue
- DRAFT Alignment to Focus Areas
- Draft Insights and Recommendations

June 24 Council Study Session – Consultant Presentation

- Final Report
- Insights and Recommendations



Budget Sustainability – Next Steps

June 13 – Mid-Year Retreat

What Have We Learned?

- PBB
- Comparable Cities Findings
 - FTE's/1,000 population
 - Central Services Staffing
- Summary of 2025 reductions by Dept.
- Dedicated Funding by Dept.

How Are We Doing?

- Sales Tax Revenue
- B&O Tax Revenue
- Basic Life Support Transport Revenue
- Nisqually Jail Expenditures
- Development Fee Fund

Where Are We Going - Approach for Balancing 2026 Budget?

- Confirm new revenue
- Develop framework for building capacity
- Review fund balance
- Review findings from Priority Based Budgeting
- Discuss approach and impact of possible further reductions



Budget Sustainability – Next Steps

June 24 – Study Session

Priority Based Budget

- Final DRAFT Opportunity Area Report
- Cost, Impact, Mandate, Reliance



2026 Budget Calendar

Date	Meeting	Description
June 2	City Departments	2026 Budget Kick off
Sept. 15	Finance Committee	2026 Budget Update
Oct. 7	City Council	Presentation of 2026 Preliminary Budget
Oct. 14	City Council Study Session	
Oct. 21	City Council	Public Hearings: 2026 Ad Valorem 2026 Operating Budget 2026-2031 CFP Other Business: Fees, Rates, and Special Revenue Funds
Nov. 10	City Council	Public Hearing: 2026 Operating Budget
Nov. 17	Finance Committee	Prepare 2026 Budget Balancing Recommendation for Council
Nov. 18	City Council	2026 Final Budget Balancing
Dec. 9	City Council	Adopt 2025 Operating and CFP Budget

Thank You