

City Council
October 29, 2024



Public Hearing 2025 Preliminary Operating Budget

Sustainable Operating Budget



A sustainable operating budget is one where normally occurring revenues are equal to normally occurring expenditures

-and-

One-time revenues are used for one-time expenditures

SOURCE: GOVERNING - THE FUTURE OF STATES AND LOCALITIES



Public Safety

Ensure that all Olympians feel safe and have access to reliable, compassionate care.

Environmental Stewardship

Preserve and enhance Olympia's natural resources.

Organizational Excellence

Deliver exceptional services and programs that are responsive to the needs of our community.

Community Livability

Enrich quality of life and foster belonging for all who live, work, or spend time in Olympia.

Economy

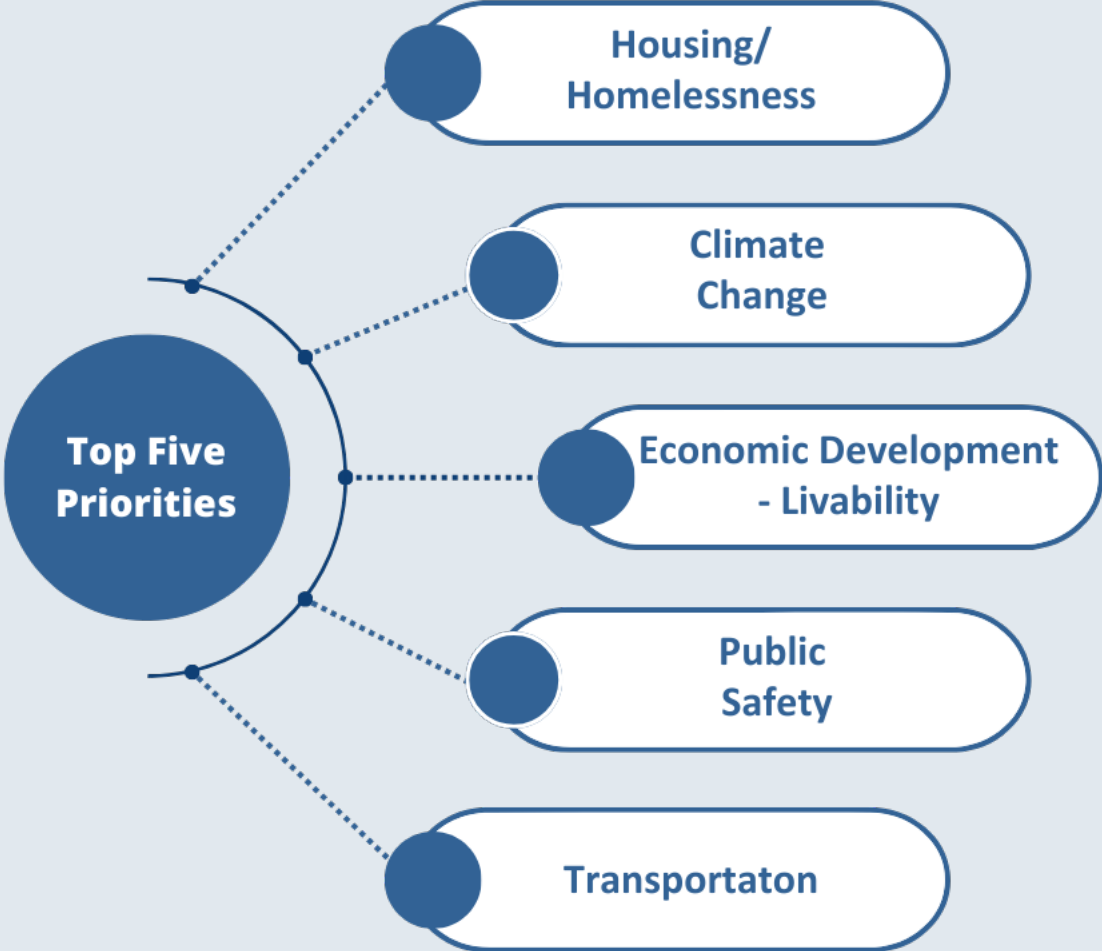
Promote a diverse and growing economy with pathways to prosperity for everyone.

Well-Planned City

Plan for, construct, and maintain a built environment that ensures the wellbeing of current and future generations



Community Survey Priorities



Source: 2023 Community Engagement & Public Opinion Survey

Funding City Programs & Services

Dedicated vs. General Fund Revenue

Total Preliminary Operating Revenue \$212,706,582

Dedicated Fund Revenue
\$102,751,251

Utility Rates

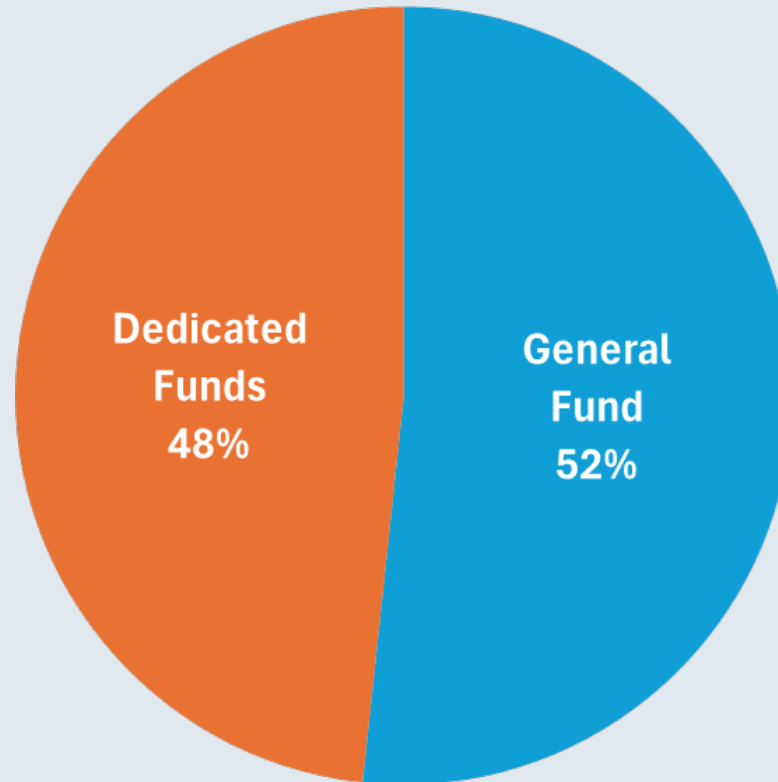
Fees for Service

Metropolitan Park District

Cultural Access Sales Tax

Home Fund Sales Tax

Grants (excluding General Fund)



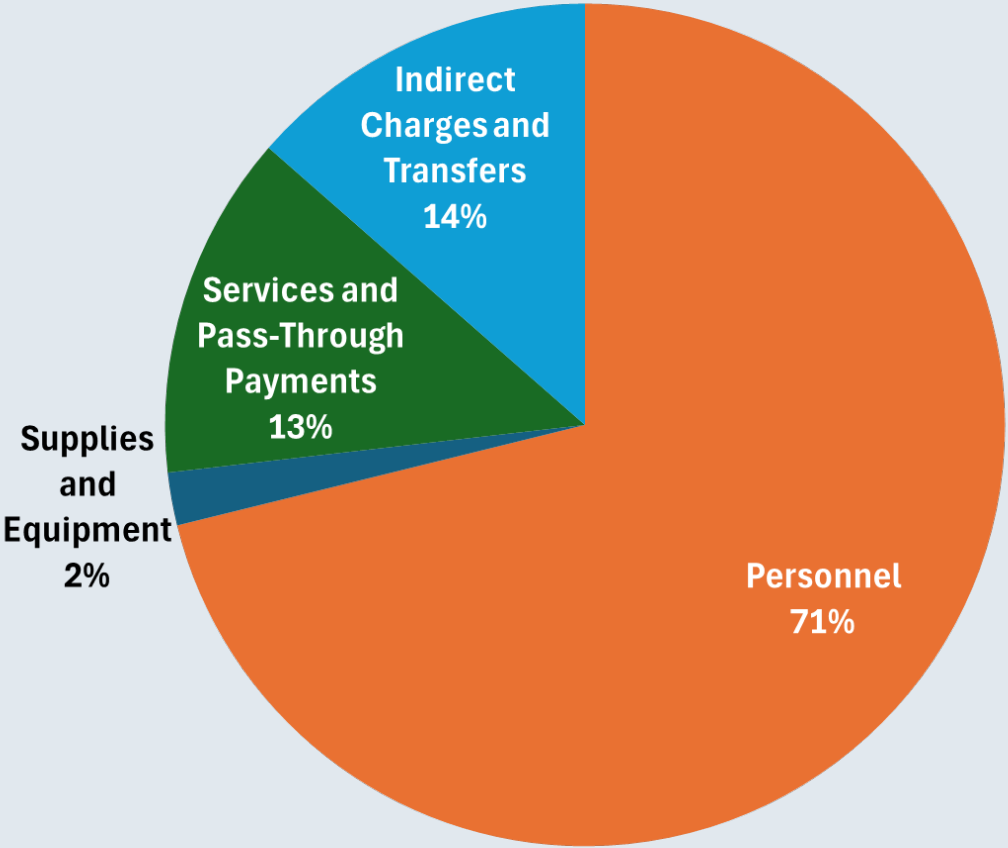
General Fund Revenue
\$109,955,331

Sales Tax

Property Tax

Business & Occupation (B&O) Tax

2025 General Fund By Expense Type



| Expense Type: | Budget: |
|------------------------------------|----------------------|
| Personnel | \$81,052,610 |
| Supplies and Equipment | \$2,310,626 |
| Services and Pass-Through Payments | \$15,118,797 |
| Capital Outlay | \$80,500 |
| Indirect Charges and Transfers | \$15,458,394 |
| Total | \$113,940,427 |

2025 Budget Assumptions

Salaries & Wages

- Wage Adjustment - 3.8% Independent Employees
- Additional Police Positions from Public Safety Sales Tax (Prop 1)
 - 8 Police Officers
 - 1 Police Sergeant

Benefits

- Regence – 7.3%
- Kaiser – 8.2%
- Delta Dental – 0%
- Vision – 0%
- NW Firefighters Medical – 5.9%
- NW Firefighters Dental – 3%

Full Implementation of the Class & Pay Equity Study – effective January 1 (Independent Employees)

Enhancements – General Fund

Public Defense \$ 500,000

- Public Defense Contractors

Community Planning & Development \$ 150,000

- SE Annexation

COLE/Youth Council \$ 205,000

- Staff position, stipends, supplies

TOTAL \$ 855,000

Enhancements – Revenue Neutral

| | |
|--|--|
| Fire | \$ 761,828 |
| ▪ Master Mechanic, parts, tools, & lease space | |
| Public Works | |
| ▪ Master Mechanic | \$ 157,816 |
| ▪ Senior Program Specialist – Waste ReSources | \$ 142,337 |
| ▪ Maintenance Worker II - Stormwater | \$ 101,310 (50% grant funded) |
| ▪ Maintenance Worker I - Stormwater | \$ 98,164 (Reduction of Seasonal staffing) |
| Strategic Communications | |
| ▪ AV/Video Production Specialist | \$ 128,679 |
| TOTAL | \$1,390,134 |

GF Expense Reductions - Personnel

| | |
|--|--------------------|
| Permanent Reductions (18) | \$2,214,559 |
| Other Staffing Changes | \$ 419,091 |
| Delayed Hires (8) | \$ 590,084 |
| <ul style="list-style-type: none">• Community Service Officers (2)• Crime Analyst• Outreach Specialist – OPD• Finance Director• IT – GIS Program Manager• Information Specialist• Sr. HR Analyst | |
| TOTAL | \$3,223,734 |

Personnel Reductions – All Funds

| | |
|---------------|-------------|
| General Fund | 18.00 |
| CPD | 4.75 |
| Parks | 1.00 |
| Seasonal Emp. | <u>3.00</u> |
| Total | 26.75 |

Total Budget Reduction All Funds \$ 3,601,862

Baseline Adjustments

Non-Personnel Expenses

| Expense Adjustments | |
|--|---------------------|
| Increased Wage Adjustments to 100% CPI | 233,163 |
| Net Change in Benefits | 487,623 |
| Self-Insured Works Comp Rate | (140,000) |
| Class & Comp Study Estimate | (400,000) |
| Remove Facilities Capital Transfer | (865,000) |
| Decrease Facilities Maintenance Transfer | (640,000) |
| Decrease Development Fee Fund Transfer | (310,000) |
| JASCOM Rate Adjustment | (50,000) |
| PC Replacement Delay 1 Year | (160,000) |
| Net Effect of all Other Budget Corrections | (537,013) |
| Total Baseline Expense Adjustments | -\$2,381,227 |

General Fund Revenue Adjustments

Tax Projection Increases:

| | |
|-----------------------------|------------------|
| Sales Tax | 1,000,000 |
| Criminal Justice Sales Tax | 50,000 |
| Public Safety Sales Tax | 200,000 |
| Business & Occupation Taxes | 527,777 |
| Total | 1,777,777 |

Other Revenue Increases:

| | |
|-------------------------------------|----------------|
| BLS Transport Revenue | 200,000 |
| Street Services from Drinking Water | 50,000 |
| Street Main. from REET | 136,355 |
| Total | 386,355 |

Transfer Increases:

| | |
|----------------------------------|------------------|
| Insurance Trust Fund | 300,000 |
| Total Revenue Adjustments | 2,464,132 |

Budget Balancing Position

Balancing Position - August 26 **-\$11,873,150**

Expense Adjustments:

| | |
|------------------------------|-------------------|
| Baseline Adjustments | \$2,381,227 |
| Staff Reductions | \$2,214,559 |
| Other Staffing Changes | \$1,009,175 |
| Other Expenditure Reductions | \$673,961 |
| Enhancement Expenses | -\$855,000 |

Revenue Adjustments:

| | |
|-------------------------|------------------|
| Tax Projections | \$1,777,777 |
| Other Revenue Increases | \$386,355 |
| Fund Transfers | \$300,000 |

New Balancing Position - October 22 **-\$3,985,096**

Use of Fund Balance

| | | |
|---|---------------------|--------------|
| General Fund Reserves (10% of Budgeted Expenses) | \$11,394,043 | 10% |
| Projected Fund Balance Above Reserves 2025 | \$7,237,359 | |
| Use of Fund Balance in 2025 | \$3,985,096 | |
| Remaining General Fund Balance | \$14,646,306 | 12.9% |

10-Year General Fund Forecast



2025 Budget Calendar

| DATE | MEETING | TOPIC |
|----------------|--------------------------|--|
| Nov. 12 | City Council | Public Hearing: <ul style="list-style-type: none">• 2025 Operating Budget |
| Nov. 18 | Finance Committee | Prepare 2025 Budget Balancing Recommendation for Council |
| Nov. 19 | City Council | Final Budget Balancing |
| Dec. 10 | City Council | Adopt 2025 Operating and CFP Budget |