

City Council
November 19, 2024



2025 Final Budget Balancing City Manager and Finance Committee Recommendation

Enhancements – General Fund

Public Defense Contractors	\$ 500,000
Community Planning & Development	\$ 150,000
COLE/Youth Council	\$ 205,000
<i>Assistant to City Council</i>	<i>\$ 160,000</i>
TOTAL	\$ 1,015,000

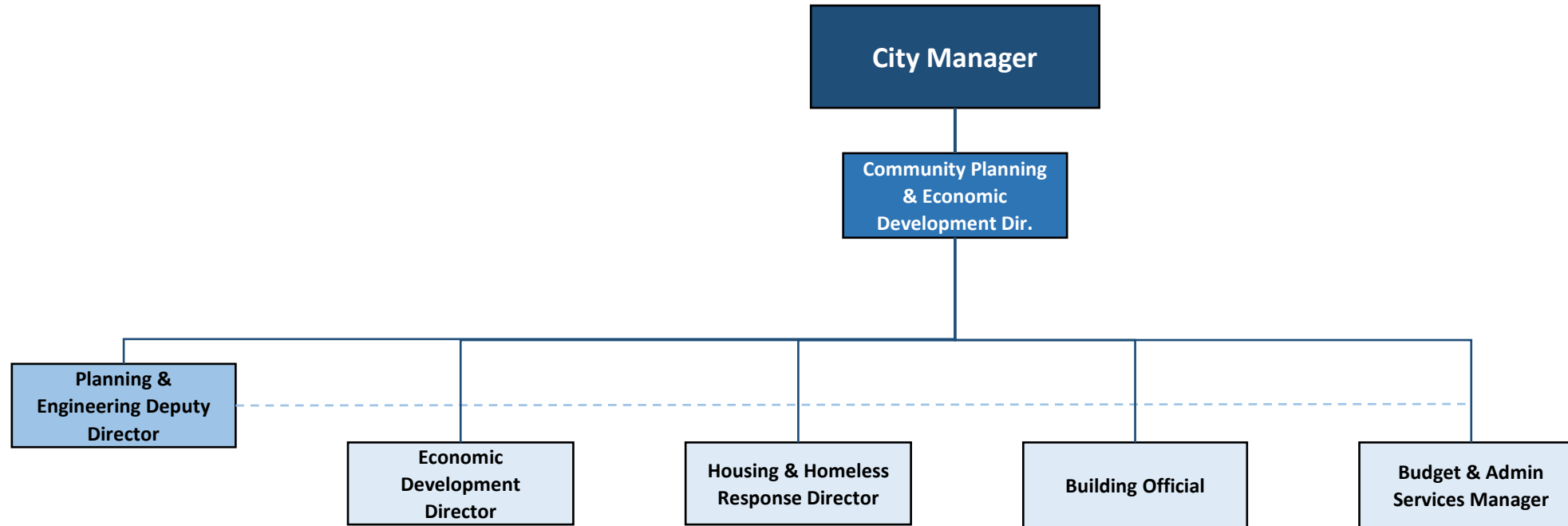
Assistant to the City Council

Roles and Responsibilities:

- On-Board new Councilmembers
- Tech Support & Supplies
- Email management and prioritization
- Calendar Management, including coordinating invitations to community events and celebrations
- Meeting Coordination and Logistics, including Intergovernmental Assignments
- Travel & Training
- Policy Referral Coordination & Tracking

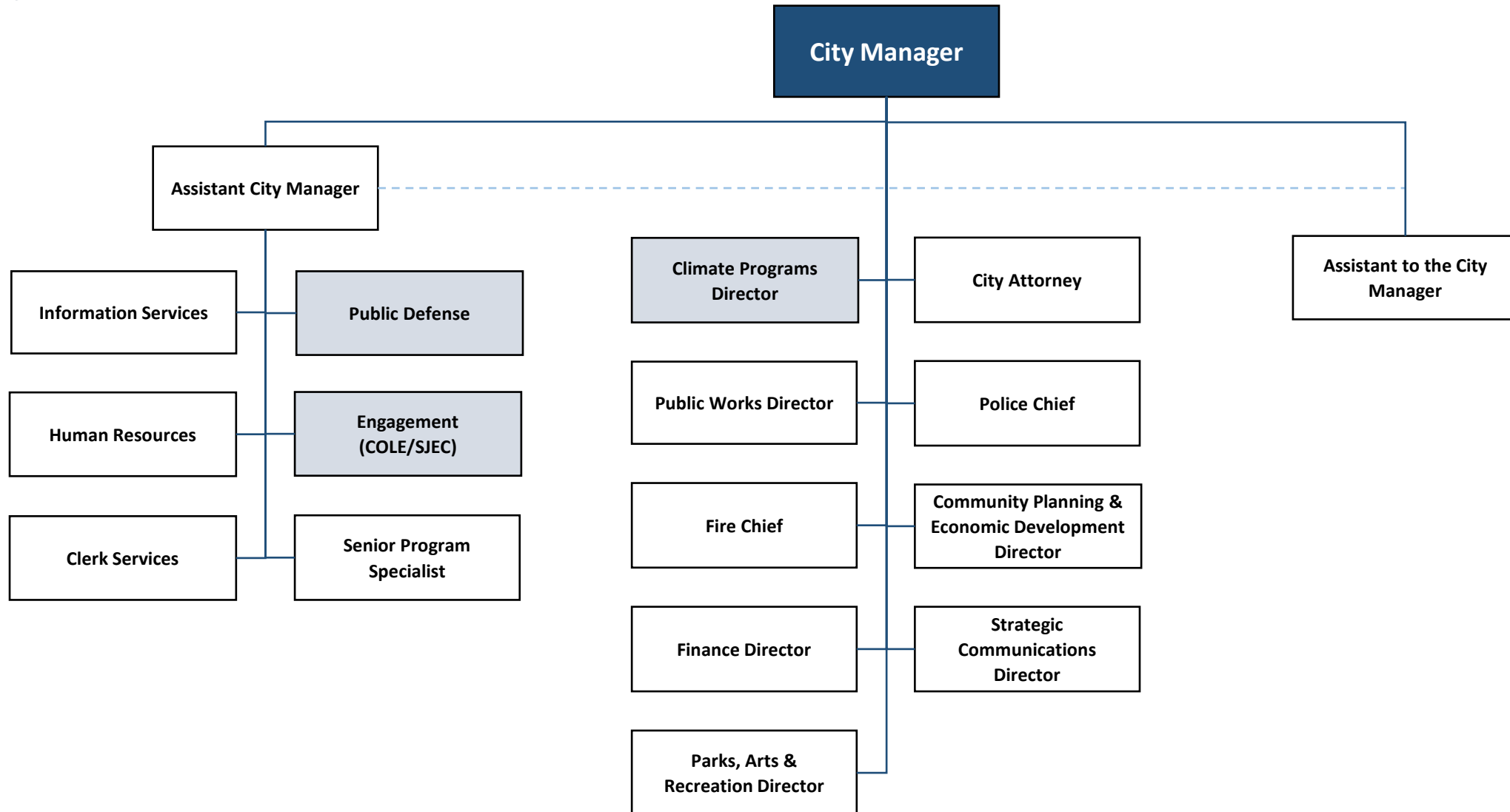


Community Planning & Economic Development Future Structure





City Manager's Office



Budget Balancing Position

Balancing Position - August 26	-\$11,873,150
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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	-\$1,015,000

Revenue Adjustments:

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

New Balancing Position – November 19	-\$4,145,096
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Use of Fund Balance

General Fund Reserves (10% of Budgeted Expenses)	\$11,410,043	10%
Projected Fund Balance Above Reserves 2025	\$7,221,359	

Use of Fund Balance in 2025	\$4,145,096
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Remaining General Fund Balance	\$14,486,306	12.6%
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Parks, Arts & Recreation 2025 Budget Balancing

PARD – General Fund Balancing

Staffing		Staffing	
• Seasonal Employees	\$ 27,000	• Seasonal Employees	\$ 40,000
• Program Specialist	\$ 109,951	• Program Specialist	\$ 109,951
Contingencies, Travel, & Training	\$ 57,000	Contingencies, Travel, & Training	\$ 72,000
Delay major equipment & supplies	\$ 8,086	Delay major equipment & supplies	\$ 28,086
Irrigation reductions	\$ 10,000	Irrigation reductions	\$ 30,000
Armory savings during construction	\$ 27,300	Armory savings during construction	\$ 27,300
Cultural Events Increase	<u>\$(41,000)</u>	Cultural Events Increase	<u>\$(41,000)</u>
Expense Reductions	\$198,337	Expense Reductions	\$278,337
Revenue Enhancements	<u>\$ 62,646</u>	Revenue Enhancements	<u>\$108,996</u>
Deficit – Oct. 22,2024	(\$260,983)	Deficit – Nov. 19, 2024	(\$428,287)
		End Balance	(\$40,954)

Dedicated Revenues

Lodging Tax: Washington Center

First 2% - Credit Against Sales Tax:

- Estimated budget = \$675,000
- Historically distributed 1/12 of budget per month to Washington Center for the Performing Arts
- 2025 recommendations:
 - Distribute 90% to actuals to WCPA each month
 - Reserve 10% to rebuild fund balance
 - Adjust mid-year if necessary

Lodging Tax: Competitive Applications

Second 2% - Not Credit Against Sales Tax:

- The Lodging Tax Committee is recommending two options funding:
 - Option A: Fund Lakefair: Total funding amount \$1,135,700
 - Option B: Do not fund Lakefair: \$1,127,645
- Total Applications: **30**
- Total Funding Request: \$1,259,244
- Estimated 2025 revenue: \$675,000
- Estimated reserve on January 1, 2025: \$676,240

Agency	Project-submission name	Funding Request	2025 Funding Recommendation
All Things Fun Sports!	Oly Turkey Day 4 Miler	\$ 4,000.00	\$ 1,200.00
American Lung Association	Reach the Beach WA	\$ 15,000.00	\$ 7,500.00
Arbutus Folk School	Oly Old Time Music Festival	\$ 25,000.00	\$ 17,500.00
Capital lakefair, inc	Lakefair 2025	\$ 25,000.00	\$ 25,000.00
City of Olympia Parks, Arts & Recreation	Olympia Arts Walk	\$ 60,300.00	\$ 45,225.00
City of Olympia Parks, Arts & Recreation	Oly on Ice	\$ 20,000.00	\$ 20,000.00
Einmaleins dba Rock Candy Running	Beast of Big Creek trail run	\$ 30,000.00	\$ -
Einmaleins dba Rock Candy Running	Little Backyard Adventure -endurance trail running	\$ 3,000.00	\$ 3,000.00
Hands on Childrerens Museum	HOCM marketing	\$ 87,908.00	\$ 87,908.00
Harlequin Productions	Harlequin Season 2025 "Hope & Heroes" (34th	\$ 65,000.00	\$ 48,750.00
Lake Run Organization	Olympia Lakefair Races	\$ 4,000.00	\$ 3,000.00
Le Voyeur Punk Museum	year long all ages shows	\$ 81,127.00	\$ 20,982.00
Miss Washington Scholarship	Miss Washington 2025 Competitions and Events	\$ 70,000.00	\$ 70,000.00
Oly Soccer Foundation	Artesians Arena Soccer	\$ 55,000.00	\$ 55,000.00
Olympia All Ages Project	Norther sky music festival	\$ 50,000.00	\$ 10,000.00
Olympia Downtown Alliance	LoveOly Summerfest	\$ 75,000.00	\$ 56,250.00
Olympia Downtown Alliance	Love Oly Shop, Dine, & Explore Guide	\$ 10,000.00	\$ -
Olympia Downtown Alliance	LoveOly Winterfest	\$ 10,000.00	\$ 7,500.00
Olympia Dragon Boat Club	Olympia Dragon Boat Festival	\$ 23,000.00	\$ 17,250.00
Olympia Funk Festival	2025 Olympia Funk Festival - Funk OFF!	\$ 65,000.00	\$ 20,150.00
Olympia Symphony Orchestra	2025 Concerts, Young Artist Competition and Masterclasses, "Conduct Us" events, & Beat	\$ 30,000.00	\$ 22,500.00
Olympia Tumwater Foundation	marketing campaign	\$ 5,000.00	\$ 5,000.00
Olympic Flight Museum	Olympic Air Show	\$ 25,000.00	\$ 25,000.00
south sound estuary association	Puget Sound Estuarium Marine Discovery Center	\$ 60,000.00	\$ 45,000.00
South Sound Maritime Heritage	2025 Olympia Harbor Days Maritime Festival	\$ 110,000.00	\$ 100,000.00
Supporters of Olympia Community Sailing	six sailing events across 2025	\$ 15,118.00	\$ 7,559.00
Team-Tomorrow	South Sound Block Party	\$ 100,000.00	\$ 75,000.00
The Olympia Farmers Market	Olympia Farmers Market	\$ 95,791.00	\$ 95,791.00
The Tenino Stone Carvers Guild	Tenino Stone Fest	\$ 20,000.00	\$ 2,500.00
Washington State Senior Games	Washington State Senior Games	\$ 20,000.00	\$ 20,000.00
Total:		\$ 1,259,244.00	\$ 914,565.00

Competitive Applications

Funding Recommendation Option A

Estimated 2025 Revenue:	\$ 675,000.00	
	Estimated Lodging Tax unencumbered	\$ 444,565.00
	Total Available for New Contracts:	\$1,119,565.00
Experience Olympia & Beyond Year two of a three year contract		\$ 168,635.00
City of Olympia- LTAC Admin Year two of a three year contract		\$ 52,500.00
Total 2025 Funding:		\$ 1,135,700.00
Reserve:		\$ 205,000.00

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All Things Fun Sports!	Oly Turkey Day 4 Miler	\$ 4,000.00	\$ 1,200.00
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City of Olympia Parks, Arts & Recreation	Olympia Arts Walk	\$ 60,300.00	\$ 54,270.00
City of Olympia Parks, Arts & Recreation	Oly on Ice	\$ 20,000.00	\$ 20,000.00
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Harlequin Productions	Harlequin Season 2025 "Hope & Heroes" (34th	\$ 65,000.00	\$ 52,000.00
Lake Run Organization	Olympia Lakefair Races	\$ 4,000.00	\$ 3,000.00
Le Voyeur Punk Museum	year long all ages shows	\$ 81,127.00	\$ 20,982.00
Miss Washington Scholarship	Miss Washington 2025 Competitions and Events	\$ 70,000.00	\$ 70,000.00
Oly Soccer Foundation	Artesians Arena Soccer	\$ 55,000.00	\$ 55,000.00
Olympia All Ages Project	Norther sky music festival	\$ 50,000.00	\$ 10,000.00
Olympia Downtown Alliance	LoveOly Summerfest	\$ 75,000.00	\$ 57,750.00
Olympia Downtown Alliance	Love Oly Shop, Dine, & Explore Guide	\$ 10,000.00	\$ -
Olympia Downtown Alliance	LoveOly Winterfest	\$ 10,000.00	\$ 8,000.00
Olympia Dragon Boat Club	Olympia Dragon Boat Festival	\$ 23,000.00	\$ 18,400.00
Olympia Funk Festival	2025 Olympia Funk Festival - Funk OFF!	\$ 65,000.00	\$ 20,150.00
Olympia Symphony Orchestra	2025 Concerts, Young Artist Competition and Masterclasses, "Conduct Us" events, & Beat	\$ 30,000.00	\$ 24,000.00
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The Olympia Farmers Market	Olympia Farmers Market	\$ 95,791.00	\$ 95,791.00
The Tenino Stone Carvers Guild	Tenino Stone Fest	\$ 20,000.00	\$ 2,500.00
Washington State Senior Games	Washington State Senior Games	\$ 20,000.00	\$ 20,000.00
	Total:	\$ 1,259,244.00	\$ 906,510.00

Competitive Applications

Alternate Funding Recommendation Option B

Estimated 2025 Revenue:	\$ 675,000.00	
Estimated Lodging Tax unencumbered	\$ 444,565.00	
Total Available for New Contracts:	\$1,119,565.00	
Experience Olympia & Beyond Year two of a three year contract		\$ 168,635.00
City of Olympia- LTAC Admin Year two of a three year contract		\$ 52,500.00
	Total 2025 Funding	\$ 1,127,645.00
	Reserve:	\$ 213,055.00

Parking & Business Improvement Area

- PBIA Advisory Board finalized their 2025 Budget Recommendation on 11/6
- They are proposing a temporary rate change to \$0 for 2025
- 2025 year-end fund balance is estimated to be \$85,000
- PBIA is proposing the following:
 - Revenue: \$0
 - Expenses: \$60,000
 - \$30,000 for "PBIA Re-evaluation support": consultation, engagement, outreach
 - \$30,000 for Downtown Beautification and Placemaking
 - \$25,000 staying in reserves

Parking & Business Improvement Area

- 2025 Focus: Program Reevaluation
- City in conjunction with the PBIA Advisory Board would hold a series of stakeholder convenings or listening sessions throughout 2025 to determine the following:
 - Is a PBIA still an effective model in supporting downtown needs?
 - What should the future of the PBIA look like?
 - Role of Advisory Board
 - Rates and ratepayers (Are Businesses or Property Owners the more effective ratepayer)
 - Fee collection
 - Priorities
 - Administration and Management
 - Execution of projects
- PBIA Advisory Board did not want to charge ratepayers while going through the program assessment/reevaluation

2025 Utility Rates

2025 Utility Rates

Program Utility Rate	2023 Rate	2024 Rate	2025 Rate	2025 % Increase
Waste ReSources	\$56.22	\$58.18	\$62.60	7.6%
Drinking Water	\$65.64	\$66.96	\$69.58	3.9%
Wastewater	\$51.56	\$53.62	\$56.46	5.3%
LOTT*	\$89.60	\$92.30	\$95.04	3.0%
Storm & Surface Water	\$34.24	\$36.46	\$38.36	5.2%
Total:	\$297.26	\$307.52	\$322.04	
Total % Increase	5.89%	3.45%	4.72%	
Total \$ Increase	\$14.04	\$10.26	\$14.52	

June 2023 – June 2024 Seattle CPI was 3.8%; August 2023 – August 2024 was 3.1%

*LOTT Rates set by LOTT board

Assumes 65 gal/bi-weekly garbage service with recycling.

Based on 160 gallons of water use per day.

2025 – 2030 Capital Facility Plan

Prelim to Final CFP Changes (2025-2030)

Fund 320 - Transportation

- For 2025, decreased Elliot Ave Sidewalk project by \$3,600,000
- For 2026, increased Elliot Ave Sidewalk \$4,500,000 and decreased 5th Ave Bridge project \$500,000

Fund 335 - General Facilities

- ADA Project: \$150,000 moved from Fund 317 to Fund 335 for all 6 years (projects remain the same)
- For 2025, added \$511,000 for OFD Main Station Solar Project
- For 2025, added \$858,518 transfer to Facilities Maintenance (replaces the General Fund contribution to Facilities Maintenance and is not a capital project)

Fund 340 – Parks Arts & Recreation

- For 2025, increased Yelm Highway transfer from impact fees \$900,000 (project cost remains the same in 2025)
- For 2026, reduced Yelm Highway Park project cost and funding by \$2 million across three sources
- For 2027 and 2028, added \$500,000 funding each year for West Bay Clean Up Phase II (project cost remains the same)

Fund 502 - Equipment Reserve

- For 2025, moved in \$2,936,584 for vehicle purchases that were incorrectly planned in the operating worksheet

Council Motion

Move to approve the Final 2025 Preliminary Operating Budget, Utility Rates and Fees, Special (Dedicated) Funds, and Capital Budget and direct staff to prepare Ordinances for Council's consideration on December 10, with the second reading on December 17.