

2026 Operating Budget Update
November 10, 2025



City Council Budget Update

2026 Budget Enhancements – General Fund Impact

2026 General Fund Enhancements-ongoing and included in the budget:

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|---|-----------|
| • Emergency Manager | \$100,000 |
| • ODA Guide Expansion – Continued Funding | \$195,000 |
| • Home Energy Score – Olympia Portion | \$60,000 |
| • Flower Baskets Downtown | \$20,000 |
| • Oly Strong | \$100,000 |

2026 Lodging Tax-Update

Lodging Tax

Amelia Layton
Senior Program Specialist

2026 Lodging Tax-Update

Restricted resource to be used for tourism related activities.
Collected in two components:

- First 2% - credit against sales tax
City allocates to Washington Center for the Performing Arts
- Second 2% - not credit against sales tax
Competitive application reviewed and recommended by
Lodging Tax Advisory Committee

Fund 132 – Lodging Tax Fund

FY 2026 Budget

Budgeted Revenues	\$1,250,000
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Budgeted Expenses	\$1,339,538
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<i>Additional Expenses Based on LTAC Funding Recommendation*</i>	\$594,241
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Net Impact to Fund Balance	-\$683,779
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* - Update will be reflected in Prelim-to-Final Budget

Looking Ahead

This year LTAC and staff saw the following potential process improvements:

- Further refining reviewer scoring
 - Including Council priorities
- Creating an LTAC policy on ideal reserve amount
- Adjust the the application to help applicants be more specific in key areas such as heads in beads and count methodology.

LTAC will meet starting in February to discuss further and update guidelines and application for the 2027 funding process.

2026 Budget – Rental Registry Support

2026 Home Fund Rental Registry Enhancements-

- Increase Permit Specialist to 1.0 FTE (up from .50 FTE)
- Add 1.0 FTE Project Funded Program Specialist

Enhancements funded by increased revenue projections from the Rental Registry Program

These enhancements will improve the Rental Registry Program outcomes

Next Steps/Budget Calendar

Nov. 10, 2025: 2026 Budget Update and Balancing Presentation; First Reading Ordinance amending Olympia Municipal Code Title 5 relating to B & O Tax and First Reading Ordinance imposing a Councilmanic Sales Tax authorized by HB 2015 of One-Tenth of One Percent (0.1%).

Nov. 18, 2025: Second Public Hearing Operating Budget; Second Reading Ordinance amending Olympia Municipal Code Title 5 relating to B & O Tax and Second Reading Ordinance imposing a Councilmanic Sales Tax authorized by HB 2015 of One-Tenth of One Percent (0.1%).

Nov. 24, 2025: Final Budget Balancing Presentation (Meeting on Zoom)

Dec. 9, 2025: First Readings: Ordinances adopting the 2026 budget and utility rates, fees and charges

Dec. 16, 2025: Second Readings: Ordinances from Dec. 9, 2025



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