

# Finance Committee

November 18, 2024



## 2025 Final Budget Balancing

# 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      |

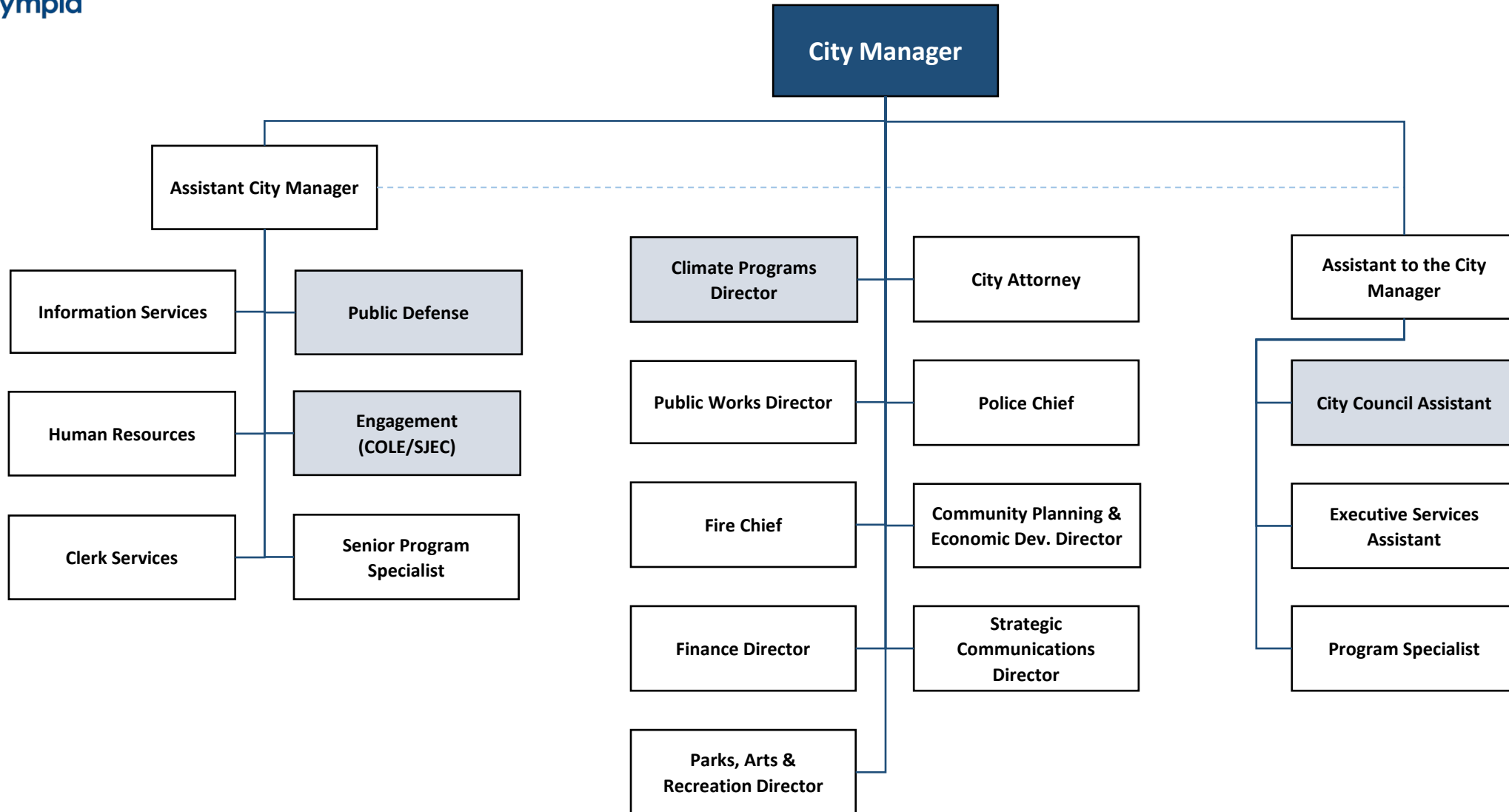
# Assistant to the City Council

## **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

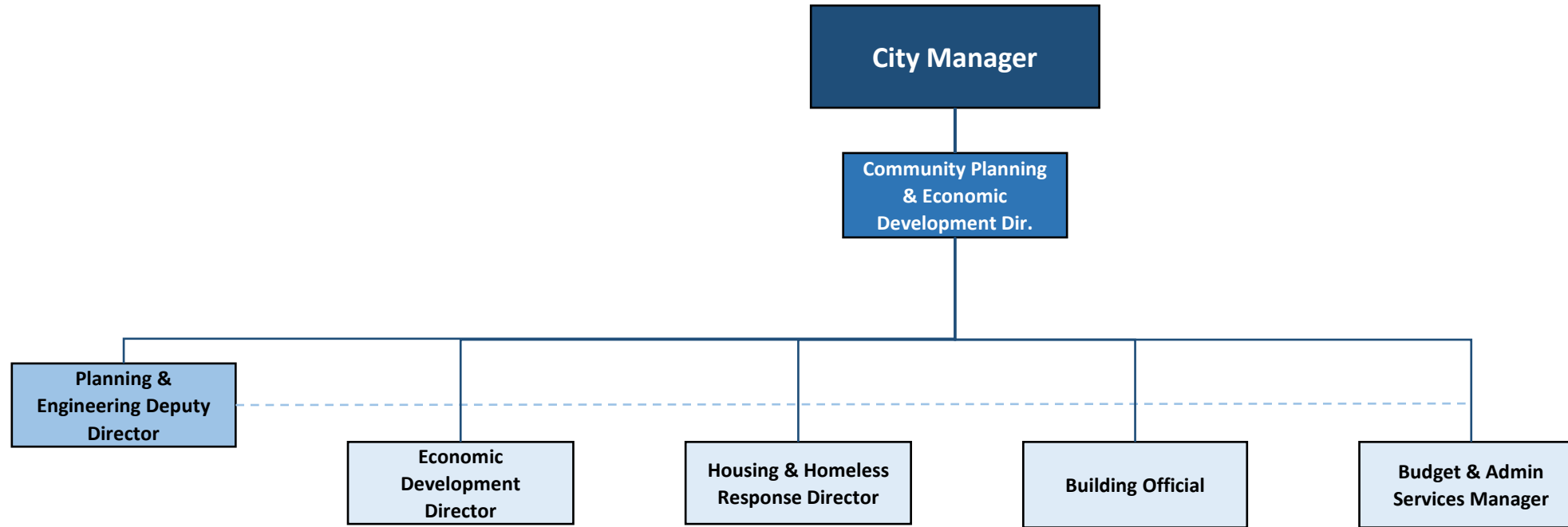


# City Manager's Office





# Community Planning & Economic Development Future Structure



# Budget Balancing Position

|                                       |                      |
|---------------------------------------|----------------------|
| <b>Balancing Position - August 26</b> | <b>-\$11,873,150</b> |
|---------------------------------------|----------------------|

## **Expense Adjustments:**

|                              |                     |
|------------------------------|---------------------|
| Baseline Adjustments         | \$2,381,227         |
| Staff Reductions             | \$2,214,559         |
| Other Staffing Changes       | \$1,009,175         |
| Other Expenditure Reductions | \$673,961           |
| <b>Enhancement Expenses</b>  | <b>-\$1,015,000</b> |

## **Revenue Adjustments:**

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

|                                             |                     |
|---------------------------------------------|---------------------|
| <b>New Balancing Position – November 19</b> | <b>-\$4,145,096</b> |
|---------------------------------------------|---------------------|

# Use of Fund Balance

|                                                         |                     |            |
|---------------------------------------------------------|---------------------|------------|
| <b>General Fund Reserves (10% of Budgeted Expenses)</b> | <b>\$11,410,043</b> | <b>10%</b> |
| <b>Projected Fund Balance Above Reserves 2025</b>       | <b>\$7,221,359</b>  |            |

|                                    |                    |
|------------------------------------|--------------------|
| <b>Use of Fund Balance in 2025</b> | <b>\$4,145,096</b> |
|------------------------------------|--------------------|

|                                       |                     |              |
|---------------------------------------|---------------------|--------------|
| <b>Remaining General Fund Balance</b> | <b>\$14,486,306</b> | <b>12.6%</b> |
|---------------------------------------|---------------------|--------------|

# **Parks, Arts & Recreation 2025 Budget Balancing**

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# 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>   |
| <b>Deficit – Oct. 22,2024</b>      | <b>(\$260,983)</b> | <b>Deficit – Nov. 19, 2024</b>     | <b>(\$428,287)</b> |
|                                    |                    | <b>End Balance</b>                 | <b>(\$40,954)</b>  |

# 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<br>Year two of a three year contract | \$ 168,635.00   |
| City of Olympia- LTAC Admin<br>Year two of a three year contract | \$ 52,500.00    |
| Total 2025 Funding:                                              | \$ 1,135,700.00 |
| Reserve:                                                         | \$ 205,000.00   |

| Agency                                   | Project-submission name                                                                | Funding Ask            | 2025 funding reccomendation |
|------------------------------------------|----------------------------------------------------------------------------------------|------------------------|-----------------------------|
| 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           | \$ -                        |
| 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                |
| 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           | \$ 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                |
| 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                |
|                                          | <b>Total:</b>                                                                          | <b>\$ 1,259,244.00</b> | <b>\$ 906,510.00</b>        |

# Competitive Applications

Alternate Funding Recommendation Option B

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

# 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

# Finance Committee Motion

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Move to approve the Final 2025 Preliminary Operating, Special (Dedicated) Funds, and Capital Budget and direct staff to forward to the City Council for consideration.

# Next Steps

**November 19 – Final Budget Balancing**

**December 10 and 17 – Approval of Ordinances Adopting the 2025 Budget**

- Operating Budget
- Utility Rates & Fees
- Special Funds Budget
- Capital Funds Budget