

2025-2026 Proposed Biennial Budget

October 14, 2024

Presented by

John Norris, Assistant City Manager

Sara Lane, Administrative Services Director

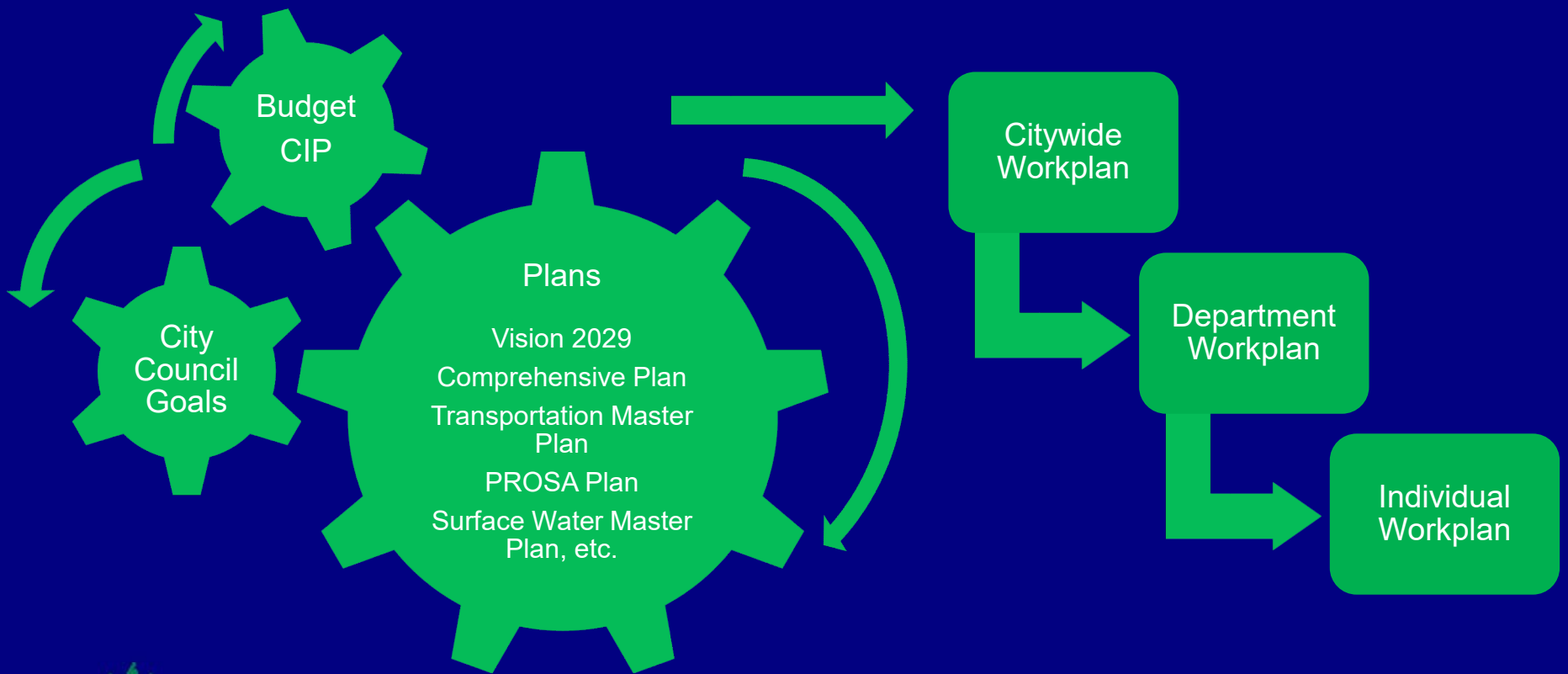
Christy Hopkins, Finance Manger –Budget and Tax



Agenda

- 2025-2026 Proposed Biennial Budget
 - Context for the work we do
 - City Manager Recommendations
- 2025-2026 Updated 10-Year Budget Forecast & Budget Book
- Budget Highlights
- Budget Process & Schedule





2025-2026 Proposed Biennial Budget

- Budget allocates financial and staffing resources
- Delivery of Public Service and Organizational Goals
 - Highly Valued Public Service
 - Organizational Strength
 - Fiscal Sustainability
 - Achieve Council Goals



2025-2026 Proposed Biennial Budget

- \$406.529 M Balanced Budget
 - \$149.818 M Operating Budget
 - \$133.204 M Capital Budget
- Bond Rating AA+ (S&P “Stable”)
- 26 years Unmodified Financial Statement Audit Opinions
- 24 years of GFOA Budget Awards



Biennial Budget at a Glance

What it does:

- Addresses Council Priorities
 - Increase Human Services Funding and Staffing
 - Implement Climate Action Plan
- Provides Resources to Ensure a Stable Foundation
- Investments to Maintain Our Assets and Service Levels
- Resources to Plan and Prepare for the Future
- Continued Investment in Capital Projects
- Maintains Reserves within Policy Guidance



Biennial Budget at a Glance

What it does not do:

- Provide Funding for All Needs/Desires
 - Utilizing LTE or partial FTEs instead of FTE
 - Request for FTE conversion to be considered in the future
 - Some asks are partially funded while some asks are excluded for this biennium

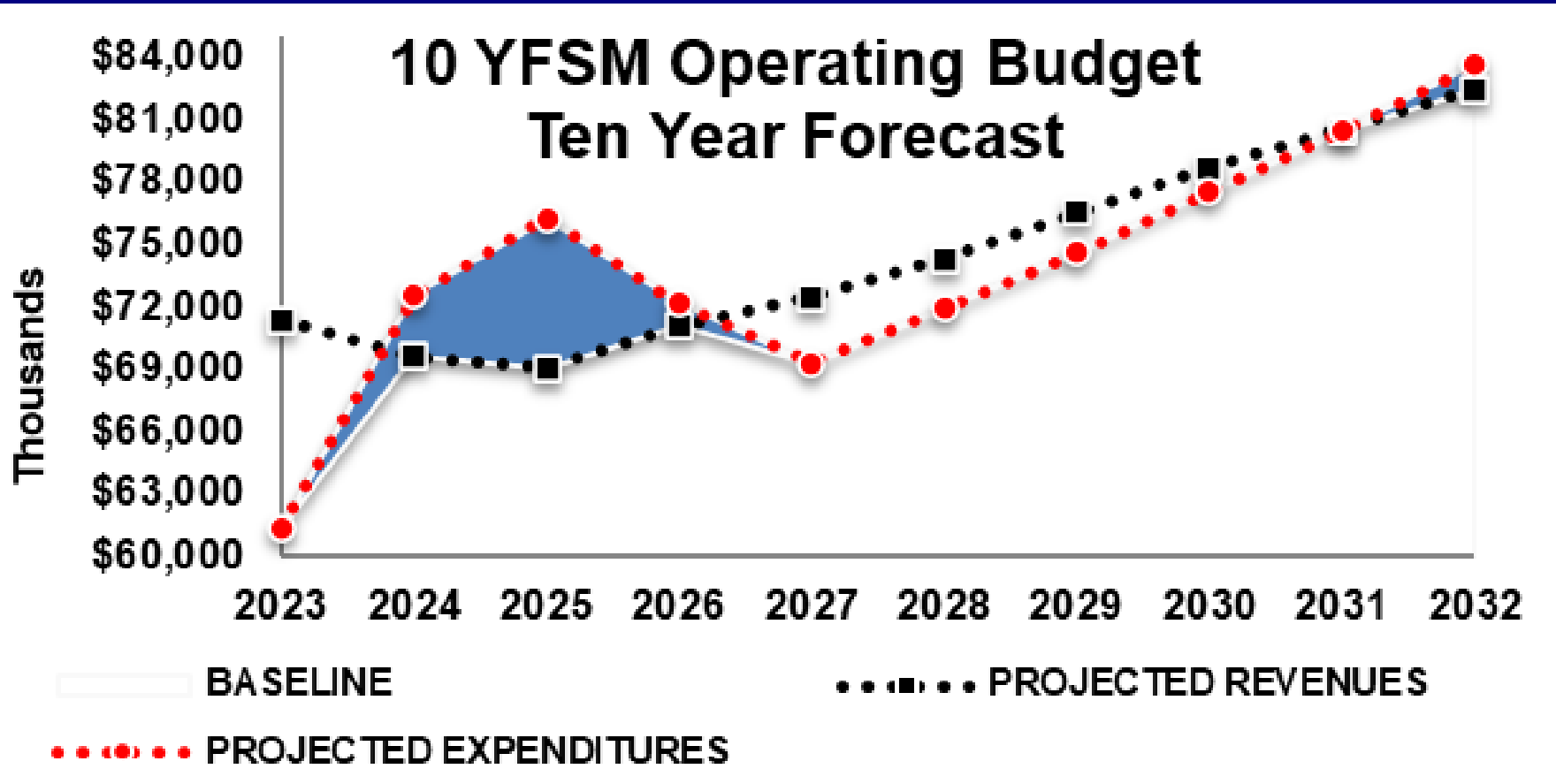


2025-2026 Proposed Biennial Budget

10-Year Budget Forecast Update & Budget Book Changes



Updated 10-Year Forecast



Budget Book Format Changes

- New Performance Measurement Section
- Capital Improvement Plan Section:
 - Only includes project pages for new and significant projects
 - Program Summary Table includes links to either the previous budget book project page or project website
 - Table of Projects with significant changes

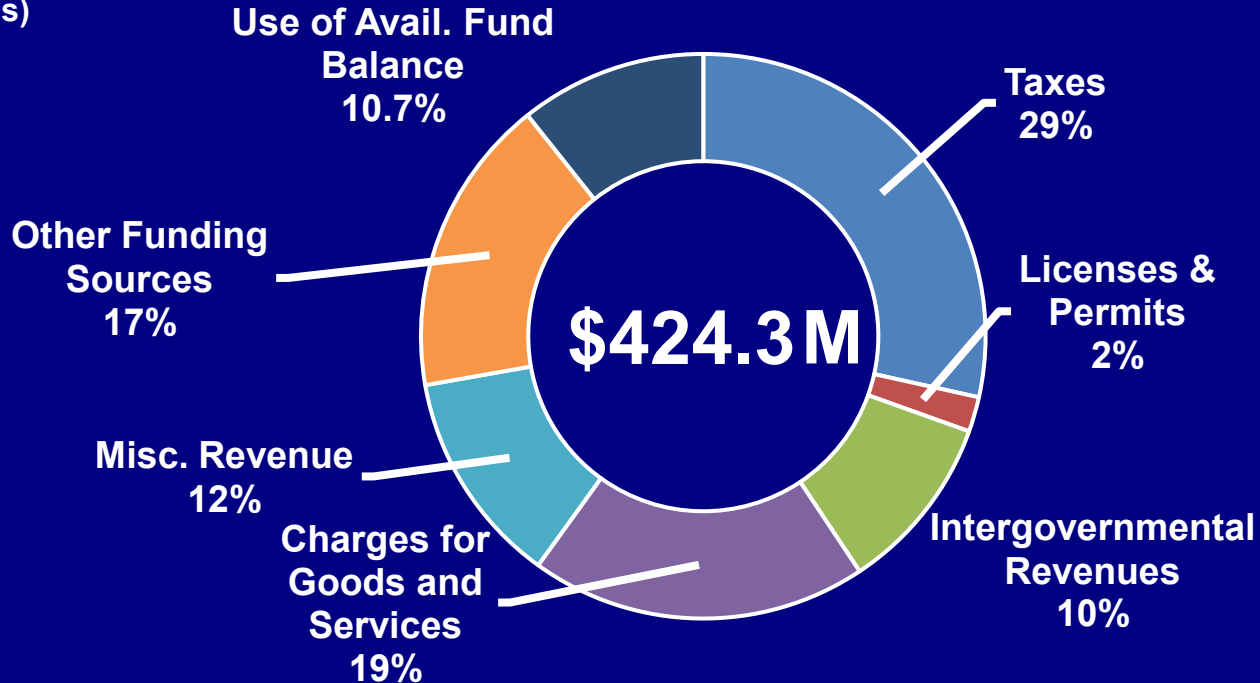
2025-2026 Budget Highlights



Where Will the Money Come From?

Total Budget: \$424.260 Million

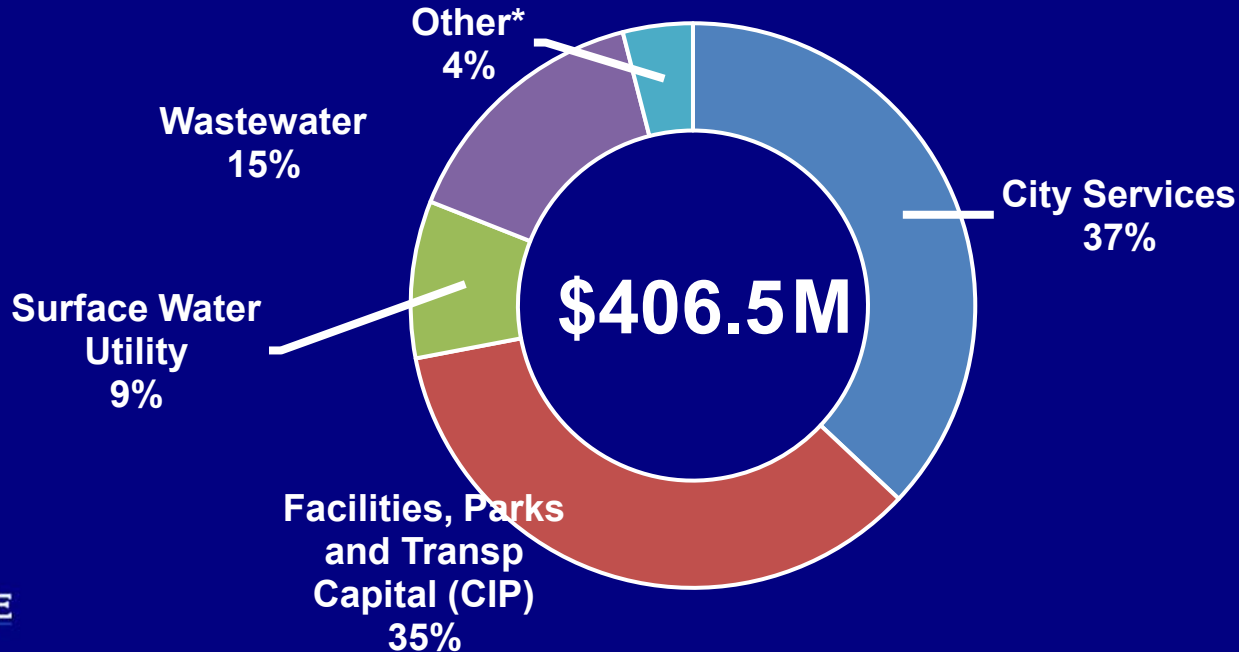
(\$ in '000's)



Where Will the Money Go?

Total Budget: \$406.529 Million

(\$ in '000's)

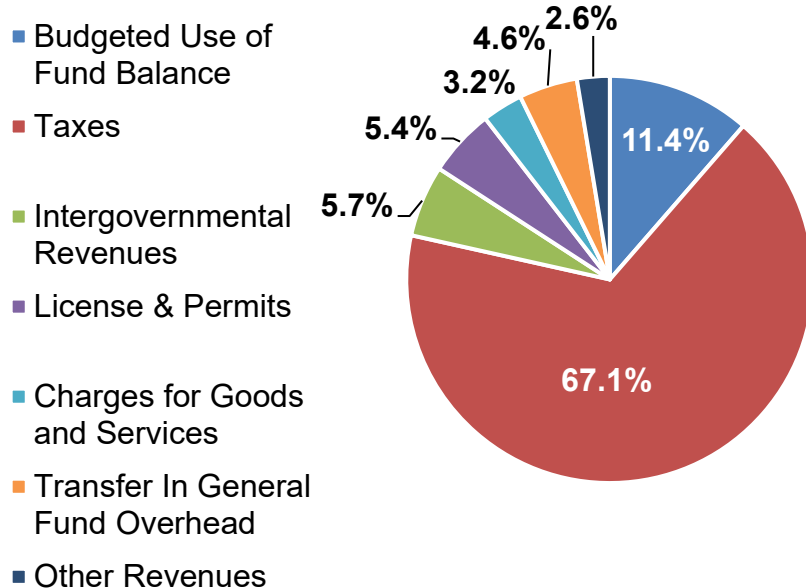


Operating Budget Resources

\$157.517 Million

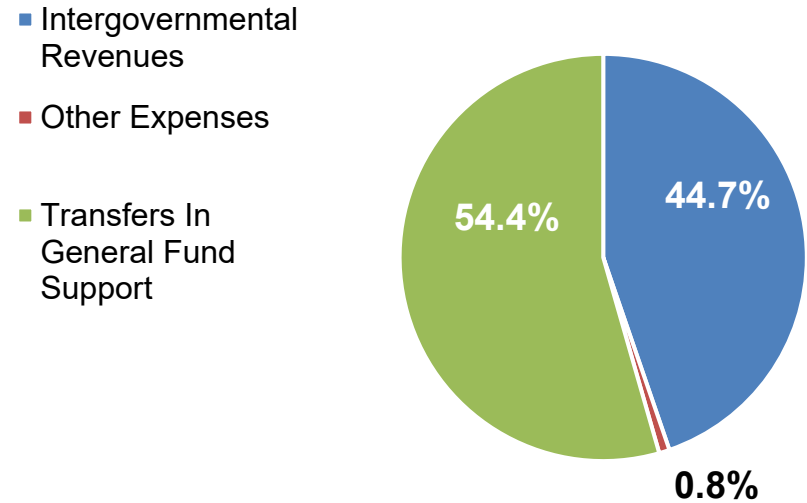
General Fund

2025 - 2026 Funding Sources **\$148,450,274**



Street Fund

2025 - 2026 Funding Sources **\$5,391,022**

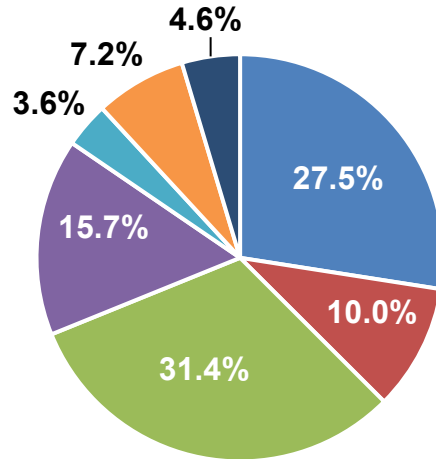


Operating Budget Uses \$149.818 Million

General Fund

2025 - 2026 Use of Funds **\$140,751,622**

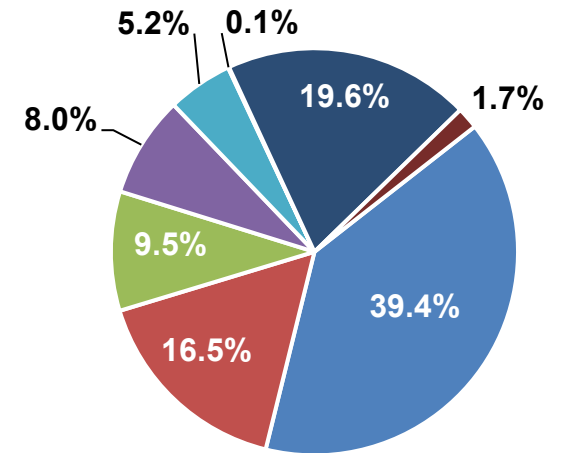
- Salaries & Wages
- Personnel Benefits
- Intergovernmental Services
- Other Services & Charges
- Other Expenses
- Transfer Out Capital Support
- Other Transfers Out



Street Fund

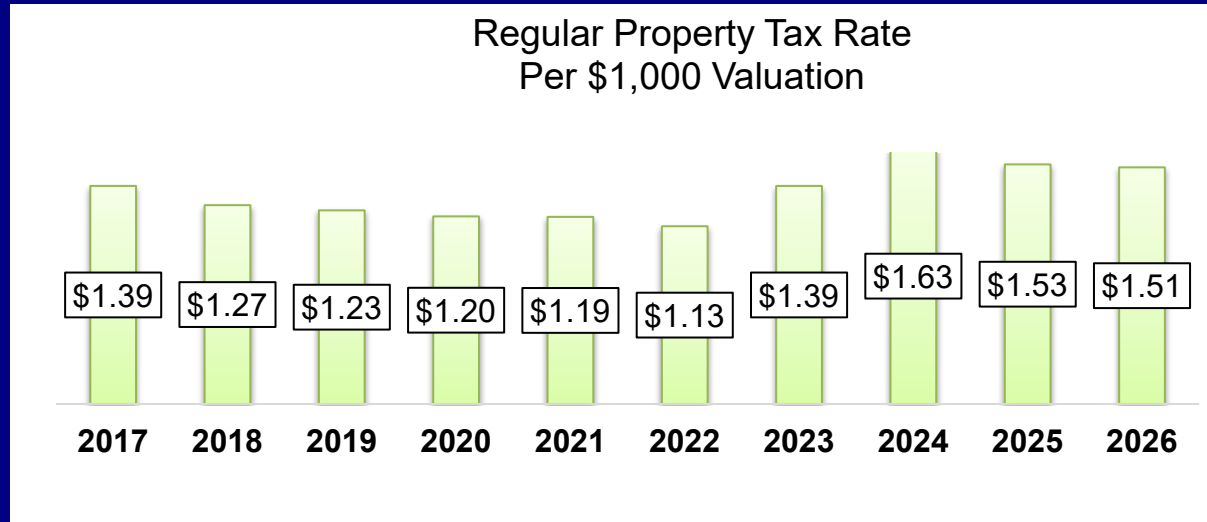
2025 - 2026 Use of Funds **\$5,391,009**

- Salaries & Wages
- Personnel Benefits
- Interfund Payments/Charges
- Supplies
- Other Services & Charges
- Other Expenses
- Transfers Out General Fund Overhead
- Other Transfers Out



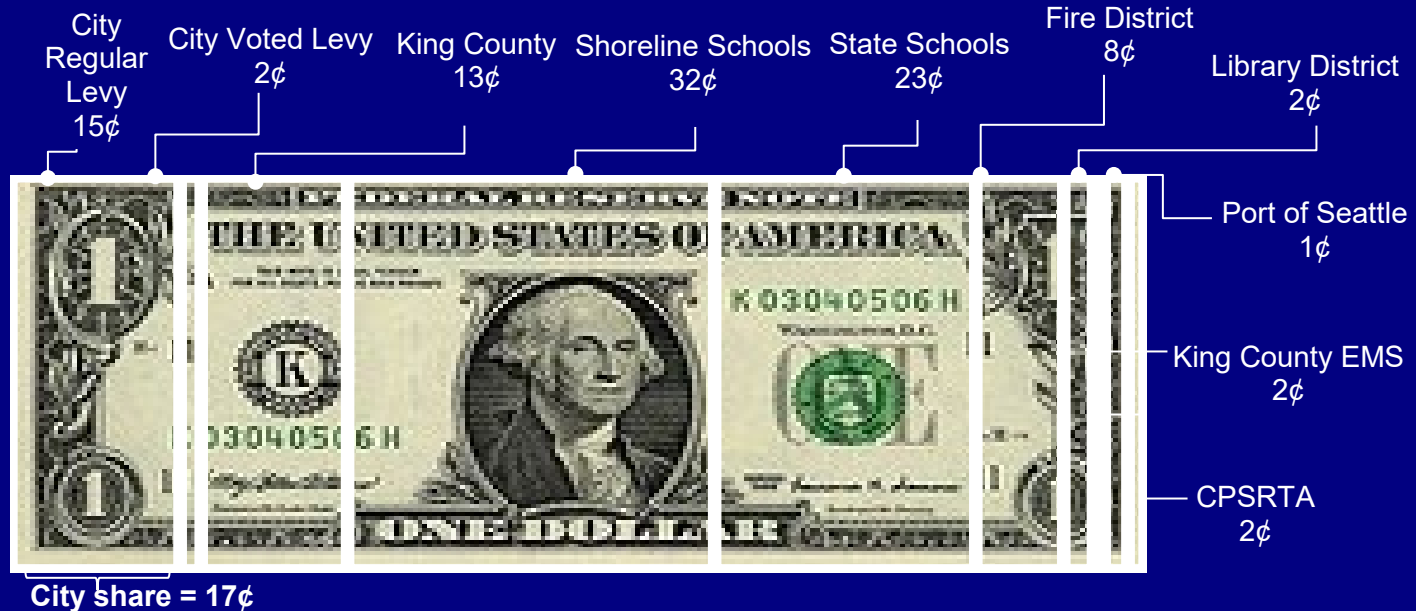
Property Tax: Regular Levy

- 2025-2026 Budget - \$50.004 M

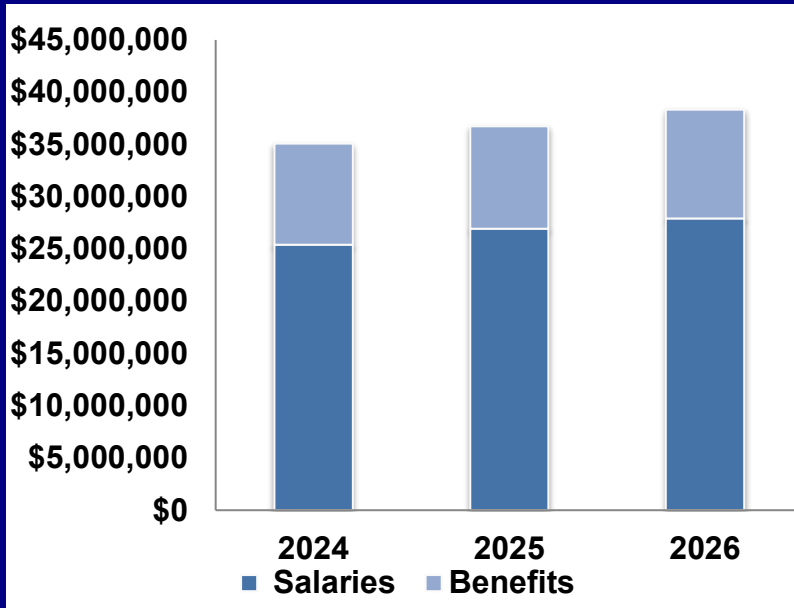


2024 Property Tax Levy Allocation

- Who levies taxes for Shoreline property owners?



2025-2026 Personnel Cost Changes



- City's Compensation Policy
 - Maintains Median Position of City's Labor Market Cities
 - Cost of Living Adjustment
 - 2025: 3.83%
 - 2026 Est: 2.45%
- Accounts for Health Premium
- Reflects elimination of positions / new positions / reclassifications

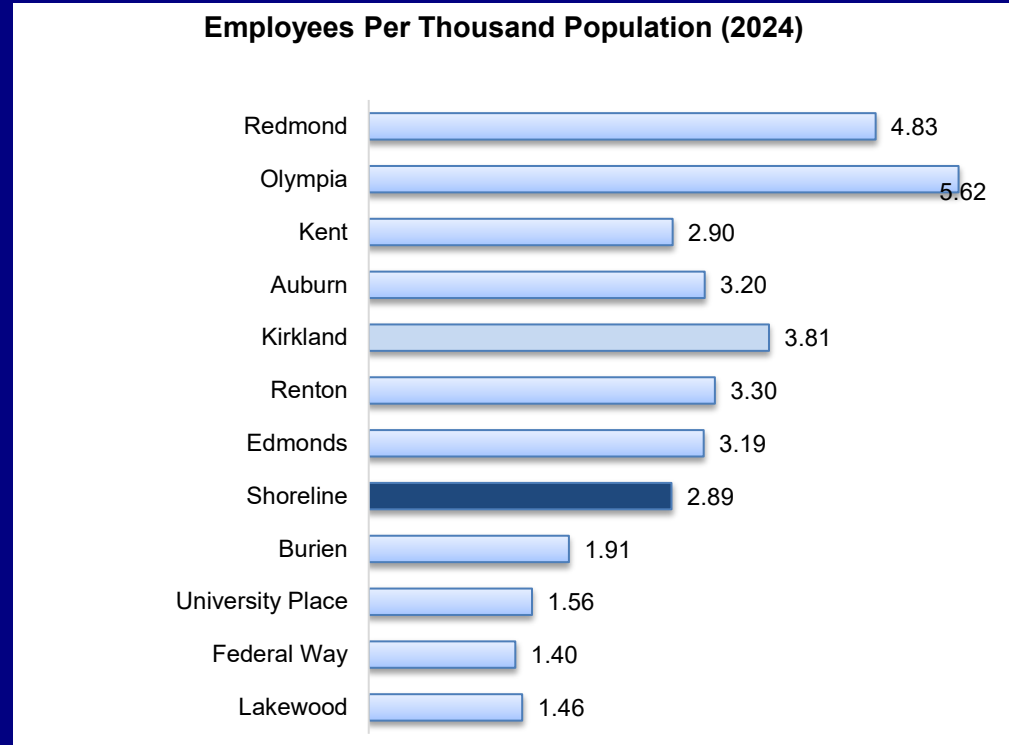
Staffing Impacts

FTE Change	Operating Funds	Other Funds	Total
2024 Total FTE	165.48	55.89	221.38
Limited-Term Reductions	(2.90)	-	(2.90)
Full-Time Additions	4.95	2.80	7.75
Limited-Term FTE	5.00	-	5.00
2025 Total	172.53	58.69	231.23



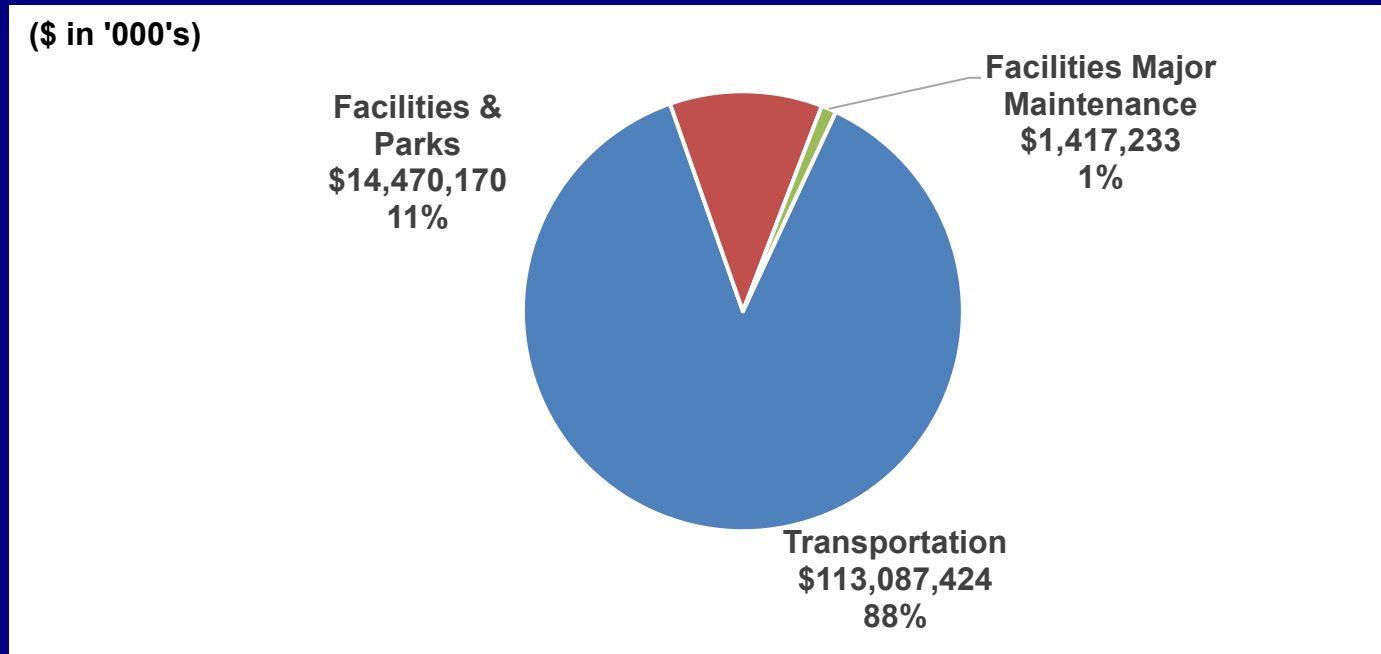
Comparison of City Staffing Levels

- Excludes Police, Fire, Utilities, Special Business Enterprises



2025-2026 Capital Budget

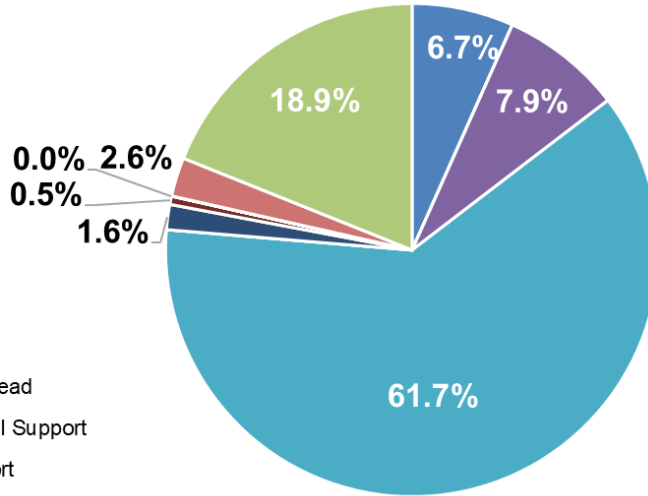
\$133.204 Million



Surface Water Utility Fund

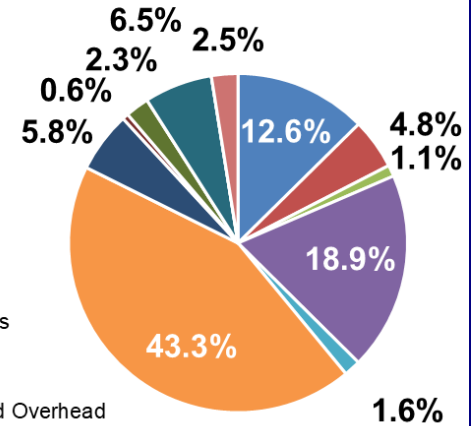
2025 - 2026 Funding Sources

- Budgeted Use of Fund Balance
- Taxes
- Licenses & Permits
- Intergovernmental Revenues
- Charges for Goods and Services
- Fines and Forfeits
- Miscellaneous Revenues
- Investment Earnings
- Proceeds from Capital Assets
- Capital Contributions
- Transfers In General Fund Overhead
- Transfers In General Fund Capital Support
- Transfers In General Fund Support
- Other Transfers In
- Other Financing Sources



2025 - 2026 Use of Funds

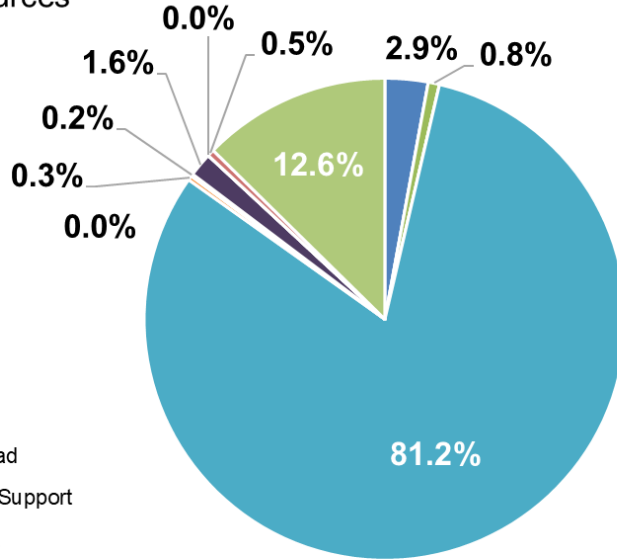
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- Supplies
- Other Services & Charges
- Intergovernmental Services
- Capital Outlays
- Debt Services - Principal
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Wastewater Utility Fund

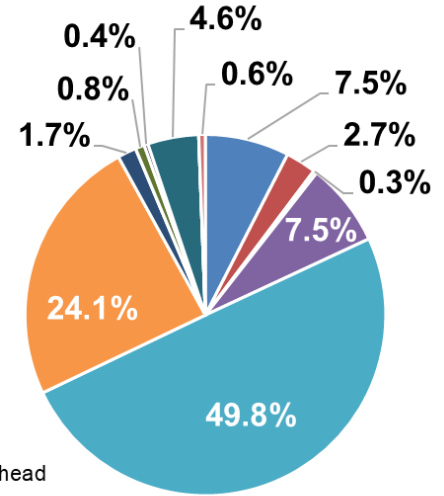
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Budget Process & Schedule



Budget & CIP Review Schedule

- ✓ September 16 Preliminary View of the Biennial Budget and CIP
- October 14 Transmittal of Proposed Biennial Budget and CIP
- ☐ October 21 Review of Department Budgets
- ☐ October 28 Continued Review of Department Budgets and CIP
- ☐ November 4 Public Hearing on Property Tax Levy & Revenue Sources
Public Hearing on Proposed Biennial Budget
- ☐ November 18 Public Hearing on Proposed Biennial Budget and CIP
- ☐ November 18 Adoption of Biennial Budget, Adoption of 2025 Property Tax Levy, and Adoption of CIP



Budget Information

- The Biennial Budget will be available online at the City's website at:
 - Click on Budget & CIP Policies under the Government tab
- Budget Books on CD available for purchase at City Hall



Questions / Comments

