



2025 Preliminary Budget

Lisa King, Finance Director
October 7, 2024



Agenda

- 2025 Preliminary Budget
- Revenue Discussion
- Expenditure Discussion
- Next Steps & Future Meetings

2025 Preliminary Budget

	001	002	003	100	300	
PRELIMINARY BUDGET 2025	General Fund	Reserve Fund	Retainage Dep Fund	Special Rev Funds	Capital Projects Fund	TOTAL CITY
Beg. Fund Balance	520,780	3,222,070	200,783	2,375,063	4,898,595	11,217,293
REVENUE	5,654,842				756,000	6,717,372
EXPENDITURES	6,483,643	0	50,000	159,800	816,000	7,509,443
Surplus or (Deficit):	(828,801)	0	0	96,731	(60,000)	(792,070)
Total Transfer In	537,583	0	0	25,000	0	562,583
Total Transfer Out	25,000	0	0	537,583	0	562,583
Total Surplus or (Deficit):	(316,218)	0	0	(415,852)	(60,000)	(792,070)
Ending Fund Balance	204,562	3,222,070	200,783	1,959,211	4,838,595	10,425,223

\$45,389 improvement over 2024 Budget

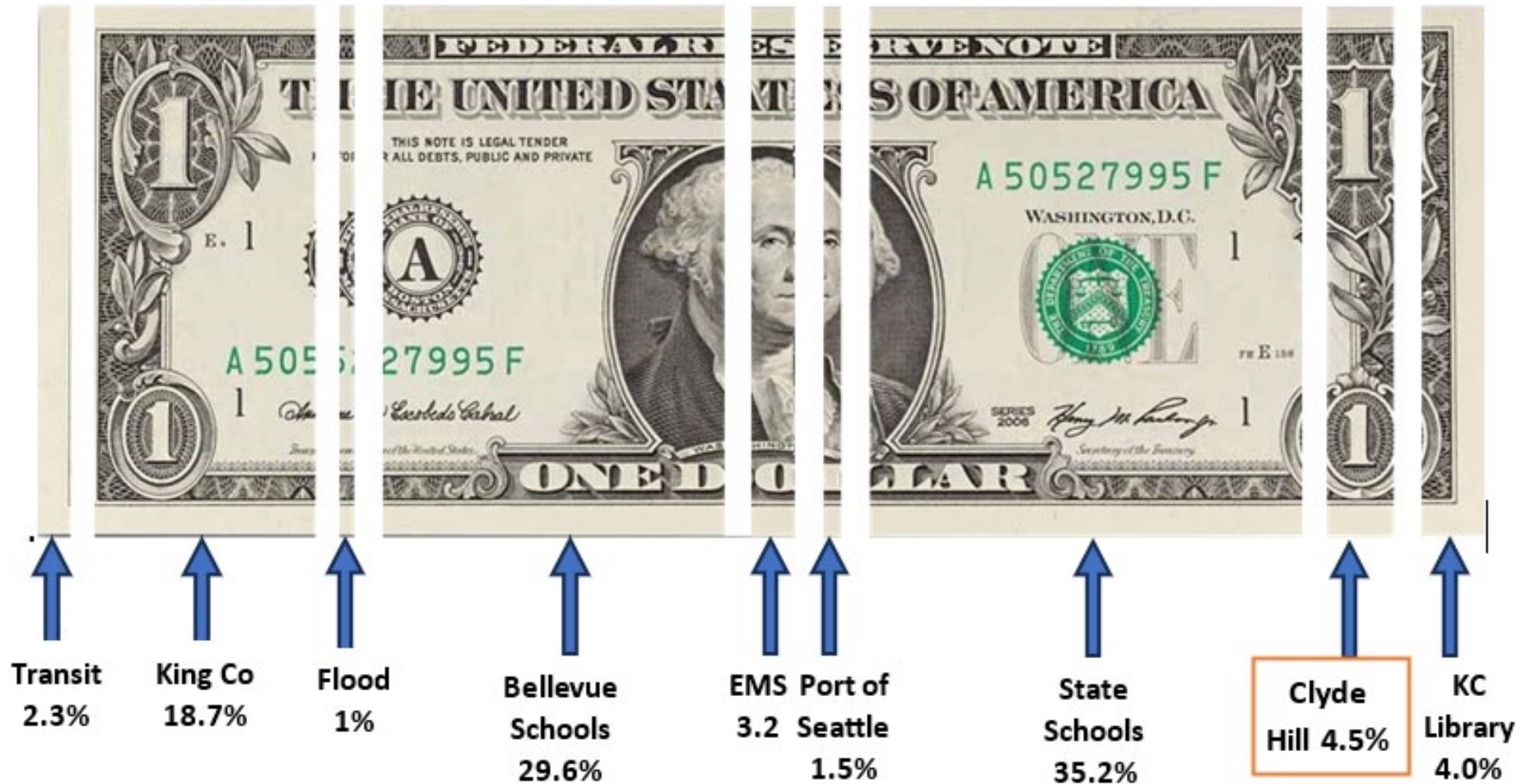




2025 Key Revenue Assumptions

- 1% Allowable Property Tax Levy Increase plus New Construction
- Reduction in Interest Income due to decreasing interest rate projections
- One-time \$100k permit revenue for Fire Station #5 construction
- Continuation of NPDES grant to cover the costs of street sweeping
- Sales Tax increases by 3.6% CPI
- Master Fee Schedule increase by 3.6% CPI wherever possible
- Reduced REET revenue due to housing market trends
- Annual King Co. Parks Levy distribution \$56k
- Utility Tax Rates increases of 2% for Solid Waste, Water and Sewer
- Continuation of 25% of Police Services being paid for by Yarrow Point

2024 Property Tax Distribution



**2025 Estimated
Annual CH Property
Tax Revenue
\$1,369,379**

**Estimated Tax Rate ~
0.30137**

Utility Tax Revenues

	2024 Budget	2024 Projections	2025 Draft Budget	2025 Preliminary Budget
Electric Utility	170,000	177,480	183,059	183,869
Natural Gas Utility	150,000	115,960	150,000	150,000
Cable TV Utility	103,000	127,300	106,708	106,708
Telephone Utility	28,000	23,000	20,516	22,310
Solid Waste Utility Tax	49,500	47,186	48,885	62,915
Cable TV Franchise Fee	58,000	55,100	55,000	55,000
Water Franchise Fee	233,333	233,300	240,000	267,960
Sewer Franchise Fee	131,111	123,072	130,000	147,686
Solid Waste Franchise Fee	45,000	46,983	48,674	48,674
Total	\$967,944	\$949,381	\$982,842	\$1,045,122



CenturyLink

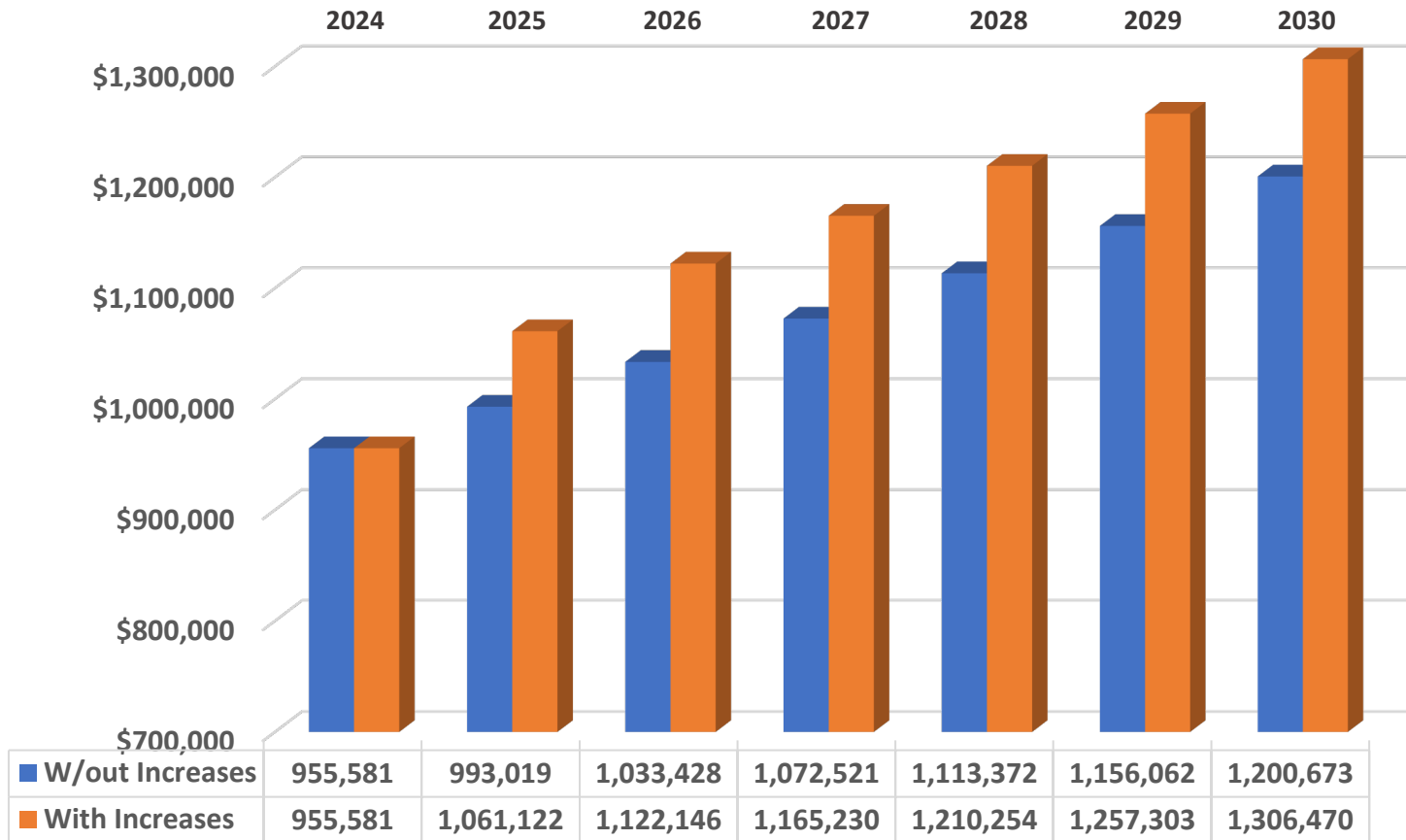


Utility Tax (Proposed)

- Electric Utility (6%)
- Gas Utility (6%)
- Cable TV Utility (9%)
- Telephone Utility (6%)
- **Solid Waste 2% Utility Tax Increase (8%)**
- Solid Waste Franchise Fee (5.5%)
- Cable TV Franchise Fee (5%)
- **Water 2% Franchise Fee Increase (12%)**
- **Sewer 2% Franchise Fee Increase (12%)**
- Business Licenses (\$25 annual)

2025 Additional Revenue ~ \$68,103

**Utilities, Franchise Fees, & Business Licenses: 2024-30
(Projected)**



Other Revenue Sources

	2024 Budget	2024 Projection	2025 Draft Budget	2025 Preliminary Budget
Sales Tax	897,400	884,213	930,600	930,600
Interest Income	402,200	543,144	402,500	402,500
State Shared Revenues	50,455	50,340	48,448	48,447
Police Contracts	537,479	532,014	584,979	584,979
Fines & Forfeitures	30,000	63,896	50,000	57,000
Space & Facilities Leases	170,985	170,985	159,814	159,814
Misc. Other Rev & Insurance Recoveries	33,000	29,735	36,000	36,000
NPDES Grant	65,000	65,000	65,000	65,000
King County Flood Control District	174,884	174,884	0	0
Development Revenue	750,000	824,375	930,000	940,000
Total	\$3,111,403	\$3,338,586	\$3,207,341	\$3,224,340

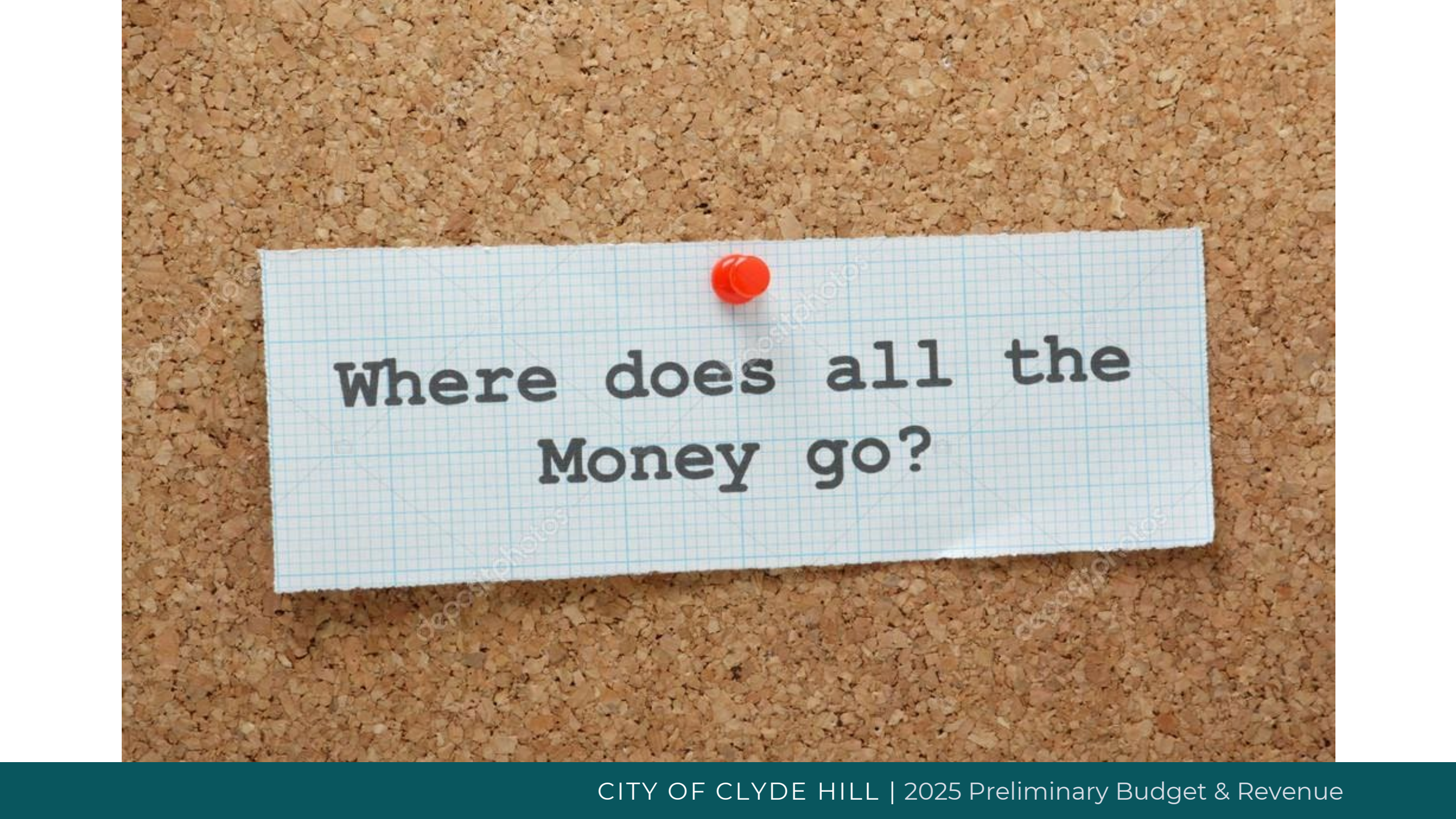
Special Revenue Fund Sources

City Street Fund	2024 Budget	2024 Projections	2025 Budget
Motor Vehicle Fuel Tax <i>(formerly General Fund)</i>	56,358	52,528	56,633
Multimodal Transpo City <i>(formerly General Fund)</i>	3,937	3,993	3,950
Grading Fee <i>(formerly General Fund Permit Fees)</i>	65,500	40,000	50,000
Total	\$125,795	\$96,521	\$110,583

Criminal Justice Fund	2024 Budget	2024 Projections	2025 Budget
Criminal Justice Sales Tax	115,000	110,000	115,000
State Shared CJ	5,911	5,630	5,948
Yarrow Point	25,000	25,000	25,000
Total	\$145,911	\$140,630	\$145,948

Capital Projects Revenue Sources

	2024 Budget	2024 Projections	2025 Draft Budget	2025 Preliminary Budget
REET 1	450,000	325,000	350,000	350,000
REET 2	450,000	325,000	350,000	350,000
King County Parks Levy	53,000	54,372	56,000	56,000
TIP Grant – Overlay Program	0	129,361	0	0
Total	\$953,000	\$833,733	\$756,000	\$756,000



**Where does all the
Money go?**



2025 Key Expenditure Assumptions

- Budget assumes full staffing
- Elimination of temporary 0.5 FTE Management Intern & 0.15 FTE Planning Manager
- 3.6% CPI increase on wages (excluding CBA positions)
- Increase of 7.3% - 10.6% in medical insurance rates
- Increase of 15% in Police and 7% in PW L&I rates for Workers Compensation
- Elimination of Council Retreat
- 2023/2024 State Audit
- Significant increases in Court Fees & Public Defenders
- 6.8% increase in WCIA Insurance

2025 Key Expenditure Assumptions



- Improved technology solution for Community Engagement
- New technology requirements for FLOCK, Drones, Body-worn Cameras, Public Records Requests
- 19.6% increase in NORCOM (911 Dispatch)
- 0.9% increase in Bellevue Fire
- \$90k unfunded state planning mandates & \$60k for other planning & code review
- Elimination of City Movie Night
- Replacement of 2 Police vehicles & 1 City Staff vehicle with an old Police vehicle
- Legal contingency for 520 Lid Negotiations with WSDOT

2025 Staffing



➤ Gen Gov't Services (4.75 FTE)

- City Administrator
- Assistant City Administrator
- Finance Director (0.5 FTE)
- Deputy City Clerk (1.25 FTE)
- Records Officer (0.5 FTE)
- ~~Management Intern (0.5 FTE)~~

➤ Public Works, Building & Planning (5.75 FTE)

- Public Works Director (**currently vacant**)
- PW Crew (3 FTE) (**currently 1 vacancy**)
- Permit/Code Enforcement Specialist (0.75 FTE)
- Building Official
- ~~Planning Manager (0.15 FTE)~~

➤ Police (11 FTE)

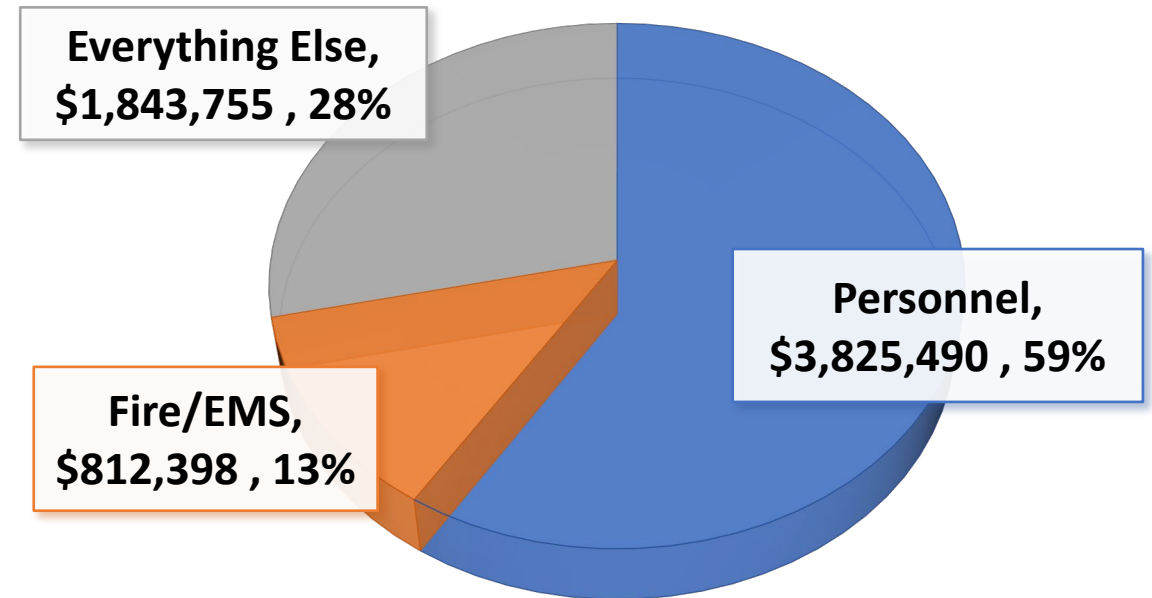
- Chief of Police
- Commander
- Finance Director (0.5 FTE)
- Records Manager (1.5 FTE)
- Corporals (2 FTE)
- Detective
- Patrol Officers (4 FTE)

2025 General Fund Costs

General Governmental Services	\$1,490,847 (23%)
Law Enforcement	\$2,708,125 (42%)
Fire & Emergency Medical Services	\$812,398 (13%)
Public Works	\$1,472,273 (23%)
Total	\$6,483,643*

* Excludes \$25,000 transfer to Equipment Replacement Fund

2025 EXPENDITURES



2024 vs 2025 GF Expenditures by Department

	2024 Budget	2024 Projection	2025 Draft Budget	2025 Preliminary Budget
Legislative	55,840	53,800	47,000	46,540
Executive	32,050	24,205	26,500	26,600
General Governmental (Incl Legal, Finance, Records)	1,361,902	1,370,262	1,400,403	1,417,707
Law Enforcement	2,075,686	2,236,322	2,643,625	2,708,125
Fire/EMS	805,163	805,180	812,398	812,398
Public Works – Engineering, Transportation, Parks	782,669	694,089	609,374	656,199
Public Works – Stormwater Division	384,500	386,609	343,300	345,000
Public Works – Community Development Division	427,370	363,227	530,074	471,074
Transfers Out	25,000	25,000	0	25,000
TOTAL GF EXPENDITURES & TRANSFERS OUT	\$5,950,179	\$5,958,694	\$6,412,374	\$6,508,643

Special Project Fund Expenditures/Transfers

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Criminal Justice	261,450	213,903	336,800	346,800
City Street Fund	125,795	96,521	96,521	110,583
Grants	184,767	114,792	0	0
Equipment Replacement Fund	50,000	70,000	50,000	15,000
Special Projects (Incl FMP)	62,000	62,000	25,000	225,000
TOTAL PROJECT FUND EXPENDITURES & TRANSFERS OUT	\$684,012	\$557,216	\$522,383	\$697,383

2025 Capital Projects Budget



Roadway = \$36,000

- Points Drive ADA Ramp Replacement

Roads/Streets REET 1 Ordinary
Maintenance = \$35,000

- Bridge Railing Replacement

Facilities = \$475,000

- City Hall Parking Lot
- Public Works Shop Renovation

Parks = \$270,000

- Pathway & Tennis Court Lighting

Budget Summary

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6-year Projections



	2025	2026	2027	2028	2029	2030
Beginning Fund Balance	520,780	204,561	14,670	579	7,694	8,523
General Fund Sources	6,192,424	5,686,708	5,801,763	5,970,951	6,146,835	6,329,699
General Fund Uses	6,508,643	6,351,600	6,565,854	6,813,836	7,021,006	7,262,858
Operating Surplus or Deficit	(316,219)	(664,892)	(764,091)	(842,885)	(874,171)	(933,159)
Ending Fund Balance	204,561	(460,330)	(749,421)	(842,306)	(866,477)	(924,636)
Required Transfer from Reserves		475,000	750,000	850,000	875,000	925,000



Conclusion

- **2025 Budget**
- **Future Sustainability**



Dates to Remember

- Adoption of the 2025 Final Budget, Property Tax Levy Ordinance, & Capital Facilities Plan – Tuesday, November 12, 6:00pm
- Financial Sustainability Committee – January 2025



Contact Information

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