



City of Lake Stevens

One Community Around the Lake

2024 Preliminary Revenues & Base Budget Overview



2024

Preliminary Budget Calendar

| Council Budget Agenda <i>(Subject to Change)</i> | Date |
|---|--------------------|
| Estimated Revenues & Preliminary Base Budget | September 12, 2023 |
| Council Mini-Retreat – Mayor’s Preliminary Budget & Staffing | September 15, 2023 |
| Council Budget Session – 2024 Capital Projects | September 26, 2023 |
| Council Budget Session – Preliminary Proposed Budget | October 3, 2023 |
| Council Budget Session – Finalized Proposed Budget (if needed) | October 10, 2023 |
| Public Hearing on Revenues (Property Tax) | October 24, 2023 |
| Public Hearing No. 1 | October 24, 2023 |
| Public Hearing Final & Budget Adoption | November 14, 2023 |
| Public Hearing Final (continuation) & Budget Adoption (if needed) | November 28, 2023 |



Revenues 2023 vs. 2024 Base Budget

| Fund Name | 2023 Budgeted Revenues | 2023 Estimated Revenues | 2024 Base Revenues | 2023 Estimated to 2024 Base Budget |
|---------------------------|------------------------|-------------------------|----------------------|------------------------------------|
| General Fund | \$ 18,352,806 | \$ 18,940,540 | \$ 19,062,346 | 0.6% |
| Other General Funds | \$ 2,520,989 | \$ 2,332,178 | \$ 2,290,000 | -1.8% |
| Special Revenue Funds | \$ 3,338,422 | \$ 3,295,809 | \$ 3,434,087 | 4.2% |
| Debt Service | \$ 1,379,522 | \$ 1,379,522 | \$ 1,286,540 | -6.7% |
| Capital Projects | \$ 12,219,981 | \$ 11,302,177 | \$ 6,512,830 | -42.4% |
| Other Proprietary - Sewer | \$ 814,894 | \$ 820,464 | \$ 810,285 | -1.2% |
| SWM Funds | \$ 7,151,908 | \$ 7,366,826 | \$ 7,434,984 | 0.9% |
| Equipment Funds | \$ 1,083,011 | \$ 1,027,171 | \$ 1,004,480 | -2.2% |
| Trust Fund | \$ 385,900 | \$ 189,754 | \$ 395,900 | 108.6% |
| Totals | \$ 47,247,433 | \$ 46,654,441 | \$ 42,231,452 | -9.5% |

- GF – minimal increase due to one-time grants in 2023 (will RF remaining).
- Other GF – slight decrease expected in construction sales tax
- Special Revenue – Includes Transportation Benefit revenues
- Debt Service - decreased due to debt obligations – Paid off in 2023
- Capital Projects – decrease in estimated REET revenues and grant reimbursements



Expenditures 2023 vs. 2024 Base Budget

| Fund Name | 2023 Budgeted Expenditures | 2023 Estimated Expenditures | 2024 Base Expenditures | 2023 Estimated to 2024 Base Budget |
|---------------------------|----------------------------|-----------------------------|------------------------|------------------------------------|
| General Fund | \$ 20,763,011 | \$ 18,201,078 | \$ 20,786,234 | 14.2% |
| Other General Funds | \$ 5,733,762 | \$ 5,432,329 | \$ 1,300,200 | -76.1% |
| Special Revenue Funds | \$ 3,738,514 | \$ 3,372,604 | \$ 3,587,311 | 6.4% |
| Debt Service | \$ 1,379,522 | \$ 1,379,522 | \$ 1,286,540 | -6.7% |
| Capital Projects | \$ 27,522,940 | \$ 25,676,363 | \$ 1,771,540 | -93.1% |
| Other Proprietary - Sewer | \$ 799,394 | \$ 814,394 | \$ 794,785 | -2.4% |
| SWM Funds | \$ 6,596,190 | \$ 6,030,849 | \$ 6,091,021 | 1.0% |
| Equipment Funds | \$ 1,968,849 | \$ 1,971,101 | \$ 935,754 | -52.5% |
| Trust Fund | \$ 385,900 | \$ 178,634 | \$ 407,761 | 128.3% |
| Totals | \$ 68,888,082 | \$ 63,056,874 | \$ 36,961,146 | -41.4% |

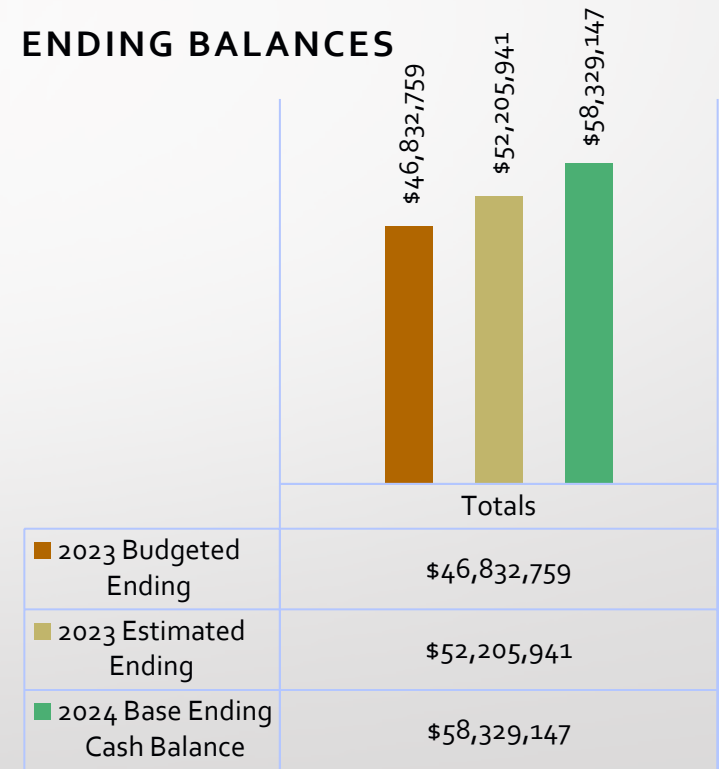
- GF – increase due to wage & benefit increases, forecasting all vacant 2023 position as filled
- Other GF – decrease due to Pandemic Recovery projects (*remaining budgets will RF*)
- Capital Project – decrease as new projects are not included in base budget
- Debt Service - decrease due to debt service
- Equipment – decrease shown as requests are not yet included



2024 Base Budget – All Funds

| Fund Name | 2024 Beginning Cash Balance | 2024 Base Revenues | 2024 Base Expenditures | 2024 Base Ending Cash Balance | Revenue Over Exp (+) |
|---------------------------------|-----------------------------|---------------------|------------------------|-------------------------------|----------------------|
| General Fund (000) | \$7,648,046 | \$19,062,346 | \$20,786,234 | \$5,924,158 | (\$1,723,888) |
| Other General Funds (000) | \$14,942,596 | \$2,290,000 | \$1,300,200 | \$15,932,396 | \$989,800 |
| Special Revenue (100) | \$2,799,586 | \$4,936,087 | \$4,236,411 | \$3,499,262 | \$699,676 |
| Debt Service (200) | \$0 | \$1,286,540 | \$1,286,540 | \$0 | \$0 |
| Capital Projects (300) | \$19,577,848 | \$6,512,830 | \$1,771,540 | \$24,319,137 | \$4,741,290 |
| Other Proprietary – Sewer (400) | \$23,946 | \$810,285 | \$794,785 | \$39,446 | \$15,500 |
| SWM Funds (400) | \$6,220,235 | \$7,434,984 | \$6,091,021 | \$7,564,198 | \$1,343,963 |
| Internal Service (500) | \$981,822 | \$1,004,480 | \$935,754 | \$1,050,548 | \$68,726 |
| Fiduciary (600) | \$11,861 | \$395,900 | \$407,761 | \$0 | (\$11,861) |
| Totals | \$52,205,940 | \$43,733,452 | \$37,610,246 | \$58,329,147 | \$6,123,206 |

ENDING BALANCES





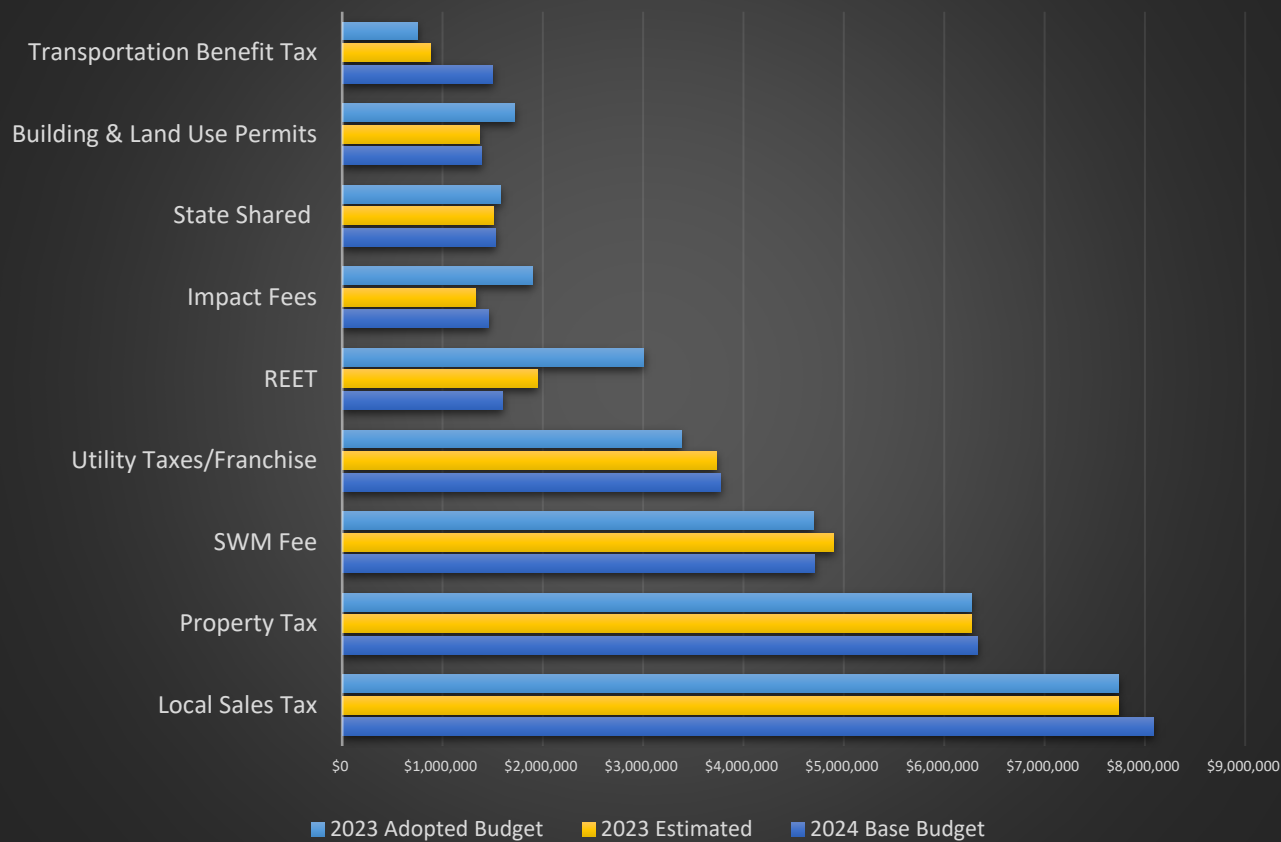
Major Revenue Sources

| Revenue Source | Fund | Uses | % Total Rev | 2023 Budget | 2023 Estimated | 2024 Base Budget | 2024 Vs 2023 Estimated |
|-------------------------------------|------------------------|--------------------------|-------------|-------------|----------------|------------------|------------------------|
| GF - Property Tax | General 72% | Unrestricted | 10% | \$4,513,600 | \$4,513,600 | \$4,556,333 | 101% |
| GF - Local Sales & Use Tax | General/Reserve | Unrestricted | 16% | \$6,590,875 | \$6,757,201 | \$7,021,310 | 104% |
| GF - Crim Just./Afford Housing – ST | General | Some Restrictions | 2% | \$1,144,635 | \$983,722 | \$1,065,271 | 108% |
| GF - Utility Taxes/Franchise | General | Unrestricted | 8% | \$2,943,200 | \$3,258,665 | \$3,291,252 | 101% |
| GF - Liquor/DUI/State Shared | General | Some Restrictions | 2% | \$733,103 | \$741,349 | \$755,013 | 102% |
| GF - Building Permits | Permit | Restricted | 3% | \$1,500,000 | \$1,140,651 | \$1,170,000 | 103% |
| GF - Zoning & Subdivision (Plats) | Permit | Restricted | 1% | \$220,989 | \$226,128 | \$220,000 | 97% |
| ST - Property Tax | Street – 28% | Unrestricted | 4% | \$1,755,289 | \$1,755,289 | \$1,771,907 | 101% |
| ST - Utility Taxes | Street | Unrestricted | 1.1% | \$438,801 | \$472,956 | \$477,686 | 101% |
| ST - State Shared - MVFT | Street | Restricted to Fund Usage | 2% | \$840,048 | \$767,230 | \$774,438 | 101% |
| TB - Transportation Benefit ST | Transportation Benefit | Restricted | 3% | \$750,000 | \$884,240 | \$1,500,000 | 170% |
| Real Estate Excise Taxes | REET I&II | Restricted | 4% | \$3,000,000 | \$1,950,716 | \$1,600,000 | 82% |
| Traffic Impact Fees | Developer Contribution | Restricted | 2% | \$900,000 | \$688,006 | \$655,000 | 95% |
| Park Impact Fees | Park Mitigation | Restricted | 2% | \$1,000,000 | \$641,686 | \$800,000 | 125% |
| Surface Water Fees | Storm & Surface Water | Restricted to Fund Usage | 12% | \$4,695,800 | \$4,895,556 | \$5,091,378 | 104% |

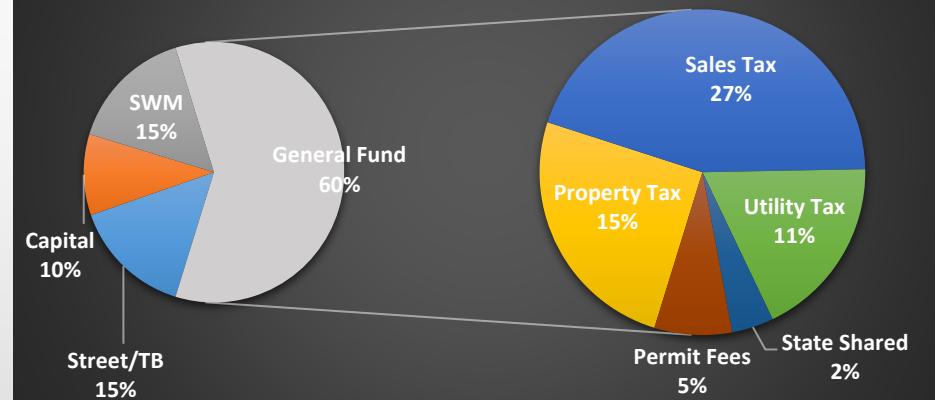


Major Revenue Sources

Citywide Major Revenue Sources

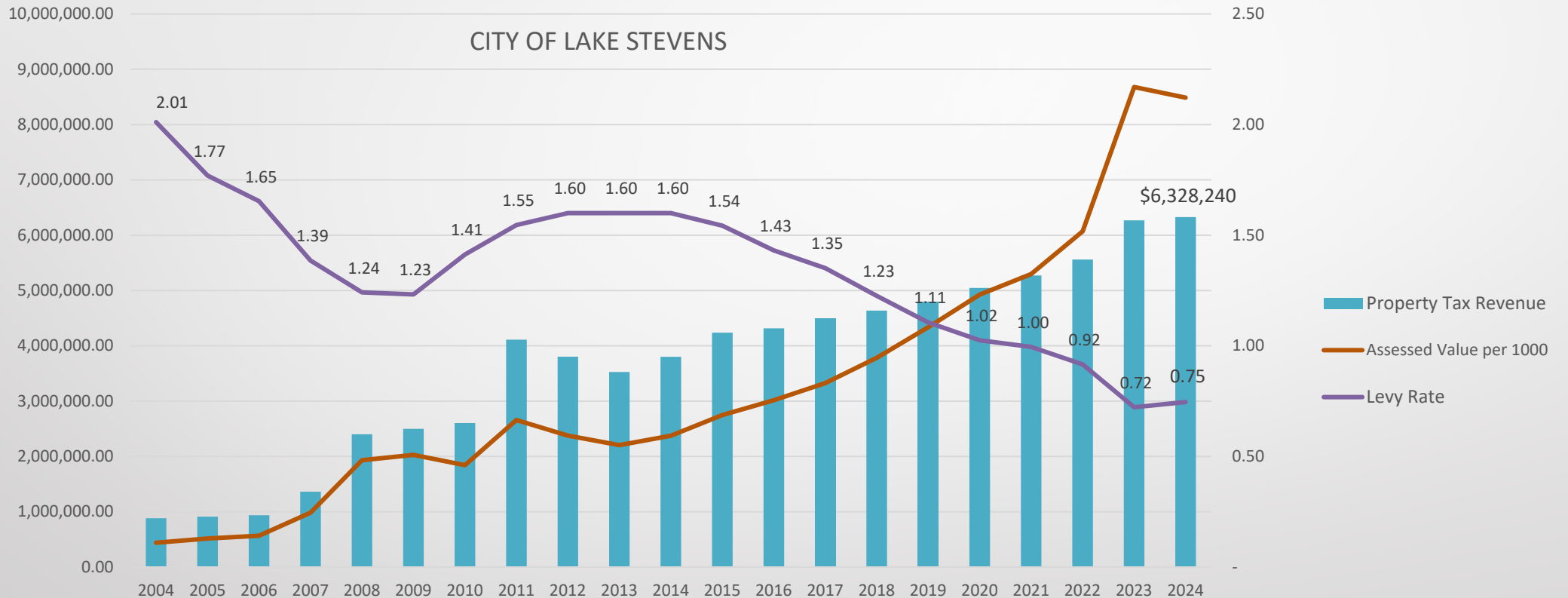


Major Revenue Sources by Fund





Property Tax History



- Estimated 2024 AV decrease 2.2%
- Estimated Levy Rate \$0.75/ \$100 AV
- Estimated 2024 Revenues \$6,328,240

Untapped Revenue Sources

- Utility Tax
 - Imposed upon Gross Revenues of Utilities providing service with City boundaries
 - No taxes imposed on Sewer Utility or Storm Water Utilities currently
 - At 6% - Sewer Estimated over \$1,000,000
 - At 6% - SWM Estimated \$280,000





General Fund Revenue Assumptions for 2024

Revenues: \$19,062,346

- 3.9% increase over 2023 budget (\$710K)
- 0.6% increase over 2023 estimate (\$120K)
- **Property Tax: \$4,556,33**
 - Allocation remains at 72% GF, 28% Street Fund (\$1.77M)
 - Assessed Value Decrease 2.2%
 - Does not include new construction
 - Levy Rate Estimated \$0.75/1,000 AV
 - \$100,000 home = \$75 City Tax
 - \$1,000,000 home = \$750 City Tax
- **Sales Tax: \$7,021,310**
 - Estimated 6% increase
 - Construction \$1,200,000 (\$900,000 in Contingency Fund)
- **Investment Interest – decrease by 10%**
- **Permits – In Restricted Fund**
 - Building Permits – Decreased from 2023 budget – \$1,100,000
 - Zoning & Subdivision – Anticipate decrease over 2023 budget due to reduction in projects - \$220,000



General Fund Expenditure Assumptions for 2024

Expenditures – \$20,786,234

- <1% increase over 2023 Budget
 - One-time expenditures
 - 14% increase over estimated expenditures
- 2024 Estimated Base Budget Fund Balance
\$5,924,158

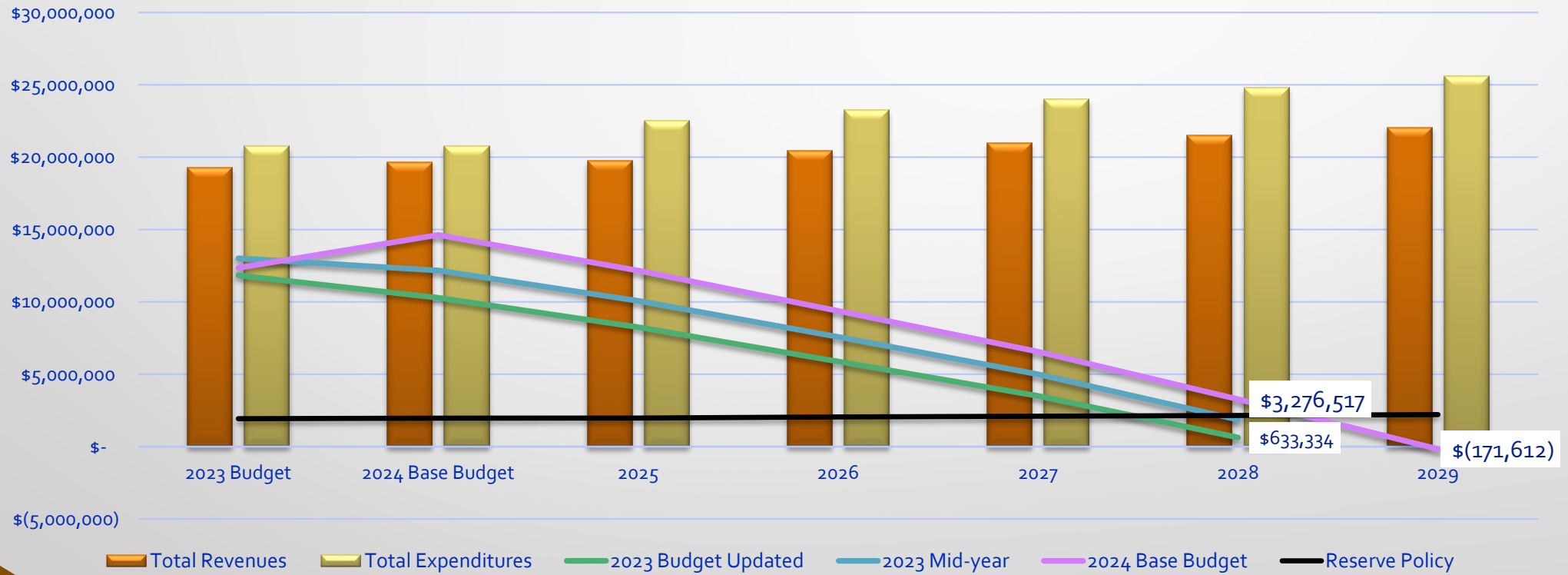
- Salaries & Benefits - \$14,407,000
 - Current staffing levels
 - Cost of Living Increases – Current CPI 4.5%
 - 4% Non-Represented
 - 4% Guild Non-Commissioned

Guild Commissioned & Teamsters being negotiated – equivalent placeholder used for estimations
- Medical/Dental Increases – 7%
- Increased WCIA Insurance Costs – 25%



Base Budget Forecasted Ending Balances

General Fund 6 - Year Forecast - 2024 Base Budget





Street Fund Assumptions for 2024

Revenues - \$3,405,326

- Property Tax: \$1,771,907
 - Allocation remains at 28%
- MVFT & Multimodal Trans Tax: \$774,438
- Garbage Utility Tax \$477,686
- 2024 Estimated Ending Fund Balance
\$2,297,425

• Expenditures - \$3,568,000

- Salaries/Benefits - \$1,774,000
 - Placeholder used for COLA - *2023 contract remains in negotiations*
- Continue Annual Pavement Preservation - \$400,000 (*in addition to TB allocation*)
- Continue Contribution to Equipment Fund
 - Reevaluate based on lease replacement schedule
 - No Capital Projects included in base budget
- Increased Liability Insurance Costs – 25%



Storm Water Fund Assumptions for 2024

Revenues - \$5,185,760

- Storm Water Service Charges – 4% increase
 - Based on Rate Study & Population
- Investment Interest \$80K – decrease of 10%
- Contributions from Permit Managerial Fund for Permit related work
- 2024 Estimated Ending Fund Balance
 - Operating: \$1,549,854
 - Capital: \$6,014,345

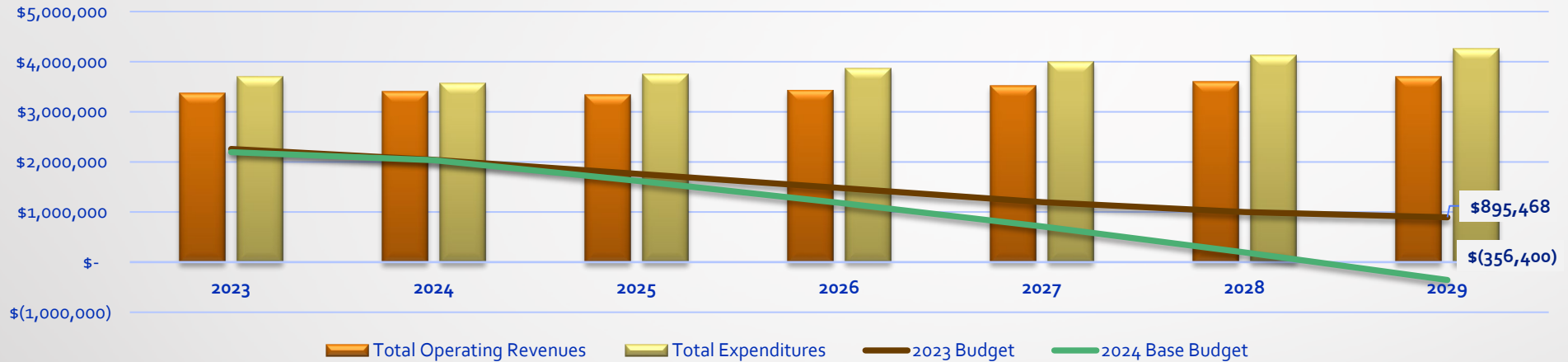
Expenditures

- Operating Base Budget - \$5,909,000
 - Salaries/Benefits \$2,614,012
 - Placeholder used for COLA - 2023 contract remains in negotiations
 - Continue Lake Treatments
 - WCIA Insurance Increase – 25%
- Capital Expenditures \$0
 - No Projects included in 2024 Base Budget
 - 2023 projects will be RF if not completed
- Debt Expenditures \$167,082
 - Decant Land Purchase – 2024 payoff
 - Vactor – 2025 payoff

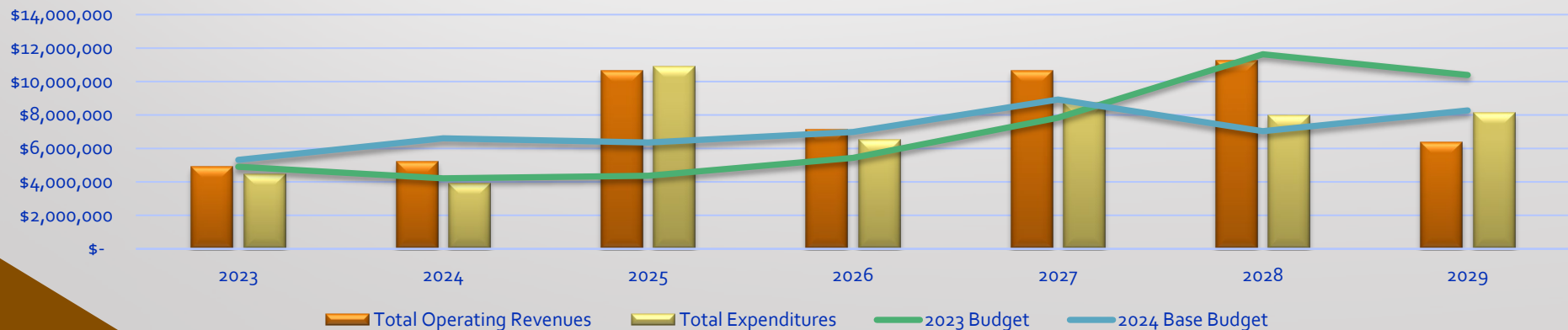


Base Budget Forecasted Ending Balances

Street Fund - 2024 - Base Budget Forecast



Storm Water - 2024 - Base Budget Forecast



2024 Budget Priorities

- Maintain Public Health & Safety
 - American Public Works Association (APWA) Accreditation
 - Enhance Transportation Program
 - Enhance Park & Recreation Program
 - Complete Capital Projects in Process
- Streamlining Citywide Processes to Increase LOS
- Attract & Retain Highly Qualified Staff



Next Steps

- Next Budget Discussion
 - Mayor' Preliminary Budget
 - Review of Requests
 - Review Strategic Staffing Plans
 - COLA (Cost of Living Adjustments) & CPI-W
- September & October Meetings
 - Capital Project Review
 - Finalize Proposed Budget
- Public Hearings

