



The city is conducting this public meeting using a hybrid model. The public is welcome to attend tonight's meeting in-person at City Hall (Council Chambers), or virtually by using the meeting access link below.

Please click the link below to join the webinar:

<https://sumnerwa-gov.zoom.us/j/85238355948>

Or One tap mobile:

+12532050468,,85238355948# US

+12532158782,,85238355948# US (Tacoma)

Or Telephone:

Dial(for higher quality, dial a number based on your current location):

+1 253 205 0468 US

Webinar ID: 852 3835 5948

CALL TO ORDER

Roll Call: Bitetto, Bowman, Clerget, Cole, Elfers and Reinke

SPECIAL STUDY SESSION BUSINESS

1. 2025/2026 Biennial Budget Review

EXECUTIVE SESSION

RCW 42.30.110(1)(b) - To consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price.

ADJOURNMENT

This meeting is accessible to persons with disabilities. For individuals who may require special accommodations, please contact the City Clerk at (253) 299-5590, 24 hours in advance.

SUBJECT: 2025/2026 Biennial Budget Review

CATEGORY: Information Only

BUDGET IMPACT:

Expenditure Required: None

Within Budget Allocation: N/A

ATTACHMENTS:

1. Budget Wrap-up Presentation

STAFF CONTACT: Jason Wilson, City Administrator, Kassandra Raymond, Chief Financial Officer, Jeff Steffens, Administrative Services Director

SUMMARY BACKGROUND:

The City Council began reviewing the 2025/2026 Proposed Biennial Budget in September 2024. Over the past several meetings, City Council has reviewed budget asks and challenges in all departments/funds. As we wrap up the budget review in preparation for public hearings and adoption, staff will present a summary of the financial forecast for the General Fund, a review of changes made from the Proposed to the Final budget ask, and review outstanding un/underfunded items for Council review and direction.

The next scheduled action for the 2025/2026 Biennial Budget is a public hearing set for November 18, 2024.

COUNCIL COMMITTEE/STUDY SESSION:
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MEETING/STUDY SESSION DATE:

COMMITTEE RECOMMENDATION:

STAFF RECOMMENDATIONS/MOTION:



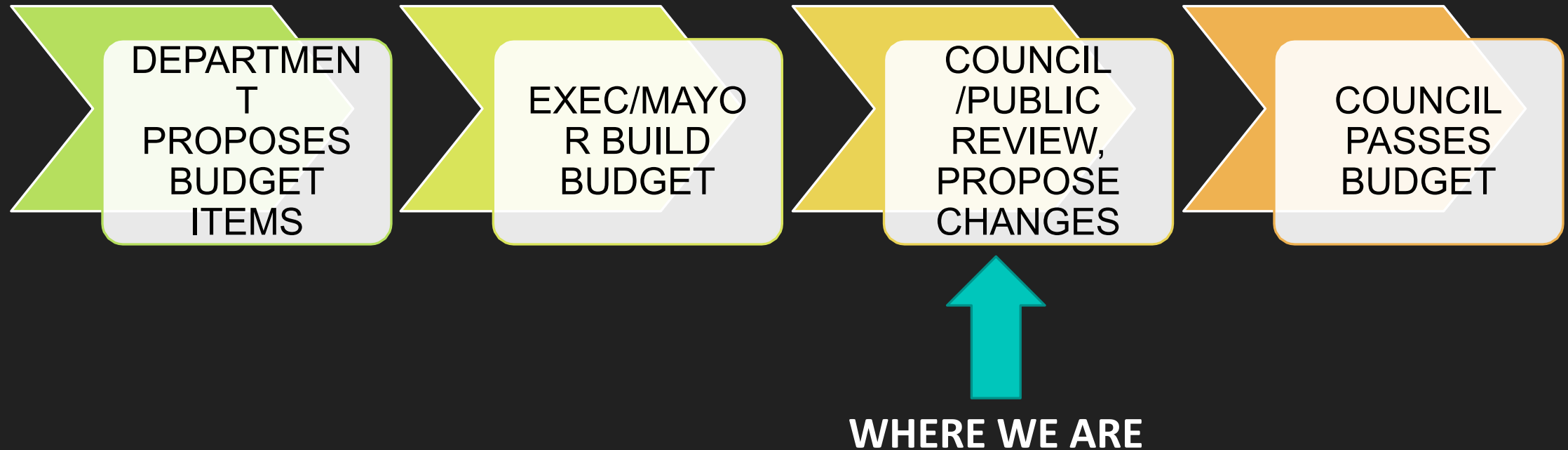
2025/2026 Biennial Budget

2025-2026 BIENNIAL BUDGET

October 30, 2024



PROCESS REMINDER



Tonight's Agenda



Changes: Preliminary to Final

- Revised Estimates
- Labor

Financial Forecast

- General Fund Financial Forecast

Revenue Toolbox

- City Council Strategic Reserves
- Utility Taxes
- Targeted/Restricted Revenues

Items for Consideration

- Requests un/underfunded through Executive Review
- Items proposed by Council



Budget Changes Preliminary to Final

2025-2026 BIENNIAL BUDGET

Changes: Preliminary to Final

Fund	Category	2025 Change	2026 Change	Comments
001, 310	Transfer Out/Transfer In, Capital Expenditure	\$300,000	\$0	Allocate funds for Lucy V Ryan Park Improvements from General Fund fund balance.
001, 551	Transfer Out/Transfer In, Software Purchase	\$35,000	\$0	Interview Room Software
001	Development Service Fees	\$323,000	\$384,500	Updated estimates
001	Electric/Gas Utility Tax	(\$711,800)	(\$711,800)	Corrected estimates from Puget Sound Energy
001	Repairs & Maint: Chipsealing	\$125,000	(\$404,825)	Maintain 30 year schedule, split between both years in biennium.

Utility Taxes

Telecommunications, Electric, Gas now at 6% Statutory Cap	Electric	Gas
Estimated # of Customers with Sumner tax >\$1,500 (07/2022 – 06/2023)	10	2
Estimated Annual Total Sumner Tax with the abatement	\$369,722	\$84,801
Estimated Additional Annual Total Sumner Tax without the abatement	\$189,722	\$48,801

Changes: Preliminary to Final

Salaries & Wages

- Added 1.0 FTE Records Specialist I in Police Department
- Added 2nd PT seasonal in WWTF based on 2024 authorized seasonal count
- Adopted 2025 Compensation Schedule
 - Cost of Living Adjustments
 - Updated salary band changes
- Accounted for staffing changes (new hires, resignations, reclassifications, etc.)

Benefits

- Incorporated medical cost share
 - 3% in 2025, 5% in 2026
- Updated estimates for increases in Medical Insurance, L&I, PFML, etc.
- Updated changes in plan selections, covered employees/dependents, etc.



General Fund Financial Model

2025-2026 BIENNIAL BUDGET

Financial Model

CITY OF SUMNER	Actual	Revised	Proposed		Forecast				
General Fund Forecast	2023	2024	2025	2026	2027	2028	2029	2030	
Beginning Fund Balance	\$ 15,475,430	\$ 15,581,251	\$ 15,056,458	\$ 13,790,234	\$ 14,646,046	\$ 15,030,657	\$ 14,962,629	\$ 14,406,130	
Operating Revenue	21,622,853	20,159,287	22,622,574	22,709,079	23,157,301	23,728,491	24,315,944	24,920,138	
Operating Expenditures	21,517,032	20,270,079	22,618,299	21,853,266	22,772,690	23,796,520	24,872,443	26,003,296	
Operating Excess (Deficiency)	105,821	(110,792)	4,275	855,813	384,611	(68,028)	(556,499)	(1,083,158)	
Allocate City Council Reserve	-	414,000	970,500	-	-	-	-	-	
Use of Fund Balance	-	-	300,000	-	-	-	-	-	
Ending Fund Balance	15,581,251	15,056,458	13,790,234	14,646,046	15,030,657	14,962,629	14,406,130	13,322,972	
Required Reserves (8% of Operating Expenses)	1,721,363	1,621,606	1,809,464	1,748,261	1,821,815	1,903,722	1,989,795	2,080,264	
Property Tax Reserve - Council	1,104,381	1,040,381	419,881	769,881	1,119,881	1,469,881	1,819,881	2,169,881	
Unreserved Fund Balance	\$ 12,755,507	\$ 12,394,471	\$ 11,560,889	\$ 12,127,904	\$ 12,088,961	\$ 11,589,027	\$ 10,596,454	\$ 9,072,828	

Funding the priorities



Value of projects in plans/wishes



What we actually have.

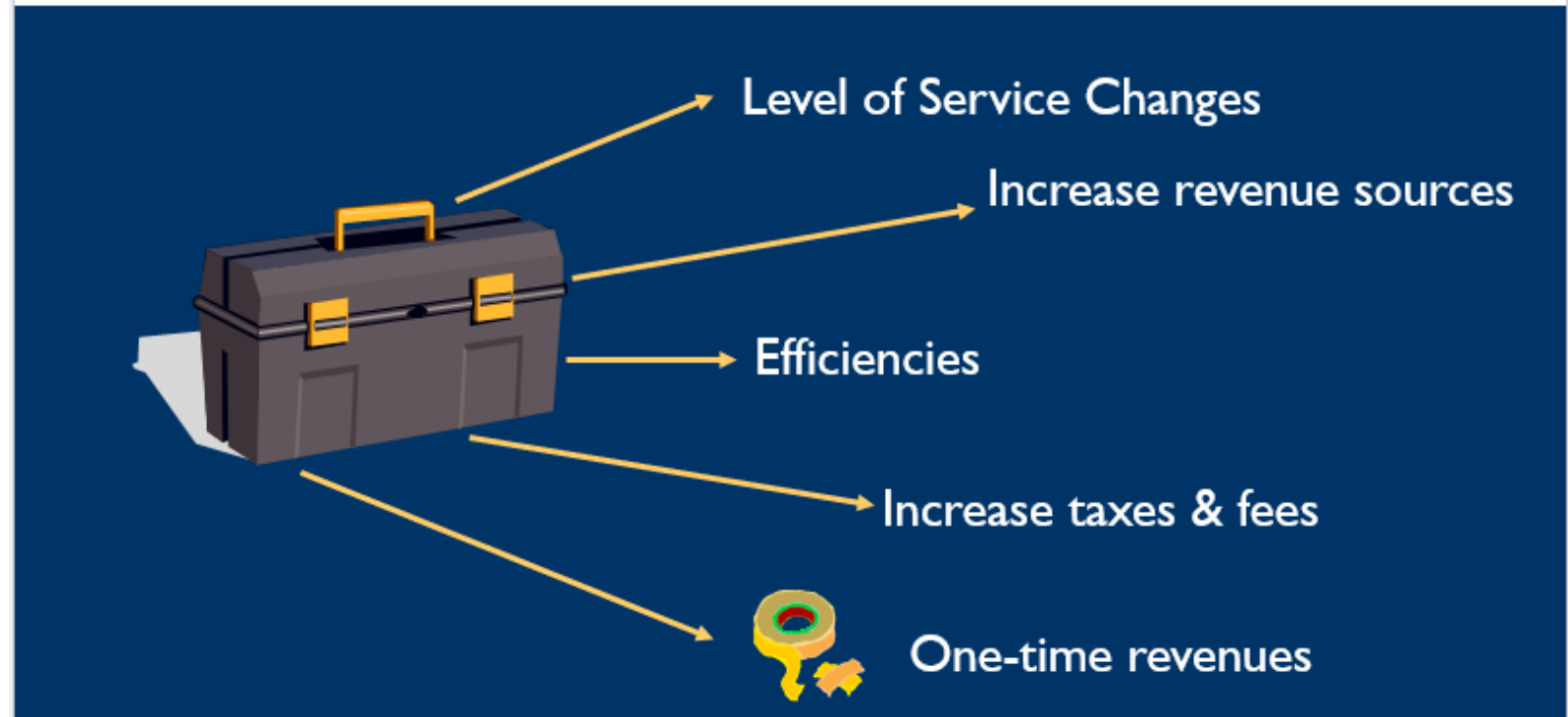


Portion of budget that's
discretionary.

How to fill the gap?



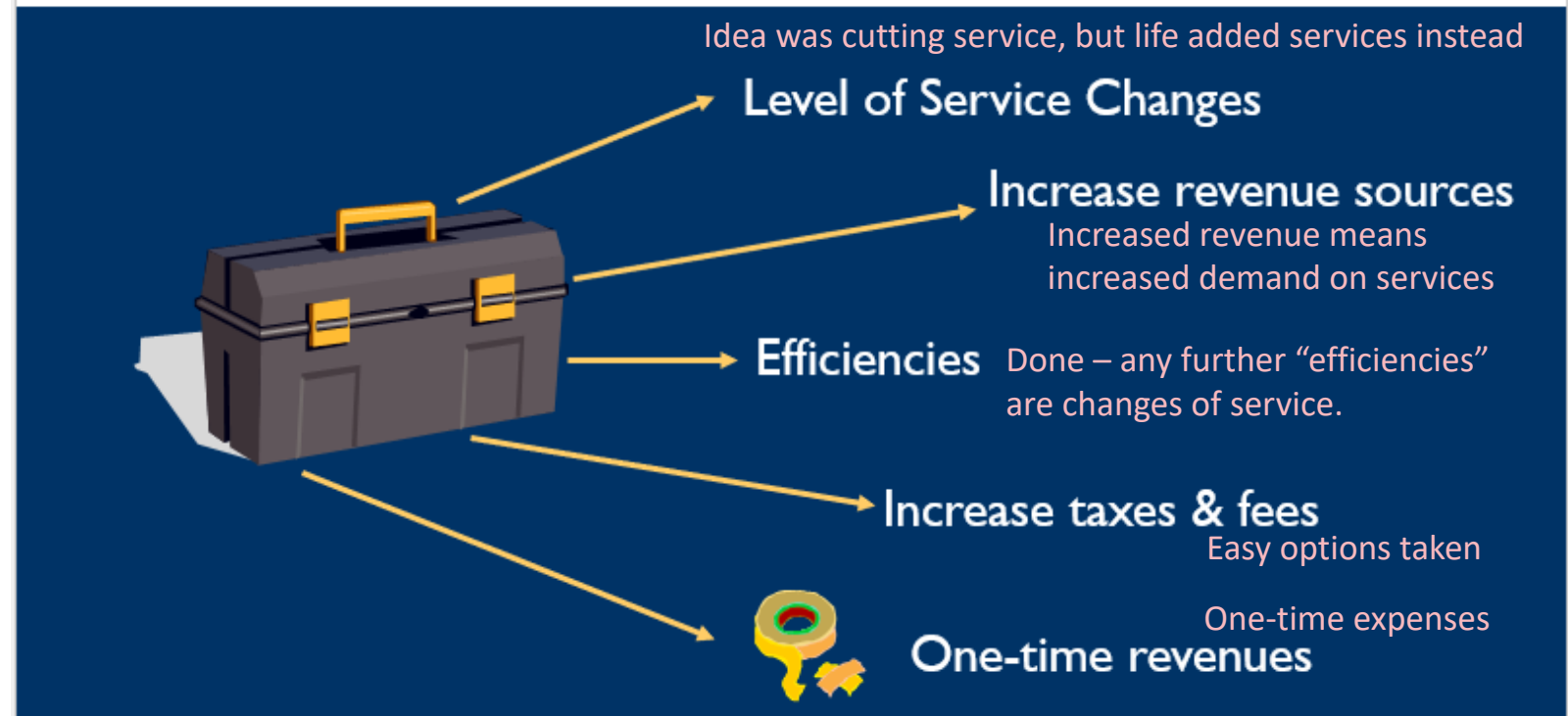
Financial Toolbox



How to fill the gap?



Financial Toolbox





Revenue Options

2025-2026 BIENNIAL BUDGET

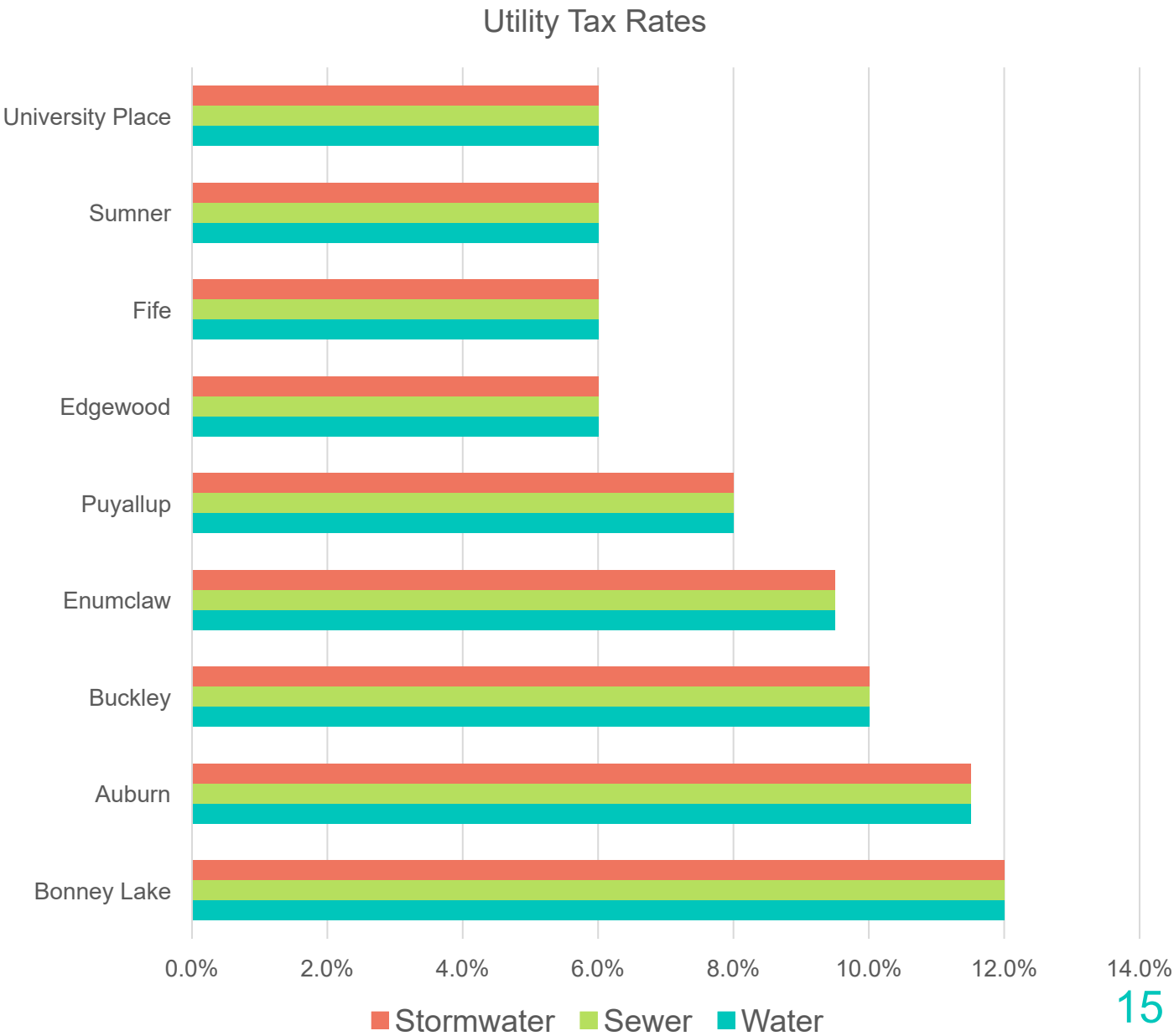
Council Strategic Reserve

- 🌀 Council approved in Fall 2017 to begin Tax Year 2018
- 🌀 Re-authorized annually with the Ad Valorem Property Tax Levy Resolution
- 🌀 Funds accrue until allocated through the budget or amendment process

Tax Year	Source	Use	Description
2018	\$354,381		Property Tax
2019	\$350,000		Property Tax
2020	\$350,000		Property Tax
2021	\$350,000		Property Tax
2021		\$1,000,000	Woonerf Project
2022	\$350,000		Property Tax
2023	\$350,000		Property Tax
2024	\$350,000		Property Tax
2024		\$300,000	Heritage Park
2024		\$114,000	Washington Street
2025	\$350,000		Property Tax
2025		\$970,500	Washington Street
Balance at 12/31/2024			\$1,040,381
Balance at 12/31/2025			\$419,881

Utility Taxes

A 1% increase to water, sewer, stormwater utility tax could provide \$160,000 annually to the General Fund (based on 2023 rates)



Business & Occupation Tax (B&O)

Can be charged on gross receipts, or square footage.

Must be uniformly applied across business categories.

Should support project paying into it (roads, parks).

Requires staff to manage.

Transportation Benefit District

Can be used to fund roads, sidewalks, transit.

Construction and Maintenance & Operations Costs

Sales Tax: Up to .3% (.1% councilmanic .2% voter approved)

Vehicle Licensing: \$20-\$50

Can increase every 24 months, but must start at \$20

Up to \$100 if voter approved

Transportation Benefit District

City	Basis	Established
Auburn	0.1% Sales Tax	2023
Buckley	\$20 vehicle license fee	2012
Eatonville	\$20 vehicle license fee	2012
Fife	\$20 vehicle license fee	2015
Gig Harbor	0.3% Sales Tax	2018*
Lakewood	\$20 vehicle license fee	2021
Orting	\$20 vehicle license fee	2011

*Gig Harbor 0.2% through 12/31/2024; increases to 0.3% 01/01/2025

A 0.1% councilmanic Transportation Benefit District in Sumner could realize ~\$800,000 annually for street funding.

Local Improvement Districts (LIDs)

Finances a capital improvement that is specific to a geographic area.

Could be utility or general fund improvements.

City finances, property owners pay back assessment over set number of years

136th/Valentine corridor was our last LID



Un/Underfunded Items

2025-2026 BIENNIAL BUDGET

For Consideration



- 🌀 Items un/underfunded through Mayor/Executive Review
- 🌀 Items noted/proposed by Council through budget review
- 🌀 Decision Packages for consideration



Package: Facilities

Item	One-Time	Recurring	Funding Source(s)
City Hall Windows	\$500,000	\$0	\$340,000 from Fund 003 Building Reserves
City Hall Painting/Sealing	\$100,000	\$0	



City Hall windows ?



City Hall windows ?

City Hall Paint/
Brick Seal ?

City Hall
1104

Package: Parks



Item	One-Time	Recurring	Funding Source(s)
Cameras – Seibenthaler Park	\$16,200	\$1,080	
Cameras – Rainier View Park (Base)	\$18,000	\$1,080	
Cameras – Rainier View Park (Parking)	\$16,600	\$1,080	
Cameras – Loyalty Park	\$14,300	\$1,080	
Autonomous Mower	\$55,000	\$5,500	
Bill Heath Tennis/Pickleball Courts	\$45,000	\$0	

AUTONOMOUS MOWER (ROI)

	2025	2026	2027	2028
		\$ (41,711)	\$ (27,482)	\$ (12,268)
Cost of Mower	\$ (60,500)	\$ (5,500)	\$ (5,500)	\$ (5,500)
Staff Savings	\$ 18,789	\$ 19,728	\$ 20,715	\$ 21,751
ROI	\$ (41,711)	\$ (27,482)	\$ (12,268)	\$ 3,983

Estimated annual staff efficiency gained = 293 hours (.15 FTE) 3.75 year ROI

Lease Info:

24 months @ \$2,192.13 = \$52,611.12

36 months @ \$1,520.02 = \$54,720.72

Pros: Latest technology—it will change

Cons: Estimated life span of purchase 8-10 years

Autonomous Mower ?





Restriping tennis/pickleball at Heath Sports Complex?



Package: Community Services

Item	One-Time	Recurring	Funding Source(s)
Cameras – Mausoleum	\$25,000	\$0	
Cameras – Senior Center	\$9,400	\$0	



Package: Sidewalk Capital

Item	One-Time	Recurring	Funding Source(s)
West Valley Highway Sidewalk Repair	\$900,000	\$0	

Package: Street Capital



Item	One-Time	Recurring	General Fund	Water Fund	Sewer Fund	Stormwater Fund
Hunt Avenue Design	\$297,000	\$0	\$128,304	\$65,340	\$60,885	\$42,471
Hunt Avenue Construction	\$2,530,000	\$0	\$1,092,960	\$556,600	\$518,650	\$361,790
			\$1,221,264	\$621,940	\$579,535	\$404,261



Package: Street Operations

Item	One-Time	Recurring	Funding Source(s)
Chipseal (move to 15 year cycle)	\$0	\$250,000	Fund balance, Transportation Benefit District
Overlay	\$0	\$300,000	Fund balance, Transportation Benefit District



Package: Public Safety

Item	One-Time	Recurring	Funding Source(s)
800MHz Radio Program	\$100,000	TBD	
Accelerate 1.0 FTE Patrol Officer from 2026 to 2025	\$0	\$172,102	

Package: Fiscal Reserves

Item	One-Time	Recurring	Funding Source(s)
Building Reserves	\$TBD	\$0	
Increase Street Match	\$TBD	\$0	

Budget Allocations

City Council Exercise

COMING UP



CITY OF
SUMNER
WASHINGTON

Nov 4

- Tax Year 2025 Property Tax Levy Adoption

Nov 18

- Budget Wrap-Up (if needed)
- 2025/2026 Biennial Budget Public Hearing

Dec 2

- 2025/2026 Biennial Budget Public Hearing

Dec 9

- 2025/2026 Biennial Budget Public Adoption

SUBJECT: RCW 42.30.110(1)(b) - To consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price.

CATEGORY: Information Only

BUDGET IMPACT:

Expenditure Required: None

Within Budget Allocation: N/A

ATTACHMENTS:

STAFF CONTACT:

SUMMARY BACKGROUND:

To discuss acquisition of real estate

COUNCIL COMMITTEE/STUDY SESSION:

MEETING/STUDY SESSION DATE:

COMMITTEE RECOMMENDATION:

STAFF RECOMMENDATIONS/MOTION:

Executive Session