

CITY OF KENT, WASHINGTON

MAYOR'S PROPOSED 2025-26 BIENNIAL BUDGET



SPECIAL COUNCIL WORKSHOP

SEPTEMBER 23, 2024

OVERVIEW OF
MAYOR'S PROPOSED
GENERAL FUND BUDGET

KENTWA.GOV



AGENDA

- Economic Outlook
- 2025-2026 City-wide Budget Summary
- General Fund Revenues
- General Fund Expenditures
- Timeline
- Next Steps

ECONOMIC OUTLOOK

- Fiscal Cliff
- Streamlined Sales and Use Tax
- Inflation
- Recession or No Recession?

2025-2026 BIENNIAL REVENUE SUMMARY

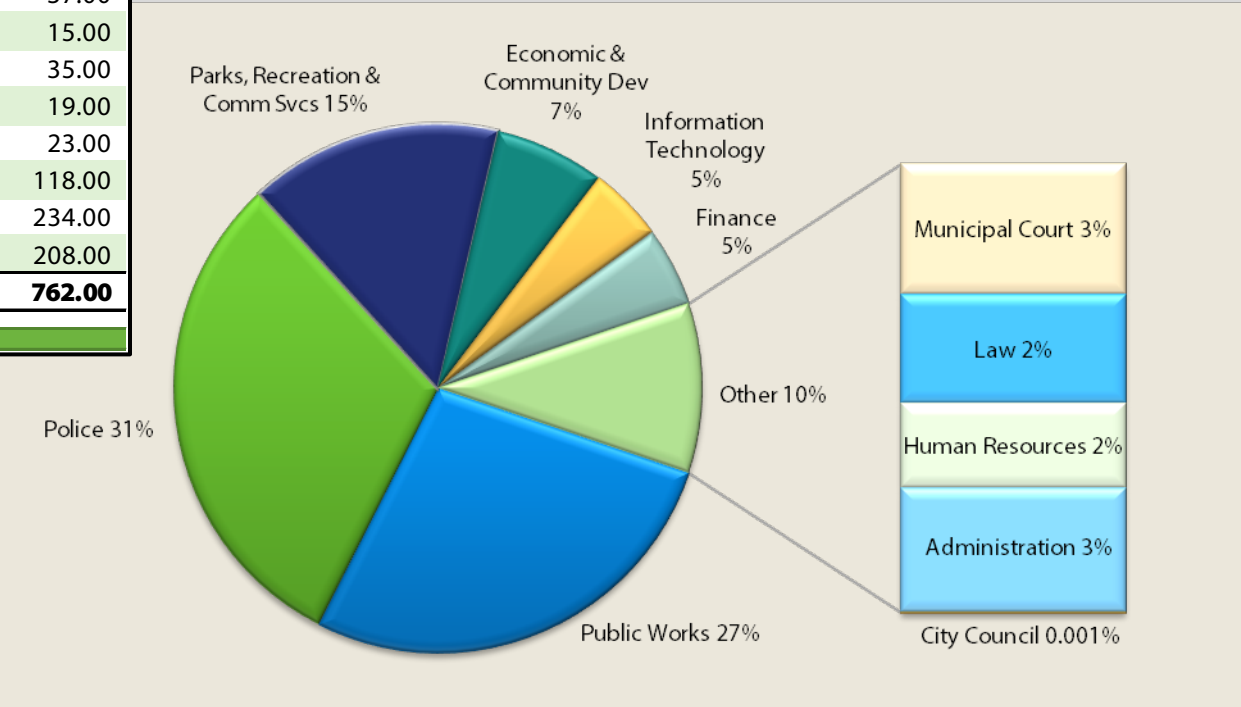
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Enterprise Funds	Internal Service Funds	Other Funds	Total All Funds
Revenues								
Taxes	203,335,070	85,522,370						288,857,440
Licenses and Permits	16,195,250	1,035,460			132,710			17,363,420
Intergovernmental Revenue	6,198,120	13,003,110	2,265,140	500,000		389,860		22,356,230
Charges for Services	16,073,340	1,056,530			205,141,750	42,067,390		264,339,010
Fines and Forfeitures	1,889,630	12,916,790						14,806,420
Miscellaneous Revenue	7,409,950	4,606,530	623,000	2,792,840	14,305,720	70,532,940	9,733,150	110,004,130
Transfers In	3,705,300	33,947,990	10,632,470	49,932,660	45,976,140	6,481,590		150,676,150
Total Revenues	254,806,660	152,088,780	13,520,610	53,225,500	265,556,320	119,471,780	9,733,150	868,402,800

2025-2026 BIENNIAL EXPENDITURE SUMMARY

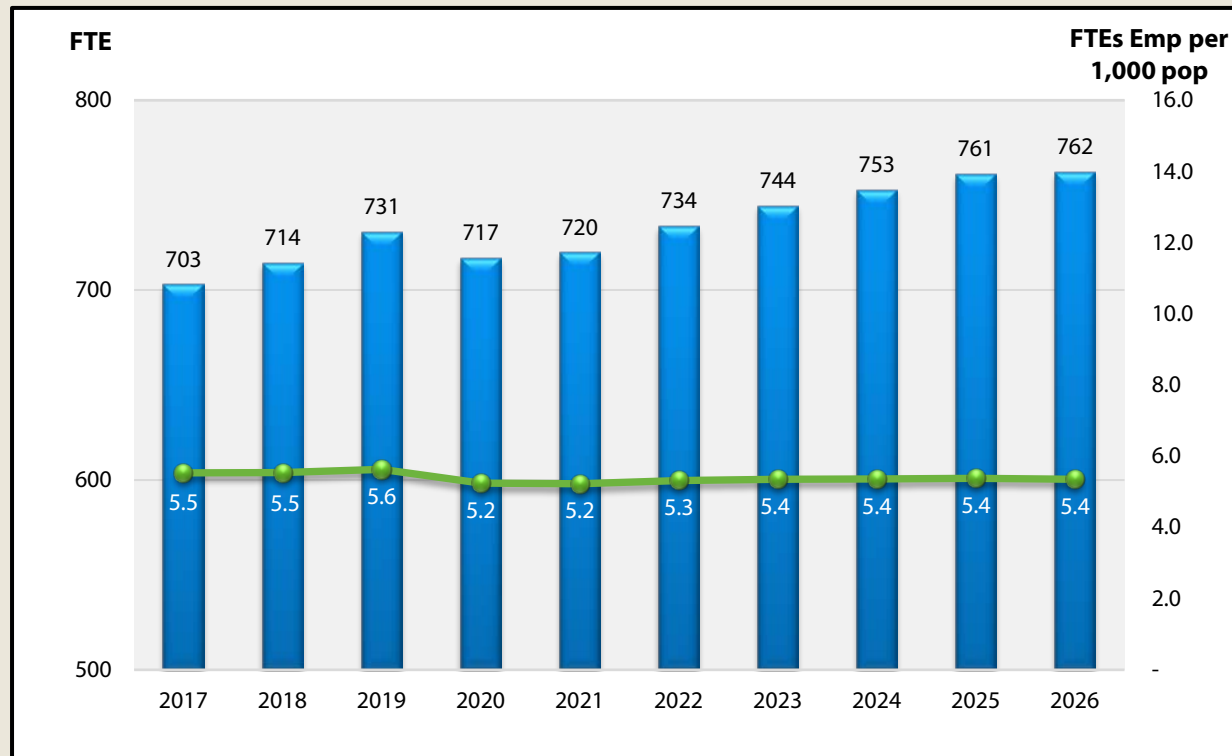
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Enterprise Funds	Internal Service Funds	Other Funds	Total All Funds
Expenditures by Department								
City Council	1,097,050							1,097,050
Administration	7,282,310	50,000				2,669,420		10,001,730
Economic & Community Dev	23,940,570							23,940,570
Finance	7,923,850					780,530		8,704,380
Fire Contracted Services	6,912,270							6,912,270
Human Resources	4,846,570	2,448,840				58,818,240		66,113,650
Information Technology				7,794,660		24,858,540		32,653,200
Law	4,451,060	2,540,740						6,991,800
Municipal Court	9,691,310							9,691,310
Parks, Rec & Comm Services	49,968,210	19,727,120		25,932,710	7,876,490	18,084,760		121,589,290
Police	127,014,090	27,229,910						154,244,000
Public Works		41,733,260		17,196,340	260,036,740	16,275,010		335,241,350
Non Departmental	16,236,650	60,137,290	13,520,610	570,990	6,831,140		9,592,030	106,888,710
Total Expenditures	259,363,940	153,867,160	13,520,610	51,494,700	274,744,370	121,486,500	9,592,030	884,069,310

POSITIONS SUMMARY BY DEPARTMENT

	2024 Adopted	2024 Changes	2024 Total	2025 Request	2025 Proposed	2026 Request	2026 Proposed
City Council	0.25		0.25		0.25		0.25
Administration	21.75		21.75		21.75		21.75
Economic & Comm Dev	50.00		50.00	1.00	51.00		51.00
Finance	36.00		36.00	1.00	37.00		37.00
Human Resources	15.00		15.00		15.00		15.00
Information Technology	37.00	(2.00)	35.00		35.00		35.00
Law	18.00		18.00		18.00	1.00	19.00
Municipal Court	22.00		22.00	1.00	23.00		23.00
Parks, Rec & Comm Svcs	117.63		117.63	0.37	118.00		118.00
Police	230.00		230.00	4.00	234.00		234.00
Public Works	207.00		207.00	1.00	208.00		208.00
Total FTEs by Dept	754.63	(2.00)	752.63	8.37	761.00	1.00	762.00



FTEs PER 1,000 POPULATION



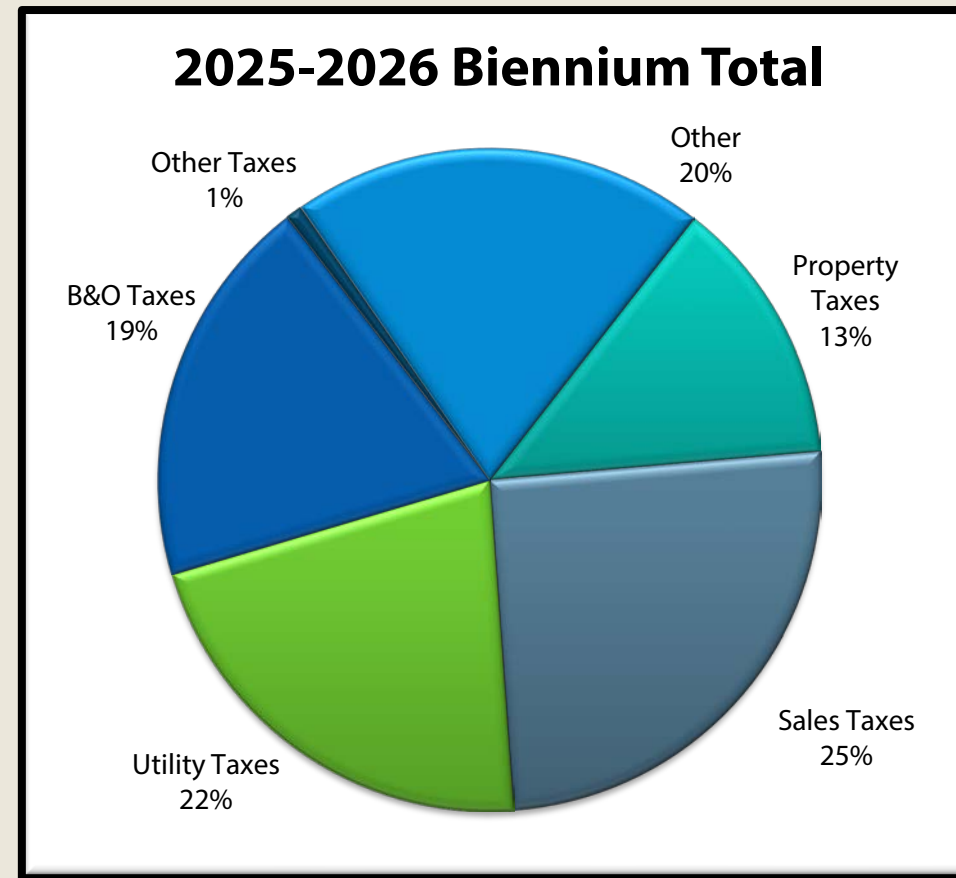
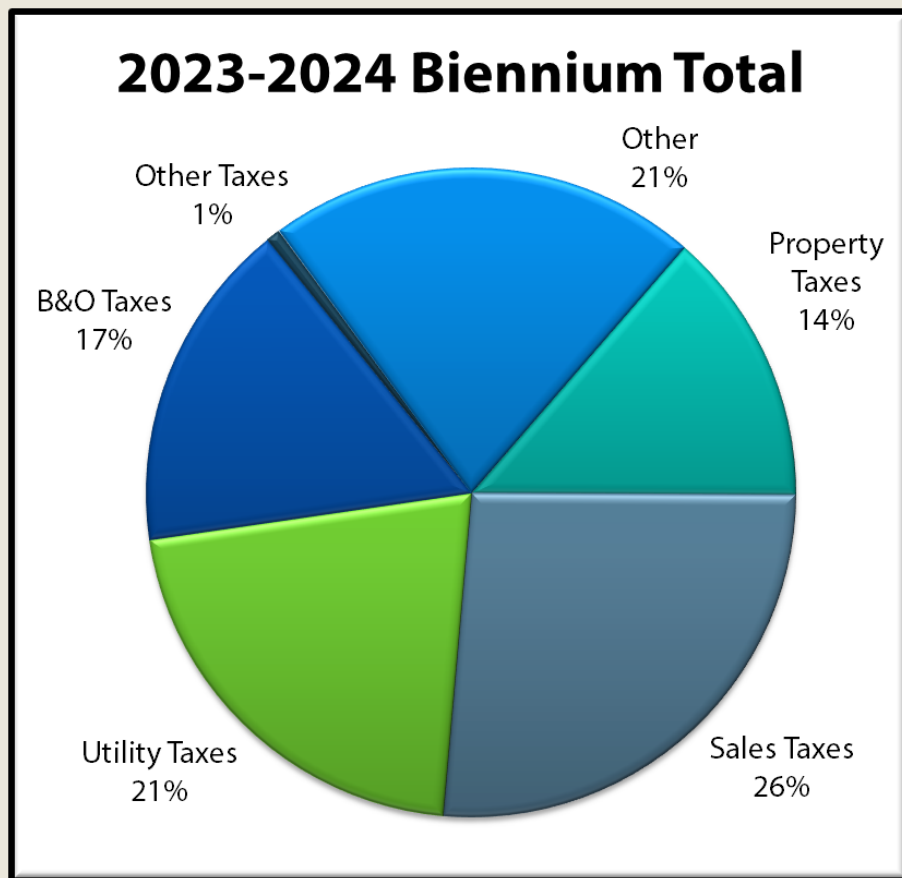
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
FTE Positions	702.8	714.2	730.6	716.7	719.7	733.7	744.4	752.6	761.0	762.0
Population *	127,100	128,900	129,800	136,588	137,700	137,900	139,100	140,400	141,400	142,400
FTEs per 1000 Pop	5.5	5.5	5.6	5.2	5.2	5.3	5.4	5.4	5.4	5.4

* 2024 Population based on Office of Financial Management (OFM) estimates. 2025 and 2026 are estimates.

GENERAL FUND REVENUE SUMMARY

	2024	2025	2026
	Adj Budget	Proposed	Proposed
Property Taxes	\$ 16,165,310	\$ 16,490,850	\$ 16,820,670
Sales Taxes	31,682,150	32,042,530	32,204,030
Utility Taxes	26,461,510	27,099,020	27,824,210
B&O Taxes	19,579,930	24,344,950	24,466,460
Other Taxes	881,820	1,018,990	1,023,360
Licenses and Permits	7,761,430	8,071,820	8,123,430
Intergovernmental Revenue	3,109,350	3,080,720	3,117,400
Charges for Services	7,050,350	7,951,660	8,121,680
Fines and Forfeitures	757,590	940,180	949,450
Miscellaneous Revenue	2,932,200	3,831,410	3,578,540
Transfers In	4,767,390	1,823,380	1,881,920
Total Revenues	\$ 121,149,030	\$ 126,695,510	\$ 128,111,150

GENERAL FUND REVENUE SOURCES



MAJOR REVENUE CHANGES – GENERAL FUND

	2024 vs 2025 Changes	2025 vs 2026 Changes
Property Tax		
1% + new construction	325,540	329,820
Sales Tax		
Volume Adjustment	360,380	161,500
Utility Tax		
Baseline/Volume Adjustments		
Internal Utility Taxes	271,980	272,330
Electric	737,970	492,720
Gas	(205,260)	45,460
Garbage and Telephone	99,660	6,110
Cable	(266,840)	(91,430)
B&O Tax		
Scheduled Increase for Business Warehouse Square Footage Rate	3,000,000	
Increase Gross Receipts Manufacturing Rate from 0.001 to 0.00125	845,000	
Increase Gross Receipts maximum cap from \$20m to \$25m	86,800	
Baseline Adjustments	833,220	121,510
Other Taxes		
Baseline Adjustments	137,170	4,370

B&O TAX INCREASES

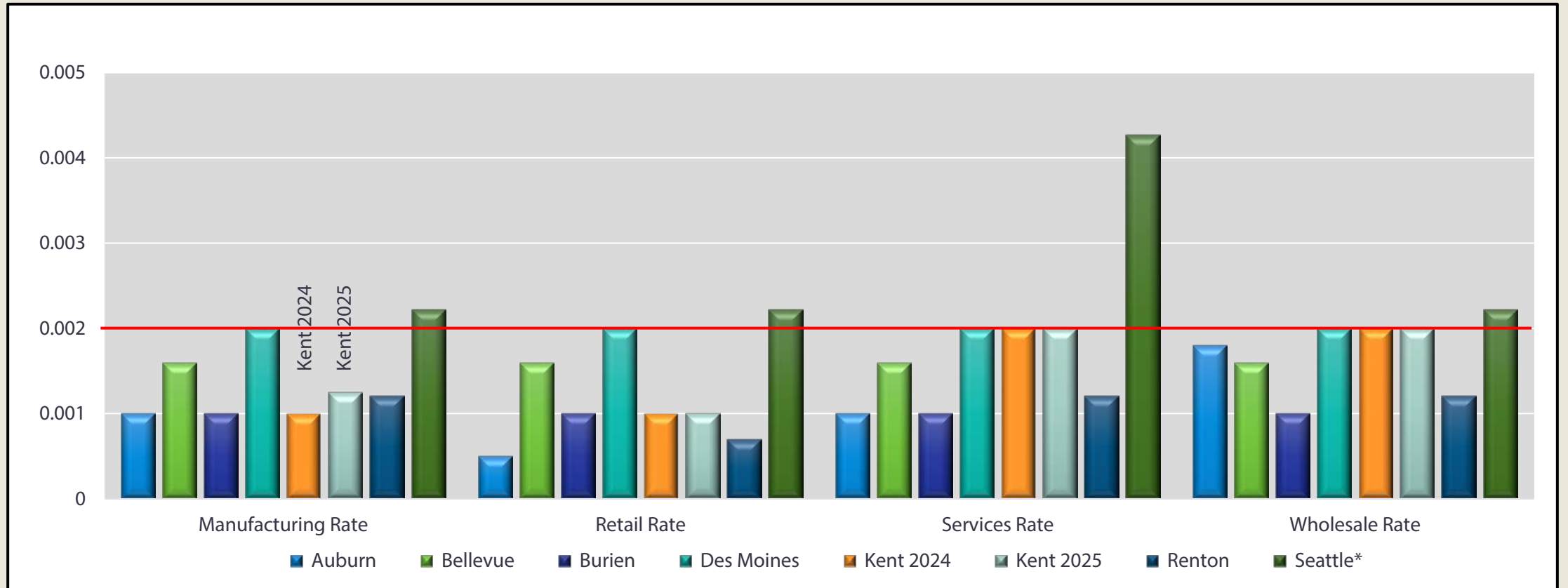
	Tax	Current	1/1/2025	Estimated Revenue
Business Warehouse Floor*	Square Footage	0.36	0.48	\$ 3,000,000
Manufacturing	Gross Receipts	0.00100	0.00125	\$ 845,000

*Annual Rate

	Current	1/1/2025	Estimated Revenue
Retailing Gross Receipts Cap	\$20m	\$25m	\$ 86,800

Budget Year	Prior Year CPI-W	Cap
2019		20,000,000
2020	1.7	20,340,000
2021	1.0	20,543,400
2022	6.3	21,837,630
2023	9.5	23,912,200
2024	4.5	24,988,250
2025	3.6	25,887,830

B&O TAX RATE COMPARISON



MAJOR REVENUE CHANGES – GENERAL FUND

	2024 vs 2025 Changes	2025 vs 2026 Changes
Licenses and Permits		
Building and Street Permits	139,970	81,730
Other Baseline Adjustments	170,420	(30,120)
Intergovernmental Revenue		
Liquor Excise Tax and Board Profits	(96,530)	1,100
Other Baseline Adjustments	67,900	35,580
Charges for Services		
Plan Check and Review Adjustments	664,062	120,910
Other Baseline Adjustments	237,248	49,110
Fines and Forfeitures		
Parking Penalties	131,000	4,320
Other Baseline Adjustments	51,590	4,950

MAJOR REVENUE CHANGES – GENERAL FUND

	2024 vs 2025 Changes	2025 vs 2026 Changes
Miscellaneous Revenue		
Interest Income	833,300	(270,490)
Rentals	161,080	2,340
Reimbursements	(63,200)	12,720
Other Baseline Adjustments	(31,970)	2,560
Transfers In		
Baseline Adjustments	27,910	55,070
ARPA Adjustments		
One-time transfers in 2024	(2,982,910)	
Race & Equity Coordinator Position	10,990	3,470
Total Revenues	\$ 5,546,480	\$ 1,415,640

EXPENDITURE ASSUMPTIONS

	2025	2026
Salary Increases		
AFSCME/NR	3.6%	2.5%
Teamsters	3.6%	2.5%
KPOA	3.6%	2.5%
Self-Insured Health Plans		
	0.0%	0.0%
Retirement		
PERS	9.11%	9.11%
L2PD	5.32%	5.32%
Supplies		
	2.0%	2.0%
Services		
	2.0% or by contract	2.0% or by contract
Insurance Allocations		
Workers Compensation	20%	6.5%
Liability	15%	5.0%
Property	0%	2.5%

GENERAL FUND EXPENDITURES BY DEPARTMENT

	2024	2025	2026
	Adj Budget	Proposed	Proposed
City Council	\$ 448,480	\$ 494,880	\$ 502,170
Administration	3,519,030	3,714,900	3,667,410
Economic & Community Dev	10,633,510	11,789,010	12,151,560
Finance	3,899,760	3,892,250	4,031,600
Fire Contracted Services	3,749,880	3,365,810	3,546,460
Human Resources	2,123,280	2,341,750	2,504,820
Law	1,735,880	2,108,460	2,342,600
Municipal Court	4,437,810	4,775,570	4,915,740
Parks, Rec & Comm Svcs	24,054,500	24,659,050	25,309,160
Police	58,439,540	62,518,180	64,495,910
Non-Departmental	10,183,410	8,363,110	7,873,540
Total Expenditures	\$ 123,225,080	\$ 128,022,970	\$ 131,340,970

MAJOR EXPENDITURE CHANGES – GENERAL FUND

	2025 Proposed Changes		2026 Proposed Changes	
	FTE	Amount	FTE	Amount
Operating Adjustments				
Administration				
Extend Term-Limited Race & Equity Coordinator (ARPA)		147,950		151,420
Economic & Community Development				
Flood Plain Certification Engineer	1.0	179,590		190,960
Set up / Recurring Costs		13,200		600
Allocation to the Drainage Fund		(35,920)		(38,190)
Convert Term-Limited Position to Permanent				
Long-Range Planner Position		153,140		162,490
Set up / Recurring Costs		11,100		500
Convert Term-Limited Permit Tech to Permanent		134,400		137,960
Convert Term-Limited Planner to Permanent		135,690		144,450
Set up / Recurring Costs		1,700		1,500
Human Resources				
Workday - CVS Consulting Services		-		50,000
Workday Technical Training		42,600		42,600

MAJOR EXPENDITURE CHANGES – GENERAL FUND

	2025 Proposed Changes		2026 Proposed Changes	
	FTE	Amount	FTE	Amount
Law				
Assistant City Attorney		-	1.0	189,860
Set up / Recurring Costs				13,500
Municipal Court				
Probation Officer	1.0	142,890		151,510
Set up / Recurring Costs		6,300		2,000
Shift 75% of the Resource Coordinator position To Opioid Funding		(90,340)		(96,740)
Shift \$75k of Probation position costs to Traffic Grant		(75,000)		(75,000)
Parks, Recreation & Community Services				
NPDES Stormwater System Management		100,000		-
Extend Term-Limited Senior Center Program Coordinator		121,200		128,850
Convert Part-Time Program Assistant II to Full Time	0.37	37,550		43,110
Reduce Temp Budget		(29,000)		(33,000)
Encampment Contracted Clean Up Services		75,000		75,000
Spotlight Series Funding		55,000		55,000
Reallocate Underutilized Budgets		(55,000)		(55,000)
Contracted Security Services		50,000		50,000

MAJOR EXPENDITURE CHANGES – GENERAL FUND

	2025 Proposed Changes		2026 Proposed Changes	
	FTE	Amount	FTE	Amount
Police				
Police Sergeants	2.0	454,140		465,240
Set up / Recurring Costs		49,640		28,620
Patrol Officer	1.0	164,380		174,440
Set up / Recurring Costs		24,820		14,310
Corrections Sergeant	1.0	157,050		166,750
Set up / Recurring Costs		9,440		2,470
Wellness Program		30,000		30,000
IA Software		20,000		20,000
Other Adjustments				
Shift Expenditures to Human Services Fund		(225,000)		(225,000)
Increase Internal Allocations		123,080		400,500
Increase Street Fund Subsidy		200,110		197,620
Total Expenditures	6.37	\$ 2,129,710	1.00	\$ 2,568,330

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COUNCIL WORKSHOP	Oct 1
Other funds baseline discussion; significant changes	
COUNCIL MEETING	Oct 1
1st Public Hearing—2025-26 Biennial Budget & 2025-2030 CIP	
COUNCIL WORKSHOP (Special Meeting if needed)	Oct 8
Additional information and discussion	
COUNCIL WORKSHOP	Oct 15
Questions and Final Decisions	
COUNCIL MEETING	Oct 15
Public Hearing – 2025 Property Tax Levy	
2 nd Public Hearing – 2025-26 Biennial Budget	
COUNCIL WORKSHOP (Special Meeting if needed)	Oct 22
PREPARE BUDGET ADOPTION AND RELATED DOCUMENTS	Oct 16-Nov 19
COMMITTEE OF THE WHOLE MEETING	Nov 5
2025-26 Budget Recommendation	
COUNCIL MEETING	Dec 10
Adoption of the 2025 Property Tax Levy	
Adoption of the 2025-26 Biennial Budget	

NEXT STEPS

- Next Tuesday's Budget Workshop will be an overview of all other funds
- Please send questions you have our way
 - Paula Painter – ppainter@kentwa.gov
 - Michelle Ferguson – mferguson@kentwa.gov