

CITY OF KENT, WASHINGTON

# MAYOR'S PROPOSED 2025-26 BIENNIAL BUDGET



## COUNCIL WORKSHOP

OCTOBER 1, 2024

OVERVIEW OF  
OTHER FUNDS BUDGETS

KENTWA.GOV



# AGENDA

- Special Revenue Funds
  - Opioid Settlement Funds
- Enterprise Funds
- Internal Service Funds
  - Workers Comp Fund
- B&O Tax
- Timeline

# SPECIAL REVENUE FUNDS

	2024	2025	2026
	Adj Budget	Proposed	Proposed
Street Operating	\$ 21,473,100	\$ 21,321,220	\$ 21,179,130
LEOFF 1 Retiree Benefits	1,612,800	1,212,320	1,236,520
Lodging Tax	304,230	290,600	295,020
Youth/Teen	1,112,240	1,158,500	1,199,790
Capital Resources	36,676,380	28,084,650	25,600,480
Criminal Justice	13,871,330	14,128,930	14,450,320
Human Services	8,214,070	8,233,380	8,308,570
City Art Program	110,330	104,620	100,600
ShoWare Operating	1,928,620	2,554,910	2,607,600

# SPECIAL REVENUE FUNDS

## MAJOR REVENUE CHANGES

	2024 vs 2025 Changes	2025 vs 2026 Changes
<b>Street Operating</b>		
General Fund Subsidy	\$ 171,440	\$ (418,360)
<b>Capital Resources Fund</b>		
Property Tax Revenue	359,810	364,530
Streamline Sales Tax	(416,110)	(924,690)
<b>Criminal Justice Fund</b>		
School Zone Camera Revenue	(312,280)	
Red Light Camera Revenue	701,630	
<b>Total Revenues</b>	<b>\$ 171,440</b>	<b>\$ (418,360)</b>



# SPECIAL REVENUE FUNDS

## MAJOR EXPENDITURE CHANGES

	2025 Proposed Changes		2026 Proposed Changes	
	FTE	Amount	FTE	Amount
<b>Street Operating</b>				
GIS Allocation		\$ (315,360)		\$ (21,150)
Extend Civil Engineer Designer 1 Position		162,380		172,430
<b>Capital Resources Fund</b>				
Convert GIS Analyst III Position to Permanent		87,180		160,070
Transfers Out:				
Roundabout Project Design (116th Ave SE and SE 248th Street)		150,000		150,000
East Hill North Community Park Roadway Improvements		1,500,000		
Property Abatement		200,000		200,000
KEHOC Project - Parks Contribution		600,000		
JDE Replacement		500,000		1,000,000

# SPECIAL REVENUE FUNDS

## MAJOR EXPENDITURE CHANGES

	2025 Proposed Changes		2026 Proposed Changes	
	FTE	Amount	FTE	Amount
<b>Criminal Justice Fund</b>				
Car per Officer Program		261,380		267,910
Shift 75% of the Resource Coordinator position to Opioid Funding		90,340		96,740
Crime Fighting Technology				
Drone Replacement		70,000		70,000
FUSUS Crime Center		150,000		150,000
<b>Human Services Fund</b>				
Shift GF Expenditures to Human Services Fund		225,000		225,000
Project Be Free		185,000		185,000
Offset by use of Available Budget Lines		(410,000)		(410,000)
<b>Total Expenditures</b>	<b>0.0</b>	<b>\$ 3,455,920</b>	<b>0.0</b>	<b>\$ 2,246,000</b>

# OPIOID FUNDS – ALLOWABLE USES

At least 70% of funding awarded to states and localities must be spent on “opioid remediation efforts” defined in the settlement agreement as “Care, treatment, and other programs and expenditures (including reimbursement for past such programs or expenditures except where this Agreement restricts the use of funds solely to future Opioid Remediation) designed to:

- (1) address the misuse and abuse of opioid products,
- (2) treat or mitigate opioid use or related disorders, or
- (3) mitigate other alleged effects of, including on those injured as a result of, the opioid epidemic.”

# OPIOID FUNDS

	Proposed Budget						Forecast			
	2022	2023	2024	2025	2026	2027	2028	2029	2030-2034	2035-2038
<b>Revenues</b>										
Actual	86,151	271,896	444,546							
Projected				173,586	142,479	147,034	94,847	168,745	691,559	348,566
<b>Total Estimated Revenues</b>	<b>86,151</b>	<b>271,896</b>	<b>444,546</b>	<b>173,586</b>	<b>142,479</b>	<b>147,034</b>	<b>94,847</b>	<b>168,745</b>	<b>691,559</b>	<b>348,566</b>
<b>Expenditures</b>										
10% OAC Admin Fee			62,471	17,359	14,248	14,703	9,485	16,875	69,156	34,857
75% of Resource Coordinator				90,340	96,740	104,000	111,800	120,190	750,460	829,690
Supplies - Community Court			10,080	15,000	15,000	15,300	15,610	15,920	84,490	73,870
<b>Total Estimated Expenditures</b>			<b>72,551</b>	<b>122,699</b>	<b>125,988</b>	<b>134,003</b>	<b>136,895</b>	<b>152,985</b>	<b>904,106</b>	<b>938,417</b>
Revenues Less Expenditures	86,151	271,896	371,996	50,888	16,491	13,031	(42,048)	15,761	(212,547)	(589,850)
<b>Estimated Cumulative Balance</b>	<b>86,151</b>	<b>358,047</b>	<b>730,043</b>	<b>780,930</b>	<b>797,421</b>	<b>810,452</b>	<b>768,405</b>	<b>784,165</b>	<b>571,619</b>	<b>(18,232)</b>

Received to Date: \$802,594

Expended to Date: \$4,495



# ENTERPRISE FUNDS

	2024	2025	2026
	Adj Budget	Proposed	Proposed
Water Utility	\$ 36,223,510	\$ 40,845,780	\$ 36,920,840
Sewer Utility	40,739,160	43,945,170	44,744,910
Drainage Utility	29,122,550	31,868,490	28,778,010
Solid Waste Utility	1,252,060	990,730	1,028,950
Golf Complex	3,315,750	3,735,670	3,890,820

# ENTERPRISE FUNDS

## MAJOR REVENUE CHANGES

	2024 vs 2025 Changes	2025 vs 2026 Changes
<b>Water Utility</b>		
Water Sales Baseline/Volume Adjustment	\$ 1,198,460	\$ 711,630
<b>Sewer Utility</b>		
Sewer Services Baseline/Volume Adjustment	2,813,720	961,960
<b>Drainage Utility</b>		
Drainage Services Baseline/Volume Adjustment	1,047,390	651,380
<b>Golf Complex</b>		
Green and Range Fees	499,060	184,070
<b>Total Revenues</b>	<b>\$ 5,558,630</b>	<b>\$ 2,509,040</b>

# ENTERPRISE FUNDS

## MAJOR EXPENDITURE CHANGES

	2025 Proposed Changes		2026 Proposed Changes	
	FTE	Amount	FTE	Amount
<b>Water Utility</b>				
Transfer Out to KEHOC Project		\$ 6,958,460		
<b>Sewer Utility</b>				
King County Passthrough Expense		2,069,900		1,977,550
Transfer Out to KEHOC Project		3,038,680		



# ENTERPRISE FUNDS

## MAJOR EXPENDITURE CHANGES

	2025 Proposed Changes		2026 Proposed Changes	
	FTE	Amount	FTE	Amount
<b>Drainage Utility</b>				
Maintenance Worker 2	1.0	123,390		130,520
Offset by Reduction to Part-Time Salary Budgets		(123,390)		(126,360)
Excavator		315,000		
Flood Plain Certification Engineer Allocation		35,920		38,190
Transfer Out to KEHOC Project		3,129,930		
<b>Utility Clearing</b>				
Meter Reader II	1.0	115,280		121,810
Set up / Recurring Costs		1,100		1,100
<b>Total Expenditures</b>	<b>2.0</b>	<b>\$ 15,664,270</b>	<b>0.0</b>	<b>\$ 2,142,810</b>

# INTERNAL SERVICE FUNDS

	2024	2025	2026
	Adj Budget	Proposed	Proposed
Fleet Services	\$ 10,126,620	\$ 8,463,600	\$ 7,811,410
Central Stores	383,640	386,400	394,130
Information Technology	11,847,620	12,152,130	12,706,410
Multimedia	1,126,860	1,310,380	1,359,040
Facilities	9,029,030	8,339,420	8,349,840
Unemployment	227,090	248,360	260,700
Workers Compensation	3,284,970	3,568,420	3,787,840
Health & Employee Wellness	16,784,980	17,036,330	17,281,270
Liability Insurance	6,008,120	6,747,990	7,063,150
Property Insurance	1,334,640	1,357,000	1,467,180



# INTERNAL SERVICE FUNDS

## MAJOR REVENUE CHANGES

	2024 vs 2025 Changes	2025 vs 2026 Changes
<b>Information Technology Fund</b>		
Department Contributions	\$ 1,080,900	\$ 638,850
Transfer in for Cable Utility Tax	(369,360)	(91,430)
<b>Facilities Fund</b>		
Department Contributions	366,660	312,540
<b>Workers Compensation, Liability &amp; Property Insurance</b>		
Department Contributions for Workers Compensation	576,210	224,160
Department Contributions for Liability Insurance	851,170	326,280
Department Contributions for Property Insurance		36,010
<b>Total Revenues</b>	<b>\$ 711,540</b>	<b>\$ 547,420</b>

# INTERNAL SERVICE FUNDS

## MAJOR EXPENDITURE CHANGES

	2025 Proposed Changes		2026 Proposed Changes	
	FTE	Amount	FTE	Amount
<b>Fleet Services</b>				
Parks Major Equipment Replacement		\$ 451,110		
PW Major Equipment Replacement		410,000		
<b>Information Technology</b>				
Maintenance and Subscription Expenses		285,850		371,190
<b>Facilities Fund</b>				
Extend Capital Facilities Project Manager Position		32,390		91,600
<b>Workers Compensation and Liability Insurance</b>				
Workers Compensation premiums and judgments		274,920		210,130
Liability Insurance premiums and judgments		688,500		297,920
<b>Total Expenditures</b>	<b>0.0</b>	<b>\$ 2,142,770</b>	<b>0.0</b>	<b>\$ 970,840</b>

# WORKERS COMP FUND

	2021	%	2022	%	2023	%	2024	%	2025	%	2026	%
	Actual	Change	Actual	Change	Actual	Change	Est Actual	Change	Forecast	Change	Forecast	Change
<b>Beginning Working Capital</b>	2,284,900		1,431,056		1,750,855		3,259,740		3,278,980		3,278,980	
<b>Total Revenues</b>	<b>1,019,589</b>		<b>3,172,019</b>		<b>3,962,162</b>		<b>3,050,700</b>		<b>3,568,420</b>		<b>3,787,840</b>	
<b>Expenditures</b>												
Judgments & Damages	1,221,148	48%	1,594,100	31%	1,640,779	3%	1,734,760	6%	2,192,990	26%	2,308,010	5%
Insurance Premiums	112,062	37%	144,038	29%	208,249	45%	188,960	-9%	232,900	23%	256,190	10%
Intergovernmental Services	183,424	25%	207,532	13%	298,764	44%	221,760	-26%	290,980	31%	312,800	7%
Other Expenses	271,799	1%	286,550	5%	315,485	10%	330,980	5%	351,550	6%	359,970	2%
<b>Program Expenditures</b>	<b>1,788,433</b>	<b>35%</b>	<b>2,232,220</b>	<b>25%</b>	<b>2,463,276</b>	<b>10%</b>	<b>2,476,460</b>	<b>1%</b>	<b>3,068,420</b>	<b>24%</b>	<b>3,236,970</b>	<b>5%</b>
Ultimate Loss Adjustment	85,000		620,000		(10,000)		555,000		500,000		550,000	
<b>Total Expenditures</b>	<b>1,873,433</b>		<b>2,852,220</b>		<b>2,453,276</b>		<b>3,031,460</b>		<b>3,568,420</b>		<b>3,786,970</b>	
<b>Net Income</b>	(853,844)		319,799		1,508,885		19,240				870	
<b>Ending Working Capital</b>	<b>1,431,056</b>		<b>1,750,855</b>		<b>3,259,740</b>		<b>3,278,980</b>		<b>3,278,980</b>		<b>3,279,850</b>	
<b>Target Ending Working Capital</b>	1,966,000		1,533,000		2,266,000		3,056,000					

Average Program Expenditure Increase:

2021-2023 = 23%

2022-2024 = 12%

2023-2024 = 5%

# B&O TAX MAXIMUM CAP

## Retailing Gross Receipts

Scenario	Maximum Cap	Other Cap	Tax Calculation	2025 Additional Revenue
A	\$20 Million (keep as is)	None	Taxable only up to \$20 Million	\$0
B	\$25 Million	None	Taxable only up to \$25 Million	\$86,800
C	\$20 Million	Excess of \$100 Million	Taxable up to \$20 Million & anything over \$100 Million	\$60,000
D	\$20 Million	\$100 Million	Taxable on all	\$300,000

\*Apply CPI-W on each maximum cap beginning January 1, 2026.

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



# NEXT STEPS

- Next Tuesday's Budget Workshop will be an opportunity to go over Council's questions
- Comp Plan presentation – Kristen Holdsworth
- Please send questions you have our way
  - Paula Painter – [ppainter@kentwa.gov](mailto:ppainter@kentwa.gov)
  - Michelle Ferguson – [mferguson@kentwa.gov](mailto:mferguson@kentwa.gov)