

2025/2026 PROPOSED PRELIMINARY BUDGET

CITY OF DES MOINES, WASHINGTON



HELPFUL LINKS

- FINANCE DEPARTMENT WEBPAGE
 - BUDGET FAQs
 - Long-Term Debt – Coming Soon!

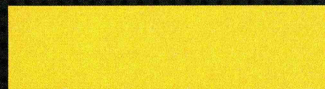
2024 GENERAL FUND FORECAST

	2024-2028 GENERAL FUND						
	BUDGET	REVISED BUDGET	BUDGET	FORECAST			
	2023	2023	2024	2025	2026	2027	2028
BEGINNING FUND BALANCE	\$ 6,947,169	\$ 7,807,793	\$ 5,216,360	\$ 5,115,863	\$ 3,506,479	\$ 2,425,677	\$ 1,828,110
Operating Revenues	23,289,489	22,788,782	24,081,982	25,019,279	26,037,940	26,915,315	27,942,053
Operating Expenditures	(26,294,193)	(24,998,071)	(25,686,294)	(26,828,663)	(27,318,742)	(27,712,882)	(28,121,567)
** Net Activity ("Operating revenues over (under) operating expenditures")	(3,004,704)	(2,209,289)	(1,604,312)	(1,809,384)	(1,280,802)	(797,567)	(179,514)
ONE-TIME ACTIVITIES							
Revenues							
Sound Transit	263,000	263,000	212,944	-	-	-	-
American Rescue Plan Funding	994,259	1,269,968	1,850,617	-	-	-	-
One-Time Sales & B&O Tax Revenues	262,500	262,500	265,000	250,000	250,000	250,000	250,000
Total One-Time Revenues	1,519,759	1,795,468	2,328,561	250,000	250,000	250,000	250,000
One-time Expenditures							
Transfer Out - One-Time Sales & B&O Tax to Fund 309	-	-	-	(50,000)	(50,000)	(50,000)	(50,000)
ARPA Expenditures	(814,780)	(1,269,968)	(611,802)	-	-	-	-
Guild Retro Payment	-	(644,644)	-	-	-	-	-
Sound Transit related expenditures	-	(263,000)	(212,944)	-	-	-	-
Total One-Time Expenditures	(814,780)	(2,177,612)	(824,746)	(50,000)	(50,000)	(50,000)	(50,000)
Change in Fund Balance	(2,299,725)	(2,591,433)	(100,497)	(1,609,384)	(1,080,802)	(597,567)	20,486
ENDING FUND BALANCE	\$ 4,647,444	\$ 5,216,360	\$ 5,115,863	\$ 3,506,479	\$ 2,425,677	\$ 1,828,110	\$ 1,848,597
GFOA Target of 60 days (approx. 16.67%)	4,383,242	4,167,178	4,281,905	4,472,338	4,554,034	4,619,737	4,687,865
Reserve (shortfall) surplus to GFOA Target	264,202	1,049,182	833,958	(965,859)	(2,128,357)	(2,791,627)	(2,839,268)
Ending Reserve - % Total Operating Expenditures	17.67%	20.87%	19.92%	13.07%	8.88%	6.60%	6.57%

COLORS



= greater than 16.67% threshold



= greater than \$0 but less than 16.67% threshold



= less than \$0

STAFF ACKNOWLEDGEMENT

FORECASTS AND STRATEGIES

GENERAL FUND FORECAST

	2025-2031 GENERAL FUND									
	REVISED ANNUAL BUDGET 2024	PROJECTED ACTUALS 2024	BUDGET		FORECAST					
			2025	2026	2027	2028	2029	2030	2031	
BEGINNING FUND BALANCE	\$ 5,210,847	\$ 4,671,467	\$ 4,154,919	\$ 3,318,033	\$ 1,689,477	\$ (615,504)	\$ (2,913,793)	\$ (5,179,524)	\$ (7,134,806)	
Operating Revenues										
Taxes	18,623,676	17,890,602	19,294,759	19,556,776	20,278,814	20,757,805	21,374,414	22,024,822	22,711,323	
Licenses and Permits	315,000	315,000	425,500	441,500	446,250	446,250	451,250	451,250	451,250	
Intergovernmental	1,043,304	1,037,472	859,397	872,201	1,005,500	1,041,463	1,079,223	1,118,872	1,160,503	
Fees/Charges/Fines	2,177,650	1,857,850	1,829,100	1,865,990	1,825,300	1,825,300	1,775,300	1,775,300	1,775,300	
Other	2,131,561	2,046,411	2,110,758	2,184,823	2,152,057	2,200,629	2,254,672	2,304,196	2,329,210	
	24,291,191	23,147,335	24,519,514	24,921,290	25,707,921	26,271,447	26,934,859	27,674,440	28,427,586	
Operating Expenditures										
Policy and Support Services	6,955,113	7,209,697	6,647,000	6,832,078	7,380,174	7,498,330	7,657,168	7,819,611	7,962,750	
Public Safety Services	14,929,580	15,127,620	15,781,932	15,878,142	16,276,052	16,630,713	16,999,455	17,171,540	17,542,312	
Community Services	4,855,899	3,905,583	3,892,468	4,114,626	4,356,677	4,440,693	4,543,968	4,638,571	4,747,165	
Other	277,600	226,600	-	-	-	-	-	-	-	
	27,018,192	26,469,500	26,321,400	26,824,846	28,012,903	28,569,735	29,200,590	29,629,722	30,252,227	
** Net Activity ("Operating revenues over	(2,727,001)	(3,322,165)	(1,801,886)	(1,903,556)	(2,304,982)	(2,298,288)	(2,265,731)	(1,955,282)	(1,824,641)	
ONE-TIME ACTIVITIES										
Revenues										
Sound Transit	212,944	212,944	154,868	19,359	-	-	-	-	-	
American Rescue Plan Funding	1,850,617	2,450,617	-	-	-	-	-	-	-	
One-Time Sales & B&O Tax Revenues	265,000	105,000	275,000	275,000	225,000	175,000	175,000	175,000	175,000	
From closed Capital Project	-	250,000	-	-	-	-	-	-	-	
Sale of property	-	-	690,000	-	-	-	-	-	-	
Total One-Time Revenues	2,328,561	3,018,561	1,119,868	294,359	225,000	175,000	175,000	175,000	175,000	
One-time Expenditures										
Sound Transit related expenditures	(212,944)	(212,944)	(154,868)	(19,359)	-	-	-	-	-	
ARPA Expenditures	-	-	-	-	-	-	-	-	-	
Transfer Out - One-Time Sales & B&O Tax	-	-	-	-	(225,000)	(175,000)	(175,000)	(175,000)	(175,000)	
Total One-Time Expenditures	(212,944)	(212,944)	(154,868)	(19,359)	(225,000)	(175,000)	(175,000)	(175,000)	(175,000)	
Change in Fund Balance	(611,384)	(516,548)	(836,886)	(1,628,556)	(2,304,982)	(2,298,288)	(2,265,731)	(1,955,282)	(1,824,641)	
ENDING FUND BALANCE	\$ 4,599,463	\$ 4,154,919	\$ 3,318,033	\$ 1,689,477	\$ (615,504)	\$ (2,913,793)	\$ (5,179,524)	\$ (7,134,806)	\$ (8,959,447)	
GFOA Target of 60 days (approx. 16.67%)	4,503,933	4,412,466	4,387,777	4,471,702	4,669,751	4,762,575	4,867,738	4,939,275	5,043,046	
Reserve (shortfall) surplus to GFOA Target	95,531	(257,547)	(1,069,744)	(2,782,225)	(5,285,255)	(7,676,368)	(10,047,262)	(12,074,080)	(14,002,493)	
Ending Reserve - % Total Operating Expenditures	17.02%	15.70%	12.61%	6.30%	-2.20%	-10.20%	-17.74%	-24.08%	-29.62%	

STRATEGIES

- INCREASE BUSINESS LICENSE FEES FOR 2025 - \$100,000
- TERMINATE WESLEY CONTRACT/REORGANIZE SENIOR SERVICES/RECREATION/EVENTS AND FACILITY RENTALS - \$200,000

STRATEGIES (CONT.)

- FULLY FUNDING VEHICLE REPLACEMENT - \$1.3 MILLION
- FULLY FUNDING VEHICLE MAINTENANCE - \$780,000
- RETAINING COMPUTER REPLACEMENT FUNDS - \$100,000
- MOVE SOFTWARE AND HARDWARE PURCHASES FROM GENERAL FUND TO COMPUTER REPLACEMENT FUND - \$130,000
- HUMAN SERVICES UTILIZES OPIOID FUNDS - \$50,000
 - **UPDATE:** COST CAN BE REDUCED TO \$150,000 WITH OPIOID COVERING \$10,000

STRATEGIES (CONT.)

- MOVE 2018 BOND PAYMENT FROM GENERAL FUND TO REAL ESTATE EXCISE TAX - \$226,000
- RETAINING ONE-TIME TAX- \$275,000
- FREEZING IT DIRECTOR AND SENIOR EVENTS PLANNER - \$303,480
- DECREASE CITY MANAGER PROFESSIONAL SERVICES- \$95,000
- REMOVE BURIEN CARES CONTRACT - \$100,000

PAID ON DEMAND?
SUBSCRIPTION?

LOANED?

STRATEGIES (CONT.)

- ELIMINATE CITY CURRENTS - \$80,000
- REDUCE COLA TO 3% FOR GENERAL EMPLOYEES - \$75,000
- MOVE FRANCHISE FEES FROM PAVEMENT FUND TO GENERAL FUND - \$583,000
- END BUDGET SOFTWARE SUBSCRIPTION (2026) - \$40,000
- CLOSE SJU PARK BATHROOM/PARKING - \$40,000

STRATEGIES ON DECK

- WAREHOUSE SQUARE-FOOTAGE TAX- \$620,000
- UTILITY TAX ON NON-FRANCHISE PROHIBITED UTILITIES - \$88,500

CLOSING THE GAP

	2025	2026
September 5	-\$4,589,921	-\$4,333,924
October 1	-\$836,886	-\$1,628,556
Gain	\$3,753,035	\$2,705,368

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EXPLAIN

DEVELOPMENT FUND FORECAST

2025-2031 DEVELOPMENT FUND

	REVISED ANNUAL BUDGET 2024	PROJECTED ACTUALS 2024	BUDGET		FORECAST				
			2025	2026	2027	2028	2029	2030	2031
BEGINNING FUND BALANCE	\$ 1,402,794	\$ 1,299,846	\$ 902,615	\$ 695,333	\$ 369,183	\$ 94,273	\$ (171,139)	\$ (426,162)	\$ (669,862)
Operating Revenues									
Licenses and Permits	962,270	1,108,000	1,037,264	1,095,271	1,127,601	1,160,969	1,195,306	1,230,640	1,267,003
Intergovernmental	110,000	212,844	97,749	97,749	112,000	112,000	112,000	112,000	112,000
Fees/Charges/Fines	1,643,192	1,590,240	1,596,049	1,521,269	1,567,417	1,607,899	1,649,596	1,692,544	1,736,780
Other	63,000	275,563	154,184	144,133	166,804	167,908	169,045	170,217	171,423
	<u>2,778,462</u>	<u>3,186,647</u>	<u>2,885,246</u>	<u>2,858,422</u>	<u>2,973,822</u>	<u>3,048,776</u>	<u>3,125,947</u>	<u>3,205,401</u>	<u>3,287,206</u>
Operating Expenditures									
Salary And Benefits	2,553,891	2,553,965	2,329,169	2,399,044	2,447,025	2,495,965	2,545,885	2,596,802	2,648,739
Supplies	42,380	42,380	45,351	46,853	48,259	49,707	51,198	52,734	54,316
Services	986,553	987,533	718,008	738,674	753,447	768,516	783,887	799,564	815,556
	<u>3,582,824</u>	<u>3,583,878</u>	<u>3,092,528</u>	<u>3,184,572</u>	<u>3,248,732</u>	<u>3,314,189</u>	<u>3,380,970</u>	<u>3,449,101</u>	<u>3,518,610</u>
Net Activity	(804,362)	(397,231)	(207,282)	(326,149)	(274,910)	(265,413)	(255,023)	(243,700)	(231,404)
Operating revenues over (under)									
Change in Fund Balance	(804,362)	(397,231)	(207,282)	(326,149)	(274,910)	(265,413)	(255,023)	(243,700)	(231,404)
ENDING FUND BALANCE	\$ 598,432	\$ 902,615	\$ 695,333	\$ 369,183	\$ 94,273	\$ (171,139)	\$ (426,162)	\$ (669,862)	\$ (901,267)

MARINA FUND FORECAST

2025-2031 MARINA FUND FINANCIAL FORECAST

	BUDGET	REVISED	BUDGET	BUDGET	FORECAST				
	2024	BUDGET 2024	2025	2026	2027	2028	2029	2030	2031
BEGINNING NET POSITION	\$ 28,959,052	\$ 16,883,153	\$ 16,585,168	\$ 1,755,127	\$ 2,045,177	\$ 2,412,271	\$ 2,832,228	\$ 3,552,657	\$ 4,325,834
Operating Revenues	5,061,167	5,061,167	5,386,217	5,861,817	6,029,506	6,186,441	6,331,648	6,477,924	6,625,290
Operating Expenses	(4,200,484)	(4,200,484)	(4,530,592)	(4,520,348)	(4,672,856)	(4,779,008)	(4,869,727)	(4,964,333)	(5,063,320)
Operating Income (Loss) excluding depreciation	860,683	860,683	855,625	1,341,469	1,356,650	1,407,433	1,461,921	1,513,591	1,561,969
Interest & Miscellaneous Revenue	102,800	102,800	108,330	108,980	112,295	115,102	117,404	119,752	122,147
Capital Improvements	(7,687,000)	(482,000)	(14,692,000)	(60,000)	-	-	-	-	-
Debt Service	(1,272,523)	(779,468)	(1,101,996)	(1,100,399)	(1,101,851)	(1,102,578)	(858,897)	(860,166)	(860,800)
Total Capital Improvements & Debt Service	(8,856,723)	(1,158,668)	(15,685,666)	(1,051,419)	(989,556)	(987,476)	(741,493)	(740,414)	(738,653)
Total Net Activity	(7,996,040)	(297,985)	(14,830,041)	290,050	367,094	419,957	720,429	773,177	823,317
ENDING NET POSITION	\$ 20,963,012	\$ 16,585,168	\$ 1,755,127	\$ 2,045,177	\$ 2,412,271	\$ 2,832,228	\$ 3,552,657	\$ 4,325,834	\$ 5,149,151
Capital Improvements:									
Marina Dredging	\$ 406,000	\$ 406,000							
Marina Guest Moorage Power Upgrades	6,000	6,000							
Tenant Restroom Replacement			783,000						
Dock Electrical Replacements	60,000	60,000	60,000	60,000	60,000				
Marina Dock Replacement	10,000	10,000	13,729,000						
CSR Roof Replacement			70,000						
All Purpose Building			50,000		1,000,000				
Total Capital Improvements	\$ 482,000	\$ 482,000	\$ 14,692,000	\$ 60,000	\$ 1,060,000	\$ -	\$ -	\$ -	\$ -

NOTE: No General Fund tax revenue is used to pay for Marina operations.

SURFACE WATER MANAGEMENT FUND FORECAST

2025-2031 SURFACE WATER MANAGEMENT FUND FINANCIAL FORECAST

	BUDGET	REVISED BUDGET	BUDGET	BUDGET	FORECAST				
	2024	2024	2025	2026	2027	2028	2029	2030	2031
BEGINNING NET POSITION	\$ 30,272,432	\$ 31,112,974	\$ 27,518,429	\$ 27,393,732	\$ 26,877,907	\$ 24,575,768	\$ 25,304,283	\$ 24,680,967	\$ 26,790,898
Operating Revenues	5,459,436	5,459,436	5,764,001	5,936,907	6,114,966	6,298,332	6,487,164	6,681,627	6,881,889
Operating Expenses	(3,784,981)	(3,784,981)	(4,521,698)	(4,368,732)	(4,481,035)	(4,576,545)	(4,654,863)	(4,734,747)	(4,816,229)
Operating Income (Loss) excluding depreciation	1,674,455	1,674,455	1,242,303	1,568,175	1,633,931	1,721,787	1,832,302	1,946,880	2,065,661
Storm Drainage Hook-Up Fees	70,000	70,000	30,000	31,000	31,930	32,728	33,383	34,050	34,731
Interest Income	20,000	20,000	60,000	30,000	20,000	15,000	15,000	15,000	15,000
Grants for Capital	613,000	613,000	637,000	325,000	250,000	250,000	250,000	250,000	250,000
Capital Improvements	(3,123,000)	(5,972,000)	(2,094,000)	(2,470,000)	(4,238,000)	(1,291,000)	(2,754,000)	(136,000)	-
Total Change	(745,545)	(3,594,545)	(124,697)	(515,825)	(2,302,139)	728,515	(623,316)	2,109,931	2,365,392
ENDING NET POSITION	\$ 29,526,887	\$ 27,518,429	\$ 27,393,732	\$ 26,877,907	\$ 24,575,768	\$ 25,304,283	\$ 24,680,967	\$ 26,790,898	\$ 29,156,290

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SURFACE WATER MANAGEMENT FUND FORECAST (CONT.)

2025-2031 SURFACE WATER MANAGEMENT FUND FINANCIAL FORECAST

	BUDGET	REVISED BUDGET	BUDGET	BUDGET	FORECAST				
	2024	2024	2025	2026	2027	2028	2029	2030	2031
Capital Improvements:									
Barnes Crk/Kent-Des Moines Rd Culvert		\$ 1,705,000							
Deepdene Plat Outfall Replacement		16,000	175,000						
24th Ave Pipeline Replacement/Upgrade		1,003,000	220,000						
KDM /16th Avenue A Pipe Replacement		544,000	-						
DMMD 208th to 212th Pipe Project		1,780,000	220,000						
Massey Creek Pocket Estuary and Fish Passage		144,000	138,000						
Des Moines Creek Estuary Restoration		182,000	265,000	350,000	2,500,000				
216th Pl./ Marine View Dr. Pipe Upgrade		546,000	110,000	-	-				
1st Ave Pump Replacement		48,000	-	-	-				
Pipe Repair and Replacement Project Program		4,000	131,000	135,000	136,000	136,000	136,000	136,000	
6th Pl/287th Street Pipe Replacement			414,000	545,000	-	-	-	-	
S. 200th St. Drainage Improvements			250,000	250,000	-	-	-	-	
MVD Pond Retrofit			172,000	689,000	-	-	-	-	
5th Ave/212th Street Pipe Upgrade				457,000	1,331,000	-	-	-	
13th Ave S Bioswale Retrofit				44,000	171,000	-	-	-	
Service Center Material Storage Improvments					100,000	-	-	-	
KDM/16th Ave B Pipe Project						495,000	1,446,000		
232nd St (10th to 14th) Pipe Project						332,000	965,000		
258th St (13th Pl to 16th Ave) Pipe Project						259,000	207,000		
S 234th Pl Pipe Project						69,000	-		
Total Capital Improvements	\$ -	\$ 5,972,000	\$ 2,095,000	\$ 2,470,000	\$ 4,238,000	\$ 1,291,000	\$ 2,754,000	\$ 136,000	\$ -