2025 Adopted Budget for the City of Sequim

Budget Overview



The budget, reflecting the City's priorities, is the financial plan for the upcoming calendar year and is focused on balancing the increasing demands of a growing community, that extends beyond city limits, while maintaining and improving service levels within the constraints of City resources. The approved budget includes balanced revenue and expenses in the General Fund (and all other operational funds) and maintains acceptable reserve levels.

Operational priorities for 2025 include:

- **Enhanced Customer-Centric Experience:** Enhance "customer-centric experience for employees, residents, and businesses through re-engineering all touchpoints to increase efficient and exceptional exchanges.
- **Digital Transformation:** Continued focus and strategic commitment to "digital transformation" and innovative advancements through state-of-the-art hardware, software, artificial intelligence, an analytical opportunities.
- **Managed Growth and Development:** Implement the Comprehensive Plan to support "managed growth and development" through strategic municipal code amendments and execution of capital projects.
- **Municipal Infrastructure:** Concentrated commitment to our mission of providing excellent "municipal infrastructure" and services to our residents through our Comprehensive Plan and deployment of our Master Plans.
- **Continual Process Improvement:** Commitment to "continued process improvement" in all city operations to ensure efficiencies, data-driven decisions, and return-on-investment opportunities, while lowering costs.

City staff and Council recognize that maintaining City services and facilities is more important than ever. Staff is prioritizing work so that Sequim continues to be welcoming and well maintained. To that end, retaining staff is critical to ensure that public safety is maintained, streets and parks are beautiful, water and sewer services are delivered, and general city services are efficiently provided.

2025 Budget Process

City Manager Matthew Huish, in accordance with Washington State guidelines, presented the Sequim City Council with an overview of the ***Proposed 2025 Budget*** at their meeting on Monday, September 23, allowing the month of October for questions to staff. Public Hearings were held in November to give residents the opportunity to give input on the proposed budget.

- **November 18**—Public Hearings on 2025 *Proposed* Budget, Property Tax Levy, Fees and Utility Rates were held.
- **November 25**—The final Public Hearing on the *Proposed* Budget was held, followed by Council Adoption.

Utility Rates



In 2020, the City commissioned an extensive study of utility rates, by a professional consultant, that recommended a 4% annual increase to water rates and a 2% increase to sewer rates through 2030, to cover the costs of ongoing operations, master plans, the Capital Improvement Plan, and debt service. Since the completion of the 2020 study, the Council elected to suspend any rate increases for water and sewer services during the COVID-19 public health emergency. City staff have updated the 2020 utility model and recommended a 3-year plan of 3% per year increases for each utility to cover increased expenses. This recommendation is firmly based in quantitative data. The plan was approved for the 2023—2025 budgets.

The 2025 budget includes the continuation of the low-income discount policy which reduces utility bills for those who qualify. Please see the other side for more information on the low-income discount.

Property Tax

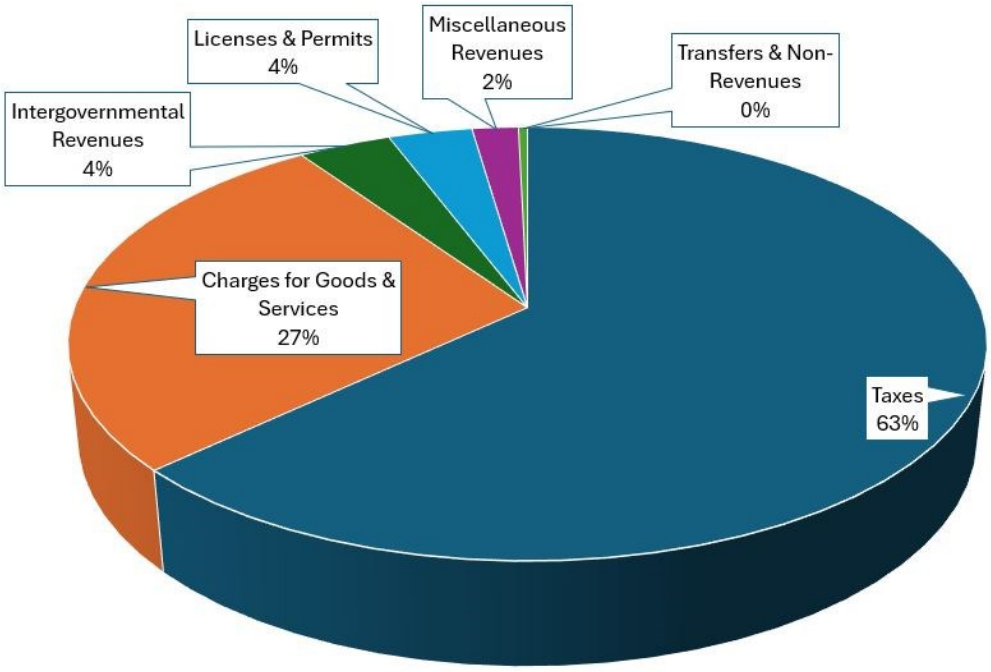


The budget also includes the 1% property tax increase allowed by law. Property tax is an important component of the City's general fund and supports the provision of municipal services. The 1% increase in revenue is based on the City's total assessed value, which is estimated to be higher this year because of the growth in new construction. The final property tax levy is certified by the County Assessor's office in January after all taxing districts have submitted their requests.

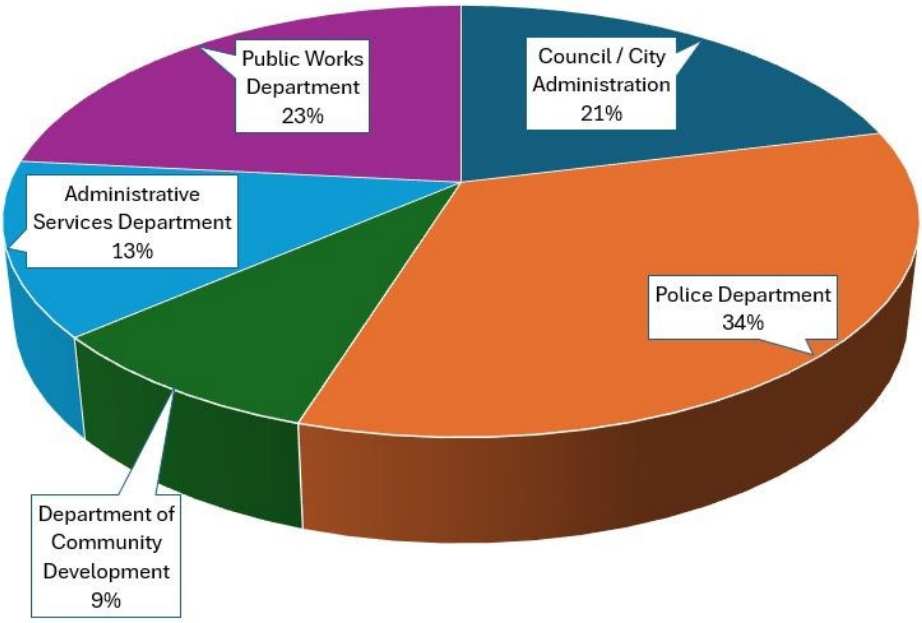
You can find a complete copy of the approved budget at https://sequimwa.gov.

Revenue and Expense Overview

General Fund Revenue by Source—$13,469,371



General Fund Expense by Department—$13,413,805



Utility Discounts Available for Low Income Residents

Utility rate reductions are available for qualifying low income residents. You may qualify if your income does not exceed 150% of the federal poverty guidelines, and if you qualify for the Clallam County PUD discount, you qualify for the City's discount. The exact amount of your discount is determined upon receipt of all of the applications for the 2025 program. Qualifying applicants will see the discounted rates on their February 1 utility bill.

Applications for the 2025 discount are due **January 17, 2025** and are available at the Sequim Civic Center, DSHS, Sequim Community Aid, St. Vincent de Paul, Serenity House, United Way, and the Shipley Center. Applications can also be downloaded from our website at https://sequimwa.gov. Please feel welcome to call the Finance office at the Civic Center at (360) 683-4139 with your questions.

CITY OF SEQUIM