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TO Snoqualmie City Council, city staff and residents
FROM Joshua Penner, Penner Strategy
DATE October 11, 2026
RE Mayor's Preliminary 2027-28 Biennial Budget, updated October 7, 2026

Snoqualmie's proposed 2027-28 budget: hire now and bet on the levy, or wait

The mayor's draft budget puts one decision in front of the Council. Hire 10.5 people and start new programs in 2027, paid from the city's savings, and count on voters approving a property tax increase of about $3.6 million a year in 2028 to keep paying for them. Or hold the hires and decide the tax question on its own.

The Council adopts the budget on November 30, before any voter has seen the tax increase.

The levy is the total property tax the city collects each year. State law lets it grow only 1% a year unless voters approve more; that voter-approved increase is a lid lift. The General Fund is the account that pays for police, fire, parks, streets and the rest of day-to-day service. City policy requires a separate Reserve Fund to hold at least 15% of a year's General Fund spending.

KEY POINTS

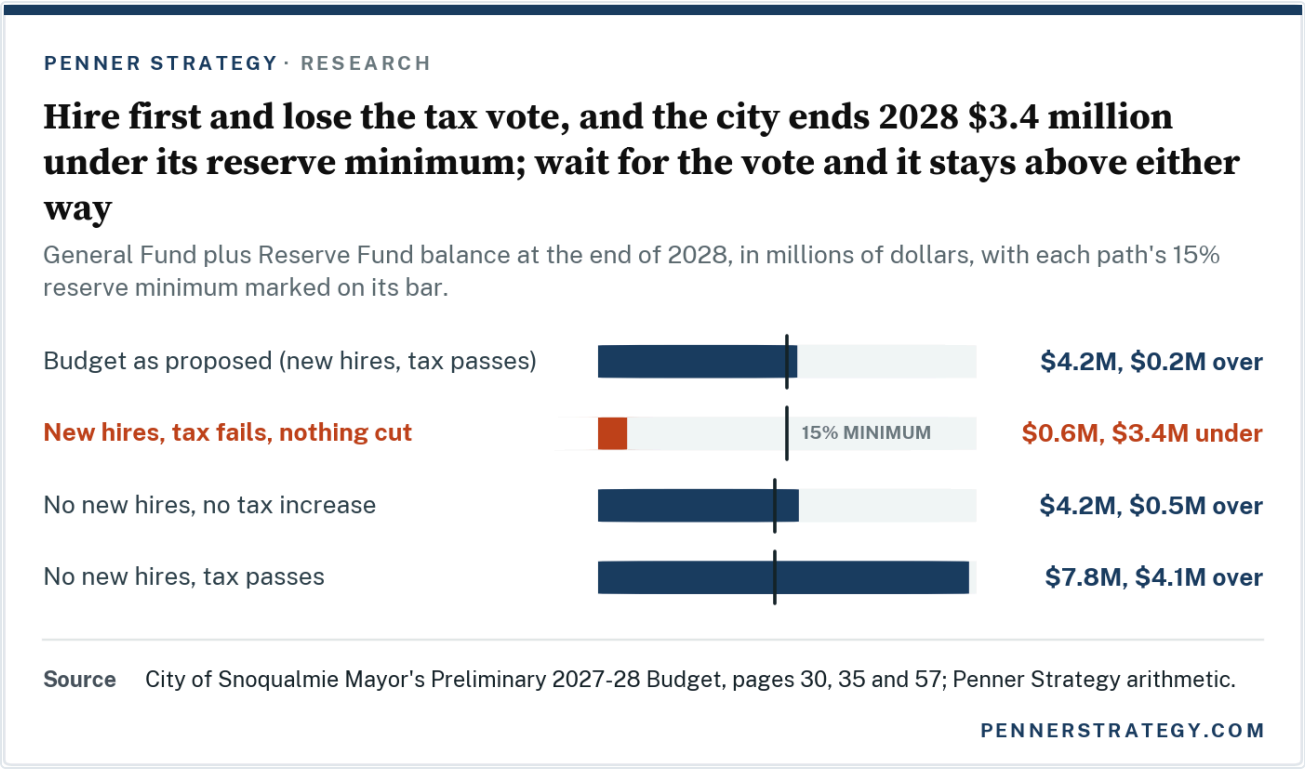
- Without the new hires, the city's savings cover the budget through 2028 with no tax increase, and the Reserve Fund ends about $500,000 over the city's minimum.
- Without the new hires, the city still spends about $1.7 million a year more than it takes in, about $1 million of it on day-to-day services and the rest on transfers into reserves and the facilities fund. Savings cover that through 2028. Property tax grows 1% a year by law while prices rise close to 4%, so the shortfall widens by $100,000 to $200,000 each year.
- The city's property tax lost about a sixth of its buying power since 2019, but total city income kept pace with inflation. The budget's "12% decline" compares 2019 with the mayor's own 2027 projection.
- The staff cuts the budget describes happened between 2019 and 2026, not over a decade. The city has 106.3 positions today against about 110 of its own in 2017; the 10.5 hires would take it to 116.8.
- The 2016 lid lift raised the levy about a tenth. This one would raise it about two fifths.

Without the new staff, the budget balances through 2028

The draft's own figures show what happens if the Council funds no new positions and voters approve no tax increase. The General Fund and Reserve Fund together end 2028 at $4.25 million, about $500,000 over the 15% minimum, because the city spends $1.86 million less in 2027 and $1.77 million less in 2028.[1] The 2027 drawdown on savings falls from $3.56 million to about $1.7 million.

That result includes the loss of the North Bend police contract, which ended in 2026 and took about $700,000 a year with it.[2] It also includes the $420,000 the budget moves into the Reserve Fund in 2027. The city absorbs both without the levy.

The city has usually ended up with more money than its budget projected. Each of the last five budgets projected the General Fund balance two years out, and three of the four that can be checked against audited results came in below the actual balance, by as much as $3.07 million in the 2021-22 budget.[3]



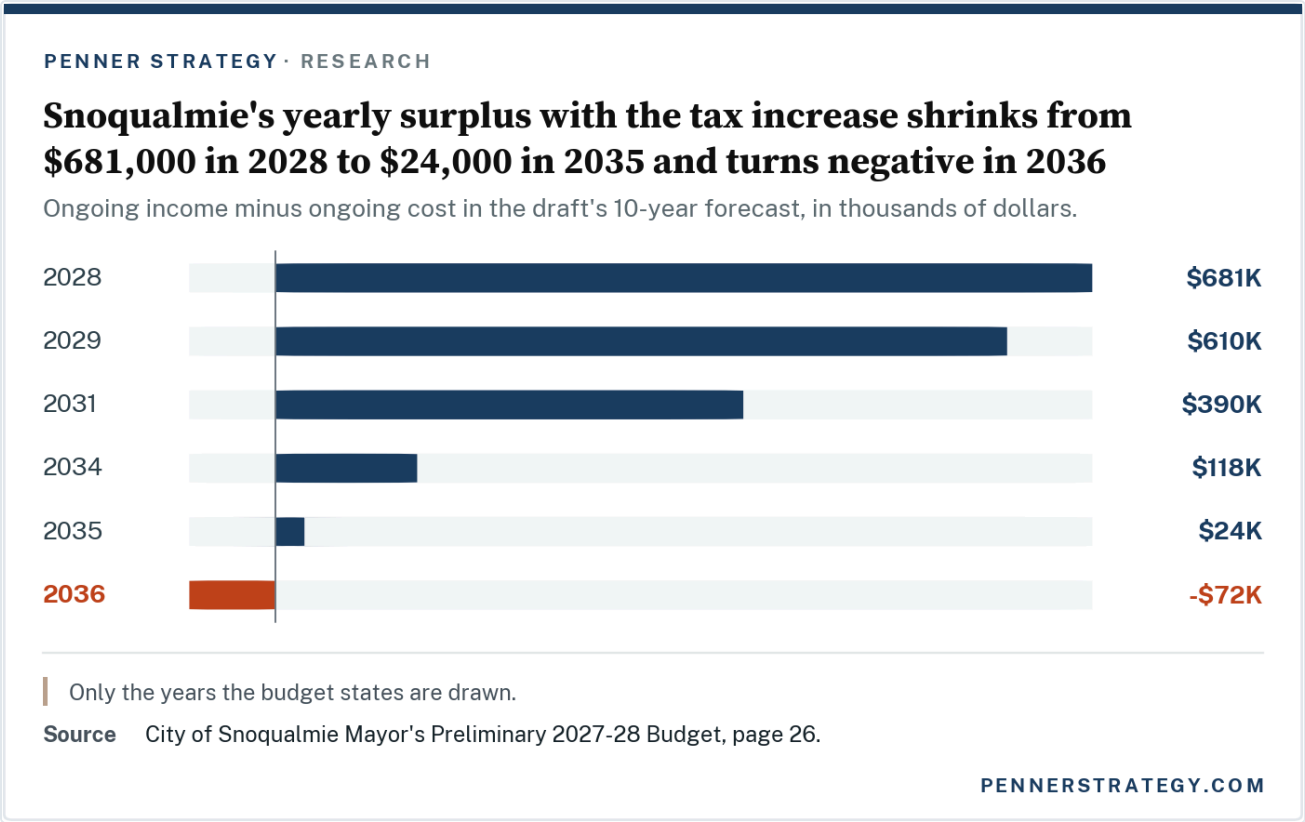
Without the new hires, the city still spends about $1.7 million a year more than it takes in, and savings cover that only through 2028

The draft's own figures, with the additions removed, show spending of $24.8 million against income of $23.1 million in 2027, a gap of $1.7 million, and $1.8 million in 2028 before any tax increase. About $720,000 of each year's gap is transfers into the Reserve Fund and the facilities fund; about $1 million is the cost of running the city as it is. Savings and the Reserve Fund cover

it through 2028. The General Fund itself ends 2028 near zero on that path; the $4.25 million cushion is the Reserve Fund.[1]

The gap grows a little each year. Property tax grows 1% a year by law while prices have risen close to 4% a year. Over the last decade the city's spending grew 2.2% a year faster than inflation and its income 1.4%, so the shortfall widens by $100,000 to $200,000 each year.[4]

The budget's own forecast shows the same drift. Income beats costs by $681,000 in 2028 and $24,000 in 2035 with the tax increase in place, and costs beat income again in 2036, because costs grow 2.6% a year and income 2.2%.[5] A $3.6 million increase covers the gap for about eight years and then the same shortfall returns.



The city's buying power fell, but not the way the budget says

The budget says city revenue buys 12% less than in 2019 and property tax 21% less.[6] The property tax half holds: the city collected $7.93 million of property tax in 2019 and $8.68 million in 2025 while prices rose 30%, so the same tax buys about 16% less, and about 18% less by 2026.[7] Property, sales and utility taxes together buy 12% less than in 2019.

The total does not hold. Audited General Fund revenue grew from $18.1 million to $24.6 million over the same years, 4% more than inflation, and nearly all of that growth came from the North Bend police contract and from charges the General Fund bills to the city's own utility and internal funds.[8] Take those out and revenue kept pace with inflation by less than 1%.

The budget's 12% figure compares 2019 with the mayor's projected 2027 revenue, which is the budget's own assumption, not something the city has collected. The city's share of a resident's property tax bill did fall, from 20.6 cents of each dollar in 2019 to 17.3 cents in 2026.[9]

The staff cuts are real, but they are recent

The budget says office support fell from 22 positions to 16 and planning from 9 to 5 over the past decade.[10] The prior budgets show support staff at 17 in 2017, rising to 21.5 in 2019, then cut to 16.8 by 2026. Planning went from 7 in 2017 to 9 in 2023, down to 6 in the 2025-26 budget, and back to 8 after the Council added positions during the biennium; no budget shows 5.[11]

Citywide the city listed 118.8 positions in 2017, but 9.2 of those were police officers paid for by the North Bend contract; the city's own positions numbered about 110. It proposes 116.8 for 2027 while the population grew 7.5%.[12]

The 10.5 positions cost $1.33 million in 2027 and $1.43 million in 2028, and the new programs $531,000 and $343,000.[13] Six of the positions are in finance, legal and the clerk's office. The budget describes the contracts analyst as a job the city has not had, and the two budget analysts as added capacity.[14] The budget does not say which positions restore a job cut since 2019 and which are new.

This levy is five times the last one

The budget calls the increase a restoration of the purchasing power voters approved in 2016.[15] That 2016 lift passed with 57.5% and added $0.68 million to the levy, about 10%.[16] This one adds $3.6 million to a levy of $8.7 million, about 41%.[17] The 2016 vote was on a tenth; this vote is on two fifths.

The budget spends savings on permanent hires a year before the vote

The draft pays $1.86 million for the new positions and programs in 2027 out of savings, and says itself that savings "can bridge the timing of the revenue increase, but it cannot sustain ongoing services indefinitely."[18] The tax increase is not on any ballot. The Council voted 6 to 1 in August against the November 2026 election, and the mayor has pointed to August 2027.[19]

In a mayor-council city the Council approves the money and the mayor runs the departments, so once the positions are funded the mayor decides when to fill them. A condition that ties the hiring to the vote would have to be written into the budget ordinance.[20]

The budget's own figures give the result of each path. The city hires in 2027 and voters approve the increase: the two funds end 2028 at $4.2 million, about $200,000 over the minimum. The city hires and the increase fails, with nothing cut: the two funds end 2028 at $0.6 million, $3.4 million under the minimum, because the hires are permanent and the savings are gone. The city

waits to hire until after the vote: the funds end 2028 above the minimum whether the increase passes or not.[1]

The reserve meets policy in 2028 only with a one-time transfer

The Reserve Fund ends 2028 at $4.21 million, 15.8% of a year's spending, because the budget moves $647,000 into it from money the IT fund had built up. The fund ends at 13.4% without that transfer, under the 15% minimum. The fund earns interest but has no revenue of its own, so keeping it at 15% in later years takes more transfers from the General Fund.[21]

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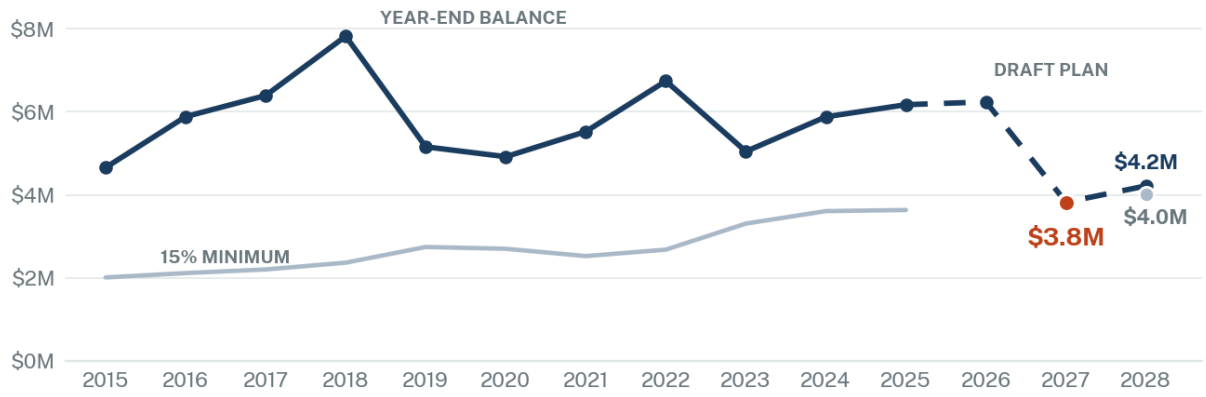
Snoqualmie's savings fall from $6.2 million to $3.8 million in 2027, the lowest since 2015, and end 2028 just $0.2 million over the 15% minimum

Year-end General Fund balance, in millions of dollars. 2015 to 2025 as audited; 2026 to 2028 as the draft budget plans them, General Fund plus Reserve Fund.



No 15% minimum is stated in the draft for 2026 or 2027, so none is drawn for those years.

Source Washington State Auditor financial data 2015 to 2025; City of Snoqualmie Mayor's Preliminary 2027-28 Budget, pages 28 and 57.

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Only the Council can adopt a budget

The Council decides on November 30 whether to fund the 10.5 positions now, after the vote, or in part. It decides whether to put a tax increase to voters, and at what size: the shortfall without the hires is $1 million to $1.7 million a year and the request is $3.6 million, of which about half pays for the hires and new programs. And it decides whether to adopt a plan that, by its own forecast, needs another fix in 2036.

Three questions to staff would settle most of what is unclear: why permit and service-charge income are budgeted below the city's own growth assumptions, which of the positions restore a cut and which are new, and on what basis an unapproved levy is counted as 2028 revenue.

For the full analysis: Joshua Penner, josh@pennerstrategy.com, pennerstrategy.com.

Notes

Page numbers are from the City of Snoqualmie Mayor's Preliminary 2027-28 Biennial Budget, updated October 7, 2026. Outside sources were fetched October 11, 2026.

[1] Pages 30, 35 and 57, re-added by path; the no-hire path removes the Personnel Cost Additions and Program & Service Additions rows.

[2] Page 36.

[3] The two-year projections in the 2017-18 through 2025-26 budgets against State Auditor year-end balances.

[4] State Auditor Schedule 01, General Fund 001, 2015 to 2025, deflated by BLS CPI-W Seattle.

[5] Page 26.

[6] Page 27; page 18 for the 1% limit.

[7] State Auditor Schedule 01, General Fund property tax receipts, 2019 and 2025; CPI-W Seattle 273.3 (2019) to 355.9 (2025). The levy itself was $8.04 million in 2019 and $8.72 million in 2025 (Department of Revenue); receipts differ from the levy by timing and delinquencies.

[8] State Auditor Schedule 01, 2019 and 2025. Without the North Bend contract (342.10) and interfund charges (341.43) the real change is +0.9%; property, sales and utility taxes together, -11.9%.

[9] King County Assessor rate books 2019 and 2026, levy code 2277.

[10] Page 12.

[11] Staffing tables in the 2017-18, 2019-20, 2023-24 and 2025-26 adopted budgets, same departments counted each year; pages 12 and 13 of the draft for the current 8.

[12] Page 12 for 116.8; 2017-18 budget for 118.81 including 9.2 North Bend-funded police; OFM population 13,535 (2017) to 14,550 (2026).

[13] Page 35.

[14] Pages 52, 53 and 55.

[15] Page 4.

[16] Washington Secretary of State, November 8, 2016 return, 3,514 to 2,596; Department of Revenue levy detail 2016 and 2017.

[17] Page 26; Department of Revenue 2025 levy $8.72 million.

[18] Pages 27 and 35.

[19] Living Snoqualmie, August 5 and October 2, 2026; Snoqualmie Valley Record, August 11, 2026. News reports, not the budget.

[20] The mayor-council form under Title 35A RCW. General practice, not a legal opinion.

[21] Pages 56 and 57.