



PRELIMINARY 2026 BUDGET

2ND BUDGET WORK SESSION

Monday, October 13, 2025

STREET FUND

STORM/STORM CAPITAL FUND

WATER/WATER CAPITAL FUND

SEWER/SEWER CAPITAL FUND

STREET FUND

GOALS

- Perform street patching as needed
- Continue crack-seal program
- Paint street, curb, and intersection markings throughout the City
- Prepare for construction of the Regents Boulevard Grind and Overlay project from Alameda Ave to 67th Ave W
- Construct sidewalks & a bike lane along the east side of Alameda Ave
- Construct sidewalks and retaining wall on Emerson from Woodside to 67th Ave W
- Work with City of University Place to prepare for the 44th Street W sidewalk project (includes bike lanes, lighting & pedestrian safety improvements)

TRANSFERS

- \$10,000 from General Fund for Street Beautification
- \$265,396 from General Fund for Street Operations (15% Property Tax)
- \$45,517 from General Fund Light Reserves for Street Light Maintenance
- \$100,000 from REET 1 for minor street improvements
- \$329,151 from REET 2 for Alameda Ave Sidewalk Project & Emerson Sidewalk Project

STREET FUND: OPERATING ONLY

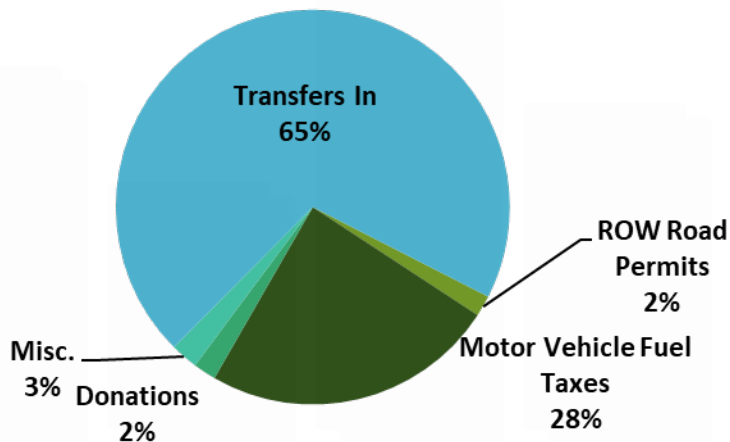
Operating Revenue

ROW Road Permits	\$10,000	2%
Motor Vehicle Taxes	\$141,759	28%
Donations	\$10,940	2%
Misc./Interest	\$13,834	3%
Transfer In	\$320,912	65%
Total	\$497,445	100%

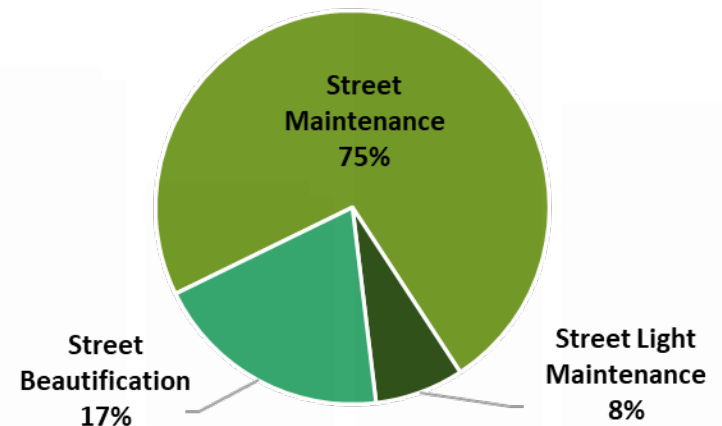
Operating Expenditures

Street Maintenance	\$444,384	75%
Street Light Maintenance	\$45,517	8%
Street Beautification	\$101,422	17%
Total	\$591,323	100%

Revenue



Expenditures



STREET FUND CAPITAL

CAPITAL REVENUES: \$1,162,639

- Transfer-In from REET 1: \$100,000
- Transfer-In from REET 2: \$329,151
- State Grant Awards: \$733,488

CAPITAL EXPENDITURES: \$1,133,432

- Minor Street improvements throughout the City funded by REET 1 transfer of \$100,000
- Project #73 - Emerson Sidewalk
- Project #88 - Alameda Sidewalk

STREET FUND ENDING FUND BALANCE

ENDING FUND BALANCE: \$486,700

- Net decrease \$(64,669) – Ending Fund Balance

STORM DRAIN: OPERATING

GOALS

- Inspect all catch basins in the City
- Clean catch basins that fail inspection
- Complete and obtain DOE approval of the yearly NPDES Annual Report
- Complete updated Storm Water Management Program Plan
- Revamp handouts and delivery of water quality messages for community outreach events

STORM DRAIN FUND: OPERATING ONLY

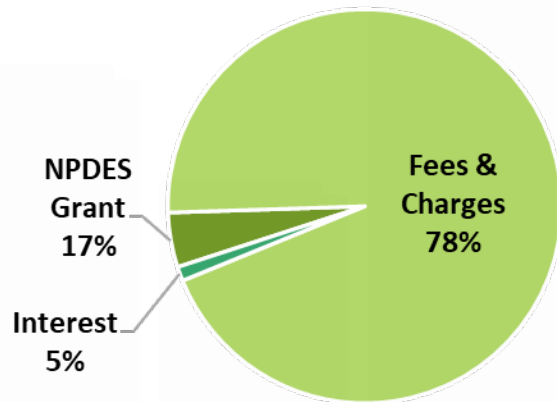
Operating Revenue

NPDES Grant	\$120,000	17%
Fees & Charges	\$538,165	78%
Interest	\$34,393	5%
Total	\$692,558	100%

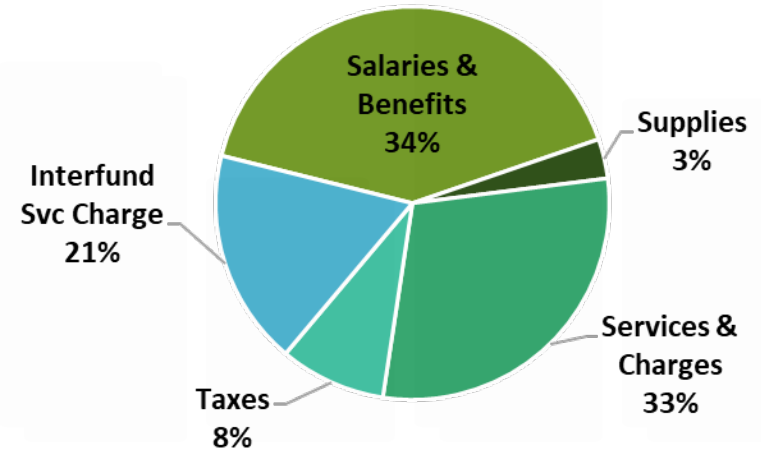
Operating Expenditures

Salaries & Benefits	\$189,725	34%
Supplies	\$17,600	3%
Services & Charges	\$183,406	33%
Taxes	\$41,900	8%
Interfund Svc Charge to GF	\$118,006	21%
Total	\$550,637	100%

Revenue



Expenditures



STORM DRAIN CAPITAL FUND

CAPITAL REVENUES: \$228,179

- Transfer-In From Storm Drain Operating Fund: \$85,200
- Pierce County Flood District: \$142,979

CAPITAL EXPENDITURES: \$95,200

- Catch basin upgrades to continue efforts in protecting the headwaters of Leach Creek \$85,200
- Project Engineering for catch basin upgrades \$10,000

ENDING FUND BALANCE: \$963,404

Net increase \$132,979 – Ending Fund Balance

WATER FUND: OPERATING

GOALS

- Continue emphasis on water conservation outreach
- Repair and replace existing fire hydrants as needed. Anticipate two hydrants this year.
- Complete and mail 2025 Consumer Confidence report
- Conduct a detailed analysis of the fund to ensure sustainability

WATER RATE

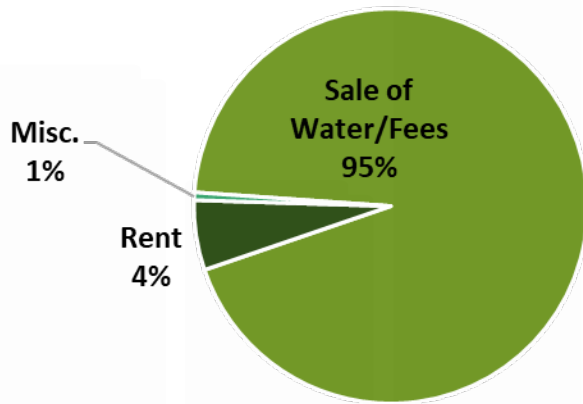
- Proposing a 3% rate increase for 2026
 - 3% would result in a \$1.24 increase to the base rate per billing cycle (every other month), or \$0.62 per month (current base rate is \$41.43)

WATER FUND: OPERATING ONLY

Operating Revenue

Sale of Water & Fees	\$1,247,080	95%
Rent on Tanks	\$46,553	4%
Misc.	\$18,064	1%
Total	\$1,311,697	100%

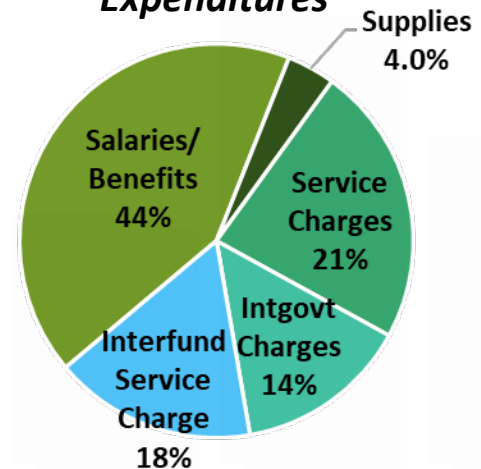
Revenue



Operating Expenditures

Salary/Benefits	\$484,068	44%
Supplies	\$40,700	4%
Service Charges	\$235,020	21%
Intergov Charges	\$150,000	14%
Debt Payments	\$0	0.0%
Interfund Service Charge	\$200,185	18%
Total	\$1,109,973	100%

Expenditures



WATER CAPITAL FUND

CAPITAL REVENUES: \$204,000

- Capital Contribution/Tap Fees: \$4,000
- Transfer-In From Water Operating Fund: \$200,000

CAPITAL EXPENDITURES: \$156,022

- Well House 4 rebuild - \$100,000
- Engineering for above projects \$10,000
- Old undersized main replacements - \$30,000

ENDING FUND BALANCE: \$193,469

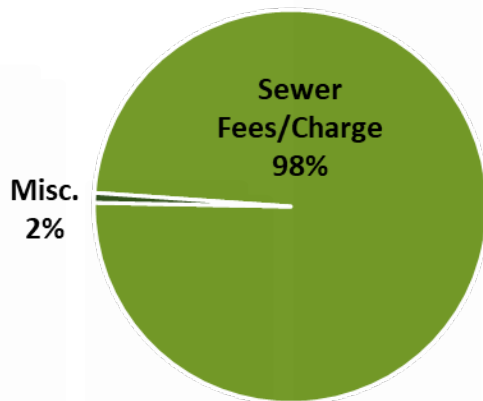
Net increase \$47,978 – Ending Fund Balance

SEWER FUND: OPERATING ONLY

Operating Revenue

Sewer Fees & Charges	\$2,922,500	98%
Misc. Revenue	\$51,286	2%
Total	\$2,934,784	100%

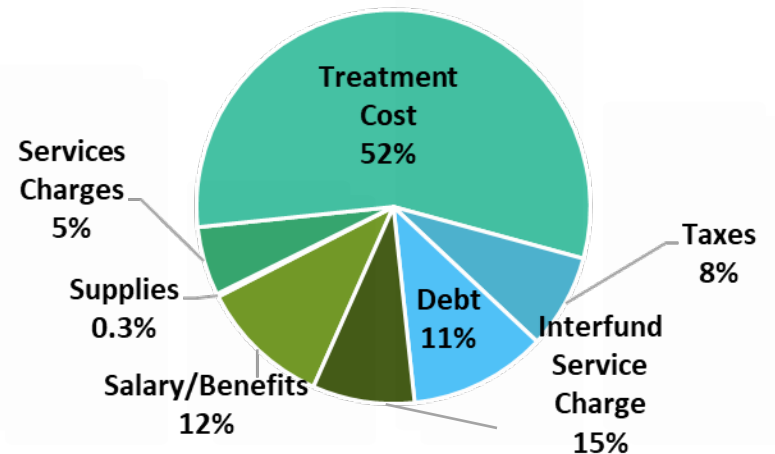
Revenue



Operating Expenditures

Salary/Benefits	\$245,959	12%
Supplies	\$7,400	.3%
Service Charges	\$146,905	5%
Treatment Cost	\$1,500,000	52%
Taxes	\$223,701	8%
Debt	\$312,105	11%
Interfund Service Charge	\$445,877	15%
Total	\$2,881,947	100%

Expenditures



SEWER CAPITAL FUND

CAPITAL REVENUES: \$287,000

- Capital Contribution/Tap Fees: \$7,000
- Transfer In From Sewer Operating Fund: \$230,000

CAPITAL EXPENDITURES: \$230,000

- \$230,000: pipe bursting & other repairs
- \$50,000: Sewer Comprehensive Plan and Inflow & Infiltration

ENDING FUND BALANCE: \$810,819

Net increase \$64,850 – Ending Fund Balance

REMAINING BUDGET SCHEDULE

- October 20th {
 - **Study Session:**
 - Budget (as needed)
- October 27th {
 - **Budget Workshop #4** (as needed)
- October 28th {
 - **Public Hearings:**
 - Revenue Sources
 - 2026 Budget (1st reading)
 - **Salary Ord., Judge and Civil Service Wage Ord**
- November 14th {
 - **Levy Ordinance & Resolution**
 - **206 Budget Public Hearing (2nd reading)**
- November 25th {
 - **Ordinance to Adopt 2026 Budget**