



MEDINA, WASHINGTON

AGENDA BILL

Monday December 8th, 2025

Subject: 2025 Budget Amendments

Category: Ordinance/City Council Business

Purpose: To Amend the 2025 Budget, by Adopting the Following Budget Ordinance

Staff Contact(s): Ryan Wagner, Finance & HR Director

Summary

The purpose for recommending 2025 Budget Amendments is to document budget changes that occurred after the 2025 Budget was adopted on November 12, 2024. Except items of an accounting “housekeeping” nature, some of these have been noted in Council’s monthly financial reports throughout the year as they occurred. As per our practice, these changes are gathered under one ordinance for passage towards the end of the budget year. These recommended changes are as follows:

Items Approved by Council

- 1) City Manager Recruitment - \$52,813.63.

In January of this year, City Manager Burns announced his retirement after over 10 years working for the City of Medina. The City has signed a contract with the recruiting firm GMP Consultants, totaling \$19,500. With advertising, background and travel costs, the total expense was **\$25,156.13**. An additional **\$27,657.50** has been spent through June to our City Attorney’s office for the recruitment process.

- 2) City Manager Cashout - \$45,962.36

Per Medina policy, found within the Employee Handbook, the City Manager was cashed out on all unused vacation time upon departure. After 10 years of service with the City, the City Manager was also eligible for a cashout of 25% of all accrued sick time up to 180 hours.

Vacation 319.98 Hours - \$31,028.81

Sick 616 Hours (Paid out at 25%) - \$14,933.55

3) Interim City Manager Contract - \$61,555.48

At the first April meeting of 2025, the Council announced an agreement with Exigy Consulting to bring Jeff Swanson on as the interim City Manager. From the period of April 14th - July 20th, Medina operated under the interim City Manager until the conclusion of the recruitment process, in which the Interim title was removed, and Mr. Swanson was hired. Over this time, the city paid Exigy Consulting **\$61,555.48**.

4) Teamsters CBA Contract - \$22,756.84

The Teamsters collective bargaining agreements for the Clerical and Public Works Unions were approved by the Council during the March 10th meeting. The estimated cost increase over the 2025 budget was \$25K. While the negotiated increase to salary and longevity are set, the "estimate" comes from potential budget impacts to overtime and on call rates. With staff turnover, the actual cost adjustment is **\$22,756.84**. This includes the salary increases, longevity increases, and OT overages for all Teamsters employees.

How will Medina cover these costs?

The proposed amendments above have a combined cost to the 2025 General Fund of \$183,088.31.

To offset these adjustments, the city could utilize two revenue sources that have exceeded budget projections in 2025.

1) Investment Interest Earnings

- a. Through November, revenue has exceeded budget by \$163,760.56.
- b. A conservative projection for 2025, the FFR has started to be cut with back-to-back 25 basis point reduction in September and October. Later than projected for the 2025 budget cycle.

2) Utility and Franchise Fees

- a. Through November, revenue has exceeded budget by \$254,864.89.
- b. With rising utility costs across the board, these revenue line items have been adjusted in 2026 to fall more in line with expected actuals.

| Budget Fiscal Impact | | |
|----------------------------------|-----------------|--|
| General Fund | | |
| General Fund Revenue | \$ 183,088.31 | |
| Legal Expenditures | \$ (27,657.50) | |
| Executive Expenditures | \$ (132,673.97) | |
| Central Services Expenditures | \$ (7,574.00) | |
| Parks Expenditures | \$ (8,678.51) | |
| Transfer to Street Fund | \$ (4,856.33) | |
| Transfer to Dev Services Fund | \$ (1,648.00) | |
| Street Fund | | |
| Transfer from General Fund | \$ 4,856.33 | |
| Street Fund Expenditures | \$ (4,856.33) | |
| Development Services Fund | | |
| Transfer from General Fund | \$ 1,648.00 | |
| Dev Services Expenditures | \$ (1,648.00) | |

Recommendation: Discussion and feedback, to be brought back in December for approval.



City Manager Approval:

Proposed Council Motion: I move to adopt Ordinance 1048, amending the 2025 budget and salary schedule with the approved, listed changes.

Attachments:

Ordinance 1048 – Amending the 2025 Budget and Salary Schedule

Redlined 2025 Updated Salary Schedule (Post Teamsters Union Contract Approval)

Time Estimate: 10 minutes