MEDINA, WASHINGTON

AGENDA BILL

Monday, November 9th, 2026

Subject/Topic: 2026 Budget Amendments **Dept. Origin:** Finance/HR **Category:** Public Hearing **Prepared by:** Ryan Wagner – Finance Director **Attachments:**	**Proposed Council Action/Motion:** ☐Information Only ☐Receive and File ☐Discuss ☒**Provide Direction** ☒**Public Hearing** ☐Adopt/Approve ☐Other:

Introduction by the City Manager

This is the third and final budget-related public hearing on the agenda for the November 9th, 2026 City Council meeting. Having now approved the 2027 property tax levy and proposed 2027 budget, the assumptions for the 2026 budget amendments are validated. Following tonight's public hearing the 2026 budget amendments will come to Council for adoption at the December 14, 2026 City Council meeting.

Summary

As the City proceeds through its budget programming for 2027, staff have prepared an option for 2026 budget amendments that are impactful to the 2027 preliminary budget. Specifically, staff propose recognizing the expense related to acquisition of police take home vehicles in 2026 along with other 2026 budget amendments previously discussed with Council. Doing so will significantly change the assumptions for the 2027 preliminary budget, negating the need to draw from accumulated funds to balance the budget.

2026 Budget Amendments

The City's practice with respect to amending current year budgets is to obtain Council approval at the time the proposed change is occurring and accumulate each change for omnibus approval near the end of the budget cycle. These items include:

Fund	Project	Cost	Description
Streets	Public Works Kubota Skidsteer	$50,803.00	Approved by Council in Q2 of 2026, this piece of equipment Is multi-use and is currently being utilized to clean city sidewalks. The replacement schedule for equipment in this category is 15 years.

Streets	Crosswalk Striping	$14,574	The city had all the crosswalks and handicap park spots redone, along with the striping for parking at the Green Store.
Equipment Replacement Fund	Patrol Cars	$330,000	Move payment for four police vehicles from the 2027 preliminary budget to the 2026 budget - $330,000. One of the four vehicles will be reimbursed in 2027 through the CJTC grant awarded to the city. Ordering vehicles in 2026 will result in earlier delivery to the city.
Capital Fund	Medina Park and Beach Park Bathrooms Automatic Locks and Cameras (Outside)	$36,091	Approved by Council in Q1 of 2026, the purchase and installation of cameras and automatic locks for our outdoor public spaces was in direct response to continued vandalism of those spaces.
Capital Fund	Public Works Shop Storage Project	$27,630	Originally in the 2025 Capital Budget, this project was pushed into 2026. The storage project's goal is to get city equipment and resources out of the elements to extend its useful life.

The following items are those that can be defined as emergency replacements. These projects are necessary for either city operations, or for a key service to be provided to the community. These items need to be approved by the Council to be added to the 2026 budget.

Fund	**Project**	**Cost**	**Description**
Capital Fund	Lake Lane Dock Repair	$80,691	In May of 2026, the public dock at Lake Lane was vandalized and sustained substantial damage. The dock was closed over the summer, and after permitting with the state, the dock was restored in August of 2026. Covered by insurance, no impact to the budget.
Capital Fund	CH Server Room Cooling HVAC	$16,707	Replacement of a failed HVAC system in the server room. Necessary to keep the server room at a regulated temperature for City function.
Capital Fund	PW Shop Hot Water Tank Installation	$9,975	Replacement hot water tank for the Public Works shop.

Staff propose taking the following actions to balance the budgetary impacts of all of the foregoing amendments:

General and Street Fund

The proposed amendments above have a combined cost to the 2026 General Fund of $1,645,377. Accordingly, the City would recognize the unanticipated one-time revenue from WSDOT SR520 construction the sales tax of $1,732,744. Transferring $65,377 from the General Fund to the Street Fund balances the impact of the 2026 amendments listed above.

Capital Fund

The proposed amendment for the Capital Fund is $107,373. Offsetting this adjustment requires a one-time transfer from the Capital Fund balance. All of these projects are eligible for use of restricted real estate excise tax (REET) funds, so a transfer from the balance of restricted REET funds will be used.

Fund	Revenue	Expenditures	Description
General Fund	$ 380,803		Recognized Surplus Revenue
		$ 330,000	Transfer to Equip Replace. Fund
		$ 50,803	Transfer to Street Fund
Equipment Replacement Fund	$ 330,000		Transfer from General Fund
		$ 330,000	Purchase of Take Home Cars
Street Fund	$ 50,803		Transfer from General Fund
	$ 14,574		Transfer from Capital Fund
		$ 50,803	Skidsteer
		$ 14,574	Crosswalk Striping
Capital Fund	$ 104,977		Fund Balance
	$ 80,691		Insurance Reimb.
		$ 14,574	Transfer to Street Fund
		$ 36,091	Park Bathroom Locks
		$ 27,630	PW Storage Project
		$ 80,691	Lake Lane Dock Repair
		$ 16,707	CH Server Room HVAC
		$ 9,975	PW Hot Water Tank

Council Priorities

This proposal furthers Council Priorities 1 - 5.

1. **Financial Stability and Accountability**
2. **Quality Infrastructure**
3. **Efficient and Effective Government**
4. **Public Safety and Health**
5. **Neighborhood Character and Community Building**

Budget/Fiscal Impact: 2026 and 2027 Budget Impacts as presented.

Recommendation: Provide feedback to staff on the provided amendments, with the goal to foster community discussion before the ordinance is brought in December for adoption.

City Manager Approval: 

Proposed Council Motions: N/A