



# MEDINA, WASHINGTON

## AGENDA BILL

Monday, February 23rd 2026

<p><b>Subject/Topic:</b> Adopt Financial Policy Update</p> <p><b>Dept. Origin:</b> Finance/HR</p> <p><b>Category:</b> Policy Update</p> <p><b>Prepared by:</b> Ryan Wagner – Finance Director</p> <p><b>Attachments:</b></p> <p>Resolution No. 458 Updating Financial Policies</p> <p>2026 Recommended Financial Policy Updates</p>	<p><b>Proposed Council Action/Motion:</b></p> <p><input type="checkbox"/> Information Only</p> <p><input type="checkbox"/> Receive and File</p> <p><input type="checkbox"/> Discuss</p> <p><input type="checkbox"/> Provide Direction</p> <p><input type="checkbox"/> Public Hearing</p> <p><input checked="" type="checkbox"/> <b>Adopt/Approve</b></p> <p><input type="checkbox"/> Other:</p>
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### **Proposed Council Action**

To Adopt Resolution 458, updating the Financial Policies for the City of Medina

### **Summary**

The City's Financial Policies were last updated in September of 2023. The purpose of this discussion is to receive feedback from the City Council on the following three recommended updates.

#### **1. Per-Diem**

Employee Per-Diem is to cover meals and other miscellaneous expenses when traveling. Staff recommends adopting the General Services Administration ("GSA") standard to apply a flat rate for daily use. If any meal(s) is/are provided at no cost to the employee as part of their travel, that meal will be subtracted from the total daily per diem rate. If the area you are traveling to is not listed by the GSA, the standard rate will be applied.

#### **Why Switch?**

**IRS Compliance and Tax Efficiency:** Using GSA rates ensures reimbursements fall within federal guidelines, reducing the risk of payments being classified as taxable income.

**Cost Management:** The rates are based on market data (average daily rates) to ensure fair but controlled spending, with a standard rate covering most of the United States, with higher cost areas having unique rates.

Administrative Efficiency: Using established, annually updated rates (e.g., FY 2026 rates) simplifies the reimbursement process, eliminating the need to calculate actual expenses.

Employee Benefit: Employees who travel for work should not have to be burdened with receipt collection for all purchases.

Transparency: Rates are publicly available, providing clear expectations for both employers and employees.

## **2. Purchasing Policy – Food and Beverage**

The City currently does not have any policy language that specifies General Fund spend for community and city business.

The purpose of this procedure is to provide guidance regarding when purchases of meals and refreshments by the city are reasonable, allowable and related to the conduct of City business or services.

### **Who approves and tracks this spend?**

All authorized spending in this area will go through the same approval process as any other city claims. Directors will be responsible for their respective budgets, and approval will run through the Audit Officer (Finance Director) and the City Manager. All invoices and credit card payments are also presented to the City Council through the monthly check register for final approval and for community transparency.

### **What's the Budget?**

The 2026 budget includes:

- \$6,000 in the Central Services budget for food and beverages during City Council Meetings.
- \$10,000 in the Legislative Services budget for the end of year banquet and for City Council retreats.
- Please note there is no specific budget allocation outside of these specific events, however the total cost for 2026 on other approved spend is estimated at \$2,500.

## **3. External Payment Verification**

An external payment verification policy outlines the procedures for confirming the legitimacy of transactions and the identity of the parties involved when processing payments from outside sources. It is a critical component of a company's fraud management strategy and is required for compliance in many industries.

This recommendation is made by our insurance risk pool to ensure we qualify for cyber security coverage.

Any changes to the Financial Policies must be approved by Council via a resolution. The attached document describes the existing procedures and controls, alongside the new recommendations. Upon Council approval, it will be inserted into the Financial Policy manual.

Please note the recommended policy changes have been reviewed by the City's labor attorney, Charlotte Archer.

If you would like to review the current Financial Policies for the city, they can be found on the website in the following location.

[Financial Policies | Medina Washington](#)

### **Council Priorities**

This proposal furthers Council Priorities 1 and 3.

- 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:** No change/impact to current levels of appropriations.

**Recommendation:** Adopt Ordinance No. 458.

**City Manager Approval:** 

**Proposed Council Motions:** "I move to adopt Resolution 458 amending the Financial Policy for the City of Medina to add electronic payment verification and update the purchasing and per-diem policies."