TO: Budget and Finance Committee

FROM: Troy Niemeyer, Finance Director

DATE: October 23, 2026

SUBJECT: Ordinance No. O2026-019 2025-2026 Budget Amendment No. 2

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1) Recommended Action:

Place Ordinance No. O2026-019 Budget Amendment No. 2 on the November 17, 2026, City Council agenda to hold a public hearing. In addition, place this item on the December 1, 2026, City Council consent calendar with a recommendation to adopt.

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2) Background:

This amendment authorizes expenditures for the purchase of the 310 Israel building, the Puget Western property, and the Tickner Farms property. It also cleans up some end of the biennium items. This amendment authorizes the expenditures for these large purchases. However, each major purchase needs final approval from the City Council before moving forward.

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3) Policy Support:

2026-2032 Strategic Priorities & Goals: Tumwater Excellence: refine and sustain a great organization. Be good stewards of public funds by following sustainable financial strategies.

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4) Alternatives:

- ❑ Do not approve the budget amendment.

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5) Fiscal Notes:

This amendment adds $60.6 million in revenue, which includes estimated bond proceeds and CERB grant funding (all funds combined). It also adds $42.3 million in expenditures, which includes 310 Israel, two HCP properties, the annual LOTT payment for the property purchase made in 2025, and CERB grant expenditures. The General Fund portion is $100,000 for revenue and $125,000 in expenditures for the CERB grant.

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6) Attachments:

A. Attachment A – Ordinance O2026-019
B. Budget Amendment Tracking Spreadsheet