



City of Tukwila
***Finance and Governance
Committee***

- ◆ Armen Papyan, Chair
- ◆ Dennis Martinez
- ◆ Verna Seal

Distribution:

A. Papyan	Mayor McLeod
D. Martinez	M. Wine
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T. Sharp	L. Humphrey
J. McConnell	

AGENDA

MONDAY, JUNE 23, 2025 – 5:30 PM

ON-SITE PRESENCE:

**TUKWILA CITY HALL
HAZELNUT CONFERENCE ROOM
6200 SOUTHCENTER BOULEVARD**

REMOTE PARTICIPATION FOR THE PUBLIC:

1-253-292-9750, ACCESS CODE: 441656166#
Click here to: [Join Microsoft Teams Meeting](#)
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Item	Recommended Action	Page
1. BUSINESS AGENDA		
a. Resolutions adopting City Investment and Debt Policies. (Tony 10 min) <i>Tony Cullerton, Deputy Finance Director</i>	a. Forward to 7/14 C.O.W. & 7/21 Regular Meeting Consent Agenda.	Pg.1
b. May 2025 Financial Report. (Tony 10 min) <i>Tony Cullerton, Deputy Finance Director</i>	b. Discussion only	Pg.35
2. MISCELLANEOUS		

Next Scheduled Meeting: July 28, 2025



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INFORMATIONAL MEMORANDUM

TO: **Finance & Governance Committee**
CC: **Mayor McLeod**
FROM: **Aaron BeMiller, Finance Director**
By: **Tony Cullerton, Deputy Finance Director**
DATE: **June 23, 2025**
SUBJECT: **City Investment & Debt Policies**

ISSUE

Finance is recommending the repeal and replacement of the City's current Investment and Debt Policies. The updated policies reflect best practices by better aligning with industry standards, expanding on roles and responsibilities, and supporting the City's broader financial strategy, including capital planning and passive revenue development.

BACKGROUND

As part of the Council's Revenue Proviso, the Finance Department is conducting a comprehensive review of the City's financial policies to strengthen fiscal sustainability and strategic planning. The current Investment and Debt Policies were last significantly updated in 2021 and 2023, respectively. Since then, best practices and the City's financial priorities have evolved.

The revised policies were prepared to align with the standards set by the Washington Public Treasurers Association (WPTA) and have been submitted for consideration under their Certificate of Excellence program. The revisions aim to support:

- A more integrated approach to the Capital Improvement Program (CIP)
- Transparent delineation of roles, responsibilities, and reporting
- The use of professional advisory services for complex transactions
- Enhanced diversification, risk management, and performance benchmarking

Investment Policy Updates:

The new Investment Policy offers a substantial update in both structure and content. Key improvements include:

- Enhanced definitions of safety, liquidity, and return objectives, with detailed risk mitigation strategies
- Expanded list of permitted investments, including supranational bonds and investment-grade corporate notes
- Clearer delineation of delegated authority, reporting responsibilities, and training requirements

- Prohibition of higher-risk instruments, such as mortgage-backed securities and cryptocurrency
- Emphasis on benchmarking, including use of Treasury indices and quarterly compliance reporting

Debt Policy Updates:

Similarly, the revised Debt Policy strengthens the City's framework for responsibly managing long-term obligations:

- Aligns debt issuance with long-range financial and capital planning
- Clarifies use of professional advisors and underwriters
- Establishes standards for debt affordability, structuring, and refunding
- Enhances transparency and ongoing debt performance reporting

FINANCIAL IMPACT

There is no direct financial impact from the adoption of these revised policies. However, the improved framework is expected to contribute to long-term cost savings, better investment performance, and stronger credit management.

RECOMMENDATION

Forward the resolutions to the 07/14 Committee of the Whole Meeting for discussion and subsequently to the 07/21 Regular Meeting consent agenda in order to repeal and replace both the Investment and Debt Policies for the City.

ATTACHMENTS

- A. Draft Resolution Adopting Investment Policy (2025)
- B. Draft Resolution Adopting Debt Policy (2025)

DRAFT

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
TUKWILA, WASHINGTON, ADOPTING AN INVESTMENT
POLICY; AND REPEALING RESOLUTION NO. 2034**

WHEREAS, the investment of public funds must comply with all applicable state and local requirements; and

WHEREAS, a comprehensive investment policy ensures that public funds are invested in a manner that will provide maximum security with the highest investment return while meeting daily cash flow demands; and

WHEREAS, on December 6, 2021, the City Council adopted Resolution No. 2034 adopting an investment policy; and

WHEREAS, the City Council desires to strengthen and align the policy with prudent and contemporary financial investment practices; and

WHEREAS, the City Council desires to implement an Environmental, Social, and Governance (ESG) investment strategy utilizing ethical investing as a guiding principle; and

WHEREAS, the City Council desires to incorporate climate change as a factor in investment risk and strategy, aligning with broader sustainability goals.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1. Repealer. Resolution No. 2034 is hereby repealed.

Section 2. Findings Incorporated and Adoption. The above “whereas” recitals are adopted as findings in support of this resolution, and the City of Tukwila Investment Policy attached hereto as Exhibit A is adopted.

PASSED BY THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, at
a Regular Meeting thereof this _____ day of _____, 2025.

ATTEST/AUTHENTICATED:

Andy Youn-Barnett, CMC, City Clerk

Tosh Sharp, Council President

APPROVED AS TO FORM BY:

Filed with the City Clerk: _____
Passed by the City Council: _____
Resolution Number: _____

Office of the City Attorney

Attachment: Exhibit A – City of Tukwila Investment Policy - 2025



City of Tukwila Investment Policy

2025

Table of Contents

1. Introduction	3
2. Governing Authority	3
3. Policy Statement	3
4. Scope.....	3
5. Objectives	3
A. Safety	4
B. Liquidity	4
C. Return on Investment	5
6. Standards of Care	5
A. Delegation of Authority and Responsibilities	5
B. Prudence	6
C. Ethics and Conflicts of Interest	6
7. Safekeeping, Custody and Controls	6
A. Delivery vs. Payment.....	6
B. Third-Party Safekeeping	7
8. Authorized Financial Dealers	8
A. Broker/Dealers	8
B. Investment Advisors	8
C. Depositories	9
D. Competitive Transactions	9
9. Authorized and Suitable Investments	9
A. Authorized Investments	9
B. Suitable Investments	10
C. Bank Collateralization	11
D. Prohibited Investments	11
10. Investment Parameters	12
A. Diversification	12
B. Investment Maturity	12
C. Strategic Philosophy	13
11. Reporting Requirements	14
12. Policy Adoption	15
Glossary of Terms.....	16

1. Introduction

This Investment Policy defines the parameters within which funds are to be invested by the City of Tukwila ("City"). This policy also formalizes the framework of the City's Policy and Procedures to provide the authority and constraints for the City to maintain an effective and judicious management of funds within the scope of this policy.

These policies are intended to be broad enough to allow the Finance Director or authorized designee to function properly within the parameters of responsibility and authority, yet specific enough to adequately safeguard the investment assets.

2. Governing Authority

The City of Tukwila's investment authority is derived from RCW 35A.40.050 and 35.39.032. The investment program shall be operated in conformance with Washington Revised Statutes and applicable Federal Law. All funds within the scope of this policy are subject to regulations established by the State of Washington.

3. Policy Statement

This policy establishes standards and guidelines for the direction, management and oversight for all of the City of Tukwila's investable cash and funds. Funds must be invested prudently to assure preservation of principal, provide needed liquidity for daily cash requirements, and provide a market rate of return. All investments must conform to federal, state, and local statutes governing the investment of public funds.

4. Scope

This policy applies to activities of the City of Tukwila with regard to investing the financial assets of the City. The City commingles its funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping, and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles (GAAP). Principal and interest is apportioned for the benefit of the various participating funds or for the benefit of the general fund. (RCW 35.39.034) The city maintains the right to separate certain funds and exclude them from the scope of this policy. Should bond covenants be more restrictive than this policy, funds shall be invested in full compliance with those restrictions.

5. Objectives

All funds will be invested in a manner that is in conformance with federal, state and other legal requirements. In addition, the objectives, in order of priority, of the investment activities will be as follows:

A. Safety

Safety of principal is the primary objective of the City. To mitigate credit and interest rate risk, investment decisions shall be undertaken in a manner that seeks to ensure preservation of capital in the overall portfolio. To obtain this objective, the following steps will be taken:

- i. Credit risk. This is the risk of loss due to the financial failure of the security issuer or backer. The city will minimize credit risk by:
 1. Limiting exposure to poor credits and concentrating the investments in the safest types of securities.
 2. Diversifying the investment portfolio so that potential losses on individual securities will be minimized; and
 3. Actively monitoring the investment portfolio holdings for rating changes, changing economic market conditions, etc.
 4. Credit rating downgrade. If the credit rating of a security is subsequently downgraded below the minimum rating level for a new investment of that security, the Finance Director shall evaluate the downgrade on a case-by-case basis in order to determine if the security should be held or sold after further analysis of the credit rating on an ongoing basis. The Finance Director will apply the general objectives of safety, liquidity, and return to make the decision.
- ii. Interest rate risk. This is the risk that the market value of securities in the portfolio will fall due to increases in general interest rates. The city will mitigate the interest rate risk by:
 1. Structuring the investment portfolio so that securities mature to meet cash requirements, when known, for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity;
 2. Investing liquidity funds primarily in short-term instruments (i.e., investments maturing in less than one year); and
 3. Investing excess liquidity funds in a manner that is consistent with the established risk/return objectives of this policy within the stated maximum weighted average maturity constraint.

B. Liquidity

The investment portfolio will be structured to meet all expected obligations in a timely manner, to avoid premature sale of an investment at a loss of principal. The investment portfolio will provide liquidity sufficient to enable the City to meet all cash requirements that might reasonably be anticipated. This will be accomplished by either maintaining a portion of the portfolio in investment vehicles offering daily liquidity at face value, such as the Washington State Local Government Investment Pool (LGIP) or structuring the portfolio so that securities mature concurrently with cash needs to meet anticipated demands. Because all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets.

C. Return on Investment

The investment portfolio will be structured with the objective of attaining a market rate of return throughout economic cycles, commensurate with the investment risk parameters and the cash flow characteristics of the portfolio.

D. Legality

The investment portfolio will be invested in a manner that meets RCW statutes and all legal requirements of the City.

6. Standards of Care

A. Delegation of Authority and Responsibilities

i. Governing Body

The City Council, as the governing body of the City, will retain ultimate fiduciary responsibility for the portfolio. The Council will designate an investment officer to manage the investment program in accordance with RCW sections 35A.40.050, 35.39.032, 36.29.020 and City policy and will review and adopt any changes to the investment policy.

ii. Delegation of Authority

The City Council designates the City's Finance Director, or their designee, as the Investment Officer of the City. No person may initiate investment transactions on behalf of the Investment Officer without the express written consent of the Investment Officer. Both the City and the investment advisor shall maintain record of individuals granted consent to initiate transactions by the Investment Officer.

iii. Training: Such procedures shall include explicit delegation of authority to persons responsible for investment transactions to provide adequate redundancy by properly trained and informed staff. All staff engaging in investment transactions shall attend public investment training. Staff shall not engage in any allowable investment transaction for which they cannot articulate a rationale for having done so.

iv. Finance Committee:

The Finance & Governance Committee shall meet at least annually to receive a report on investment performance and investment compliance.

v. Registered Investment Advisor

The City may engage the services of an external registered investment adviser to assist with the management of the City's investment portfolio in a manner that is consistent with the City's objectives and this policy. Such advisers shall provide recommendation and advice regarding the City investment program including but not

limited to advice related to the purchase and sale of investments in accordance with this Investment Policy. Such advisers must be registered under the Investment Advisers Act of 1940.

B. Prudence

The standard of prudence to be used by the Finance Director or any designees in the context of managing the overall portfolio is the prudent person rule enacted by State Statute (RCW 11.100.020) which states:

Investments will be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs not in regard to speculation but in regard to the permanent disposition of the funds considering the probable income as well as the probable safety of the capital.

The Finance Director and authorized investment officers and employees who act in accordance with the Finance Director's written procedures and the City's Investment Policy, and who exercise due diligence, shall be relieved of personal responsibility for the credit risk or market price change of an investment, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

C. Ethics and Conflicts of Interest

Officers and designated employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the City Manager in writing any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the City's portfolio. Employees and officers shall subordinate their personal investment transactions to those of the City of Tukwila, particularly with regard to the time of purchases and sales.

Persons authorized to invest shall not accept gifts from the institutions with which the City places investments. Occasional business meals are acceptable and must be reported to the Finance Director and Finance Committee.

7. Safekeeping, Custody and Controls

A. Delivery vs. Payment

All trades of marketable securities will be executed (cleared and settled) on a delivery vs. payment (DVP) basis to ensure that securities are deposited in the City's safekeeping institution prior to the release of funds.

B. Third-Party Safekeeping

Prudent treasury management requires that all purchased securities be bought on a delivery versus payment (DVP) basis and be held in safekeeping by the City, an independent third-party financial institution, or the City's designated depository.

The City's Finance Director shall designate all safekeeping arrangements and an agreement of the terms executed in writing. All securities will be receipted and recorded based on the terms in the custodial contract. The third-party custodian shall be required to provide a monthly statement to the City listing at a minimum each specific security, book yield, description, maturity date, market value, par value, purchase date, and CUSIP number. The City will have online access through the safekeeping bank for verification of the account holdings and transactions.

All collateral securities pledged to the City for certificates of deposit or demand shall be held in a segregated account at the issuing financial institution that is reporting to the State's Public Deposit Protection Commission (PDPC).

C. Performance Standards / Benchmark

The investment portfolio is expected to provide similar returns to the benchmark over interest rate cycles but may underperform or outperform in certain periods. The City's cash management portfolio shall be managed using as comparison for market yield of [Name a specific benchmark, i.e. 3-Year Constant Maturity US Treasury Index, 0-3 year Treasury Index, etc.].

D. Downgraded Securities

The City may, from time to time, be invested in a security whose rating is downgraded. In the event a rating drops below the minimum allowed by this policy, the Finance Director will review and recommend an appropriate plan of action to the Council via the Finance Committee. If the City utilizes an Investment Advisor, that Investment Advisor shall notify the Finance Director and recommend a plan of action within one month. The City may continue to hold a downgraded investment to maturity if a probable outcome is the eventual realization of full value, rather than a realized loss if divested prior to maturity.

E. Internal Controls

The Finance Director is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse. Specifics for the internal controls shall be documented in an investment procedures manual.

The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management. The internal controls shall address the following points at a minimum:

- i. Control of collusion
- ii. Separation of transaction authority from accounting and recordkeeping
- iii. Custodial safekeeping
- iv. Avoidance of physical delivery securities of marketable securities
- v. Clear delegation of authority to subordinate staff members
- vi. Written confirmation of transactions for investments and wire transfers
- vii. Dual authorizations of wire transfers
- viii. Staff training and
- ix. Review, maintenance and monitoring of security procedures both manual and automated.

F. External Controls

The Office of the State Auditor requires that in accordance with Revised Code of Washington 43.09.260, the City must undergo annual financial examinations performed by State Examiners. Investment management is to be included as part of the annual independent audit to assure compliance with this investment policy.

8. Authorized Financial Dealers

A. Broker/Dealers

The Finance Director or designee shall maintain and review annually a list of all authorized financial institutions and broker/dealers that are approved to transact with the City for investment purposes. Any firm is eligible to make an application to the City. Additions and deletions to the list will be made at the City's discretion. All broker/dealers and financial institutions who desire to do business with the City must supply the Finance Director with the following:

- i. Annual audited financial statements.
- ii. Proof of FINRA (Financial Industry Regulatory Authority) certification.
- iii. Proof of registration with the State of Washington.
- iv. A completed Broker/Dealer questionnaire and a certification of having read the City Investment Policy.

B. Investment Advisors

The City may contract with an external investment advisor to assist with the management of the City's investment portfolio in a manner that is consistent with the City's objectives and this policy. Advisors must be registered under the Investment Advisers Act of 1940 and must act in a non-discretionary capacity, requiring approval from the City prior to all transactions.

The Finance Director or designee may utilize the investment advisor's approved broker/dealer list in lieu of the City's own approved list. The advisor must submit the approved list to the City annually and provide updates throughout the year as they occur. The advisor must maintain documentation of appropriate license and professional credentials of broker/dealers on the list. The annual investment advisor broker/dealer review procedures include:

- i. FINRA Certification check
 - Firm Profile
 - Firm History
 - Firm Operations
 - Disclosures of Arbitration Awards, Disciplinary and Regulatory Events
 - State Registration Verification
- ii. Financial review of acceptable FINRA capital requirements or letter of credit for clearing settlements.

The advisor may be authorized through the contracted agreement to open accounts on behalf of the City with the broker/dealers on the approved broker/dealer list. The City will receive documentation directly from the brokers for account verification and regulatory requirements.

C. Depositories

The City will only place funds exceeding the current FDIC insurance limits with banks who are currently participating in the Washington State PDPC program. Compliance/listing with the PDPC will be verified by the Finance Director or designee annually.

D. Competitive Transactions

Transactions must be executed on a competitive basis and documented, excluding securities and interfund loans issued by the City of Tukwila. Competitive prices should be provided from at least three separate brokers, financial institutions or through a national electronic trading platform. If the purchased security is only offered by one broker, then other securities with similar structure may be used for documentation purposes. If an Advisor handles trade executions, then they must provide the competitive documentation as requested.

9. Authorized and Suitable Investments

A. Authorized Investments

All investments of the City are limited by RCW, principally RCW 35A.40.050 and 39.59.020.

Additional Specifications:

- This policy recognizes S&P, Moody's and Fitch as the major Nationally Recognized Statistical Ratings Organizations (NRSRO).
- Minimum credit ratings and percentage limitations apply to the time of purchase.
- All securities must be purchased on the secondary market and may not be purchased directly from the issuer.
- Securities rated in the broad single-A category with a negative outlook may not be purchased. Portfolio holdings of corporate notes downgraded to below single A and portfolio holdings of securities rated single A with their outlooks changed to negative may continue to be held. No additional purchases are permitted.

B. Suitable Investments

U. S Treasury Obligations: Direct obligations of the United States Treasury.

US Agency Obligations: US Government Agency Obligations and US Government Sponsored Enterprises (GSEs) which may include, but are not limited to the following: Federal Farm Credit Banks Funding Corporation (FFCB), Federal Home Loan Bank (FHLB), Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), and Tennessee Valley Authority (TVA).

Supranational Bonds: United States dollar denominated bonds, notes or other obligations that are issued or guaranteed by supranational institutions, provided, that at the time of investment, the institution has the United States as its largest shareholder. These include: International Bank for Reconstruction and Development (IBRD or World Bank); the International Finance Corporation (IFC); the Asian Development Bank (ADB) and the Inter-American Development Bank (IADB).

Municipal Debt Obligations: Bonds of the State of Washington, any local government in the State of Washington, General Obligation bonds outside the State of Washington; at the time of investment the bonds must have one of the three highest credit ratings of a nationally recognized rating agency. Debt of the City of Tukwila is not required to be rated.

Corporate Notes: Unsecured debt obligations purchased in accordance with the investment policies and procedures adopted by the State Investment Board. Corporate notes must be rated at least weak single A (A-) or better by all the major rating agencies that rate the note at the time of purchase for inclusion in the corporate note portfolio. The maturity must not exceed 5.5 years and the maximum duration of the corporate note portfolio cannot exceed 3 years. The percentage of corporate notes that may be purchased from any single issuer rated AA- or better by all major rating agencies that rate the note is 3% of the assets of the total portfolio. The percentage of corporate notes that may be purchased from any single issuer rated in the broad single A (A-) category from all the major rating agencies that rate the security is 2% of the total portfolio. The individual country limit of non-U.S. and non-Canadian exposure is 2% of the total portfolio. The exposure is determined by the country of domicile of the issuers of portfolio securities.

Commercial Paper: Commercial paper must be rated with the highest short-term credit rating category of any two major Nationally Recognized Statistical Rating Organizations (NRSROs) at the time of purchase. If the commercial paper is rated by more than two major NRSROs, it must have the highest rating from all of them. Commercial paper holdings may not have maturities exceeding 270 days. Any commercial paper purchased with a maturity longer than 100 days must also have an underlying long-term credit rating at the time of purchase in one of the three highest rating categories of an NRSRO. The percentage of commercial paper that may be purchased from any one issuer is 3% of the market value of the total portfolio. Issuer constraints will apply to the combined holdings of corporate notes and commercial paper holdings.

Certificates of Deposit: Non-negotiable Certificates of Deposit of financial institutions which are qualified public depositories as defined by RCW 39.58.010(2) and in accordance with the restrictions therein.

Bank Time Deposits and Savings Accounts: Deposits in PDPC approved banks.

Local Government Investment Pool: Investment Pool managed by the Washington State Treasury Office.

C. Bank Collateralization

The PDPC makes and enforces regulations and administers a program to ensure public funds deposited in banks and thrifts are protected if a financial institution becomes insolvent. The PDPC approves which banks and thrifts can hold state and local government deposits and monitors collateral pledged to secure uninsured public deposits. Under the act, all public treasurers and other custodians of public funds are relieved of the responsibility of executing tri-party agreements, reviewing pledged securities, and authorizing additions, withdrawals, and exchanges of collateral.

D. Prohibited Investments

- i. The City shall not lend securities nor directly participate in a securities lending or reverse repurchase program.
- ii. The City shall not invest in mortgage-backed securities.
- iii. The City shall not invest in Equities
- iv. The City shall not invest in Cryptocurrency

10. Investment Parameters

A. Diversification

The City will diversify the investment of all funds by adhering to the constraints listed in the following table. Investments in securities shall not exceed the following percentages of the total portfolio at the time of purchase.

Total Portfolio Diversification Constraints

Issue Type	Maximum % Holdings	Maximum % per Issuer	Ratings, S&P, Moody's, or Equivalent NR SRO	Maximum Maturity
US Treasury Obligations	100%	None	N/A	10 years
US Agency Obligations	100%	35%	N/A	10 years
Supranational Agency Notes	10%	5%	AA-/A3	10 years
Municipal Bonds (GO Outside WA	30%	5%	A-/A3 Short Term	10 years
City of Tukwila Debt Obligations	15%	None	N/A	N/A
Corporate Notes	25%	3% for AA- 2% for A-, AA+	A-/A3 Short Term	5.5 year
Commercial Paper	25%	3%	A1{1 Long Term A- /A3	270 days
Bank Time Deposits/Savings	20%	10%	Deposits in PDPC approved banks	N/A
Certificates of Deposit	25%	10%	Deposits in PDPC approved banks	5 years
State LGIP	100%	None	N/A	N/a
Issuer constraints apply to the combined issues in corporate and commercial paper holdings. Sort Term Ratings: Moody's - P1MIG1/VMIG1, S&P - A-1/SP-1, Fitch - F1 Note: Individual country limit of non-US/non-Canadian exposure is 2% of total portfolio				

B. Investment Maturity

i. Liquidity Funds – Tier 1

Liquidity funds will be defined as those funds that are in the State LGIP City, bank deposits, bank certificates of deposits or money market instruments and will be available for immediate use.

ii. Investment Core Funds – Tier 2

Investment funds will be defined as the funds in excess of liquidity requirements and invested in authorized investments and maturity structure listed below.

iii. Total Portfolio Maturity Constraints:

Maturity Constraints	Minimum % of Total Portfolio
Under 30 days	10%
Under 1 year	25%
Under 5 years	90%
Under 10 years	100%
Maturity Constraints	Total Portfolio Maximum
Weighted Average Maturity	2.0 years
Duration of Corporate Note Portfolio	3.0 years
Security Structure Constraint	Maximum % of Total Portfolio
Callable Agency Securities	25%

C. Strategic Philosophy

The primary investment philosophy of the City is to match investment maturities with expected cash outflows. Securities shall generally be held until maturity, with the following exceptions:

- i. A security with a declining credit may be sold early to protect the principal value of the portfolio.
- ii. The portfolio duration or maturity buckets should be adjusted to better reflect the structure of the underlying benchmark portfolio.
- iii. A security exchange that would improve the quality, yield and target maturity of the portfolio based on market conditions.
- iv. A sell of a security to provide for unforeseen liquidity needs.

11. Reporting Requirements

A. Reporting

The Finance Director or designee shall be responsible for investment reporting. At a minimum, monthly reporting (RCW 35.39.032) shall be made available providing detailed information on the investment portfolio.

Specific Requirements:

- Book Yield
- Holdings Report including mark to market and security description
- Transactions Report
- Weighted Average Maturity or Duration

B. Performance Standards/Evaluation

- i. The portfolio shall be managed to obtain a fair rate of return and earnings rate that incorporates the primary objectives of protecting the City's capital and assuring adequate liquidity to meet cash flow needs.
- ii. The investment portfolio will be invested into a predetermined structure that will be measured against a selected benchmark portfolio. The structure will be based upon a chosen minimum and maximum duration (average maturity) and will have the objective to achieve market rates of returns over long investment horizons. The purpose of a benchmark is to appropriately manage the risk in the portfolio through interest rate cycles. The investment portfolio is expected to provide similar returns to the benchmark over interest rate cycles but may underperform or outperform in certain periods. The portfolio will be positioned to first protect principal and then achieve market rates of return. The benchmark used will be the US treasury 0–3-year index or US treasury 0–5-year index and comparisons will be calculated monthly and reported quarterly.
- iii. The liquidity component yield will be compared quarterly to the LGIP average yield.

C. Compliance Report

A quarterly compliance report will be generated comparing the portfolio positions to this investment policy.

The Investment Policy sets forth concentration constraints and minimum credit ratings for each type of security. These limits apply to the initial purchase of a security and do not automatically trigger the sale of a security as the portfolio value fluctuates or in the event of credit rating downgrade. Due to fluctuations in the aggregate surplus funds balance, maximum percentages for a particular issuer or investment type may be exceeded at a point in time. Securities need not be liquidated to realign the portfolio; however, consideration should be given to this matter when future purchases are made to ensure that appropriate diversification is maintained.

D. Accounting Method

The City shall comply with all required legal provisions and Generally Accepted Accounting Principles (GAAP). The accounting principles are those contained in the pronouncements of authoritative bodies including, but not necessarily limited to, the Governmental Accounting Standards Board (GASB).

Pooling of Funds: Except for cash in certain restricted and special funds, the City will consolidate balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation in the investment program and in accordance with generally accepted accounting principles.

12. Policy Adoption

The City's Investment Policy shall be adopted by the City Council and reviewed by the Council Finance Committee as needed but not less than every two years. This Policy has been adopted by the City Council on _____, 2025.

Glossary of Terms

Agency Securities: Government sponsored enterprises of the US Government.

Bankers Acceptances: A time draft accepted (endorsed) by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer. BAs are short-term non-interest-bearing notes sold at a discount and redeemed by the accepting bank at maturity for full face value.

Bond: An interest-bearing security issued by a corporation, government, governmental agency, or other body. It is a form of debt with an interest rate, maturity, and face value, and specific assets sometimes secure it. Most bonds have a maturity of greater than one year and generally pay interest semiannually. See Debenture.

Broker: An intermediary who brings buyers and sellers together and handles their orders, generally charging a commission for this service. In contrast to a principal or a dealer, the broker does not own or take a position in securities.

Collateral: Securities or other property that a borrower pledges as security for the repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

Commercial Paper: Short-term, unsecured, negotiable promissory notes issued by corporations.

Current Maturity: The amount of time left until an obligation matures. For example, a one-year bill issued nine months ago has a current maturity of three months.

CUSIP: A CUSIP number identifies securities. CUSIP stands for Committee on Uniform Security Identification Procedures, which was established under the auspices of the American Bankers Association to develop a uniform method of identifying municipal, U.S. government, and corporate securities.

Dealer: An individual or firm that ordinarily acts as a principal in security transactions. Typically, dealers buy for their own account and sell to a customer from their inventory. The dealer's profit is determined by the difference between the price paid and the price received.

Debenture: Unsecured debt backed only by the integrity of the borrower, not by collateral, and documented by an agreement called an indenture.

Delivery: Either of two methods of delivering securities: delivery vs. payment and delivery vs. receipt (also called "free"). Delivery vs. payment is delivery of securities with an exchange of money for the securities.

Duration: A measure used to calculate the price sensitivity of a bond or portfolio of bonds to changes in interest rates. This equals the sum of the present value of future cash flows.

Full Faith and Credit: Indicator that the unconditional guarantee of the United States government backs the repayment of a debt.

General Obligation Bonds (GOs): Bonds secured by the pledge of the municipal issuer's full faith and credit, which usually includes unlimited taxing power.

Government Bonds: Securities issued by the federal government; they are obligations of the U.S. Treasury; also known as "government bonds."

Interest: Compensation paid or to be paid for the use of money. The rate of interest is generally expressed as an annual percentage.

Investment Funds: Core funds are defined as operating fund balance, which exceeds the City's daily liquidity needs. Core funds are invested out the yield curve to diversify maturity structure in

the overall portfolio. Having longer term investments in a portfolio will stabilize the overall portfolio interest earnings over interest rate cycles.

Investment Securities: Securities purchased for an investment portfolio, as opposed to those purchased for resale to customers.

Liquidity: The ease at which a security can be bought or sold (converted to cash) in the market. A large number of buyers and sellers and a high volume of trading activity are important components of liquidity.

Liquidity Component: A percentage of the total portfolio that is dedicated to providing liquidity needs for the City.

LGIP: Local Government Investment Pool run by the State of Washington Treasurer's office established to help cities with short term investments.

Mark to Market: Adjustment of an account or portfolio to reflect actual market price rather than book price, purchase price or some other valuation.

Municipals: Securities, usually bonds, issued by a state, its agencies, by cities or other municipal entities. The interest on "munis" is usually exempt from federal income taxes and state and local income taxes in the state of issuance. Municipal securities may or may not be backed by the issuing agency's taxation powers.

Par Value: The value of a security expressed as a specific dollar amount marked on the face of the security or the amount of money due at maturity. Par value should not be confused with market value.

Portfolio: A collection of securities held by an individual or institution.

Prudent Person Rule: A long-standing common-law rule that requires a trustee who is investing for another to behave in the same way as a prudent individual of reasonable discretion and intelligence who is seeking a reasonable income and preservation of capital.

Quotation or Quote: A bid to buy or the lowest offer to sell a security in any market at a particular time.

Repurchase Agreement: Range in maturity from overnight to fixed time to open end. Repos involve a simultaneous sale of securities by a bank or government securities dealer to an investor with an agreement for the bank or government securities dealer to repurchase the securities at a fixed date at a specified rate of interest.

Treasury Bill (T-Bill): An obligation of the U.S. government with a maturity of one year or less. T-bills bear no interest but are sold at a discount.

Treasury Bonds and Notes: Obligations of the U.S. government that bear interest. Notes have maturities of one to ten years; bonds have longer maturities.

Yield: The annual rate of return on an investment, expressed as a percentage of the investment. Income yield is obtained by dividing the current dollar income by the current market price for the security. Net yield, or yield to maturity, is the current income yield minus any premium above par or plus any discount from par in the purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

Yield to Maturity: The average annual yield on a security, assuming it is held to maturity; equals to the rate at which all principal and interest payments would be discounted to produce a present value equal to the purchase price of the bond.

Ratings Table – Long-Term

Three Highest Rating Categories	S&P	Moody's	Fitch	Definition
AAA		Aaa	AAA	Highest credit quality
AA+, AA, AA-		Aa1, Aa2, Aa3	AA+, AA, AA-	Very high credit quality
A+, A, A-		A1, A2, A3	A+, A, A-	High credit quality
	BBB+, BBB, BBB-	Baa1, Baa2, Baa3	BBB+, BBB, BBB-	Good credit quality
	BB+, BB, BB-	Ba1, Ba2, Ba3	BB+, BB, BB-	Non-investment grade

Ratings Table – Short-Term

Highest Rating Category	S&P	Moody's	Fitch	Definition
A1+, A1		P1+, P1	F1+, F1	Highest credit quality
Municipal Commercial Paper				
A-1, A-1+, SP-1+, SP-1		P1, MIG1, VMIG1	F1+, F1	Highest credit quality

DRAFT

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
TUKWILA, WASHINGTON, ADOPTING A DEBT POLICY;
AND REPEALING RESOLUTION NO. 1840**

WHEREAS, on September 2, 2014, the City Council adopted Resolution No. 1840 adopting a debt policy; and

WHEREAS, a debt policy and appropriate management of debt issued by the City is an important factor in measuring the City's financial performance and condition; and

WHEREAS, the proper management of borrowing can yield significant advantages; and

WHEREAS, debt issuance planning with the City's Capital Improvement Program (CIP), will ensure alignment between financing strategies and long-term capital priorities; and

WHEREAS, the use of long-term debt for operating or maintenance costs, except in declared emergencies authorized by the City Council, promotes fiscal discipline and responsible debt management; and

WHEREAS, clear delineation of the roles and responsibilities of the City Council and Finance Director, including authority over interfund loans, delegation of bond issuance approvals, and oversight of post-issuance compliance activities, will ensure appropriate checks and balances; and

WHEREAS, expanding the range of eligible financing tools and debt instruments, including interfund loans, state and federal loan programs, and other legal financing contracts, provides the City with greater flexibility and cost-effective funding options; and

WHEREAS, enhancing compliance with federal and state laws by establishing comprehensive procedures for continuing disclosure, arbitrage rebate monitoring, and

post-issuance compliance with IRS and SEC regulations, thereby safeguards the City's credit standing and legal obligations.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1. Repealer. Resolution No. 1840 is hereby repealed.

Section 2. Findings Incorporated and Adoption. The above “whereas” recitals are adopted as findings in support of this resolution, and the City of Tukwila Debt Policy attached hereto as Exhibit A is adopted.

PASSED BY THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, at a Regular Meeting thereof this _____ day of _____, 2025.

ATTEST/AUTHENTICATED:

Andy Youn-Barnett, CMC, City Clerk

Tosh Sharp, Council President

APPROVED AS TO FORM BY:

Filed with the City Clerk: _____
Passed by the City Council: _____
Resolution Number: _____

Office of the City Attorney

Attachment: Exhibit A – City of Tukwila Debt Policy - 2025



CITY OF TUKWILA

DEBT POLICY

ADOPTED [DATE]

TABLE OF CONTENTS

SECTION I. INTRODUCTION	3
SECTION II. GOVERNING PRINCIPLES	3
SECTION III. ROLES AND RESPONSIBILITIES	4
SECTION IV. PROFESSIONAL SERVICES	5
SECTION V. TRANSACTION-SPECIFIC POLICIES	6
SECTION VI. COMPLIANCE POLICIES	9
SECTION VII. OTHER POLICIES	10

Section I. Introduction

Purpose and Overview

The objective of this policy is to provide general guidance for the issuance and management of all City of Tukwila (the City) debt. Further, this policy establishes criteria to protect the City's financial integrity while providing a mechanism to fund the City's capital needs prudently and cost effectively. Adherence to this policy is essential to ensure that the City Council (Council) maintains a debt position which allows the Council to protect the City, its functionality, and the credit quality of its obligations.

The City's Finance Department is charged with ensuring compliance with all debt policy requirements.

Capital Planning

The City shall integrate its debt issuance with its Capital Improvement Program (referred to herein as CIP or Capital Facilities Plan) spending to ensure that planned financing conforms to policy targets regarding the level and composition of outstanding debt. This planning considers the long-term horizon, paying particular attention to financing priorities, capital outlays and competing projects.

Long-term borrowing shall be confined to the acquisition and/or construction of capital improvements and shall not be used to fund operating or maintenance costs. The issuance of debt to fund operating deficits is not permitted except in emergencies as adopted by formal action by the City Council. For all capital projects under consideration, the City shall budget and set aside sufficient revenue from operations to fund ongoing maintenance needs and to provide reserves for periodic replacement and renewal. The source of funds for the project should reflect the intended use of bond financing.

Section II. Governing Principles

In the issuance and management of debt, the City shall comply with the State of Washington (State) constitution and with all other legal requirements imposed by federal, State, and local rules and regulations, as applicable. The following section highlights the legal framework for debt issuance.

Governing Law

State Statutes. The City issues debt in accordance with the Revised Code of Washington (RCW), in particular chapters 39.36, 39.46, and 39.53, the State constitution along with all other City, State, and federal laws, rules, and regulations.

Federal Rules and Regulations. The City shall issue and manage debt in accordance with the limitations and constraints imposed by federal rules and regulations, including but not limited to, Internal Revenue Code of 1986, as amended, and Treasury Department Regulations thereunder (Tax Law), and the Securities Acts of 1933 and 1934 (Securities Law).

Local Rules and Regulations. The City shall issue and sell debt in accordance with the limitations and constraints imposed by the Tukwila Municipal Code (TMC), including but not limited to Title 3 (Revenue and Finance) and City ordinances, resolutions, policies, procedures, and bond covenants.

Legal Debt Limits for GO Debt

State law (RCW 39.36.020) allows for the issuance of general obligation (GO) debt, through a public vote, of up to 7.5% of the City's assessed property valuation. The limit of 7.5% of assessed valuation for GO debt is divided between three different use types: 1) 2.5% for municipally owned water, sewer, or electric facilities; 2) 2.5% for open space and parks; and 3) 2.5% for general government purposes. Within the 2.5% limit for general government purposes, State law allows the Council to issue debt without a vote of the people. This non-voted debt (also called councilmanic debt) cannot be greater than 1.5% of the assessed property valuation of the City.

Section III. Roles and Responsibilities

Responsibilities of City Council

- Approve this policy and any updates/changes to this policy to help ensure compliance with all applicable rules and regulations for debt issuance.
- Approve projects to be financed as part of the City Capital Facilities Plan.
- Adopt an ordinance authorizing the issuance and sale of debt, and, as applicable, setting forth the delegation requirements provided for in RCW 39.46.040 when appointing a designated representative, the City Finance Director or their designee, to approve the final terms of the debt.
- Approve budgets sufficient to provide for the timely payment of principal and interest on all debt.

Responsibilities of the Finance Director

- Apply and promote prudent fiscal practices.
- Oversee any debt issuance including sale of bonds and review and approval of disclosure documents.
- Approve the issuance of debt at the lowest acceptable cost and risk within the parameters authorized by City Council in the bond ordinance.
- Provide for the timely payment of principal and interest payment on all debt and ensure the fiscal agent receives funds for payment of debt service on or prior to the payment date.
- Ensure compliance with all Tax Laws, Securities Laws, contractual requirements, and other rules and regulations governing the issuance of debt.
- Ensure compliance with all terms, conditions, post-issuance requirements, and Tax Law requirements imposed by law and/or the legal documents governing the debt issued.
- Ensure any annual disclosure reports and notices regarding the occurrence of certain events are timely posted to the EMMA (Electronic Municipal Market Access) system in accordance with continuing disclosure undertakings of the City pursuant to Securities Law.
- Maintain records for all outstanding debt.
- Oversee all aspects of debt management.
- Solicit and select professional services providers as necessary, to administer debt financing.
- Consult with the City's contracted municipal advisor to determine the method of sale best suited for each issue of debt (competitive sale, negotiated sale, or bank/direct placement).
- Select the manner of sale of debt.
- Monitor opportunities to refund debt and recommend such refunding as appropriate.

- Provide pertinent information to credit rating agencies when issuing debt and as routine credit reviews occur.

IV. Professional Services

The City's Finance Director will be responsible for the solicitation and selection of professional services as necessary to administer the City's debt program. Professional service providers necessary to issue debt may include, but are not limited to bond counsel, disclosure counsel (which may be bond counsel), municipal advisor, underwriters, banks, rating agencies, and fiscal agent. Selection of the service providers will consider availability, professional knowledge, accountability, cost, as well as successful partnerships in previous debt issuances. The City will issue debt considering cost and associated risk.

Professional Service Providers

Bond Counsel – Debt issued by the City will generally include a written opinion by bond counsel affirming that the City is legally authorized to issue the proposed debt. The opinion shall provide that the obligation is legal, valid and binding, and enforceable against the City. In the case of tax exempt financing, the legal opinion will address the treatment of interest for purposes of Tax Law.

Municipal Advisor – A Municipal Advisor may be used to assist in the issuance of the City's debt. The Municipal Advisor will provide the City with objective advice and analysis on debt issuance. This includes, but is not limited to, coordinating of finance team, monitoring of market opportunities, structuring and pricing of debt, competitive sale execution, and reviewing the preliminary and final official statements.

Disclosure Counsel - The Disclosure Counsel (which may be bond counsel) plays a critical role in ensuring that the City's preliminary and final official statements comply with Securities Laws and disclosure requirements. Disclosure Counsel provides legal guidance on the accuracy, completeness, and transparency of the information presented to investors, helping to mitigate the risk of material misstatements or omissions. Working closely with the City's finance team, bond counsel, and municipal advisor, Disclosure Counsel reviews financial and operational disclosures, drafts legal sections of the official statements, and provides legal advice in connection with the City's obligations under SEC Rule 15c2-12 and other applicable regulations. Their expertise helps protect the City from potential legal and regulatory risks while maintaining investor confidence in the bond issuance process.

Underwriters – An Underwriter will be selected in advance for all debt issued in a negotiated sale method. The Underwriter is responsible for purchasing debt and reselling the debt to investors.

Arbitrage Rebate Consultant – As necessary, the City may engage with an arbitrage rebate consultant to ensure the City is compliant with Tax Law on tax-exempt bonds by calculating potential arbitrage rebate liabilities. The consultant will analyze investment earnings, determine rebate amounts owed under IRS Code 148(f), and assist with documentation, deadlines, and best practices to minimize exposure and avoid penalties.

Fiscal Agent – A fiscal agent may be used to provide accurate and timely securities processing and payment to bondholders. As provided under RCW 43.80, the City will work with the Fiscal Agent that is determined by the State.

Section V. Transaction-Specific Policies

For any City project planned to be funded through debt, an analysis will be done to consider: (a) other potential ways to finance the project; (b) future operating and maintenance costs, including debt repayment; (c) expected cash inflows that could help offset the amount borrowed; and (d) anticipated cash outflows for construction or equipment to ensure compliance with arbitrage rules.

Method of Sale

The Finance Director, in consultation with the City's municipal advisor, will determine the method of sale best suited for each issue of debt (competitive sale, negotiated sale, or bank/direct placement). The type of debt to be issued and manners of the sale will be submitted to the City Council for approval in the bond ordinance. The bond ordinance will authorize the issuance and sale of debt, and, as applicable, set forth the delegation requirements provided for in RCW 39.46.040 when appointing a designated representative, the City Finance Director or their designee, to approve the final terms of the debt.

Bond Insurance

For each issue, the City, in conjunction with its municipal advisor, will evaluate the costs and benefits of bond insurance or other credit enhancements. Any credit enhancement purchases by the City must be competitively procured in a manner deemed reasonable by the City Finance Director.

Bond Ballot Measures

Prior to any unlimited tax general obligation bond (described below) proposition being placed before the voters, the capital project under consideration must, unless otherwise justified and have found to be in the best interest of the City, have been included in the City's Capital Facilities Plan. The source of funds for the project should reflect the intended use of bond financing.

Investor and Rating Agency Relations

The City will maintain good communications with bond rating agencies and investors about its fiscal condition. The City will provide full, accurate and complete disclosure on financial reports and in disclosure documents to comply with the anti-fraud requirements of Securities Laws.

Short-term debt

The City may use short-term debt, defined as a period not to exceed three years, to fund cash flow needs, which may be caused by a delay in receipting tax revenues or issuing long-term debt. The City will not issue short-term debt for current operations, except in the event of an emergency.

The City may issue interfund loans rather than issuing outside debt to meet short-term cash flow needs. The issuance of an interfund loan will be permissible only after an analysis of the loaning fund(s) indicate(s) that excess funds are available, and the use of these funds will not impact the loaning fund(s) current

operations or constitute a permanent diversion of funds. All interfund borrowing will bear interest based upon at least the prevailing LGIP (Local Government Investment Pool) rate.

Council authorizes the City's Finance Director to approve short-term interfund loans for a period not to exceed three calendar months and the City Administrator to approve short-term interfund loans for a period not to exceed 12 calendar months. See long-term debt section below for policy on loans exceeding 12 calendar months. The Finance Director shall notify the Finance & Governance Committee and/or City Council of any use of directorial or administrator approved interfund loans at the first reasonable opportunity.

Interfund loans are not considered "debt" for purposes of State law, Securities Law, or Tax Law.

Long-term debt

The City will issue long-term debt, defined as a period greater than three years, for capital projects which cannot reasonably be financed on a pay-as-you-go funding strategy from anticipated cash flows. Acceptable uses of bond proceeds are one-time capital projects that can be capitalized and depreciated in accordance with the City's accounting principles. (Refunding debt is also an acceptable use. See refunding debt section below.)

The City Council may issue long-term interfund loans rather than issuing outside debt instruments as a means of financing capital improvements. The issuance of an interfund loan will be permissible only after an analysis of the loaning fund(s) indicate that excess funds are available, and the use of these funds will not impact the loaning fund(s) current operations or constitute a permanent diversion of funds. All interfund borrowing will bear interest based upon at least the prevailing LGIP (Local Government Investment Pool) rate.

The decision to use an interfund loan rather than outside debt to fund capital projects will be based on which is deemed to be the most cost-effective approach to meet City capital needs. The City's Finance Department is responsible for making such an assessment. Interfund loans are not considered "debt" for purposes of State law, Securities Law, or Tax Law.

The City will not issue long-term debt for current operational needs, except in the event of an emergency.

Types of long-term debt the City may issue:

Limited Tax General Obligation (LTGO) Bonds: LTGO debt is secured by a pledge of the full faith and credit of the City and is payable from regular property taxes and other legally available funds. These bonds can be issued without a vote of registered voters but are limited in that debt service payments must be paid from legally available City revenue sources. The amount of LTGO outstanding debt cannot exceed the threshold stated above.

Unlimited Tax General Obligation (UTGO) Bonds: UTGO debt is secured by a pledge of the full faith and credit of the City and is payable from excess property taxes and other legally available funds. These bonds can only be issued when authorized by a 60% majority vote of registered voters (meeting the minimum voter turnout requirement). As part of the ballot proposition, voters will approve the issuance of the UTGO debt and an excess property tax levy, as a completely new and dedicated source of revenue, to pay the debt service. The amount of UTGO debt cannot exceed the thresholds stated above. Proceeds of UTGO debt are limited to capital purposes only and not the replacement of equipment.

Revenue Bonds: Revenue bonds are used to finance construction of and/or improvements to facilities of enterprise systems operated by the City in accordance with the Capital Facilities Plan and are payable from and secured by a pledge of revenue of the enterprise. No taxing power or general fund pledge is provided as security, with the exception of double-barrel bonds. Double-barrel bonds are a type of municipal bond that are backed by enterprise funds and the full faith and credit of the City. Unlike general obligation bonds, revenue bonds are not subject to the City's statutory debt limitation nor is voter approval required. Revenue bonds may contain certain covenants and obligations of the City, including but not limited to, future parity bond tests, annual debt service coverage requirements, restrictions on disposal of the enterprise facility/utility, and other terms to protect the stream of revenue pledged to the repayment of the revenue bonds.

Reserve accounts may be created on a transaction-by-transaction basis. Any reserve account created shall be maintained and funded as required by bond ordinances and as deemed advisable by the City Council or the designated representative on behalf of the City. The City shall structure any debt service reserve fund to not violate the Tax Code.

The City will strive for annual revenue bond debt coverage of at least 1.5 times the annual debt service paid in such year. Additional bonds issued may be subject to additional bonds tests as described in bond ordinances.

Special Assessment Bonds: Also referred to as Local Improvement District (LID) bonds, this type of debt is used to finance capital improvements that benefit property owners within the LID. LID debt is repaid from annual assessments paid to the City by property owners within the LID. LIDs are formed by City Council following the process outlined in State statutes and chapter 13.04 TMC. The cost is borne only by those who receive a special benefit from the improvements. LID debt is not part of the debt capacity calculation.

Other Debt Instruments: Instruments such as Public Works Trust Fund loans or other financing contracts issued through the State of Washington, federal grant loans, bond anticipation notes (BAN), tax anticipation notes (TAN), bank loans, and/or other legal debt issues may be incurred as allowed by law.

Refunding Debt

Refunding debt may be issued by the City in accordance with chapter 39.53 RCW. Refunding debt is typically issued to take advantage of lower interest rates for overall cost savings, restructure debt, or modify bond covenants. Refunding bonds are an acceptable use of bond proceeds provided that, and unless otherwise justified and found to be in the best interest of the City, a) the net present value (NPV) of the overall savings (not by maturity) is at least 3% and b) the final maturity date of the obligation is not extended.

Other Considerations

The following terms shall be applied to the City's debt transactions, as appropriate. Individual terms may change as dictated by the marketplace or the unique qualities of the transaction.

- **Maturity** –The City shall issue debt with an average life less than or equal to the average life of the assets being financed. Unless otherwise stated in law, the final maturity of the debt shall be no longer than 40 years (RCW 39.46.110).
- **Debt Service Structure** – Unless otherwise justified, debt service should be structured on a level basis (i.e., level annual payments). Refunding bonds should be structured to produce equal savings by fiscal year. Unless otherwise justified, debt shall not have capitalized interest. If appropriate, debt service reserve funds may be used for revenue bonds.
- **Price Structure** – The City’s long-term debt may include par, discount, and premium bonds. **Call Provisions** – For each transaction, the City shall evaluate the costs and benefits of call provisions. In general, the City shall opt for a call date no later than 10 ½ years from the date of the bonds.
- **Tax-exemption** – Unless otherwise justified and deemed necessary, the City shall issue its debt on a tax-exempt basis.
- **Reimbursement declaration** – Must be made prior to bond issuance if the City intends to be reimbursed out of tax exempt bond proceeds for capital costs paid prior to the closing date.
- The City will not use derivatives in connection with any new financings.
- The City will not become obligated for any new City debt or otherwise be involved in any new financing that would include a variable rate of interest or variable debt service (excluding of any additional rent payable under a financing lease or other obligation for ongoing transaction fees).

Section VI. Compliance Policies

The City will comply with all federal, State, contractual restrictions and City policies regarding the investment of bond proceeds and associated funds subject to debt-related investment limitations. Such requirements may include restrictions on the type of securities allowed the yield on such securities, and the length of time that such proceeds and funds may be invested.

For refunding escrows, the City may invest funds in State and Local Government Series (SLGS) securities issued by the U.S. Treasury, or, after satisfying requirements of Tax Law and if determined advisable after consultation with the City’s municipal advisor and bond counsel, in open-market securities as permitted under State law and relevant bond covenants.

The City will maintain a system for tracking bond proceeds, including how proceeds are invested, when they are spent, and for what purpose. Bond proceeds shall, unless otherwise permitted, be tracked separately from other City funds and on an issue by issue basis.

The City shall maintain records related to the bonds for the life of the bonds (plus any refunding bonds) plus three years.

The City will, unless otherwise permitted, spend at least 85% of tax-exempt bond proceeds within three years from the date of issuance pursuant to Tax Law, and take such steps as necessary to avoid or manage arbitrage. The City will maintain a system of recordkeeping and reporting to meet the arbitrage rebate compliance requirement of the IRS (Internal Revenue Service, IRC 148) regulation. For each bond issue, the recordkeeping will include tracking the yield and investment earnings on bond proceeds, calculating rebate payments, and remitting any rebate earnings to the federal government in a timely manner to preserve the tax-exempt status of the outstanding debt obligation. Any bond proceeds invested will comply with the City’s investment policy and strategies, unless further restricted by bond covenant. The

City may, when determined to be in the best interest of the City or required, contract with an arbitrage rebate consultant to assist with the arbitrage rebate calculation.

The City will repay principal plus interest in accordance with the payment terms of the bond or contract. Furthermore, the City will comply with all bond or contract covenants. This includes, but is not limited to, any undertakings to provide ongoing disclosure and notice of certain listed events under Securities Laws. Annual disclosure will take the form of the City's audited annual financial statements as well as other information required by the bond or contract that is not reasonably contained in the annual report. The City Finance Director will develop and comply with all post-issuance compliance policies and procedures related to Tax Law and policies and procedures relating to initial and ongoing disclosure under Securities Laws.

The Finance Director and bond counsel will coordinate their activities and review all debt issuance to ensure that all securities are issued in compliance with State and federal legal and regulatory requirements by the State law, Tax Law, Securities Law, rules and regulations.

The Finance Director may institute procedures to implement this policy and other bond covenants and provisions related to State law, Tax Law, Securities Law, rules and regulations applicable to the City's debt.

No derivative products shall be used in connection with City debt.

Section VII. Other Policies

Periodic Review

This debt policy must be adopted by Council. The policy will be reviewed at least every four years by the Finance Department and modifications must be submitted to and approved by the Council.



INFORMATIONAL MEMORANDUM

TO: **Finance & Governance Committee**
CC: **Mayor McLeod**
FROM: **Tony Cullerton, Deputy Finance Director**
DATE: **June 23, 2025**
SUBJECT: **May 2025 Financial Report**

Financial Overview Through May 2025

As of the end of May 2025, we have completed 41.7% of the fiscal year. Overall, the City's financial position remains stable, with both General Fund revenues and expenditures tracking close to expectations. General Fund revenues are at 45.1% of the annual budget, while expenditures are slightly lower at 40.2%. These levels suggest the City is on track to meet its annual financial targets, although there are some notable variances compared to the prior year that warrant additional explanations.

General Fund Revenues

General Fund revenues through May total \$34.5 million (P. 2 of the Report), representing a slight year-over-year decrease of 3.8% or approximately \$1.38 million (P.4) compared to 2024. This decline is largely attributed to a reduction in property tax collections, which are down 25.2% or \$2.4 million (P.4) compared to the same period last year. This is due to the intentional decision to collect \$6 million less in property tax than in the prior year. Offsetting this decline are several strong revenue categories. Business & Occupation Taxes are new revenues in which there were no collections as of May in 2024. Permitting revenue also continues to perform well; Building Permits and Rental Housing Permits have risen 30.3% (P.4) year-over-year, reflecting sustained development activity in the City.

Additionally, Charges for Services have increased by 47.3% (P.4) compared to last year, with Plan Check and Review fees and Security revenue showing the largest increases. Admission Taxes are up 39% (P.4), suggesting strong public engagement and use of local services and facilities. However, other areas such as Intergovernmental Payments and Gambling Taxes have declined by 19.5% and 17.6% (P.4), respectively. Intergovernmental Payment reductions are a result of the elimination of ARPA grant funding and Fire moving to the RFA. The decline in gambling tax revenue is attributed to a long-term renovation project, which resulted in the extended closure of one cardroom.

General Fund Expenditures

On the expenditure side, the City has spent \$30.1 million through May (P.6), representing 40.2% of the budget and reflecting a 12% decrease, or about \$4 million (P.8), compared to the prior year. This decrease is largely the result of the Fire Department's expenses falling by nearly \$8 million, or 96.9% (P.8). Vehicle lease expenses are now recorded in Non-Departmental rather than in the department-specific line items. As a result, Non-Departmental expenditures show a sharp increase of 194.7%, or \$549,000 (P.8).

Other departments experiencing notable increases in expenditures include the Police Department, which spent \$1.5 million more than in the same period last year, an increase of 15.1% (P.8). Causes of the increase are Fleet Vehicles and Dispatch Services. Finance Department expenses are up 18.5%, or nearly \$400,000 (P.8). Increases are to software costs and Insurance Liability increase, Street and Park Maintenance also show increases of 15.1% and 24.4% (P.8), respectively. These increases reflect both inflationary increases Project Costs (EarthCorps - Southgate Park Ecological Restoration).

Special Revenue and Capital Funds

Outside of the General Fund, Special Revenue and Capital funds reported variances. In the Hotel/Motel Fund, revenues are down 13.6%, primarily due to lower investment earnings, while expenditures have decreased by 16.4% (P.14). The Residential Street Fund has seen a significant 51.2% (P.16) decline in revenue compared to last year, due largely to the absence of anticipated grant funding and reduced state entitlements. Similarly, expenditures in that fund are down nearly 50% (P.16).

The Arterial Street Fund reported an 18.9% drop in revenue, with grant revenue down more than 80%, and capital expenditures lower by 39.7% (P.20) compared to last year. These figures reflect project scheduling and are not unexpected at this time of year.

Enterprise Funds and Other Operations

The City's Enterprise Utility Funds continue to perform steadily. In the Water Utility Fund, revenues are up 8.4%, driven by a 10% (P.40) increase in water service. Expenditures rose by nearly 9% (P.40), primarily due to increased spending on capital and personnel. The Sewer Utility Fund saw a 6.1% (P.43) increase in revenue, alongside a 28.6% (P.43) increase in expenditures, largely due to capital outlays (2023 Central Business District Sanitary Sewer Rehabilitation Phase 4B) and internal cost allocations (budgetary increase of interfund transfer from Sewer to City Facilities Capital Project Fund).

Finally, the Foster Golf Course Fund continues to see improved performance. Revenues increased 31.4% year-over-year, supported by strong greens fees, which increased by 21% (P.44), and an up-tick in other income. Expenditures are down slightly, indicating that operations remain well-managed despite increased use.

In summary, the City's financial condition through the first five months of 2025 remains sound. Revenues are keeping pace with the budget, and expenditures are being carefully managed. Staff will continue to monitor revenue collection trends, particularly those impacted by timing or external variables such as grants and intergovernmental transfers and will provide updates as conditions evolve.

Summary at Glance

General Fund Performance Summary:

Revenues:

Year-to-date (YTD) General Fund revenues total \$34.5 million, or 45.1% of the annual budget. This is a 3.8% decrease (\$1.38 million) from the same period in 2024. Notable changes include:

- **Business & Occupation Taxes** ↑ **343.9%** (+\$1.07 million) – Due to prior-year under collection or updated filings.
- **Building Permits & Rental Housing Permits** ↑ **30.3%** (+\$245K) – reflects strong construction activity.
- **Charges for Services** ↑ **47.3%** (+\$411K) – indicates higher demand for city services.
- **Admission Taxes** ↑ **39.0%** (+\$124K).
- **Intergovernmental Payments** ↓ **19.5%** (-\$824K).
- **Gambling Taxes** ↓ **17.6%** (-\$381K).
- **Property Taxes** ↓ **25.2%** (-\$2.4 million) – likely due to timing or distribution delays.

Expenditures:

YTD expenditures total \$30.1 million, or 40.2% of the annual budget, showing a **12%** decrease (-\$4.04 million) from 2024. Key variances:

- **Non-Departmental Expenses** ↑ **194.7%** (+\$549K) – includes vehicle lease costs that were previously in Fleet Fund.
- **Finance Department** ↑ **18.5%** (+\$397K).
- **Mayor's Office** ↑ **14.9%** (+\$486K).
- **Police Department** ↑ **15.1%** (+\$1.51 million).
- **Street Maintenance** ↑ **15.1%** (+\$315K).
- **Park Maintenance** ↑ **24.4%** (+\$231K).
- **Fire Department** ↓ **96.9%** (-\$8.0 million) – reflects reallocation or accounting change.
- **Services (excluding PSRFA)** ↑ **14.8%** (+\$1.3 million).
- **Transfers Out to Other Funds** ↑ **125%** (+\$102K).

Key Funds of Interest – Notable Variances >5% and \$50K:

Hotel/Motel Fund (101):

- Revenues ↓ 13.6% (-\$50.6K), driven by lower investment earnings.
- Expenditures ↓ 16.4% (-\$37K) due to lower services spending.

Residential Street Fund (103):

- **Revenues** ↓ **51.2%** (-\$108.6K), mainly due to timing or absence of grants and state entitlements.
- **Expenditures** ↓ **49.9%** (-\$47K).

Arterial Street Fund (104):

- **Revenues** ↓ **18.9%** (-\$491K), particularly in grant revenue (-80.9%) and REET (-36.8%).
- **Expenditures** ↓ **39.7%** (-\$588K), mainly from reduced capital spending.

- **Water Utility Fund (401):**

- **Revenues** ↑ **8.4%** (+\$250K), driven by a **10%** increase in water sales.
- **Expenditures** ↑ **8.9%** (+\$289K), due to increased spending on capital assets and personnel.

- **Sewer Utility Fund (402):**

- **Revenues** ↑ **6.1%** (+\$270K), from higher sewer sales.
- **Expenditures** ↑ **28.6%** (+\$1.25 million), driven by new capital investment and internal charges.

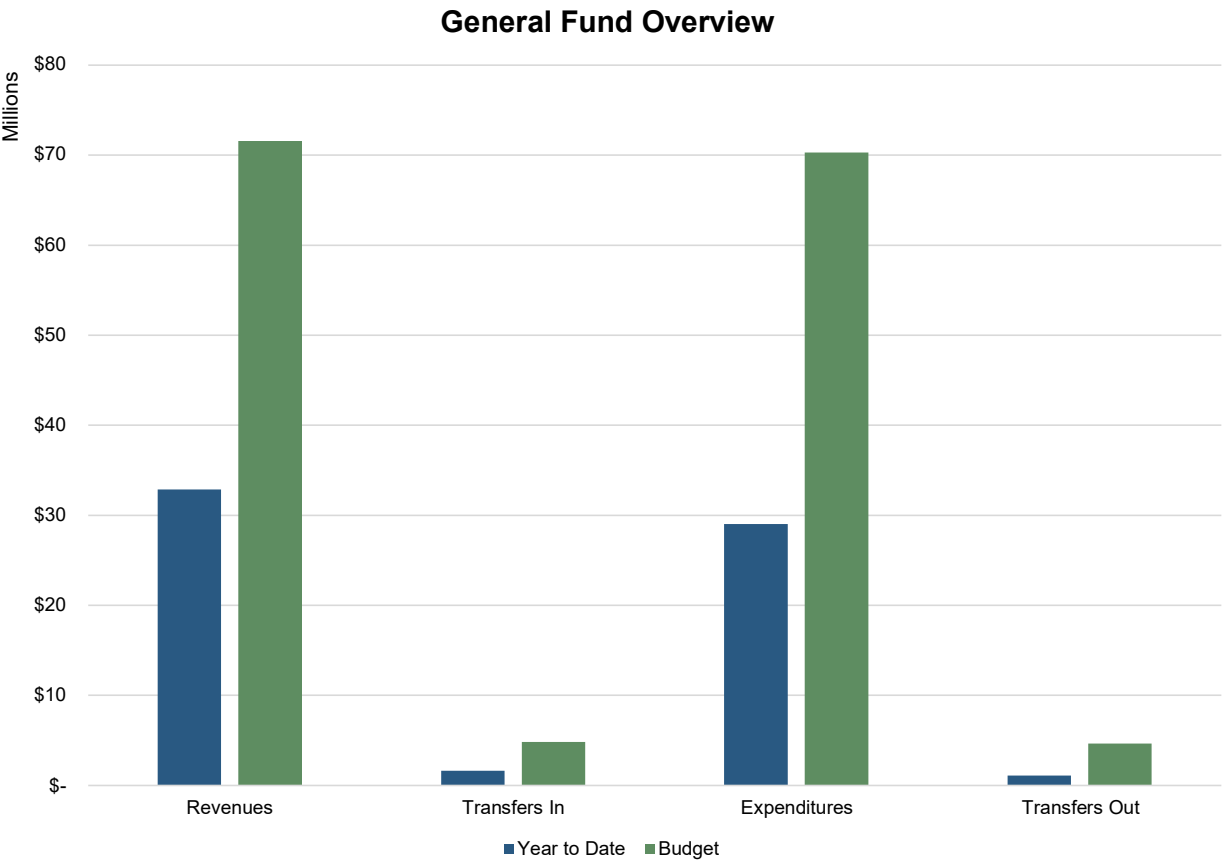
- **Foster Golf Course (411):**

- **Revenues** ↑ **31.4%** (+\$209K), driven by greens fees (+21.1%) and other income (+301%).

Expenditures ↓ **2.5%** (-\$28.7K), showing controlled spending despite increased operations.

General Fund Overview				
	2025 Actuals through May		2025 Total Budget	Budget Variance % of Annual Budget
Revenues	\$	32,865,866	\$ 71,601,037	45.9%
Transfers In		1,626,244	4,836,952	33.6%
Expenditures		29,016,179	70,298,671	41.3%
Transfers Out		1,107,599	4,663,479	23.8%
Net Revenues Less Expenditures		4,368,332	1,475,839	% of Year Complete 41.7%

General Fund figures include General Fund and Contingency Fund, a Sub-Fund of the General Fund

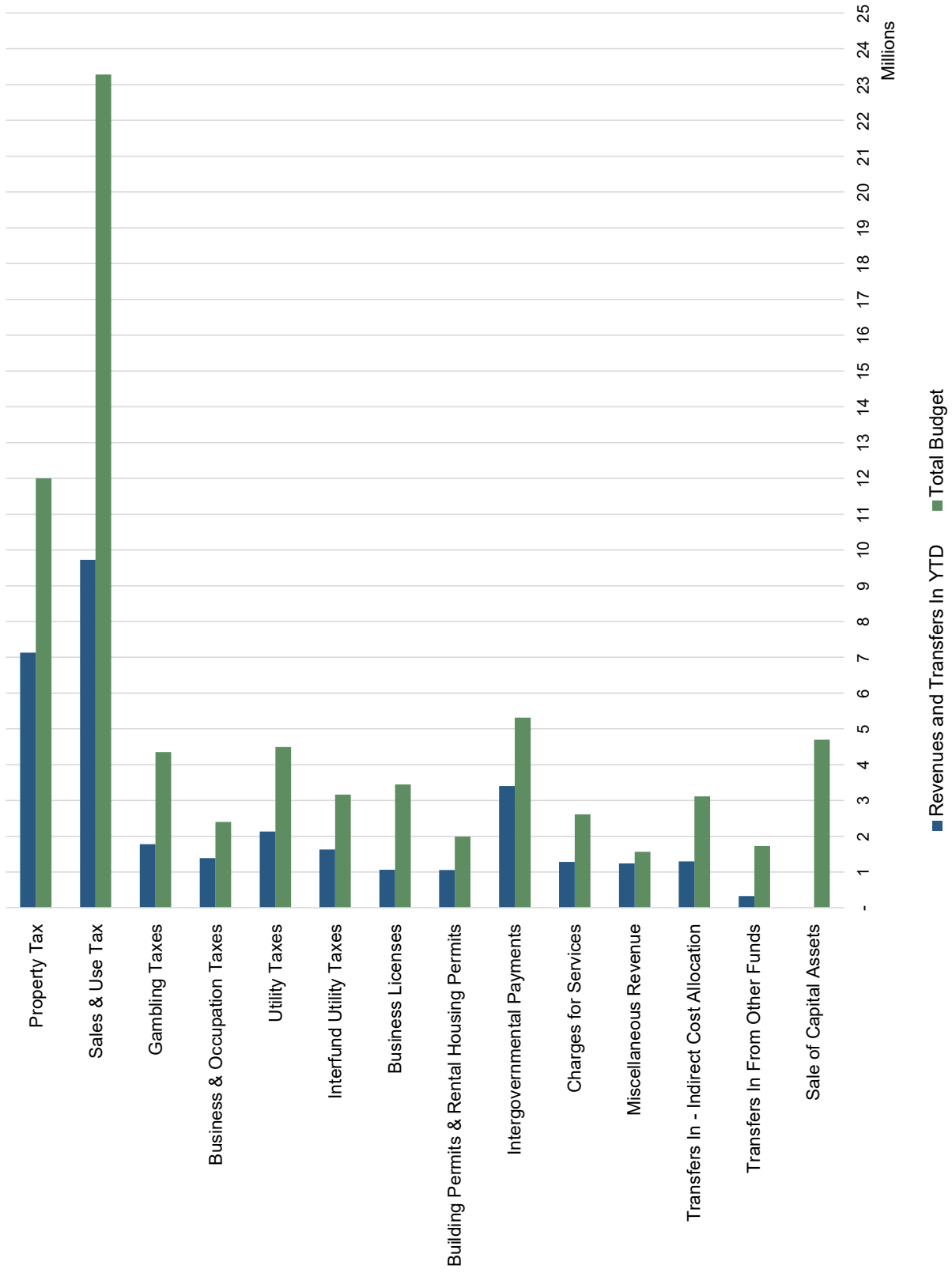


General Fund Overview - Revenues and Transfers In by Category

Category	2025 Total Budget	2025 Revenues through May	Budget Variance (Unfavorable) / Favorable	Budget Variance % of Annual Budget
Taxes:				
Property Tax	11,999,227	7,133,697	4,865,530	59.5%
Sales & Use Tax	23,283,886	9,719,557	13,564,329	41.7%
Other Sales Taxes	1,163,100	457,186	705,914	39.3%
Gambling Taxes	4,349,500	1,781,450	2,568,050	41.0%
Business & Occupation Taxes	2,400,000	1,386,566	1,013,434	57.8%
Utility Taxes	4,493,702	2,133,373	2,360,329	47.5%
Interfund Utility Taxes	3,167,729	1,628,676	1,539,053	51.4%
Admission Taxes	859,235	441,476	417,759	51.4%
Leasehold Excise Tax	260,000	136,726	123,274	52.6%
Business Licenses	3,445,500	1,063,273	2,382,227	30.9%
Building Permits & Rental Housing Permits	1,985,200	1,056,968	928,232	53.2%
Intergovernmental Payments	5,313,474	3,404,766	1,908,708	64.1%
Charges for Services	2,612,121	1,279,808	1,332,313	49.0%
Miscellaneous Revenue	1,568,363	1,242,343	326,020	79.2%
Transfers In - Indirect Cost Allocation	3,111,694	1,296,538	1,815,156	41.7%
Transfers In From Other Funds	1,725,258	329,706	1,395,552	19.1%
Sale of Capital Assets	4,700,000	-	4,700,000	0.0%

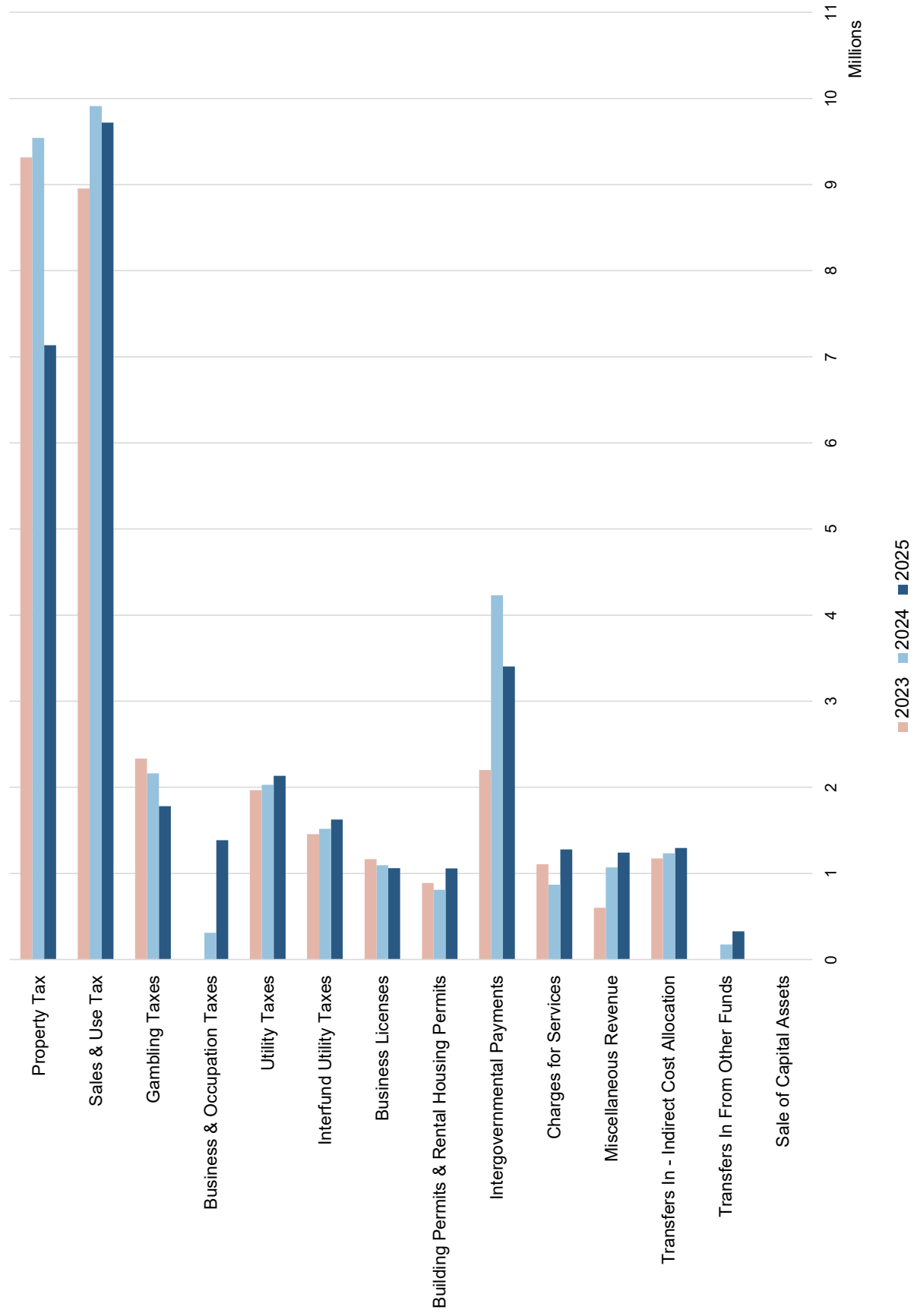
Total	76,437,989	34,492,109	45,512,921	45.1%
			Percent of Year Complete:	41.7%

General Fund Major Revenues



General Fund: Year-to-Year Revenues and Transfers In				
Category	2023 Revenues Through May	2024 Revenues Through May	2025 Revenues through May	2025 vs 2024 \$ %
Taxes:				
Property Tax	9,317,801	9,539,911	7,133,697	(2,406,214) -25.2%
Sales & Use Tax	8,952,577	9,909,767	9,719,557	(190,210) -1.9%
Other Sales Taxes	509,043	463,970	457,186	(6,784) -1.5%
Gambling Taxes	2,334,179	2,162,616	1,781,450	(381,166) -17.6%
Business & Occupation Taxes	-	312,351	1,386,566	1,074,215 +343.9%
Utility Taxes	1,968,340	2,029,887	2,133,373	103,486 +5.1%
Interfund Utility Taxes	1,456,338	1,518,717	1,628,676	109,959 +7.2%
Admission Taxes	401,170	317,701	441,476	123,775 +39.0%
Leasehold Excise Tax	121,273	127,562	136,726	9,164 +7.2%
Business Licenses	1,165,603	1,095,007	1,063,273	(31,734) -2.9%
Building Permits & Rental Housing Permits	887,759	811,205	1,056,968	245,763 +30.3%
Intergovernmental Payments	2,203,157	4,228,945	3,404,766	(824,179) -19.5%
Charges for Services	1,107,093	868,716	1,279,808	411,092 +47.3%
Miscellaneous Revenue	601,870	1,070,986	1,242,343	171,357 +16.0%
Transfers In - Indirect Cost Allocation	1,176,005	1,234,804	1,296,538	61,734 +5.0%
Transfers In From Other Funds	-	176,392	329,706	153,314 +86.9%
Sale of Capital Assets	-	-	-	- -
Total	32,202,208	35,868,537	34,492,109	(1,376,428) -3.8%

General Fund Major Revenues Prior Year Comparisons YTD

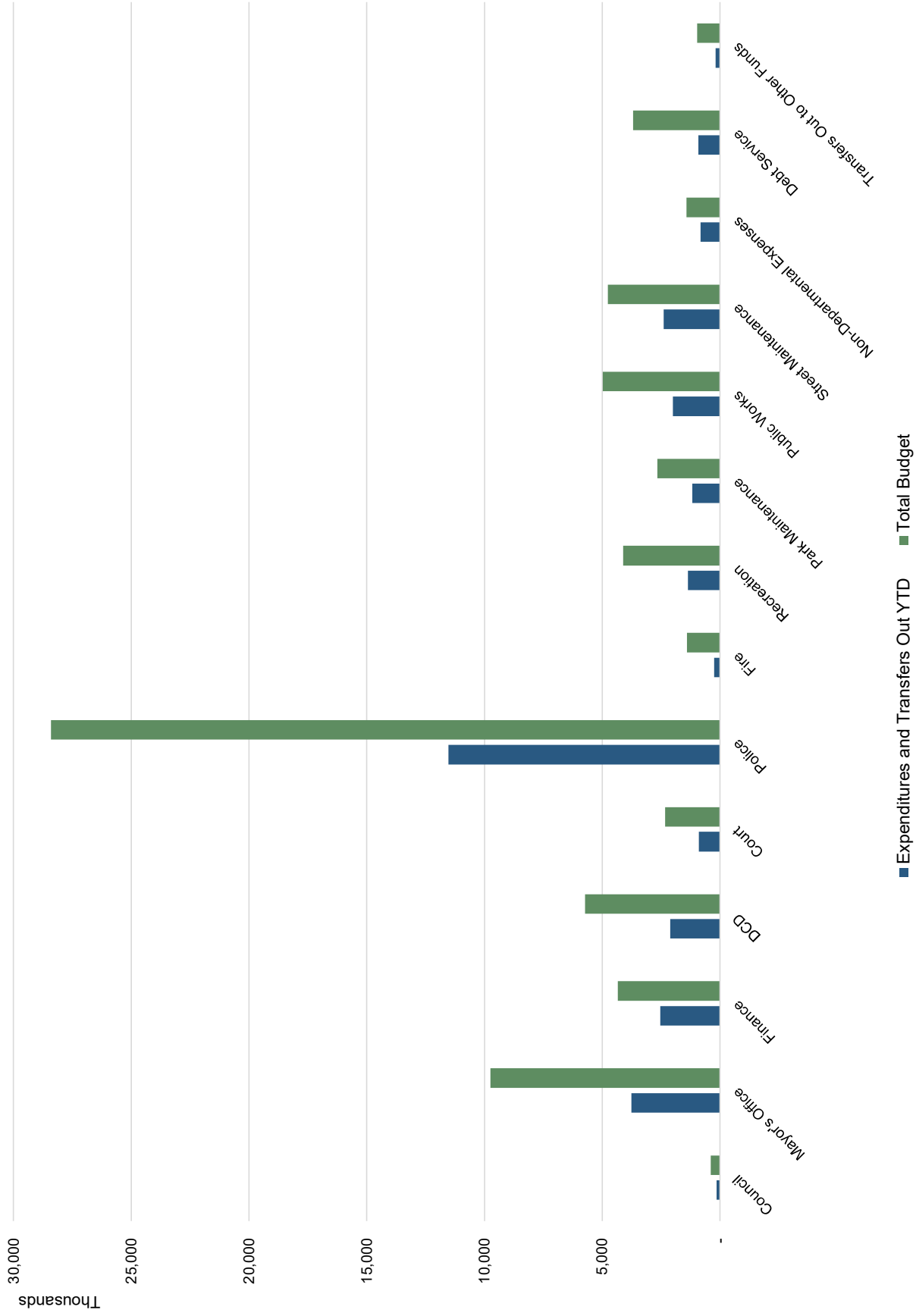


General Fund Overview - Expenditures & Transfers Out by Department

Department	2025 Total Budget	2025 Expenses through May	Budget Variance (Unfavorable) / Favorable	Budget Variance % of Annual Budget
City Council	\$ 400,093	\$ 153,682	\$ 246,411	38.4%
Mayor's Office	9,748,218	3,759,047	5,989,171	38.6%
Administrative Services	-	-	-	
Finance Department	4,343,230	2,538,865	1,804,365	58.5%
Community Development (DCD)	5,732,921	2,108,821	3,624,100	36.8%
Municipal Court	2,329,525	899,377	1,430,148	38.6%
Police Department	28,411,330	11,534,789	16,876,541	40.6%
Fire Department	1,398,192	256,730	1,141,462	18.4%
Recreation Department	4,110,113	1,356,424	2,753,689	33.0%
Park Maintenance Dept	2,659,037	1,178,638	1,480,399	44.3%
Public Works Dept	4,977,693	2,000,303	2,977,390	40.2%
Street Maintenance Dept	4,761,271	2,397,868	2,363,403	50.4%
Non-Departmental				
Expenses	1,427,046	831,635	595,411	58.3%
Transfers Out - Debt Service	3,692,390	923,099	2,769,291	25.0%
Transfers Out to Other Funds	971,089	184,500	786,589	19.0%

Total	74,962,148	30,123,778	44,838,370	40.2%
			Percent of Year Complete:	41.7%

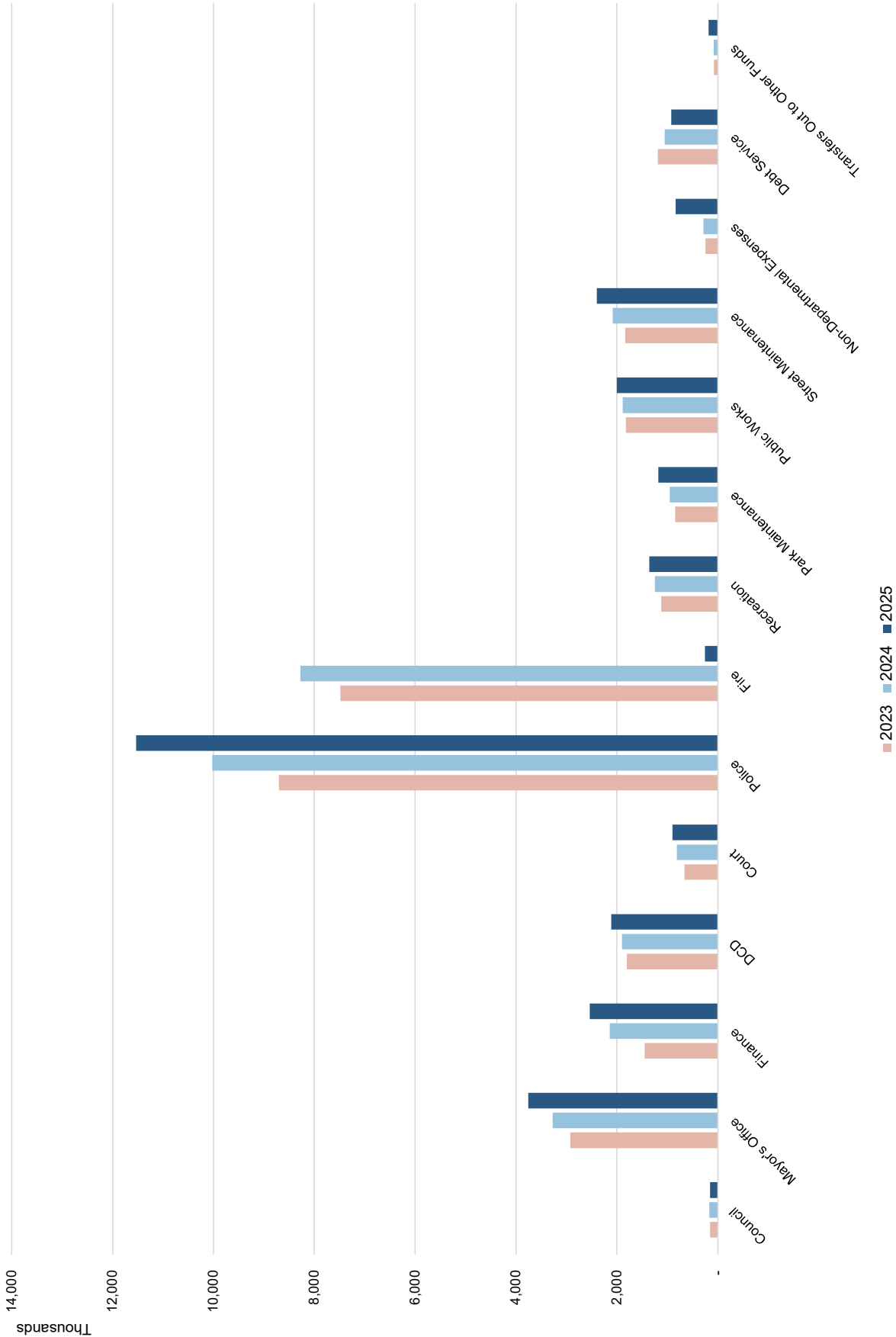
General Fund Expenditures and Transfers Out by Department



General Fund Overview - Year-to-Year Expenditures & Transfers Out by Department					
Category	2023 Expenses through May	2024 Expenses through May	2025 Expenses through May	2025 vs 2024 \$	2025 vs 2024 %
City Council	\$	155,690	169,346	\$	
Mayor's Office		2,926,438	3,272,907		
Finance Department		1,448,069	2,141,906		
Community Development (DCD)		1,801,921	1,899,405		
Municipal Court		658,813	811,361		
Police Department		8,701,483	10,021,213		
Fire Department		7,480,438	8,274,695		
Recreation Department		1,119,104	1,246,409		
Park Maintenance Dept		842,480	947,229		
Public Works Dept		1,819,001	1,885,037		
Street Maintenance Dept		1,834,614	2,082,618		
Non-Departmental					
Expenses ¹		245,701	282,181		
Transfers Out - Debt Service		1,187,457	1,051,586		
Transfers Out to Other Funds		75,000	82,017		
Total		30,296,209	34,167,909	30,123,778	(4,044,131)
					-12%

Notes:
¹In 2025, vehicle leases across the General Fund are now Non-Departmental expenses. From 2023-2024, these expenses were paid from savings accumulated in the Fleet Fund

General Fund Expenditures by Department Prior Year Comparisons YTD



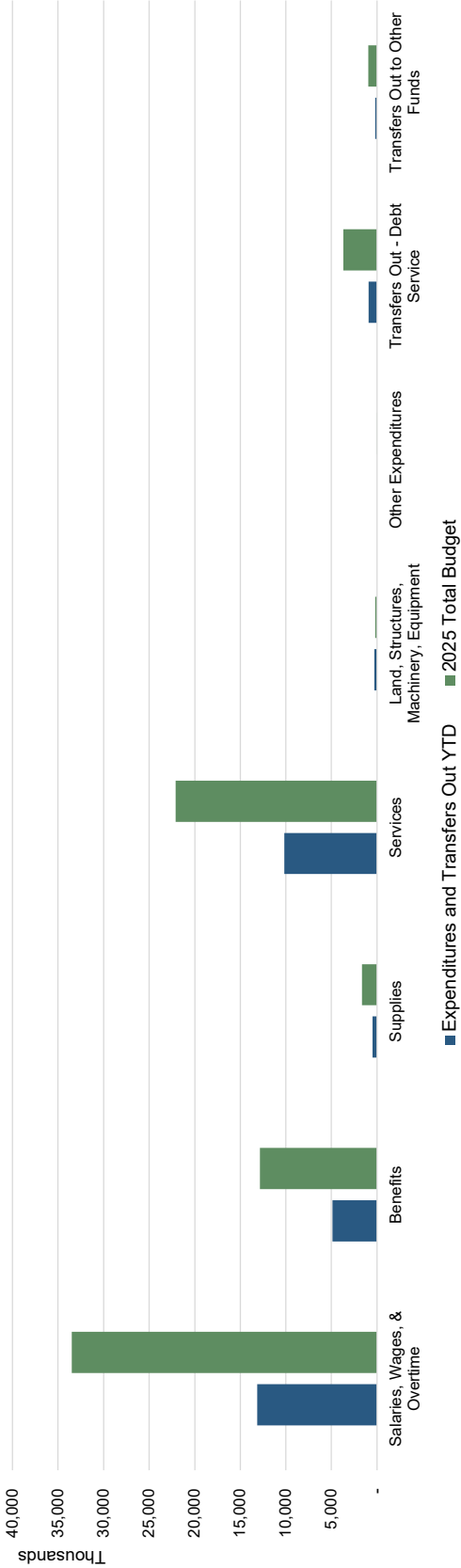
General Fund Overview - Expenditures by Category

Category	2025 Total Budget	2025 Expenses through May	Budget Variance (Unfavorable) / Favorable	Budget Variance % of Annual Budget
Salaries, Wages, & Overtime	33,466,376	13,143,313	20,323,063	39.3%
Benefits	12,851,718	4,891,822	7,959,896	38.1%
Supplies	1,640,914	504,372	1,136,542	30.7%
Services	22,109,457	10,187,016	11,922,441	46.1%
Land, Structures, Machinery, Equipment	200,000	289,656	(89,656)	144.8%
Other Expenditures	30,205	-	30,205	0.0%
Transfers Out - Debt Service	3,692,390	923,099	2,769,291	25.0%
Transfers Out to Other Funds	971,089	184,500	786,589	19.0%

Total74,962,14930,123,77844,838,37140.2%

Percent of Year Complete:41.7%

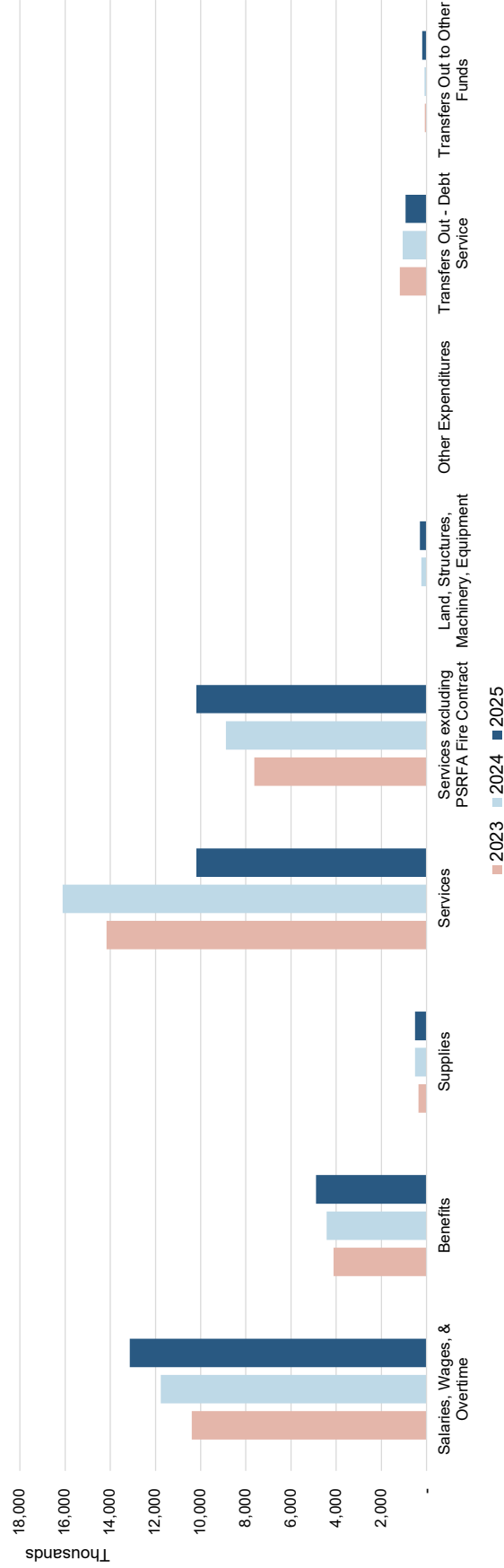
General Fund Expenditures and Transfers Out by Category



General Fund: Year-to-Year Expenditures & Transfers Out by Category

Category	2023 Expenses through May	2024 Expenses through May	2025 Expenses through May	2025 vs 2024 \$	2025 vs 2024 %
Salaries, Wages, & Overtime	10,389,063	11,773,010	13,143,313	1,370,303	+11.6%
Benefits	4,123,554	4,423,058	4,891,822	468,764	+10.6%
Supplies	352,386	505,673	504,372	(1,301)	-0.3%
Services	14,168,749	16,106,675	10,187,016	(5,919,659)	-36.8%
Services excluding PSRFA Fire Contract	7,624,398	8,874,041	10,187,016	1,312,975	+14.8%
Land, Structures, Machinery, Equipment	-	225,891	289,656	63,765	+28.2%
Other Expenditures	-	-	-	-	-
Transfers Out - Debt Service	1,187,457	1,051,586	923,099	(128,487)	-12.2%
Transfers Out to Other Funds	75,000	82,017	184,500	102,483	+125.0%
Total	30,296,209	34,167,910	30,123,778	(4,044,132)	-11.8%

General Fund Expenditures by Category Prior Year Comparisons YTD



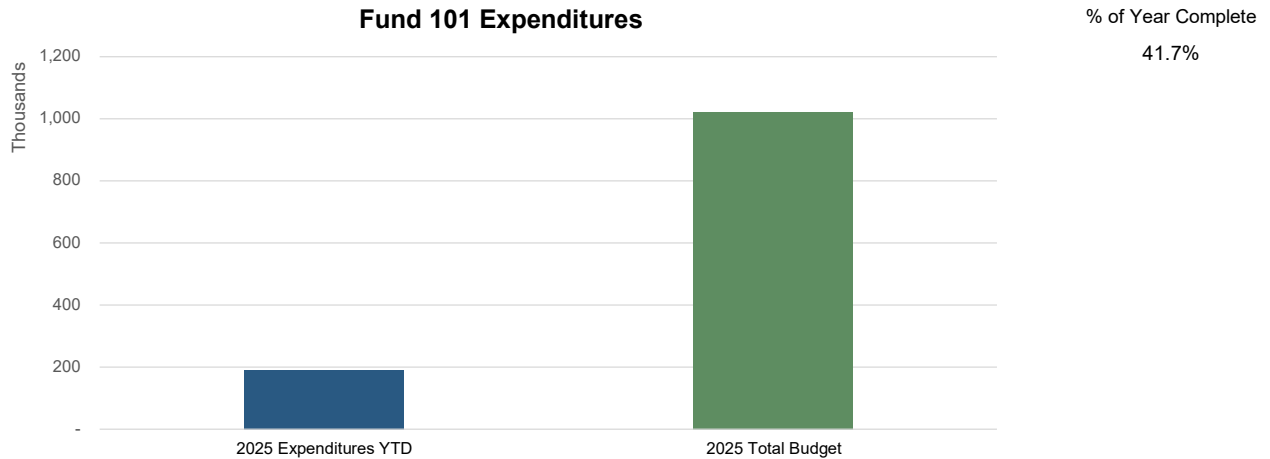
Fund 101 Hotel/Motel Special Revenue Fund

Overview

	2025 through May		2025 Total Budget		Budget Variance % of Annual Budget
Revenues	\$	320,130	\$	897,750	35.7%
Expenditures		178,605		992,204	18.0%
Transfers Out		12,171		29,209	41.7%
<hr/>					
Net Revenues Less Expenditures		129,354		(123,663)	
					% of Year Complete
					41.7%

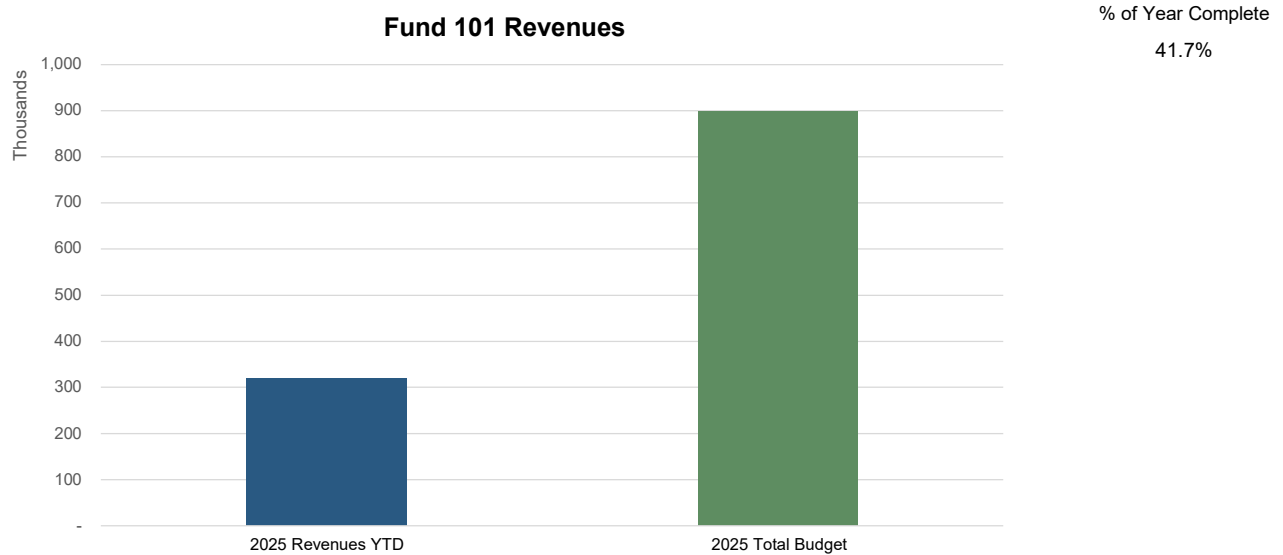
Fund 101 Hotel/Motel Special Revenue Fund
Expenditures and Transfers Out by Category

Category	2025 Total Budget	2025 Expenses through May	Budget Variance (Unfavorable) / Favorable	Budget Variance % of Annual Budget
Salaries, Wages, & Overtime	51,393	21,606	29,787	42.0%
Benefits	20,561	4,792	15,769	23.3%
Supplies	3,000	-	3,000	0.0%
Services	917,250	152,207	765,043	16.6%
Transfers Out - Internal Cost Allocation	29,209	12,171	17,038	41.7%
Total	1,021,413	190,776	830,637	18.7%



Revenues and Transfers In by Category

Category	2025 Total Budget	2025 Revenues through May	Budget Variance (Unfavorable) / Favorable	Budget Variance % of Annual Budget
Hotel/Motel Tax	850,000	285,586	(564,414)	33.6%
Investment Earnings	47,750	34,544	(13,206)	72.3%
Total	897,750	320,130	(577,620)	35.7%



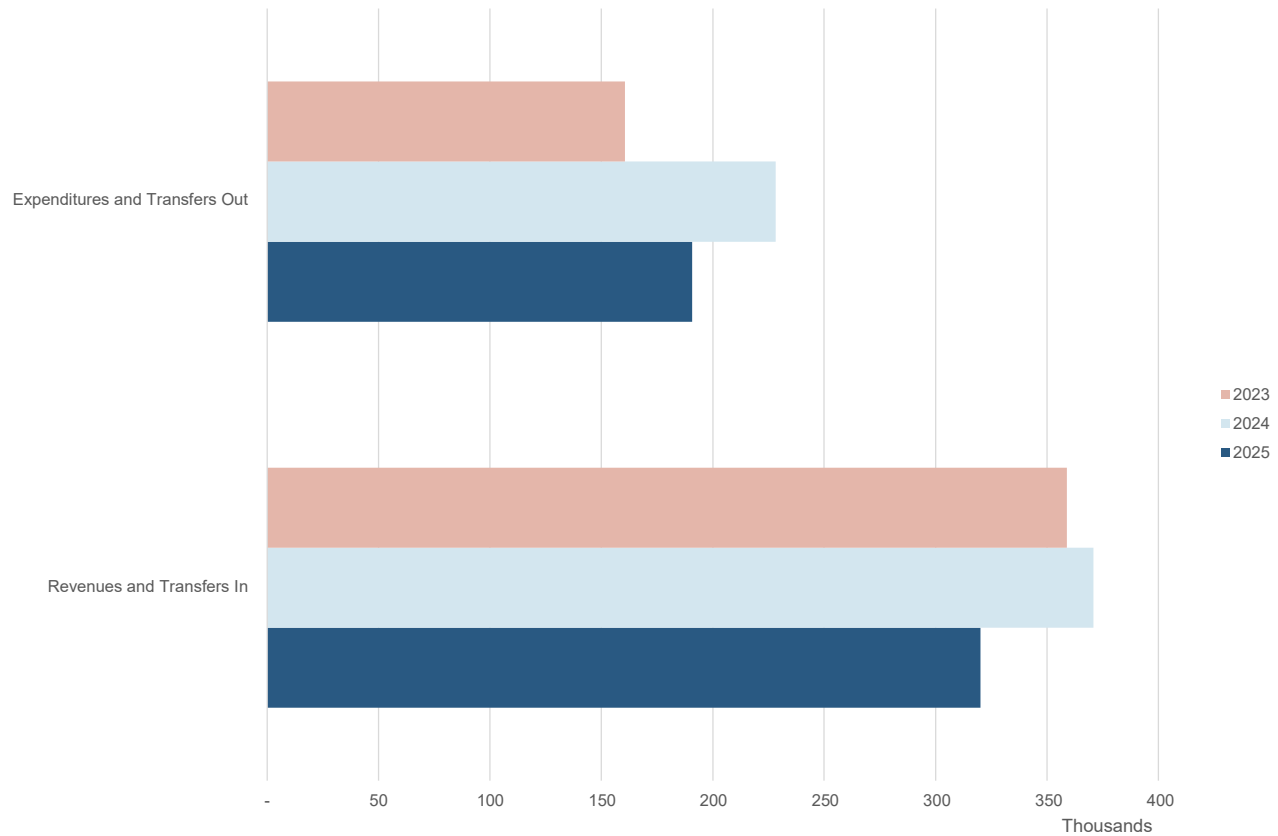
Fund 101 Hotel/Motel Special Revenue Fund
Year-to-Year Expenditures & Transfers Out by Category

Category	2023 Expenses through May	2024 Expenses through May	2025 Expenses through May	2025 vs 2024	
				\$	%
Salaries, Wages, & Overtime	\$ 29,398	\$ 37,956	\$ 21,606	\$ (16,350)	-43.1%
Benefits	7,386	8,844	4,792	(4,052)	-45.8%
Services	112,630	169,754	152,207	(17,547)	-10.3%
Transfers Out - Internal Cost Allocation	11,040	11,592	12,171	579	+5.0%
Total	160,608	228,146	190,776	(37,370)	-16.4%

Fund 101 Hotel/Motel Special Revenue Fund
Year-to-Year Revenues and Transfers In by Category

Category	2023 Revenues through May	2024 Revenues through May	2025 Revenues through May	2025 vs 2024	
				\$	%
Hotel/Motel Tax	314,102	305,853	285,586	(20,267)	-6.6%
Investment Earnings	44,765	64,856	34,544	(30,312)	-46.7%
Total	358,867	370,709	320,130	(50,579)	-13.6%

Fund 101 Prior Year Comparisons YTD



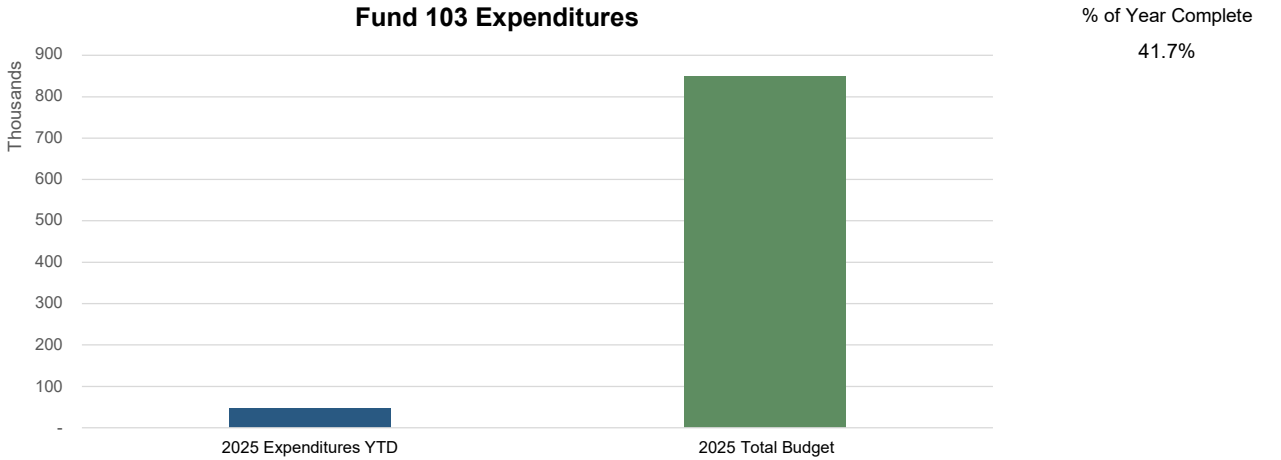
Fund 103 Residential Street Fund

Overview

	2025 through May		2025 Total Budget		Budget Variance % of Annual Budget
Revenues	\$	103,572	\$	1,130,000	9.2%
Expenditures		47,228		850,000	5.6%
Net Revenues Less Expenditures		56,344	280,000		% of Year Complete 41.7%

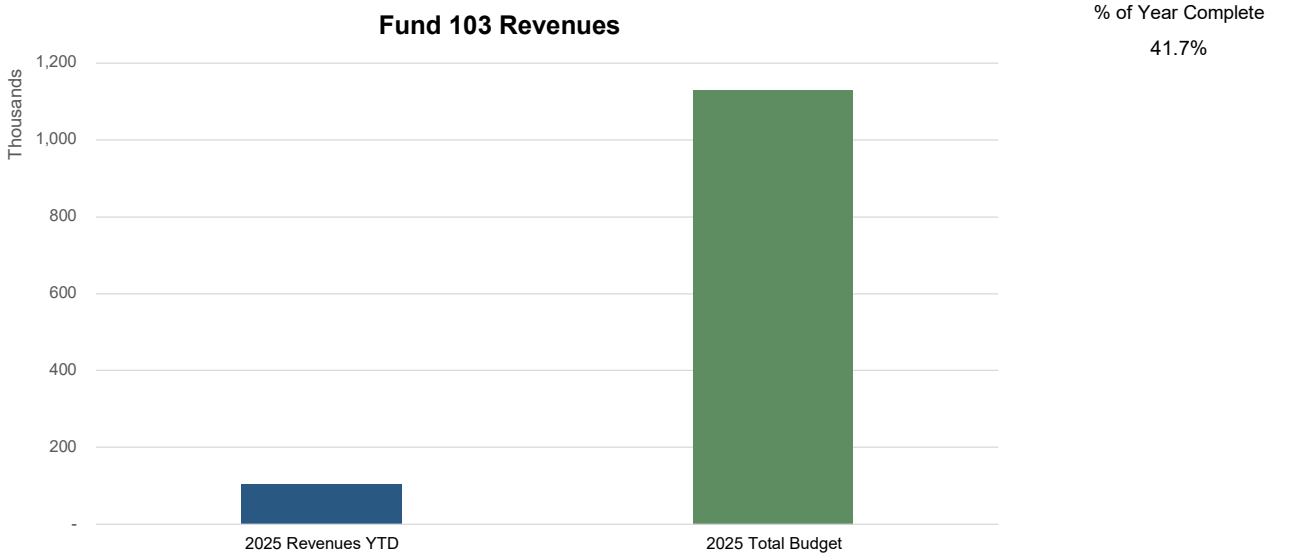
Fund 103 Residential Street Fund
Expenditures and Transfers Out by Category

Category	2025 Total Budget	2025 Expenses through May	Budget Variance (Unfavorable) / Favorable	Budget Variance % of Annual Budget
Supplies	-	5,266	(5,266)	-
Services	850,000	41,962	808,038	4.9%
Total	850,000	47,228	802,772	5.6%



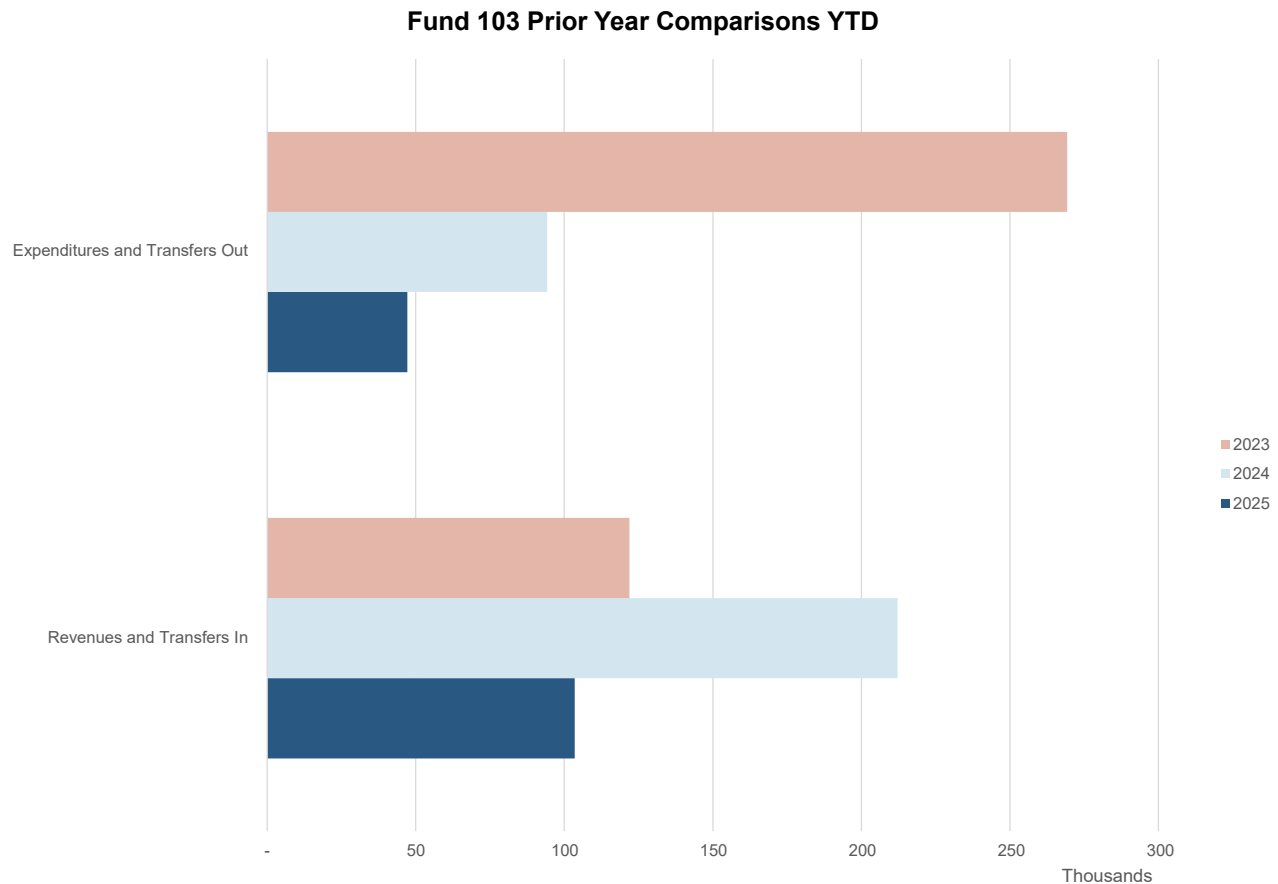
Revenues and Transfers In by Category

Category	2025 Total Budget	2025 Revenues through May	Budget Variance (Unfavorable) / Favorable	Budget Variance % of Annual Budget
Utility Taxes	100,000	-	(100,000)	0.0%
Grant Revenues	724,000	-	(724,000)	0.0%
State Entitlements	280,000	78,482	(201,518)	28.0%
Investment Earnings	26,000	25,091	(909)	96.5%
Total	1,130,000	103,572	(1,026,428)	9.2%



Fund 103 Residential Street Fund						
Year-to-Year Expenditures & Transfers Out by Category						
Category	2023 Expenses through May	2024 Expenses through May	2025 Expenses through May	2025 vs 2024		
				\$	%	
Salaries, Wages, & Overtime	\$ 7,544	\$ 1,935	\$ -	\$ (1,935)	-100.0%	
Benefits	4,769	868	-	(868)	-100.0%	
Supplies	-	12,902	5,266	(7,636)	-59.2%	
Services	256,995	50,818	41,962	(8,856)	-17.4%	
Land, Structures, Machinery, Equipment	-	27,762	-	(27,762)	-100.0%	
Total	269,308	94,285	47,228	(47,057)	-49.9%	

Fund 103 Residential Street Fund						
Year-to-Year Revenues and Transfers In by Category						
Category	2023 Revenues through May	2024 Revenues through May	2025 Revenues through May	2025 vs 2024		
				\$	%	
Grant Revenues	-	70,797	-	(70,797)	-100.0%	
State Entitlements	110,560	107,428	78,482	(28,946)	-26.9%	
Investment Earnings	11,379	26,956	25,091	(1,865)	-6.9%	
Transfers In	-	7,017	-	(7,017)	-100.0%	
Total	121,939	212,198	103,573	(108,625)	-51.2%	



Fund 104 Arterial Street Fund

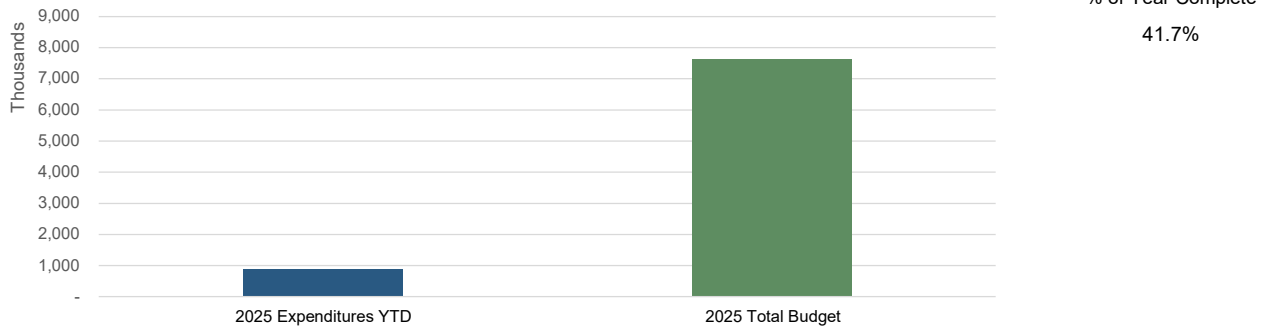
Overview

	2025 through May		2025 Total Budget		Budget Variance % of Annual Budget
Revenues	\$	2,105,658	\$	5,586,001	37.7%
Expenditures		891,860		7,636,726	11.7%
Net Revenues Less Expenditures		1,213,798		(2,050,725)	
					% of Year Complete 41.7%

Fund 104 Arterial Street Fund
Expenditures and Transfers Out by Category

Category	2025 Total Budget	2025 Expenses through May	Budget Variance (Unfavorable) / Favorable	Budget Variance % of Annual Budget
Salaries, Wages, & Overtime	\$ 793,142	\$ 267,007	\$ 526,135	34%
Benefits	312,185	92,939	219,246	30%
Supplies	23,200	45,136	(21,936)	194.6%
Services	6,508,200	313,788	6,194,412	4.8%
Land, Structures, Machinery, Equipment	-	172,991	(172,991)	-
Total	7,636,727	891,861	6,744,866	11.7%

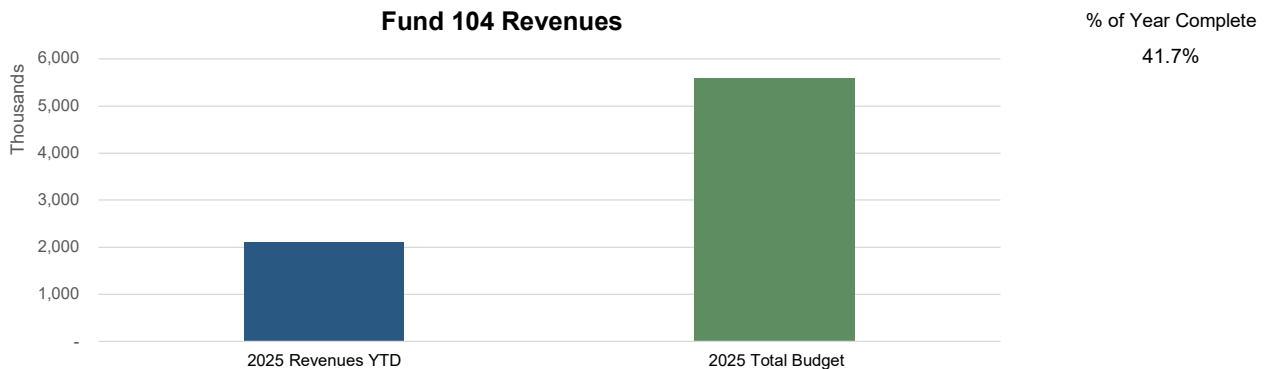
Fund 104 Expenditures



Revenues and Transfers In by Category

Category	2025 Total Budget	2025 Revenues through May	Budget Variance (Unfavorable) / Favorable	Budget Variance % of Annual Budget
Utility Taxes	\$ 1,320,000	\$ 654,335	\$ (665,665)	49.6%
Parking Tax	800,000	331,313	(468,687)	41.4%
Real Estate Excise Tax (REET)	500,000	212,110	(287,890)	42.4%
Permits	1	-	(1)	0.0%
Franchise Fees	450,000	194,050	(255,950)	43.1%
Grant Revenues	2,026,000	144,889	(1,881,111)	7.2%
State Entitlements	135,000	39,868	(95,132)	29.5%
General Government Revenue	-	360	360	-
Traffic Impact Fees	200,000	301,959	101,959	151.0%
Fines and Penalties	2,000	562	(1,438)	28.1%
Other Income	80,000	110,200	30,200	137.8%
Investment Earnings	73,000	116,012	43,012	158.9%
Total	5,586,001	2,105,658	(3,480,343)	37.7%

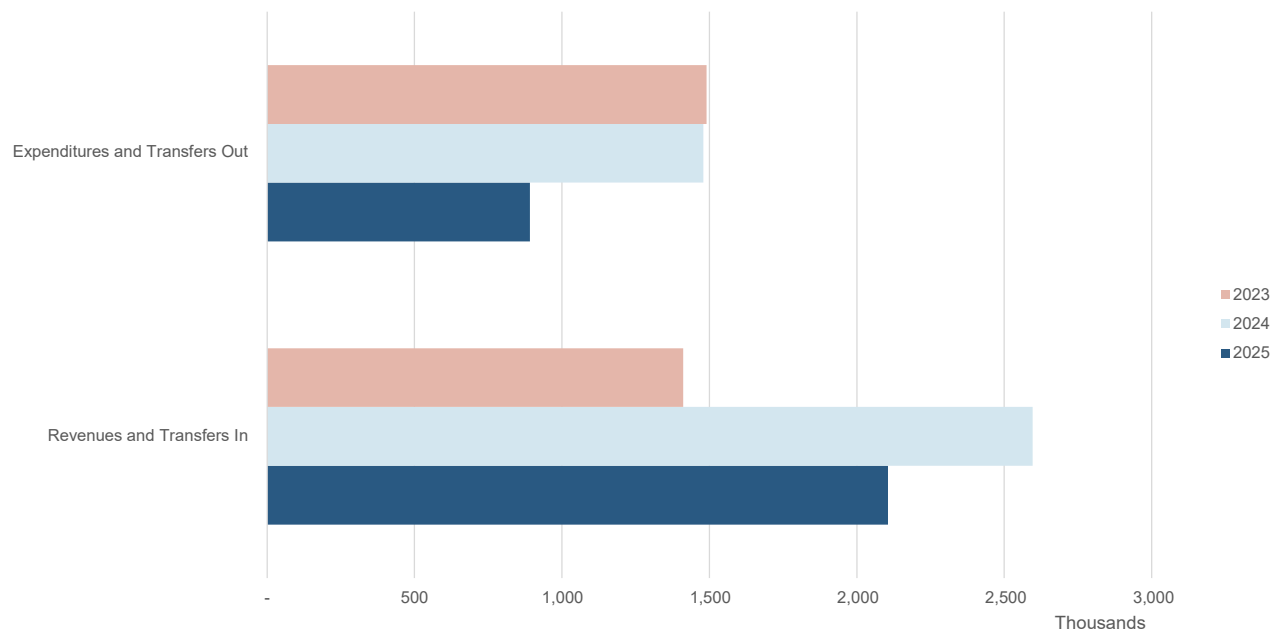
Fund 104 Revenues



Fund 104 Arterial Street Fund						
Year-to-Year Expenditures & Transfers Out by Category						
Category	2023 Expenses through May	2024 Expenses through May	2025 Expenses through May	2025 vs 2024		
				\$	%	
Salaries, Wages, & Overtime	\$ 159,348	\$ 207,901	\$ 267,007	\$ 59,106	+28.4%	
Benefits	56,452	71,077	92,939	21,862	+30.8%	
Supplies	86,680	749	45,136	44,387	+5926.2%	
Services	407,667	479,307	313,788	(165,519)	-34.5%	
Land, Structures, Machinery, Equipment	780,878	720,968	172,991	(547,977)	-76.0%	
Total	1,491,025	1,480,002	891,861	(588,141)	-39.7%	

Fund 104 Arterial Street Fund						
Year-to-Year Revenues and Transfers In by Category						
Category	2023 Revenues through May	2024 Revenues through May	2025 Revenues through May	2025 vs 2024		
				\$	%	
Utility Taxes	\$ 528,080	\$ 653,569	\$ 654,335	\$ 766	+0%	
Parking Tax	330,186	360,033	331,313	(28,720)	-8.0%	
Real Estate Excise Tax (REET)	104,999	335,387	212,110	(123,277)	-36.8%	
Permits	443	2	-	(2)	-100.0%	
Franchise Fees	-	136,376	194,050	57,674	+42.3%	
Grant Revenues	55,049	758,800	144,889	(613,911)	-80.9%	
State Entitlements	54,997	53,507	39,868	(13,639)	-25.5%	
General Government Revenue	-	20	360	340	+1700.0%	
Traffic Impact Fees	132,793	127,654	301,959	174,305	+136.5%	
Fines and Penalties	10,655	825	562	(263)	-31.9%	
Other Income	95,300	39,500	110,200	70,700	+179.0%	
Investment Earnings	98,809	131,443	116,012	(15,431)	-11.7%	
Total	1,411,311	2,597,116	2,105,658	(491,458)	-18.9%	

Fund 104 Prior Year Comparisons YTD

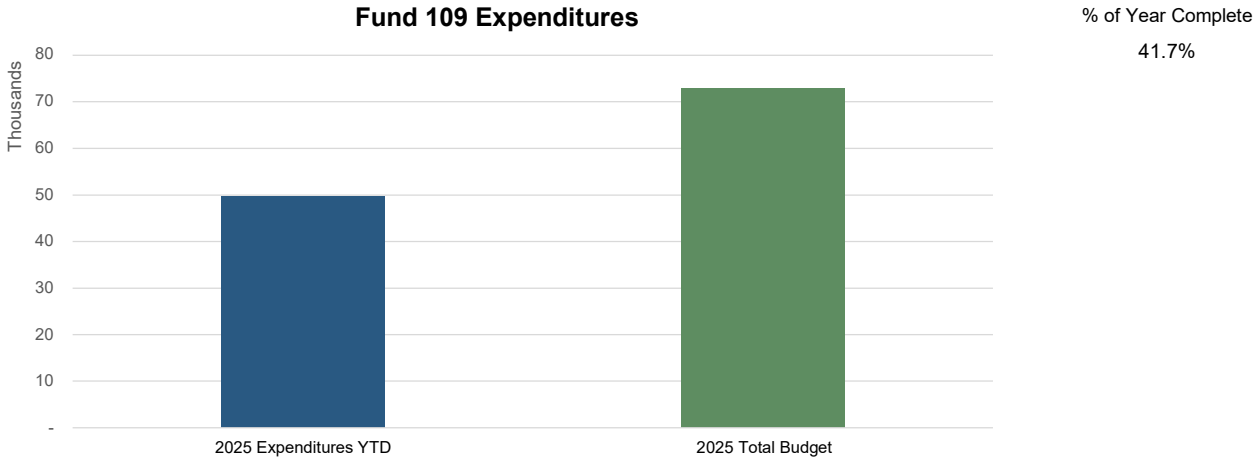


Fund 109 Drug Seizure Fund
Overview

	2025 through May	2025 Total Budget	Budget Variance % of Annual Budget
Revenues	\$ -	\$ 98,100	0.0%
Expenditures	49,607	73,000	68.0%
Net Revenues Less Expenditures	(49,607)	25,100	% of Year Complete 41.7%

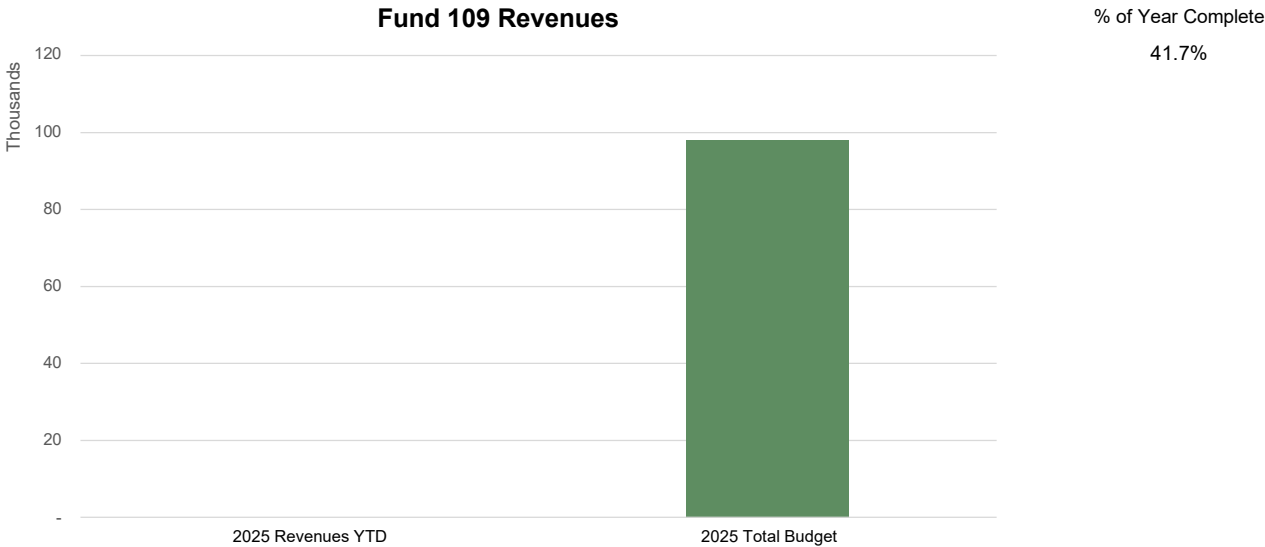
Fund 109 Drug Seizure Fund
Expenditures and Transfers Out by Category

Category	2025 Total Budget	2025 Expenses through May	Budget Variance (Unfavorable) / Favorable	Budget Variance % of Annual Budget
Supplies	36,000	31,965	4,035	88.8%
Services	37,000	17,642	19,358	47.7%
Total	73,000	49,607	23,393	68.0%



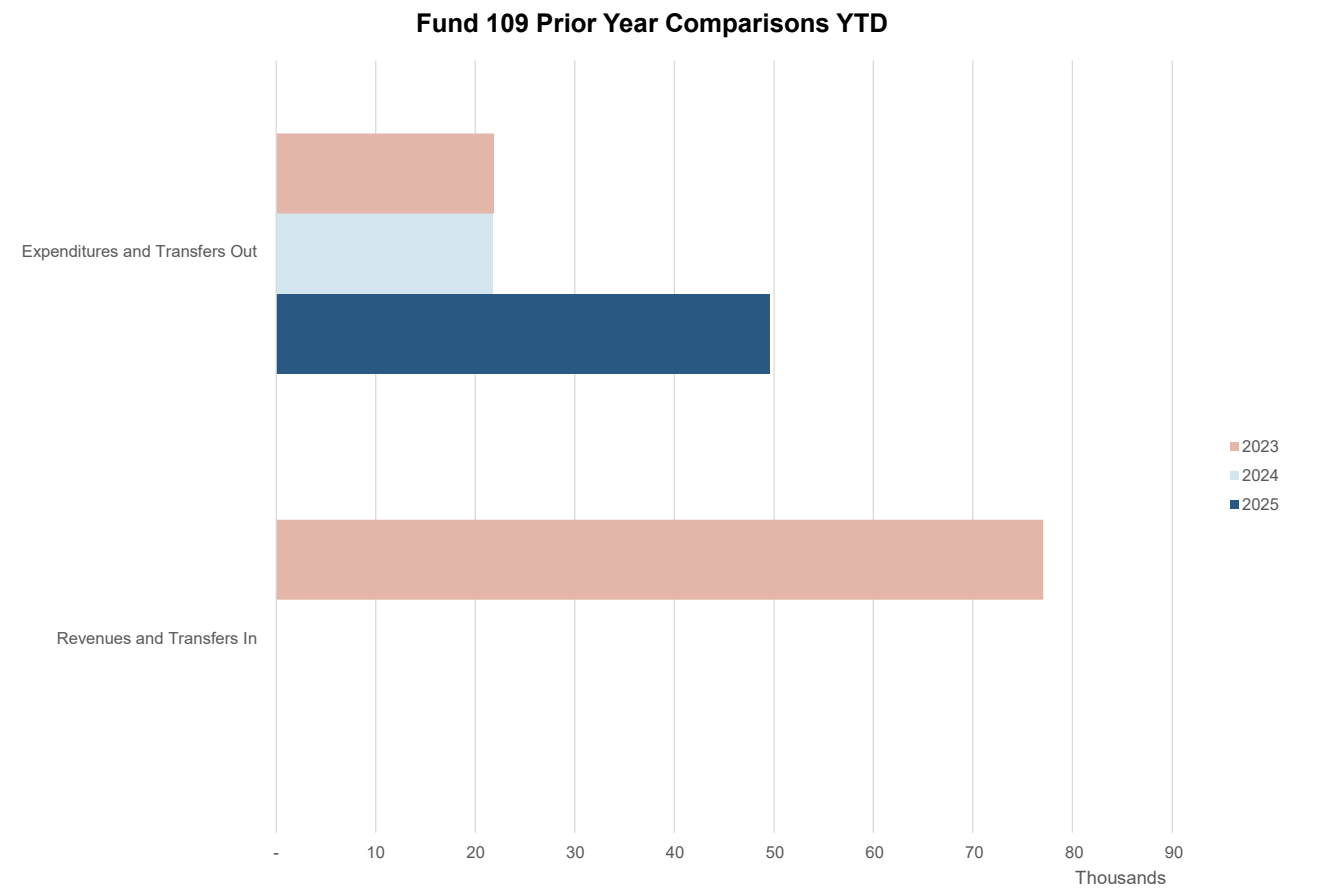
Revenues and Transfers In by Category

Category	2025 Total Budget	2025 Revenues through May	Budget Variance (Unfavorable) / Favorable	Budget Variance % of Annual Budget
Intergovernmental Revenue	35,000	-	(35,000)	0.0%
Other Income	60,000	-	(60,000)	0.0%
Investment Earnings	3,100	-	(3,100)	0.0%
Total	98,100	-	(98,100)	0.0%



Fund 109 Drug Seizure Fund					
Year-to-Year Expenditures & Transfers Out by Category					
Category	2023 Expenses through May	2024 Expenses through May	2025 Expenses through May	2025 vs 2024	
				\$	%
Supplies	11,423	4,570	31,965	27,395	+599.5%
Services	10,483	17,149	17,642	493	+2.9%
Total	21,906	21,719	49,607	27,888	+128.4%

Fund 109 Drug Seizure Fund					
Year-to-Year Revenues and Transfers In by Category					
Category	2023 Revenues through May	2024 Revenues through May	2025 Revenues through May	2025 vs 2024	
				\$	%
Grant Revenues	-	-	-	-	-
Intergovernmental Revenue	77,060	-	-	-	-
Other Income	-	-	-	-	-
Investment Earnings	-	-	-	-	-
Total	77,060	-	-	-	-



Fund 301 Land Acq., Rec. & Park Development
Overview

	2025 through May		2025 Total Budget		Budget Variance % of Annual Budget
Revenues	\$	724,285	\$	2,841,300	25.5%
Expenditures		175,973		2,431,000	7.2%
Transfers Out		-		652,605	0.0%
<hr/>					
Net Revenues Less Expenditures		548,312		(242,305)	
					% of Year Complete
					41.7%

Fund 301 Land Acq., Rec. & Park Development
Expenditures and Transfers Out by Category

Category	2025 Total Budget	2025 Expenses through May	Budget Variance (Unfavorable) / Favorable	Budget Variance % of Annual Budget
Supplies	30,000	-	30,000	0.0%
Services	1,876,000	172,063	1,703,937	9.2%
Land, Structures, Machinery, Equipment	525,000	3,910	521,090	1%
Transfers Out to Other Funds	652,605	-	652,605	0%
Total	3,083,605	175,973	2,907,632	5.7%

Fund 301 Expenditures

% of Year Complete
41.7%

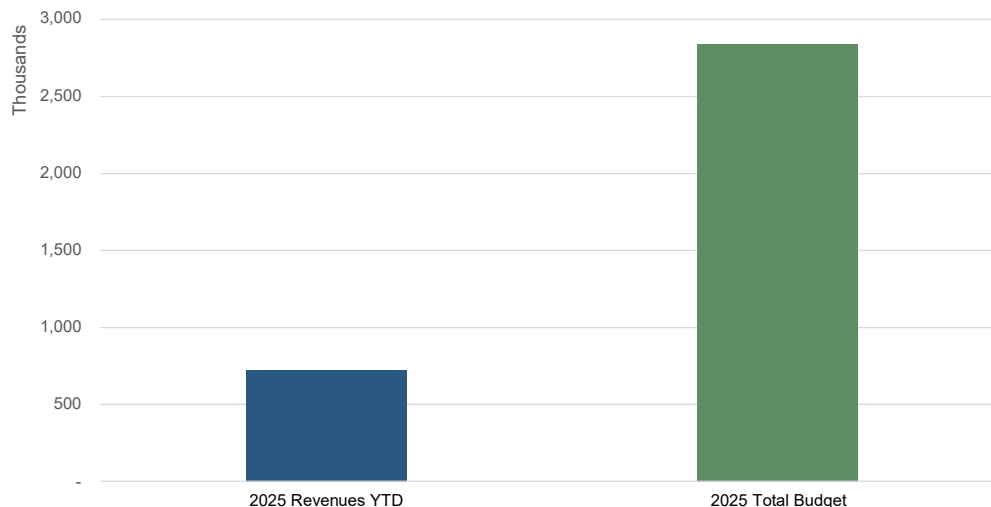


Revenues and Transfers In by Category

Category	2025 Total Budget	2025 Revenues through May	Budget Variance (Unfavorable) / Favorable	Budget Variance % of Annual Budget
Property Tax	207,800	138,193	(69,607)	66.5%
Real Estate Excise Tax (REET)	500,000	-	(500,000)	0.0%
Grant Revenues	1,976,000	500,000	(1,476,000)	25.3%
Park Impact Fees	100,000	17,515	(82,485)	17.5%
Investment Earnings	57,500	68,577	11,077	119.3%
Total	2,841,300	724,285	(2,117,015)	25.5%

Fund 301 Revenues

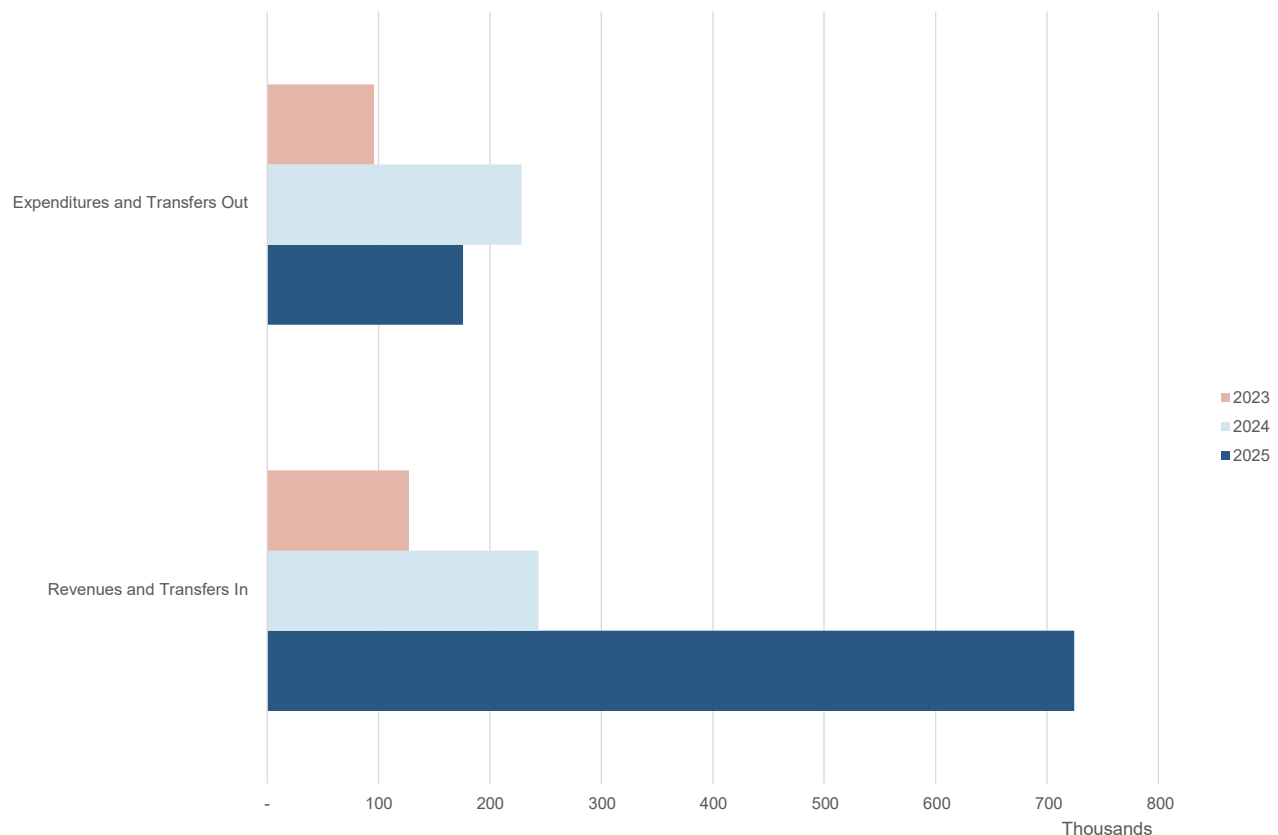
% of Year Complete
41.7%



Fund 301 Land Acq., Rec. & Park Development Year-to-Year Expenditures & Transfers Out by Category					
Category	2023 Expenses through May	2024 Expenses through May	2025 Expenses through May	2025 vs 2024	
				\$	%
Services	74,481	228,384	172,063	(56,321)	-24.7%
Land, Structures, Machinery, Equipment	-	-	3,910	3,910	-
Total	96,110	228,384	175,973	(52,411)	-22.9%

Fund 301 Land Acq., Rec. & Park Development Year-to-Year Revenues and Transfers In by Category					
Category	2023 Revenues through May	2024 Revenues through May	2025 Revenues through May	2025 vs 2024	
				\$	%
Property Tax	-	133,701	138,193	4,492	+3%
Real Estate Excise Tax (REET)	36,224	-	-	-	-
Grant Revenues	-	-	500,000	500,000	-
Park Impact Fees	30,104	17,522	17,515	(7)	-0.0%
Investment Earnings	60,888	92,217	68,577	(23,640)	-26%
Transfers In	-	-	-	-	-
Total	127,216	243,440	724,285	480,845	+197.5%

Fund 301 Prior Year Comparisons YTD



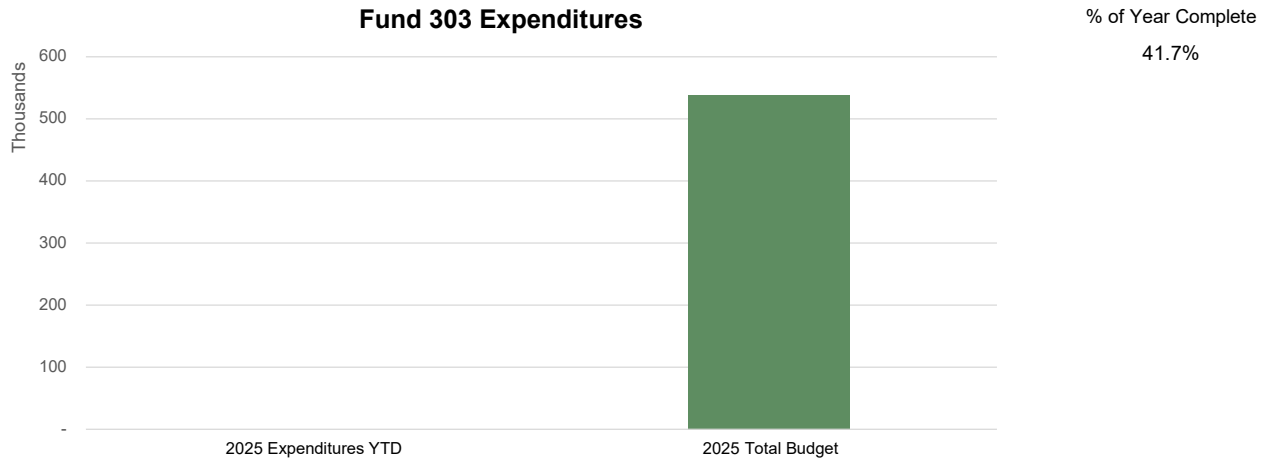
Fund 303 General Government Improvements

Overview

	2025 through May	2025 Total Budget	Budget Variance % of Annual Budget
Revenues	\$ 5,454	\$ 1,000	545.4%
Transfers In	109,500	438,000	25.0%
Expenditures	-	538,000	0.0%
Net Revenues Less Expenditures	114,954	(99,000)	% of Year Complete 41.7%

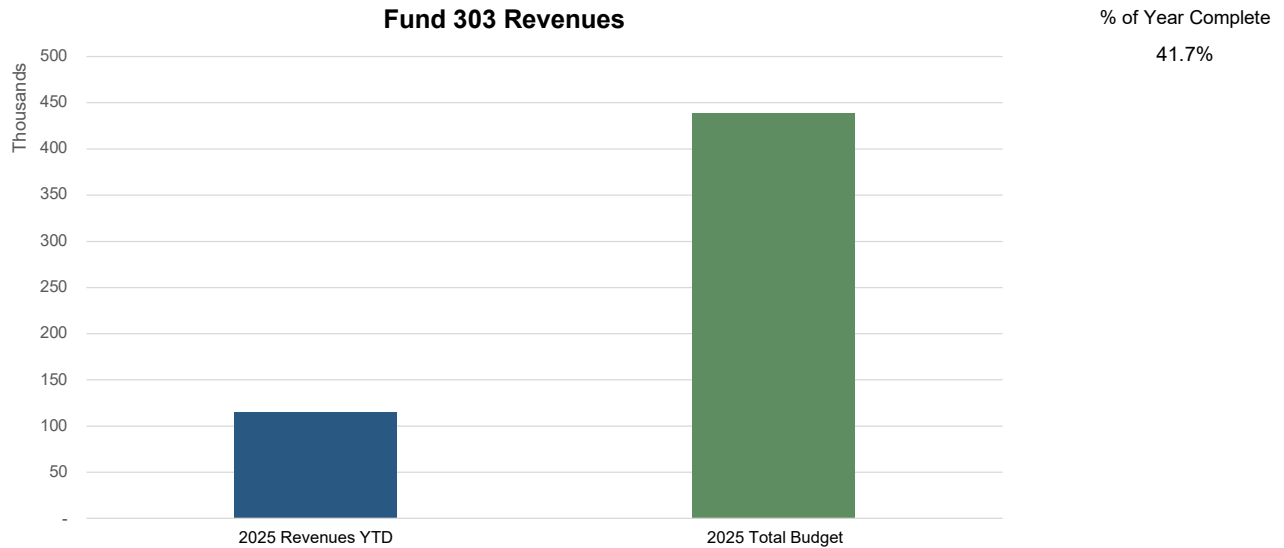
Fund 303 General Government Improvements
Expenditures and Transfers Out by Category

Category	2025 Total Budget	2025 Expenses through May	Budget Variance (Unfavorable) / Favorable	Budget Variance % of Annual Budget
Services	538,000	-	538,000	0.0%
Total	538,000	-	538,000	0.0%



Revenues and Transfers In by Category

Category	2025 Total Budget	2025 Revenues through May	Budget Variance (Unfavorable) / Favorable	Budget Variance % of Annual Budget
Investment Earnings	1,000	5,454	4,454	545.4%
Transfer In From General Fund	438,000	109,500	(328,500)	25%
Total	439,000	114,954	(324,046)	26.2%



Fund 303 General Government Improvements

Year-to-Year Expenditures & Transfers Out by Category

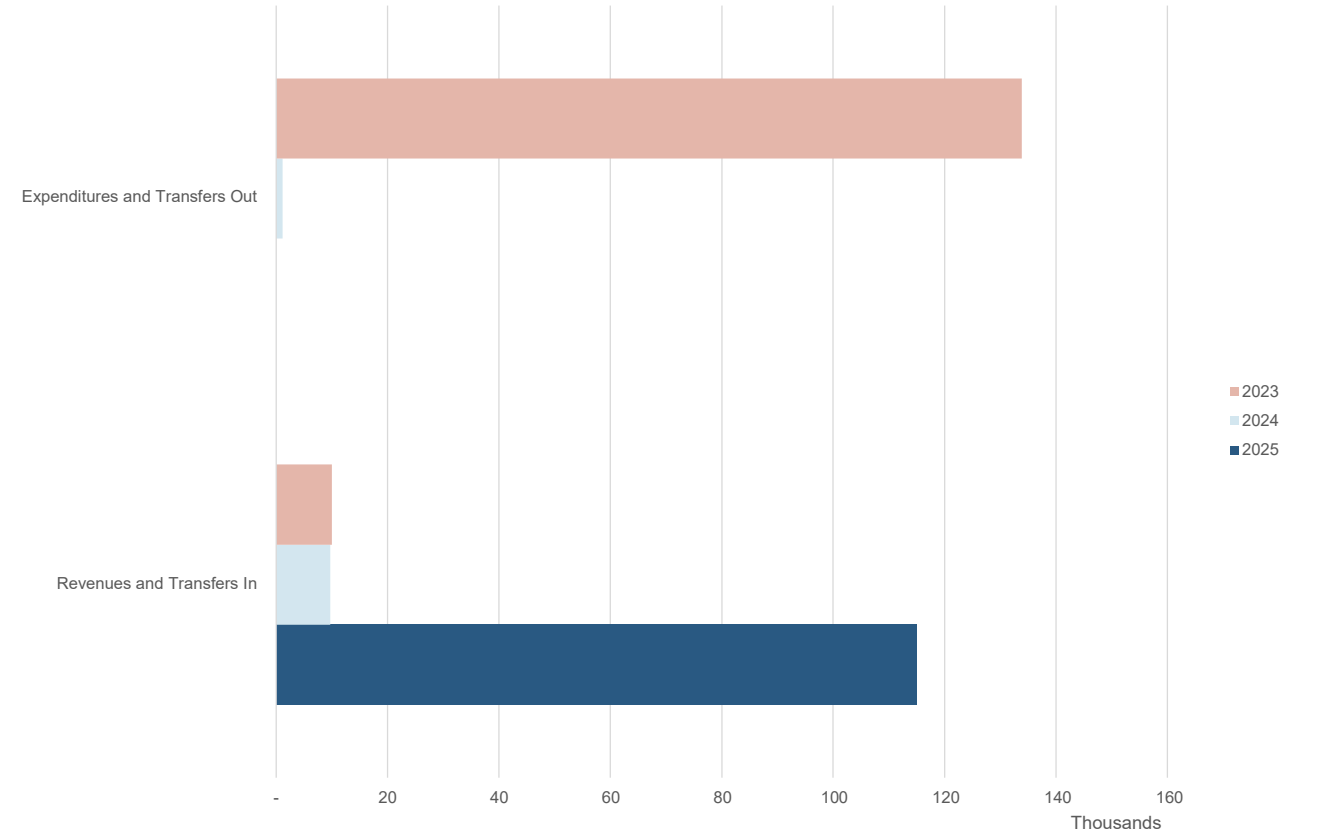
Category	2023 Expenses through May	2024 Expenses through May	2025 Expenses through May	2025 vs 2024	
				\$	%
Services	133,850	1,146	-	(1,146)	-100.0%
Total	133,850	1,146	-	(1,146)	-100.0%

Fund 303 General Government Improvements

Year-to-Year Revenues and Transfers In by Category

Category	2023 Revenues through May	2024 Revenues through May	2025 Revenues through May	2025 vs 2024	
				\$	%
Grant Revenues	-	-	-	-	-
Investment Earnings	10,001	9,676	5,454	(4,222)	-44%
Transfer In From General Fund	-	-	109,500	109,500	-
Total	10,001	9,676	114,954	105,278	+1088.0%

Fund 303 Prior Year Comparisons YTD

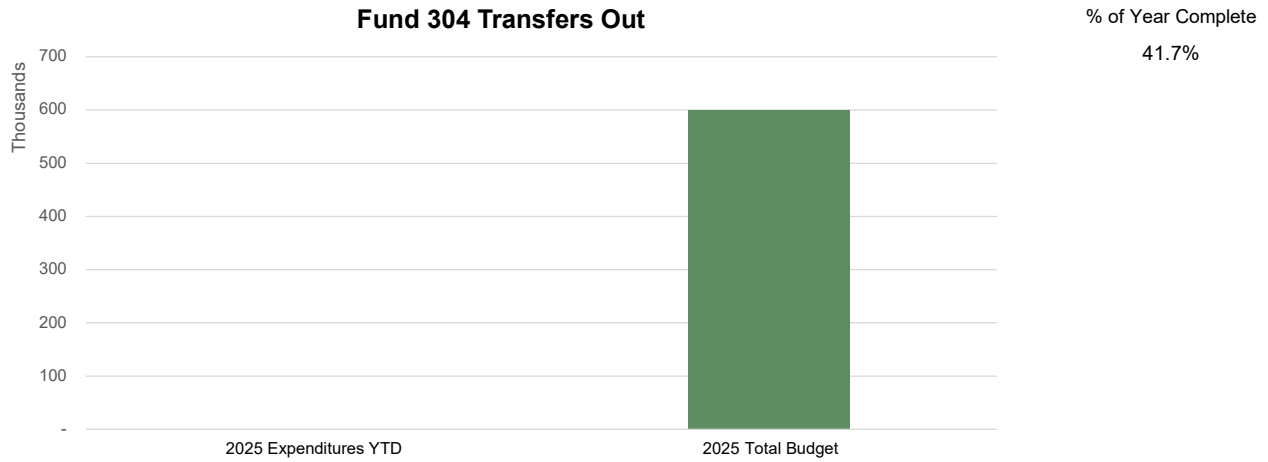


Fund 304 Fire Improvements
Overview

	2025 through May		2025 Total Budget		Budget Variance % of Annual Budget
Revenues	\$	16,592	\$	600,000	2.8%
Transfers Out		-		600,000	0.0%
<hr/>					
Net Revenues Less Expenditures		16,592		-	
					% of Year Complete 41.7%

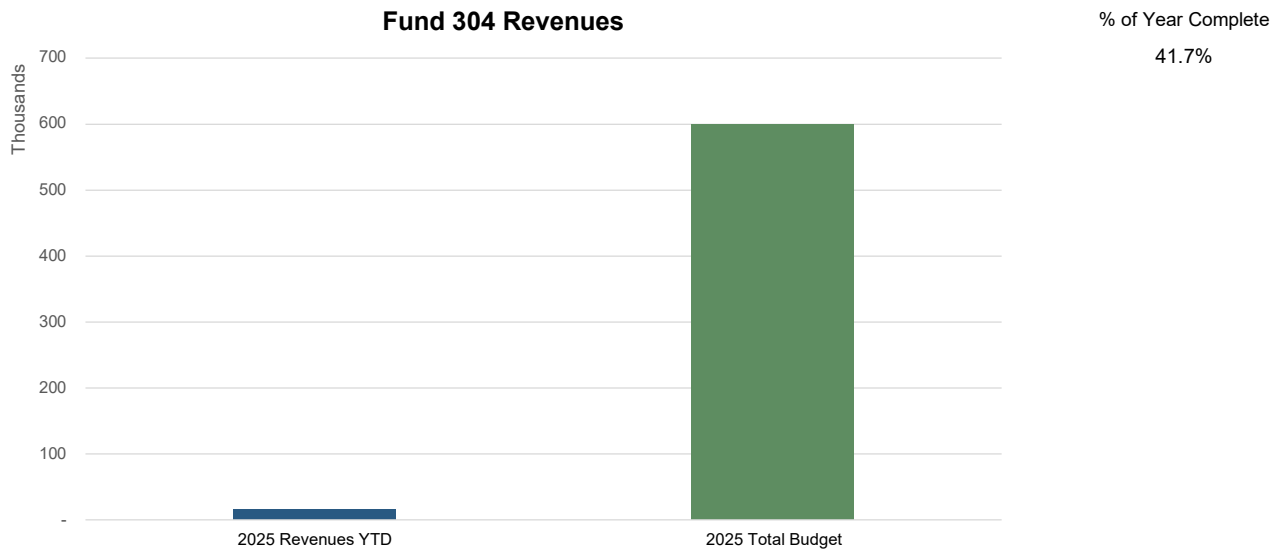
Fund 304 Fire Improvements
Transfers Out

Category	2025 Total Budget	2025 Transfers Out through May	Budget Variance (Unfavorable) / Favorable	Budget Variance % of Annual Budget
Transfers Out to Other Funds	600,000	-	600,000	0%
Total	600,000	-	600,000	0.0%



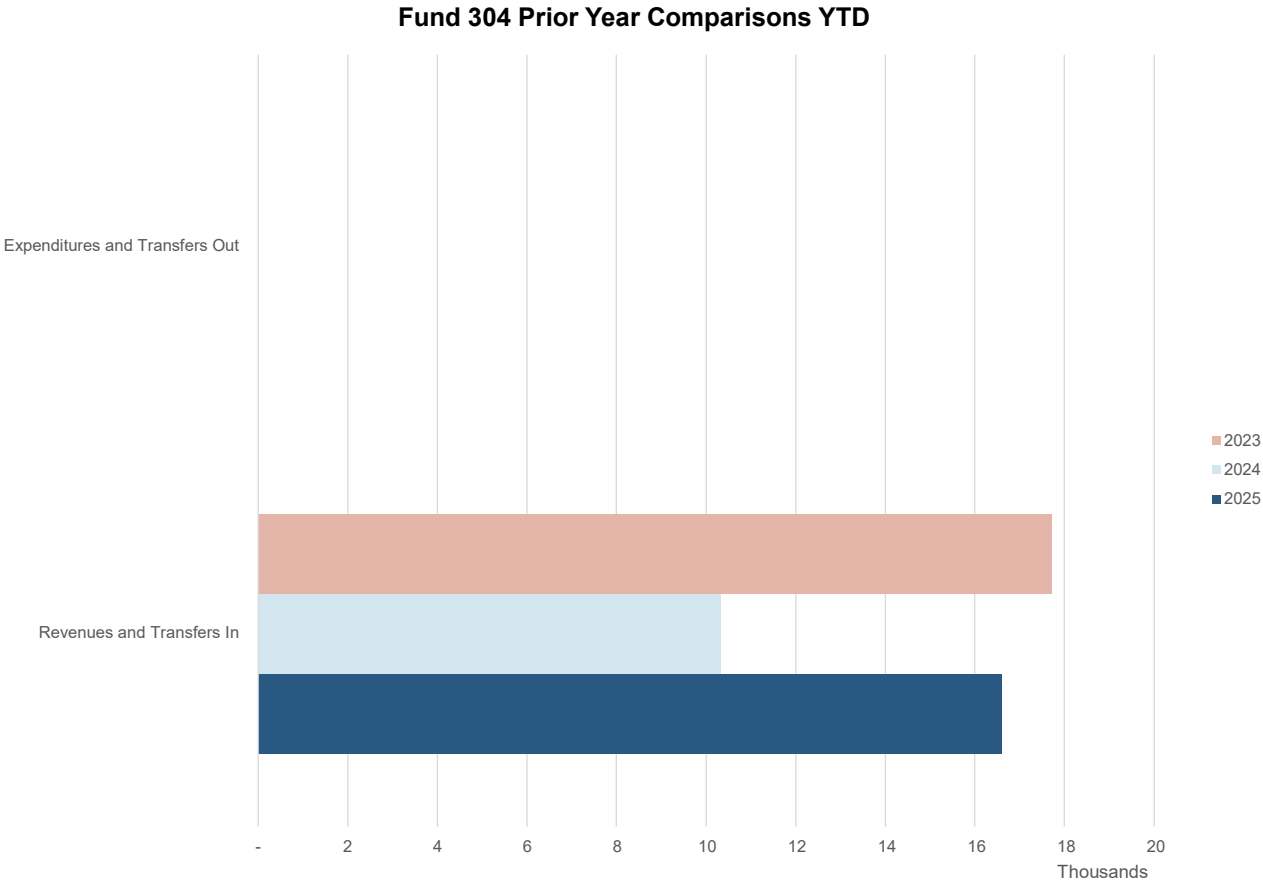
Revenues and Transfers In by Category

Category	2025 Total Budget	2025 Revenues through May	Budget Variance (Unfavorable) / Favorable	Budget Variance % of Annual Budget
Fire Impact Fees	600,000	16,592	(583,408)	2.8%
Total	600,000	16,592	(583,408)	2.8%



Fund 304 Fire Improvements					
Year-to-Year Expenditures & Transfers Out by Category					
Category	2023 Expenses through May	2024 Expenses through May	2025 Expenses through May	2025 vs 2024	
				\$	%
Transfers Out to Other Funds	-	-	-	-	-
Total	-	-	-	-	-

Fund 304 Fire Improvements					
Year-to-Year Revenues and Transfers In by Category					
Category	2023 Revenues through May	2024 Revenues through May	2025 Revenues through May	2025 vs 2024	
				\$	%
Fire Impact Fees	17,716	10,313	16,592	6,279	+60.9%
Total	17,716	10,313	16,592	6,279	+60.9%

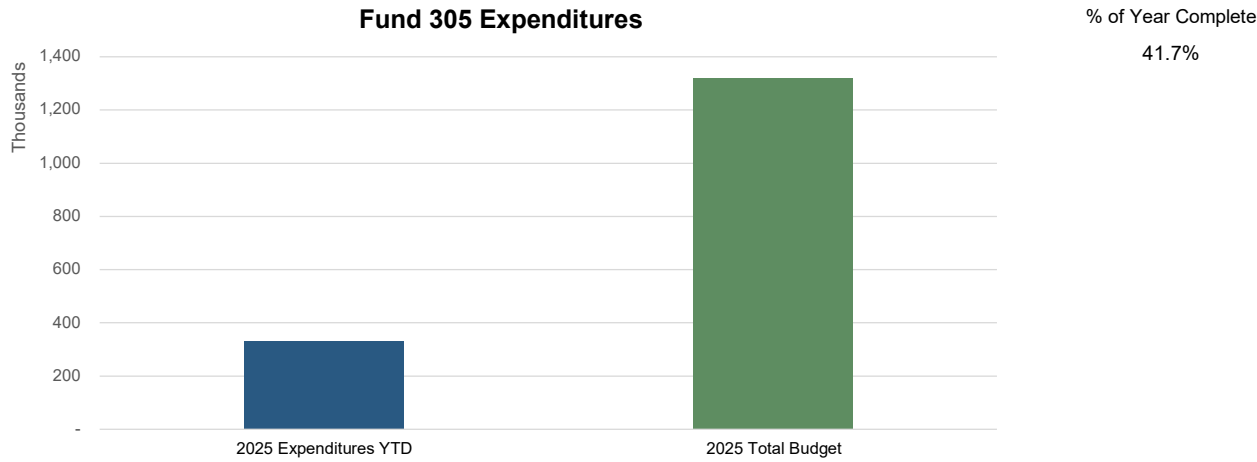


Fund 305 Public Safety Plan Overview

	2025 through May	2025 Total Budget	Budget Variance % of Annual Budget
Revenues	\$ 235,377	\$ 15,000	1569.2%
Transfers In	-	1,100,000	0.0%
Transfers Out	329,706	1,318,824	25.0%
Net Revenues Less Expenditures	(94,329)	(203,824)	% of Year Complete 41.7%

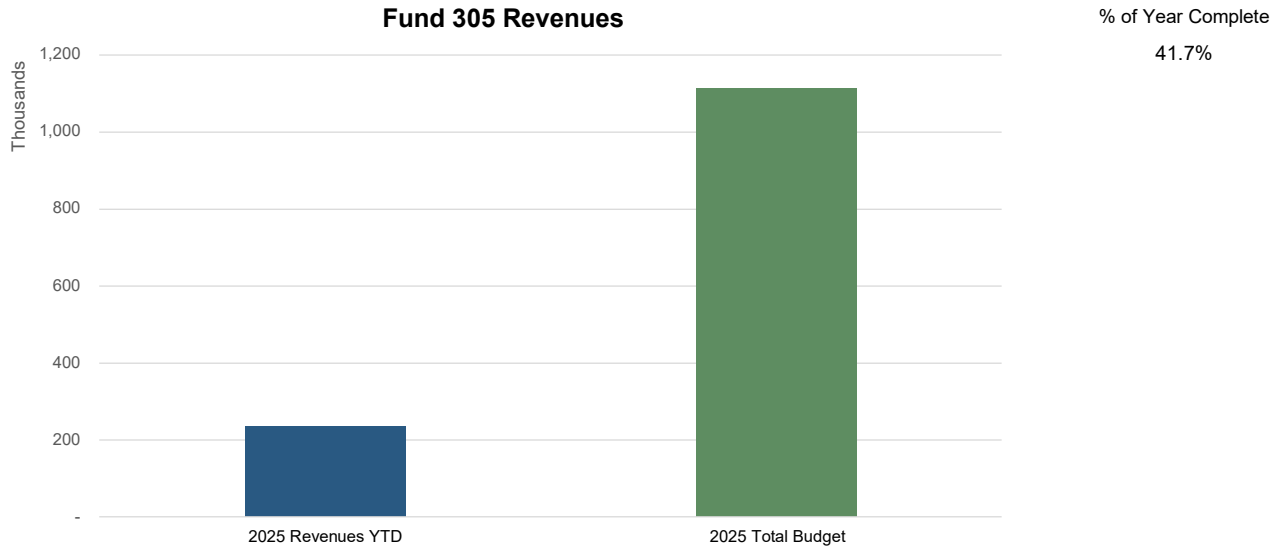
Fund 305 Public Safety Plan Expenditures and Transfers Out by Category

Category	2025 Total Budget	2025 Expenses through May	Budget Variance (Unfavorable) / Favorable	Budget Variance % of Annual Budget
Transfers Out to Other Funds	1,318,824	329,706	989,118	25%
Total	1,318,824	329,706	989,118	25.0%



Revenues and Transfers In by Category

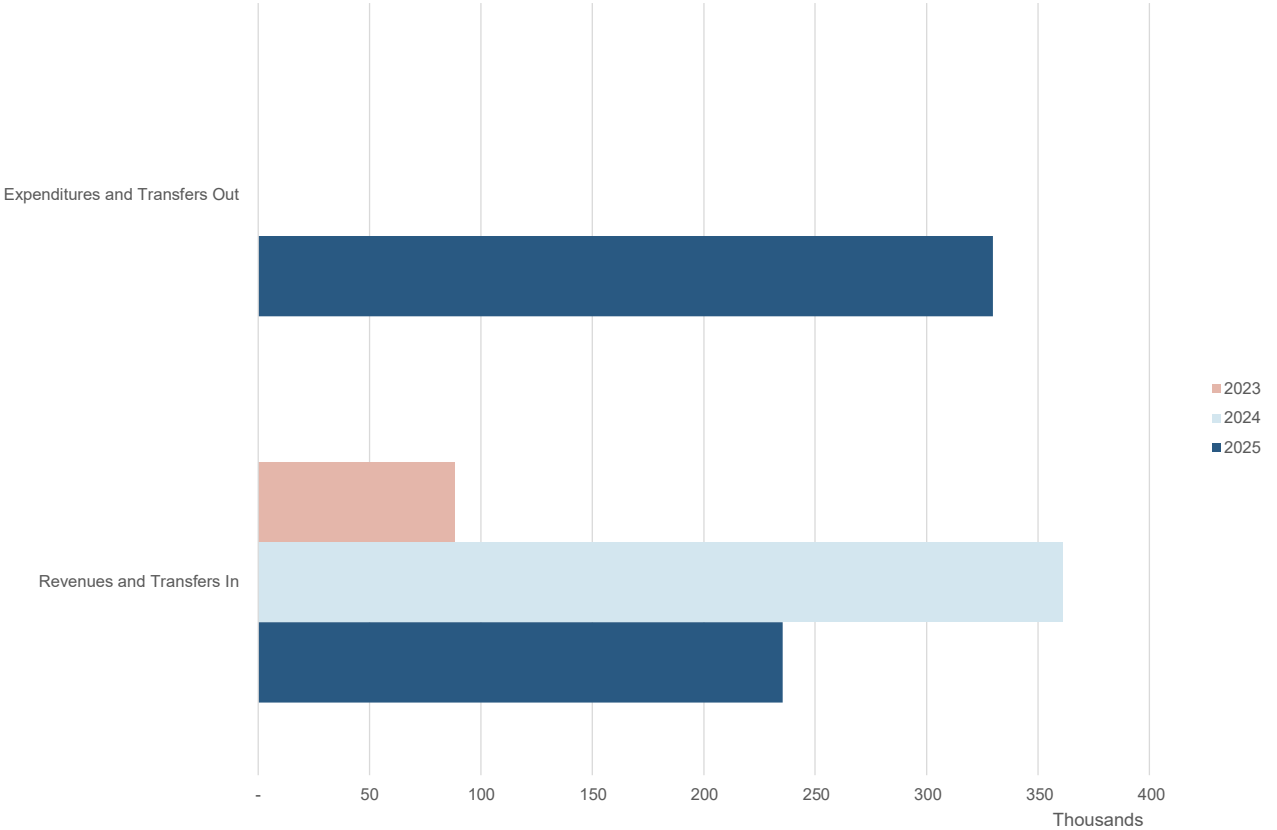
Category	2025 Total Budget	2025 Revenues through May	Budget Variance (Unfavorable) / Favorable	Budget Variance % of Annual Budget
Real Estate Excise Tax (REET)	-	212,110	212,110	-
Investment Earnings	15,000	23,267	8,267	155.1%
Transfers In	1,100,000	-	(1,100,000)	0%
Total	1,115,000	235,377	(879,623)	21.1%



Fund 305 Public Safety Plan					
Year-to-Year Expenditures & Transfers Out by Category					
Category	2023 Expenses through May	2024 Expenses through May	2025 Expenses through May	2025 vs 2024	
				\$	%
Transfers Out to Other Funds	-	-	329,706	329,706	-
Total	-	-	329,706	329,706	-

Fund 305 Public Safety Plan					
Year-to-Year Revenues and Transfers In by Category					
Category	2023 Revenues through May	2024 Revenues through May	2025 Revenues through May	2025 vs 2024	
				\$	%
Real Estate Excise Tax (REET)	68,776	335,387	212,110	(123,277)	-36.8%
Fire Impact Fees	-	-	-	-	-
Investment Earnings	19,311	25,688	23,267	(2,421)	-9%
Transfers In	-	-	-	-	-
Total	88,087	361,075	235,377	(125,698)	-34.8%

Fund 305 Prior Year Comparisons YTD

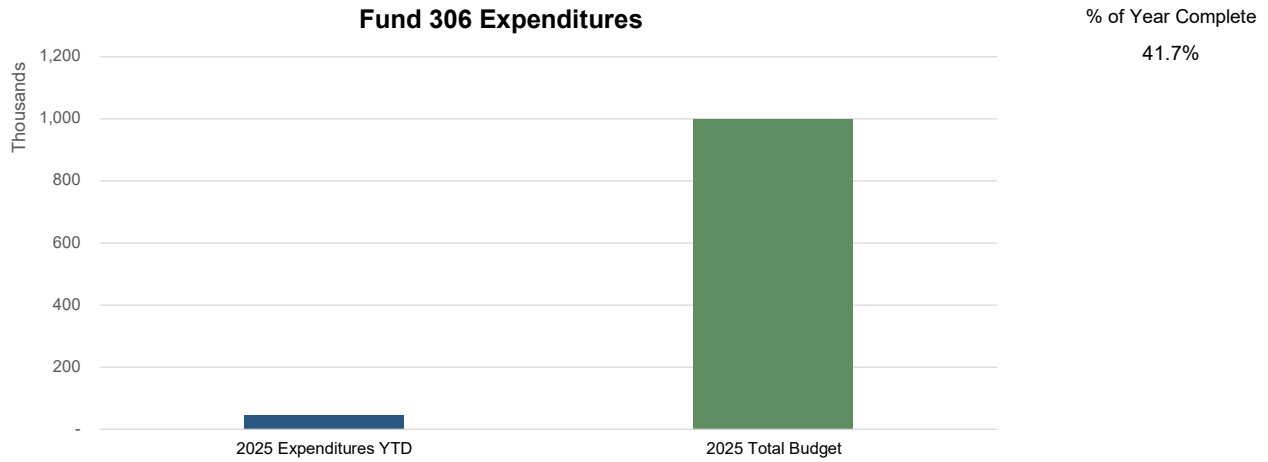


Fund 306 City Facilities Overview

	2025 through May	2025 Total Budget	Budget Variance % of Annual Budget
Revenues	\$ -	\$ 846,937	0.0%
Transfers In	250,002	1,000,000	25.0%
Expenditures	46,185	1,000,000	4.6%
Net Revenues Less Expenditures	203,817	846,937	% of Year Complete 41.7%

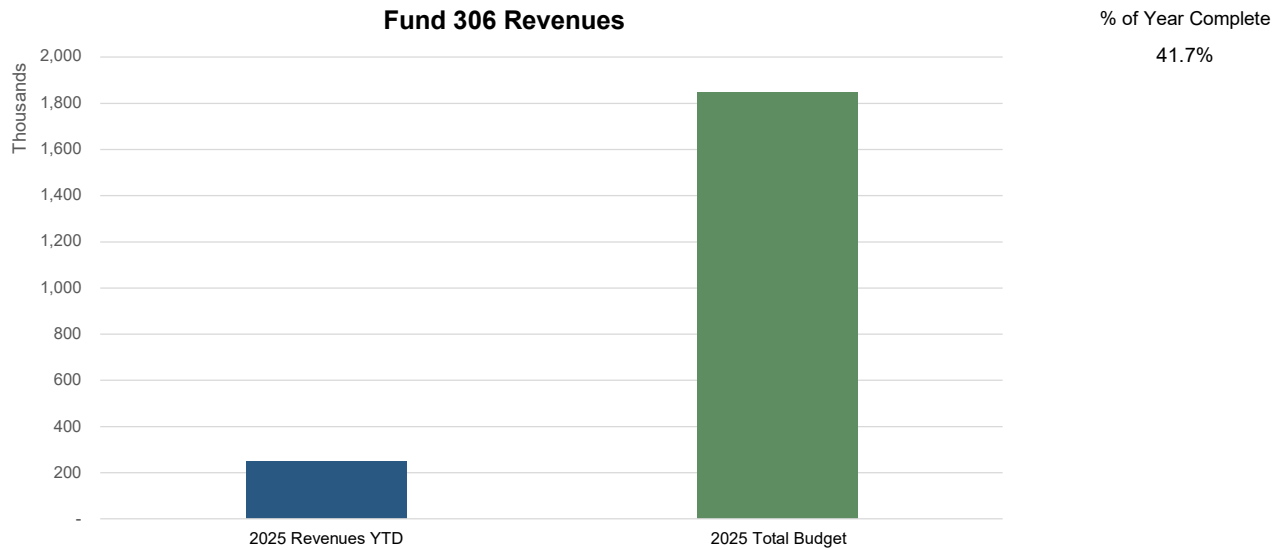
Fund 306 City Facilities
Expenditures and Transfers Out by Category

Category	2025 Total Budget	2025 Expenses through May	Budget Variance (Unfavorable) / Favorable	Budget Variance % of Annual Budget
Services	1,000,000	46,185	953,815	4.6%
Total	1,000,000	46,185	953,815	4.6%



Revenues and Transfers In by Category

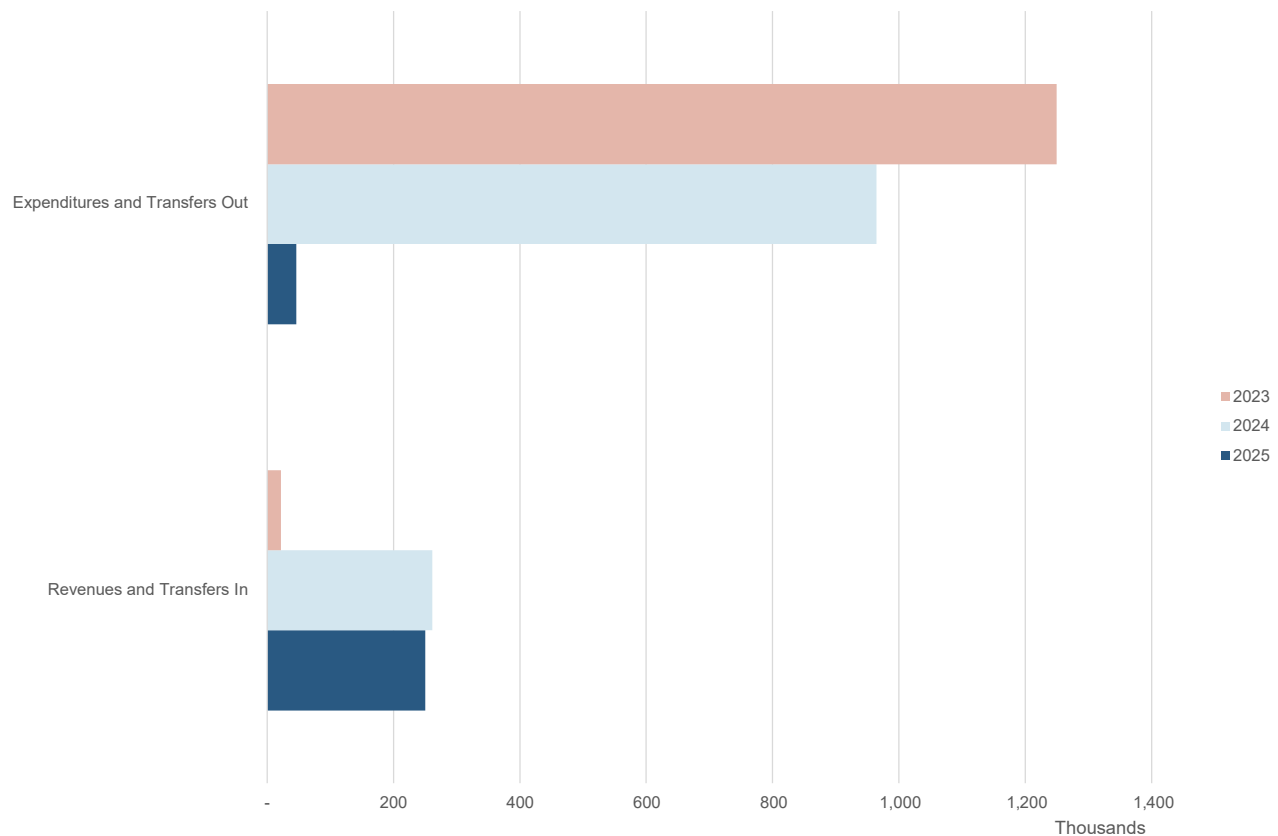
Category	2025 Total Budget	2025 Revenues through May	Budget Variance (Unfavorable) / Favorable	Budget Variance % of Annual Budget
Investment Earnings	5,000	-	(5,000)	0.0%
Rent & Concessions	841,937	-	(841,937)	0.0%
Transfers In	1,000,000	250,002	(749,998)	25%
Total	1,846,937	250,002	(1,596,935)	13.5%



Fund 306 City Facilities Year-to-Year Expenditures & Transfers Out by Category					
Category	2023 Expenses through May	2024 Expenses through May	2025 Expenses through May	2025 vs 2024	
				\$	%
Services	70,890	963,796	46,185	(917,611)	-95.2%
Land, Structures, Machinery, Equipment	1,171,042	808	-	(808)	-100.0%
Total	1,249,842	964,604	46,185	(918,419)	-95.2%

Fund 306 City Facilities Year-to-Year Revenues and Transfers In by Category					
Category	2023 Revenues through May	2024 Revenues through May	2025 Revenues through May	2025 vs 2024	
				\$	%
Investment Earnings	21,993	11,521	-	(11,521)	-100.0%
Rent & Concessions	-	-	-	-	-
Transfers In	-	250,000	250,002	2	+0%
Total	21,993	261,521	250,002	(11,519)	-4.4%

Fund 306 Prior Year Comparisons YTD



Fund 401 Water Utility Fund
Overview

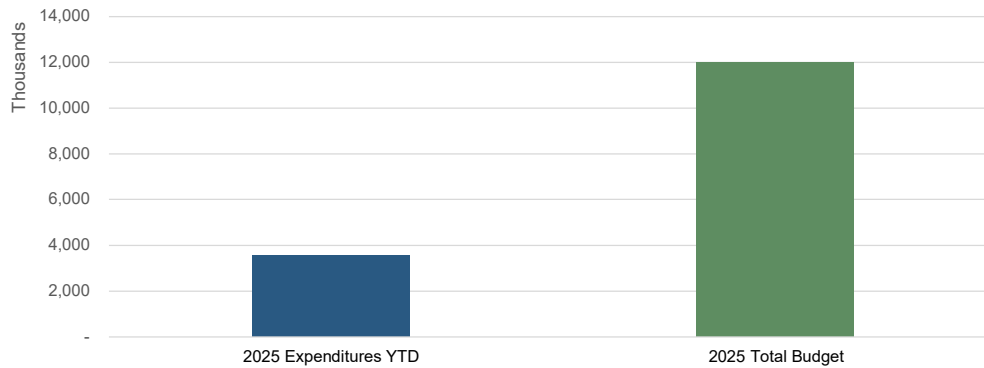
	2025 through May		2025 Total Budget		Budget Variance % of Annual Budget
Revenues	\$	3,239,409	\$	11,341,356	28.6%
Expenditures		3,040,522		10,493,596	29.0%
Transfers Out		512,944		1,507,615	34.0%
Net Revenues Less Expenditures		(314,057)		(659,855)	% of Year Complete 41.7%

Fund 401 Water Utility Fund
Expenditures and Transfers Out by Category

Category	2025 Total Budget	2025 Expenses through May	Budget Variance (Unfavorable) / Favorable	Budget Variance % of Annual Budget
Salaries, Wages, & Overtime	957,112	357,872	599,240	37%
Benefits	538,827	153,618	385,209	29%
Supplies	3,105,196	1,488,179	1,617,017	47.9%
Services	5,677,288	761,541	4,915,747	13.4%
Land, Structures, Machinery, Equipment	-	279,312	(279,312)	-
Other Expenditures	215,173	-	215,173	0%
Transfers Out - Internal Cost Allocation	816,232	340,099	476,133	42%
Transfers Out - Debt Service	358,050	89,511	268,539	25%
Transfers Out to Other Funds	333,333	83,334	249,999	25%
Total	12,001,211	3,553,466	8,447,745	29.6%

Fund 401 Expenditures and Transfers Out

% of Year Complete
41.7%

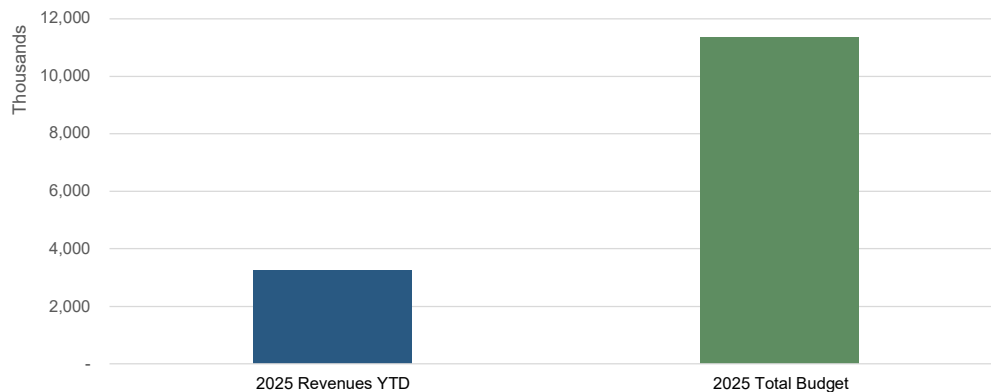


Revenues and Transfers In by Category

Category	2025 Total Budget	2025 Revenues through May	Budget Variance (Unfavorable) / Favorable	Budget Variance % of Annual Budget
Water Sales	9,239,856	3,207,190	(6,032,666)	34.7%
Security Revenue	-	(14,846)	(14,846)	-
Other Income	1,500	8,549	7,049	569.9%
Investment Earnings	100,000	38,517	(61,483)	38.5%
Bond Proceeds	2,000,000	-	(2,000,000)	0%
Total	11,341,356	3,239,410	(8,101,946)	28.6%

Fund 401 Revenues

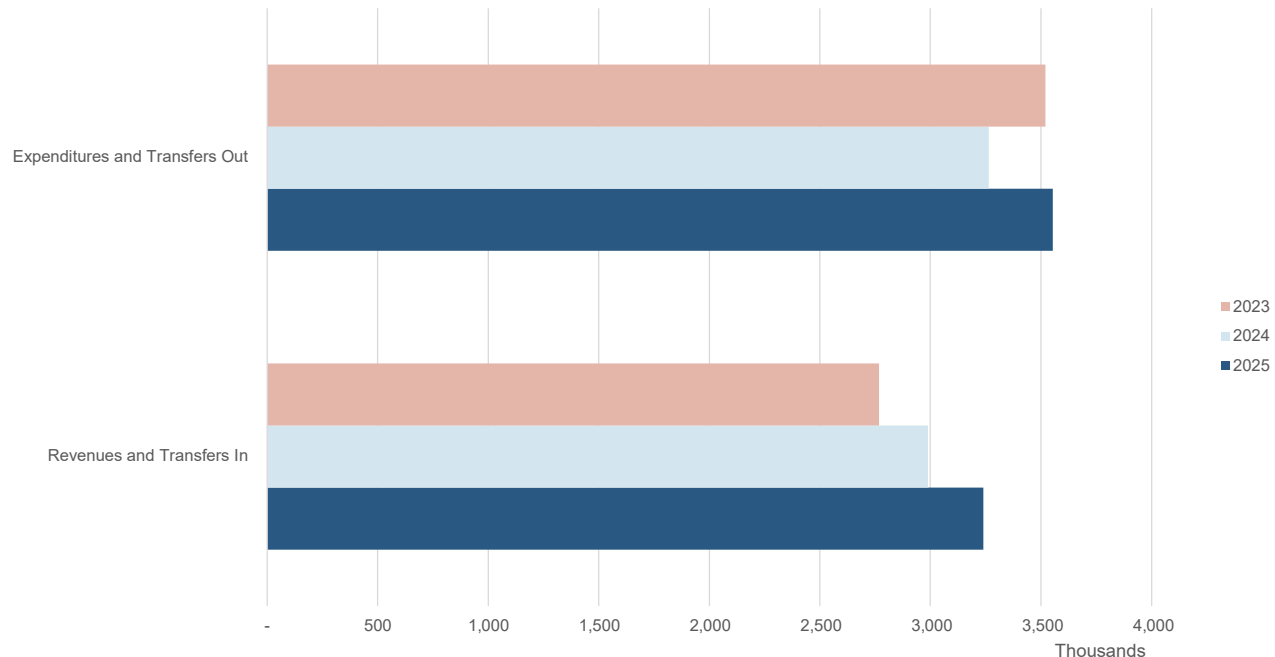
% of Year Complete
41.7%



Fund 401 Water Utility Fund						
Year-to-Year Expenditures & Transfers Out by Category						
Category	2023 Expenses through May	2024 Expenses through May	2025 Expenses through May	2025 vs 2024		
				\$	%	
Salaries, Wages, & Overtime	\$ 278,234	\$ 320,753	\$ 357,872	\$ 37,119	+11.6%	
Benefits	124,208	154,586	153,618	(968)	-0.6%	
Supplies	1,700,236	1,406,798	1,488,179	81,381	+5.8%	
Services	938,782	746,502	761,541	15,039	+2.0%	
Land, Structures, Machinery, Equipment	-	56,065	279,312	223,247	+398.2%	
Other Expenditures	81,432	81,029	-	(81,029)	-100%	
Transfers Out - Internal Cost Allocation	308,480	323,904	340,099	16,195	+5%	
Transfers Out - Debt Service	89,511	89,511	89,511	-	0%	
Transfers Out to Other Funds	(60)	85,000	83,334	(1,666)	-2%	
Total	3,520,823	3,264,148	3,553,466	289,318	+8.9%	

Fund 401 Water Utility Fund						
Year-to-Year Revenues and Transfers In by Category						
Category	2023 Revenues through May	2024 Revenues through May	2025 Revenues through May	2025 vs 2024		
				\$	%	
Water Sales	2,683,663	2,907,530	3,207,190	299,660	+10%	
Grant Revenues	-	-	-	-	-	
Security Revenue	5,677	5,609	(14,846)	(20,455)	-364.7%	
Other Income	3,136	4,995	8,549	3,554	+71.2%	
Investment Earnings	75,020	71,391	38,517	(32,874)	-46%	
Bond Proceeds	-	-	-	-	-	
Total	2,767,496	2,989,525	3,239,410	249,885	+8.4%	

Fund 401 Prior Year Comparisons YTD



Fund 402 Sewer Utility Fund

Overview

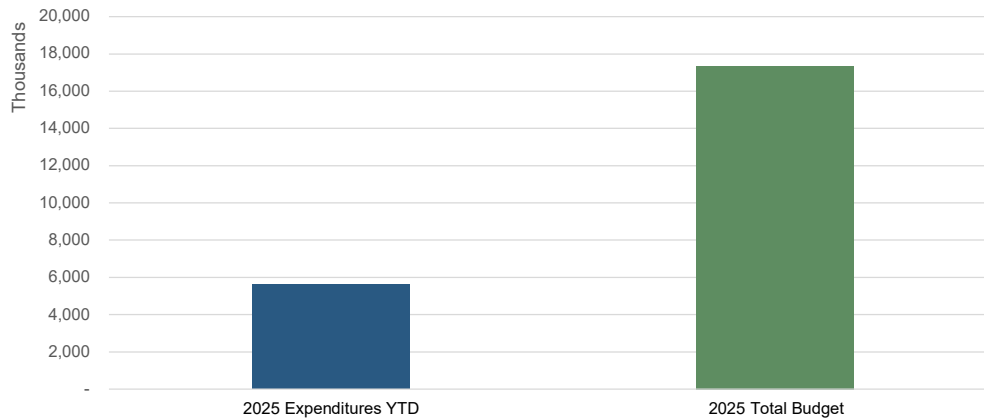
	2025 through May	2025 Total Budget	Budget Variance % of Annual Budget
Revenues	\$ 4,677,169	\$ 12,527,105	37.3%
Transfers In	-	-	-
Expenditures	5,197,616	16,129,584	32.2%
Transfers Out	419,882	1,221,086	34.4%
Net Revenues Less Expenditures	(940,329)	(4,823,565)	% of Year Complete 41.7%

Fund 402 Sewer Utility Fund
Expenditures and Transfers Out by Category

Category	2025 Total Budget	2025 Expenses through May	Budget Variance (Unfavorable) / Favorable	Budget Variance % of Annual Budget
Salaries, Wages, & Overtime	666,584	285,832	380,752	43%
Benefits	482,884	131,191	351,693	27%
Supplies	6,214,355	2,362,271	3,852,084	38.0%
Services	8,611,358	848,141	7,763,217	9.8%
Land, Structures, Machinery, Equipment	-	1,527,359	(1,527,359)	-
Other Expenditures	154,403	41,175	113,228	27%
Transfers Out - Internal Cost Allocation	687,666	286,524	401,142	42%
Transfers Out - Debt Service	200,087	50,024	150,063	25%
Transfers Out to Other Funds	333,333	83,334	249,999	25%
Total	17,350,670	5,615,851	11,734,819	32.4%

Fund 402 Expenditures and Transfers Out

% of Year Complete
41.7%

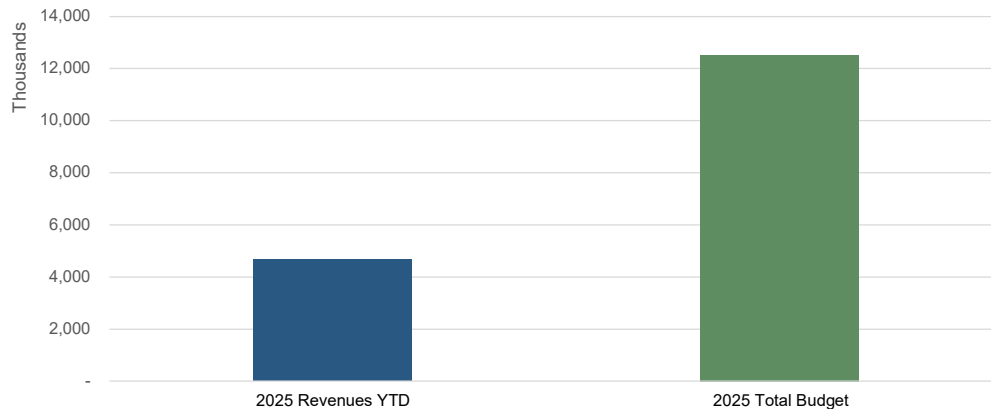


Revenues and Transfers In by Category

Category	2025 Total Budget	2025 Revenues through May	Budget Variance (Unfavorable) / Favorable	Budget Variance % of Annual Budget
Sewer Sales	12,127,105	4,499,055	(7,628,050)	37.1%
Other Income	-	43,211	43,211	-
Investment Earnings	400,000	134,902	(265,098)	33.7%
Total	12,527,105	4,677,168	(7,849,937)	37.3%

Fund 402 Revenues

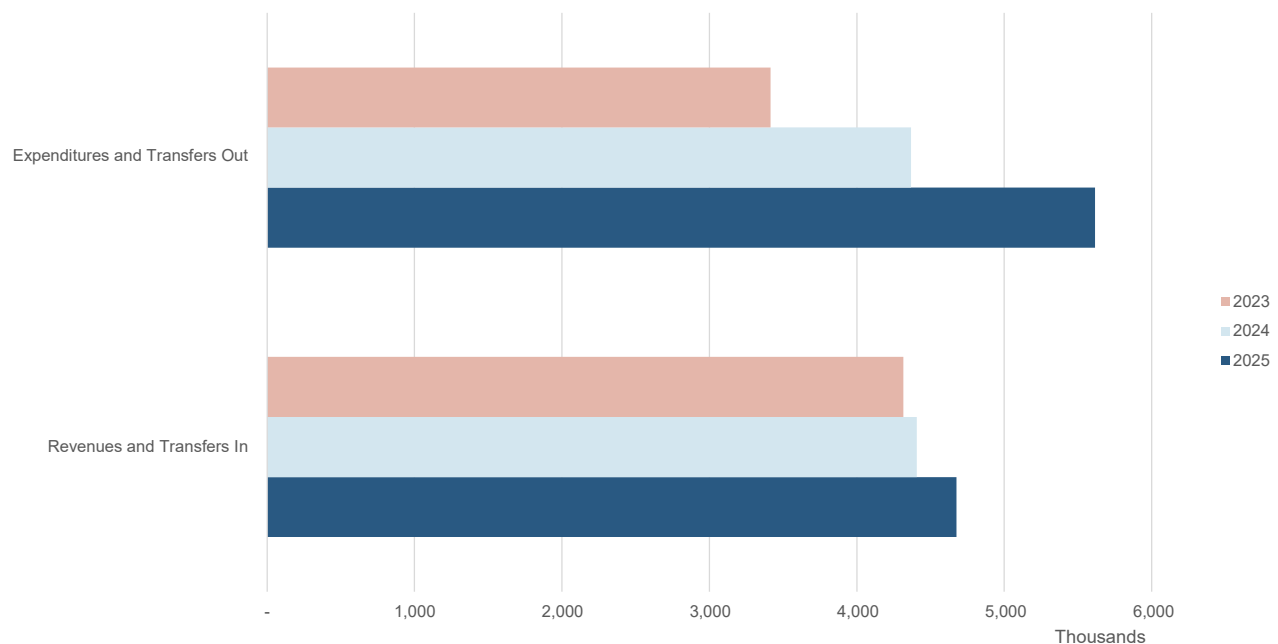
% of Year Complete
41.7%



Fund 402 Sewer Utility Fund						
Year-to-Year Expenditures & Transfers Out by Category						
Category	2023 Expenses through May	2024 Expenses through May	2025 Expenses through May	2025 vs 2024		
				\$	%	
Salaries, Wages, & Overtime	\$ 349,929	\$ 459,365	\$ 285,832	\$ (173,533)	-37.8%	
Benefits	149,906	191,961	131,191	(60,770)	-31.7%	
Supplies	1,653,119	2,196,275	2,362,271	165,996	+7.6%	
Services	714,151	914,904	848,141	(66,763)	-7.3%	
Land, Structures, Machinery, Equipment	-	-	1,527,359	1,527,359	-	
Other Expenditures	237,417	236,250	42,822	(193,428)	-82%	
Transfers Out - Internal Cost Allocation	259,890	272,881	286,524	13,643	+5%	
Transfers Out - Debt Service	50,021	50,021	50,024	3	+0%	
Transfers Out to Other Funds	(34)	47,500	83,334	35,834	+75%	
Total	3,414,399	4,369,157	5,617,498	1,248,341	+28.6%	

Fund 402 Sewer Utility Fund						
Year-to-Year Revenues and Transfers In by Category						
Category	2023 Revenues through May	2024 Revenues through May	2025 Revenues through May	2025 vs 2024		
				\$	%	
Sewer Sales	4,101,126	4,185,927	4,499,055	313,128	+7%	
Other Income	22,922	4,130	43,211	39,081	+946.3%	
Investment Earnings	193,227	217,345	134,902	(82,443)	-37.9%	
	-	-	-	-	-	
	-	-	-	-	-	
	-	-	-	-	-	
Total	4,317,275	4,407,402	4,677,168	269,766	+6.1%	

Fund 402 Prior Year Comparisons YTD



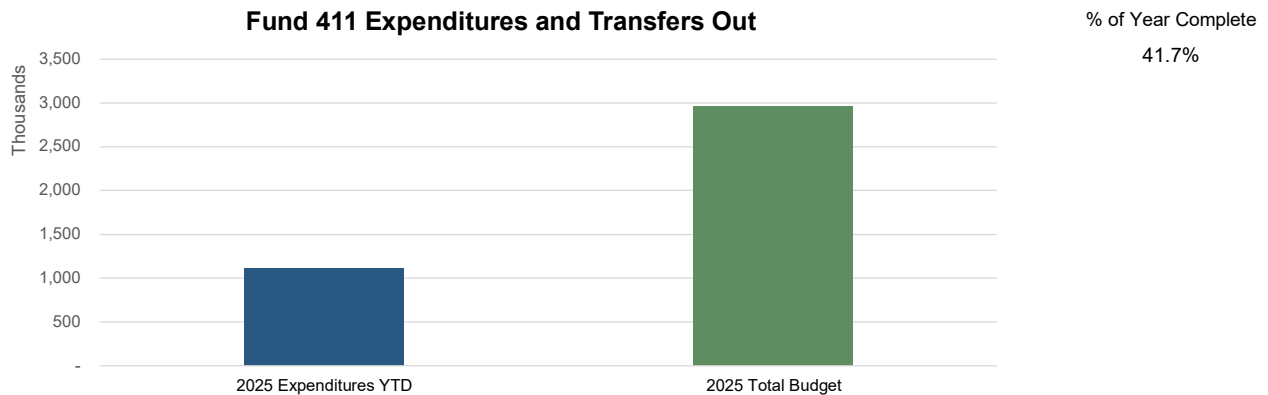
Fund 411 Foster Golf Course

Overview

	2025 through May	2025 Total Budget	Budget Variance % of Annual Budget
Revenues	\$ 800,760	\$ 2,487,500	32.2%
Transfers In	75,000	300,000	25.0%
Expenditures	1,010,261	2,719,666	37.1%
Transfers Out	100,745	241,788	41.7%
Net Revenues Less Expenditures	(235,246)	(173,954)	% of Year Complete 41.7%

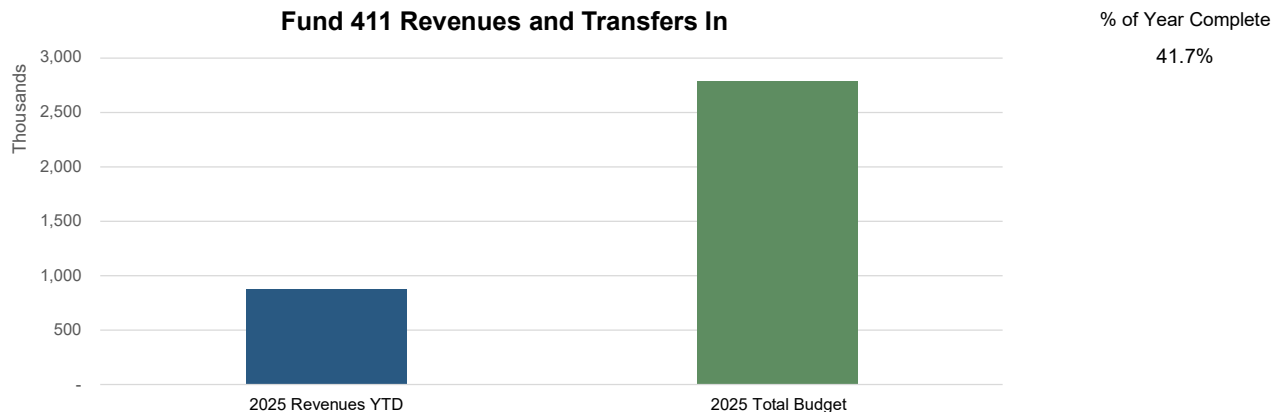
Fund 411 Foster Golf Course Expenditures and Transfers Out by Category

Category	2025 Total Budget	2025 Expenses through May	Budget Variance (Unfavorable) / Favorable	Budget Variance % of Annual Budget
Salaries, Wages, & Overtime	1,077,911	429,050	648,861	40%
Benefits	395,385	170,094	225,291	43%
Supplies	362,145	156,819	205,326	43.3%
Services	360,225	203,967	156,258	56.6%
Land, Structures, Machinery, Equipment	524,000	50,330	473,670	10%
Transfers Out - Internal Cost Allocation	241,788	100,745	141,043	42%
Total	2,961,454	1,111,005	1,850,449	37.5%



Revenues and Transfers In by Category

Category	2025 Total Budget	2025 Revenues through May	Budget Variance (Unfavorable) / Favorable	Budget Variance % of Annual Budget
Gambling & Excise Taxes	3,000	-	(3,000)	0.0%
Greens Fees	1,610,000	579,718	(1,030,282)	36.0%
General Government Revenue	165,000	67,521	(97,479)	40.9%
Culture and Recreation Fees	5,000	1,300	(3,700)	26.0%
Other Income	11,000	16,384	5,384	148.9%
Investment Earnings	60,000	23,586	(36,414)	39.3%
Rent & Concessions	633,500	112,251	(521,249)	17.7%
Transfer In From General Fund	300,000	75,000	(225,000)	25%
Total	2,787,500	875,760	(1,911,740)	31.4%



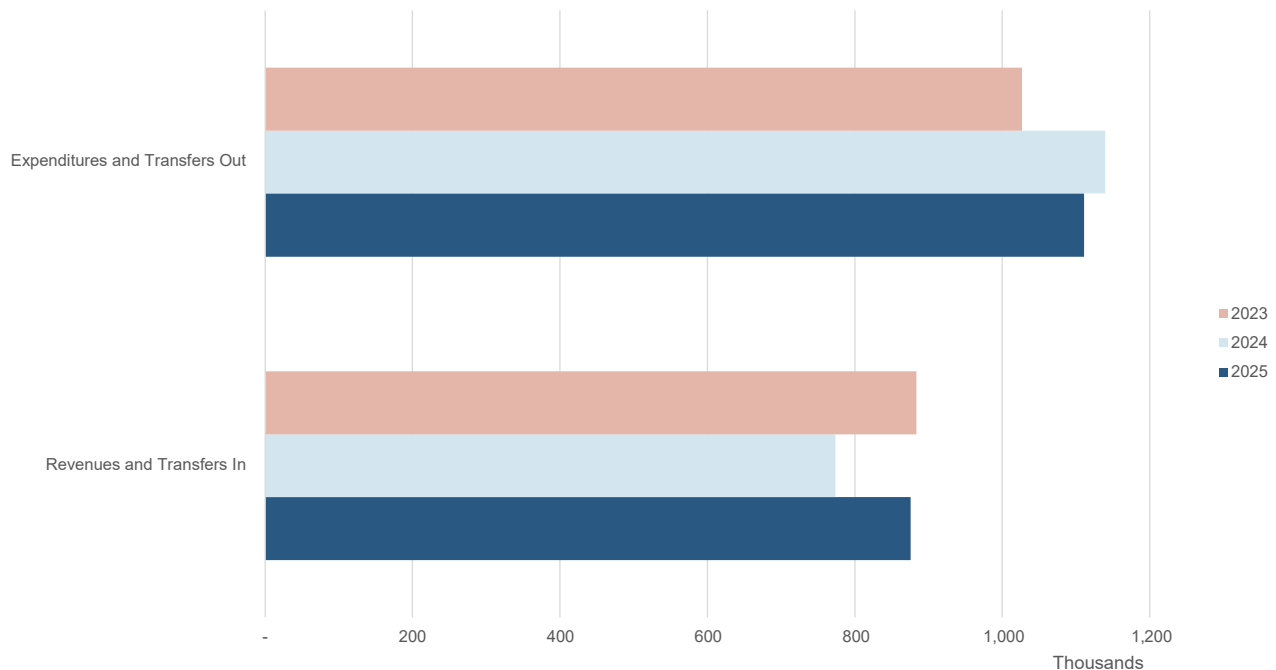
Fund 411 Foster Golf Course
Year-to-Year Expenditures & Transfers Out by Category

Category	2023 Expenses through May		2024 Expenses through May		2025 Expenses through May		2025 vs 2024	
							\$	%
Salaries, Wages, & Overtime	\$	330,189	\$	380,504	\$	429,050	\$ 48,546	+12.8%
Benefits		150,409		158,567		170,094	11,527	+7.3%
Supplies		204,757		128,085		156,819	28,734	+22.4%
Services		250,139		324,986		203,967	(121,019)	-37.2%
Land, Structures, Machinery, Equipment		-		51,632		50,330	(1,302)	-2.5%
Transfers Out - Internal Cost Allocation		91,380		95,944		100,745	4,801	+5%
Total		1,026,874		1,139,718		1,111,005	(28,713)	-2.5%

Fund 411 Foster Golf Course
Year-to-Year Revenues and Transfers In by Category

Category	2023 Revenues through May		2024 Revenues through May		2025 Revenues through May		2025 vs 2024	
							\$	%
Greens Fees		565,596		478,842		579,718	100,876	+21.1%
General Government Revenue		64,702		50,401		67,521	17,120	+34.0%
Culture and Recreation Fees		49		278		1,300	1,022	+367.6%
Other Income		3,470		4,083		16,384	12,301	+301%
Investment Earnings		27,507		38,177		23,586	(14,591)	-38%
Rent & Concessions		134,543		122,811		112,251	(10,560)	-9%
Sale of Capital Assets		12,800		4,000		-	(4,000)	-100%
Transfer In From General Fund		75,000		75,000		75,000	-	0%
Total		883,667		773,592		875,760	102,168	+13.2%

Fund 411 Prior Year Comparisons YTD



Fund 412 Surface Water Utility Fund

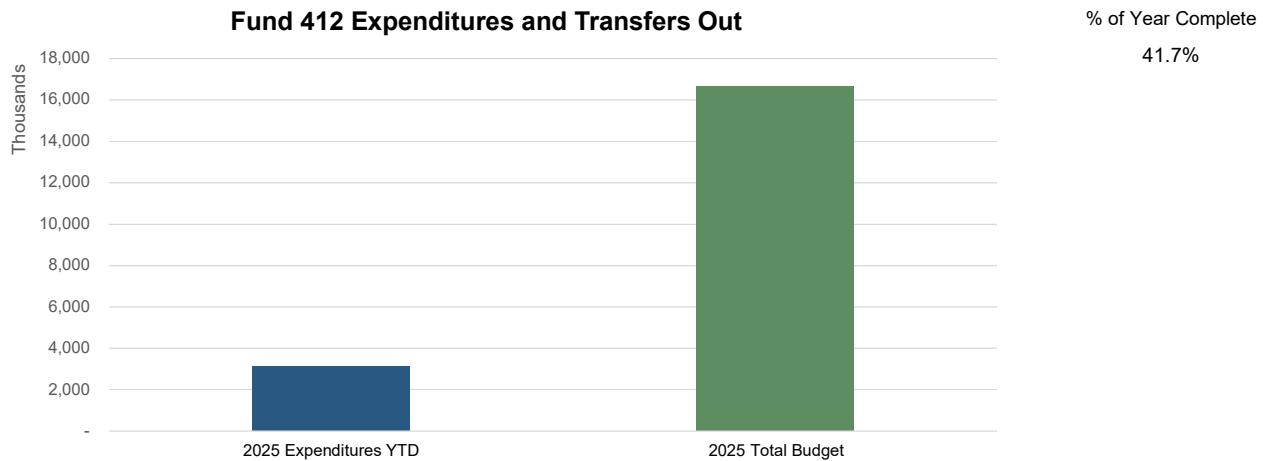
Overview

	2025 through May	2025 Total Budget	Budget Variance % of Annual Budget
Revenues	\$ 9,232,750	\$ 14,742,267	62.6%
Expenditures	2,607,727	15,103,982	17.3%
Transfers Out	510,186	1,555,760	32.8%
Net Revenues Less Expenditures	6,114,837	(1,917,475)	% of Year Complete 41.7%

Fund 412 Surface Water Utility Fund

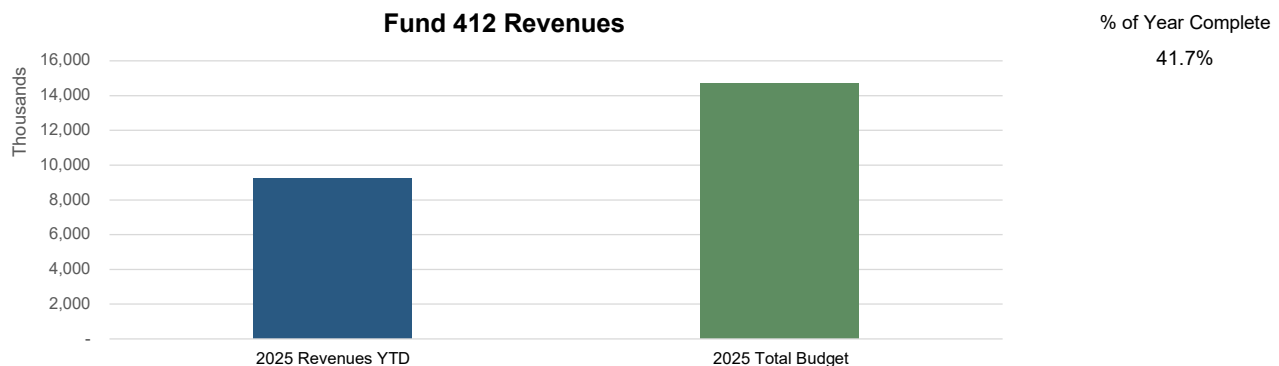
Expenditures and Transfers Out by Category

Category	2025 Total Budget	2025 Expenses through May	Budget Variance (Unfavorable) / Favorable	Budget Variance % of Annual Budget
Salaries, Wages, & Overtime	2,028,653	609,052	1,419,601	30%
Benefits	1,023,526	264,246	759,280	26%
Supplies	72,665	16,780	55,885	23.1%
Services	11,957,541	1,609,351	10,348,190	13.5%
Land, Structures, Machinery, Equipment	-	108,298	(108,298)	-
Other Expenditures	21,597	-	21,597	0%
Transfers Out - Internal Cost Allocation	727,476	303,115	424,361	42%
Transfers Out - Debt Service	494,951	123,737	371,214	25%
Transfers Out to Other Funds	333,333	83,334	249,999	25%
Total	16,659,742	3,117,913	13,541,829	18.7%



Revenues and Transfers In by Category

Category	2025 Total Budget	2025 Revenues through May	Budget Variance (Unfavorable) / Favorable	Budget Variance % of Annual Budget
Surface Water Sales	8,477,267	8,571,054	93,787	101.1%
Permits	-	(17)	(17)	-
Grant Revenues	3,322,000	287,055	(3,034,945)	8.6%
Other Income	2,643,000	209,201	(2,433,799)	7.9%
Investment Earnings	300,000	165,458	(134,542)	55.2%
Total	14,742,267	9,232,751	(5,509,516)	62.6%



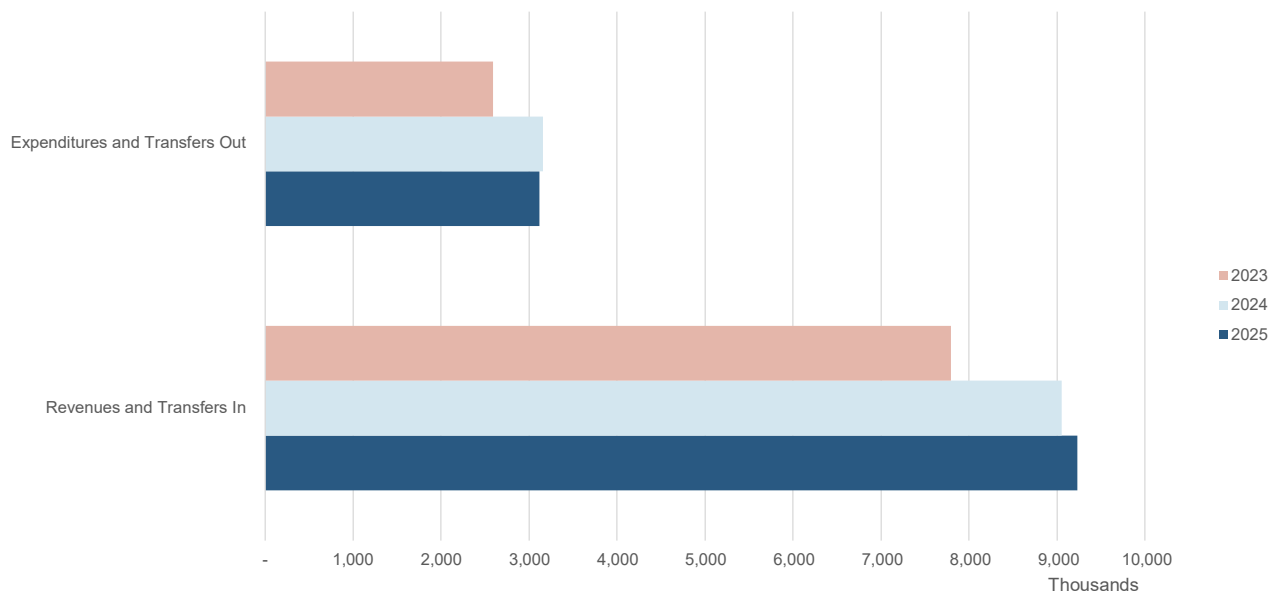
Fund 412 Surface Water Utility Fund
Year-to-Year Expenditures & Transfers Out by Category

Category	2023 Expenses through May	2024 Expenses through May	2025 Expenses through May	2025 vs 2024	
				\$	%
Salaries, Wages, & Overtime	\$ 504,437	\$ 644,727	\$ 609,052	\$ (35,675)	-5.5%
Benefits	238,801	270,052	264,246	(5,806)	-2.1%
Supplies	19,140	40,044	16,780	(23,264)	-58.1%
Services	1,169,165	1,317,934	1,609,351	291,417	+22.1%
Land, Structures, Machinery, Equipment	-	92,320	108,298	15,978	+17.3%
Other Expenditures	261,949	260,653	-	(260,653)	-100%
Transfers Out - Internal Cost Allocation	274,935	288,682	303,115	14,433	+5%
Transfers Out - Debt Service	123,736	123,736	123,737	1	+0%
Transfers Out to Other Funds	(83)	117,500	83,334	(34,166)	-29%
Total	2,592,080	3,155,648	3,117,913	(37,735)	-1.2%

Fund 412 Surface Water Utility Fund
Year-to-Year Revenues and Transfers In by Category

Category	2023 Revenues through May	2024 Revenues through May	2025 Revenues through May	2025 vs 2024	
				\$	%
Surface Water Sales	7,767,167	8,091,932	8,571,054	479,122	+6%
Permits	-	-	(17)	(17)	-
Grant Revenues	-	4,349	287,055	282,706	+6500.5%
Other Income	(63,621)	761,223	209,201	(552,022)	-72.5%
Investment Earnings	91,920	196,886	165,458	(31,428)	-16%
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Total	7,795,466	9,054,390	9,232,751	178,361	+2.0%

Fund 412 Prior Year Comparisons YTD

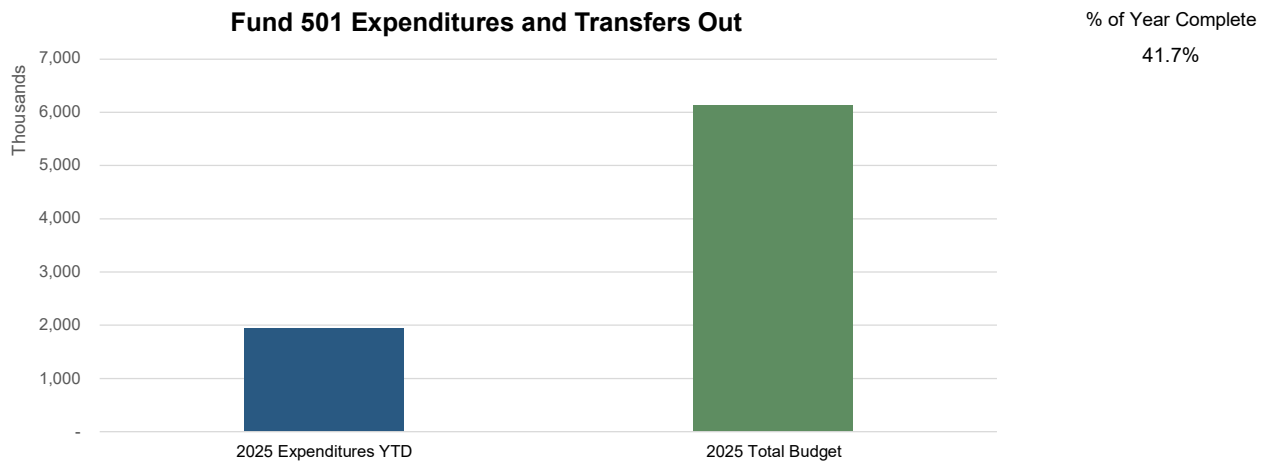


Fund 501 Equipment Rental
Overview

	2025 through May		2025 Total Budget		Budget Variance % of Annual Budget
Revenues	\$	2,062,461	\$	6,223,147	33.1%
Expenditures		1,785,898		5,749,503	31.1%
Transfers Out		160,964		386,308	41.7%
<hr/>					
Net Revenues Less Expenditures		115,599		87,336	
					% of Year Complete
					41.7%

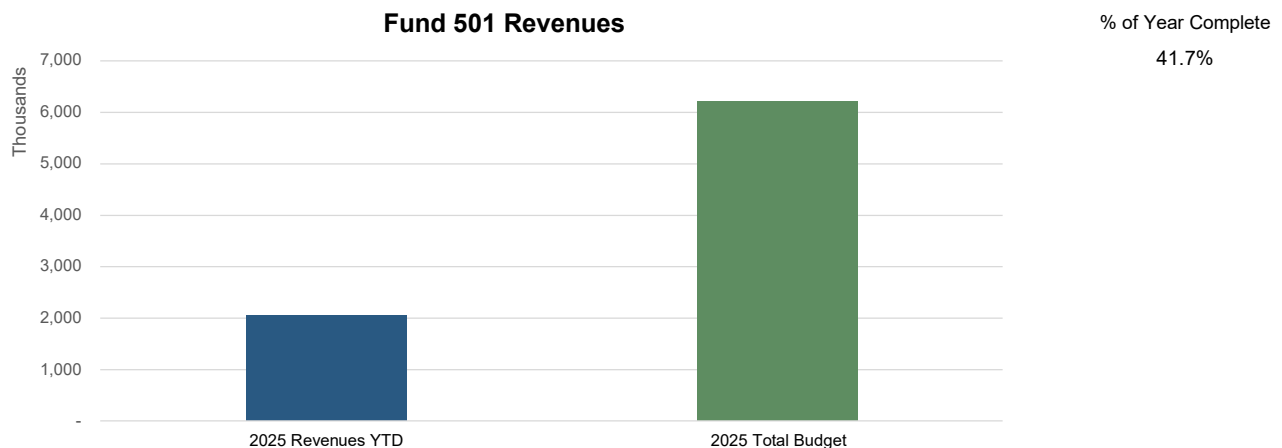
Fund 501 Equipment Rental Expenditures and Transfers Out by Category

Category	2025 Total Budget	2025 Expenses through May	Budget Variance (Unfavorable) / Favorable	Budget Variance % of Annual Budget
Salaries, Wages, & Overtime	519,798	190,518	329,280	37%
Benefits	237,888	92,975	144,913	39%
Supplies	790,900	375,163	415,737	47.4%
Services	1,903,717	747,637	1,156,080	39.3%
Land, Structures, Machinery, Equipment	2,297,200	379,605	1,917,595	17%
Transfers Out - Internal Cost Allocation	386,308	160,964	225,344	42%
Total	6,135,811	1,946,862	4,188,949	31.7%



Revenues and Transfers In by Category

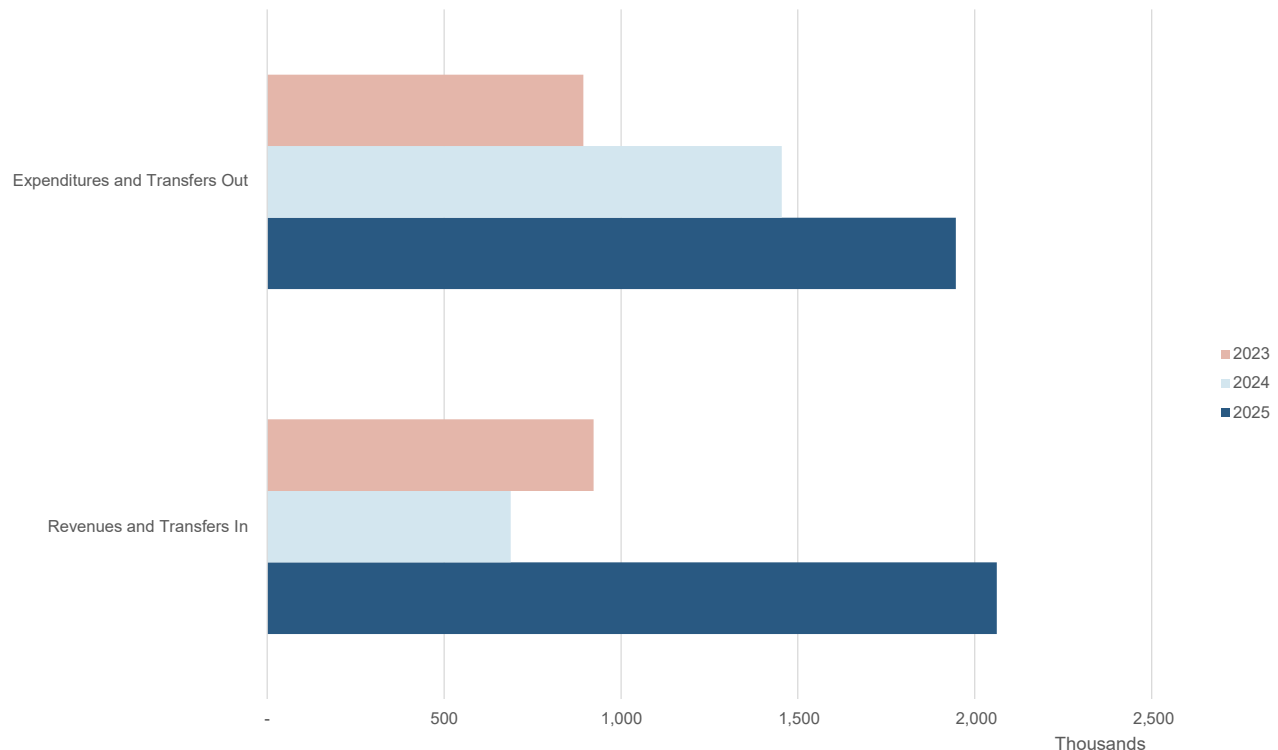
Category	2025 Total Budget	2025 Revenues through May	Budget Variance (Unfavorable) / Favorable	Budget Variance % of Annual Budget
Fleet Replacement Charges	2,294,324	955,958	(1,338,366)	41.7%
Fleet Lease Charges	3,526,723	881,673	(2,645,050)	25.0%
Fleet Repair Charges	200,000	46,740	(153,260)	23.4%
Other Income	2,100	2,863	763	136.3%
Investment Earnings	40,000	30,195	(9,805)	75.5%
Sale of Capital Assets	160,000	145,032	(14,968)	90.6%
Total	6,223,147	2,062,461	(4,160,686)	33.1%



Fund 501 Equipment Rental						
Year-to-Year Expenditures & Transfers Out by Category						
Category	2023 Expenses through May	2024 Expenses through May	2025 Expenses through May	2025 vs 2024		
				\$	%	
Salaries, Wages, & Overtime	\$ 123,805	\$ 165,887	\$ 190,518	\$ 24,631	+14.8%	
Benefits	63,599	82,700	92,975	10,275	+12.4%	
Supplies	249,946	298,786	375,163	76,377	+25.6%	
Services	297,217	623,407	747,637	124,230	+19.9%	
Land, Structures, Machinery, Equipment	12,736	130,376	379,605	249,229	+191.2%	
Transfers Out - Internal Cost Allocation	145,995	153,299	160,964	7,665	+5%	
Total	893,298	1,454,455	1,946,862	492,407	+33.9%	

Fund 501 Equipment Rental						
Year-to-Year Revenues and Transfers In by Category						
Category	2023 Revenues through May	2024 Revenues through May	2025 Revenues through May	2025 vs 2024		
				\$	%	
Fleet Replacement Charges	\$ 437,707	\$ 516,976	\$ 955,958	\$ 438,982	+85%	
Fleet Lease Charges	251,430	-	881,673	881,673	-	
Fleet Repair Charges	-	53,432	46,740	(6,692)	-12.5%	
Other Income	85	-	2,863	2,863	-	
Investment Earnings	79,974	81,923	30,195	(51,728)	-63%	
Sale of Capital Assets	153,389	36,480	145,032	108,552	+298%	
Total	922,585	688,811	2,062,461	1,373,650	+199.4%	

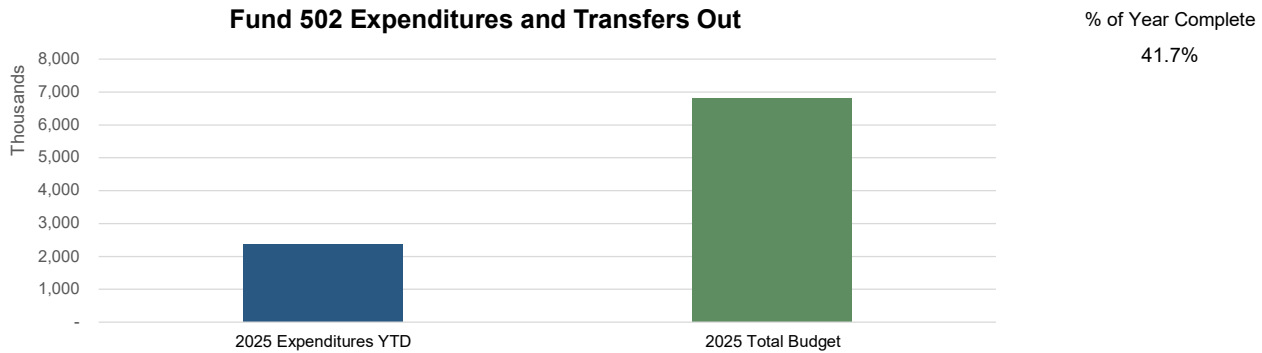
Fund 501 Prior Year Comparisons YTD



Fund 502 Insurance - Active Employees
Expenditures and Transfers Out by Category

Category	2025 Total Budget	2025 Expenses through May	Budget Variance (Unfavorable) / Favorable	Budget Variance % of Annual Budget
Self Insurance Medical Claims	\$ 4,108,327	\$ 1,404,265	\$ 2,704,062	34%
Dental Claims	413,306	164,454	248,852	40%
Prescription Claims	1,158,759	408,607	750,152	35.3%
Vision Claims	21,641	9,805	11,836	45.3%
Stop Loss Reimbursements	-	(104,141)	104,141	-
TPA Admin Fees	155,034	79,269	75,765	51%
Excess Loss Prem	621,372	286,433	334,939	46%
Contracted Services	100,000	27,592	72,408	28%
Employee Wellness Services	18,000	4,945	13,055	27%
Transfers Out - Internal Cost Allocation	209,077	87,116	121,961	42%
Total	6,805,516	2,368,345	4,437,171	34.8%

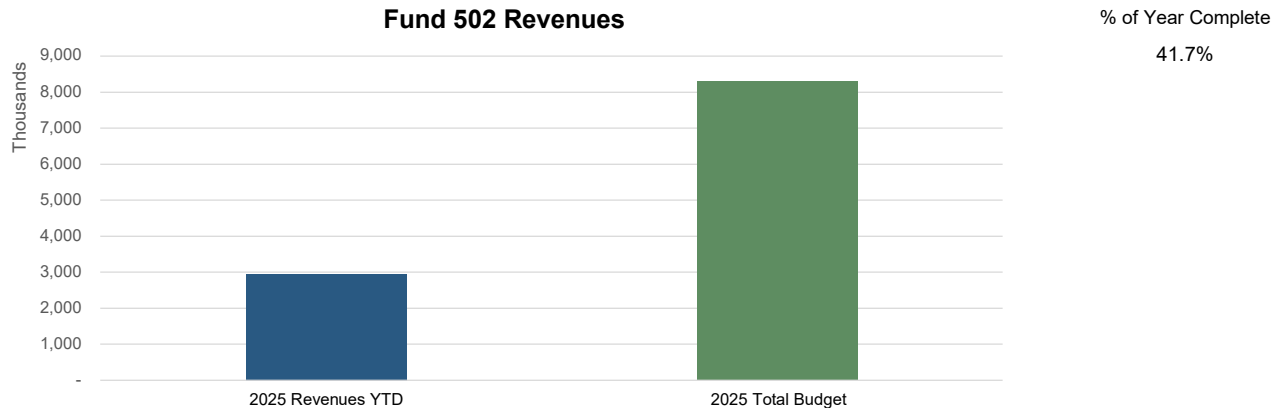
Fund 502 Expenditures and Transfers Out



Revenues and Transfers In by Category

Category	2025 Total Budget	2025 Revenues through May	Budget Variance (Unfavorable) / Favorable	Budget Variance % of Annual Budget
Employer Trust Contributions	7,943,114	2,699,074	(5,244,040)	34.0%
Employee Voluntary Contributions	-	21,911	21,911	-
Employee Mandatory Contributions	311,980	138,578	(173,402)	44.4%
Employee Benefit Program Services	-	22	22	-
Investment Interest	47,500	82,270	34,770	173.2%
Total	8,302,594	2,941,855	(5,360,739)	35.4%

Fund 502 Revenues



Fund 502 Insurance - Active Employees

Overview

	2025 through May	2025 Total Budget	Budget Variance % of Annual Budget
Revenues	\$ 2,941,855	\$ 8,302,594	35.4%
Expenditures	2,281,228	6,599,439	34.6%
Transfers Out	87,116	209,077	41.7%
Net Revenues Less Expenditures	573,511	1,494,078	% of Year Complete 41.7%

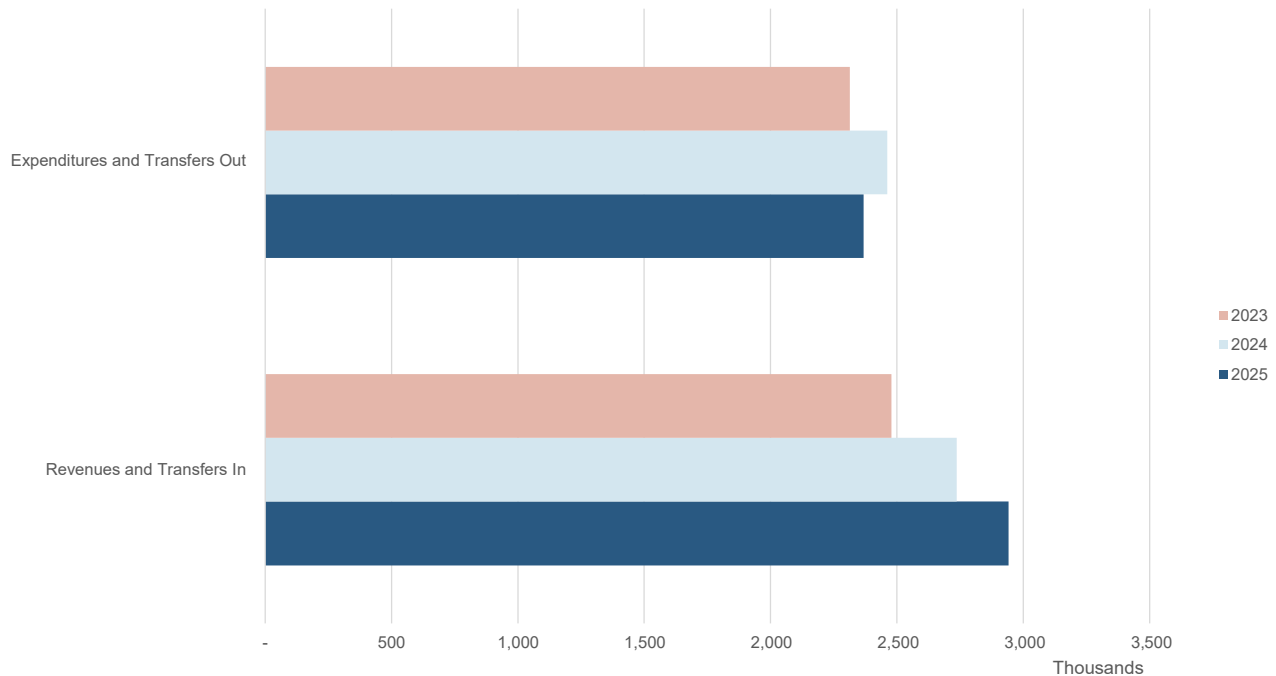
Fund 502 Insurance - Active Employees
Year-to-Year Expenditures & Transfers Out by Category

Category	2023 Expenses through May	2024 Expenses through May	2025 Expenses through May	2025 vs 2024	
				\$	%
Self Insurance Medical Claims	\$ 1,475,168	\$ 1,595,392	\$ 1,404,265	\$ (191,127)	-12.0%
Dental Claims	181,680	166,473	164,454	(2,019)	-1.2%
Prescription Claims	385,197	476,341	408,607	(67,734)	-14.2%
Vision Claims	8,469	9,134	9,805	671	+7.3%
Stop Loss Reimbursements	-	(119,788)	(104,141)	15,647	-13.1%
TPA Admin Fees	57,118	55,520	79,269	23,749	+42.8%
Excess Loss Prem	100,626	167,926	286,433	118,507	+70.6%
Employee Wellness Supplies	250	75	-	(75)	-100%
Contracted Services	26,935	27,482	27,592	110	+0%
Employee Wellness Services	-	132	4,945	4,813	+3646%
Transfers Out - Internal Cost Allocation	79,015	82,970	87,116	4,146	+5%
Total	2,314,458	2,461,657	2,368,345	(93,312)	-3.8%

Fund 502 Insurance - Active Employees
Year-to-Year Revenues and Transfers In by Category

Category	2023 Revenues through May	2024 Revenues through May	2025 Revenues through May	2025 vs 2024	
				\$	%
Employer Trust Contributions	\$ 2,328,382	\$ 2,594,586	\$ 2,699,074	\$ 104,488	+4%
Employee Voluntary Contributions	35,201	11,501	21,911	10,410	+90.5%
Employee Mandatory Contributions	36,243	37,314	138,578	101,264	+271.4%
Employee Benefit Program Services	-	-	22	22	-
Investment Interest	78,545	94,151	82,270	(11,881)	-13%
Total	2,478,371	2,737,552	2,941,855	204,303	+7.5%

Fund 502 Prior Year Comparisons YTD



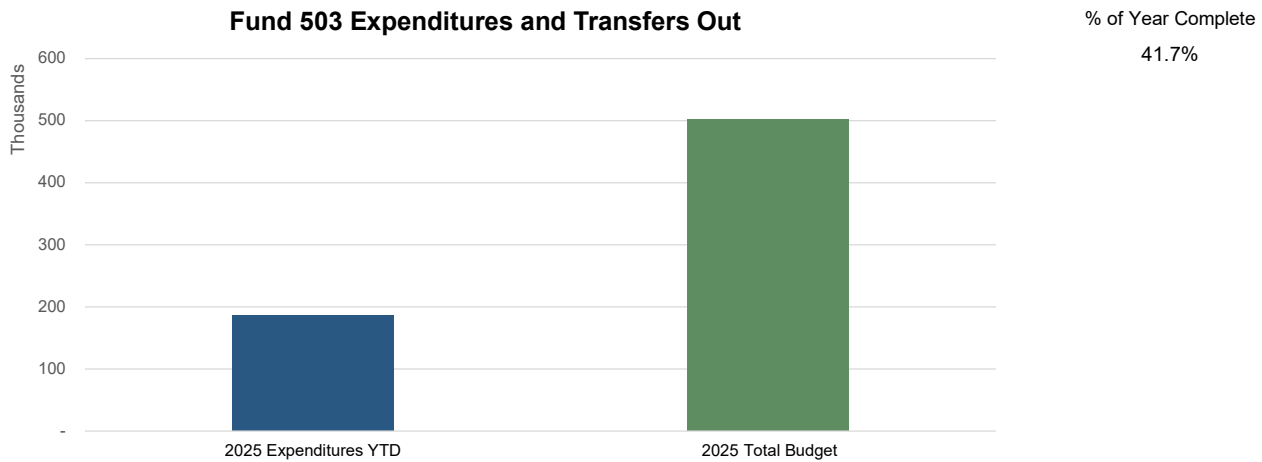
Fund 503 Insurance - LEOFF I Retirees

Overview

	2025 through May	2025 Total Budget	Budget Variance % of Annual Budget
Revenues	\$ 170,975	\$ 546,347	31.3%
Expenditures	180,086	488,766	36.8%
Transfers Out	5,804	13,938	41.6%
Net Revenues Less Expenditures	(14,915)	43,643	% of Year Complete 41.7%

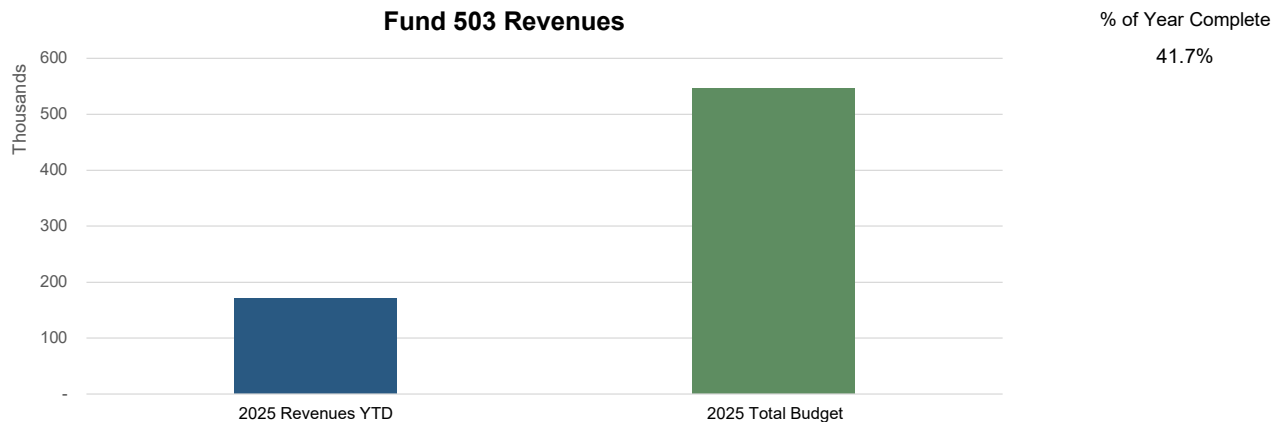
Fund 503 Insurance - LEOFF I Retirees
Expenditures and Transfers Out by Category

Category	2025 Total Budget	2025 Expenses through May	Budget Variance (Unfavorable) / Favorable	Budget Variance % of Annual Budget
Self Insurance Medical Claims	\$ 150,000	\$ 27,991	\$ 122,009	19%
Dental Claims	32,931	12,208	20,723	37%
Prescription Claims	169,644	63,880	105,764	37.7%
Vision Claims	4,419	1,354	3,065	30.6%
TPA Admin Fees	12,612	7,313	5,299	58%
Excess Loss Premium	24,160	11,868	12,292	49%
Long Term Care	15,000	41,960	(26,960)	280%
Out of Pocket	75,000	805	74,195	1%
Medicare Plan B	-	12,707	(12,707)	-
Contracted Services	5,000	-	5,000	0%
Transfers Out - Internal Cost Allocation	13,938	5,804	8,134	42%
Total	502,704	185,890	316,814	37.0%



Revenues and Transfers In by Category

Category	2025 Total Budget	2025 Revenues through May	Budget Variance (Unfavorable) / Favorable	Budget Variance % of Annual Budget
Employer Trust Contributions	545,833	170,780	(375,053)	31.3%
Investment Interest	514	194	(320)	37.7%
Total	546,347	170,974	(375,373)	31.3%



Fund 503 Insurance - LEOFF I Retirees
Year-to-Year Expenditures & Transfers Out by Category

Category	2023 Expenses through May		2024 Expenses through May		2025 Expenses through May		2025 vs 2024	
							\$	%
Self Insurance Medical Claims	\$	27,163	\$	31,222	\$	27,991	\$ (3,231)	-10.3%
Dental Claims		12,036		7,916		12,208	4,292	+54.2%
Prescription Claims		65,842		65,872		63,880	(1,992)	-3.0%
Vision Claims		903		9,590		1,354	(8,236)	-85.9%
TPA Admin Fees		6,630		6,290		7,313	1,023	+16.3%
Excess Loss Premium		40,186		6,967		11,868	4,901	+70.3%
Long Term Care		39,552		50,929		41,960	(8,969)	-17.6%
Out of Pocket		1,131		2,061		805	(1,256)	-61%
Medicare Plan B		25,264		17,998		12,707	(5,291)	-29%
Contracted Services		-		2,000		-	(2,000)	-100%
Transfers Out - Internal Cost Allocation		5,270		5,532		5,804	272	+5%
Total		223,977		206,377		185,890	(20,487)	-9.9%

Fund 503 Insurance - LEOFF I Retirees
Year-to-Year Revenues and Transfers In by Category

Category	2023 Revenues through May		2024 Revenues through May		2025 Revenues through May		2025 vs 2024	
							\$	%
Employer Trust Contributions	\$	133,188	\$	139,140	\$	170,780	\$ 31,640	+23%
Investment Interest		2,944		2,296		194	(2,102)	-91.6%
Total		136,132		141,436		170,974	29,538	+20.9%

Fund 503 Prior Year Comparisons YTD

