



2025-2026 ADOPTED BIENNIAL BUDGET



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CITY OF UNIVERSITY PLACE, WASHINGTON



2025-2026 ADOPTED BIENNIAL BUDGET

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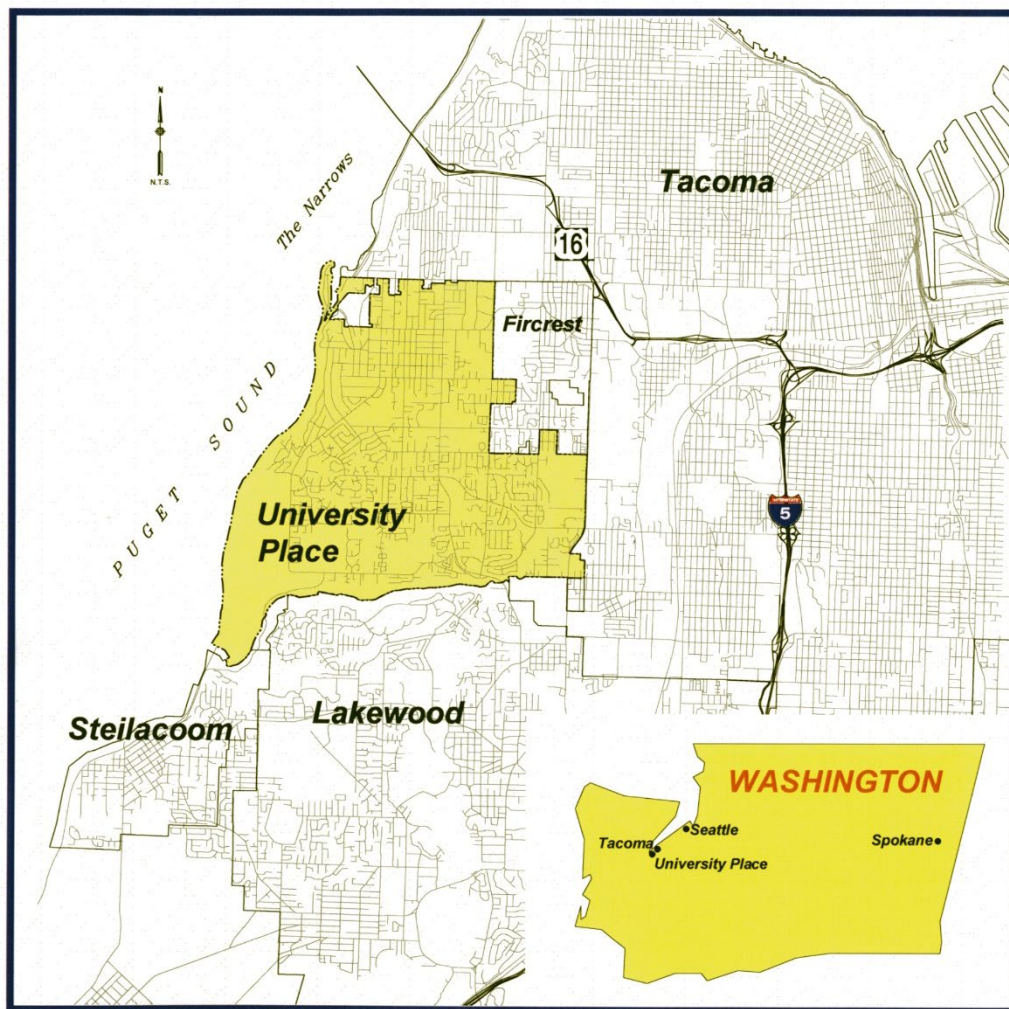
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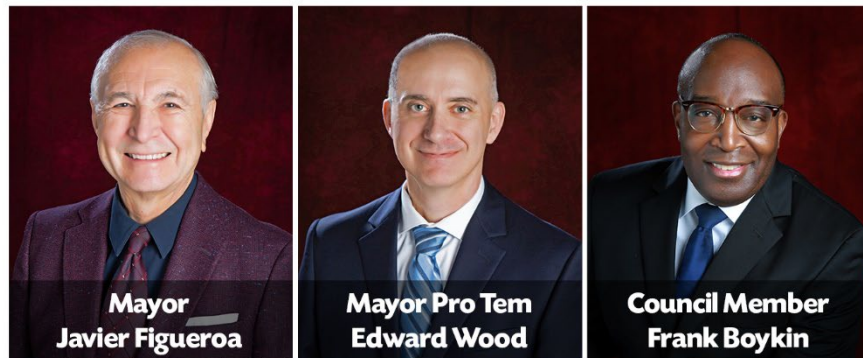
The City of University Place

Incorporated in 1995, University Place ranks 39th in population in the State of Washington with a population of approximately 35,970. University Place encompasses an area of 8.4 square miles and is a mostly suburban residential city located on the picturesque Puget Sound just south of Tacoma. In addition to its proximity to Tacoma, University Place offers easy accessibility to Seattle, Olympia, and the Puget Sound peninsulas. University Place is easily accessible by Interstate 5 or Highway 16.

The City has a Council/Manager form of government. The City Council consists of seven council members, each of whom is elected at-large. The Council elects the Mayor from its members. The City Manager serves as the chief executive officer and is responsible for daily administration of personnel, policies, and programs. The City Manager is appointed by, reports directly to, and serves at the pleasure of the Council.



CITY OF UNIVERSITY PLACE ELECTED OFFICIALS



CITY OF UNIVERSITY PLACE ADMINISTRATION

City Manager	Stephen P. Sugg
Assistant City Manager	Eric Faison
City Attorney	Matt Kaser
Director of Finance and Risk Manager	Leslie Blaisdell
Director of Community and Economic Development	Kevin Briske
Director of Public Works	Jack Ecklund
Director of Administrative Services	Lisa Petorak
Police Chief	Patrick Burke

ORGANIZATIONAL STRUCTURE

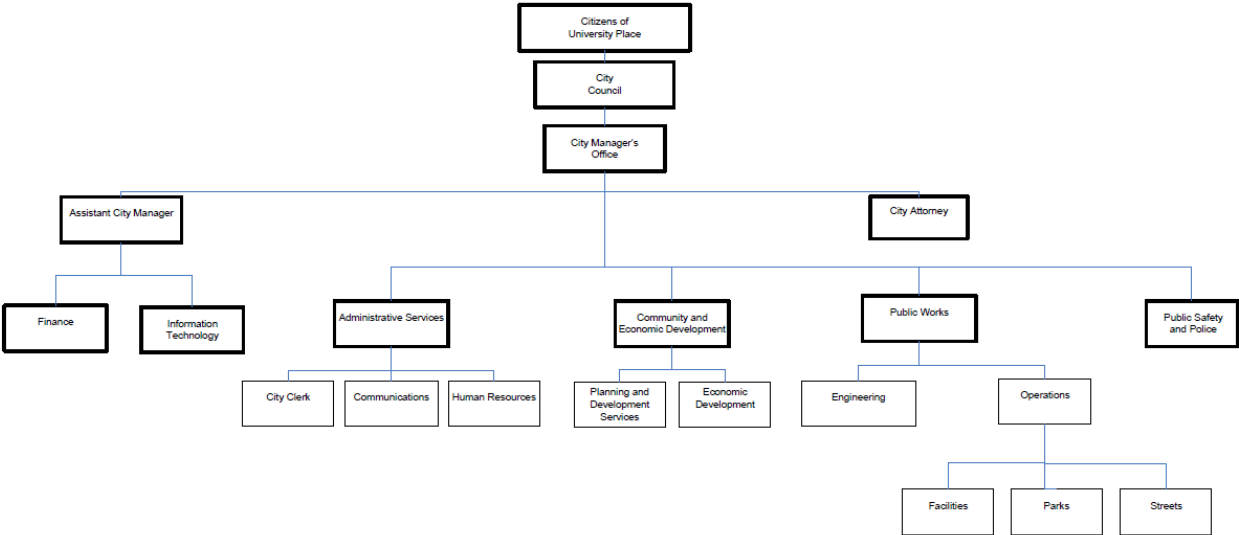


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READER'S GUIDE TO THE BUDGET

This budget document is organized into seven sections to help the reader find information about the City and its 2025-2026 Biennial Budget: Budget Message, Budget Guide, Executive Summary, Operating Budget, Capital Budget, and Appendix.

Budget Message - The Budget Message section is written by the City Manager and includes:

- Budget Message
- Budget Overview

Budget Guide - The Budget Guide is intended to familiarize the reader with the City's budget policies and procedures, basis of accounting, and the presentation of the budget document.

This section includes:

- Budget Process
- Basis of Accounting and Budgeting
- Budget Guidelines

Executive Summary - The Executive Summary section provides an overview of the City's financial condition, comparative statistics, and includes:

- Summary of Sources and Uses
- Revenue Assumptions
- Ending Fund Balances
- Annual and Combined Sources and Uses Tables (by Fund Category)

Operating Budget - The Operating Budget focuses on accountability and responsibility assigned to each department within the City. This section is organized by function within a department and incorporates all operating funds. Each department is organized as follows by function:

- Mission and Responsibilities
- Highlights and Changes
- Goals/Major Objectives
- Multi-Year Expenditure Comparison
- Personnel

Capital Budget - The Capital Budget provides an overview of the City's Capital Improvement Plan and is organized as follows by major capital component:

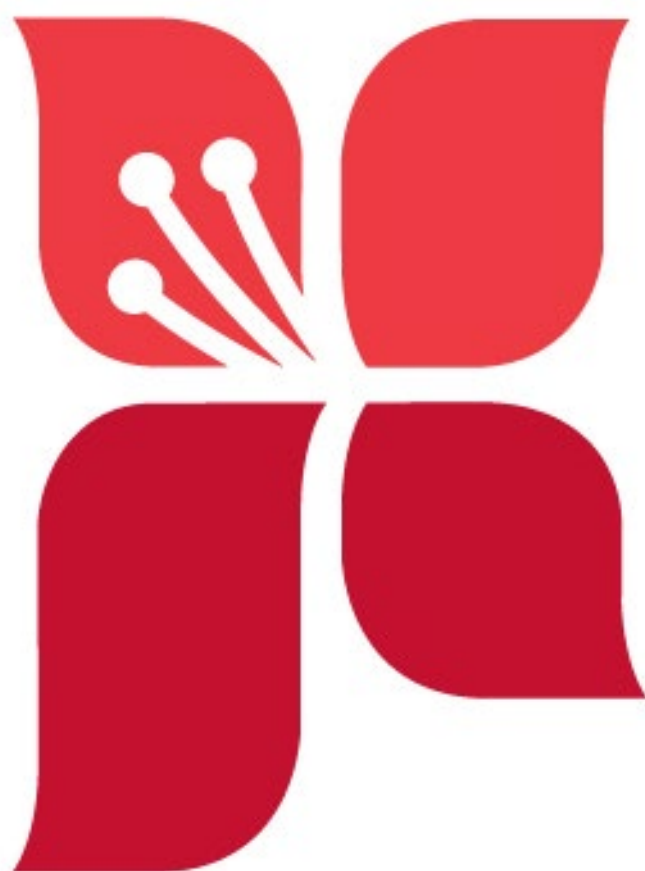
- Public Works
- Municipal Facilities
- Parks

Budget by Fund - The Budget by Fund section illustrates the overall financial condition of each fund. This section is organized as follows:

- Purpose and Description
- Multi-year Sources & Uses

Appendix - The Appendix section includes:

- Miscellaneous Statistical Information
- Debt Service
- Historical Tax Rates
- 2025 & 2026 Salary Ranges
- Sales Tax
- Commissions
- Property Tax
- Glossary of Budget Terms & Acronym List



CITY MANAGER'S BUDGET MESSAGE



CURRAN APPLE ORCHARD

PHOTO INFORMATION: CURRAN APPLE ORCHARD

Mary and Charles Curran purchased a 7.33-acre parcel of land in 1951 and transformed it into an apple orchard with 250 Gravenstein, Macintosh and Golden Delicious apple trees that quickly became a popular local landmark. In 1993, the University Place Community Council successfully obtained Conservation Futures funds from Pierce County to preserve the orchard forever as a park. Today the park plays host to the popular summer concert series as well as the fall cider squeeze.



September 27, 2024

Citizens of University Place, Mayor Figueroa and Members of the City Council:

It is my pleasure to present the 2025-2026 Adopted Biennial Budget for the City of University Place, Washington. The City continues to grow. Over the past five years, the City has grown by nearly 8%, from 33,310 to 35,970.

University Place prides itself on its fiscal responsibility, strong school system, and well-maintained neighborhoods and City infrastructure, making it a desirable place to live for families and professionals alike. This budget recognizes that we are experiencing a slowing economy, and that high inflation has significant effects on the expenses of the City and its residents. As a result, the budget reflects the continuation of the City's policy of careful, conservative revenue and expenditure assumptions, with a particular focus on the long-term financial health of the City and maintenance of existing service levels to residents.

The 2025-2026 budget is a status quo budget and includes funding for scheduled fleet replacements, salt and deicer storage structures (NPDES required), sidewalk repairs, and repairs to aging infrastructure. We have also included funding for succession planning in anticipation of staff retirements.

Through conservative budgeting and strategic investment, the City's long-range forecast projects that the City will continue to have enough resources to maintain existing service levels and to meet all its statutory and contractual obligations through the budgeted and forecasted period.

BUDGET

As in previous years, the 2025-2026 Adopted Biennial Budget is essentially two budgets in one: an operating budget and a capital budget. For 2025, the total proposed City budget is \$44.9 million (\$37.9 million operating budgets, a \$3.6 million capital budget and \$3.4 million in Internal Service charges). For fiscal year 2026, the total adopted City budget is \$76.0 million. The operating budget for 2026 is \$66.2 million, the capital budget is \$6.3 million, and the Internal Service charges are \$3.5 million.

FINANCIAL GUIDELINES/ASSUMPTIONS

The 2025-2026 Proposed Biennial Budget is balanced and fits the following conservative financial assumptions for City Budgets (Operating and Capital), Town Center and Debt Management.

City Budget

- Operations Budget at Core Service Levels
- CIP projects continue to use local dollars to leverage grants

Debt Management

- Early payoff of the 2016 Bond debt, reducing our outstanding debt by 17.1 million dollars
- Debt payments on remaining bonds according to debt schedule

VISION AND STRATEGIES

Our VISION for University Place is unchanged as “a safe, attractive city that provides a supportive environment for all citizens to work, shop, play, get an education and raise families.”

2025-2026 COUNCIL GOALS AND PRIORITIES

On June 17, 2024, City Council adopted the following Goals and Priorities for the 2025-2026 Biennium:

Recreation: Establish a recreation initiative to enhance the quality of life for residents of all ages with a focus on youth and seniors. Partner with organizations to develop tailored recreational solutions, provide ongoing parks maintenance support and program development.

Economic Development: Foster economic development by prioritizing the diversification of city revenue and strategic collaboration on projects that enhance the quality of life for our residents and drive sustainable growth for our business districts.

Health In All Policies: Integrate health considerations into policymaking through a "Health in All Policies" approach aligned with the Growth Management Act. Establish a checklist for staff and commissions to assess and report on legislative choices, utilizing defined health considerations to ensure comprehensive decision-making with a focus on University Place.

Affordable Housing: Stimulate affordable housing development in U.P. by incentivizing developers to build condos, townhomes, and other alternative middle housing ownership opportunities. Prioritize the creation of attractive and accessible affordable housing options in the community.

Climate Action Plan: Develop a climate action plan, either stand-alone or as part of the Comprehensive Plan. Look at the intersection between climate action and public safety (wildland/urban interface, coastal properties) and seek solutions. Apply for and seek grant funding to address these issues.

Revenue Assumptions

In preparing the budget, we continue to be conservative with revenue projections for the biennium. The “good news/bad news” about the City’s revenues is that other than fees, the revenues do not change much.

For 2025, we project that general sales tax revenue will be \$4.2 million due in large part to retail sales tax with a minimal increase in 2026. Property taxes are estimated to increase at the 1 percent limit

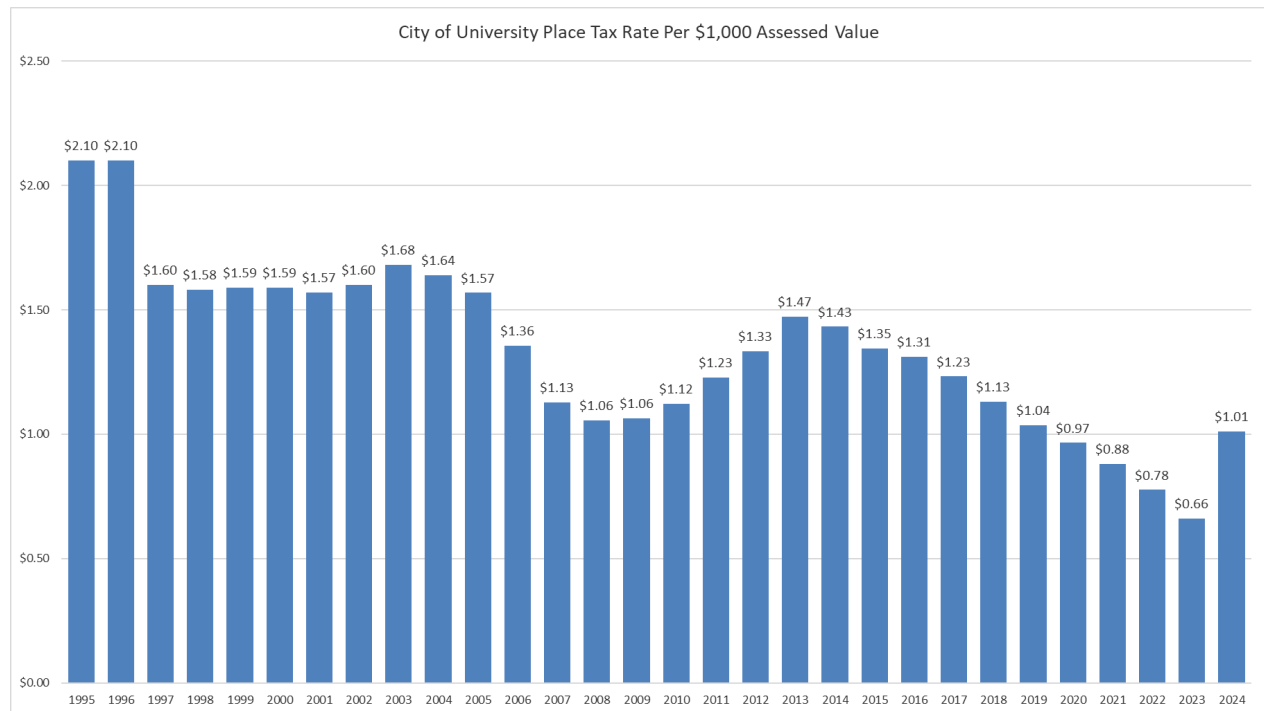
level in both 2025 and 2026. In total Utility tax revenues projections remain flat with increases projected in Electric, Water and Sewer and decreases projected for Cable and Telephone to address consumer changes to streaming services and cellular phones only. The other budget related revenue assumptions are:

- Real Estate Excise Taxes (REET) are projected at \$1.1 million in 2025 and \$1.4 million 2026 which is a decrease from levels budgeted for 2024 due to the slowing housing market. (REET funds are programmed for Street/Park debt service and Street major CIP projects).
- Revenue from State liquor profits and liquor taxes are recognized in the General Fund and Police/Public Safety fund. Both project a slight decrease from 2023-2024 revenues.

Property Taxes

In 2010, the City Council approved Resolution 654 which dedicated 100% of the City's property tax revenue to public safety expenses. This change provided a dedicated and stable revenue source for the City's public safety services, including police, courts, jails, prosecution, public defender, emergency management and legal services. The City's legal limit on its property tax levy rate is \$1.60 per \$1,000 of assessed value. The City's levy rate has declined over the years as the City's total assessed value has increased. This decline in the rate results from an additional legal limitation that restricts the growth in the City's property tax revenue to 1% a year (plus tax on the value of new construction), unless an increase in revenue is approved by voters.

In April 2023, voters approved a property tax levy increase, raising the City's levy rate from \$0.66 per \$1,000 of assessed value to \$1.01 per \$1,000. The increase in the levy provided additional revenue that allowed the City to maintain existing public safety services and to add eight police officers to the University Place Police Department and a civilian Community Outreach Officer.



Expenditure Assumptions

For the 2025-2026 Adopted Biennial Budget, a modest level of inflation has been assumed for most expenditures. However, medical/insurance rates have been budgeted with an 8.2% increase in 2025 and we projected a ten percent (10%) increase in 2026.

Staffing Levels

The 2025-2026 Proposed Biennial Budget includes staffing of 64.975 Full Time Equivalents (FTE).

- City Manager's Office – 2.675 FTE
- City Attorney's Office - 2.0 FTE
- Administrative Services – 7.0 FTE
- Finance and IT – 7.0 FTE
- Parks and Public Works – 20.27 FTE
- Engineering Services – 9.73 FTE
- Community and Economic Development – 14.50 FTE
- Police and Public Safety – 1.80 FTE, and by contract: 24 Officers and 1 Administrative Assistant

Through cross-training and teamwork we have been able to reassign and retain our experienced City staff, adjusting to tighter budgets and shifting workloads. University Place has one of the lowest staffing levels of cities for its size.

Capital Budget

As previously mentioned, the Capital Budget – other than grant funded projects – is at “core” level on a “pay-as-we-go” basis.

In Public Works CIP over the past two years, several State and Federal grants have been received for non-motorized improvements (sidewalks, streetlights, and bike lanes) along arterials and school routes with City funds as the local match. The following grant funded projects are programmed in the 2025-2026 biennium:

- PW CIP grant funded projects: 70th Street Phase 2, 40th Street Phase 3, Grandview/36th Street Roundabout, 67th Avenue Phase 3, 44th Street Sidewalk Extension (joint project with Fircrest), Chambers Creek Road Roundabout, 31st St/Parkway.
- Surface Water Management Projects (SWM): University Park Terrace Pond Rehabilitation, Cirque Drive Pond Rehabilitation, Component Roadways Projects.

In Parks CIP the following projects are programmed utilizing Parks Impact Fees with City matching funds coming from the Real Estate Excise Tax Fund and General Fund.

- Market Square Resurfacing Project.

In Municipal Facilities CIP the following projects are programmed utilizing General Fund dollars.

- Public Works Shop – Restroom expansion

CONCLUSION

University Place is a great community with an excellent school system, ethnically diverse neighborhoods, and a state-of-the-art Library. In addition, Pierce County's investment in the Chambers Bay Golf Course has proven that we can be a world class destination, as evidenced by the 2010 U.S. Amateur Tournament and the successful 2015 U.S. Open Golf Tournament, the premier event on the professional tour.

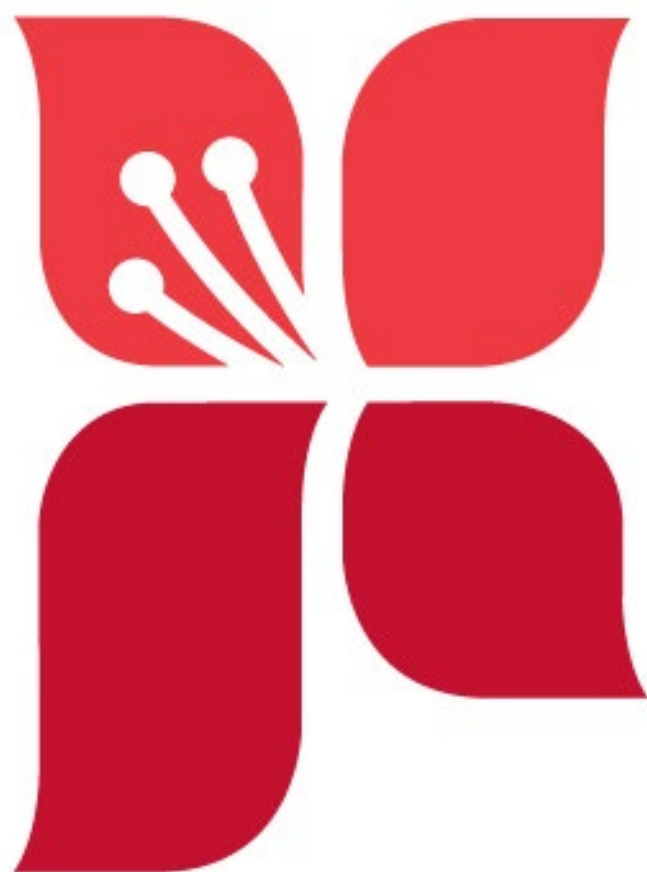
The City continues to adhere to the original vision for the Town Center project as a mixed-use development which will provide a growing tax base and support for increased community interaction through use of the public square and the atrium in the Civic Building.

In closing, the 2025-2026 Adopted Biennial Budget is a balanced and conservative budget that assumes a continuation of the "core" levels of service to the Community. As always, we will continue providing the best service we can, meeting all our contractual, legal and debt obligations, while exercising prudent cash management and maintaining our Strategic Reserve. I encourage your questions and suggestions on the community issues important to you and the services we provide. You can contact me at 253.460.2527 or via email at ssugg@cityofup.com.

Sincerely,

A handwritten signature in black ink that reads "Stephen P. Sugg". The signature is written in a cursive, flowing style.

Stephen P. Sugg
City Manager



BUDGET GUIDE



HOMESTEAD PARK

PHOTO INFORMATION: HOMESTEAD PARK

5.5-acre park adjacent to City Hall. This park includes natural wooded areas, walking trails, fern grotto and a rhododendron collection.

BUDGET PROCESS

Procedures for Adopting the Biennial Budget - The City's budget process and the time limits under which the budget must be prepared are defined by the Revised Code of Washington (RCW) 35A.34. The procedures followed in establishing the biennial budget are described below:

Item	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
City Council establishes overall City priorities.												
City Manager gives direction on coming year's budget priorities.												
Finance Division provides budget instructions consistent with City Council and City Manager direction.												
Departments prepare preliminary expenditure estimates including requests for personnel, equipment, or new programs.												
Department line item budgets are submitted to Finance by mid-July.												
Finance Division prepares budget for presentation to City Manager.												
Finance Division updates preliminary revenue estimates.												
The City Manager and Finance Division staff meet meet with Department staff to review their budget proposals.												
The City Manager instructs the Finance Division to make specified adjustments to establish a balanced budget.												
A proposed budget is prepared, printed, and filed with the City Clerk and presented to the City Council (at least 60 days prior to the ensuing fiscal year).												
The City Council conducts preliminary public hearings.												
The City Clerk publishes a notice of the filing of the proposed budget and publishes notice of public hearing.												
The City Council holds a series of study sessions and hearings to review the proposed budget recommended by the City Manager.												
The City Council instructs the City Manager to make modifications to the budget.												
The City Council adopts an ordinance to establish the amount of property taxes to be levied in the ensuing year.												
The City Council adopts the final budget by ordinance by December 31.												
The final budget, as adopted, is published and distributed by February 28 of the new year.												

Amending the Budget - The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of a fund must be approved by the City Council.

When the City Council determines that it is in the best interest of the City to increase or decrease the appropriation for a fund, it may do so by ordinance approved by a simple majority.

BUDGET GUIDELINES

I. Purpose

A. The purpose of these budget guidelines is:

1. To inform the public as to the process involved in establishing the City's budget and maintaining the City's financial health;
2. To easily identify the processes that the City has established to maintain a financial base sufficient to sustain a consistent level of municipal services;
3. To increase the City's ability to withstand periodic local and regional economic fluctuations;
4. To outline the process by which the City is able to adjust to changes in the service requirements of the community, and;
5. To maintain a good credit rating in the financial community, which assures taxpayers that City government is well managed financially and in sound fiscal condition.

II. Operating Budget

A. General Guidelines

1. It is the City's intent to maximize the level of public services provided by the City while minimizing expenditures.
2. Ongoing operating program costs should not exceed the amount of ongoing revenue.
3. Cash balances resulting from ongoing revenues in excess of ongoing expenditures either should be, 1) held and carryforward as an unallocated ending fund balance to offset unanticipated fluctuations in future revenue, or 2) allocated towards one-time or non-recurring expenditures.
4. Citizen involvement should be encouraged in the budget decision-making process through public hearings and study sessions. Involvement also should be facilitated through City boards, task forces and commissions who serve in advisory capacities to the City Council and/or City Manager.

B. Revenues

1. Revenue estimates should not assume a growth rate in excess of inflation. Real growth that occurs should be recognized through budgetary adjustments only after it takes place.

2. Investment income earned through the City's investment pool shall be allocated to the General Fund.
3. The City should establish and maintain Special Revenue Funds to account for proceeds from specific sources to finance designated activities that are required by statute, ordinance, resolution or executive order.
4. All fees for services should be reviewed by the City Manager at least every biennium, and adjusted by Council when necessary, to ensure that fees are equitable and cover the percentage of service costs deemed appropriate by the City.
5. Revenues of a limited or indefinite term should be clearly identified to ensure that no ongoing service/program is lost when such revenues are reduced or discontinued.
6. Grant applications to fund new service programs should be reviewed by the City with due consideration given to whether ongoing City revenues will be required to support these programs when outside funding is no longer available.

C. Expenditures

1. Before the City undertakes any endeavor that would create fixed ongoing expenditures, the cost implications of such endeavor should be evaluated for current and future years with the aid of the City's financial forecast.
2. Organizations that are not part of the City, but who receive funding from the City, should not have their appropriation carried forward from year to year. Their appropriation should be reviewed for reauthorization with each biennial budget, unless expressly authorized and directed by the City Council.

D. Contingent Accounts

1. As a part of the City biennial budget, the City Council should appropriate a Contingency Reserve to provide monies with which to meet any municipal expense, the necessity or extent of which could not have been foreseen easily at the time of adopting the budget, or from which to provide monies for emergencies as defined by law (RCW 35A.33.145). The goal for funding of the Contingency Reserve is to maintain a minimum available reserve of fifty thousand dollars (\$50,000). (Resolution 703, approved October 15, 2012)
2. The City shall establish a Strategic Reserve Fund, which shall neither be appropriated nor spent without Council authorization. The purpose of this Fund is to provide some fiscal means for the City to respond to potential adversities such as public emergencies, natural disasters, or similarly major, unanticipated events. (Ordinance 643, approved November 17, 2014.) The Strategic Reserve Fund should be replenished as soon as possible and within three subsequent

years from the time the Fund is used or falls below the target established by Council. Sources to replenish these reserves shall be from, a) undesignated fund balances, b) deferring non-life safety capital and c) operating revenues, in this order.

3. The City will maintain a list fixed asset that will identify depreciable assets and their anticipated replacement schedule. The City should establish a Replacement Reserves Fund for certain assets through depreciation charges paid into the Internal Service Funds.

E. Multi-year Forecast

1. The City will update at least annually expenditure and revenue forecasts for a period of not less than six years.
2. The City's financial forecast will be presented to elected officials in a form that will facilitate budget decisions and multi-year strategic planning.

F. Quarterly Report

1. The budget will be produced so that it can be directly compared to the actual results of the fiscal year and presented in a timely quarterly report.
2. All budget amendments - both revenues and expenditures - will be noted in the quarterly report.

III. **Capital Budget**

A. General Guidelines

1. The Capital Budget should include only those projects that can reasonably be accomplished in the time frame indicated.
2. All projects included in the Capital Improvement Plan should be consistent with the City's Comprehensive Plan. The Comprehensive Plan service level goals should be included within the Plan.
3. Capital projects should be financed to the greatest extent possible through user fees, grants, and benefit districts when direct benefit to users results from construction of the project.
4. Funding for capital projects that have not been completed during the fiscal year may be carried forward to the next fiscal year, except as otherwise directed by the City Council.
5. Projects that involve intergovernmental cooperation in planning and funding should be established by an agreement that sets forth the basic responsibilities of the parties involved.

B. Capital Project Proposals

1. Capital project proposals should include cost estimates that are as complete, reliable, and attainable as possible.
2. All proposals for the expenditure of capital funds should be formulated and presented to Council within the framework of a general review of all capital budget requirements.
3. Capital project proposals should indicate the project's impact on the operating budget, including, but not limited to, long-term maintenance costs necessary to support the improvement.
4. Capital project proposals should include a projected schedule.
5. Prior to adoption, the City Council shall hold noticed public hearings on the Capital Improvement Plan, to provide opportunities for public review and comment on the proposed plan.

C. Project Evaluation

Council should review and establish criteria against which capital proposals should be measured. Included among the factors which should be considered for priority-ranking are the following:

1. Projects that have a positive impact on the operating budget (reduced expenditures, increased revenues);
2. Projects that are programmed in the Six-Year Capital Improvement Plan;
3. Projects that can be completed or significantly advanced during the Six-Year Capital Improvement Plan;
4. Projects that can be realistically accomplished during the year they are scheduled; and
5. Projects that implement previous Council-adopted reports and strategies.

DEBT MANAGEMENT GUIDELINES

I. Purpose

- A. The purpose of these debt management guidelines is:
 - 1. To help the City Council and staff integrate the issuance of debt with other long-term financial planning and management objectives;
 - 2. To help the City Council and staff evaluate the impact of each debt issue on the City's overall financial position; and
 - 3. To provide guidance to the City Council and staff so as to not exceed acceptable levels of indebtedness.

II. Long-term Borrowing

- A. General obligation bonds. General obligation, or G.O. Bonds, are secured by the full faith and credit of the City. General obligation bonds issued by the City are secured by a pledge of the City's ad valorem taxing power. There are two basic types of general obligation bonds:
 - 1. Limited tax general obligation bonds, also called LTGO bonds or councilmanic bonds, may be issued by a vote of the City Council. General fund revenues are pledged to pay the debt service on councilmanic bonds because the voters have not approved a tax increase to pay for the principal and interest.
 - 2. Unlimited tax general obligation bonds, also called UTGO bonds or voted debt, must be approved by 60 percent of the voters, with a voter turnout that is at least 40 percent of those voting in the most recent general election. Voters are not only voting for the approval to issue bonds, but they are also voting for an excess levy which raises their property taxes to fund debt service payments.
- B. Certificates of Participation are used to acquire real or personal property with tax-exempt financing using a lease-purchase agreement. The City would make annual installment payments to a third-party investor over time, acquiring the property at the end of the lease period for a nominal payment.
- C. Revenue bonds are issued to finance facilities that have a definable user or revenue base, usually a City enterprise that is self-supporting. These debt instruments are secured by a specific source of funds, either from the operations of the project being financed or from a dedicated revenue stream, rather than the general taxing powers of the City. Generally, no election is required prior to the issuance or validation of revenue bonds.
- D. Special assessment bonds or local improvement districts (LIDs) are obligations payable from special assessment revenue. These bonds are issued to finance improvements that benefit a specific area. Because the benefit is largely enjoyed by a limited segment of

the community, a special assessment to pay debt service is levied only on properties or households benefiting from the project. Property owners may petition the City to form an LID, or the City Council may adopt a resolution of intent to form an LID. An LID initiated by Council Resolution may be blocked if the property owners who would be paying at least 60 percent of the costs protest. LIDs are commonly used for projects such street improvements, streetlights, sidewalks, and water and sewer systems.

- E. Utility local improvement districts (ULIDs) may be formed in a manner similar to LIDs for the purpose of providing water systems, sewer and storm drainage systems, and parking garages. The primary difference between the two kinds of districts is that revenue bonds must be issued for ULIDs, assessments must be deposited in a fund to pay off the revenue bonds, and the bonds are backed both by assessments and by utility revenue.

III. Short-term Borrowing

- A. Notes, such as bond anticipation notes (BANs) or tax anticipation notes (TANs), is a written short-term promise of the City to repay a specified principal amount on a certain date, together with interest at a stated rate, or according to a formula for determining that rate, payable from a defined source of anticipated revenue such as bonds, anticipated taxes, or some other anticipated revenue source expected to be received at a future date.
- B. Lines of credit are another short-term borrowing option that provides an alternative to anticipation notes. A bank and the City agree on the maximum amount that will be available under the line of credit. The City provides a note to the bank that is backed by the full faith and credit of the City.

IV. Debt Management Policy

The City Council adopted Resolution No. 100 on May 6, 1996, setting forth its debt management policy. The Resolution was amended by Resolution No. 702 on October 15, 2012. In general, the resolutions provide as follows.

- A. The maturity date for any debt will not exceed the reasonable expected useful life of the project so financed.
- B. Long term debt will not be used to finance ongoing current operations and maintenance.
- C. The City shall attempt to maintain a cash reserve of between five and fifteen percent (5-15%) of its operating budget, the approximate equivalent of one month's operating requirement.
- D. The City shall attempt to maintain a balanced relationship between issuing debt and using pay-as-you-go financing.

- E. In determining which type of debt to issue, the following factors should be considered:
1. A significantly larger portion of the citizens should benefit from projects financed by general obligation bonds.
 2. Whenever possible, the City shall identify alternative sources of funding and shall examine the availability of those sources in order to minimize the level of debt.
 3. The project should be integrated with the City's long-term financial plan and Capital Improvement Plan.
 4. The City shall encourage and maintain good relations with financial and bond rating agencies and will follow a policy of full and open disclosure on every financial report and bond prospectus. The City shall also establish affordability guidelines to preserve credit quality.

V. General Guidelines

- A. City Council approval is required prior to the issuance of debt. In addition, an analytical review should be conducted prior to the issuance of debt to determine if there are reasonable alternatives and to reduce the cost of borrowing.
- B. The City will use the services of a legally certified and credible bond counsel in the preparation of all bond representations.
- C. A Financial Advisor may be used to assist in the issuance of the City's debt. The Financial Advisor provides the City with objective advice and analysis on debt issuance. This includes, but is not limited to, monitoring market opportunities, structuring, and pricing debt, and preparing official statements of disclosure.
- D. An Underwriter(s) will be used for all debt issued in a negotiated or private placement sale method. The Underwriter is responsible for purchasing negotiated or private placement debt and reselling the debt to investors.
- E. A Fiscal Agent will be used to provide accurate and timely securities processing and timely payment to bondholders. In accordance with RCW 43.80, the City will use the Fiscal Agent that is appointed by the State.
- F. Short-term lines of credit, tax or Revenue Anticipation Notes should be used only when the City's ability to implement approved programs and projects is seriously hampered by temporary cash flow shortages. In general, these Notes will be avoided. No other form of debt will be used to finance ongoing operational costs.
- G. Whenever possible, the City should use special assessment, revenue, or other self-supporting bonds instead of general obligation debt.

- H. Long-term general obligation debt should be incurred when necessary to acquire land or fixed assets, based upon the ability of the City to pay. This debt should be limited to those capital improvements that cannot be financed from existing revenues and when there is an existing or near-term need for the project.
- I. Short-term borrowing only should be used to meet the immediate financing needs of a project for which long-term financing has been secured, but not yet received.

BASIS OF ACCOUNTING AND BUDGETING

Accounting

Accounting records for the City are maintained in accordance with methods prescribed by the State Auditor under the authority of Washington State law, Chapter 43.09 R.C.W., and in compliance with generally accepted accounting principles as set forth by the Governmental Accounting Standards Board.

Basis of Presentation

The accounts of the City are organized on the basis of funds and accounts. Each fund is a separate accounting entity with a self-balancing set of accounts. The City's resources are allocated to and accounted for in individual funds according to the purpose for which they are spent and how they are controlled. There are three categories of funds: 1) governmental, 2) proprietary and 3) fiduciary. A purpose and description of each fund is provided on the fund pages in the Budget by Fund section of this budget document. A description of the three fund categories is provided below.

1. Governmental Funds

Governmental funds are used to account for activities typically associated with state and local government operations. All governmental fund types are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e. expenditures and other financial uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and statements for governmental funds. The four generic fund types in this category are described in the following paragraphs.

- **General Fund.** The General Fund is the general operating fund of the City and accounts for all activities not required to be accounted for in some other fund.
- **Special Revenue Funds.** Special Revenue Funds account for the proceeds of specific revenue sources - other than expendable trusts or revenues designated for major capital projects - that are legally restricted to expenditures for specific purposes.
- **Debt Service Funds.** Debt Service Funds account for the accumulation of resources for and the payment of general long-term debt, principal, interest, and related costs.
- **Capital Projects Funds.** Capital Projects Funds account for the acquisition or construction of major capital facilities except those financed by proprietary funds and trust funds.

2. Proprietary Funds

Proprietary Funds are used to account for activities similar to those found in the private sector where the intent of the governing body is to finance the full cost of providing services, including depreciation, primarily through user charges. All proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities. As described below, there are two generic fund types in this category.

- Enterprise Funds. Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the City is to finance or recover, primarily through user charges, the costs of providing goods or services to the general public on a continuing basis.
- Internal Services Funds. Internal Services Funds account for business-like activities where related goods or services are primarily provided to other departments or funds of the City on a cost-reimbursed basis.

3. Fiduciary Funds

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds. These funds share characteristics with both the governmental and proprietary funds and therefore, as described below, use the measurements focus and basis of accounting most appropriate to their specific operations. This fund category includes expendable trust, nonexpendable trust, pension trust, and agency funds. The City presently has no fiduciary funds.

Basis of Accounting

Basis of accounting refers to the recognition of revenues and expenditures or expenses in the accounts and reporting them in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

1. Accrual Basis. The accrual basis of accounting recognizes revenues when they are earned, and expenses are recorded when incurred. All assets and liabilities are recorded in the fund.
2. Modified Accrual Basis. The modified accrual basis of accounting recognizes revenues and other financial resources when they become susceptible to accrual, i.e. when the related funds become both measurable and available to finance expenditures of the current period. “Measurable” means the amount of the transaction can be determined. To be considered “available”, revenue typically must be collected within sixty days after year-end. Expenditures are recorded when the fund liability is incurred, except for principal and interest on general long-term debt, and vacation and sick pay which are recorded when paid. Inventory items are reported as expenditures when consumed.

Budgets and Budgetary Accounting

Scope of Budget

Annual appropriated budgets are adopted for the general, some special revenue, debt service, and proprietary funds on the modified accrual basis of accounting. Certain special revenue and capital project funds, however, are budgeted on a project-length basis. For governmental funds, there are no differences between the budgetary basis and generally accepted accounting principles (GAAP). Budgets for project/grant related special revenue funds and capital project funds are adopted at the level of the individual project and for fiscal periods that correspond to the lives of projects.

Legal budgetary control is established at the fund level, i.e., expenditures for a fund may not exceed the total appropriation amount. Any unexpended appropriation balances for annually budgeted funds lapse at the end of the year. Appropriations for other special purpose funds that are non-operating in nature are adopted on a “project-length” basis. Therefore, these appropriations are carried forward from year to year without reappropriation until authorized amounts are fully expended or the designated purpose of the fund has been accomplished. The individual funds within each fund type, which are included in the City’s annual operating budget, are listed below:

Funds Budgeted on an Annual Basis

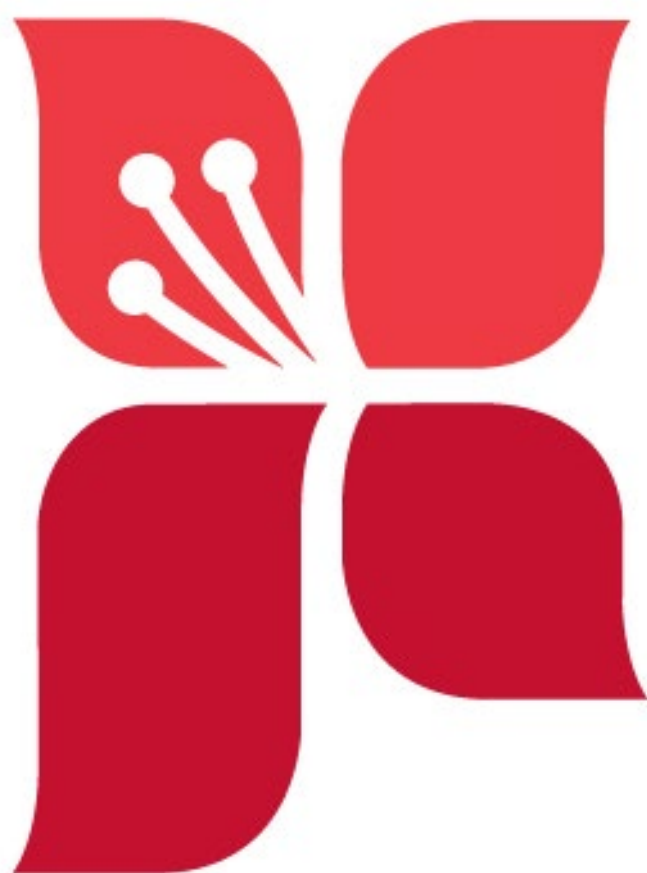
1. General Fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. There are several general fund managerial funds to track certain revenues separately. Managerial funds include: Real Estate Excise Tax (REET), Strategic Reserve, Traffic Impact Fees and and Police/Public Safety Fund.
2. Special Revenue Funds. Special Revenue Funds are established to account for proceed of specific revenue sources that are legally restricted to expenditures for specified purpose.
 - Street Fund
 - Affordable Housing
 - Opioid Settlement
 - Donations Fund
3. Debt Service Fund. The Debt Service Fund is to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.
4. Enterprise Funds. Enterprise Funds accounts for operations that are normally financed and operated in a manner like a private business enterprise where the intent of the governing body is that the costs of providing goods and services to the general publicly on a continuing basis be financed or recovered primarily through user charges.
 - Surface Water Management Fund

5. Internal Service Funds. Internal Service Funds are established to account for the financing of goods and services provided by one department of the governmental unit on a cost reimbursement basis.

- Fleet and Equipment Fund
- Information Technology & Services Fund
- Property Management Fund
- Risk Management Fund

Funds Budgeted on a Multi-Year Basis

1. Special Revenue Fund. This fund is established to account for proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.
2. Capital Project Funds. Capital Project Funds account for financial resources to be used for the acquisition or construction of major capital facilities.
 - Parks CIP Fund
 - Public Works CIP Fund
 - Municipal Facilities CIP Fund



EXECUTIVE SUMMARY



CIRQUE PARK

PHOTO INFORMATION: CIRQUE PARK

On May 6, 2006, University Place celebrated the grand opening of Cirque Park. The 27 acre park is a tribute to the combined talent, planning and efforts of U.P. Citizens, Youth Volunteers, Parks and Recreation Commission, Businesses, City Council, Consultants, Contractors and Staff. The park boasts a lighted baseball field, lighted softball field, lighted soccer/multi-use field, playground, restrooms, concession stand, beach volleyball court, lighted skate park, pedestrian trail that encircles the park, and parking for 200 users.

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SOURCES AND USES

Sources	2022 Actual	2023 Actual	2024			2025 Adopted	2026 Adopted
			Adopted	Revised	Y/E Estimate		
BEGINNING FUND BALANCES	49,680,589	56,475,373	44,215,500	64,488,769	64,488,769	52,669,810	51,766,670
OPERATING REVENUES							
Property Tax	4,619,422	4,661,344	4,780,521	6,948,313	6,696,240	7,144,019	7,251,310
Sales Tax (General, Parks, Affordable Housing)	4,795,858	4,975,746	3,984,312	4,662,413	4,697,413	4,744,013	4,779,079
Criminal Justice Sales Tax	976,655	969,070	916,562	970,278	970,278	984,731	994,579
Admission Tax	223,644	277,616	222,200	222,200	222,200	224,422	226,666
Utility Tax	4,405,164	4,821,428	4,206,731	4,369,298	4,706,792	4,729,097	4,752,120
Leasehold Excise Tax	5,050	3,085	4,500	6,000	5,200	5,200	5,200
Gambling Tax	111,194	103,196	99,788	103,420	103,420	104,454	105,499
Real Estate Excise Tax	1,639,953	1,158,694	1,251,000	1,192,824	1,300,000	1,120,000	1,140,000
Business License Fee	95,400	98,525	89,636	95,000	95,000	95,950	96,910
Cable Franchise Fees	553,381	523,179	528,220	542,920	469,500	460,110	450,908
Refuse Franchise Fees	419,007	450,277	409,060	419,150	450,000	454,500	459,045
Water Franchise Fees (TPU)	747,779	773,662	708,367	829,978	829,978	783,806	791,644
Electric Franchise Fees (TPU)	1,328,030	1,435,720	1,301,690	1,483,024	1,483,024	1,415,591	1,429,747
Sewer Franchise Fee	530,274	551,790	533,759	551,000	551,000	559,265	567,654
Alarm Permit Fees	90,641	78,459	90,339	78,000	78,000	78,780	79,568
Animal Control	35,107	33,760	35,704	33,000	33,000	33,330	33,663
School Zone Cameras	-	-	-	-	-	-	-
State-Shared Revenues (Fuel Taxes, VLF, Liquor)	1,215,180	1,221,910	1,257,462	1,219,660	1,179,797	1,200,679	1,208,344
City Assistance/State of WA	260,912	100,676	96,840	96,840	96,840	87,156	78,440
Fines & Forfeitures (False Alarm, Misc, Bus Lic.)	17,962	13,193	21,422	12,000	12,080	12,120	12,241
Sale of Documents & Records	29	-	-	-	-	-	-
Building, Planning, Engineering & Fire Fees	1,070,254	553,831	1,021,806	708,109	629,680	839,626	962,630
Court Fees	39,502	33,738	45,905	34,075	34,075	34,416	34,760
SWM Fees	2,834,643	2,831,883	2,930,920	3,406,556	3,406,556	4,091,793	4,706,671
Administrative Fee from SWM Fund	581,548	668,717	782,003	904,959	794,279	902,829	894,423
Rents and Leases	193,729	186,357	196,469	218,510	218,510	274,078	275,887
Parking Meters	-	-	-	20,000	20,000	60,000	60,000
Investment Interest	424,624	2,786,125	175,400	1,112,703	2,482,000	1,451,298	608,801
Gain/(Loss) on Investment	-	-	-	-	-	-	-
Tax Interest	15,649	43,993	5,050	13,000	35,000	16,600	16,766
Judgements/Settlements	22,306	59,033	-	-	25,000	-	-
Miscellaneous	30,272	21,727	7,625	4,632	21,600	4,625	4,625
Total Operating Revenue	27,283,170	29,436,734	25,703,291	30,257,863	31,646,463	31,912,488	32,027,180
OTHER FINANCING SOURCES							
UPSD SRO Reimbursement	-	-	-	52,415	20,170	117,340	123,330
TC Land Sales/Library Expansion Space	-	-	1,015,920	721,560	-	721,560	-
Operating Grants (Police, GMA, FEMA)	16,440	2,020,815	-	263,717	263,717	94,000	25,000
ARPA - Grant	273,325	487,739	154,111	7,523,200	7,523,200	-	-
Capital Grants	1,430,580	3,339,864	-	13,510,303	13,510,303	1,586,740	2,651,165
Private Contributions - Capital Projects	164,649	-	-	-	-	275,000	-
Sale of Surplus	17,937	23,947	-	84,725	114,725	72,900	7,000
Donations/Sponsorships	13,922	9,513	-	-	-	-	-
Insurance Recoveries	94,448	134,624	20,000	20,000	60,000	20,000	20,000
Interfund Transfers	5,776,500	6,824,729	5,069,919	17,983,294	17,939,607	5,934,369	20,628,926
Interfund Charges	1,105,549	1,268,622	1,549,084	1,941,220	1,774,927	1,918,067	2,025,152
LRF Sales Tax	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Opioid Settlement Funds	-	24,221	-	8,761	28,576	10,770	8,723
Flood Control Opportunity Funds	-	18,274	-	-	-	-	-
TBD Fees	241,127	236,905	275,427	239,274	239,274	402,917	488,168
Fiduciary Fund	22,082	31,952	-	-	-	-	-
Impact Fees	1,013,821	112,193	3,264,399	1,460,823	1,012,104	530,416	3,137,326
Total Other Financing Sources	10,670,381	15,033,398	11,848,860	44,309,292	42,986,603	12,184,079	29,614,790
TOTAL REVENUES & OTHER SOURCES	87,634,140	100,945,504	81,767,651	139,055,924	139,121,835	96,766,377	113,408,640

USES	2022	2023	2024			2025	2026
	Actual	Actual	Adopted	Revised	Estimate	Adopted	Adopted
EXPENDITURES AND OTHER USES							
OPERATING EXPENDITURES							
City Council	182,945	202,089	227,311	333,474	306,294	333,381	340,297
City Manager	513,824	688,400	818,610	891,848	777,220	857,984	891,438
Community Events	186,355	183,423	192,527	240,910	222,812	285,325	238,226
Administrative Services	1,480,396	1,668,167	2,002,643	2,525,197	2,061,913	2,434,522	2,268,139
Community and Economic Development	2,015,173	2,276,693	2,474,301	2,762,762	2,707,651	2,975,426	2,922,440
Finance	1,089,343	1,022,610	1,128,410	1,073,617	1,060,192	1,171,615	1,258,548
Parks, Public Works and Engineering	4,719,792	4,976,008	5,762,682	7,242,715	6,903,611	7,000,318	7,235,388
Police and Public Safety	5,277,245	5,883,069	6,371,638	8,804,566	8,531,645	9,656,223	9,433,816
Subtotal Department Operations	15,465,073	16,900,459	18,978,122	23,875,089	22,571,338	24,714,794	24,588,292
Debt Service	3,590,925	3,592,489	3,591,564	3,591,364	3,591,364	3,524,645	18,612,254
Affordable Housing	-	-	-	122,485	-	122,485	25,413
Opioid Settlement	-	144	-	24,077	-	52,653	10,770
Fiduciary Fund	22,082	31,952	-	-	-	-	-
Contingency	-	-	-	428,560	-	587,070	-
Total Operating Expenditures	19,078,080	20,525,044	22,569,686	28,041,575	26,162,702	29,001,647	43,236,729
OTHER FINANCING USES							
Capital Improvements Projects - PW	2,810,879	4,463,640	319,051	26,896,030	26,896,030	2,414,440	3,395,869
Capital Improvements Projects - Parks	171,061	817,678	-	4,374,429	4,214,429	1,103,324	2,897,974
Capital Improvements Projects - Municipal	44,946	123,486	-	1,001,518	1,001,518	70,000	-
Interfund Transfers	5,667,348	6,692,437	5,038,399	11,341,887	11,310,984	5,907,169	20,601,226
Other (Succession, Land Sale Costs)	-	-	271,114	437,749	109,144	450,509	275,000
Depreciation	680,729	697,361	81,100	81,100	81,094	81,094	81,094
SWM - Admin Fee	585,585	668,716	782,002	904,960	794,279	902,829	894,423
Capital Equipment - SWM	39,127	-	334,000	5,399,155	5,399,155	1,725,699	1,248,647
Internal Services - Fleet	159,257	175,687	183,337	222,024	210,438	223,974	226,974
Capital Equipment - Fleet	-	-	145,000	523,279	568,395	218,000	135,000
Internal Services - IT	635,355	714,320	953,129	1,260,910	1,285,350	1,059,901	1,121,252
Capital Equipment - IT	250,887	294,864	441,200	1,538,506	1,314,284	562,775	615,545
Internal Services - Property Management	685,446	792,553	899,284	967,899	924,177	942,520	967,997
Internal Services - Risk	180,829	236,280	248,338	330,654	330,654	335,825	367,788
American Recovery/ARPA	159,744	243,298	154,111	7,131,393	7,131,393	-	-
Donations	9,493	11,370	-	18,005	18,005	-	-
Total Other Financing Uses	12,080,686	15,931,691	9,850,065	62,429,498	61,589,329	15,998,059	32,828,789
TOTAL EXPENDITURES & OTHER USES	31,158,765	36,456,735	32,419,751	90,471,073	87,752,031	44,999,706	76,065,518
ENDING FUND BALANCES							
Reserved for:	-	-	-	-	-	-	-
Street Operations	3,637,063	4,143,546	2,545,564	3,071,939	3,316,372	2,926,487	2,522,847
Capital Improvements Projects - REET	2,887,909	2,212,806	1,054,524	596,445	703,621	325,673	448,109
Traffic Impact Fee	351,842	411,268	2,430,139	925,031	476,312	620,664	460,016
Police and Public Safety	8,031,278	10,611,779	10,273,944	10,835,318	10,765,679	10,355,205	10,296,189
Affordable Housing	-	97,072	25,413	-	122,485	25,413	25,413
Opioid Settlement	-	24,077	-	8,761	52,653	10,770	8,723
Surface Water Management	15,854,709	15,850,197	11,746,186	10,901,293	11,104,370	11,392,582	11,564,074
Strategic Reserve	2,286,824	2,912,109	2,672,109	3,299,131	3,299,131	3,422,165	3,422,165
Debt Service	239,517	239,743	245,426	242,896	242,896	244,164	245,427
Capital Improvements Projects - Parks	3,151,633	2,669,692	3,899,452	-	160,000	-	-
Capital Improvements Projects - PW	3,949,779	3,545,970	-	-	-	-	-
Capital Improvements Projects - Muni Fac.	7,250	-	-	-	-	-	-
Internal Service Funds - Fleet	214,700	353,896	175,323	353,896	363,896	408,396	408,396
Internal Service Funds - IT	99,888	217,399	118,895	217,399	217,399	217,399	217,399
Internal Service Funds -Property Management	238,792	275,323	184,739	275,323	275,323	275,323	275,323
Internal Service Funds - Risk	-	-	-	-	-	-	-
Donations	19,862	18,005	-	-	-	-	-
Fiduciary Fund	-	-	-	-	-	-	-
Unreserved/undesignated - General Fund	15,504,327	20,905,885	13,976,185	17,857,418	20,269,665	21,542,430	7,449,041
ENDING FUND BALANCES	56,475,375	64,488,769	49,347,900	48,584,851	51,369,803	51,766,671	37,343,122
TOTAL EXPENDITURES, OTHER USES, AND FUND BALANCES	87,634,140	100,945,504	81,767,651	139,055,924	139,121,835	96,766,377	113,408,640

2025 Sources by Fund and Category

Funds	Taxes	Licenses & Permit	Intergovt Revenue	Charges for Service	Fines & Penalties	Misc. Revenue	TOTAL OPERATING REVENUES	Other Financing Sources	Interfund Transfers	Beginning Fund Balance	TOTAL SOURCES
OPERATING FUNDS											
General	9,470,189	3,210,082	87,156	1,714,585	16,600	2,500	14,501,112	2,201,858	-	20,269,665	36,972,635
Street	1,256,127	559,265	-	402,917	-	24,000	2,242,309	-	132,018	3,316,372	5,690,699
Real Estate Excise Tax (REET)	1,120,000	-	-	-	-	-	1,120,000	-	-	703,621	1,823,621
Traffic Impact Fees	12,000	-	-	132,352	-	-	144,352	-	-	476,312	620,664
Affordable Housing	25,413	-	-	-	-	-	25,413	-	-	122,485	147,898
Opioid Settlement	-	-	-	-	10,770	-	10,770	-	-	52,653	63,423
Police/Public Safety	8,667,523	112,110	205,363	260,746	-	-	9,245,742	-	-	10,765,686	20,011,428
Strategic Reserve	-	-	-	-	-	-	-	-	123,034	3,299,131	3,422,165
Debt Service	-	-	-	-	-	-	-	-	3,525,913	242,896	3,768,809
Subtotal Operations	20,551,252	3,881,457	292,519	2,510,600	27,370	26,500	27,289,698	2,201,858	3,780,965	39,248,821	72,521,342
ENTERPRISE FUNDS											
Surface Water Management	-	-	-	4,091,793	-	-	4,091,793	135,900	-	12,104,371	16,332,064
Subtotal	-	-	-	4,091,793	-	-	4,091,793	135,900	-	12,104,371	16,332,064
INTERNAL SERVICE FUNDS											
Fleet & Equipment	-	-	-	-	-	-	-	223,974	262,500	363,896	850,370
Information Technology & Svcs.	-	-	-	-	-	-	-	964,901	735,277	217,399	1,917,577
Property Management	-	-	-	688,445	-	-	688,445	-	257,667	275,323	1,221,435
Risk Management	-	-	-	335,825	-	-	335,825	-	-	-	335,825
Subtotal	-	-	-	1,024,270	-	-	1,024,270	1,188,875	1,255,444	856,618	4,325,207
CAPITAL PROJECT FUNDS											
Parks	-	-	-	398,064	-	-	398,064	475,260	70,000	160,000	1,103,324
Public Works	-	-	-	-	-	-	-	1,356,480	757,960	300,000	2,414,440
Municipal Facilities	-	-	-	-	-	-	-	-	70,000	-	70,000
Subtotal	-	-	-	398,064	-	-	398,064	1,831,740	897,960	460,000	3,587,764
NONANNUALLY BUDGETED FUNDS											
Donations & Gifts to UP	-	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-	-	-
TOTAL	20,551,252	3,881,457	292,519	8,024,727	27,370	26,500	32,803,825	5,358,373	5,934,369	52,669,810	96,766,377

2026 Sources by Fund and Category

Funds	Taxes	Licenses & Permit	Intergovt Revenue	Charges for Service	Fines & Penalties	Misc. Revenue	TOTAL OPERATING REVENUES	Other Financing Sources	Interfund Transfers	Beginning Fund Balance	TOTAL SOURCES
OPERATING FUNDS											
General	9,535,571	3,228,379	78,440	1,832,371	16,766	2,500	14,694,027	608,801	-	21,542,430	36,845,258
Street	1,264,346	567,654	-	488,168	-	24,000	2,344,168	-	47,004	2,926,487	5,317,659
Real Estate Excise Tax (REET)	1,140,000	-	-	-	-	-	1,140,000	-	-	325,673	1,465,673
Traffic Impact Fees	-	-	-	239,352	-	-	239,352	-	-	620,664	860,016
Affordable Housing	25,413	-	-	-	-	-	25,413	-	-	25,413	50,826
Opioid Settlement	-	-	-	-	8,723	-	8,723	-	-	10,770	19,493
Police/Public Safety	8,790,050	113,231	207,417	264,103	-	-	9,374,801	-	-	10,355,204	19,730,005
Strategic Reserve	-	-	-	-	-	-	-	-	-	3,422,165	3,422,165
Debt Service	-	-	-	-	-	-	-	-	18,613,517	244,164	18,857,681
Subtotal Operations	20,755,380	3,909,264	285,857	2,823,994	25,489	26,500	27,826,484	608,801	18,660,521	39,472,970	86,568,776
ENTERPRISE FUNDS											
Surface Water Management	-	-	-	4,706,671	-	-	4,706,671	30,000	-	11,392,582	16,129,253
Subtotal	-	-	-	4,706,671	-	-	4,706,671	30,000	-	11,392,582	16,129,253
INTERNAL SERVICE FUNDS											
Fleet & Equipment	-	-	-	-	-	-	-	226,974	135,000	408,396	770,370
Information Technology & Svcs.	-	-	-	-	-	-	-	996,252	818,047	217,399	2,031,698
Property Management	-	-	-	700,935	-	-	700,935	-	270,654	275,323	1,246,912
Risk Management	-	-	-	367,788	-	-	367,788	-	-	-	367,788
Subtotal	-	-	-	1,068,723	-	-	1,068,723	1,223,226	1,223,701	901,118	4,416,768
CAPITAL PROJECT FUNDS											
Parks	-	-	-	2,897,974	-	-	2,897,974	-	-	-	2,897,974
Public Works	-	-	-	-	-	-	-	2,651,165	744,704	-	3,395,869
Municipal Facilities	-	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	2,897,974	-	-	2,897,974	2,651,165	744,704	-	6,293,843
NONANNUALLY BUDGETED FUNDS											
Donations & Gifts to UP	-	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-	-	-
TOTAL	20,755,380	3,909,264	285,857	11,497,362	25,489	26,500	36,499,852	4,513,192	20,628,926	51,766,670	113,408,640

2025-2026 Sources by Fund and Category

Funds	Taxes	Licenses & Permit	Intergovt Revenue	Charges for Service	Fines & Penalties	Misc. Revenue	TOTAL OPERATING REVENUES	Other Financing Sources	Interfund Transfers	Beginning Fund Balance	TOTAL SOURCES
OPERATING FUNDS											
General	19,005,760	6,438,461	165,596	3,546,956	33,366	5,000	29,195,139	2,810,659	-	20,269,665	52,275,463
Street	2,520,473	1,126,919	-	891,085	-	48,000	4,586,477	-	179,022	3,316,372	8,081,871
Real Estate Excise Tax (REET)	2,260,000	-	-	-	-	-	2,260,000	-	-	703,621	2,963,621
Traffic Impact Fees	12,000	-	-	371,704	-	-	383,704	-	-	476,312	860,016
Affordable Housing	50,826	-	-	-	-	-	50,826	-	-	122,485	173,311
Opioid Settlement	-	-	-	-	19,493	-	19,493	-	-	52,653	72,146
Police/Public Safety	17,457,573	225,341	412,780	524,849	-	-	18,620,543	-	-	10,711,585	29,332,128
Strategic Reserve	-	-	-	-	-	-	-	-	123,034	3,299,131	3,422,165
Debt Service	-	-	-	-	-	-	-	-	22,139,430	242,896	22,382,326
Subtotal Operations	41,306,632	7,790,721	578,376	5,334,594	52,859	53,000	55,116,182	2,810,659	22,441,486	39,194,720	119,563,047
ENTERPRISE FUNDS											
Surface Water Management	-	-	-	8,798,464	-	-	8,798,464	165,900	-	12,104,371	21,068,735
Subtotal	-	-	-	8,798,464	-	-	8,798,464	165,900	-	12,104,371	21,068,735
INTERNAL SERVICE FUNDS											
Fleet & Equipment	-	-	-	-	-	-	-	450,948	397,500	363,896	1,212,344
Information Technology & Svcs.	-	-	-	-	-	-	-	1,961,153	1,553,324	217,399	3,731,876
Property Management	-	-	-	1,389,380	-	-	1,389,380	-	528,321	275,323	2,193,024
Risk Management	-	-	-	703,613	-	-	703,613	-	-	-	703,613
Subtotal	-	-	-	2,092,993	-	-	2,092,993	2,412,101	2,479,145	856,618	7,840,857
CAPITAL PROJECT FUNDS											
Parks	-	-	-	3,296,038	-	-	3,296,038	475,260	70,000	160,000	4,001,298
Public Works	-	-	-	-	-	-	-	4,007,645	1,502,664	300,000	5,810,309
Municipal Facilities	-	-	-	-	-	-	-	-	70,000	-	70,000
Subtotal	-	-	-	3,296,038	-	-	3,296,038	4,482,905	1,642,664	460,000	9,881,607
NONANNUALLY BUDGETED FUNDS											
Donations & Gifts to UP	-	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-	-	-
TOTAL	41,306,632	7,790,721	578,376	19,522,089	52,859	53,000	69,303,677	9,871,565	26,563,295	52,615,709	158,354,246

2025 Uses by Fund and Category

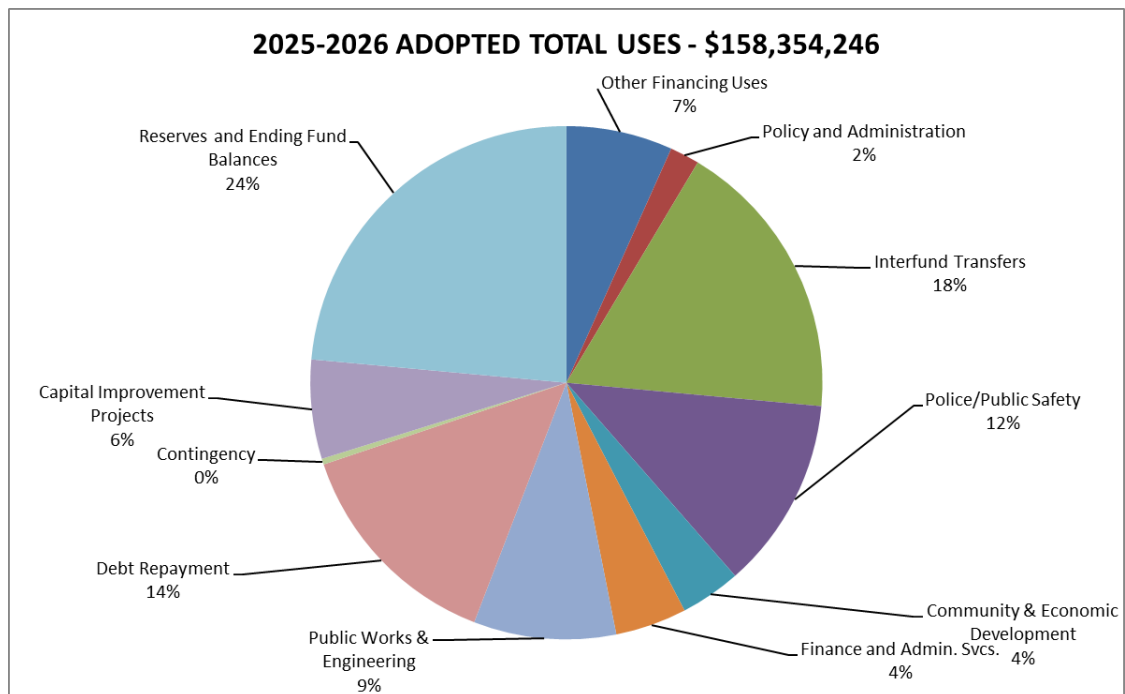
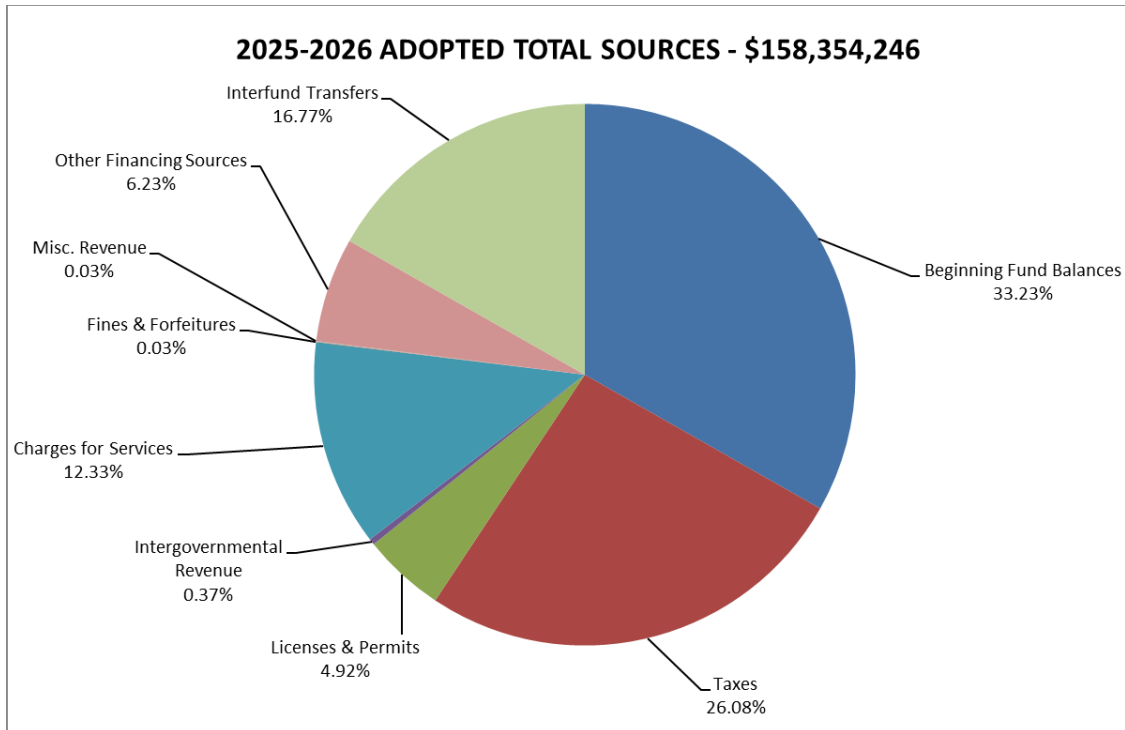
FUNDS	City Council	City Manager	Community & Economic Development	Finance & Admin Services	Public Safety	Public Works, Parks & Recreation	Engineering	TOTAL OPERATING EXPENDITURES	Other Financing Uses	Interfund Transfers	Total Approp.	Ending Fund Balance	TOTAL USES
OPERATING FUNDS													
General	333,381	1,143,309	2,975,426	3,606,137	-	1,284,541	690,611	10,033,405	1,037,579	4,359,221	15,430,205	21,726,384	37,156,589
Street	-	-	-	-	-	2,744,212	-	2,744,212	-	20,000	2,764,212	2,897,753	5,661,965
Real Estate Excise Tax (REET)	-	-	-	-	-	-	-	-	-	1,497,948	1,497,948	235,673	1,733,621
Traffic Impact Fees	-	-	-	-	-	-	-	-	-	-	-	620,664	620,664
Affordable Housing	-	-	122,485	-	-	-	-	122,485	-	-	122,485	25,413	147,898
Opioid Settlement	-	-	-	-	52,653	-	-	52,653	-	-	52,653	10,770	63,423
Police/Public Safety	-	-	-	-	9,656,223	-	-	9,656,223	-	-	9,656,223	10,254,542	19,910,765
Strategic Reserve	-	-	-	-	-	-	-	-	-	-	-	3,422,165	3,422,165
Debt Service	-	-	-	3,524,645	-	-	-	3,524,645	-	-	3,524,645	244,164	3,768,809
Subtotal Operations	333,381	1,143,309	3,097,911	7,130,782	9,708,876	4,028,753	690,611	26,133,623	1,037,579	5,877,169	33,048,371	39,437,528	72,485,899
ENTERPRISE FUNDS													
Surface Water Management	-	-	-	-	-	1,343,035	937,919	2,280,954	1,725,699	932,829	4,939,482	11,288,141	16,227,623
Subtotal	-	-	-	-	-	1,343,035	937,919	2,280,954	1,725,699	932,829	4,939,482	11,288,141	16,227,623
INTERNAL SERVICE FUNDS													
Fleet & Equipment	-	-	-	-	-	-	-	-	441,974	-	441,974	408,396	850,370
Information Technology & Svcs.	-	-	-	-	-	-	-	-	1,700,178	-	1,700,178	217,399	1,917,577
Property Management	-	-	-	-	-	-	-	-	946,112	-	946,112	275,323	1,221,435
Risk Management	-	-	-	-	-	-	-	-	335,825	-	335,825	-	335,825
Subtotal	-	-	-	-	-	-	-	-	3,424,089	-	3,424,089	901,118	4,325,207
CAPITAL PROJECT FUNDS													
Parks	-	-	-	-	-	-	-	-	1,103,324	-	1,103,324	-	1,103,324
Public Works	-	-	-	-	-	-	-	-	2,414,440	-	2,414,440	-	2,414,440
Municipal Facilities	-	-	-	-	-	-	-	-	70,000	-	70,000	-	70,000
Subtotal	-	-	-	-	-	-	-	-	3,587,764	-	3,587,764	-	3,587,764
NONANNUALLY BUDGETED FUNDS													
Donations & Gifts to UP	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	333,381	1,143,309	3,097,911	7,130,782	9,708,876	5,371,788	1,628,530	28,414,577	9,775,131	6,809,998	44,999,706	51,626,788	96,626,494

2026 Uses by Fund and Category

FUNDS	City Council	City Manager	Community & Economic Development	Finance & Admin Services	Public Safety	Public Works, Parks & Recreation	Engineering	TOTAL OPERATING EXPENDITURES	Other Financing Uses	Interfund Transfers	Total Approp.	Ending Fund Balance	TOTAL USES
OPERATING FUNDS													
General	340,297	1,129,664	2,922,440	3,526,687	-	1,341,355	727,112	9,987,555	275,000	19,133,662	29,396,217	7,825,080	37,221,297
Street	-	-	-	-	-	2,774,812	-	2,774,812	-	20,000	2,794,812	2,464,522	5,259,334
Real Estate Excise Tax (REET)	-	-	-	-	-	-	-	-	-	1,017,564	1,017,564	358,109	1,375,673
Traffic Impact Fees	-	-	-	-	-	-	-	-	-	400,000	400,000	460,016	860,016
Affordable Housing	-	-	25,413	-	-	-	-	25,413	-	-	25,413	25,413	50,826
Opioid Settlement	-	-	-	-	10,770	-	-	10,770	-	-	10,770	8,723	19,493
Police/Public Safety	-	-	-	-	9,433,816	-	-	9,433,816	-	-	9,433,816	10,113,467	19,547,283
Strategic Reserve	-	-	-	-	-	-	-	-	-	-	-	3,422,165	3,422,165
Debt Service	-	-	-	18,612,254	-	-	-	18,612,254	-	-	18,612,254	245,427	18,857,681
Subtotal Operations	340,297	1,129,664	2,947,853	22,138,941	9,444,586	4,116,167	727,112	40,844,620	275,000	20,571,226	61,690,846	24,922,922	86,613,768
ENTERPRISE FUNDS													
Surface Water Management	-	-	-	-	-	1,410,876	981,233	2,392,109	1,248,647	924,423	4,565,179	11,464,981	16,030,160
Subtotal	-	-	-	-	-	1,410,876	981,233	2,392,109	1,248,647	924,423	4,565,179	11,464,981	16,030,160
INTERNAL SERVICE FUNDS													
Fleet & Equipment	-	-	-	-	-	-	-	-	361,974	-	361,974	408,396	770,370
Information Technology & Svcs.	-	-	-	-	-	-	-	-	1,814,299	-	1,814,299	217,399	2,031,698
Property Management	-	-	-	-	-	-	-	-	971,589	-	971,589	275,323	1,246,912
Risk Management	-	-	-	-	-	-	-	-	367,788	-	367,788	-	367,788
Subtotal	-	-	-	-	-	-	-	-	3,515,650	-	3,515,650	901,118	4,416,768
CAPITAL PROJECT FUNDS													
Parks	-	-	-	-	-	-	-	-	2,897,974	-	2,897,974	-	2,897,974
Public Works	-	-	-	-	-	-	-	-	3,395,869	-	3,395,869	-	3,395,869
Municipal Facilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	6,293,843	-	6,293,843	-	6,293,843
NONANNUALLY BUDGETED FUNDS													
Donations & Gifts to UP	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	340,297	1,129,664	2,947,853	22,138,941	9,444,586	5,527,043	1,708,345	43,236,729	11,333,140	21,495,649	76,065,518	37,289,022	113,354,540

2025-2026 Uses by Fund and Category

FUNDS	City Council	City Manager	Community & Economic Development	Finance & Admin Services	Public Safety	Public Works, Parks & Recreation	Engineering	TOTAL OPERATING EXPENDITURES	Other Financing Uses	Interfund Transfers	Total Approp.	Ending Fund Balance	TOTAL USES
OPERATING FUNDS													
General	673,678	2,272,973	5,897,866	7,132,824	-	2,625,896	1,417,723	20,020,960	1,312,579	23,492,883	44,826,422	7,825,080	52,651,502
Street	-	-	-	-	-	5,519,024	-	5,519,024	-	40,000	5,559,024	2,464,522	8,023,546
Real Estate Excise Tax (REET)	-	-	-	-	-	-	-	-	-	2,515,512	2,515,512	358,109	2,873,621
Traffic Impact Fees	-	-	-	-	-	-	-	-	-	400,000	400,000	460,016	860,016
Affordable Housing	-	-	147,898	-	-	-	-	147,898	-	-	147,898	25,413	173,311
Opioid Settlement	-	-	-	-	63,423	-	-	63,423	-	-	63,423	8,723	72,146
Police/Public Safety	-	-	-	-	19,090,039	-	-	19,090,039	-	-	19,090,039	10,113,467	29,203,506
Strategic Reserve	-	-	-	-	-	-	-	-	-	-	-	3,422,165	3,422,165
Debt Service	-	-	-	22,136,899	-	-	-	22,136,899	-	-	22,136,899	245,427	22,382,326
Subtotal Operations	673,678	2,272,973	6,045,764	29,269,723	19,153,462	8,144,920	1,417,723	66,978,243	1,312,579	26,448,395	94,739,217	24,922,922	119,662,139
ENTERPRISE FUNDS													
Surface Water Management	-	-	-	-	-	2,753,911	1,919,152	4,673,063	2,974,346	1,857,252	9,504,661	11,464,981	20,969,642
Subtotal	-	-	-	-	-	2,753,911	1,919,152	4,673,063	2,974,346	1,857,252	9,504,661	11,464,981	20,969,642
INTERNAL SERVICE FUNDS													
Fleet & Equipment	-	-	-	-	-	-	-	-	803,948	-	803,948	408,396	1,212,344
Information Technology & Svcs.	-	-	-	-	-	-	-	-	3,514,477	-	3,514,477	217,399	3,731,876
Property Management	-	-	-	-	-	-	-	-	1,917,701	-	1,917,701	275,323	2,193,024
Risk Management	-	-	-	-	-	-	-	-	703,613	-	703,613	-	703,613
Subtotal	-	-	-	-	-	-	-	-	6,939,739	-	6,939,739	901,118	7,840,857
CAPITAL PROJECT FUNDS													
Parks	-	-	-	-	-	-	-	-	4,001,298	-	4,001,298	-	4,001,298
Public Works	-	-	-	-	-	-	-	-	5,810,309	-	5,810,309	-	5,810,309
Municipal Facilities	-	-	-	-	-	-	-	-	70,000	-	70,000	-	70,000
Subtotal	-	-	-	-	-	-	-	-	9,881,607	-	9,881,607	-	9,881,607
NONANNUALLY BUDGETED FUNDS													
Donations & Gifts to UP	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	673,678	2,272,973	6,045,764	29,269,723	19,153,462	10,898,831	3,336,875	71,651,306	21,108,271	28,305,647	121,065,224	37,289,022	158,354,246



ENDING FUND BALANCES

The following illustrates the City's ending fund balances between 2022 and 2026. The fund balances are segregated into three major components: Restricted, Assigned, Unassigned.

	2022		2023		2024			2025		2026	
	Actual		Actual		Adopted	Revised	Y/E Estimate	Adopted		Adopted	
<i>Street</i>	\$ 3,637,063	\$	4,143,546	\$	2,545,564	\$ 3,071,939	\$ 3,316,372	\$ 2,926,487	\$	2,522,847	
<i>REET</i>	2,887,909		2,212,806		1,054,254	596,445	703,621	325,673		448,109	
<i>CIP-Traffic Impact Fees</i>	351,842		411,268		2,430,139	925,031	476,312	620,664		460,016	
<i>Affordable Housing</i>	-		97,072		25,413	-	122,485	25,413		25,413	
<i>Opioid Settlement</i>	-		24,077		-	8,761	52,653	10,770		8,723	
<i>Donations</i>	19,862		18,005		-	-	-	-		-	
<i>Debt Service</i>	239,517		239,743		245,426	242,896	242,896	244,164		245,427	
<i>CIP-Parks</i>	3,151,633		2,669,692		3,899,452	-	160,000	-		-	
Subtotal Restricted	\$ 10,287,826	\$	9,816,209	\$	10,200,248	\$ 4,845,072	\$ 5,074,339	\$ 4,153,171	\$	3,710,535	
<i>Police and Public Safety</i>	\$ 8,031,278	\$	10,611,779	\$	10,273,944	\$ 10,835,318	\$ 10,765,679	\$ 10,355,205	\$	10,296,189	
<i>Strategic Reserve</i>	2,286,824		2,912,109		2,672,109	3,299,131	3,299,131	3,422,165		3,422,165	
<i>CIP-PW</i>	3,949,779		3,545,970		-	-	300,000	-		-	
<i>CIP-Municipal Facilities</i>	7,250		-		-	-	-	-		-	
<i>Risk Management</i>	-		-		-	-	-	-		-	
<i>Fleet</i>	214,700		353,896		175,323	353,896	363,896	408,396		408,396	
<i>IT</i>	99,888		217,399		118,895	217,399	217,399	217,399		217,399	
<i>Property Management</i>	238,792		275,323		184,739	275,323	275,323	275,323		275,323	
Subtotal Assigned	\$ 14,828,511	\$	17,916,477	\$	13,425,010	\$ 14,981,067	\$ 15,221,428	\$ 14,678,488	\$	14,619,472	
<i>General Fund</i>	\$ 15,504,327	\$	20,905,885	\$	13,976,185	\$ 17,857,418	\$ 20,269,665	\$ 21,542,430	\$	7,449,041	
<i>SWM Fund</i>	15,854,709		15,850,197		11,746,186	10,901,293	11,104,370	11,392,582		11,564,074	
Subtotal Unassigned	\$ 31,359,036	\$	36,756,082	\$	25,722,371	\$ 28,758,711	\$ 31,374,035	\$ 32,935,012	\$	19,013,115	
Total Ending Fund Balances	\$ 56,475,372	\$	64,488,768	\$	49,347,629	\$ 48,584,850	\$ 51,669,802	\$ 51,766,671	\$	37,343,122	

UNASSIGNED FUND BALANCES

The Unassigned fund balance is the balance of net financial resources that are available for appropriation. The 2025-2026 adopted budget estimates the unappropriated fund balance to total \$32,935,012 at the end of 2025 and \$19,013,115 at the end of 2026. While not legally restricted, staff recommend that these reserves are to be retained for cash reserve purposes.

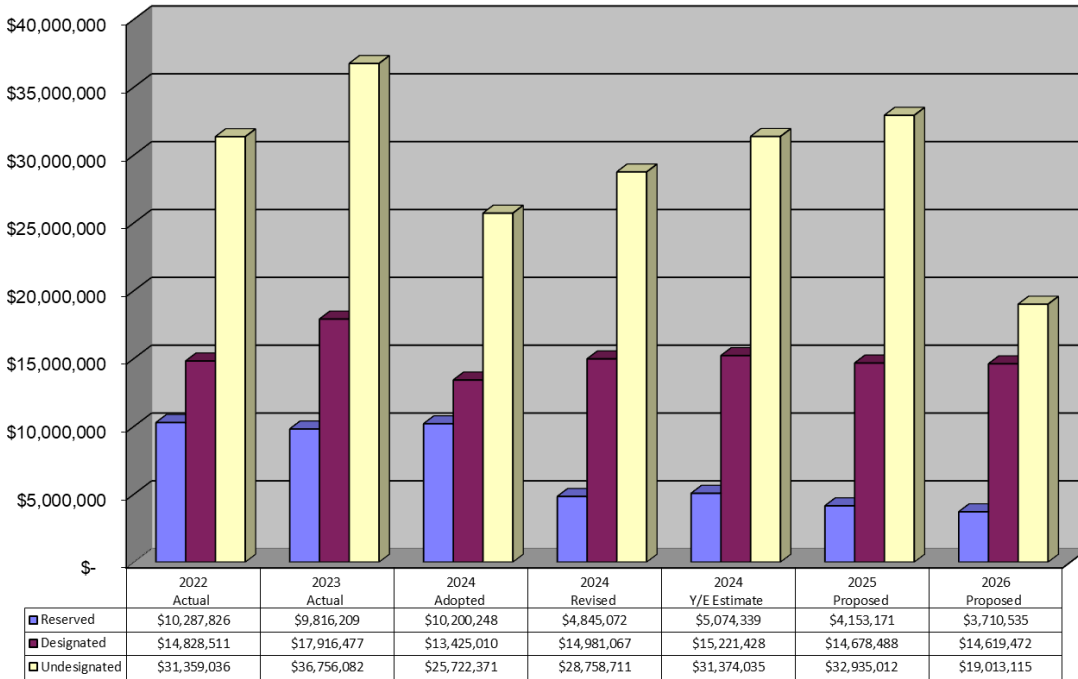
RESTRICTED ENDING FUND BALANCES

The second component of ending fund balances are those funds restricted for a specific purpose. These funds are not available for appropriation because they are legally restricted. Reserved monies are estimated to total \$4,153,171 for 2025, and \$3,710,535 for 2026. These funds are reserved for use in support of the City's Capital Improvement Plan, Streets Maintenance, Affordable Housing and Opioid Abatement.

ASSIGNED ENDING FUND BALANCES

The third component of ending fund balances, totaling \$14,678,488 in 2025 and \$14,619,472 in 2026, are those monies that have been earmarked for the strategic reserve fund, replacement reserves, property and liability insurance, Internal Service funds, Donations fund, and Police/Public Safety. The purpose of the strategic reserve is to provide some fiscal means for the City to respond to potential adversities such as public emergencies, natural disasters, or similar major, unanticipated events. Replacement reserves and insurance reserves are collected through charges to the City's general fund and permit the accumulation of cash reserves for future replacement of the City's assets to smooth out further budgetary impacts, and to provide insurance coverage through the Washington Cities Insurance Authority.

**ENDING FUND BALANCES
2022 - 2026**



REVENUE ASSUMPTIONS

The following provides the assumptions made to compute the major City revenues for the 2025-2026 biennium. The revenue estimates are both conservative and realistic.

TAXES

Tax revenues in 2025 are expected to increase from the 2024 year-end estimates. The increase in property taxes is limited to 1%. Sales tax is projected to increase from 2024 year-end estimates but remain below our 2023 actuals. Utility tax revenues are projected to increase due to the addition of Electric, Water and Sewer utility tax. Real estate excise tax collections (REET) are anticipated to be \$1,120,000 in 2025 with a slight increase in 2026.

	2022	2023	2024	2025	2026
	Actual	Actual	Y/E Estimate	Proposed	Proposed
Property Tax	\$ 4,619,422	\$ 4,661,344	\$ 6,696,240	\$ 7,060,851	\$ 7,166,564
Sales Tax - General	4,293,675	4,474,249	4,200,000	4,242,000	4,284,420
Sales Tax - 1% for Parks	474,269	466,647	460,000	464,600	469,246
Sales Tax - Affordable Housing	27,537	25,961	25,413	25,413	25,413
Liquor Excise Tax	247,763	249,565	245,411	235,963	238,323
Liquor Profits Tax	272,225	270,816	268,837	265,099	267,750
Local Criminal Justice	845,650	830,181	830,000	838,300	846,683
Other Criminal Justice Taxes	131,004	138,889	140,278	146,431	147,895
Admission Tax	223,644	277,616	222,200	224,422	226,666
Utility Taxes	4,405,164	4,821,428	4,706,792	4,729,097	4,752,119
Leasehold Excise Tax	5,050	3,085	5,200	5,200	5,200
Gambling Tax	111,194	103,196	103,420	104,454	105,499
Real Estate Excise Tax	1,639,953	1,158,694	1,300,000	1,120,000	1,140,000
Fuel Tax	695,193	701,528	665,549	699,617	702,271
Total	\$ 17,991,744	\$ 18,183,199	\$ 19,869,340	\$ 20,161,448	\$ 20,378,049

Property Taxes

The City of University Place portion makes up approximately 9% of the total bill received by property owners. Since the City currently has no voter-approved outstanding bonds, there is no voter-approved levy to support the annual debt service on that debt. The City's levy is therefore Council-approved. The revenue estimates include a 1% increase in property taxes for both 2025 and 2026. In August 2010, the City Council approved a resolution dedicating the property tax to public safety and defined public safety expenses to include expenses for police services, court services, jail, city attorney's office, crime prevention, animal control, code enforcement and emergency management.

2024 TOTAL PROPERTY TAX PER \$1,000 ASSESSED VALUE		
State of Washington	Regular Levy Rate	\$ 2.312063
County	Regular Levy Rate	0.770391
Port	Regular Levy Rate	0.136874
Regional Transit	Regular Levy Rate	0.164830
Police (City of UP)	Regular Levy Rate	1.010000
Fire District/EMS	Regular Levy Rate	0.439916
Library	Regular Levy Rate	0.338980
Flood Control	Regular Levy Rate	0.099337
Fire District	Excess (Voter approved) Levy Rate	2.242979
UP School District	Excess (Voter approved) Levy Rate	3.931802
Total		\$11.447172

Sales Tax

Sales tax is one of the City's most economically sensitive revenue sources and one of the more volatile components of the General Fund budget. The 2025 general sales tax budget is projected at \$4,242,000, which is a slight increase over the 2024 yearend estimate of \$4,200,000. The 2026 budget is projected to be \$4,284,420. Retail trade continues to generate the largest component of sales activity followed by Construction. The following table compares actual retail sales tax collections by industry sector between 2020 and 2023:

	2020	2021	2022	2023
Retail Trade	\$ 1,538,216	\$ 1,725,815	\$ 1,325,731	\$1,783,189
Services	54,702	70,508	59,780	86,949
Construction	577,094	721,733	592,084	1,008,212
Accommodation and Food Svce	260,191	313,798	307,395	387,415
Information	161,205	162,350	163,396	192,425
Arts, Entertain, Recreation	73,536	111,872	105,897	136,280
Admin, Supp, Rmed Svces	244,549	271,602	173,443	306,278
Transp/Warehousing/Utilities	3,558	2,302	4,178	36,753
Wholesaling	130,105	145,349	116,142	157,804
Manufacturing	41,558	47,411	45,224	48,725
Other	176,227	203,700	177,845	241,984
Finance/Insur/Real Estate	101,048	123,453	102,709	92,231
Government	8,231	2,289	7,529	4,893
	<u>\$ 3,370,220</u>	<u>\$ 3,902,182</u>	<u>\$ 3,181,353</u>	<u>\$4,483,138</u>

The 2025-2026 sales tax estimates consider recent trends in sales tax collections. The decrease is attributable to the current projected downturn in economic conditions affecting retail trade and construction. As you can see in the table above, construction activity is very cyclical and subject to large swings as the economic climate improves or recedes.

The local sales tax rate is 10.1%. However, 15% of this additional sales tax within cities and towns is allocated to their respective counties and 1% is allocated to the State. For a county to fully share in a city's optional tax, it must impose the optional tax in the unincorporated area at a rate equal to that in the city. The City of University Place levies the full rate allowed by the state (1%), with 15% of this amount allocated to Pierce County and 1% allocated to the State Department of Revenue. Therefore, the City's effective sales tax rate is .84% of the total sales tax rate of 10.1%.

State of Washington	6.50%
Regional Transit Authority	0.90%
City of University Place	0.84%
Pierce Transit	0.30%
Public Transportation	0.80%
Pierce County	0.35%
Criminal Justice	0.10%
Pierce County Jail	0.10%
Parks	0.10%
9-1-1 Communications	0.10%
State Sales Tax Administration	0.01%
	10.10%

Sales Tax-Parks

In September 2000, the voters of Pierce County approved a sales and use tax increase equal to one-tenth of one percent (0.1%) within Pierce County to provide funds to acquire, improve, rehabilitate, maintain, or develop regional and local parks. Fifty percent of the funds are allocated to the Point Defiance Zoo and Northwest Trek. The remaining fifty percent of the funds are allocated on a per capita basis for parks to Pierce County (with a required match), the Tacoma Metropolitan Park District, and each city and town in Pierce County (except Tacoma). The City of University Place expects to receive \$464,600 and \$469,246 in 2025 and 2026, respectively.

Admissions Tax

Effective December 1, 1999, the City Council approved a 5% admissions tax on every person who pays an admission charge to any movie theater, golf course, entertainment, or special events activity. The 2025 estimate for admission taxes is \$224,422. The 2026 estimate is \$226,666.

Utility Tax

During the 1996 budget process and effective March 1, 1997, the City Council approved a 2.5% utility tax levy on the following utilities: cable television, cellular telephones, natural gas, refuse services, and regular telephone services. During the 1999/2000 mid-biennium budget review and effective December 1, 1999, the City Council approved a rate increase to 6%. In late 2020 the City Council approved the utility tax for Electric, Water and Sewer.

The schedule below summarizes utility tax revenue collections and estimates between 2022 and 2026.

	2022	2023	2024	2025	2026
	Actual	Actual	Y/E Estimate	Adopted	Adopted
Gas	\$ 490,862	\$ 525,143	\$ 470,000	\$ 474,700	\$ 479,447
Solid Waste/Refuse	508,775	546,066	559,000	564,590	570,236
Cable	668,511	632,827	579,800	568,204	556,840
Telephone	115,589	107,020	98,013	96,053	94,132
Cellular	153,089	153,040	147,634	144,682	141,787
Electric	1,248,919	1,499,977	1,542,345	1,557,768	1,573,346
Water	528,456	622,500	575,000	580,750	586,558
Sewer	506,619	551,790	551,000	556,510	562,075
Storm Drainage	184,344	183,065	184,000	185,840	187,698
Total	\$ 4,405,164	\$ 4,821,428	\$ 4,706,792	\$ 4,729,097	\$ 4,752,119

Real Estate Excise Tax (REET)

The real estate excise tax of 1.28% is levied on all sales of real estate, measured by the full selling price, including the amount of any liens, mortgages, and other debts given to secure the purchase (RCW 82.46.010). In addition, cities and counties are also authorized to impose a second 0.25% tax. The City levies both the First ¼% and Second ¼% (Optional) REET. The following table illustrates the allocation of real estate excise taxes between the State, County, and City of University Place.

Real Estate Excise Tax	
Public Works Assistance	0.08%
Pierce County Administration	0.02%
City Assistance	0.02%
State of Washington General Fund	1.16%
Total	1.28%
City of University Place First 1/4% Real Estate Excise Tax Account	0.25%
City of University Place Second 1/4% Real Estate Excise Tax Account	0.25%
Grand Total	1.78%

The First ¼% Real Estate Excise Tax (REET) must be spent solely on capital projects that are listed in the capital facilities element of the City's comprehensive plan. The City has adopted and relied upon its Parks, Recreation, and Open Space Comprehensive Plan element as the foundation for allocating these funds to debt service for qualified projects.

The Second ¼% Real Estate Excise Tax must also be spent solely on capital projects. Capital projects are defined as those public works projects of a local government for the planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water systems, storm and sanitary sewer systems, and the planning, construction, reconstruction, repair, rehabilitation, or improvement of parks. The acquisition of land for parks is not a permitted use of these funds.

Given REET revenues are very cyclical and subject to certain fundamental economic changes that do not occur at the same point every year, the 2025 and 2026 estimates are conservatively projected to total \$1,120,000 and \$1,140,000, respectively.

State Shared Revenues

The state shares fuel and liquor tax revenues with cities and towns after deductions for various purposes have been made. Fuel tax revenues are projected to increase in 2025 and 2026, and Liquor Profits and Liquor Excise taxes are projected to decrease.

Permits and Licenses

This category consists of franchise fees, business license fees, pet license fees, and revenue generated by the Development Services Division. Included in this category are building permits, mechanical permits, plumbing permits, right-of-way permits and fire fees.

	2022 Actual	2023 Actual	2024 Y/E Estimate	2025 Adopted	2026 Adopted
Franchise Fees	\$ 3,048,196	\$ 3,182,838	\$ 3,232,502	\$ 3,114,007	\$ 3,131,344
TBD Fees	241,127	236,905	239,274	402,917	488,168
Business License Fees	95,400	98,525	95,000	95,950	96,910
Solicitor Permit Fees	75	125	100	125	125
Alarm Permit Fees	90,641	78,459	78,000	78,780	79,568
False Alarm Fees	17,900	12,100	12,000	12,120	12,241
Pet License Fees	35,018	33,760	33,000	33,330	33,663
Development Services Fees	1,066,217	534,826	624,681	829,626	952,630
Total	\$ 4,594,574	\$ 4,177,538	\$ 4,314,557	\$ 4,566,855	\$ 4,794,649

Franchise fees include water and electric fees from Tacoma Public Utilities and sewer fees from Pierce County Sewer. Franchise fee projections also include franchise fees from Rainier Connect North for the right to use the City's right-of-way. These cable TV franchise fees are governed by federal law and are levied at a rate of 5% of gross revenues with 80% of the revenue remitted directly to the City and the remaining 20% remitted to the Rainier Cable Commission in support of Public, Education, and Government (PEG) cable programming.

The City also collects refuse franchise fees, primarily from University Place Refuse, Inc., which serves most of the City. The City also collects refuse franchise fees from Lakewood Refuse, which serves a small portion of the City. Refuse franchise fees are levied at a rate of 5.0% of gross revenues.

Development Services Fees

The revenue projections include \$829,626 in 2025 and \$952,630 in 2026 for development services fees. These fees consist of building permit fees, plumbing permit fees, mechanical permit fees, right-of-way fees, plan check fees, and fire fees issued through the City's Development Services Division.

Other Revenues

Surface Water Management Fees, which are restricted funds, are projected to be \$4,091,793 in 2025 and are projected to increase to \$4,706,671 in 2026.

The SWM Administrative Fee transfer to the general fund and police fund covers general governmental services and is projected at \$902,271 in 2025 and \$889,076 in 2026. The overhead rate used is 16.5% and was determined using a study performed by Management Consultants to establish a rate that would meet federal OMB regulations.

Court Fees, received as part of our contract with Pierce County, are projected to be \$34,416 in 2025 and \$34,760 in 2026.

The City pools its available cash and invests the money in the State pool. Additionally, a portion of undesignated cash is invested government bonds. All interest income is deposited into the General Fund.

Interfund transfers are contributions from one City fund to another in support of the activities of the receiving fund. The interfund transfers are needed because tax revenue received in one state mandated fund may be needed to pay for costs charged to another fund, as with the CIP capital construction.

ECONOMIC CONDITIONS AND OUTLOOK FOR THE FUTURE

Overview

The City is committed to continued overall low tax levels, higher services, capital improvements, and financial stability. This is the City of University Place's vision and our budget for 2025-2026. The objective of this outlook is to provide the best estimate of the effect of program and economic conditions on the biennial and subsequent year budgets. It is particularly valuable in showing the relationship and effect on major components of the City's financial system and in summarizing otherwise widely disbursed information on national, regional, and local economic trends.

Economic Trends

Nation and Region

The Pierce County Economic Index (PCEI) ended its twelve consecutive years of gains in 2022, falling 5.2 percent reflecting the absence of any COVID economic stimulus/relief packages. The PCEI annual index is estimated to have risen 1.8 percent in 2023, with a 1.6 percent gain estimated for the 2022Q4 to 2023Q4 comparison.

The Bureau of Labor Statistics reported that from January 2023 to January 2024 consumer prices are up 3.1 percent. This is a decrease from 2022's 6.5 percent increase.

The Pierce County Housing Activity Index, which started 2023 at 95.0, had fallen to 72.3 by the end of the year. A continued slide in the number of closed sales pushed housing inventory up to over six months' supply. New listings and closed sales fell 30 percent and 27 percent, respectively.

According to the bureau of Labor Statistics, the unemployment rate held at 3.7 percent in December 2023, this is consistent with 2022's rate. Pierce County unemployment fell from 5.3 percent in 2022Q4 to an estimated 4.5 percent in 2023Q4.

City of University Place

University Place's local economy is drive by a combination of retail service industries, and education with the University Place School District being a significant employer. Commercial developments along Bridgeport Way, the city's main corridor, provide dining, shopping and local services to residents.

The City substantially reduced staff and expenditures in 2009 to address the revenue reductions experienced during the recession and maintained the reduced service levels through 2020. Beginning in 2021 the City has added additional staffing to address upcoming staff retirements and well as increased service level needs in Parks and Public Works.

In 2023 the number of licensed businesses in the City totaled 1,750 which is an increase from the 2022 total of 1,684. Of the 1,750 business licenses active in 2023, home-based businesses account for 932 of them.

In 2023 new single-family residential permits issued totaled 13. This was a big decrease from 2022 numbers: 8 new single -family residential permits, 2 duplex permits, four 12-unit apartment building permits, seven 24-unit apartment building permits, and two 54-unit apartment building permits.

Local sales tax collected in 2023 totaled \$4.48M which is an increase of 4.22% from 2022. Retail sales tax increased 1.34%. Taxes from Construction increased by 8.74%. Taxes generated for the Services sector increased by 8.67%.

In 2023, the real estate market experienced a decrease in sales volume. The decline is attributed to persistent low inventory and higher interest rate.

The City continues to provide tax incentives in the form of tax abatements to developers/owners of new construction or rehabilitation of multifamily housing located in designated areas within the City. Tax relief applies to the value of the improvements, excluding land and nonresidential improvements. This program is designed to encourage increased residential opportunities for local governments that plan under the State's Growth Management Act.

The 2023 total assessed value of property in University Place for 2024 tax collections was \$6,892,212,903, which is a 2.74% decrease from the 2022 assessed valuation of \$7,081,173,954. 2024 Preliminary assessed values for 2025 tax collections were not yet received at the time of publication of this document.

To ensure that the City has resources sufficient to meet all of its financial and legal obligations the City maintains a ten-year financial forecast, which it updates annually. The forecast includes facts and assumptions to enable an accurate forecast of the financial future of the city to ensure whether adequate resources will be available to maintain current and projected city service levels with a focus on the impact of current economic conditions and, if not, develop strategies to address them. The forecast serves as a tool to examine financial trends and to help identify opportunities as new and existing services or programs are evaluated.

The top ten employers in University Place in 2023 were:

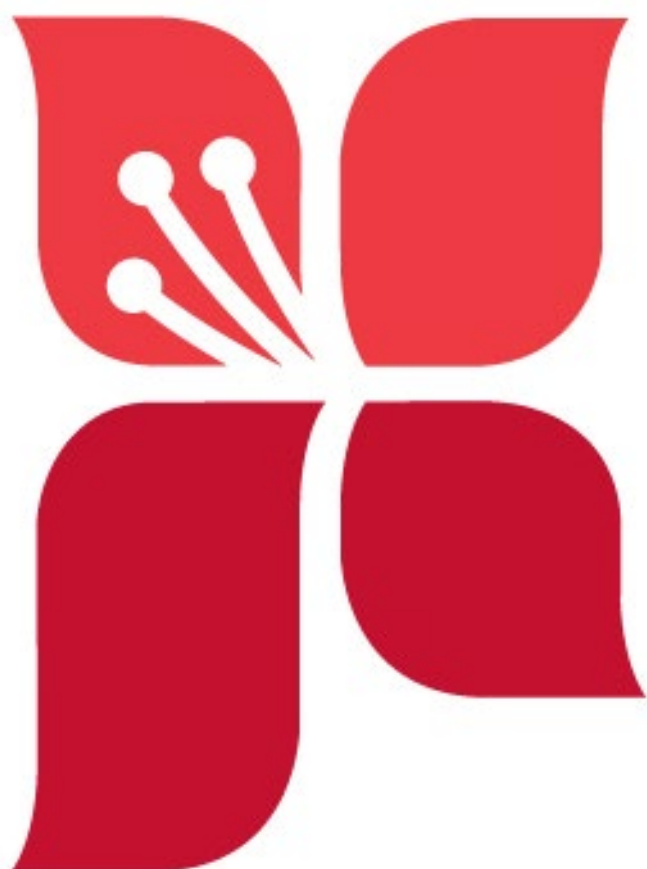
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| 1. The University Place School District | 6. Charles Wright Academy |
| 2. Virginia Mason/Franciscan Health System | 7. Whole Foods |
| 3. Fred Meyer Stores | 8. Kemper Sports |
| 4. West Pierce Fire & Rescue | 9. Safeway |
| 5. University Place Care Center | 10. Pierce County Public Works Sewer |

The City's financial forecast shows that the City will have sufficient revenues to meet all obligations through the 10-year forecast period.

Chambers Bay Golf Course – This championship caliber 18-hole links style regional destination golf course opened in June 2007 to rave reviews. The course has hosted the 2010 U.S Amateur Open Golf Tournament and the 2015 U.S. Open. Both were highly successful. The golf course is part of the overall Chambers Creek Master Site Plan that includes walking and bike trails, botanical gardens, boat launch, off-leash dog park, ballfields, playgrounds, and a pedestrian bridge over the railroad that opened two miles of beach along the Puget Sound to public access.

The combination of these great successes and the Council's commitment to responsible governance continues to produce results. The City's finances are on stronger ground than they have been in a decade.

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OPERATING EXPENDITURES BY DEPARTMENT



KOBAYASHI PROPERTY

PHOTO INFORMATION: KOBAYASHI PROPERTY

The Kobayashi Property is a 5.5-acre, heavily wooded site at the confluence of Leach and Chambers Creeks. The City was able to purchase this property in 2001 with monies received from Pierce County Conservation Futures and the Inter Agency Committee for Outdoor Recreation (IAC).

CITY COUNCIL

Mission and Responsibilities

The seven-member City Council is responsible to all citizens for policy direction, City legislation, and governance of the community. The Council Members are elected at-large by position. The Council selects from its members a Mayor and a Mayor Pro-Tem as Council Officers to preside at Council meetings and to sign orders of the Council. The Council Members represent the overall community at various intergovernmental meetings and community events. The Mayor and Council appoint the City's advisory boards and commissions. The Council appoints a City Manager to carry out its policies, and to oversee day-to-day operations.

Goals/Major Objectives

- Recreation: Establish a recreation initiative to enhance the quality of life for residents of all ages with a focus on youth and seniors. Partner with organizations to develop tailored recreational solutions, provide ongoing parks maintenance support and program development.
- Economic Development: Foster economic development by prioritizing the diversification of city revenue and strategic collaboration on projects that enhance the quality of life for our residents and drive sustainable growth for our business districts.
- Health In All Policies: Integrate health considerations into policymaking through a "Health in All Policies" approach aligned with the Growth Management Act. Establish a checklist for staff and commissions to assess and report on legislative choices, utilizing defined health considerations to ensure comprehensive decision-making with a focus on University Place.
- Affordable Housing: Stimulate affordable housing development in U.P. by incentivizing developers to build condos, townhomes, and other alternative middle housing ownership opportunities. Prioritize the creation of attractive and accessible affordable housing options in the community.
- Climate Action Plan: Develop a climate action plan, either standalone or as part of the comprehensive plan. Look at the intersection between climate action and public safety (wildland/urban interface, coastal properties) and seek solutions. Apply for and seek grant funding to address these issues.

	2022	2023	2024			2025	2026
	Actual	Actual	Adopted	Revised	Y/E Estimate	Adopted	Adopted
Expenditure by Object							
Salaries & Wages	\$ 122,976	\$ 122,976	\$ 122,976	\$ 145,091	\$ 145,091	\$ 146,052	\$ 150,365
Benefits	21,745	21,748	21,635	21,783	21,653	21,514	22,617
Supplies	2,894	7,445	8,050	11,550	11,000	12,600	12,600
Services & Charges	35,329	49,919	74,650	155,050	61,050	153,215	154,715
Total Operating Expenditures	\$ 182,945	\$ 202,089	\$ 227,311	\$ 333,474	\$ 238,794	\$ 333,381	\$ 340,297
Personnel							
Mayor	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Mayor Pro-Tem	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Councilmembers	5.00	5.00	5.00	5.00	5.00	5.00	5.00

CITY MANAGER

Mission and Responsibilities

The City Manager is the City's Chief Executive Officer responsible to the City Council for implementing Council policy, and for the overall management and administration of the City's operations and capital programs. The City Manager's Office also includes the Deputy City Manager and is responsible for Community and Intergovernmental relations.

Goals/Major Objectives

- Implement 2025/2026 Council goals
- Monitor and manage City budget
- Enhance and support economic stability
- Successful community and government relations

Highlights and Changes

- Lead staff according to the 2025/2026 Council Goals as defined by the City Council
- Provide services and capital programs at budgeted service levels

	2022	2023	2024			2025	2026
	Actual	Actual	Adopted	Revised	Y/E Estimate	Adopted	Adopted
Expenditure by Object							
Salaries & Wages	\$ 440,889	\$ 469,441	\$ 525,937	\$ 525,596	\$ 517,224	\$ 549,275	\$ 570,114
Benefits	150,329	158,518	174,981	172,933	163,216	172,235	182,027
Supplies	1,440	2,384	2,700	98,209	1,350	3,468	2,100
Services & Charges	46,624	6,833	56,480	11,480	11,800	59,880	59,880
Internal Service Charges	46,373	51,225	58,512	83,630	83,630	73,126	77,317
Total City Manager Department	685,655	688,400	818,610	891,848	777,220	857,984	891,438
Beautification (moved to Public Works in 2023)	24,448	-	-	-	-	-	-
Community Events	186,355	183,363	192,527	240,910	204,241	285,325	238,226
Total Operating Expenditures	\$ 896,458	\$ 871,763	\$ 1,011,137	\$ 1,132,758	\$ 981,461	\$ 1,143,309	\$ 1,129,664
Personnel							
Full Time Equivalents	2.60	2.675	2.675	2.675	2.675	2.675	2.675

City Attorney

Mission and Responsibilities

The City Attorney provides legal advice to the Council, City staff, and other City officials. The City Attorney's office reviews City ordinances, resolutions and contracts, advises Council and staff at public meetings, and assists in the review of long-range planning and land use development proposals. This Office strives to ensure that City actions are legally defensible, comply with current law, and minimize exposure to adverse judgments. The Office also supports the City's risk management and economic development programs.

Goals/Major Objectives

Support City efforts for fair and consistent enforcement of land use and other codes and provide timely and appropriate input to the City's long-range planning activity.

- Support City efforts for fair and consistent enforcement of land use and other codes, and provide timely and appropriate input to the City's long-range planning activity
- Draft and review contracts, franchises, interlocal agreements, City policies, and other documents
- Support the City's risk management program, and represent City interests in administrative hearings and litigation
- Draft, review and interpret all City legislation

Highlights and Changes

- Continued emphasis on improving public safety regulations, code enforcement and economic development
- Monitor and track the work, progress, and billing of the City's contracted Prosecuting Attorney

	2022	2023	2024			2025	2026
	Actual	Actual	Adopted	Revised	Y/E Estimate	Adopted	Adopted
Expenditure by Object							
Salaries & Wages	\$ 250,987	\$ 274,937	\$ 313,347	\$ 313,143	\$ 313,003	\$ 333,150	\$ 349,570
Benefits	83,425	88,793	100,442	99,018	93,657	100,825	107,399
Supplies	228	46	1,045	1,045	600	1,045	1,045
Services & Charges	5,745	12,751	53,050	100,524	53,513	97,394	52,495
Internal Service Charges	35,672	38,299	43,666	61,575	62,430	54,675	57,806
Total Operating Expenditures	\$ 376,056	\$ 414,825	\$ 511,550	\$ 575,305	\$ 523,203	\$ 587,089	\$ 568,315
Personnel							
Full Time Equivalents	2.00	2.00	2.00	2.00	2.00	2.00	2.00

FINANCE AND BUDGET

Mission and Responsibilities

Finance and Budget is responsible to the City Manager for accounting, budget, purchasing, risk management, fleet management, debt management, grants management and investment of public funds. The department prepares all the City's financial reports, including the Annual Comprehensive Financial Report, multi-year forecast, and quarterly financial reports. These reports are used by the City Council, regulatory agencies, and the public to evaluate the overall financial status of the City. Finance also provides budget development support to staff in preparation of the biennial budget.

Goals/Major Objectives

- Enhance Economic Stability by maintaining current service levels and capital on a pay-as-we-go basis.
- Continue improving financial processes and systems to reduce errors and increase efficiency.
- Provide financial analyses that help shape City policy and decision-making.
- Increase City financial viability and enhance City's reserves.
- Continue to update long-term financial forecast.
- Review and update financial policies when needed.

Highlights and Changes

- Implementing Tyler EERP financial software. Estimated Go-live is mid-2025.
- Project early payment of 2016 Bond in 2026.

	2022	2023	2024			2025	2026
	Actual	Actual	Adopted	Revised	Y/E Estimate	Adopted	Adopted
Expenditure by Object							
Salaries & Wages	\$ 492,540	\$ 530,347	\$ 587,107	\$ 522,340	\$ 511,210	\$ 578,269	\$ 609,598
Benefits	157,506	160,557	188,137	155,430	152,845	169,042	180,857
Supplies	2,840	4,427	6,675	6,675	6,625	7,500	7,500
Services & Charges	180,424	247,913	246,239	261,418	261,758	302,957	339,480
Internal Service Charges	84,201	79,366	100,252	127,754	127,754	113,847	121,113
Total Operating Expenditures	\$ 917,512	\$ 1,022,610	\$ 1,128,410	\$ 1,073,617	\$ 1,060,192	\$ 1,171,615	\$ 1,258,548
Other Citywide Uses:							
Interfund Transfers	3,783,409	4,968,308	4,097,802	15,613,413	15,587,508	4,409,730	19,133,662
Succession Planning	-	-	200,000	437,749	109,444	400,000	275,000
Contingency	-	-	-	428,560	-	587,070	-
Reet Fund	2,035,451	1,833,797	982,208	2,809,186	2,809,186	1,497,948	1,017,564
Traffic Impact Fee Fund	-	-	-	-	-	-	400,000
Affordable Housing Fund	-	-	-	122,485	-	122,485	25,413
Opioid Settlement Fund	-	144	-	24,077	-	52,653	10,770
Donation Fund	9,493	11,370	-	18,005	18,005	-	-
Strategic Reserve Fund	-	-	-	-	-	-	-
Debt Service Fund	3,590,925	3,592,489	3,591,564	3,591,364	3,591,364	3,524,645	18,612,254
Fleet Fund	179,938	200,020	328,337	745,303	778,833	441,974	361,974
Risk Management Fund	180,829	236,280	248,338	330,654	330,654	335,825	367,788
Total Other Financing Uses	\$ 9,780,045	\$ 10,842,408	\$ 9,448,249	\$ 24,120,796	\$ 23,224,994	\$ 11,372,330	\$ 40,204,425
Personnel							
Full Time Equivalents	4.50	4.00	4.00	4.00	4.00	4.00	4.00

INFORMATION TECHNOLOGY (IT)

Mission and Responsibilities

Ensure the stability and security of our IT systems by implementing robust cybersecurity measures and maintaining a resilient infrastructure that will support and enable staff and elected officials to provide the highest level of service to the citizens of the City of University Place.

Goals/Major Objectives

- Maintain cost efficient, reliable and secure network and computer systems.
- Replacement of Financial and Payroll software systems project completion.
- Cybersecurity policy and incident response plan updates.

Highlights and Changes

- Updates to the Council AV system in 2025.
- Replacement of the City phone system in 2026.

	2022 Actual	2023 Actual	2024			2025 Adopted	2026 Adopted
			Adopted	Revised	Y/E Estimate		
Expenditure by Object							
Salaries & Wages	\$ 260,322	\$ 305,832	\$ 343,494	\$ 343,622	\$ 347,991	\$ 376,521	\$ 406,856
Benefits	76,506	69,904	125,995	125,867	120,338	130,630	141,286
Supplies	91,720	47,105	178,645	261,940	178,645	126,750	116,750
Services & Charges	455,008	581,248	736,195	1,278,875	1,304,475	880,235	882,365
Capital	-	-	10,000	622,585	622,585	85,000	166,000
Leases	23,658	76,661	-	25,600	-	23,540	23,540
Depreciation Expense	70,716	23,520	77,502	77,502	77,502	77,502	77,502
Total Operating Expenditures	\$ 977,930	\$ 1,104,271	\$ 1,471,831	\$ 2,735,991	\$ 2,651,536	\$ 1,700,178	\$ 1,814,299
Personnel							
Full Time Equivalents	3.00	3.00	3.00	3.00	3.00	3.00	3.00

ADMINISTRATIVE SERVICES DIRECTORS OFFICE

Mission and Responsibilities:

The Administrative Services Department is composed of three divisions: the City Clerk's Office, Communications and Human Resources. The Director's Office is responsible for promoting transparency, fostering public trust through effective communication, and delivering high-quality internal and external customer service. This includes overseeing HR operations, ensuring compliance with City Clerk public records and meeting requirements, and supporting grant initiatives across departments or special projects. Additionally, the department assists with emergency management efforts.

Goals/Major Objectives

- Support the 2025-2026 Council Goals related to the department mission and responsibilities.
- Ensure timely, accurate, and accessible communication.
- Provide strategic assistance to City departments for grant writing, management, and reporting, ensuring efficient use of resources for special initiatives.

Highlights and Changes

- Utilize the newly implemented content creator to enhance public communication by focusing on delivering engaging, timely and informative content across multiple platforms to heighten outreach and transparency.
- Support the implementation of an updated HRIS system and integrated recruitment software to ensure seamless website integrations for a more user-friendly experience managing HR operations and external recruitment processes.
- Focus on aligning efforts to City Council's strategic goals with grant research and opportunities.
- Provide support for succession planning for each department under Administrative Services.

	2022		2023		2024			2025	2026
	Actual		Actual		Adopted	Revised	Y/E Estimate	Adopted	Adopted
Expenditure by Object									
Salaries & Wages	\$ 148,313	\$	164,126	\$	182,230	\$ 192,041	\$ 182,181	\$ 200,695	\$ 216,959
Benefits	47,486		50,831		57,113	57,717	53,429	57,890	62,710
Supplies	-		70,019		75,450	1,950	250	750	750
Services & Charges	3,921		2,131		7,075	80,575	58,884	63,725	63,725
Internal Service Charges	17,836		19,149		21,834	31,263	31,263	54,675	57,806
Total Operating Expenditures	\$ 217,556	\$	306,255	\$	343,702	\$ 363,546	\$ 326,007	\$ 377,735	\$ 401,950

Personnel

Full Time Equivalents	1.00		1.00		1.00	1.00	1.00	1.00	1.00
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CITY CLERK

Mission and Responsibilities

The City Clerk's Office is responsible for the support of City Council meetings. Support includes the creation of agendas, packets, minutes, and noticing of all public meetings. The City's Municipal Code and the Policies and Procedures Manual are maintained by this Office. The City Clerk's Office is also responsible for City-wide records management, public records requests, and business licensing.

Goals/Major Objectives

- Council meetings are supported and accurately recorded.
- Public records requests are processed in accordance with State laws.
- City-wide records are maintained in compliance with all applicable laws.
- Efficient and courteous customer service is provided to the public.

Highlights and Changes

- Increase the use of technology for more efficient operations.
- Work with departments to reduce records retention costs.

Expenditure by Object - City Clerk

	2022	2023	2024			2025	2026
	Actual	Actual	Adopted	Revised	Y/E Estimate	Adopted	Adopted
Salaries & Wages	\$ 202,446	\$ 226,848	\$ 249,874	\$ 273,938	\$ 248,784	\$ 253,216	\$ 259,213
Benefits	61,578	62,958	71,158	79,634	67,094	70,002	73,275
Supplies	199	356	600	600	100	800	800
Services & Charges	14,224	10,233	24,590	28,432	17,326	31,250	27,250
Internal Service Charges	35,672	38,299	43,666	62,527	62,527	54,675	57,806
Election Services	108,687	90,440	74,000	81,000	71,739	118,175	81,000
Total Operating Expenditures	\$ 422,805	\$ 429,133	\$ 463,888	\$ 526,131	\$ 467,570	\$ 528,118	\$ 499,344
Personnel							
Full Time Equivalents - City Clerk	2.00	2.00	2.00	2.00	2.00	2.00	2.00

COMMUNICATIONS/UPTV

Mission and Responsibilities

The Communications Division is dedicated to meeting the public's need for timely information about community events and city services through various platforms, including print, television and digital media technologies. Our goal is to support City staff in achieving their communication objectives efficiently and professionally.

The primary responsibilities include: managing the City's "Headlines" electronic newsletter; producing programming for University Place Television, a 24/7 government channel available citywide on Lightcurve Channel 12 and Comcast Channels 21 and 321(HD); developing and maintaining the University Place website at www.CityofUP.com; overseeing the City's social media outlets; and promoting the City's image, identity, projects, and programs through various media platforms and digital technologies.

Goals/Major Objectives

- Foster government transparency and build community trust by sharing clear, accessible information about City operations, decisions and initiatives, while actively engaging residents.
- Serve as the Public Information Officer during emergencies, collaborating with partner agencies to deliver timely and accurate information to the community that ensures public safety.
- Communicate punctual and current information to citizens through City print and electronic publications, website, UPTV and social media.
- Provide support for City events, activities and projects, including event promotion and recording, and community outreach.
- Enhance the City's brand, image and identity during the implementation of messaging for print and electronic publications, website, UPTV and social media.
- Promote the City as a livable, desirable destination and align messages with City Council visions.

Highlights and Changes:

- Continue to deliver live coverage of Regular City Council Meetings twice a month, the bi-weekly "Headlines" electronic newsletter, as well as informative print newsletters or postcards directly to residents' homes.
- Keep offering timely and impactful City messaging through social media and digital technologies, prioritizing community engagement and interaction, and collaboration with our other government partners.
- Sustain robust support to departments to ensure all communications align with and promote the City's image, identity, projects and programs.

	2022	2023	2024			2025	2026
	Actual	Actual	Adopted	Revised	Y/E Estimate	Adopted	Adopted
Expenditure by Object							
Salaries & Wages	\$ 224,735	\$ 247,421	\$ 263,660	\$ 263,883	\$ 266,709	\$ 281,195	\$ 289,253
Benefits	77,767	82,884	90,357	88,893	80,068	83,282	87,882
Supplies	7,203	21,027	12,600	12,600	8,690	12,600	12,600
Services & Charges	121,367	150,244	240,610	403,689	253,860	251,965	253,940
Capital	29,520	-	16,000	203,664	-	219,664	16,000
Internal Service Charges	35,672	38,299	43,666	62,527	62,527	54,675	57,806
Total Operating Expenditures	\$ 496,264	\$ 539,874	\$ 666,893	\$ 1,035,256	\$ 671,854	\$ 903,381	\$ 717,481
Personnel							
Full Time Equivalents	2.00	2.00	2.00	2.00	2.00	2.00	2.00

HUMAN RESOURCES

Mission and Responsibilities

The Human Resources Office strives to achieve competent and timely administration of the following areas: employee recruitment, classification and compensation, benefits, employee training and development, labor relations, personnel policies review and updates, compliance with federal and state labor laws, job description reviews and updates, and analysis pertinent to human resources issues as well as provide analytical support on general management issues and for other departments as needed.

Goals/Major Objectives

- Recruit, retain, and develop quality employees using all available resources.
- Implement NEOGOV to enhance recruitment process.
- Compliance with federal and state employment requirements.
- Provide accurate analysis and quality support on management and cross-departmental projects.

Highlights and Changes:

- Personnel Policy updates for compliance with the federal and state laws.
- Focus on training and development for staff and supervisors to ensure success.
- Regular and consistent classification and compensation review.

	2022	2023	2024			2025	2026
	Actual	Actual	Adopted	Revised	Y/E Estimate	Adopted	Adopted
Expenditure by Object							
Salaries & Wages	\$ 200,869	\$ 245,680	\$ 238,714	\$ 283,395	\$ 283,043	\$ 300,653	\$ 319,207
Benefits	67,305	73,251	80,815	83,737	79,319	84,872	90,833
Supplies	4,614	11,005	5,100	5,600	7,100	9,400	8,300
Services & Charges	22,807	17,124	92,557	94,057	93,545	95,580	93,110
Unemployment Compensation	10,176	5,773	48,308	51,948	51,948	56,108	56,108
Internal Service Charges	35,672	38,299	43,666	62,527	62,527	54,675	57,806
City-wide Training	2,079	1,773	19,000	19,000	19,000	24,000	24,000
Total Operating Expenditures	343,521	392,905	528,160	600,264	596,482	625,288	649,364
Personnel							
Full Time Equivalents	2.00	2.00	2.00	2.00	2.00	2.00	2.00

PUBLIC WORKS MAINTENANCE & OPERATIONS – Streets & SWM

Mission and Responsibilities

The mission of Public Works Operations is to protect and maintain the City's infrastructure and assets, including all public rights of way. This division ensures the safe and efficient functionality of our streets, sidewalks, storm drainage, and public facilities.

Goals/Major Objectives

- Respond to all citizen concerns within 48 hours.
- Repair and maintain all City infrastructures ensuring safe mobility and protecting City assets.
- Repair and maintain City owned Facilities: Civic Building, City Hall, Parking Garage, Public Works Facility and Town Center properties.

Highlights and Changes

- Perform 300 tons of street asphalt patching.
- Perform 2,500 gallons of asphalt crack sealing.
- Maintain 4,131 street trees.
- Maintain 1,385 streetlights.
- Maintain 538,549 square feet of landscaping.
- Maintain 4,500 storm drainage structures.

	2022 Actual	2023 Actual	2024			2025 Adopted	2026 Adopted
			Adopted	Revised	Y/E Estimate		
Expenditure by Object							
Salaries & Wages	\$ 903,520	\$ 868,023	\$ 1,119,598	\$ 1,018,376	\$ 1,095,279	\$ 1,253,403	\$ 1,333,396
Benefits	400,881	410,568	479,878	457,015	455,241	588,426	631,207
Supplies	188,372	194,545	331,450	542,587	610,728	445,200	432,700
Services & Charges	1,185,228	1,117,179	1,177,374	1,699,814	1,344,148	1,015,735	1,018,972
Transfers Out	-	128,012	20,000	20,000	20,000	20,000	20,000
Capital	-	15,848	-	-	-	54,000	18,000
Internal Service Charges	302,169	275,610	380,533	501,501	501,501	545,933	566,863
Total Operating Expenditures	\$ 2,980,169	\$ 3,009,785	\$ 3,508,833	\$ 4,239,293	\$ 4,026,897	\$ 3,922,697	\$ 4,021,138
Personnel							
Full Time Equivalents - Maintenance & Operations	11.00	11.00	11.00	11.20	11.20	12.65	12.65

PARKS MAINTENANCE

Mission and Responsibilities

The mission of Parks Maintenance is to enrich and enhance the quality of life within the community by protecting and maintaining a comprehensive parks system. Parks properties include Adriana Hess Wetland Park, Brookside Park, Cirque Park, Colegate Park, Colegate Playground, Conservation Park, Creekside Park, Curran Apple Orchard Park, Homestead Park, Kobayashi Park, Leach/Peach Creek Corridor, Paradise Pond Park, Riconosciuto Open Space, Sunset Terrace Park, UPP Play Area and Woodside Pond. The facilities, parks and open spaces allow for a variety of leisure time opportunities to meet the diverse needs of the community.

Goals/Major Objectives

- Respond to all of citizen concerns within 36 hours.
- All parks are safe, clean, inviting, and useable.
- Strengthen community image and sense of place.

Highlights and Changes

- Operate & Maintain 14 Park properties encompassing 130 acres of parks and open space including 3 restroom facilities, 3 picnic shelters and 3 playgrounds.
- Maintain 634,291 square feet of turf and landscape.

	2022 Actual	2023 Actual	2024			2025 Adopted	2026 Adopted
			Adopted	Revised	Y/E Estimate		
Expenditure by Object							
Salaries & Wages	\$ 237,177	\$ 250,802	\$ 303,186	\$ 538,708	\$ 532,475	\$ 566,954	\$ 603,627
Benefits	92,978	89,299	112,123	201,961	198,103	229,099	245,605
Supplies	48,597	40,296	56,500	144,284	116,850	116,700	116,700
Services & Charges	191,859	202,252	209,575	172,005	158,380	158,800	155,800
Recreation	-	-	-	25,000	25,000	25,000	25,000
Internal Service Charges	67,944	85,627	82,214	151,906	151,906	187,988	194,623
Total Operating Expenditures	\$ 638,555	\$ 668,275	\$ 763,598	\$ 1,233,864	\$ 1,182,714	\$ 1,284,541	\$ 1,341,355
Personnel							
Full Time Equivalents	3.00	3.62	3.00	7.15	7.15	6.68	6.68

PROPERTY MANAGEMENT

Mission and Responsibilities

The Property Management Division is responsible for management of all City owned facilities including rental units. Operation, maintenance & repairs, tenant relations, janitorial services, and capital replacement planning. Ensuring City owned facilities provide a safe and comfortable environment for employees and citizens well into the future.

Goals/Major Objectives

- Buildings maintained in a cost-efficient manner.
- Capital replacement plan funding.
- Strengthen community image and sense of place.
- City Hall provides a sense of community pride.

Highlights and Changes

- Maintenance and Operation of Civic Building, City Hall, Parking Garage, Operations Facility, and other City facilities.
- Maintain 23,936 square feet of turf and landscape.
- Oversee six leased spaces.

	2022	2023	2024			2025	2026
	Actual	Actual	Adopted	Revised	Y/E Estimate	Adopted	Adopted
Expenditure by Object							
Salaries & Wages	\$ 66,263	\$ 104,102	\$ 89,122	\$ 114,911	\$ 114,408	\$ 130,064	\$ 137,554
Benefits	26,163	28,437	39,178	34,796	36,495	38,954	41,685
Supplies	14,280	15,417	32,870	64,750	56,412	37,370	37,370
Services & Charges	578,741	644,597	738,114	753,442	716,862	736,132	751,388
Depreciation	3,592	3,592	3,598	3,598	3,592	3,592	3,592
Total Operating Expenditures	\$ 689,038	\$ 796,145	\$ 902,882	\$ 971,497	\$ 927,769	\$ 946,112	\$ 971,589
Personnel							
Full Time Equivalents	0.70	0.90	0.70	0.92	0.92	0.94	0.94

ENGINEERING

Mission and Responsibilities

Engineering Services is responsible for managing transportation and surface water management capital improvement projects; providing transportation planning and design; administering the development engineering permits and activities; and performing the City's field engineering support. Engineering Services also collects and analyzes traffic data, responds to citizen concerns related to transportation and surface water management, applies for, and administers grants for capital projects, and maintains required bridge inspection program.

Goals/Major Objectives

- Improve the City's transportation system for all modes of travel.
- Seek out grant opportunities for funding of transportation improvements.
- Review and update the City's Transportation Improvement Plan and Surface Water Management Plan.

Highlights and Changes

- Storm water management continues to be a point of emphasis, including NPDES II permit compliance.
- Major grant funded projects: 70th Street Phase 2, 40th Street Phase 3, Grandview/36th Street Roundabout, 67th Avenue Phase 3, 44th Street Sidewalk Extension (joint project with Fircrest), Chambers Creek Road Roundabout, 31st St/Parkway.
- Surface Water Management Projects (SWM): University Park Terrace Pond Rehabilitation, Cirque Drive Pond Rehabilitation, Component Roadways Projects.

	2022 Actual	2023 Actual	2024			2025 Adopted	2026 Adopted
			Adopted	Revised	Y/E Estimate		
Expenditure by Object							
Salaries & Wages	\$ 587,006	\$ 718,480	\$ 782,978	\$ 833,179	\$ 820,731	\$ 924,126	\$ 974,491
Benefits	91,797	92,959	273,276	271,415	270,877	310,506	330,777
Supplies	9,023	19,500	28,050	28,050	24,550	18,800	18,800
Services & Charges	122,981	206,678	161,375	211,375	185,975	145,300	145,300
Capital	5,499	-	-	-	-	-	-
Parking Meters	-	-	-	20,000	20,000	60,000	60,000
Internal Service Charges	117,246	131,901	141,471	188,641	188,641	169,798	178,977
Total Operating Expenditures	\$ 933,552	\$ 1,169,518	\$ 1,387,150	\$ 1,552,660	\$ 1,510,774	\$ 1,628,530	\$ 1,708,345
Personnel							
Charged to this budget	5.80	5.80	5.80	6.54	6.54	7.54	7.54
Charged to PW CIP - Grants	2.75	3.75	3.75	2.19	2.19	2.19	2.19
Full Time Equivalents	8.55	9.55	9.55	8.73	8.73	9.73	9.73

ECONOMIC DEVELOPMENT

Mission and Responsibilities

The Economic Development Office implements the Council adopted Biennium Goals related to economic development. This Office is charged with expanding the City's tax base and employment and increasing private investment through business growth and development. The Office provides business assistance to retain and expand local businesses, and redevelopment of targeted commercial hubs including Town Center. The Office also facilitates and participates in discussions with property owners and developers to encourage optimal land use within the Regional Growth Center Subareas. The Office works in partnership with other organizations to encourage business networking, marketing, and interaction. The Economic Development Office takes every opportunity to promote and market the community as a great place for business.

Goals and Major Objectives

- Focus on business retention and expansion.
- Increase jobs and employment opportunities for residents.
- Expand retail base and shopping opportunities for UP residents.
- Promote the full utilization of commercial properties within the City.
- Implement the Comprehensive Plan to accommodate growth and ensure a high quality of life for UP residents.
- Maintain and encourage business networking, interaction, and marketing.

Highlights and Changes

- Assist in implementing recommendations for sub-area districts including facilitation of property owner discussions.
- Emphasis on business outreach focused on retention and expansion.
- Emphasis on supporting the continued development of the Village at Chambers Bay and other Town Center properties.
- Enhance City wide branding through implementation of the City's wayfinding signage plan.

	2022		2023		2024			2025		2026	
	Actual		Actual		Adopted	Revised	Y/E Estimate	Adopted		Adopted	
Expenditure by Object											
Salaries & Wages	\$ 105,769		\$ 107,856		\$ 119,752	\$ 119,909	\$ 119,719	\$ 129,561		\$ 135,882	
Benefits	39,397		40,871		46,179	43,361	42,966	46,728		50,663	
Supplies	134		783		910	910	500	910		910	
Services & Charges	9,498		8,962		30,975	50,975	49,775	66,255		36,255	
Internal Service Charges	17,836		19,149		21,834	31,263	31,263	27,337		28,904	
Total Operating Expenditures	\$ 172,634		\$ 177,622		\$ 219,650	\$ 246,418	\$ 244,223	\$ 270,791		\$ 252,614	
Personnel											
Full Time Equivalents		1.00		1.00		1.00		1.00		1.00	

DEVELOPMENT SERVICES

Mission and Responsibilities

The Development Services Department carries out two primary functions. First with citizen input and City Council direction, the department maintains the Comprehensive Plan. This plan directs how the City will manage population and economic growth over the next 20 years. Second, the department administers development regulations aimed at implementing the Comprehensive Plan while ensuring a safe, viable and high quality, natural and built environment. Department divisions include Administration, Planning, Building and Fire Code, Development Engineering, Code Enforcement, and Permits. City Reception is also under this department.

Goals/Major Objectives

- Implement the Comprehensive Plan.
- Achieve optimal cost recovery for City services related to continued development.
- Provide responsive assistance to the community through quality customer service.
- Effectively administer development regulations to enhance the character of the community.
- Expedite permitting through facilitative processes.
- Provide effective and fair code enforcement.
- Support development of the Regional Growth Center.

Highlights and Changes

- Update the Comprehensive Plan and Development Regulations to implement the subarea plan and recently passed state legislation.
- Continue to manage growth and development.
- Develop conceptual subarea district plans.
- Employ new on-line permit and content management systems.
- Review regulations to look at increasing possibilities for housing choices.

Expenditure by Object	2022	2023	2024			2025	2026
	Actual	Actual	Adopted	Revised	Y/E Estimate	Adopted	Adopted
Dev. Services (Building, Planning, Permits)							
Salaries & Wages	\$ 986,644	\$1,058,216	\$1,192,186	\$ 1,194,210	\$ 1,188,045	\$ 1,283,828	\$ 1,371,846
Benefits	369,715	394,121	428,329	458,542	451,884	509,896	547,241
Supplies	1,765	5,097	5,300	5,300	5,614	5,750	5,750
Services & Charges	114,195	217,651	159,616	230,120	190,319	332,242	142,332
Internal Service Charges	204,596	239,412	267,350	375,033	375,033	339,615	358,190
Total Operating Expenditures	\$1,676,915	\$1,914,497	\$2,052,781	\$ 2,263,205	\$ 2,210,895	\$ 2,471,331	\$ 2,425,359
Code Enforcement							
Salaries & Wages	\$ 90,125	\$ 96,076	\$ 104,161	\$ 108,172	\$ 102,100	\$ 107,275	\$ 111,517
Benefits	29,411	31,185	34,049	35,078	33,153	35,350	37,229
Supplies	220	94	450	450	450	450	450
Services & Charges	1,017	1,918	8,770	8,770	9,105	57,205	12,205
Internal Service Charges	24,557	39,827	31,741	43,351	43,351	38,324	41,141
Total Operating Expenditures	\$ 145,330	\$ 169,100	\$ 179,171	\$ 195,821	\$ 188,159	\$ 238,604	\$ 202,542
Reception Desk							
Salaries & Wages	\$ 49,852	\$ 52,959	\$ 46,200	\$ 62,726	\$ 62,726	\$ 68,442	\$ 73,535
Benefits	17,146	10,138	8,960	11,824	11,654	12,597	13,496
Supplies	24	128	250	250	250	250	250
Services & Charges	-	-	100	100	100	100	100
Internal Service Charges	13,377	19,149	16,374	31,263	31,263	27,337	28,904
Total Operating Expenditures	\$ 80,399	\$ 82,375	\$ 71,884	\$ 106,163	\$ 105,993	\$ 108,726	\$ 116,285
Personnel							
Full Time Equivalents - Building, Planning & Permits	10.90	10.90	10.90	10.90	11.90	10.90	10.90
Full Time Equivalents - Reception	0.75	0.75	0.75	1.00	1.00	1.00	1.00
Full Time Equivalents - Code Enforcement	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Full Time Equivalents	12.65	12.65	12.65	12.90	13.90	12.90	12.90

FIRE CODE OFFICIAL

Mission and Responsibilities

The mission of the Fire Code Official is to protect life and property by ensuring emergency access and fire prevention measures are in place where needed and through enforcement.

The Fire Code Official is responsible for administering the International Fire Code. More specifically the Fire Code Official reviews development and building plans for emergency access, hydrant location, fire suppression systems and fire alarms requirements. During and after construction the Fire Code Official conducts inspections to ensure emergency access and fire systems meet code and are maintained.

Goals/Major Objectives

- Annual inspections of all A type (assembly) and E type (educational) occupancies.
- Biannual inspections of all B type (business) occupancies.
- Inspect firework stands and special events.
- Special Inspections of F type (factory) and H type (hazardous materials) occupancies.

Highlights and Changes

- Working with business owners to upgrade and/or maintain fire suppression systems.
- Educating the public on fire code requirements.
- Supporting the Building Official in the review and inspection of new construction.
- Assisting the Code Enforcement Officer with complaints when fire hazards may exist.
- Technical Review Committee.

	2022		2023		2024			2025	2026
	Actual		Actual		Adopted	Revised	Y/E Estimate	Adopted	Adopted
Expenditure by Object									
Salaries & Wages	\$ 55,571	\$	64,334	\$	78,579	\$ 72,594	\$ 72,371	\$ 75,319	\$ 76,168
Benefits	5,645		23,122		8,987	26,305	26,092	28,503	30,318
Supplies	-		17		350	350	350	350	350
Services & Charges	1,391		1,922		2,095	2,095	2,095	2,095	2,095
Internal Service Charges	10,270		12,805		14,562	19,933	19,933	18,311	19,251
Total Operating Expenditures	\$ 72,877	\$	102,200	\$	104,573	\$ 121,277	\$ 120,841	\$ 124,578	\$ 128,182
Personnel									
Full Time Equivalents		0.50	0.60		0.60	0.60	0.60	0.60	0.60

POLICE AND PUBLIC SAFETY

Mission and Responsibilities

The mission of the Police and Public Safety Division is to ensure University Place is a safe, livable community where residents and visitors feel safe, and businesses thrive. The department includes Police, Public Safety, Animal Control, Court, Jail, and Emergency Operations. The Police and Public Safety Divisions with our regional public safety partners and community stakeholders to be responsive and engaged in public safety issues in our community.

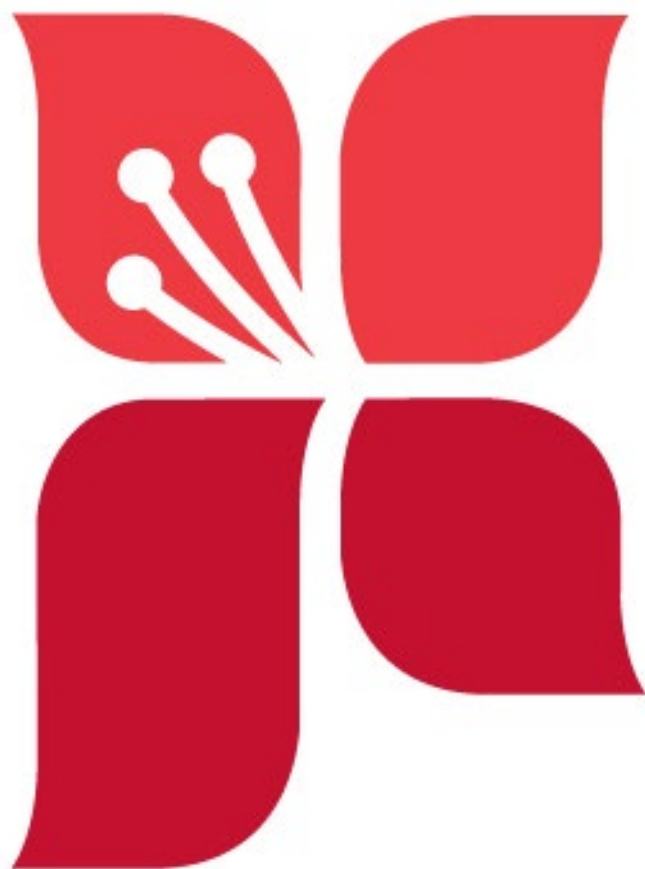
Goals/Major Objectives

- Implement voter approved levy initiatives to increase public safety, including the Community Outreach Officer (COO) program.
- Manage contracts with Pierce County for police, animal control, jail and court services.
- Strengthen relations and partnerships with regional public safety agencies.
- Build West Pierce Emergency Management Coalition to plan for emergencies and large events.
- Build partnerships with residents and the community.
- Be responsive to community concerns and perceptions of safety in the community.
- Provide routine community engagement opportunities and events.

Highlights and Changes

- Ensure full implementation of voter approved levy initiatives.
- Build robust Community Outreach Officer program / visibility.
- Re-build/ implement a school-based partnership with school district.
- Continue outreach to businesses and citizens for increased awareness.
- Continue public safety themed community events.
- Continue visibility patrols / shoplifting emphases with local businesses.

	2022 Actual	2023 Actual	2024			2025 Adopted	2026 Adopted
			Adopted	Revised	Y/E Estimate		
Police							
Supplies	9,295	21,121	2,700	44,603	36,777	6,250	6,250
Services & Charges	4,091,529	4,512,774	4,772,691	6,712,263	6,715,779	7,543,925	7,314,617
Internal Service Charges	33,469	27,070	31,520	38,092	38,092	38,293	39,825
Capital	-	-	-	167,110	86,109	-	-
	4,134,293	4,560,965	4,806,911	6,962,068	6,876,757	7,588,468	7,360,692
Public Safety							
Salaries & Wages	70,941	96,713	88,571	197,545	197,344	249,511	266,571
Benefits	24,001	29,057	28,626	65,361	65,003	80,438	86,664
Supplies	1,292	330	1,350	6,600	7,000	5,100	5,100
Services & Charges	1,429	4,130	24,200	30,650	13,860	41,075	35,975
Internal Service Charges	7,624	18,988	8,987	29,444	29,184	40,723	44,215
Total Operating Expenditures	105,286	149,218	151,734	329,600	312,391	416,847	438,525
Animal Control	149,416	145,381	170,739	174,239	171,739	219,920	230,531
Jail	32,751	80,036	156,587	156,587	70,000	161,625	166,123
Court	305,818	333,313	330,946	346,946	346,946	376,720	402,638
EOC	28,294	30,231	64,000	64,000	42,450	66,950	64,450
Grand Total	\$ 4,755,859	\$ 5,299,144	\$ 5,680,917	\$ 8,033,440	\$ 7,820,283	\$ 8,830,530	\$ 8,662,959
Personnel							
Full Time Equivalents	0.63	0.63	0.63	1.80	1.80	1.80	1.80
	0.63	0.63	0.63	1.80	1.80	1.80	1.80
Contract Personnel							
Police Chief	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Sergeant	1.00	1.00	1.00	1.00	2.00	2.00	2.00
Investigator	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Patrol Deputies	12.00	12.00	12.00	12.00	15.00	19.00	19.00
School Resource Officer	1.00	-	-	-	-	-	-
ProActive	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Aide	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	18.00	17.00	17.00	17.00	21.00	25.00	25.00



CAPITAL BUDGET



CIVIC BUILDING AND MARKET SQUARE

PHOTO INFORMATION: CIVIC BUILDING AND MARKET SQUARE

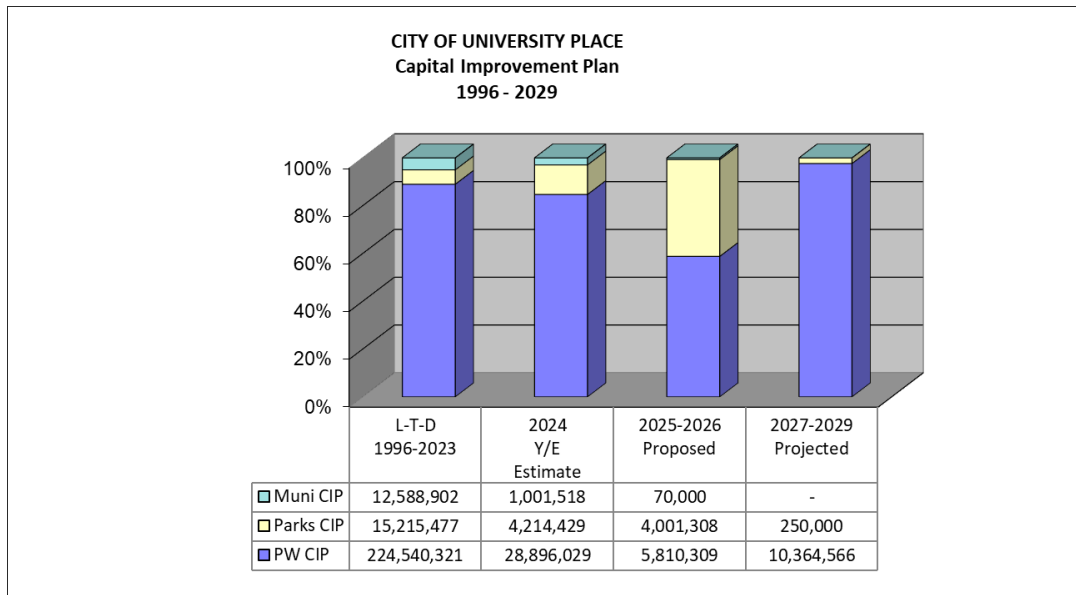
The City Hall of University Place, located in Washington State, is a modern and functional facility that serves as the administrative hub for city operations. The building is part of the Civic Building complex, a central landmark in University Place, which includes City Hall offices, council chambers, the University Place branch of the Pierce County Library and two retail spaces. The building offers a welcoming atmosphere for residents and visitors who need municipal services.

Adjacent to City Hall is Market Square a public gathering space designed for community events, markets, and outdoor activities. Market Square features an open plaza, green spaces, and areas for seating, often hosting seasonal festivals and other local events.

Overview

The adopted 2025-2026 capital project budget displays all major capital improvement projects in which the City is involved. The capital budget will be devoted primarily to public works and parks improvements.

The CIP plan is a six-year plan – 2024 through 2029 – that includes not only capital needs, but also the associated maintenance and operation requirements. The capital plan identifies all needs for the planning period without specifying a financing plan.



Revenues

Revenue sources currently used in capital financing consist of:

1. **Pay-As-You-Go:** Funds currently available include Arterial Street Fund motor vehicle fuel tax monies and carryforward (General Fund savings) from prior operations.
2. **Grants and Loans:** Lists all grants and loans accordingly and notes matching funds if applicable. These may include, but are not restricted to, FAUS (Federal Aid to Urban Systems) Grants, IAC (Interagency Committee for Outdoor Recreation) Grants, TEA-21 (Transportation Efficiency Act-21st Century) Grants, State Grants, TIB (Transportation Improvement Board) Grants, UAB (Urban Arterial Board) Grants, WSDOT (Washington State Department of Transportation) Grants, and Public Works Trust Fund Loans (PWTFL).
3. **Mitigation/Impact Fees:** This revenue source includes impact and mitigation fees designated for transportation, park, and other improvements. This funding is to partially finance improvements that shall mitigate the cumulative impacts of growth and development within the City. These revenues may include contributions from private developers, Pierce County, and others made by private sector entities. It will be the department's responsibility to identify this revenue source.
4. **User Fees:** This revenue source is defined as a payment of a fee for direct receipt of a public service by the person benefiting from the service. These revenues include storm drainage fees and recreation fees. Currently, the City of University Place only collects user fees associated with these services.

Expenditures

The City defines a CIP project to be any project, which possesses all the following characteristics:

1. Exceeds an estimated cost of \$25,000;
2. Involves new physical construction, reconstruction, replacement of existing system or acquisition of land or structures; and
3. Is financed by the City in whole or in part or involves no City funds but is the City's responsibility for implementing, such as a 100% grant-funded project.

Project cost is an estimate of the resources required to take a project from design through construction, generally consisting of:

- | | |
|--------------------------------------|-----------------------------|
| 1. Administration/Agency | 6. Construction Engineering |
| 2. Pre-design/Special Studies | 7. Construction Contact |
| 3. Design Services | 8. Construction Other |
| 4. Environmental | 9. Debt Service |
| 5. Right-of-Way/Property Acquisition | 10. Contingency |

Maintenance and Operating (M & O) Expenditures

Maintenance and operating costs are planned expenditures covered in the City's proposed budget and may include personnel, supply, and contract costs needed to maintain a completed project. It will be necessary to identify future maintenance and operation costs related to the implementation of completed projects. The purpose of collecting information on potential impacts to the operating fund is to provide a measure of increased services or decreased services directly related to the project. Reliable cost estimates allow the City to better approximate and prepare for the direct long-term expenses that a project may incur. It will be necessary to identify ongoing revenues to finance increased operating costs that may result from the completion of a capital project.

Maintenance and operation (M & O) costs are calculated for each component based upon the type of improvement. The following table illustrates the improvement type and associated M & O cost with each improvement. Maintenance and operation costs are projected to increase 2.0% annually and are included in the respective capital improvement plan as projects are completed.

Improvement	Cost
Neighborhood Parks	\$5,500/acre
Community Parks	\$5,500/acre
Regional Parks	\$5,500/acre
Linear Parks	\$3,000/acre
Open Space Parks	\$ 750/acre
Special Use Parks	\$7,500/acre
Traffic Signal Improvement	\$8,000/acre
Turn Lane Improvement	\$2,500/acre
Road Widening/Extension	\$10,000/mile
New Roads	\$10,000/mile

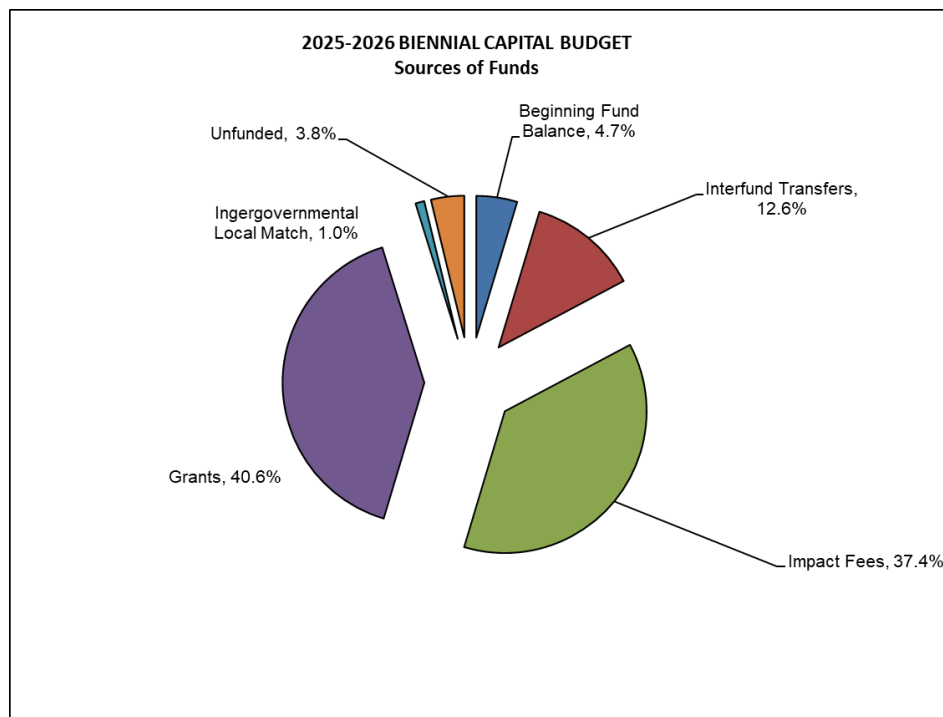
Budget Policy Guidelines

In addition to the guidelines provided above, the City has developed comprehensive budget policies and guidelines that specifically address the preparation of a capital budget. These policies can be found in the Budget Guide section of this document.

2025-2026 ADOPTED CAPITAL BUDGET

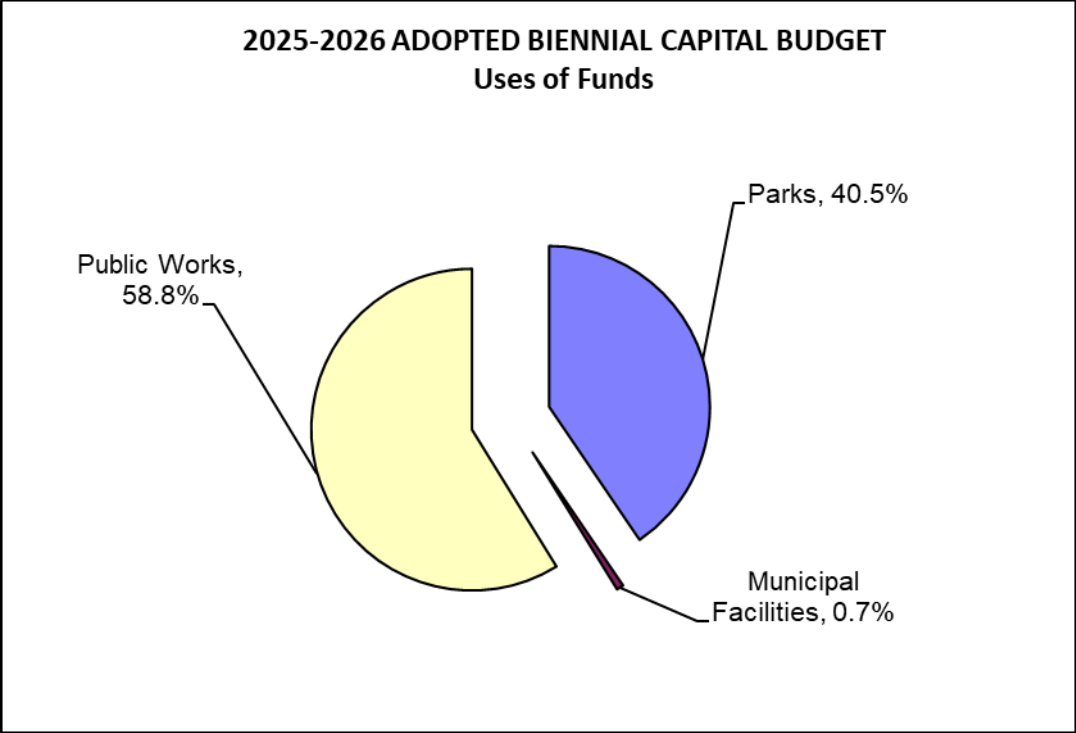
Revenues and Other Financing

The largest component of 2025-2026 CIP funding is grants, which account for \$4,007,905 or 40.6%. The next largest component of CIP financing is impact fees, which accounts for \$3,696,048 or 38.1%. Interfund transfers are 12.6% and consist of Real Estate Excise Tax (\$1,202,664), Street Fund Tax (\$40,000) and General Fund (\$70,000). Beginning Fund Balances total \$460,000 or 4.7% of total CIP sources. There is one local intergovernmental match of \$100,000 or 1.0% and unfunded portions projects in the amount of \$375,000 or 3.8%.



Expenditures and Other Uses

The 2025-2026 Adopted Capital Budget totals \$9,881,617.



The following pages are a more detailed breakdown of each CIP program which includes the LTD and projected projects.

Project: This is the name of the project as shown in the CIP. It is generally the location of the improvements being proposed.

Life-to-Date Expenditures: This column presents the funds expended in previous years (1996-2023) on the projects and allows for a full accounting of the total costs for the project.

2024 YE Estimate: This column presents the estimated funds that will be spent on the different phases of the project in 2024 as adopted by the City Council as part of the 2023-2024 budget.

2025 - 2026: These columns present the estimated funds that will be spent on the different phases of the projects in 2025 and 2026 budget adopted by the City Council.

2027 – 2029: These columns present the estimated funds that would be spent for the various phases of the project in the indicated year (2027 – 2029). The funds and year in which they appear are based on the best available information at this time. The amounts and schedule will be reviewed each year and revised according to project development during the previous year.

Parks CIP

Mission and Responsibilities

Parks CIP is responsible for creating a coordinated park system, which satisfies the community's parks, recreations, and open space needs. Fundamental responsibilities include planning, design, management, and development of park facilities and park projects. Parks CIP also applies for and monitors grants to leverage available park acquisition and capital development dollars. Parks CIP provides support to the Parks, Recreation and Open Space Plan (PROS Plan) through community input, citizen surveys, PRC meetings, and workshops to establish plan and needs for future demands.

Goals/Major Objectives

- Review and update the Parks Capital Improvement Program and yearly work plan with PARC and City Council
- Complete currently funded projects
- Pursue grant opportunities to leverage CIP dollars

SOURCES & USES	L-T-D 1996 - 2023	2024 Revised	2024 Y/E Estimate	2025 Adopted	2026 Adopted	2027 Projected	2028 Projected	2029 Projected
Financing Sources								
Beginning Fund Balance	\$ -	\$ 2,669,692	\$ 2,669,692	\$ 160,000	\$ -	\$ -	\$ -	\$ -
Completed Projects 1996-2023	\$ 12,423,954							
Transfer IN - REET	555,453	263,632	263,632	70,000	-	-	-	-
Parks Impact Fees -	4,716,677	959,060	959,060	398,064	2,897,984	-	-	-
Transfer In - ARPA	106,364	201,136	201,136					
Grant: Pierce County (Inclusive Playground)	-	-	-	50,000	-	-	-	-
Grant: State (Inclusive Playground)	-	-	-	250,260	-	-	-	-
Grant: RCO - Cirque Park	82,720	280,909	280,909	-	-	-	-	-
Unfunded	-	-	-	175,000	-	250,000	-	-
Total Financing Sources	\$ 17,885,168	\$ 4,374,429	\$ 4,374,429	\$ 1,103,324	\$ 2,897,984	\$ 250,000	\$ -	\$ -
Financing Uses								
Completed Projects 1996-2023	8,993,897	-	-	-	-	-	-	-
Adriana Hess Wetland Pk/Morr Pond	175,265	80,529	80,529	-	-	-	-	-
Cirque Park Improvements	5,135,445	183,613	183,613	-	-	-	-	-
Sunset Terrace Park - Park Retaining Wall	545,441	40,000	40,000	-	-	-	-	-
Creekside Park (master plan/improvements)	12,826	250,000	250,000	-	-	-	-	-
Paradise Pond Park	18,621	65,000	65,000	-	-	-	-	-
Chambers/Leach Creeks Trail - Planning & Const.	184,766	135,084	135,084	-	-	-	-	-
Chambers Creek Canyon Trail/Phase II	41,484	632,837	632,837	-	-	-	-	-
Cirque Park - Master Plan, Space Plan, Splash Pad Design	18,868	56,132	56,132	-	-	-	-	-
Cirque Park Skate Park Wall	3,665	66,336	66,336	-	-	-	-	-
Sunset Terrace Parking lot pave/expansion	-	210,000	210,000	-	-	-	-	-
Paradise Pond Easement Purchase	-	50,000	50,000	-	-	-	-	-
Kobayashi Driveway Repaving	70,899	29,101	29,101	-	-	-	-	-
Cirque Park Fence Replacement	-	25,000	25,000	-	-	-	-	-
Curran Orchard Irrigation	14,300	10,700	10,700	-	-	-	-	-
Market Square Spray Pad	-	-	-	-	-	250,000	-	-
Market Square Resurfacing	-	-	-	70,000	-	-	-	-
Inclusive Playground	-	-	-	525,260	-	-	-	-
Contingency	-	2,540,098	2,380,097	508,064	2,897,984			
Total Financing Uses	\$ 15,215,477	\$ 4,374,430	\$ 4,214,429	\$ 1,103,324	\$ 2,897,984	\$ 250,000	\$ -	\$ -
Total Ending Fund Balance	\$ 2,669,692	\$ -	\$ 160,000	\$ -	\$ -	\$ -	\$ -	\$ -

Public Works CIP

Mission and Responsibilities

Public Works CIP is responsible for planning, designing, and building the City's transportation and storm drainage infrastructure. Responsibilities include management of street, intersection, sidewalk development and redevelopment projects, management of surface water management system projects, and applying for and monitoring of grants to augment available capital development dollars.

Goals/Major Objectives

- Annually review, revise, and propose to City Council the 6-year Transportation Improvement Program
- Annually review and implement a Capital Improvement Plan
- Complete currently funded projects
- Pursue grant opportunities to leverage CIP dollars

	L-T-D 1996 - 2023	2024 Revised	2024 YE Estimate	2025 Adopted	2026 Adopted	2027 Projected	2028 Projected	2029 Projected
Financing Sources								
Beginning Fund Balance	-	3,545,970	3,545,970	300,000	-	-	-	-
Completed Projects 1996-2023	202,087,263	-	-	-	-	-	-	-
General Fund	8,535,906	2,198,000	2,198,000	-	-	-	827,953	-
Street Fund	1,464,628	20,000	20,000	20,000	20,000	20,000	20,000	20,000
REET	7,821,284	1,353,079	1,353,079	737,960	324,704	888,372	284,690	294,384
Traffic Impact Fees	2,248,679	-	-	-	400,000	-	-	-
31st/Parkway Grant	-	-	-	-	-	1,620,000	-	-
35th Street (BP to 67th) - Grant	33,863	1,921,137	1,921,137	-	-	-	-	-
35th Street (Grandview to 67thBP) - Grant	380,433	68,007	68,007	-	-	-	-	-
35th Street (Grandview to BP) - Grant	-	2,162,500	2,162,500	-	-	-	-	-
40th Street Phase 3 - Grant	-	-	-	160,000	547,665	-	-	-
57th Avenue Sewer - Grant	-	791,000	791,000	-	-	-	-	-
67th Ave Ph 1 - Grant	331,631	550,870	550,870	-	-	-	-	-
67th Ave Ph 2 - Grant	724,441	2,390,559	2,390,559	-	-	-	-	-
70th St Ph 2	-	-	-	170,000	603,500	-	-	-
ARPA Sewer Extension	139,359	5,554,641	5,554,641	-	-	-	-	-
ARPA	13,554	994,947	994,947	-	-	-	-	-
Bridgeport Overlay - Grant	-	-	-	-	-	763,235	-	-
Chambers Creek Road Roundabout - Grant	3,637	251,363	251,363	4,500	1,300,000	-	-	-
Chambers Creek Road/Chambers Lane Phase 1	2,478,459	167,048	167,048	-	-	-	-	-
Cirque 56th Phase 3 - Grant	1,781,824	-	-	-	-	-	-	-
Cultural Shift to Active Transportation	-	85,000	85,000	-	-	-	-	-
Leach Creek Sewer	-	2,100,000	2,100,000	-	-	-	-	-
Saferoutes/UP School Crosswalk Safety Program	-	1,207,900	1,207,900	-	-	-	-	-
Day Island Bridge Design	-	194,000	194,000	-	-	-	-	-
Grandview Avenue Roundabout/36th St	-	40,000	40,000	624,480	-	-	-	-
Chambers Creek Rd Ped Bike	-	-	-	-	-	297,500	-	-
67th Ave W PH 3	-	-	-	297,500	-	1,972,907	-	-
44th Street Sidewalk Extension Grant	-	-	-	-	-	2,578,050	-	-
44th Street Sidewalk Extension Local Match	-	-	-	100,000	-	277,475	-	-
Main Street Redevelopment - State Grant	41,331	800,009	800,009	-	-	-	-	-
Main Street Redevelopment - Federal Grant	-	500,000	500,000	-	-	-	-	-
Unfunded	-	-	-	-	200,000	500,000	-	-
Total Financing Sources	228,086,292	23,350,060	23,350,060	2,114,440	3,395,869	8,917,539	1,132,643	314,384

	L-T-D 1996 - 2023	2024 Revised	2024 YE Estimate	2025 Adopted	2026 Adopted	2027 Projected	2028 Projected	2029 Projected
FINANCING USES								
Completed Projects 1996-2023	211,444,817	-	-	-	-	-	-	-
CIP Personnel	3,979,738	150,000	150,000	256,734	265,869	275,186	284,690	294,384
Neighborhood CIP	1,634,653	106,419	106,419	20,000	20,000	20,000	20,000	20,000
Town Center Infrastructure Garage	363,016	-	-	-	-	-	827,953	-
35th St (Grandview to 67th)	460,241	92,187	92,187	-	-	-	-	-
67th Ave Ph 2	780,241	3,896,844	3,896,844	-	-	-	-	-
Main Street Redevelopment - Bond Proceeds	1,656,571	3,511,187	3,511,187	-	-	-	-	-
Chambers Creek Road/Chambers Lane Phase 1	2,548,225	22,917	22,917	-	-	-	-	-
Cultural Shift to Active Transportation	-	100,000	100,000	-	-	-	-	-
35th St Ph 1 (BP to 67th)	254,842	2,411,958	2,411,958	-	-	-	-	-
PW Shop Equipment shed	-	210,000	210,000	-	-	-	-	-
Leach Creek Sewer	-	2,100,000	2,100,000	-	-	-	-	-
ARPA Sewer Extension	139,359	5,554,641	5,554,641	-	-	-	-	-
31st/Parkway	-	-	-	-	-	1,620,000	-	-
57th Avenue Sewer	-	1,597,000	1,597,000	-	-	-	-	-
Orchard Street Design	5,288	5,052	5,052	-	-	-	-	-
Chambers Creek Road Roundabout	16,032	251,363	251,363	197,106	1,900,000	-	-	-
Drexler - Faux Wall Painting	-	32,000	32,000	-	-	-	-	-
40th Street W Phase 3	-	-	-	160,000	580,000	-	-	-
35th Street Phase 2 (GV to BP)	-	2,625,000	2,625,000	300,000	-	-	-	-
67th/Cirque Rock Wall (Unfunded)	-	-	-	-	-	500,000	-	-
LRF - Market Place Street Pedestrian	458,820	221,682	221,682	-	-	-	-	-
LRF - Garage Elevator Security	454,506	50,674	50,674	-	-	-	-	-
LRF - Market Place W Ph 5	137,236	10,000	10,000	-	-	-	-	-
67th Avenue Ph 1	187,702	598,139	598,139	-	-	-	-	-
70th St Ph 2	-	-	-	170,000	630,000	-	-	-
Saferoutes/UP School Crosswalk Safety Program	-	1,397,900	1,397,900	-	-	-	-	-
Bridgeport Overlay	-	-	-	-	-	882,353	-	-
Chambers Creek Road Ped Bike	-	-	-	-	-	350,000	-	-
Day Island Bridge Design	-	1,000,000	1,000,000	-	-	-	-	-
67th Avenue PH 3	-	-	-	350,000	-	2,317,000	-	-
Grandview Avenue Roundabout/36th St	-	50,000	50,000	780,600	-	-	-	-
44th Street Sidewalk Extension	-	-	-	180,000	-	2,953,000	-	-
PW CIP Contingency	19,034	901,066	901,066	-	-	-	-	-
Total Public Works Projects	224,540,321	26,896,029	26,896,029	2,414,440	3,395,869	8,917,539	1,132,643	314,384
Ending Fund Balance	3,545,970	-	-	-	-	-	-	-

Municipal Facilities CIP

Mission and Responsibilities

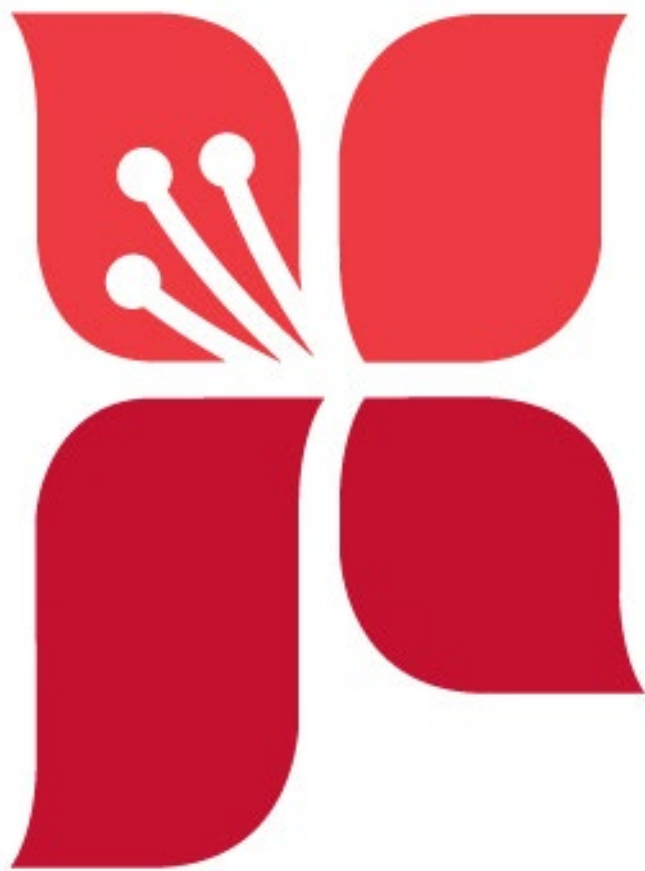
Municipal Facilities CIP is managed by the Property Management department. This budget unit provides the necessary infrastructure for the proper functioning of City Hall.

Goals/Major Objectives

- Provide the necessary infrastructure at City Hall to foster a comfortable, productive work environment for citizens, City Council, and staff

SOURCES & USES	L-T-D 1996 - 2023	2024 Revised	2024 Y/E Estimate	2025 Adopted	2026 Adopted	2027 Projected	2028 Projected	2029 Projected
Financing Sources								
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Completed Projects 1996-2023	\$ 4,441,108	-	-	-	-	-	-	-
General Fund-Tenant Remodels	7,806,129	160,000	160,000	-	-	-	-	-
General Fund-Capital Equipment	114,436	100,000	100,000	-	-	-	-	-
General Fund	-	232,200	232,200	70,000	-	-	-	-
Transfer from REET	227,229	509,318	509,318	-	-	-	-	-
Total Financing Sources	\$ 12,588,902	\$ 1,001,518	\$ 1,001,518	\$ 70,000	\$ -	\$ -	\$ -	\$ -
Financing Uses								
Completed Projects 1996-2023	12,495,003	-	-	-	-	-	-	-
PW Shop - Sewer Rebuild	43,798	250,000	250,000	-	-	-	-	-
PW Shop - Parking Lot Entry upgrade	38,242	211,177	211,177	-	-	-	-	-
Parking Meters	-	100,000	100,000	-	-	-	-	-
PW Shop Expansion -	11,859	258,141	258,141	70,000	-	-	-	-
EV Chargers - Parking Garage - City Vehicles	-	22,200	22,200	-	-	-	-	-
<u>Suite 102 Tenant Improvements</u>								
Grease Interceptor/Hood Ducting	-	97,684	97,684	-	-	-	-	-
Railing/Outdoor Seating	-	20,610	20,610	-	-	-	-	-
Gas Sub Meters	-	21,376	21,376	-	-	-	-	-
Roll-up Door	-	20,330	20,330	-	-	-	-	-
Total Financing Uses	\$ 12,588,902	\$ 1,001,518	\$ 1,001,518	\$ 70,000	\$ -	\$ -	\$ -	\$ -
Total Ending Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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BUDGET BY FUND



ADRIANA HESS WETLANDS PARK

PHOTO INFORMATION: ADRIANA HESS WETLANDS PARK

This 2-acre wetland and wildlife habitat contains trails, benches, and a deck overlooking the pond. The Tahoma Audubon Society office is located at this site. The non-profit group partners with the City to manage the park.

OVERVIEW

The Budget by Fund section provides summary information for each of the City's budgeted funds. Each fund includes a description or information about its purpose, the fund's primary revenues and expenditures, and a table detailing the fund's sources (revenues and other sources) and uses (expenditures or expenses and other uses).

FUND CATEGORIES: From a budgetary perspective, a fund is "an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities that are segregated for the purpose of carrying on specific activities or attaining certain objectives." The City of University Place divides its funds into the following categories:

Operating Funds

General Fund (001): This fund is the general operating fund of the City and accounts for all activities not required to be accounted for in some other fund.

General Fund - Managerial Funds:

- ◆ Real Estate Excise Tax Fund (103)
- ◆ Traffic Impact Fee Fund (105)
- ◆ Police/Public Safety Fund (109)
- ◆ Strategic Reserve Fund (188)

Special Revenue Funds: Special revenue funds account for the specific revenue sources – other than expendable trusts or revenues designated for major capital projects – that are legally restricted to expenditures for specific purposes.

- ◆ Street Fund (101)
- ◆ Affordable Housing (110)
- ◆ Opioid Settlement (111)

Debt Service Fund (201): This fund accounts for the accumulation of resources for and the payment of general long-term debt, principal, interest, and related costs.

Capital Project Funds

These funds account for the acquisition or construction of major capital facilities except those financed by proprietary funds and trust funds.

- ◆ Parks Capital Improvement Fund (301)
- ◆ Public Works Capital Improvement Fund (302)
- ◆ Municipal Facilities Capital Improvement Fund (303)

Enterprise Fund:

- ◆ Surface Water Management Fund (401)

Internal Service Funds

The following funds account for business-like activities where related goods or services are primarily provided to other departments or funds of the City on a cost-reimbursed basis.

- ◆ Fleet and Equipment Fund (501)
- ◆ Information Technology & Services Fund (502)
- ◆ Property Management Fund (505)
- ◆ Risk Management Fund (506)

Non-Annually Budgeted Funds

This fund accounts for donations designated for specific purposes by the donor.

- ◆ Donations and Gifts to University Place Fund (150)

Custodial Funds

This fund accounts for fees and taxes collected on behalf of another party. This includes building fees, sales tax and leasehold excise tax that must be remitted to the State.

- ◆ Fiduciary Fund (630)

001: GENERAL FUND

Purpose/Description: The General Fund was established to provide the services typically offered by local governments and derives its funding primarily from local tax sources. Primary areas of service are City Council, City Manager, Finance and Administrative Services, Engineering, Property Management, Economic Development and Human Resources. Beginning in 2021 Parks Maintenance, Development Services and Fire Code Official are included in the General Fund. In 2023 Beautification moves to the Street Fund. Affordable Housing was moved to its own special revenue fund in 2024.

	2022	2023	2024			2025	2026
	Actual	Actual	Adopted	Revised	Y/E Estimate	Adopted	Adopted
REVENUES							
Local Retail Sales & Use	4,293,675	4,474,249	3,535,000	4,200,000	4,200,000	4,242,000	4,284,420
Sales Tax - 1% for Parks	474,269	466,647	398,486	425,000	460,000	464,600	469,246
Sales Tax - LRF	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Sales Tax - Affordable Housing	27,537	-	25,413	-	-	-	-
Utility Tax	3,370,089	3,647,137	3,188,521	3,189,573	3,580,792	3,591,837	3,603,487
Leasehold Excise Tax	5,050	3,085	4,500	6,000	5,200	5,200	5,200
Admission Tax	223,644	277,616	222,200	222,200	222,200	224,422	226,666
Solicitor Permit Fees	75	125	125	125	100	125	125
Business License Fees	95,400	98,525	89,636	95,000	95,000	95,950	96,910
Cable Franchise Fees	553,381	523,179	528,220	542,920	469,500	460,110	450,908
Refuse Franchise Fees	419,007	450,277	409,060	419,150	450,000	454,500	459,045
Water Fees (TPU)	747,779	773,662	708,367	829,978	829,978	783,806	791,644
Electric Fees (TPU)	1,328,030	1,435,720	1,301,690	1,483,024	1,483,024	1,415,591	1,429,747
City Assistance	260,912	100,676	96,840	96,840	96,840	87,156	78,440
Liquor Excise Tax	247,763	249,565	245,411	245,411	245,411	235,963	238,323
Liquor Profits Tax	211,709	210,614	212,835	212,835	208,000	206,167	208,229
Parks - Field Rentals	10,175	-	6,500	26,500	26,500	9,000	9,090
Development Services Fees	1,070,254	553,331	1,021,806	708,109	629,681	839,626	962,630
Public Records/Tapes/Transcripts	29	-	-	-	-	-	-
Administrative Fee from SWM Fund	519,972	600,530	697,597	810,034	707,951	805,959	800,651
Multi Family Tax Exemption	-	500	-	-	-	-	-
Fines & Forfeitures	-	25	-	-	-	-	-
Parking Meters	-	-	-	20,000	20,000	60,000	60,000
Investment Interest	424,624	2,786,125	175,400	1,112,703	2,482,000	1,451,298	608,801
Interest - Misc.	15,649	43,993	5,050	13,000	35,000	16,600	16,766
Sponsors - Events	6,000	-	-	-	-	-	-
Sale of Suplus	665	9,730	-	-	-	-	-
Restitution	1,414	1,081	-	-	-	-	-
Penalty/Interest Taxes	-	849	-	-	-	-	-
Miscellaneous	4,634	51	5,500	2,507	2,500	2,500	2,500
ARPA Funding	159,744	243,298	-	7,131,394	7,131,394	-	-
Land Sales	-	-	1,015,920	721,560	-	721,560	-
Library Expansion Space	-	-	-	-	-	-	-
Grants	-	92,500	-	82,500	82,500	29,000	-
TOTAL REVENUE	14,971,481	17,543,090	14,394,077	23,096,363	23,963,571	16,702,970	15,302,827

001: GENERAL FUND, continued

	2022	2023	2024			2025	2026
	Actual	Actual	Adopted	Revised	Y/E Estimate	Adopted	Adopted
EXPENDITURES							
Governance & Management							
City Council	182,945	202,089	227,311	333,474	306,294	333,381	340,297
City Manager's Office	513,824	688,400	818,610	891,848	777,220	857,984	891,438
Community Events & Assistance	186,355	183,423	192,527	240,910	222,812	285,325	238,226
Beautification	24,448	-	-	-	-	-	-
Administrative Services/Directors Office	217,556	306,255	343,702	363,546	326,007	377,735	401,950
Economic Development	184,981	177,621	219,650	246,418	244,223	270,791	252,614
Assistant City Manager	171,831	-	-	-	-	-	-
Finance	917,512	1,022,610	1,128,410	1,073,617	1,060,192	1,171,615	1,258,548
Human Resources	343,521	392,905	528,160	600,264	596,482	625,288	649,364
Reception	80,399	82,375	71,884	106,163	105,993	108,726	116,285
City Clerk	422,805	429,133	463,888	526,131	467,570	528,118	499,344
Communications/UPTV	496,513	539,874	666,893	1,035,256	671,854	903,381	717,481
Parking Meters	-	-	-	20,000	20,000	60,000	60,000
Engineering Services	436,215	463,564	569,641	583,438	564,342	630,611	667,112
Fire Code Official	72,877	102,200	104,573	121,563	121,127	124,578	128,182
Development Services	1,676,915	1,914,497	2,078,194	2,288,618	2,236,308	2,471,331	2,425,359
Parks Maintenance	638,555	668,275	763,598	1,208,864	1,157,714	1,259,541	1,316,355
Recreation Services	-	-	-	25,000	25,000	25,000	25,000
Contingency	-	-	-	426,799	-	587,070	-
American Recovery/ARPA	159,744	243,298	154,111	7,131,393	7,131,393	-	-
Succession Planning	-	-	200,000	437,749	109,144	400,000	275,000
Land Sale Costs	-	-	71,114	-	-	50,509	-
Interfund Transfers	3,623,664	4,725,011	3,943,689	8,482,018	8,456,115	4,359,221	19,133,662
TOTAL EXPENDITURES	10,350,662	12,141,530	12,545,955	26,143,069	24,599,790	15,430,205	29,396,217
 Fund Balance, January 1	 10,883,506	 15,504,325	 12,205,565	 20,905,885	 20,905,885	 20,269,666	 21,542,430
Fund Balance, December 31	15,504,325	20,905,885	14,053,687	17,859,179	20,269,666	21,542,430	7,449,041

101: STREET FUND

Purpose/Description: The Street Fund was established to account for the receipt and disbursement of state-levied unrestricted motor vehicle fuel taxes, which must be accounted for in a separate fund. The Street Fund provides public works services including planning, engineering, construction, and maintenance related to city streets, sidewalks, pedestrian and bicycle paths, lanes, and routes.

Primary sources of revenue for this fund include the motor vehicle fuel taxes, vehicle license fees, Transportation Benefit District fees, sewer utility tax, and sewer franchise fees. Primary areas of service are transportation planning, traffic operations and maintenance, neighborhood traffic services, street maintenance and pavement management.

	2022	2023	2024			2025	2026
	Actual	Actual	Adopted	Revised	Y/E Estimate	Adopted	Adopted
REVENUES							
Fuel Taxes	608,510	615,294	651,090	613,288	582,624	614,008	613,227
MultiModal Fuel Tax	46,230	45,991	46,506	46,506	44,181	45,682	47,441
MVA Transpo	40,452	40,243	40,783	40,783	38,744	39,927	41,603
Sewer Franchise Fee	530,274	551,790	533,759	551,000	551,000	559,265	567,654
Utility Tax - Sewer	506,619	551,791	457,155	551,000	551,000	556,510	562,075
TBD Fees	241,127	236,905	275,427	239,274	239,274	402,917	488,168
Judgments/Settlements	20,892	57,952	-	-	25,000	-	-
Sale of Surplus	866	5,927	-	-	20,000	2,000	2,000
Miscellaneous	2,673	2,804	2,000	2,000	15,000	2,000	2,000
Insurance Recoveries	94,448	134,624	20,000	20,000	60,000	20,000	20,000
Transfer In - SWM	8,233	5,617	15,000	20,683	20,683	20,000	20,000
Transfer In - Reet	792,519	423,000	-	-	-	-	-
Transfer In - General Fund	90,475	86,264	84,127	84,127	84,127	112,018	27,004
TOTAL REVENUE	2,983,318	2,758,202	2,125,847	2,168,661	2,231,633	2,374,327	2,391,172
EXPENDITURES							
Public Works Operations	1,024,842	993,134	1,301,590	1,420,192	1,288,018	1,527,197	1,570,060
Sidewalk Maintenance	-	-	-	-	-	50,000	50,000
Streetlight Maintenance	270,319	338,829	387,600	662,719	545,495	290,500	290,500
Traffic Control Devices	137,729	173,622	241,500	251,500	246,500	253,500	240,500
Pavement Maintenance	714,879	586,581	451,154	821,357	908,869	534,935	535,172
Beautification	-	25,845	29,500	39,500	34,925	45,080	45,580
Snow/Ice Control	21,903	5,696	25,000	25,000	15,000	43,000	43,000
Transfer to PW CIP	-	128,012	20,000	20,000	20,000	20,000	20,000
TOTAL EXPENDITURES	2,169,672	2,251,719	2,456,344	3,240,268	3,058,807	2,764,212	2,794,812
 Fund Balance, January 1	 2,823,417	 3,637,063	 2,876,061	 4,143,546	 4,143,546	 3,316,372	 2,926,487
Fund Balance, December 31	3,637,063	4,143,546	2,545,564	3,071,939	3,316,372	2,926,487	2,522,847

103: REAL ESTATE EXCISE TAX FUND

Purpose/Description: This fund accounts for the receipt and disbursement of the .25% real estate excise tax that is dedicated for capital purposes including public buildings and facilities, parks, and debt service associated with such capital-oriented projects. This fund also accounts for the receipt and expenditure of the additional .25% real estate excise tax authorized by the Growth Management Act. These revenues are restricted to financing capital projects that are specified in the capital facilities plan.

The real estate excise tax is levied on all sales of real estate, measured by the full selling price, including the amount of any liens, mortgages, and other debts given to secure the purchase. The state levies this tax at the rate of 1.28%.

University Place is required to spend the first quarter percent solely on capital projects that are listed in the capital facilities plan portion of the City's comprehensive plan. University Place has allocated these funds to debt service for park land acquisition.

The definition of "capital projects" includes, but is not limited to, public works of a local government for the planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water systems, storm and sanitary sewer systems, parks, recreational facilities, law enforcement facilities, fire protection facilities, trails, libraries, and administrative and judicial facilities.

For the second quarter percent of the real estate excise tax, "capital project" means: public works projects of a local government for the planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water systems, storm and sanitary sewer systems; and the planning, construction, reconstruction, repair, rehabilitation, or improvement of parks. Use of these funds for the acquisition of land for parks is not permitted.

	2022 Actual	2023 Actual	2024			2025 Adopted	2026 Adopted
			Adopted	Revised	Y/E Estimate		
REVENUE							
1st 1/4% Reet Tax	819,977	579,347	625,500	596,412	650,000	560,000	570,000
2nd 1/4% Reet Tax	819,976	579,347	625,500	596,412	650,000	560,000	570,000
TOTAL REVENUE	1,639,953	1,158,694	1,251,000	1,192,824	1,300,000	1,120,000	1,140,000
EXPENDITURES							
Transfer to PW Capital Improvement	579,867	566,334	299,051	1,353,079	1,353,079	737,960	324,704
Transfer to Parks Capital Improvement	-	88,118	-	263,632	263,632	70,000	-
Transfer to Muni CIP	-	86,649	-	509,318	509,318	-	-
Transfer to Street Fund	792,519	423,000	-	-	-	-	-
Transfer to Debt Service	663,065	669,696	683,157	683,157	683,157	689,988	692,860
TOTAL EXPENDITURES	2,035,451	1,833,797	982,208	2,809,186	2,809,186	1,497,948	1,017,564
 Fund Balance, January 1	 3,283,408	 2,887,910	 785,732	 2,212,807	 2,212,807	 703,621	 325,673
Fund Balance, December 31	2,887,910	2,212,807	1,054,524	596,445	703,621	325,673	448,109

105: TRAFFIC IMPACT FEE FUND

Purpose/Description: The Traffic Impact Fees Fund was established to ensure that transportation facilities necessary to support development shall be adequate to serve the development at the time the development is available for occupancy and use, or shortly thereafter, without decreasing current service levels below established minimum standards for the City. All traffic impact fees and any investment income generated by such fees shall remain in that fund until spent, encumbered or refunded. Monies set aside in this reserve fund must be expended within ten years of receipt. This fund reserves these revenues until the City Council determines to expend all or any portion, at which time such monies are transferred back to a street construction/maintenance-oriented fund when specific projects have been defined.

	2022	2023	2024			2025	2026
	Actual	Actual	Adopted	Revised	Y/E Estimate	Adopted	Adopted
REVENUE							
Sales Tax - TIF Deferral	377	8,889	-	12,000	12,000	12,000	-
GMA Impact Fees	107,853	50,537	1,422,435	501,763	53,044	132,352	239,352
TOTAL REVENUE	108,230	59,426	1,422,435	513,763	65,044	144,352	239,352
EXPENDITURES							
Transfer to PW Capital Imp	-	-	-	-	-	-	400,000
TOTAL EXPENDITURES	-	-	-	-	-	-	400,000
Fund Balance, January 1	243,612	351,842	1,007,704	411,268	411,268	476,312	620,664
Fund Balance, December 31	351,842	411,268	2,430,139	925,031	476,312	620,664	460,016

109: POLICE/PUBLIC SAFETY FUND

Purpose/Description: This Fund is established to account for receipt and disbursement transactions associated with police services, court services, jail services, city attorney's office, crime prevention, animal control, code enforcement, and emergency management.

Revenues supporting this fund include property taxes, revenues identified by state statutes collected in support of public safety, fines and forfeitures, pet license fees, grants and other revenue that may be authorized by the City Council.

	2022	2023	2024			2025	2026
	Actual	Actual	Adopted	Revised	Y/E Estimate	Adopted	Adopted
REVENUE							
Property Tax - Current	4,569,666	4,619,038	4,749,303	6,917,095	6,571,240	7,104,019	7,210,911
Property Tax - Delinquent	49,757	41,225	31,218	31,218	125,000	40,000	40,400
Sale of Tax Title Property	-	1,081	-	-	-	-	-
Local Criminal Justice Tax	845,650	830,181	797,900	830,000	830,000	838,300	846,683
Utility Tax - Water	528,456	622,500	561,055	628,725	575,000	580,750	586,558
Gambling Tax - Punchboard/Pulltabs	102,700	91,734	92,920	92,920	92,920	93,849	94,788
Gambling Tax - Amusement	8,495	11,462	6,868	10,500	10,500	10,605	10,711
Alarm Permit Fees	90,641	78,459	90,339	78,000	78,000	78,780	79,568
Criminal Justice - Population	12,238	12,996	12,879	13,126	13,126	14,388	14,532
Criminal Justice - Contracted Svcs	72,827	76,495	55,715	77,260	77,260	78,033	78,813
Criminal Justice - Special Pop	43,344	45,818	45,433	46,276	46,276	50,358	50,862
DUI Cities	2,596	3,580	4,636	3,616	3,616	3,652	3,689
Liquor Profits	60,516	60,202	60,837	60,837	60,837	58,932	59,521
Law Enforcement Services/DUI Restitution	4,100	190	-	-	-	-	-
Drug Investigation Fund	-	24	-	-	7	-	-
UPSD/SRO Reimbursement	-	-	-	52,415	20,170	117,340	123,330
Crime Free Multi Housing	625	-	-	-	-	-	-
False Alarm Service Charges	17,900	12,100	21,422	12,000	12,000	12,120	12,241
Penalty & Interest	35	219	-	-	80	-	-
Chg for Service/OT TC	-	5,000	-	-	-	-	-
Court Fees	39,502	33,738	45,905	34,075	34,075	34,416	34,760
Pet License Fees	35,018	33,760	35,704	33,000	33,000	33,330	33,663
Pet License Fees - Late Fees	27	-	-	-	-	-	-
Permit - Dangerous Dog	89	-	-	-	-	-	-
Miscellaneous	688	-	-	-	4,000	-	-
SWM Admin Fee/City Attorney 16.5%	61,576	68,187	84,406	94,925	86,328	96,870	93,772
ARPA Funding (1 time)	-	1,805,582	-	-	-	-	-
Grants	-	10,000	-	12,116	12,116	-	-
TOTAL REVENUE	6,546,443	8,463,571	6,696,539	9,028,105	8,685,552	9,245,741	9,374,801
EXPENDITURES							
Court	305,818	333,313	330,946	346,946	346,946	376,720	402,638
Emergency Operations	28,294	30,231	64,000	64,000	42,450	66,950	64,450
City Attorney	376,056	414,825	511,550	575,305	523,203	587,089	568,315
Police	4,134,293	4,560,965	4,806,911	6,832,068	6,824,033	7,588,468	7,360,692
Public Safety	105,286	149,218	151,734	329,600	312,391	416,847	438,525
Animal Control	149,416	145,381	170,739	174,239	171,739	219,920	230,531
Code Enforcement	145,330	169,100	179,171	195,821	188,159	238,604	202,542
Jail	32,751	80,036	156,587	156,587	70,000	161,625	166,123
Fleet Capital	-	-	-	130,000	52,724	-	-
TOTAL EXPENDITURES	5,277,245	5,883,069	6,371,638	8,804,566	8,531,645	9,656,223	9,433,816
Fund Balance, January 1	6,762,079	8,031,277	9,949,043	10,611,779	10,611,779	10,765,686	10,355,204
Fund Balance, December 31	8,031,277	10,611,779	10,273,944	10,835,318	10,765,686	10,355,204	10,296,189

110: AFFORDABLE HOUSING FUND

Purpose/Description: This Fund was established to track sales and use taxes collected for affordable and supportive housing authorized under RCW 83.14.540.

	2022 Actual	2023 Actual	2024			2025 Adopted	2026 Adopted
			Adopted	Revised	Y/E Estimate		
REVENUE							
Affordable Housing Sales Tax	-	25,961	25,413	25,413	25,413	25,413	25,413
Transfer from GF	-	71,111	-	-	-	-	-
TOTAL REVENUE	-	97,072	25,413	25,413	25,413	25,413	25,413
EXPENDITURES							
Expenditures	-	-	-	122,485	-	122,485	25,413
TOTAL EXPENDITURES	-	-	-	122,485	-	122,485	25,413
Fund Balance, January 1	-	-	-	97,072	97,072	122,485	25,413
Fund Balance, December 31	-	97,072	25,413	-	122,485	25,413	25,413

111: OPIOID SETTLEMENT FUND

Purpose/Description: This Fund was established to track opioid settlement funds. Fund must be used to address the impact of the opioid epidemic.

Opioid settlement funds are compensation provided to states, municipalities, and other entities as part of legal settlements with pharmaceutical companies and distributors involved in the marketing, manufacturing, or distribution of opioid painkillers.

	2022 Actual	2023 Actual	2024			2025 Adopted	2026 Adopted
			Adopted	Revised	Y/E Estimate		
REVENUE							
Settlement Funds	-	24,221	-	8,761	28,576	10,770	8,723
TOTAL REVENUE	-	24,221	-	8,761	28,576	10,770	8,723
EXPENDITURES							
Expenditures	-	144	-	24,077	-	52,653	10,770
TOTAL EXPENDITURES	-	144	-	24,077	-	52,653	10,770
Fund Balance, January 1	-	-	-	24,077	24,077	52,653	10,770
Fund Balance, December 31	-	24,077	-	8,761	52,653	10,770	8,723

188: STRATEGIC RESERVE FUND

Purpose/Description: The Strategic Reserve Fund was established to set aside financial resources for mitigating adverse situations caused by severe short-term revenue shortfalls, expenditures resulting from emergencies, or as otherwise designated by the City Council. This fund is a course of last resort and shall be used only when no other reasonable financial management alternative exists.

This fund is financed by transferring undesignated and unreserved fund balance in the General Fund during or at the end of each calendar year as deemed appropriate by the City Council.

	2022 Actual	2023 Actual	2024			2025 Adopted	2026 Adopted
			Adopted	Revised	Y/E Estimate		
REVENUE							
GF Contribution	-	625,285	-	387,022	387,022	123,034	-
TOTAL REVENUE	-	625,285	-	387,022	387,022	123,034	-
EXPENDITURES							
Council Approved Expenditures	-	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-	-	-
Fund Balance, January 1	2,286,824	2,286,824	2,672,109	2,912,109	2,912,109	3,299,131	3,422,165
Fund Balance, December 31	2,286,824	2,912,109	2,672,109	3,299,131	3,299,131	3,422,165	3,422,165

201: DEBT SERVICE FUND

Purpose/Description: The Debt Service Fund accounts for the debt service on the City Council-approved general obligation (G.O.) debt. Costs charged to this fund include scheduled principal and interest payments, debt issue costs, fiscal agent fees, and other debt-related costs.

	2022	2023	2024			2025	2026
	Actual	Actual	Adopted	Revised	Y/E Estimate	Adopted	Adopted
REVENUE							
Transfer-In REET Fund - GO	663,065	669,696	683,157	683,157	683,157	689,988	692,860
Transfer In - General Fund LRF	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Transfer-In General Fund Parks	49,804	49,674	49,538	49,538	49,538	50,747	50,564
Transfer-In General Fund	2,378,056	2,373,345	2,362,022	2,361,822	2,361,822	2,285,178	17,370,093
Miscellaneous	153	-	-	-	-	-	-
TOTAL REVENUE	3,591,078	3,592,715	3,594,717	3,594,517	3,594,517	3,525,913	18,613,517
EXPENDITURES							
Principal - 2009 LTGO/Taxable	1,100,000	1,170,000	1,240,000	1,240,000	1,240,000	1,125,000	-
Interest - 2009 LTGO/Taxable	297,567	226,947	151,883	151,883	151,883	72,225	-
Debt Register Costs - 2009/Taxable LTGO	300	350	500	350	350	350	-
Principal - 2012 LTGO	130,000	-	-	-	-	-	-
Interest - 2012 LTGO	4,125	-	-	-	-	-	-
Debt Register Costs - 2012 LTGO	300	-	-	-	-	-	-
Principal - 2016 LTGO	210,000	220,000	235,000	235,000	235,000	370,000	17,100,000
Interest - 2016 LTGO	901,200	891,700	882,900	882,900	882,900	873,500	427,500
Debt Register Costs - 2016 LTGO	300	350	500	350	350	350	350
Principal - 2019A	145,000	150,000	150,000	150,000	150,000	160,000	165,000
Interest - 2019A	101,150	96,800	92,300	92,300	92,300	87,800	83,000
Debt Register Costs - 2019A	300	350	300	350	350	350	350
Principal - 2019B	245,000	385,000	395,000	395,000	395,000	400,000	410,000
Interest - 2019B	455,383	450,642	442,881	442,881	442,881	434,720	425,704
Debt Register Costs - 2019B	300	350	300	350	350	350	350
TOTAL EXPENDITURES	3,590,925	3,592,489	3,591,564	3,591,364	3,591,364	3,524,645	18,612,254
Fund Balance, January 1	239,364	239,517	242,273	239,743	239,743	242,896	244,164
Fund Balance, December 31	239,517	239,743	245,426	242,896	242,896	244,164	245,427

301: PARKS CAPITAL IMPROVEMENT FUND

Purpose/Description: The Parks Capital Improvement Fund accounts for receipts and disbursements related to acquisitions, design, construction, and any other related park capital project expenditures. Fund appropriations do not lapse at the end of any calendar year but remain in effect until such projects are complete.

The major sources of revenue for this fund are general obligation bond proceeds, grants from other agencies, local taxes, impact fees, and contributions from other funds. All Parks' costs associated with acquisitions, improvements, issue of bonds, and other costs shall be paid by this fund.

	2022	2023	2024			2025	2026
	Actual	Actual	Adopted	Revised	Y/E Estimate	Adopted	Adopted
REVENUE							
Park Impact Fees	905,968	61,656	1,841,964	959,060	959,060	398,064	2,897,984
Transfer In - REET	-	88,118	-	263,632	263,632	70,000	-
Transfer In - ARPA	-	106,364	-	201,136	201,136	-	-
Donation	164,649	-	-	-	-	-	-
Grants	3,121	79,599	-	280,909	280,909	475,260	-
TOTAL REVENUE	1,073,738	335,737	1,841,964	1,704,737	1,704,737	943,324	2,897,984
EXPENDITURES							
Parks Capital Projects	171,061	817,678	-	4,374,429	4,214,429	1,103,324	2,897,984
TOTAL EXPENDITURES	171,061	817,678	-	4,374,429	4,214,429	1,103,324	2,897,984
 Fund Balance, January 1	 2,248,956	 3,151,633	 2,057,488	 2,669,692	 2,669,692	 160,000	 -
Fund Balance, December 31	3,151,633	2,669,692	3,899,452	-	160,000	-	-

302: PUBLIC WORKS CAPITAL IMPROVEMENT FUND

Purpose/Description: The Public Works Capital Improvement Fund accounts for receipts and disbursements related to acquisition, design, construction and any other related street, traffic, and surface water management capital project expenditures, including the Town Center Project. Fund appropriations do not lapse at the end of any calendar year but remain in effect until such projects are completed.

Revenues supporting this fund's activities include bond proceeds, grant proceeds, and interfund transfers.

	2022 Actual	2023 Actual	2024			2025 Adopted	2026 Adopted
			Adopted	Revised	Y/E Estimate		
REVENUE							
Transfer In - REET	579,867	566,334	299,051	1,353,079	1,353,079	737,960	324,704
Transfer In - GF /ARPA	46,163	105,221	-	6,549,587	6,549,587	-	-
Transfer In - GF	-	-	-	2,198,000	2,198,000	-	-
Transfer In - TIF	-	-	-	-	-	-	400,000
Transfer In - Street	-	128,012	20,000	20,000	20,000	20,000	20,000
Grants	1,427,459	3,260,265	-	13,229,394	13,229,394	1,356,480	2,651,165
TOTAL REVENUE	2,053,489	4,059,831	319,051	23,350,060	23,350,060	2,114,440	3,395,869
EXPENDITURES							
PW CIP	2,810,879	4,463,640	319,051	26,896,030	26,596,030	2,414,440	3,395,869
TOTAL EXPENDITURES	2,810,879	4,463,640	319,051	26,896,030	26,596,030	2,414,440	3,395,869
 Fund Balance, January 1	 4,707,169	 3,949,779	 -	 3,545,970	 3,545,970	 300,000	 -
Fund Balance, December 31	3,949,779	3,545,970	-	-	300,000	-	-

303: MUNICIPAL FACILITIES CIP FUND

Purpose/Description: This capital project fund accounts for receipts and disbursements related to municipal facility capital improvements (i.e. Windmill Village, City Hall, etc.) Interfund Transfers from the General Fund are sources of revenue for this fund.

	2022	2023	2024			2025	2026
	Actual	Actual	Adopted	Revised	Y/E Estimate	Adopted	Adopted
REVENUE							
Transfer In - GF	-	29,587	-	492,200	492,200	70,000	-
Transfer In - REET	-	86,649	-	509,318	509,318	-	-
TOTAL REVENUE	-	116,236	-	1,001,518	1,001,518	70,000	-
EXPENDITURES							
Muni CIP Capital Expenditures	44,946	123,486	-	1,001,518	1,001,518	70,000	-
TOTAL EXPENDITURES	44,946	123,486	-	1,001,518	1,001,518	70,000	-
Fund Balance, January 1	52,196	7,250	-	-	-	-	-
Fund Balance, December 31	7,250	-	-	-	-	-	-

401: SURFACE WATER MANAGEMENT FUND

Purpose/Description: The Surface Water Management (SWM) Fund was established to administer and account for all receipts and disbursements related to the City's surface and storm water management system. All service charges are deposited into this fund for the purpose of 1) paying all or any part of the cost and expense of maintaining and operating surface and storm water management facilities; 2) paying all or any part of the cost and expense of planning, constructing, and improving any such facilities; or 3) paying or securing the payment of all or any portion of any general obligation or revenue bond issued for such purposes. The SWM Fund is organized into two supporting divisions: Engineering and Public Works Maintenance and Operations.

The major source of revenue is the Surface Water Management Fee which is collected by Pierce County with Property Taxes. The primary areas of service are the design, construction and inspection of public surface water capital improvement project and maintenance of the current system.

	2022	2023	2024			2025	2026
	Actual	Actual	Adopted	Revised	Y/E Estimate	Adopted	Adopted
REVENUE							
SWM Fees	2,828,693	2,831,683	2,930,570	3,406,206	3,406,206	3,964,955	4,577,931
System Development Charge	-	-	-	-	-	126,483	128,380
Storm Drainage Inventory Fee	5,950	200	350	350	350	355	360
Sale of Surplus	173	599	-	84,725	84,725	70,900	5,000
Judgments/Settlements	-	18,274	-	-	-	-	-
Flood Control Opportunity Funds	-	-	-	1,000,000	1,000,000	-	-
Grants	16,440	112,733	-	79,758	79,758	65,000	25,000
Miscellaneous	-	1,142	-	-	-	-	-
TOTAL REVENUE	2,851,256	2,964,631	2,930,920	4,571,039	4,571,039	4,227,693	4,736,671
EXPENDITURES							
Engineering Services	508,210	704,916	817,509	949,222	926,432	937,919	981,233
Public Works Maint and Operations	860,697	869,223	1,027,325	1,051,003	1,014,773	1,185,986	1,248,031
Street Cleaning	81,995	146,323	148,265	184,920	156,543	157,049	162,845
Admin. Fee to General Fund	524,009	602,530	697,597	810,034	707,951	805,959	800,651
Admin. Fee to Police Fund	61,576	66,186	84,406	94,925	86,328	96,870	93,772
Debt Service Payment	-	-	-	-	-	-	-
Capital - Equipment	39,127	-	334,000	847,252	847,252	709,000	50,000
Capital - Transportation	-	-	-	464,965	464,965	49,000	236,000
Capital - PW CIP	-	-	-	4,086,938	4,086,938	967,699	962,647
Depreciation Expense	564,765	574,350	-	-	-	-	-
Transfer Out - Street	8,233	5,617	15,000	20,683	20,683	20,000	20,000
Transfer Out - Development Services	-	-	-	10,000	5,000	10,000	10,000
TOTAL EXPENDITURES	2,648,612	2,969,144	3,124,101	8,519,943	8,316,865	4,939,482	4,565,179
Fund Balance, January 1	15,652,066	15,854,710	607,750	15,850,197	15,850,197	12,104,371	11,392,582
Fund Balance, December 31	15,854,710	15,850,197	414,568	11,901,293	12,104,371	11,392,582	11,564,074

501: FLEET & EQUIPMENT FUND

Purpose/Description: The Fleet and Equipment Fund accounts for all costs associated with operating, maintaining, and replacing the City's non-proprietary owned vehicular and other motorized equipment. This fund owns and depreciates all such non-proprietary fund assets and accumulates reserves for the replacement of these assets. This fund is used to pay operating costs (including equipment and furniture) associated with its administration, and costs required to repair, replace, purchase, and operate included equipment.

Interfund charges are made to recover equipment maintenance and operating costs, equipment replacement and acquisition costs, and the cost of fund administration. Equipment replacement charges are segregated from all other cost recoveries.

	2022	2023	2024			2025	2026
	Actual	Actual	Adopted	Revised	Y/E Estimate	Adopted	Adopted
REVENUES							
User Charges - M&O	159,257	175,687	183,337	222,024	210,438	223,974	226,974
Sale of Surplus	16,233	7,691	-	-	10,000	-	-
Compensation for Loss	-	-	-	-	-	-	-
Transfer In - Police	-	-	-	65,000	52,724	-	-
Transfer In - General Fund	43,825	155,837	145,000	458,279	515,671	262,500	135,000
TOTAL REVENUE	219,315	339,215	328,337	745,303	788,833	486,474	361,974
EXPENDITURES							
Fleet - Parks & Public Works	144,368	163,064	167,150	198,150	194,760	197,650	197,650
Fleet - Engineering & Dev. Services	8,148	7,925	8,800	8,800	8,400	11,500	11,500
Fleet - City Pool Vehicle	3,940	2,769	2,700	2,700	2,026	4,500	5,500
Fleet - Code Enforcement	2,801	1,929	4,687	6,687	1,865	5,687	6,687
Fleet - COO	-	-	-	5,687	3,387	4,637	5,637
Depreciation Expense	20,681	24,332	-	-	-	-	-
Capital Outlays - PW Machinery	-	-	75,000	56,477	56,477	76,500	76,000
Capital Outlays - PW Transportation	-	-	-	331,802	396,802	32,750	59,000
Capital Outlays -DS/Eng	-	-	70,000	35,000	30,175	48,750	-
Capital Outlay - Pool	-	-	-	-	-	60,000	-
Capital Outlay - Code	-	-	-	35,000	32,217	-	-
Capital Outlay - COO	-	-	-	65,000	52,724	-	-
TOTAL EXPENDITURES	179,938	200,020	328,337	745,303	778,833	441,974	361,974
 Fund Balance, January 1	 175,323	 214,700	 175,323	 353,896	 353,896	 363,896	 408,396
Fund Balance, December 31	214,700	353,896	175,323	353,896	363,896	408,396	408,396

502: INFORMATION TECHNOLOGY & SERVICES FUND

Purpose/Description: The Information Technology & Services (ITS) Fund accounts for all costs associated with data processing, telecommunications, geographical information services, postage operations, and copier and duplication services for the City. This fund owns and depreciates all such non-proprietary assets and accumulates reserves for the replacement of these assets. The ITS Fund is used to pay salaries and operating costs (including equipment and software) associated with its administration, and costs required to repair, replace, purchase, and operate included equipment.

Interfund charges are made to recover equipment maintenance and operating costs, equipment replacement and acquisition costs, and the cost of fund administration.

	2022 Actual	2023 Actual	2024			2025 Adopted	2026 Adopted
			Adopted	Revised	Y/E Estimate		
REVENUES							
User Charges - M&O	482,441	521,227	724,018	947,911	831,424	934,901	996,252
Miscellaneous	2,993	-	-	-	-	-	-
Grant	-	-	-	89,343	89,343	30,000	-
Transfer In - ARPA	113,581	138,077	154,111	190,670	190,670	-	-
Transfers In - General Fund	359,911	562,478	593,702	1,648,994	1,565,699	735,277	818,047
TOTAL REVENUE	958,926	1,221,782	1,471,831	2,876,918	2,677,136	1,700,178	1,814,299
EXPENDITURES							
Duplication	32,595	10,860	37,800	17,400	37,800	15,100	15,100
GIS	43,310	46,729	52,200	52,200	52,200	63,000	65,500
Telecommunications	48,967	51,356	74,550	74,550	74,550	84,680	87,680
Information Services	456,334	486,787	700,679	909,547	908,387	740,881	796,732
Postage	14,815	5,832	12,900	7,700	12,900	7,700	7,700
Leases	-	5,095	-	25,600	25,600	23,540	23,540
IS Consulting	39,333	107,661	75,000	173,913	173,913	125,000	125,000
IS Capital	250,887	294,864	441,200	1,538,506	1,314,284	562,775	615,545
Amort/Interest/Depreciation Expense	91,691	95,087	77,502	77,502	77,502	77,502	77,502
TOTAL EXPENDITURES	977,933	1,104,271	1,471,831	2,876,918	2,677,136	1,700,178	1,814,299
 Fund Balance, January 1	 118,895	 99,888	 118,895	 217,399	 217,399	 217,399	 217,399
Fund Balance, December 31	99,888	217,399	118,895	217,399	217,399	217,399	217,399

505: PROPERTY MANAGEMENT FUND

Purpose/Description: The Property Management Fund accounts for all costs associated with the maintenance and operation of City-owned buildings. Maintenance and operation costs are charged to other City funds and departments for such facilities and furnishings.

	2022	2023	2024			2025	2026
	Actual	Actual	Adopted	Revised	Y/E Estimate	Adopted	Adopted
REVENUES							
User Charges	283,022	335,427	393,391	440,631	402,411	460,567	471,838
Cell Tower Leases	36,468	36,467	37,553	37,594	37,594	37,594	37,594
Sr. Center Lease Payments	275	275	275	275	275	275	275
CB Janitorial	-	-	-	-	-	-	-
CB Leases	136,392	137,509	142,141	142,141	142,141	215,209	216,928
CB/Utility Reimbursements	10,419	12,106	10,000	12,000	12,000	12,000	12,000
CB/Janitorial	-	-	1,200	-	-	-	-
Miscellaneous	20	43	-	-	-	-	-
Interest Revenue	14,308	12,348	-	-	-	-	-
Transfer In - GF & Police	264,582	298,501	318,322	338,856	333,348	220,467	232,954
TOTAL REVENUE	745,486	832,676	902,882	971,497	927,769	946,112	971,589
EXPENDITURES							
Lot 8 Garage	9,773	3,696	24,000	24,000	20,850	24,000	24,000
Civic Building - City Only	199,130	251,349	250,846	314,213	298,409	260,514	269,837
Market Square	35,693	21,303	55,755	60,624	40,417	64,805	65,703
TC Properties/Vacant Lots	56	2,613	56	2,656	2,233	2,656	2,656
Civic Bldg/Condo	373,091	446,568	474,373	459,752	459,752	473,545	487,751
Atrium Events	-	-	1,000	1,000	1,000	1,000	1,000
Senior Center	268	268	1,800	1,800	735	1,800	1,800
PW Shop	33,088	39,111	57,774	62,674	64,929	72,600	72,850
Hess	-	-	480	2,680	2,656	2,700	3,000
Kobayashi	878	575	1,680	1,680	1,680	1,700	1,700
Police Station	33,469	27,070	31,520	36,820	31,516	37,200	37,700
Depreciation Expense	3,592	3,592	3,598	3,598	3,592	3,592	3,592
TOTAL EXPENDITURES	689,038	796,145	902,882	971,497	927,769	946,112	971,589
 Fund Balance, January 1	 182,341	 238,792	 185,939	 275,323	 275,323	 275,323	 275,323
Fund Balance, December 31	238,792	275,323	185,939	275,323	275,323	275,323	275,323

506: RISK MANAGEMENT FUND

Purpose/Description: The Risk Management Fund accounts for the financial administration of the City's comprehensive risk management program. This fund is used to purchase insurance coverage against risks covered by the City's insurance policies. This fund is used to pay all other insurance/risk management-oriented expenditures, including costs and expenses of defending the City, its officials, and its employees against claims covered by the program.

Monies are paid into this fund from various City operating funds as insurance premiums, just as the City would pay private insurance carriers' premiums for insurance coverage. Risk management functions include unemployment and workers' compensation, and property, casualty, general liability and similar coverage.

Currently, the City of University Place is a member of Washington Cities Insurance Authority (WCIA), which is a municipal corporation of public entities in Washington state that joined together for the purpose of providing liability protection to its members. WCIA provides its members with broad coverage for general liability, automobile liability, property insurance, and boiler and machinery insurance. Members are also entitled to claims adjustment services, legal defense of claims, risk management consultation, personal liability consultation, on-site loss control services, land use litigation workshops, defensive driving training, and review of indemnification clauses and insurance requirements in contracts.

	2022 Actual	2023 Actual	2024			2025 Adopted	2026 Adopted
			Adopted	Revised	Y/E Estimate		
REVENUES							
User Charges - Insurance	180,829	236,280	248,338	330,654	330,654	335,825	367,788
TOTAL REVENUE	180,829	236,280	248,338	330,654	330,654	335,825	367,788
EXPENDITURES							
Insurance/Risk Management	180,829	236,280	248,338	330,654	330,654	335,825	367,788
TOTAL EXPENDITURES	180,829	236,280	248,338	330,654	330,654	335,825	367,788
 Fund Balance, January 1	-	-	-	-	-	-	-
Fund Balance, December 31	-	-	-	-	-	-	-

150: DONATIONS AND GIFTS TO UNIVERSITY PLACE FUND

Purpose/Description: The Donations and Gifts to University Place Fund accounts for cash donations designated for specific purposes by the donor. This fund is project-based and records all transactions associated with donations. Accounts associated with this fund include General Government (i.e. Beautification and Arts); *Parks (i.e. Curran Apple Orchard)*; and Police/Public Safety (i.e. Animal Control). Any donations and gifts made on behalf of the projects are deposited into this fund to be used for that specific project.

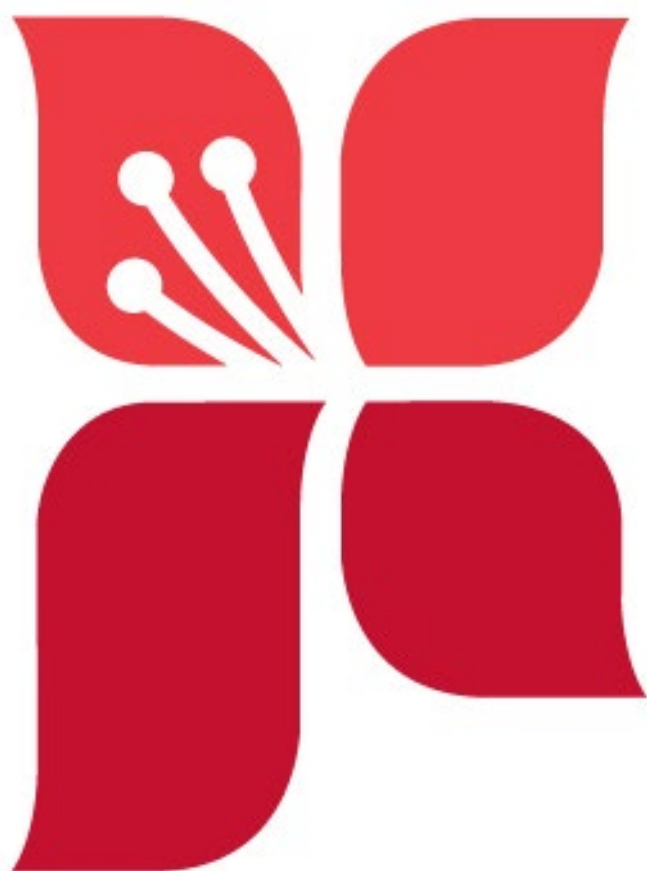
	2022	2023	2024			2025	2026
	Actual	Actual	Adopted	Revised	Y/E Estimate	Adopted	Adopted
REVENUE							
Donations	7,922	9,513	-	-	-	-	-
TOTAL REVENUE	7,922	9,513	-	-	-	-	-
EXPENDITURES							
Donation Accounts	9,493	11,370	-	18,005	18,005	-	-
TOTAL EXPENDITURES	9,493	11,370	-	18,005	18,005	-	-
 Fund Balance, January 1	 21,433	 19,862	 -	 18,005	 18,005	 -	 -
Fund Balance, December 31	19,862	18,005	-	-	-	-	-

630: CUSTODIAL FUND

Purpose/Description: This fund accounts for fees and taxes collected on behalf of another party. This includes building fees, sales tax and leasehold excise tax that must be remitted to the State.

	2022 Actual	2023 Actual	2024			2025 Adopted	2026 Adopted
			Adopted	Revised	Y/E Estimate		
REVENUE							
Funds Collected	22,082	31,952	-	-	-	-	-
TOTAL REVENUE	22,082	31,952	-	-	-	-	-
EXPENDITURES							
Funds Remitted	22,082	31,952	-	-	-	-	-
TOTAL EXPENDITURES	22,082	31,952	-	-	-	-	-
 Fund Balance, January 1	-	-	-	-	-	-	-
Fund Balance, December 31	-	-	-	-	-	-	-

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APPENDIX



UNIVERSITY PLACE

PHOTO INFORMATION: UNIVERSITY PLACE

Located on the picturesque Puget Sound, the City of University Place is home to over 35,970 active residents. Halfway between the State Capitol of Olympia and the state's largest city, Seattle, the City boasts beautiful scenic views of the Olympic Mountains, Mount Rainier, and the Puget Sound, and is the ideal launching point to the Pacific Northwest.

University Place is also a destination in itself, with something to offer everyone, including parks, wetlands and preserves, miles of walking and bike paths, dozens of locally owned businesses, and a world class golf course, the critically acclaimed Chambers Bay, which hosted the world's finest golfers and golf fans for the U.S. Amateur in 2010 and the U.S. Open in 2015.

Since incorporation in 1995, University Place, through the leadership of an active citizenry, has developed into an ideal place to live, work, and play. Whether you are a lifelong resident or a first-time visitor, there is something for you in University Place.

MISCELLANEOUS STATISICAL INFORMATION

Exhibit 1 - Supplemental Information

DATE OF INCORPORATION: August 31, 1995

FORM OF GOVERNMENT: Council-City Manager

POPULATION: 35,970

CORPORATE INFORMATION: The City of University Place is a non-charter Optional Code City and is governed under the provisions of the Optional Municipal Code of the Revised Code of Washington. Optional Code City status increases the City's operating authority by extending to it the powers of all four city classifications that exist in Washington law.

ORGANIZATIONAL STRUCTURE: University Place's City Council is comprised of seven Councilmembers. All members are elected at-large, and the mayor is chosen from within the Council. City administration includes a City Manager, Deputy City Manager, and department heads for the City Attorney, Administrative Services, Finance, Development Services, Engineering, Parks, and Public Works.

LOCATION: University Place is a mostly suburban residential city in Pierce County that is located on Puget Sound just south of the Tacoma Narrows Bridge. In addition to its proximity to Tacoma, University Place offers easy accessibility to Seattle, Olympia, and the Puget Sound peninsulas. University Place can be reached by the Jackson Avenue exit off Washington State Highway 16.

NUMBER OF CITY EMPLOYEES: The City employs 65 full-time equivalents. City Public Works employees are represented by the International Union of Operating Engineers Local #612. No other bargaining units represent City employees. University Place contracts for many services through public and private entities:

Police	Pierce County Sherriff
Jail	Pierce County
Court	Pierce County
Refuse	University Place Refuse and Lakewood Refuse

PUBLIC SCHOOLS: University Place is served primarily by University Place School District #83. A small percentage of students attend Tacoma School District #10 or Clover Park School District.

Number of Public Schools in City Limits:

Elementary (K-4 th)	4
Intermediate (5 th -7 th)	2
Junior High (8 th -9 th)	1
Senior High (10 th -12 th)	1

PARKS: Between the shores of the Puget Sound and in the shadow of Mount Rainier, University Place is Pierce County's ultimate destination for recreation and relaxation.

Number of Developed Parks:	11
Number of Developed Acres	74.60
Number of Undeveloped Parks	3
Number of Undeveloped Acres	21.19
Number of Open Space:	9
Number of Open Space Acres:	37.23

OPERATING INDICATORS:

	2020	2021	2022	2023	2024
BUILDING PERMITS					
Building Permits Issued	924	1,101	1,126	941	***
POLICE					
Calls for Service	11,333	10,056	10,833	10,833	***
Part 1 Crimes*	969	895	1,129	1,026	***
DUI Arrests	8	6	10	27	***
Other Traffic Arrests	68	23	34	61	***
FIRE**					
Emergency Medical Responses	12,771	14,187	14,151	14,096	***
Fire Responses	1,913	2,065	2,007	2,161	***
Other	1,446	1,520	1,563	1,552	***

* Part 1 Crimes includes Violent Crime (Aggravated Assault, Murder, Rape, Robbery) and Property Crime (Arson Motor Vehicle Theft, Burglary and Theft)

** The City is served by West Pierce Fire and Rescue , which prior to 2011 was Pierce County Fire District #3. West Pierce cannot provide data for University Place only.

*** Data not available at time of printing.

Exhibit 2 – Historical Tax Rates

	2020	2021	2022	2023	2024
Property Tax Levy					
Regular	4,483,080	4,544,980	4,609,967	4,678,340	6,947,095
Excess	-	-	-	-	-
TOTAL	\$4,483,080	\$4,544,980	\$4,609,967	\$4,678,340	\$6,947,095

Property Tax Rate per \$1,000 AV:

(Levied by the City of University Place)

Regular	\$ 0.97	0.88	0.78	0.66	1.01
Excess	-	-	-	-	-
Total	\$ 0.97	\$ 0.88	\$ 0.78	\$ 0.66	\$ 1.01

Total Property Tax Levy per \$1,000 AV:

(For a typical University Place Resident - TCA 752)

City of University Place	\$ 0.97	\$ 0.88	\$ 0.78	\$ 0.66	\$ 1.01
County	\$ 1.01	\$ 0.95	\$ 0.85	\$ 0.73	\$ 0.74
State	\$ 1.96	\$ 1.91	\$ 1.73	\$ 1.51	\$ 1.51
State School Levy 2	\$ 1.05	\$ 1.03	\$ 0.93	\$ 0.81	\$ 0.81
Fire District #3 EMS	\$ 0.50	\$ 0.49	\$ 0.45	\$ 0.41	\$ 0.44
Fire District #3 Expense	\$ 1.50	\$ 1.46	\$ 1.36	\$ 1.23	\$ 1.32
Fire District #3 M&O	\$ 1.14	\$ 1.04	\$ 0.90	\$ 0.76	\$ 0.92
UP School District - Bond	\$ 1.87	\$ 1.69	\$ 1.46	\$ 1.22	\$ 0.97
UP School District - Capital Projects	\$ 0.49	\$ 0.47	\$ 0.43	\$ 0.42	\$ 0.46
UP School District - M&O	\$ 2.50	\$ 2.50	\$ 2.45	\$ 2.38	\$ 2.50
Port of Tacoma	\$ 0.18	\$ 0.17	\$ 0.15	\$ 0.13	\$ 0.14
Pierce County Rural Library	\$ 0.47	\$ 0.44	\$ 0.39	\$ 0.33	\$ 0.34
Central Pierce Regional Transit	\$ 0.20	\$ 0.04	\$ 0.18	\$ 0.03	\$ 0.16
Conservation Futures	\$ 0.04	\$ 0.20	\$ 0.03	\$ 0.16	\$ 0.03
Flood Control Zone	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10
	\$ 13.99	\$ 13.36	\$ 12.19	\$ 10.88	\$ 11.45

Sales Tax Rates

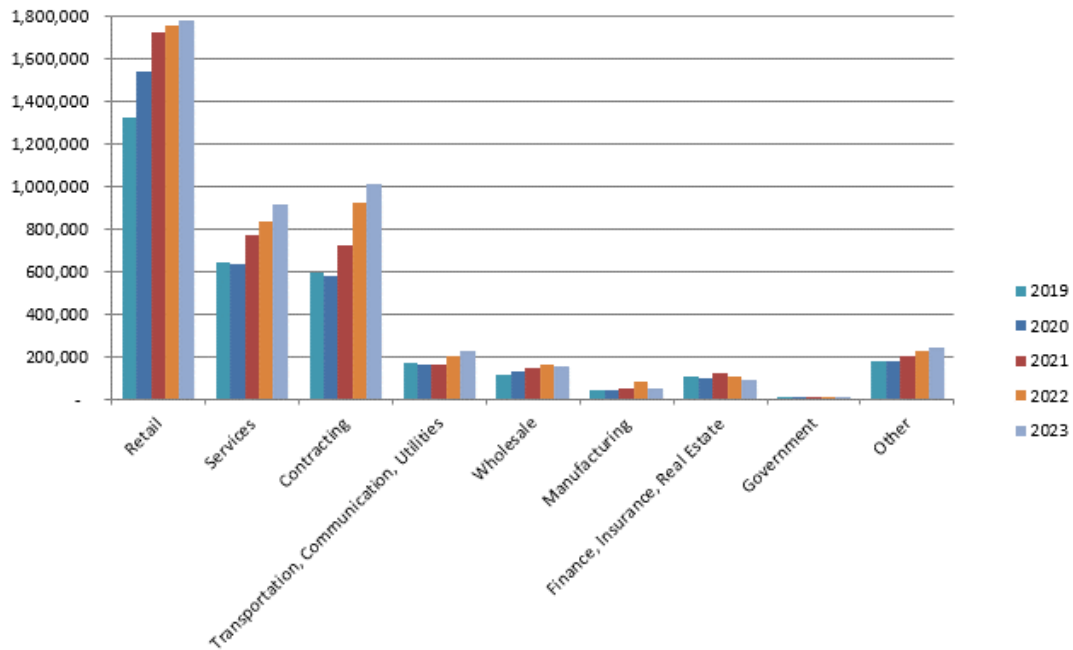
State of Washington	6.50%	6.50%	6.50%	6.50%	6.50%
Regional Transit Authority	0.90%	0.90%	0.90%	0.90%	0.90%
City of University Place	0.84%	0.84%	0.84%	0.84%	0.84%
Pierce Transit	0.30%	0.30%	0.30%	0.30%	0.30%
Public Transporations	0.80%	0.80%	0.80%	0.80%	0.80%
Pierce County	0.15%	0.25%	0.25%	0.35%	0.35%
Criminal Justice	0.10%	0.10%	0.10%	0.10%	0.10%
Pierce County Jail	0.10%	0.10%	0.10%	0.10%	0.10%
Parks	0.10%	0.10%	0.10%	0.10%	0.10%
Pierce County 911 Communications	0.10%	0.10%	0.10%	0.10%	0.10%
State Sales Tax Administration	0.01%	0.01%	0.01%	0.01%	0.01%
Total Sales Tax Rate	9.90%	10.00%	10.00%	10.10%	10.10%

	2020	2021	2022	2023	2024
Utility Tax Rates					
Gas Utility Tax	6%	6%	6%	6%	6%
Telephone Utility Tax	6%	6%	6%	6%	6%
Cellular Utility Tax	6%	6%	6%	6%	6%
Cable Utility Tax	6%	6%	6%	6%	6%
Solid Waste Utility Tax	6%	6%	6%	6%	6%
Stormwater Utility Tax	6%	6%	6%	6%	6%
Electric Utility Tax	-	3%	6%	6%	6%
Water Utility Tax	-	3%	6%	6%	6%
Sewer Utility Tax	-	3%	6%	6%	6%
Franchise Fees					
Cable	5%	5%	5%	5%	5%
Refuse	5%	5%	5%	5%	5%
Electric	6%	6%	6%	6%	6%
Water	8%	8%	8%	8%	8%
Sewer	6%	6%	6%	6%	6%
Admissions Tax					
Admissions Tax	5%	5%	5%	5%	5%
Gambling Tax					
Bingo/Raffles	5%	5%	5%	5%	5%
Amusement Games	2%	2%	2%	2%	2%
Punchboards/Pull tabs	5%	5%	5%	5%	5%
Card Playing	20%	20%	20%	20%	20%
Transportation Benefit District Fee	\$ 35.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00
Business License Fees					
City Business License	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00
Home Occupation Business License	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00

Exhibit 3 - Sales Tax

The City receives much of its sales tax revenue from the Retail, Services and Contracting categories.

SALES TAX BY CATEGORY IN THE CITY OF UNIVERSITY PLACE



The pie chart below depicts the percentage of sales tax revenues remitted by each category in the City in 2023. 2024 totals were not available at the time of printing.

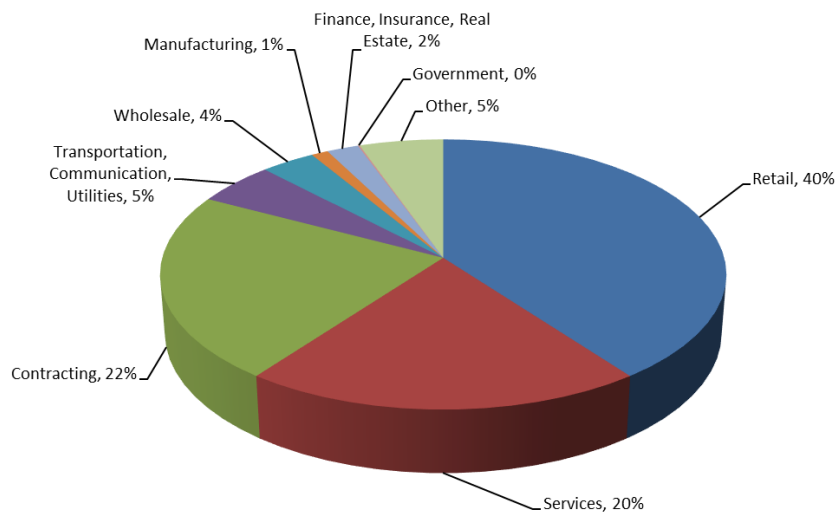
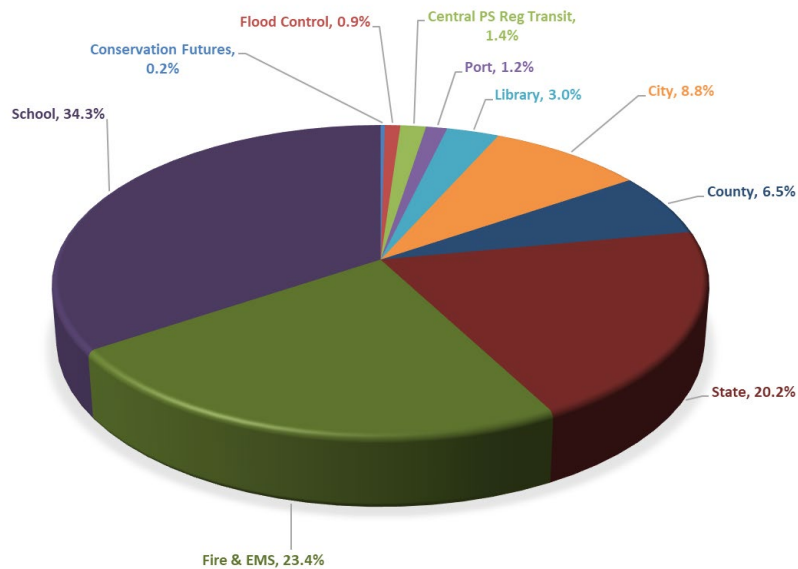


Exhibit 4 - Property Tax

The Total Levy Rate is comprised of the City's Levy, plus additional levy's which are earmarked for State, Schools, Emergency Medical Services (EMX), local libraries and hospital and other entities. The distribution of property tax revenues is detailed in the pie chart below. The total rate per \$1,000 of assessed valuation is \$11.45. In 2024 a typical resident will pay \$7,073 in property taxes (see chart on page 131). The City of University Place will receive 6.1% of the total.

Distribution of Property Tax Assessed in University Place (2024)



Most of us think of property taxes as being a percentage of tax levied on the value of a piece of property like a house, building, or land. If I own a property worth \$100,000 and the annual tax rate is 1 percent, I pay \$1,000 per year. That is called a “rate-based” system.

But that's not how property taxes work in Washington. Instead of being directly related to property values, they are based off the city's annual budget. It is called a “budget-based” system and here's how it works:

Homes, businesses, and other pieces of real estate are not taxed at a set rate like the example above. Instead, a county assessor takes the local government's yearly budget and divides that amount by the value of all property within the taxing boundaries. The assessor then assigns a set tax per thousand dollars of value so that enough money is generated to cover the budget.

For example, say a city needs \$1,000,000 to operate. If all properties in the city are valued at \$100 million dollars, then the assessor would set a tax of \$10 per thousand dollars of property value. That means the owner of a property with an assessed value of \$300,000 would pay \$300 annually in property tax.

For a home valued at \$617,741 (the average assessed value in 2023) University Place will receive \$1.01 per \$1,000 assessed value for a total of approximately \$624 in 2024 as illustrated below.

Property Tax Example in University Place

	2020	2021	2022	2023	2024	Notes
Average Assessed Value	412,504	448,612	524,870	589,403	617,741	(1)
Levy Rate - City of UP	\$ 0.97	\$ 0.88	\$ 0.78	\$ 0.66	\$ 1.01	
City Tax	\$ 398.22	\$ 394.58	\$ 407.53	\$ 389.40	\$ 623.92	(2)
Total Taxes	\$ 5,770.93	\$ 5,993.46	\$ 6,398.17	\$ 6,412.70	\$ 7,073.13	(3)
Total Levy Rate	\$ 13.99	\$ 13.36	\$ 12.19	\$ 10.88	\$ 11.45	

Notes:

(1) Source: Pierce County Assessor-Treasurer - Revaluation Reports Area 15

(2) City Tax - Based on University Place area classified as 752

(3) Total Taxes - Based on Total Levy Rate per \$1,000 of Home Value

The property tax laws are often considered to be very complicated and difficult to comprehend; the bullets below provide highlights of the existing property tax laws in Washington State.

Limits

- The State Constitution limits total regular property taxes to 1% of assessed value or \$10 per \$1,000.
- The State Constitution permits “excess levies” to exceed the 1% limitation. (These are typically voted general obligation bonds, such as for school levies).
- Cities are limited to \$2.60 per \$1,000 of assessed value.
- The maximum increase in annual property tax levies is limited to the Implicit Price Deflator (IPDO or 1% (whichever is less) over the highest amount levied since 1986.
 - Cities that have not previously used all their available property tax capacity can use it in future years. This is known as “banked capacity.”
 - New construction and newly annexed areas are subject to the previous year’s tax rate and not subject to the IPD or 1% limitations when first added to the tax rolls.
- The Council sets the next year’s tax levy by Ordinance.
 - A public hearing is required each year which focuses on the overall financial need for the property tax to pay for services and on the amount of proposed increase for the budget year.

Methodology

- The County Assessor provides assessed values to the County Treasurer as the basis for the tax computation. In Pierce County, the Assessor updates the taxable values each year.
- The County Treasurer assesses the tax each year.
- Assessed values are market driven. The amount that can be levied is set by the Council and regulated by State law and the constitution. The levy rate is derived from these other two factors. The following illustrates this dynamic using real information from the City of University Place and various assumptions for the future.

Exhibit 5 – Debt Service Summary

Under RCW 39.36.020(2), the public may vote to approve bond issues for general government in an amount not to exceed 2.5% of the value of all taxable property within the City. Within the 2.5% limit, the City Council may approve bond issues not to exceed 1.5% of the City's assessed valuation. Prior to the passage of new legislation in 1994, the statutory limit on councilmanic (non-voted) debt for general government purposes was 0.75% of assessed valuation. Another 0.75% of councilmanic debt was available only for lease-purchase contracts (RCW 35.43.200). Now, these two components have been combined and can be used for any municipal purpose, including using the entire 1.5% for bonds. The City's remaining debt capacity within the 2.5% limit is estimated to be \$134,990,066.

Under RCW 39.36.030(4), the public may also vote to approve park facilities and utility bond issues, each of which is also limited to 2.5% of the City's assessed valuation. A total of 7.5% of the City's assessed valuation may be issued in bonds. The remaining debt capacity within the 7.5% limit is estimated to be \$505,729,981. Unlimited tax general obligation debt requires an approving vote of the people and any election to validate such general obligation debt must have a voter turnout of at least 40% of those who voted in the last State general election and of those voting, 60% must be in the affirmative. The debt capacity for the City of University Place as of December 31, 2024, is as follows:

CITY OF UNIVERSITY PLACE COMPUTATION OF LIMITATION OF INDEBTEDNESS December 31, 2024					
<u>Description</u>	<u>GENERAL DEBT CAPACITY</u>		<u>Excess Levy Open Space and Park</u>	<u>Excess Levy Utility Purposes</u>	<u>Total Debt Capacity</u>
	<u>(Limited) Councilmanic</u>	<u>(Unlimited) Excess Levy</u>			
Statutory debt limit:					
AV=\$7,213,627,804(A)					
1.50% AV @ 100%	\$ 108,204,417	\$ (108,204,417)			
2.50% AV @ 100%		180,340,695	180,340,695	180,340,695	\$ 541,022,085
Add:					
Cash on hand for debt redemption (B)	242,896	-	-	-	242,896
Less:					
Debt outstanding	(35,535,000)	-	-	-	(35,535,000)
REMAINING DEBT CAPACITY	\$ 72,912,313	\$ 72,136,278	\$ 180,340,695	\$ 180,340,695	\$ 505,729,981
TOTAL REMAINING "GENERAL" CAPACITY (C)	<u>\$ 145,048,591</u>				
(A)	This figure represents the City's total taxable assessed valuation (AV) for 2023 which was used to determine the 2024 regular property tax levy as certified.				
(B)	Reflects estimated balance available in the Debt Service Fund as of December 31, 2024.				
(C)	Combined total for Councilmanic, Financing Lease, and Excess Levy capacities.				

The following table illustrates a summary of all outstanding debt as of December 31, 2024:

Description	Date of Issue	Maturity Date	Amount Originally Issued	Beginning Outstanding Debt	Amount Issued	Amount to be Redeemed	Ending Outstanding Debt 12/31/2024
Governmental Activity							
General Obligation Bonds							
2009 LTGO Series B	24-Aug-09	1-Dec-34	7,760,000	2,365,000	-	1,240,000	1,125,000
2016 LTGO	29-Sep-16	1-Dec-34	19,675,000	17,705,000	-	235,000	17,470,000
2019 LTGO Series A (Tax-Exempt)	5-Dec-19	1-Dec-37	3,225,000	2,645,000	-	150,000	2,495,000
2019 LTGO Refunding Series B (Taxable)	5-Dec-19	1-Dec-37	15,950,000	14,840,000	-	395,000	14,445,000
Subtotal			<u>87,735,000</u>	<u>37,555,000</u>	<u>-</u>	<u>2,020,000</u>	<u>35,535,000</u>
Total Governmental Activity General Obligation Bonds & Other Debt			<u>\$ 87,735,000</u>	<u>\$ 37,555,000</u>	<u>\$ -</u>	<u>\$ 2,020,000</u>	<u>\$ 35,535,000</u>

The following is a summary of debt service requirements to maturity as of December 31, 2024:

Year	Governmental Activities		
	Principal	Interest	Total
2025	2,055,000	1,468,245	3,523,245
2026	2,170,000	1,363,704	3,533,704
2027	2,085,000	1,269,148	3,354,148
2028	2,195,000	1,178,712	3,373,712
2029	2,290,000	1,082,785	3,372,785
2030-2034	14,105,000	3,695,838	17,800,838
2035-2037	<u>10,635,000</u>	<u>692,376</u>	<u>11,327,376</u>
Totals	<u>\$ 35,535,000</u>	<u>\$ 10,750,808</u>	<u>\$ 46,285,808</u>

Exhibit 6 – 2025-2026 Adopted Salary Ranges

Position Title	2025 Adopted Salary Range		2026 Adopted Salary Range	
	Entry	High	Entry	High
City Manager	\$20,608		\$22,290	
Assistant City Manager	\$14,721	\$19,371	\$15,310	\$20,150
City Attorney	\$13,899	\$18,290	\$14,455	\$19,022
Directors	\$13,673	\$17,993	\$14,220	\$18,713
Deputy Directors	\$11,751	\$15,464	\$12,221	\$16,082
Human Resources Manager	\$11,262	\$14,820	\$11,713	\$15,414
IT Manager	\$11,262	\$14,820	\$11,713	\$15,414
Building Official	\$9,892	\$13,017	\$10,288	\$13,538
Planning Manager	\$9,686	\$12,746	\$10,073	\$13,255
Operations Manager	\$9,334	\$12,283	\$9,707	\$12,774
Finance Operations Manager	\$9,131	\$12,016	\$9,497	\$12,497
Business Outreach Liaison	\$8,987	\$11,826	\$9,346	\$12,299
Communications Manager	\$8,987	\$11,826	\$9,346	\$12,299
City Clerk	\$8,987	\$11,826	\$9,346	\$12,299
Senior Project Engineer	\$8,987	\$11,826	\$9,346	\$12,299
Assistant Building Official	\$8,458	\$11,130	\$8,796	\$11,575
Permit Manager	\$8,458	\$11,130	\$8,796	\$11,575
Senior Planner, Senior HR Analyst	\$8,458	\$11,130	\$8,796	\$11,575
Parks Maintenance Supervisor	\$8,171	\$10,752	\$8,498	\$11,183
Fire Code Official	\$8,171	\$10,752	\$8,498	\$11,183
Construction Manager	\$7,906	\$10,404	\$8,223	\$10,821
HR Analyst, IT Analyst	\$7,833	\$10,308	\$8,146	\$10,720
Senior Building/Plans Examiner	\$7,614	\$10,020	\$7,918	\$10,420
Associate Planner	\$7,226	\$9,509	\$7,515	\$9,889
Finance Analyst	\$7,226	\$9,509	\$7,515	\$9,889
Senior Engineering Technician	\$7,226	\$9,509	\$7,515	\$9,889
Senior Communications Specialist	\$7,120	\$9,369	\$7,405	\$9,744
Building Inspector/Plans Examiner	\$6,929	\$9,118	\$7,206	\$9,483
NPDES Coordinator	\$6,929	\$9,118	\$7,206	\$9,483
Communication Specialist	\$6,847	\$9,010	\$7,121	\$9,371
Code Enforcement Officer	\$6,712	\$8,833	\$6,980	\$9,185
Community Outreach Officer	\$6,712	\$8,833	\$6,980	\$9,185
IT Specialist	\$6,712	\$8,833	\$6,980	\$9,185
Paralegal/Office Manager	\$6,712	\$8,833	\$6,980	\$9,185
Parks Maintenance Lead	\$6,712	\$8,833	\$6,980	\$9,185
Executive Assistant	\$6,617	\$8,707	\$6,882	\$9,056
Deputy City Clerk	\$6,617	\$8,707	\$6,882	\$9,056
Engineering Technician	\$6,458	\$8,498	\$6,717	\$8,839
Assistant Planner	\$6,458	\$8,498	\$6,717	\$8,839
Planning Assistant	\$5,952	\$7,832	\$6,190	\$8,146
Senior Specialist (Finance, Office)	\$5,952	\$7,832	\$6,190	\$8,146
Specialist (Finance, Permit)	\$5,858	\$7,709	\$6,093	\$8,018
Parks Maintenance Technician II	\$5,611	\$7,384	\$5,836	\$7,680
Administrative Assistant	\$5,611	\$7,384	\$5,836	\$7,680
Technician I (Parks, Facility, Comm., I.T., etc.)	\$5,387	\$7,089	\$5,603	\$7,373
Office Assistant II	\$4,860	\$6,395	\$5,054	\$6,651
Office Assistant I	\$4,673	\$6,149	\$4,860	\$6,395
Succession Mentor/Trainer	\$4,673	\$17,993	\$4,860	\$18,713
Temp. Assistant (Clerical, Rec., etc.)	Min. Wage	\$20/hr	Min. Wage	\$20/hr
Crew Chief,	Set by contract		Set by contract	
Maintenance Worker (Lead, I-III)	Set by contract		Set by contract	
Mayor	Set by separate ordinance		Set by separate ordinance	
Mayor Pro Tem	Set by separate ordinance		Set by separate ordinance	
City Council member	Set by separate ordinance		Set by separate ordinance	

*City Manager may authorize an additional 4% salary increase for mentors/trainers overseeing successors for those at top of range.

Exhibit 7 - COMMISSIONS

Planning Commission – 7 members

Purpose: The purpose of the Planning Commission is to advise the City Council on the following topics: growth management; general land use and transportation planning; long-range capital improvement plans; and other matters as directed by the City Council. The Planning Commission shall also hold hearings on and develop a comprehensive plan for the City and make recommendations to the City Council on amendments to the comprehensive plan, the zoning code and map, and the development regulations of the City.

Parks Commission - 7 members

Purpose: The Parks Commission studies and make recommendation to City Council on community-wide parks and Capital Improvement Plan, actively support the implementation of the adopted Parks and Open Space Plan, serve as a liaison to University Place's Parks Friends Groups, advocate for parks and acts as the "eyes and ears" of the City in parks issues. As directed by City Council supports and promotes community outreach efforts, volunteerism, and special events.

Public Safety Commission – 7 voting members / 3 nonvoting members / 1 staff

Purpose: The Public Safety Commission will work collaboratively and proactively to address public safety concerns in University Place. Through City Council interaction and public education, the Commission strives to promote and enhance public safety awareness to the citizens of University Place. The Public Safety Commission is exclusively advisory to the City Council.

Economic Development Commission – 7 members

Purpose: The purpose of the commission is to advise the City Council regarding community-wide economic development issues providing input on economic development issues, serving as a sounding board for various business community interests, and act as the "eyes and ears" for the City in the business community. In addition, the commission will, as necessary, participate in community outreach efforts to communicate economic development initiatives that impact the University Place community.

GLOSSARY OF BUDGET TERMS

The following are definitions for common terms found in budget summary statements, as well as an explanation of financial terms found in this budget document.

ACCRUAL BASIS. This method of accounting is used in proprietary (enterprise and internal service) funds. Under it, transactions are recognized when they occur. Revenues are recognized when earned and expenses are recognized when incurred. “When” cash is received or distributed is not a determining factor.

AD VALOREM. A tax imposed on the value of property.

ADOPTED BUDGET. The financial plan adopted by the City Council that forms the basis for appropriations.

ANNEXATION. The incorporation of land into an existing city with a resulting change in the boundaries of that city.

APPROPRIATION. An authorization made by the City Council that permits officials to incur obligations against and to make expenditures of governmental resources.

ARBITRAGE. The investment of bond proceeds at a higher yield than the coupon rate being paid on the bonds.

ASSESS. To establish an official property value for taxation purposes.

ASSESSED VALUATION. The estimated value placed upon real and personal property by the County Assessor as the basis for levying property taxes.

B.A.R.S. The State of Washington prescribed Budgeting, Accounting, and Reporting System manual for which compliance is required for all governmental entities in the State of Washington.

BASIS OF ACCOUNTING. A term used to refer to when revenues, expenditures, expenses, and transfers – and the related assets and liabilities – are recognized in the accounts and reported on the financial statements. It relates to the timing of the measurements made, regardless of the nature of the measurement, on either the cash or accrual method.

BASIS OF BUDGETING. The City’s governmental functions and accounting systems are organized and controlled on a fund basis. The accounts within the funds are maintained on a modified accrual basis for governmental, expendable trust, and agency funds. Revenues are recognized when measurable and available as current assets. Expenditures are generally recognized when the related services or goods are received, and the liability is incurred.

Proprietary funds are accounted for on the full accrual basis of accounting.

BASIS POINTS. A basis point refers to the measure of the yield to maturity of an investment calculated to four decimal places. A basis point is 1/100th of 1 percent (.01 percent).

BENCHMARK. A quantifiable performance level used to assess the extent to which program objectives are being obtained.

BENEFITS. Employer contributions paid by the City as part of the conditions of employment. Examples include health/dental insurance, state public employee's retirement system, city retirement system, and employment security.

BOND (Debt Instrument). A written promise to pay (debt) a specified sum of money (called principal or face value) at a specified future date (called the maturity date) along with periodic interest paid at a specified percentage of the principal (interest rate). Bonds are typically used for long-term debt to pay for specific capital expenditures.

BUDGET. A plan of financial operation embodying an estimate of expenditures for a given period and the proposed means of financing them (revenue estimates). The term is also sometimes used to denote the officially approved expenditure ceilings under which the City and its departments operate.

BUDGET AMENDMENT. A change to a budget adopted in accordance with State law. A budget may be amended to increase expenditures/expenses at the fund level by ordinance without public notice or public hearing requirements, when unanticipated revenues occur, or emergencies exist (RCW 35A.33.080 and 35A.33.120). The City Manager is authorized to make budget amendments between organizations of the same fund, if there is no change in the total budget for that fund.

BUDGET CALENDAR. The schedule of key dates or milestones which the City follows in the preparation and adoption of the budget.

BUDGET GUIDELINES. The City's guidelines with respect to revenue, debt, budget, and organization management as these relate to the City's ongoing ability to provide services, programs, and capital investment.

BUDGET MESSAGE. A message prepared by the City Manager explaining the annual proposed budget, articulating the strategies and budget packages to achieve the City's goals, and identifying budget impacts and changes.

BUDGET PROCESS. The process of translating planning and programming decisions into specific financial plans.

C.D.B.G. Community Development Block Grant.

CAPITAL. Expenditures made to acquire, reconstruct, or construct major fixed or capital assets. A fixed asset is a tangible object of long-term character which will continue to be held or used, such as land, buildings, machinery, furniture, and other equipment. A capital asset must exceed \$1,000 in cost and have an expected useful life expectancy of 12 months. For purposes of this definition, a "fixed asset" includes a group of items purchased together that will be used "for a single purpose" and could not be used effectively by themselves.

CAPITAL BUDGET. A plan of proposed capital expenditures and the means of financing them. The capital budget is enacted as part of the Adopted Budget, which includes both operating and capital outlays.

CAPITAL EXPENDITURES. Expenditures that result in the acquisition or construction of fixed assets.

CAPITAL FACILITIES PLAN. A capital facilities plan includes an inventory of existing facilities, a forecast of future needs, proposed locations, capacities for new or expanded facilities, and a financing plan. The financing plan outlines the costs, revenues, and time schedules for each capital improvement project. In compliance with the Growth Management Act legislation within the State of Washington, the City is preparing such a plan.

CAPITAL IMPROVEMENT PROGRAM. A plan for capital expenditures to be incurred each year over a period of five or more future years setting forth each capital project, identifying the expected beginning and ending date for each project, the amount to be expended in each year, and the method of financing those expenditures.

CAPITAL OUTLAY. A budget category for items having a value of \$1,000 or more and having a useful economic lifetime of more than one year.

CARRYOVERS. Carryovers result from timing of project completion. The final expenditures need to be re-budgeted to provide an appropriation from one fiscal year to the next in order to accomplish the purpose for which the funds were originally budgeted. Carryovers generally involve projects rather than line-item expenditures.

CASH BASIS OF ACCOUNTING. The method of accounting that records revenues only when they are received and expenditures only when cash is paid.

CASH MANAGEMENT. The process of managing monies for the City to ensure operating cash availability and safe investment of idle cash.

CERTIFICATES OF PARTICIPATION. A certificate of participation represents a divided share of a lease that is assigned or marketed to investors. These debt instruments typically represent general obligation debt but can also be issued by enterprises.

ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR). The official annual financial report of the City prepared in conformity with GAAP. The annual report is audited by The State Auditor's Office.

CONSUMER PRICE INDEX (CPI). A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living, i.e., economic inflation.

CONTINGENCY. A budgetary reserve set aside for emergencies or unforeseen expenditures for which no other budget exists.

COUNCIL GOALS. Statements of direction, purpose, or intent based on the needs of the community, generally to be completed within a specified time period.

COUNCILMANIC BONDS. Councilmanic bonds refer to bonds issued with the approval of the Council, as opposed to voted bonds, which must be approved by vote of the public. Councilmanic bonds must not exceed 1.5% of the assessed valuation.

CUSTOMER. The recipient of a product or service provided by the City. Internal customers are usually City departments, employees, or officials who receive products or services provided by another City Department. External customers are usually citizens, neighborhoods, community organizations, businesses, or other public entities who receive products or services provided by a City Department.

DEBT SERVICE. Payment of interest and repayment of principal to holders of the City's debt instruments.

DEBT SERVICE FUND. A fund to account for payment of principal and interest on general obligation and other City-issued debt.

DEPARTMENT MISSION. Objectives that address each of the department's major activities but are not broader than the department's scope of work. These objectives relate back to Council goals or its vision and strategies.

DEPRECIATION. (1) Expiration in the service of life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy, or obsolescence. (2) That portion of the cost of a capital asset which is charged as an expense during a particular period.

DIVISION MISSION. Objectives that address each of the division's major activities, but that are not broader than the division's scope of work. These objectives relate back to either the Department Mission, to Council goals, or Council's vision and strategies.

ENCUMBRANCES. Obligations in the form of purchase orders or contracts that are chargeable to an appropriation and for which a part of the appropriation is reserved. Obligations cease to be encumbrances when paid or when the appropriation expires at the end of the fiscal year.

ENTERPRISE FUND. A fund type used to account for operations that are financed or operated in a manner similar to private business enterprise where the intent of the governing body is that costs of providing goods and services be recovered primarily through user charges.

EXPENDITURES/EXPENSES. Where accounts are kept on the modified accrual basis (expenditures) or accrual basis (expenses) of accounting, the cost of goods received, or services rendered whether cash payments have been made or not. Where accounts are kept on a cash basis, expenditures are recognized only when the cash payments for the above purposes are made.

FIDUCIARY FUNDS. The City uses fiduciary funds to assist in accounting for assets held under trust or agency agreements. These funds include 1) Agency funds that account for resources where the City acts solely as an agent in collecting and dispensing monies, and 2) Expendable trust funds that account for resources where the City acts as a formal or informal trustee for restricted fund users. For agency funds, no fund balance is maintained, and no appropriations are necessary. These funds are accounted for on a modified accrual basis. The City's Deferred Compensation Fund is an agency fund that accounts for monies withheld from employees under deferred compensation plans and the fund's earnings and investments.

Trust funds may be expendable and use modified accrual accounting for a specific project or service, or they may be non-expendable and use an accrued basis of accounting to focus on the ongoing retention of earnings. The City's trust fund is expendable and accounts primarily for the City of University Place Retirement Plan and donations for a specific purpose.

FISCAL YEAR. A 12-month period to which the annual operating budget applies. At the end of the period, the City determines its financial position and the results of its operations. The Fiscal Year is January 1 through December 31 for local governments in Washington.

FULL FAITH AND CREDIT. A pledge of the general taxing power for the repayment of the debt obligation (typically used in reference to bonds).

FUND. An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives. See the Budget by Fund section for specific fund category purposes and descriptions.

FUND BALANCE. The excess of an entity's assets over its liabilities. A negative fund balance is sometimes called a deficit. An undesignated fund balance reflects historical receipts less historical expenditures in non-proprietary funds. Since all designated and reserved resources have been removed or deducted in arriving at the year-end undesignated fund balance, this value is available for budgetary appropriation.

FTE, Full-Time Equivalent. The ratio of a position in comparison to the amount of time a regular, full-time employee normally works in a year. A full-time employee (1.00 FTE) is paid for 2,080 hours a year. Positions budgeted to work less than full-time are expressed as a percent of full-time. For example, a .5 FTE budgeted position will work 1,040 hours.

GAAP, Generally Accepted Accounting Principles. Uniform minimum standards and guidelines for financial accounting and reporting. They govern the form and content of the financial statements of the City.

GASB, Governmental Accounting Standards Board. The authoritative accounting and financial standard setting body for governmental entities.

GENERAL FUND. This fund accounts for the financial operations of the City, which are not accounted for in any other fund. Principal sources of revenue are property taxes, franchise fees, state shared revenues, licenses, permits, and charges for services. Primary expenditures in the General Fund are made for police and fire protection, building development and planning, parks, and City Council.

GENERAL OBLIGATION. Bonds for which the full faith and credit of the insuring government are pledged for bonds payment.

GIS, Geographical Information System. A mapping application currently being accessed through Pierce County, this application can be used for site plan review, counter support, citizen education and notification, environmental analysis, land use inventories, to produce presentation maps and maps for public distribution and as a tool to aid in decision making regarding CIP projects, creating a street maintenance program, and to inventory and maintain storm drainage systems and other public improvements.

GOAL. A long-range statement of broad direction, purpose, or intent based on the needs of the community.

GRANT. A cash award given for a specified purpose. The two major forms of Federal and State grants are block, and discretionary or categorical. Block grants are awarded primarily to general purpose governments, are distributed to them according to formulas established in the law and can be used for any locally determined activities that fall within the functional purpose of the grant as stated in the law. Discretionary or categorical grants can be used only for a specific purpose and usually are limited to narrowly defined projects or activities.

GROWTH MANAGEMENT. Legislation enacted in 1990 by the State Legislature requiring that all jurisdictions in the larger counties adopt new comprehensive plans by the end of 1993. This legislation was enacted due to enormous growth experienced in the State and a lack of uniform guidance for related development. This Act further specified that all plans conform to a broad set of guidelines of both the parent county and neighboring jurisdictions. Eight specific elements, including concurrency, are required to be included in every comprehensive plan. Concurrency requires that infrastructure be available at the same time as new development.

IMPACT FEES. Fees charged to developers to cover, in whole or in part, the anticipated cost of improvements borne by the City that will be necessary as a result of the development.

INPUT. A resource, monetary or non-monetary, that is used in delivering a program or service, such as hours of labor and numbers of bricks.

INTERFUND SERVICES. Payments for services rendered made by one City department or fund to another. Internal Service Fund billings are included in this category. However, these billings also include equity transfers to internal service funds in support of “first time” asset acquisitions. See Internal Service Charge.

INTERFUND TRANSFERS. Contributions from one City fund to another in support of activities of the receiving fund. Loans are not included.

INTERGOVERNMENT. Services purchased from other government agencies, normally including types of services that only government agencies provide.

INTERNAL SERVICE CHARGE. A charge from an Internal Service Fund to an operating fund to recover the cost of service or overhead.

INTERNAL SERVICE FUNDS. These funds are used to account for services provided by City Departments to other City Departments for which they pay an internal service charge.

LABOR. Internal and contracted personnel

LEVEL OF SERVICE. Used generally to define the existing services, programs, and facilities provided by the government for its citizens. Level of service in any given activity may be increased, decreased, or remain the same, depending on the needs, alternatives, and available resources.

LEVY. The total amount of taxes or special assessments imposed by the City.

LID, Local Improvement District. A local improvement district is composed of properties benefiting from a specific capital improvement project, such as a sewer line extension.

LINE ITEM. An expenditure description at the most detailed level. Objects of expenditure are broken down into specific items, such as printing.

MAINTENANCE. The act of keeping capital assets in a state of good repair. It includes preventative maintenance, normal periodic repairs, replacement of parts or structural components, and other activities needed to maintain the asset so that it continues to provide normal services and achieves its optimum life.

MISSION. A short description of the scope and purpose of a City Department. It specifies what the Department's business is.

MODIFIED ACCRUAL BASIS of accounting is used in governmental fund types (general, special revenue, debt service, and capital project funds). Under it, revenues and other financial resource increments are recognized when they become both measurable and available to finance expenditures of the current period. Expenditures are generally recognized when they are incurred (bring forth a liability).

NET INTEREST COST. This is the traditional method of calculating bids for new issues of municipal (NIC) securities. It is computed as either: (a) Dollar Cost: total scheduled coupon payments + bid discount (- bid premium), or (b) Interest Rate: total scheduled coupon payments + bid discount (- bid premium) divided by bond year dollars. Bond year dollars is the sum of the number of years each bond in an issue is scheduled to be outstanding multiplied by its par value.

OBJECT OF EXPENDITURE. See "Object."

OBJECT. As used in expenditure classification, this term applies to the type of item purchased or the service obtained (as distinguished from the results obtained from expenditures). Examples are personnel services, supplies, and services and charges.

OPERATING REVENUES. Those revenues received within the present fiscal year.

ORDINANCE. The method by which the appropriation of the budget is enacted into law by the Council per authority of the State statutes.

OUTPUT. A quantifiable product made, or activity undertaken to achieve a desired result, such as miles of roads swept.

PERS, The Public Employees Retirement System. A State of Washington-defined benefit pension plan to which both employee and employer contribute.

PERFORMANCE INDICATOR. A quantifiable performance level used to assess the extent to which program objectives are being obtained.

PLAN. A list of actions that management expects to take. A plan is a basis for allocating the organization's resources to deal with opportunities and problems present in the environment.

PROGRAM. A group of related activities to accomplish a major service or core business function for which the City is responsible. A program is typically part of a division within a department.

PROGRAM ACTIVITY. A broad function or a group of similar or related services/activities, having a common purpose.

PROJECTIONS. Estimates of outlay, receipts, or other amounts that extend several years into the future. Projections generally are intended to indicate the budgetary implications of continuing or proposing programs and policy for an indefinite period.

PROPOSED BUDGET. The budget proposed by the City Manager to the City Council for review and approval.

PROPRIETARY FUNDS. Recipients of goods or services pay directly to these funds. Revenues are recorded at the time services are provided, and all expenses incurred in earning the revenues are recorded in the same period. As a result, there is a direct cause and effect relationship between revenue and expenses in these funds.

RATINGS. In the context of bonds, normally an evaluation of credit-worthiness performed by an independent rating service.

REFUNDING. The redemption of an obligation on or before its maturity in order to reduce the fixed interest charge, or to reduce the amount of fixed payment.

RESERVE. An account used to indicate that a portion of fund equity is legally restricted for a specific purpose.

RESIDUAL EQUITY TRANSFER. Nonrecurring or non-routine transfers of equity between funds.

RESOURCES. Total dollars available for appropriations including estimated revenues, fund transfers, and beginning fund balances.

RETAINED EARNINGS. An equity account reflecting the accumulated earnings of a proprietary (internal service or enterprise) fund. In this budget document, the balance derived excludes asset depreciation expenditures. When depreciation is charged to user organizations, as in internal service funds, the cash balance remaining (ending retained earnings) therefore represents the asset replacement reserve being accumulated.

REVENUE. Income received by the City in support of a program or services to the community. It includes such items as property taxes, fees, user charges, grants, fines and forfeits, interest income, and miscellaneous revenue. See Operating Revenue.

REVENUE ESTIMATE. A formal estimate of how much revenue will be earned from a specific revenue source for some future period - typically a future fiscal year.

SALARIES AND WAGES. Amounts paid for personnel services rendered by employees in accordance with rates, hours, terms, and conditions authorized by law or stated in employment contracts. This category also includes overtime, temporary help, and car allowances.

SELF-INSURED. The retention of a risk of loss arising out of the ownership of property or some other cause, instead of transferring that risk to an independent third party through the purchase of an

insurance policy. It is accompanied by the setting aside of assets to fund any related losses. The City currently is not self-insured.

SERVICES AND CHARGES. Services acquired from and fees/payments made to vendors. These include printing, professional services, travel and training, communications, public utility services, repair/maintenance, and insurance premiums.

SPECIAL REVENUE FUNDS. These funds account for revenue derived from specific tax or other earmarked revenue sources which are legally restricted to finance particular functions or activities.

STATE SHARED REVENUE. Revenues received from the State of Washington from sources like the liquor tax, and MVET.

STRATEGY. An approach to using resources within the constraints of the environment in order to achieve a set of goals. An organization formulates a strategy based on the environment, and states the goals, objectives, and how it is going to meet the objectives through tactics to guide its core business functions.

SUPPLIES. Items used to deliver services, such as office supplies, short-lived minor equipment with no material value, periodicals, and books and generic computer software.

TAX. Compulsory charge levied by a government to finance services performed for the common benefit.

TAX LEVY. Total amount of ad valorem tax certified by the City.

TAX RATE. The amount of tax stated in terms of units per \$1,000 of assessed value of taxable property. The tax rate is the result of dividing the tax levied by the assessed value of the taxing district.

TIC, True Interest Cost. The rate necessary to discount the amounts payable on the respective principal and interest maturity dates to the purchase price received for bonds. TIC computations consider the time value of money.

UNAPPROPRIATED ENDING FUND BALANCE. An amount set aside in the budget to be used as a cash carryover to the next year's budget to provide needed cash flow until other money is received. No expenditures can be made from the Unappropriated Ending Fund Balance during the fiscal year in which it is budgeted.

UNDERWRITER. An individual or organization that assumes a risk for a fee (premium or commission).

USER FEES. The payment of a fee for direct receipt of a public service by the person benefiting from the service.

VISION. An objective that lies outside the range of planning. It describes an organization's most desirable future state.

WORKLOAD MEASURE. A tracking indicator that shows the amount of work performed by the division.

ACRONYM LIST

AASHTO	American Association of State Highway and Transportation Officials
ACLU	American Civil Liberties Union
ADA	Americans with Disability Act
A & E	Architecture and Engineering
AICP	American Institute of Certified Planners
AICPA	American Institute of Certified Public Accountants
A/P	Accounts Payable
APA	American Planning Association
APWA	American Public Works Association
A/R	Accounts Receivable
AV	Assessed Valuation
AWC	Association of Washington Cities
BARS	Budgeting, Accounting, and Reporting System (State of Washington)
CAFR	Comprehensive Annual Financial Report
CDBG	Community Development Block Grant
CIP	Capital Improvement Program
ICBO	International Conference of Building Officials
IRS	Internal Revenue Service
ISTEA	Intermodal Surface Transportation Efficiency Act
LID	Local Improvement District
LTGO	Limited Tax General Obligation
M&O	Maintenance and Operations
MAB	Modified Accrual Basis
MRSC	Municipal Research and Services Center (of Washington)
MVET	Motor Vehicle Excise Tax
NPDES	National Pollutant Discharge Elimination System
NRPA	National Recreation Park Association
OMB	Office of Management and Budget (Federal)
PO	Purchase Order
PRIMA	Public Risk/Insurance Management Association
PSFOA	Puget Sound Finance Officers Association
PSRC	Puget Sound Regional Council
PWTFL	Public Works Trust Fund Loan
RCW	Revised Code of Washington
RCFB	Recreations and Conservation Funding Board
REET	Real Estate Excise Tax
RFB	Request for Bid
RFP	Request for Proposal
RFQ	Request for Qualifications
ROW	Right-of-Way
RTA	Regional Transit Authority
SAO	State Auditor's Office
SEPA	State Environmental Policy Act
SRFB	Salmon Recovery Funding Board
SWM	Surface Water Management
TIB	Transportation Improvement Board

TIP	Transportation Improvement Plan
TPCHD	Tacoma Pierce County Health Department
UBC	Uniform Building Code
USDOT	United States Department of Transportation
WABO	Washington Association of Building Officials
WAC	Washington Administrative Code
WCMA	Washington City Managers Association
WFOA	Washington Finance Officers Association
WRPA	Washington Recreation and Parks Association
WSAMA	Washington State Association of Municipal Attorneys
WSDOE	Washington State Department of Ecology
WSDOT	Washington State Department of Transportation

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