

SPECIAL BUCKLEY CITY COUNCIL STUDY SESSION AGENDA

Monday, November 17, 2025, 6:00 P.M.

Multi-Purpose Center, 811 Main Street

Or Via Zoom:

<https://us02web.zoom.us/j/82990819660?pwd=WVdKY0U3UlkwS1JybWxtWnh5M3NQdz09>

Call-in Number: 253-215-8782

Meeting ID: 829 9081 9660

Webinar Passcode: 637567



A. CALL TO ORDER

B. DISCUSSION ITEMS

- 2025-2026 Mid-Biennial Budget Update

C. CITY COUNCIL COMMENTS

D. ADJORNMENT



Memo

To: Mayor and City Council
From: Sandi Hines, Finance Director
Date: November 18, 2025
Re: 2025-26 Mid-Biennial Update

Background

The City Council adopted its first biennial budget for the years 2025-2026 in November 2024. The 2025-2026 budget was adopted as a total 2-year budget; however, internally the budget is tracked and reviewed on an annual basis. This is due to software system configurations as well as ease of management and control over line item budgets. State law requires that in the “off” year of preparing a budget (first year of the biennium), a review of the biennial budget called the Mid-Biennial Update (mid-bi update) must be completed. The review and update process includes a review of how current year revenues and expenditures are doing compared to budget and provides an opportunity to update the second year of the biennium based on current trends, economic conditions and known changes. This memo outlines the process used for the mid-bi update and discusses adjustments necessary to continue City services.

In addition to state law requiring a mid-bi review and update, state law prohibits expenditures from exceeding the budgeted appropriation for any fund and requires the City to adjust appropriations when:

1. Unanticipated revenue exists and will potentially be expended;
2. New funds are established during the budget biennium which were not included in the original budget;
3. Unanticipated expenditures will exceed the fund appropriation; or
4. The City Council authorizes positions, projects, or programs not incorporated into the current budget.

Process

The mid-bi update was kicked off internally with all departments on September 4, 2025. Departments were tasked with reviewing their current year expenditures and developing year-end (2025) estimates. Additionally, they were asked to provide any adjustments needed for the second year of the biennial budget. This information was reviewed together by the City Administrator, Finance Director and Department directors. During October, all three City Council subcommittees met to review department estimates and requested adjustments. The Council will review and discuss the recommended adjustments during this study session and subsequent City Council meetings. The City Council must adopt any amendments to the biennial budget prior to the end of the year. The following information outlines the major issues affecting City services and adjustments being presented to the Council for consideration.

Recommended Budget Adjustments by Fund/Department

ALL FUNDS

Salaries and benefits were updated for 2026 across all funds for the following items:

- Reflected approved Cost of Living Adjustment (COLA) for the Police Guild members based on the approved one-year contract extension
- Updated health benefit premium rates based on information from the AWC Benefit Trust and the LEOFF Board Trust
- Updated position staffing information for separations/new hires
- Corrected minor errors from the original budget

FUND 001 GENERAL FUND

Executive –

(2025) Recognize \$50,000 in funding from Pierce County to pay for Pierce Transit connector service during the bridge closure as well as other expenses related to the bridge closure.

Finance –

(2025) Increase the Audit budget by \$44,000 to recognize expenses for the 2022-2023 audit that carried over into 2025.

(2026) Increase the Audit budget by \$12,000 for the expected cost of the 2025 audit that will be conducted in 2026 based on the cost for the single year 2024 audit currently in process.

Legal –

(2026) Increase Professional Services by \$25,000 for additional legal services related to personnel issues and upcoming union contract negotiations.

Police –

(2025) Increase Jail Services by \$38,000 due to greater than planned jail and medical costs.

Fire –

(2025) Increase Salaries, Overtime, and Benefits a total of \$178,000 to account for greater than planned staffing costs arising from the new IAFF contract and use of volunteers working part-time hours for administrative tasks.

(2026) Increase overtime by \$57,000 based on the expectation of current staffing and overtime trends to continue. Additional discussion of the Fire Department budget is provided later in this memo.

Building –

(2025) Increase Professional Services by \$75,000 for greater than expected inspection services that are needed for the current level of development activity.

Planning –

(2025) Increase Professional Services by \$90,000 due to greater than expected costs for external consultants for the Comp Plan update because of additional rounds of review by the Dept of Commerce.

(2025) Increase Professional Services – Land Use by \$25,000 to account for increased third party review of current development activity. This increase is offset by a like amount in revenue as all expenses in this line item are billed to the developers.

Non-Expenditures (no department) –

(2025) Recognize actual revenue and expenditures for latecomer's agreements that could not be predicted at the time of the budget was developed. Revenue of \$32,300 and expenditures of \$76,000. The difference between revenue and expense is due to several latecomer agreement receipts (revenue) being received in 2024 but the payments to the developer occurred in early 2025.

Senior Center –

The Senior Center currently receives funding from a federal Community Development Block Grant (CDBG). This grant pays for staff and operational costs for the Senior Center and the lunch program. The CDBG grant is in limbo for 2026 due to ongoing cuts and changes at the federal level that resulted in litigation from Pierce County to the federal government. In the adopted budget, this grant accounts for \$35,000 in funding that has historically been received and was budgeted for 2026 on the expectation that the grant funding would continue. As of now, the City has received no confirmation that the CDBG funding will be available, even partially. The staff feels it is best to remove the revenue funding and continue pursuing other sources of funding. Staff are not recommending any cuts to the Senior Center programming or staff at this time.

Youth Center –

(2025) Recognize additional grant revenue of \$20,000 above original budget projections and the associated expenditures in the categories of salaries/benefits for part time staff and in utility costs for the center.

General Fund Revenue –

For any adjustments listed above that are not directly funded by their own source of external revenue (i.e. grants) or a reduction in other expenditure accounts, the funding source is either increased revenue or a reduction in fund balance. The following revenue increases are recommended based on 2025 actuals-to-date and revised projections for 2026:

Revenue	2025 Budget	2025 YE Estimate	Increase	2026 Budget	2026 YE Estimate	Increase
Sales Tax	\$ 1,560,000	\$ 1,590,000	\$ 30,000	\$ -	\$ -	\$ -
Electric Tax	389,000	401,682	12,682	377,000	410,000	33,000
Water Utility Tax	-	-	-	171,000	184,000	13,000
Natural Gas Tax	-	-	-	135,000	165,000	30,000
Garbage Tax	183,000	195,000	12,000	188,500	198,000	9,500
Business Licenses	-	-	-	74,000	85,000	11,000
Passport Fees	50,000	60,500	10,500	-	-	-
Reimb. Planning Fees	250,000	275,000	25,000	-	-	-
Latecomers Agree. Fees	155,485	187,660	32,175	-	-	-
Yth Violence Prev. Grant	48,500	62,715	14,215	-	-	-
Total	\$ 2,635,985	\$ 2,772,557	\$ 136,572	\$ 945,500	\$ 1,042,000	\$ 96,500

FUND 101 STREET OPERATING

(2025) Increase Repairs & Maintenance by \$45,000 to account for the street striping project that was inadvertently left out of the original budget. Funding for the project will come from savings in other line items (\$20,000) and an increased transfer-in (\$25,000) from Fund 103 Transportation Benefit District (TBD). Sales tax revenue in the TBD fund is coming in over budget in 2025 by roughly \$20,000.

FUND 105 EMS

(2025) Increase Overtime by \$29,500 due to current staffing and overtime trends.

(2026) Increase Overtime by \$49,500 based on the expectation of current staffing and overtime trends to continue. Additional discussion of the EMS Fund budget is later in this memo.

FUND 134 FIRE STATION MAINTENANCE & CAPITAL IMPROVEMENTS

(2025) Add capital expenditure budget of \$10,888 for an emergency heat pump replacement.

FUND 136 VISITOR PROMOTION & DEVELOPMENT

(2026) Increase the budgeted amount for the recommended Lodging Tax Advisory Committee (LTAC) grants by \$17,029. At the time of the budget development in 2024, a placeholder of \$70,000 was included for the 2026

funding cycle for LTAC grants. The LTAC met on October 16 to review nine applications for the 2026 funding cycle and develop their funding recommendations now being presented to the Council for review and final approval in December. The following table outlines the applicants and the Committee's funding recommendations:

Applicant	\$ Amount Requested	\$ Amount Recommended	Project
Buckley Downtown Assoc.	\$ 20,643	\$ 4,000	Downtown events
Chamber of Commerce	18,811	18,811	Purchase of stage & bleachers
Foothills Historical Society	14,643	14,643	Museum operating expenses
Foothills Historical Society	3,000	3,000	Exhibit activity books
Visit Rainier	15,100	15,100	Digital advertising
Enumclaw Expo Center	7,500	5,000	Geofencing/digital advertising
Buckley Logger's Rodeo	25,000	25,000	Additional seating
Pedals for the People	100,000	-	Lighting at future pump track
COB - Veteran's Memorial	1,475	1,475	Memorial wall operating exp.
Total 2026	\$ 206,172	\$ 87,029	

The Committee did not recommend full funding for three applicants based on the following reasons:

- Buckley Downtown Association – The applicant's request included funding for a metal mural project, park kiosk board, porta-potty rental for downtown, a-boards for advertising, storage fees, and an iPad for music. The Committee agreed that the metal mural project needed to be further along in its development to be considered for funding and that the park kiosk board was not coordinated with the City and would not necessarily help bring in tourism based on the location and use stated in the application. The Committee recommended funding for the additional a-boards and the porta potty rental to be used during downtown events.
- Enumclaw Expo Center – The applicant's request was for funding to do geofencing and a social media campaign. The Committee agreed the geofencing was useful from the 2025 funding cycle and funded a second year of that form of "advertising", but felt the social media campaign from this applicant was not the best use of the lodging tax dollars.
- Pedals for the People – The recently approved contract for the construction of the pump track stated that no public funding would be used and the Committee agreed that use of the LTAC funds would be a use of public funds and go against the contract terms.

FUND 307 CAPITAL IMPROVEMENTS

(2025) Recognize a carryover of unspent 2024 budget for the City Hall Remodel project for Professional Services (\$97,000) and construction (\$772,300). These amounts were budgeted in 2024 but were unspent and were included as part of the beginning fund balance in the fund.

FUND 308 COMP PLAN CAPITAL IMPROVEMENTS

(2025) Recognize a carryover of unspent 2024 budget for the Bevlo Street Extension project for Professional Services (\$25,000). This amount was budgeted for in 2024 but was unspent and was included as part of the beginning fund balance in the fund.

FUND 402 WATER/SEWER OPERATING

(2025) Increase Water Quality Testing Professional Services by \$7,000 due to increased testing needs.

(2026) Increase Water Quality Testing Professional Services by \$7,000 due to continued increased testing needs.

(2026) Add budget of \$17,000 for a new project, the AWIA Risk/Resiliency and Emergency Response Update. This plan is required to be reviewed and updated every few years.

FUND 430 EQUIPMENT RESERVE

(2026) Add Capital Equipment budget of \$50,000 for a multi-function mower that will be funded and used by Parks, Streets, Water and Stormwater.

FUND 631 MUNICIPAL COURT

(2025) Increase revenue (\$20,000) and expenditures (\$29,000) to reflect actuals and balance the fund.

(2026) Increase revenue (\$10,000) and expenditures (\$17,000) to reflect expected transactions.

FUND 632 CUSTODIAL ACTIVITIES

(2025) Increase revenue (\$10,500) and expenditures (\$13,000) across the various accounts to reflect actual transactions greater than originally planned.

(2026) Increase revenue (\$11,500) and expenditures (\$13,000) across the various accounts to reflect expected transactions greater than originally planned if 2025 trends continue.

Additional IssuesFire Department Staffing

The Fire Department encompasses the Fire budget in the General Fund and the EMS budget in the EMS fund. As detailed above, both the Fire department in the General Fund and the EMS Fund have significant staffing cost increases for wages and overtime. This has projected to end the biennium with a negative fund balance for the EMS fund and contributed significantly to the reduced fund balance in the General Fund that is below recommended levels. The increased costs are due to two main issues. The first is that volunteers have been working part-time paid hours to fulfill administrative type duties such as the Medical Services Officer (MSO). Many of these administrative duties were previously done by the Assistant Fire Chief and/or volunteers at a much lower number of hours and cost. Duties such as the MSO need some level of fire/EMS knowledge and are not readily able to be done by general administrative staff.

The second cause is overtime for the full-time professional firefighters. The City added 2 additional full-time firefighters in July 2024, bringing the total full-time paid firefighters to three. With three full-time staff, a 24-hour shift schedule was also put into place compared to the 4-10's schedule that existed when there was only one full-time firefighter. In November 2024, the International Association of Firefighters (IAFF) petitioned the City to unionize the three full-time firefighters and the Volunteer Recruitment and Retention Coordinator position. A contract was approved in April 2025 and went into effect May 2025. Language in the contract gave the union members first right of refusal for any shift coverage needed and would be paid at an overtime rate. Prior to the contract, most of the shift coverage of the full-time staff was done with volunteers. With the first right of refusal for shift coverage, most 24-hour shifts are being filled by full-time staff on overtime. The following table shows overtime for January 2024 through October 2025.

	2024	2025
January	40.00	86.00
February	32.50	53.00
March	19.50	50.50
April	34.50	91.00
May	40.00	312.50
June	35.00	260.00
July	13.00	484.50
August	47.50	351.50
September	92.50	271.50
October	11.50	312.50
November	66.00	--
December	47.00	--
Total	479.00	2,273.00

The total overtime figures in the table above include shift coverage as well as incidental overtime for being held over on a call and trainings or meetings outside of regular shift hours. However, most of the overtime hours, specifically since the contract went into effect in May 2025, are related to 24-hour shift coverage. This has created a significant overage in the Fire and EMS budgets. In the General Fund, the overage in Fire is partially absorbed by overall increased revenue and savings in other departments; however, it is the main reason for the projected 2026 ending fund balance in the General Fund to be almost \$127,000 less than originally budgeted. In the EMS fund, the overage cannot be absorbed by other savings. Additionally, the EMS property tax levy is the main source of revenue for the fund and is set by statutory limits.

To address these overages and the ongoing concern of sustainability, both for the Fire budget in the General Fund and especially for the EMS Fund, staff are looking at various options including:

- Reduce overtime costs - Staff are meeting with the IAFF union reps from East Pierce Fire (Buckley is too small to have its own local chapter so the City union members are represented by the East Pierce Fire IAFF Chapter). Discussions are focused on ways to reduce overtime costs.
- Alternate shift schedules - Staff are exploring other shift schedules to see if they provide reduced numbers of hours needing coverage.
- Hire a 4th rover firefighter – The 2025-2026 budget did include funding for a 4th rover-style firefighter. The rover position would not have a set schedule like the other three full-time firefighters and would be used to cover shift vacancies when the other full-time staff are on vacation, sick days, holidays or Kelly days. This position was not hired initially due to revenue concerns and uncertainty of the pending union contract. Once the contract was in place and overtime costs significantly increased, the position was put on hold to see what ongoing impacts the contract would have on the budget. Additionally, the savings from the vacant position was expected to help offset a portion of the overtime expense. Hiring the rover position seems like it would solve the overtime issue since the shift coverages would be done at straight time instead of overtime. However, all overtime would not be eliminated as the rover can only cover 6 shifts in a 21-day period and there are limits on how many shifts in a row can be worked. The salaries and benefit cost for the full-time rover position for 2026 would be \$143,000. Projected overtime expense for 2025 is \$169,000. Assuming that overtime could be cut by as much as 70 percent by hiring the rover position, the total cost of the rover plus the remaining 30 percent overtime in 2026 would be \$193,700.
- Other Fire/EMS service delivery options – There are other options to operating the City's own Fire/EMS department such as merging, annexing or contracting with a local fire district, creating a fire authority with neighboring jurisdictions, or returning to an all-volunteer fire department. Staff are including these options only as discussion points and no action has been taken on these options.
- Short term funding for current biennium overage – The use of reserves from the Cumulative Reserve Fund could be used to fund the deficit in the EMS Fund and/or supplement the General Fund ending fund balance as it is projected to drop below sustainable levels.

While options for sustainable funding and staffing models are explored, staff is looking for Council direction regarding their vision for the future of the Fire/EMS service delivery in the City.

Next Steps

- Council discussion regarding the adjustments and budget issues presented in this memo can continue past the November 17th study session at the regular City Council meeting on Tuesday, November 18th. Additionally, if the Council would like additional time to discuss, another special study session could be scheduled, or discussion could take place at the November 25th regular City Council meeting.

- The required annual property tax levy ordinances are set for adoption on the November 18th Council agenda.
- The ordinance to adopt the Mid-Biennial Update is tentatively scheduled for the December 9th City Council meeting. The Mid-Biennial Update must be adopted prior to year-end.

The Budget Appropriation Adjustment Summary (Exhibit A) attached to this memo totals appropriation changes by fund. The projected ending fund balance for the EMS Fund is in the negative and will have to be addressed and resolved through Council discussions prior to the mid-bi update being adopted in December.

CITY OF BUCKLEY
2025-2026 Mid-Biennial Budget Appropriation Adjustment Summary
Exhibit "A"

FUND	REVENUES AND OTHER SOURCES			EXPENDITURES AND OTHER USES			ENDING FUND
	Current Budget	Adjustment	Revised Budget	Current Budget	Adjustment	Revised Budget	BALANCE
General Funds							
001 General	\$ 16,981,767	\$ 325,372	\$ 17,307,139	\$ 16,395,712	\$ 690,000	\$ 17,085,712	\$ 221,427
002 Contingency	309,210	-	309,210	-	-	-	309,210
003 Cumulative Reserve	5,398,780	-	5,398,780	-	-	-	5,398,780
004 Cemetery Operating	12,217	-	12,217	7,814	-	7,814	4,403
007 Police Equipment Reserve	510,473	-	510,473	466,351	-	466,351	44,122
008 Railroad ROW	76,922	-	76,922	76,922	-	76,922	-
030 Fire Equipment Reserve	441,573	-	441,573	188,951	-	188,951	252,622
035 Park Construction	743,162	-	743,162	701,768	-	701,768	41,394
Subtotal General Funds	24,474,104	325,372	24,799,476	17,837,518	690,000	18,527,518	6,271,958
Special Revenue Funds							
101 Street Operating	847,839	25,000	872,839	820,286	35,000	855,286	17,553
102 Arterial	2,711,351	-	2,711,351	1,581,752	-	1,581,752	1,129,599
103 Transportation Benefit District	586,399	20,000	606,399	541,876	25,000	566,876	39,523
105 EMS	1,850,852	-	1,850,852	1,843,944	79,000	1,922,944	(72,092)
109 Criminal Justice	779,716	-	779,716	631,963	-	631,963	147,753
134 Fire Station Construction & Maint.	232,015	-	232,015	48,265	10,888	59,153	172,862
136 Visitor Promotion	494,766	-	494,766	195,868	17,029	212,897	281,869
Subtotal Special Revenue Funds	7,502,938	45,000	7,547,938	5,663,954	166,917	5,830,871	1,717,067
Debt Service Funds							
202 Fire Station Bonds	634,771	-	634,771	570,040	-	570,040	64,731
Subtotal Debt Service Funds	634,771	-	634,771	570,040	-	570,040	64,731
Capital Improvement Funds							
307 Capital Improvements	3,564,468	-	3,564,468	2,427,120	869,300	3,296,420	268,048
308 Comp Plan Capital Improvements	834,453	-	834,453	635,781	25,000	660,781	173,672
Subtotal Capital Improvement Fund	4,398,921	-	4,398,921	3,062,901	894,300	3,957,201	441,720
Enterprise Funds							
401 Natural Gas Operating	3,563	-	3,563	1,130	-	1,130	2,433
402 Water/Sewer Operating	9,463,637	-	9,463,637	9,075,895	31,000	9,106,895	356,742
403 Solid Waste Operating	6,586	-	6,586	2,900	-	2,900	3,686
405 Sewer Construction	4,112,593	-	4,112,593	2,699,053	-	2,699,053	1,413,540
406 Water Construction	2,645,916	-	2,645,916	1,660,778	-	1,660,778	985,138
407 Stormwater Operating	1,980,534	-	1,980,534	1,972,097	-	1,972,097	8,437
408 Stormwater Construction	5,647,598	-	5,647,598	2,642,197	-	2,642,197	3,005,401
430 Equipment Reserve	1,103,962	-	1,103,962	700,000	50,000	750,000	353,962
Subtotal Enterprise Funds	24,964,389	-	24,964,389	18,754,050	81,000	18,835,050	6,129,339
Fiduciary Funds							
631 Municipal Court Trust	504,362	30,000	534,362	486,000	46,000	532,000	2,362
632 Custodial Activities	258,680	22,000	280,680	253,000	26,000	279,000	1,680
Subtotal Fiduciary Fund	763,042	52,000	815,042	739,000	72,000	811,000	4,042
Trust Fund							
701 Cemetery Improvements	254,580	-	254,580	2,800	-	2,800	251,780
Subtotal Trust Fund	254,580	-	254,580	2,800	-	2,800	251,780
Total Budget	\$ 62,992,745	\$ 422,372	\$ 63,415,117	\$ 46,630,263	\$ 1,904,217	\$ 48,534,480	\$ 14,880,637