

City of Roy

2027 Budget



Adopted by the City of Roy Council,
Ordinance 1030 (2026)

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Mayoral Letter

Fellow Councilmembers and Residents,

The 2027 budget represents more than another fiscal year—it represents a turning point for the City of Roy. It is a budget built not on short-term gains, but on long-term responsibility, accountability, and a vision for a stronger future.

Our first priority is to make things right. During 2027, we will address financial obligations that have remained unresolved from previous years, including the \$32,000 owed to the Street Fund (101) and approximately \$16,000 of unpaid tax obligations from 2025 prior reporting periods. Meeting these various past commitments will require the General Fund to absorb an estimated \$40,000 deficit during 2027. While this is a calculated financial decision, it is one made with confidence because we have built the capacity to do so.

In 2026, the City substantially reduced operating expenditures by more than \$100,000 annually through careful budgeting, improved financial oversight, and renewed accountability. Every dollar saved has strengthened our financial foundation and positioned Roy to responsibly correct past obligations while protecting our future.

As we look toward 2027, our vision becomes even clearer.

One cornerstone of our long-term vision is the modernization of Roy's water system. Reliable public infrastructure is one of the most important responsibilities entrusted to local government, and this budget continues our commitment to investing in the systems that protect public health and support future growth.

Over the next two years, the City will undertake substantial upgrades to its water infrastructure. These projects include the installation of a modern water treatment system, improvements to water distribution and pressure management, replacement of aging infrastructure where necessary, and continued efforts to address long-standing piping concerns throughout the system. These investments are designed to improve water quality, increase reliability, reduce maintenance costs, and ensure the City's infrastructure is prepared to serve both existing residents and future development.

The City will also continue transitioning to modern water metering technology. New automated meters will provide more accurate readings, improve operational efficiency, reduce water loss, and allow staff to identify potential leaks and system issues more quickly. Modernizing our system not only enhances customer service but also strengthens financial accountability by ensuring water usage is measured accurately and billed fairly.

Combined with responsible financial management and strategic planning, these investments position Roy to meet future demand with confidence. The work we undertake today is laying the foundation for a stronger, more sustainable community that will benefit generations to come.

Two additional initiatives will shape the City's future for years to come.

The first is the initiative of the Police Department restructuring. Public safety will always remain one of our highest priorities. However, responsible government requires us to continually evaluate how services can be delivered efficiently while maintaining the level of protection our residents deserve. Working alongside the Chief of Police and considering the experiences of similarly sized communities, we will redesign our policing model to better match the needs of Roy. This restructuring is projected to reduce annual law enforcement expenditures in half, while both preserving the City's ability to respond effectively to public safety needs and having an Officer caring for our residence.

The second opportunity is the anticipated Roy Meadows development. The proposed 79-home subdivision represents more than new housing—it represents new families, expanded opportunities, and a stronger tax base for generations to come. The development is projected to generate approximately substantial City revenue, including a good sum in park impact fees, providing meaningful resources for future community investments.

These revenues, combined with disciplined fiscal management, will strengthen the General Fund and increase annual investment earnings (LGIP).

Our goal is not simply to balance a budget. Our goal is to build a financially resilient City that can continue investing in its people. As our financial position improves, we envision expanding community events, supporting neighborhood celebrations, enhancing parks, pursuing additional grants, improving infrastructure, strengthening public safety, and creating new opportunities that improve the quality of life for every resident.

The path before us is clear. By remaining committed to sound financial management, strategic investment, and thoughtful leadership, we will not only restore our financial stability but build a stronger, safer, and more vibrant City of Roy.

Together, we are laying the foundation for the next generation of success.

Mayor,

Ryan Muller

Elected Officials

<u>Name</u>	<u>Position</u>
Ryan Muller	Mayor
Lisa Keese	Councilmember #1
Yvonne Starks	Councilmember #2
Jim Rotondo	Councilmember #3
Daniel Sheetz	Councilmember #4
William Starks, SR	Councilmember #5

The City of Roy

The town was originally founded in 1884 by James McNaught and Dr. S. A. Warren and was incorporated as a City in 1908. We are governed by a mayor as well as a city council made up of five residents, who are elected every four years.

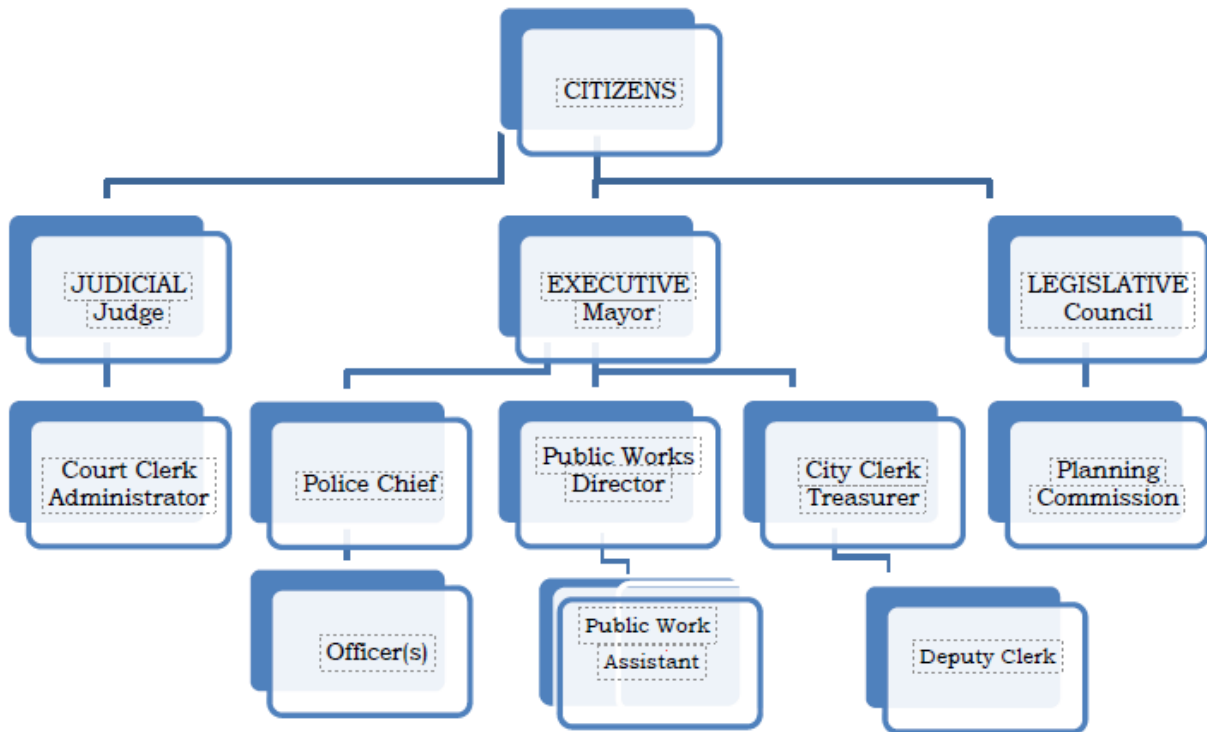
The role of our Elected Officials

In a mayor-council format of government, the principal job of the town council is to make policy. It is the council's responsibility to consider the merits of each idea, no matter the source, staff, citizens, advisory committees, or elsewhere, then approve, modify or reject the proposal. In doing so, council members must analyze community needs, program alternatives and available resources. The decision often takes the form of an ordinance or resolution, although it may take the form of a rule, regulation, motion or order.

The budget is a powerful policy tool that is adopted by ordinance.

The mayor is the Chief Executive of the City and is responsible for implementing policy that has been adopted by the council. The City Treasurer, alongside the mayor develops the preliminary budget to preset the foundation for the councilmembers to build upon.

Staff



<u>Judge</u>	Thomas Ellington
<u>Court Clerk Administrator</u>	Katy Henrickson
<u>Police Chief</u>	Paul Antista
<u>Officer</u>	Drew Pearson
<u>Public Works Director</u>	Ryan Fuller
<u>Public Works Assistant</u>	Paige Robertson
<u>City Treasurer</u>	Caleb Ortega
<u>Deputy Clerk</u>	Kori Taylor

2027 Council Meetings

All council meetings are open to the public with the exception of executive sessions for certain limited topics (as defined in Chapter 42.30 RCW).

Regular Council Meetings- Town council meetings are held at the City Hall located at 216 McNaught St S, on the 2nd Monday of each month. The Study Session begins at 6:30PM, and the Council at 7:00PM. When a council meeting falls on a holiday, the council may determine an alternate day for the meeting or cancel the meeting.

2027 Council Meeting Schedule

January 11 7:00PM
February 8 7:00PM
March 8 7:00PM
April 12 7:00PM
May 10 7:00PM
June 14 7:00PM
July 12 7:00PM
August 9 7:00PM
September 13 7:00PM
October 11 7:00PM
November 15 7:00PM
December 13 7:00PM

Special Meetings- Special meetings may be called by the mayor or by any three members of council in accordance with RCW 42.30.080. The City Treasurer shall prepare a notice of the special meeting stating the time, place, and business to be transacted.



2027 Budget Agenda

September 14, 2026 (Council Meeting)-Budget Analysis-Discussion on preliminary budget.

- Mayor's letter
- Preliminary Budget Review
 - 2027 Employee Salary Allocation
 - Revenue/Expenditure Review
- Treasurer Notes
- Q and A- Council to Mayor (Treasurer)
- Council proposed changes in policy and staffing options

October 12, 2026- Budget Discussion

- Review updates made from previous month's proposed changes
- Second Preliminary Budget Review
- Q and A- Council to Mayor (Treasurer)
- Council proposed changes in policy and staffing options

November 9, 2026- Review- Public Hearing (Attorney needed)

- Review updates made from previous month's proposed changes
- Public hearing on preliminary budget and revenue source
- (If no changes/agreed changes) First read, Budget Ordinance

(If Needed) Executive Session-November 30, 2026-Public Hearing (Attorney needed)

- Review updates made from previous month's proposed changes
- Public hearing on preliminary budget
- (If no changes/agreed changes) First read, Budget Ordinance

December 14, 2026-Public Hearing—Final budget

- Second read, Budget Ordinance

Once the budget is approved, the mayor is authorized to transfer budgeted amounts within a fund. However, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, position titles, salary ranges or other conditions of employment 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 adopted by Council.

Budget Development Process

As required by state law, the City of Roy accounting and budgeting systems are organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities. Collectively, these funds make up the City's annual budget, which serves as both a financial plan and legal spending authority. Additionally, the budget provides the City Council with information to make mindful decisions for policy.

The budget serves three major functions:

1. It is a Policy Document

At the most basic level, the budget is a legal document that gives local government officials the knowledge of revenue and authority to incur expenditures. As a financial binding document, the budget allows Council to attempt to link desired goals with policy. It allocates resources among departments and controls how much each department may spend.

2. It Drives Policy

The proper handling of the budget will create a path for the City's fiscal success and will assist in maintaining an understanding of the various operations and future policy adaptations possible for the City.

3. It is a Link with the General Public

The budget provides a unique opportunity to allow and encourage public review of City operations. The budget describes the activities of the city, the purpose of those activities, future implications, possible drawbacks, and the direct relationship between the Council and the citizens.

The City operates on a calendar-year basis.

Reserves- Financial policies established a strategic reserve, which is defined as an emergency or cash flow reserve to fund one-time, emergency, or unanticipated expenditure requirements or offset unanticipated revenue fluctuations occurring in the fiscal year or one-time revenue losses. All expenditures drawn from the reserves require prior council approval unless previously authorized by the town council for expenditure on the annual budget.

Funds Definition

001 General Fund

The General operating fund provides funding for basic government services. The General Fund comprises of revenues received from a combination of property taxes, sales tax, utility tax, administrative services, state generated revenue and miscellaneous fees derived from charges for services. For the City of Roy, the majority of General funds revenues come from these sources in the form of state remittances. Although there are different funding codes for entities such as Police and Courts, they are all funded by the 001 General funds and therefore will be referred to as one singular fund throughout the Budget.

Examples of what the General Funds are responsible for:

Police	(101 & 102) Streets	Supplies
% of Employee Salary	(303) Parks	Comm. Center
Administrative	Court	Services

Fund 402 – Water Fund

The Water fund is classified as a City revenue and is self-managed through user charges. State law generally requires this fund to be self-supporting. Revenues are primarily based on fees for water usage, late fees and investment interest. Appropriations for expenditures include supplies, professional services, utilities, salaries, benefits, inter-fund transfers, inventory purchases, loan payment and repairs and maintenance.

Funds 301 and 405 – Capital Improvement Funds

The Capital funds are used for the development and implementation of improving the City.

Funding Allocations

Because the General and Water funds are legally and financially distinct, they must remain legally separate. Revenues generated within the Water fund must be used exclusively for water-related purposes and cannot subsidize General Fund activities. Likewise, General fund revenues cannot be freely redirected to support enterprise operations without proper authorization and accounting. This separation ensures transparency, accountability, and compliance with state regulations (RCW 35.37.020, RCW 35.33.121, and RCW 43.09.210). It must be noted that there are RCWs that the City will be implementing in the 2027 budget to legally transfer funds as stipulated in the Ordinances and Resolutions later discussed and attached.

2027 Salary Allocations

In municipal government, employee salaries are distributed across two primary funding sources: the General Fund, and what is defined as revenue, which for the City of Roy is limited to strictly the Water Fund.

Current Salary funding allocation;

<i>POSITION</i>	<i>Salary Allocation</i>
Judge	100% Judicial (General)
Court Clerk Administrator	100% Judicial (General)
Police Chief	100% Law Enf. (General)
Officer	100% Law Enf. (General)
Public Works Director	50% Parks/Street/Cen. Svcs (General) 50% Water
Public Works Assistant	35% Parks/Street/Cen. Svcs (General) 65% Water
City Treasurer	70% Financial (General) 30% Water
Deputy Clerk	40% Financial (General) 60% Water

Reallocating a portion of salary funding from the General Fund to the Water Fund more accurately reflects the actual duties of the position. When an employee's work directly supports water system operations, assigning those costs to the Water Fund ensures expenses are aligned with the services being provided. This improves the accuracy of financial reporting and maintains compliance with fund accounting principles that require the activities to be supported by their own revenues.

In addition, this adjustment provides a practical financial benefit to the City. The General Fund has experienced a deficit over the past several years, and shifting appropriately allocable costs to the Water Fund helps relieve that pressure without reducing service levels. This is an analytical and necessary update to policy, ensuring that expenditures are properly categorized, funds remain compliant, and the City's overall financial position is managed more responsibly.

Proposed 2027 Salary funding allocation;

<i>POSITION</i>	<i>Salary Allocation</i>
Judge	100% Judicial (General)
Court Clerk Administrator	100% Judicial (General)
Police Chief	100% Law Enf. (General)
Officer	95% Law Enf. (General) 5% Judicial (General)
Public Works Director	30% Parks/Street Svcs (General) 70% Water
Public Works Assistant	30% Parks/Street Svcs (General) 70% Water
City Treasurer	50% Financial/Cen. Ser. (General) 50% Water
Deputy Clerk	40% Financial/Cen. Ser (General) 60% Water

**Colored tabs denote changes.

2027 Salary Allocations

It is vital that the City remain competitive with other municipalities regarding salary. If not, the sheer nature of business dictates there will be a trend of high turnover rates along with unqualified applicants which will cripple the City. The salary increase seeks to encourage longevity with Staff or find qualified applicants to best care of our residents.

Current Salary by Steps

POSITION	STEP 1	STEP 2	STEP 3	STEP 4
Judge	\$548.50 (Mthly)	X	X	X
Court Clerk Admin.	\$23.60	\$24.71	\$25.99	\$27.34
Police Chief	\$51.77	\$53.07	\$54.39	\$55.75
Officer	\$39.88	\$40.87	\$41.90	\$42.94
Public Works Dtr	\$31.25	\$32.86	\$34.50	\$36.23
Public Works Ast	\$23.69	\$24.91	\$26.15	\$27.50
City Treasurer	\$39.54	\$40.56	\$41.60	\$42.72
Deputy Clerk	\$22.92	\$23.49	\$24.08	\$24.68

Proposed 2027 Salary by Steps

POSITION	STEP 1	STEP 2	STEP 3	STEP 4
Judge	\$548.50 (Mthly)	X	X	X
Court Clerk Admin.	\$27.47	\$28.29	\$29.14	\$30.02
Police Chief	\$53.32	\$54.92	\$56.57	\$58.26
Officer	\$41.08	\$42.31	\$43.58	\$44.89
Public Works Dtr	\$33.76	\$34.69	\$35.64	\$36.62
Public Works Asst	\$25.60	\$26.30	\$27.02	\$27.76
City Treasurer	\$40.73	\$41.95	\$43.21	\$44.51
Deputy Clerk	\$24.80	\$25.54	\$26.31	\$27.10

** Each position receives a minimum of 3% increase annually Step 1-4 and 2.75% onward.

To meet Washington's average salary, the following changes were made;

Court Clerk: Salary increase at Step 1, then 3% increase per Step.

Public Works Asst: Salary increase at Step 1, then 3% increase per Step.

Deputy Clerk: Salary increase at Step 1, then 3% increase per Step.

2027 Salary Allocations

The change to the 2027 proposed salary allocations would be a major shift from previous years. There are two major reasons for this; firstly, it is a better reflection on the daily work. According to Washington State Auditor's Office, there should be an annual review on salary allocations. The City Staff conducted a 60-day evaluation (May-June) and the 2027 allocations better reflect the City staff work load. Secondly, the term Central Service, which appears in the General Fund 001, is for those employees who handle Human Resources and/or tax related issues pertaining to the City. In all aspects, this implies the City Treasurer and Deputy Clerk. In previous years, the Public Works was receiving part of their salary in this allocation, while the Administrative staff was not. This was an administrative procedural or understanding error.

The updated shift in salary percentage will allot an estimated **\$7,847.32** from General to Water funds. This is a permanent solution and better informs the citizens of the City's focus—water.

In addition to the shift in the salary allocation, the Police have restructured their schedule to both continue to serve the community, and allow for saved General fund revenue. While keeping public safety a top priority, and without reducing the number of Officers, both Officers will maintain at a full-time schedule while adjusting specifics pertaining to said schedule. While being open with the dynamics surrounding the schedule, it is most important to keep a level of vaguity for public and Officers safety. As a result, the alteration will allow for an estimated **\$24,063.20** in General funds to be obligated elsewhere.

Another actionable method that must be continued from its implementation mid-2026 was to better manage the work-week schedule according to the Personnel Policy Manual. The manual states, "*Overtime will be defined as all hours worked over forty in a workweek*" and "*Overtime work must always be pre-approved before it is performed by the Mayor.*" Following this already mandated procedure and carefully deciding when and where to manage overtime best cares for the staff and regulates salary expenditures that may be better utilized elsewhere. The estimated savings from \$20,510.28 in 2025 to 2026 end-of-year estimated expenditure of \$2,282.36 will be **\$18,227.92**.

The Administrative, Court, and Public Works salary increase equals a sum of \$14,054.96 in added allocations to the City. After taking into account the Police schedule shift which will decrease in their allocation of \$12,575.84 for their department, the 2027 entire salary increase will be an additional **\$1,479.12** in additional estimated expenditures. This raise will place the City employees in a far more competitive salary range with other city counterparts.

**Please review Exhibit B (2026/2027 Salary Analysis/Schedule Data)*

***The salary allocation is to be conducted annually per Washington State's Auditor's Office*

****All data is estimated based on recent information, but cannot account for all variables.*

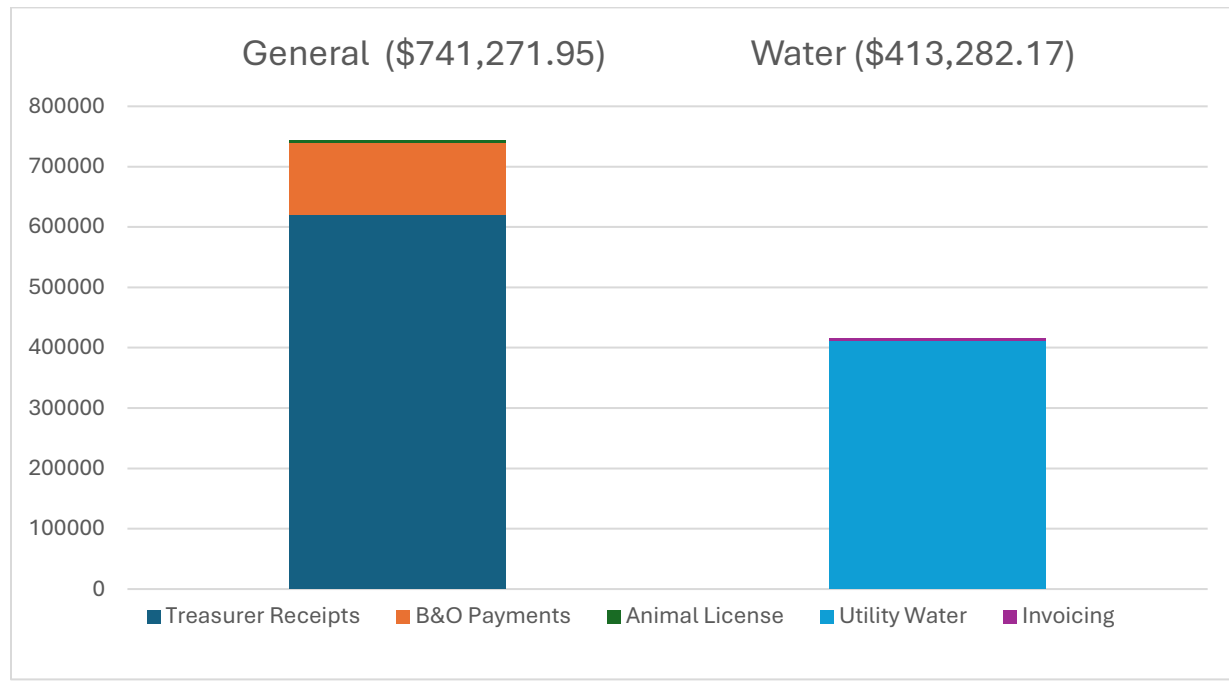
Revenue/Expenditures Review

2025 Revenue Review

The 2025 revenue performance will serve as the primary driver for developing the 2027 budget. Actual revenues collected during this time provide the most reliable baseline for forecasting available resources, allowing the City Council to align expenditures, such as staffing, operations, and capital with realistic funding levels rather than projections alone. Within the actual budget tables, each fund operates independently, with its own revenue sources, legal restrictions, and intended uses unless it receives an interfund transfer from the General Funding. Again, General Fund 001 can be used to assist other funds, including Water Operations and Capital funds, but the Water cannot simply be used to fund General funding expenditures.

The figure below is a 2025 revenue table;

We can expect little change outside of a typical 8-12% cost rise regarding overall funding revenue for 2027.



The total General revenue for 2025 was \$1,154,554.12. (\$741,271.95 General/ \$413,282.17 Water) based on Springbrook during the 2026 reconciliation (Jan 24-current).*

Revenue/Expenditures Review

The Expenditures Review;

The 2025 and 2026 (to June 2026) expenditures provided a critical baseline for shaping this year's budget, offering clear insight into where funds were necessary, where spending trends increased, and where efficiencies may be gained. By analyzing actual costs versus budgeted costs, the City is better positioned to forecast realistic expenses, anticipate recurring obligations, and avoid unexpected shortfalls.

Reducing General Fund overspending and ensuring accurate record keeping is the primary focus. They are essential to maintaining the City's financial stability, particularly given the limited flexibility within core services. This reality reinforces the importance of disciplined budgeting across all departments, where even small efficiencies and careful monitoring of expenditures can collectively support the City's broader goal of fiscal sustainability.

General Fund Review

The General fund operated in a deficit in 2025. There are several main factors as to the 'why' that must be noted:

A) **Skilling-** The total billing for 2025 was \$239,505.62. Of the given total, \$91,040.41 was not reimbursable through grants. The remaining \$148,465.21 was reimbursable but was not received by the City until mid-2026, which in turn misrepresented the actual debt. The City will continue to decrease in funds if it continues to rely on its own funding over fully reimbursable grants as it did in previous years. Another issue was, with improper financial discipline or continued staff turnover within the Treasury office, those funds may never have been recovered.

B) **TIB/Chip-** The total billing for 2025 was \$354,451.33. Of the given total, \$115,785.34 was not reimbursable through grants. The remaining \$238,665.99 was reimbursed and given to the City within the 2025 fiscal reporting year. The funds decreased came from the General fund rather than the Capital fund. This accounting error cost the City.

C) **Kenyon Dessend-** The City overspent on City attorney fees by 350%. The 2025 budget for legal was \$20,000, but as a City spent \$89,961.47. The \$69,961.30 overspent was clear fiscal mismanagement of budgetary and fiscal responsibility. The \$89,961.47 is nearly 10% of the City's entire General fund revenue. It should be noted that the City overspent in the second half 2024 as well, recording \$41,905.81 in on city attorney fees. With limited General funds, the City must use its resources such as AWC and other municipals to keep costs within budget.

D) **Park Grant Error-** Due to a City error in Grant understanding and procedures, \$29,670.24 was spent on the Roy City park that was deemed by the Department of Commerce to be non-reimbursable. This came in the form of building a fence along the playground and cutting down a tree that was not permitted by the grant. The Administration must understand that an

approved grant is only truly approved upon signing the contract, which in turn clearly sets the parameters of the fund usage. Roy department heads must become Grant Subject Matter Experts for their responsibilities.

E) **AWC Insurance-** The annual insurance rose from 2022's \$62,432.00 to \$110,769.00 in 2026 due mainly from a single incident, along with basic rising costs. The incident will continue to keep costs at a heightened rate for a 10-year scale (the City has six remaining years). With the temporary hiring of a volunteer third officer, and L & I issues, along with continued basic rate increases, the City may not see any substantial decrease in 2027, if ever again. The MRSC insurance costs are published typically in October. See Exhibit C for the current breakdown of the City's Insurance costs. Although the whole point of insurance is for unforeseen incidents to be covered, and that is a good thing, the City must do better in making choices based on how the insurance will be affected. This relates to everything from staffing, volunteers, to city improvements.

With the understanding that it takes 18 months for many changes to reflect on insurance, and six years for the incident to be 'removed', along with general rising costs, especially regarding policing, the City may have to understand we will more than likely never have annual payments at \$62,000 again. The \$100,000 range is more probable.

General fund Summary

The City's goal should always be to have at least an equal projected revenue-to-expenditure ratio for each of the two major fundings, if not to gain a percent of revenue for the year so that City can place those 'additional' funds for Capital Improvement moving forward. It is vital that the City Council and staff are mindful of ensuring that the 2027 budget approved is followed through. This will come in the form of monthly financial snapshots and check registry, and quarterly financial updates at the council meetings. This is the responsibility of the Mayor and City Treasurer to share such information, and the Council to hold them accountable.

Our City's General fund is inherently limited in its capacity, with the majority of our revenue derived from state remittances, along with a smaller percentage coming from locally generated sources such as Business and Occupation (B&O) tax payments. This structure creates a dependency on external funding streams that are subject to broader economic conditions and legislative decisions, reducing the City's flexibility and predictability in revenue planning.

As a result, it is critical that the City remains disciplined and intentional with General fund expenditures. The 2027 budget will illustrate that General Fund reserves are currently at a lower level than years past, leaving little margin for continued overspending. Maintaining the previous years' *status quo* is not sustainable. Moving forward, the City must prioritize fiscal responsibility, align spending with realistic revenue expectations, and take proactive steps to stabilize and rebuild general fund savings to ensure long-term financial health.

Water Fund Review

With a 2026 year's funding for Water Maintenance expenditures having gained revenue, having nearly \$1M in Water Capital, along with an estimated \$3.3M in grants to build the incoming water infrastructure, it is clear that the Water fund is in a good position. It is best to look at the water revenue as tool moving forward. Along with utilizing the Water fund to better assist with salary as previously discussed, the following are additional resolutions and ordinances to best tend to the community's needs in a way that does not impact their billing.

Funding Implimentations (Ordinance and Resolutions)

In an effort to continue to utilize the Water Fund for the City's benefit and create a 'self-sufficient City', the 12% tax already emplaced will be implemented on the Water Fund by the City of Roy. This taxation is not to the citizens and will not affect their billing. The residents of Roy current rates and taxes will remain the same for 2027. This taxation is strictly for the incoming Water revenue itself and will be used to assist specific functions within the General Fund, (ie. employee salaries, systems and services). The 12%, or nearly \$44,400, will be publicized to the residents on an early 2027 billing invoice as RCW 35.92.460 states, "*Any city or town that operates its own water, sewer or wastewater, or stormwater utility and imposes a fee or tax on the gross revenue of such a utility shall disclose the fee or tax rate to its utility customers.*" An Ordinance with additional documentation is attached. (See Exhibit D).

According to RCW 35.37.020, cities with under 20,000 in population shall utilize their fiscal year-end's utility surplus as General funds. As it reads, "*Any surplus in the waterworks fund, lighting fund, cemetery fund, or other like funds at the end of the fiscal year shall be paid into the current expense fund except such part as the council by a finding entered into the record of the proceedings may conclude to be necessary for the purpose of:*

- (1) Extending or repairing the particular utility or institution;*
- (2) Paying interest or principal of any indebtedness incurred in the construction or purchase of the particular utility or institution; or*
- (3) Creating or adding to a sinking fund for the payment of any indebtedness incurred in the construction or purchase of the particular utility or institution."*

This authorized transfer will create an immediate and powerful assistance to the General fund revenue in the nature of \$30,000. A resolution with additional documentation is attached. (See Exhibit F).

Until 2024, the City has been generally successfully in managing the interest-gaining revenue in the City's LGIP. In 2026, with nearly \$2.1M in LGIP funds, which come from a conglomeration of various funds, the City is projected to earn over \$76,000 in accrued interest and may be projected to gain over \$85,000 next year. This 'un-forecasted' revenue can be declared General fund under RCW 35.39.034 which states, "*All income derived from such investment shall be apportioned and used for the benefit of the various participating funds or for the benefit of the general or current expense fund as the governing body of the city of [or] town shall determine by*

ordinance or resolution.” Although the goal is to keep the interest earned in the LGIP to continue to grow at a higher percent, a portion may be drawn and utilized for General fund’s needs, Capital Improvements, or grant payments if deemed necessary by Council. Any withdrawals from LGIP to Checking will be first approved by Council within a resolution. If the withdraw is for a reimbursable grant, the funds will be returned to the LGIP unless dictated by Council within the resolution. A *Determination of 2027 LGIP Interest available for Transfer* documentation is attached. (See Exhibit G).





The 2027 Budget

2027 General Funds Budget Overview

Description	2025 (Actual)	2026 Year-End Est.	2027 Proposed
Beginning Fund Balance	\$ 250,813.07	\$ 15,896.15	\$ 373,682.78
001 General Fund			
310 Taxes	\$ 598,655.04	\$ 690,711.64	\$ 667,530.00
320 Licenses & Permits	\$ 25,771.34	\$ 20,836.67	\$ 21,300.00
330 State Generated	\$ 167,717.11	\$ 608,040.05	\$ 2,720,870.42
340 Charges For Services	\$ 9,491.77	\$ 188.53	\$ 150.00
350 Fines & Forfeitures	\$ 32,224.14	\$ 46,115.49	\$ 27,760.00
360 Misc Revenues	\$ 119,473.29	\$ 84,012.25	\$ 102,320.00
Revenues	\$ 953,332.69	\$ 1,449,904.63	\$ 3,539,930.42
Total Revenue	\$ 1,204,145.76	\$ 1,465,800.79	\$ 3,913,613.20
Expenditures			
Legislative	\$ 4,316.38	\$ 3,452.10	\$ 4,755.00
Judicial	\$ 73,673.52	\$ 77,891.32	\$ 82,460.00
Executive	\$ 15,410.43	\$ 15,435.14	\$ 14,520.00
Administration	\$ 253,926.15	\$ 132,160.64	\$ 143,050.00
Legal Services	\$ 7,870.01	\$ 7,836.82	\$ 22,800.00
Central Services	\$ 124,379.59	\$ 105,222.52	\$ 85,200.00
Law Enforcement	\$ 368,093.27	\$ 344,408.98	\$ 386,495.00
Protective Services	\$ 3,022.32	\$ 900.00	\$ 4,580.00
Nature & Eco. Env.	\$ 161,092.29	\$ 52,324.87	\$ 24,540.00
Cultural & Recreation	\$ 9,372.05	\$ 25,347.30	\$ 42,610.00
Other Decreases In Fund Rev.	\$ 167,093.60	\$ 327,138.32	\$ 2,769,300.00
Expenditures	\$ 1,188,249.61	\$ 1,092,118.01	\$ 3,580,310.00
Ending Fund Balance Balance	\$ 15,896.15	\$ 373,682.78	\$ 333,303.20
		Change in funds	\$ (40,379.58)
632 Fiduciary Funds*		\$ -	\$ -
635 Treasurer's Suspense Funds			
*Funds are transmittal; already accounted with G.F.			
002 Donations	\$ 4.55	\$ 4.55	\$ 4.55
501 Equipment Replacement	\$ 8,990.72	\$ 8,990.72	\$ 3,990.72
101 City Streets	\$ 1,586.12	\$ (33,690.15)	\$ 144.85
102 Transportation Benefits	\$ 142,576.37	\$ 146,684.91	\$ 147,984.91
301 Captial Improvement	\$ 61,567.65	\$ 61,567.65	\$ 61,567.65
303 Park Impact Fee	\$ 7,071.37	\$ 7,071.37	\$ 7,071.37
305 Reet I	\$ 185,428.45	\$ 198,639.91	\$ 209,639.91
306 Reet II	\$ 200,553.04	\$ 211,553.04	\$ 222,553.04
**105 Covid LFR	\$ 152,869.44		

2027 General Funds

001 General Fund Revenue

310 Taxes

Account	Title	2025 (Actual)	2026 Year-End Est.	2027 Proposed	PRIOR BUDGET
Beg. Bal					
308 91 00 01	Beginning Balance - Unreserved	\$ 250,813.07	\$ 15,896.15	\$ 373,682.78	\$ 298,778.00
Revenues					
	Taxes				
311 10 00 00	Property Tax	\$ 106,480.87	\$ 106,622.70	\$ 107,200.00	\$ 107,200.00
311 10 30 00	Real & Personal Property Tax	\$ 1,430.31	\$ -	\$ -	\$ 900.00
313 11 00 00	Sales & Use Tax	\$ 284,323.24	\$ 297,859.20	\$ 290,900.00	\$ 257,300.00
313 15 00 00	Public Safety Sales Tax	\$ 26,480.00	\$ 28,126.80	\$ 28,000.00	\$ 23,400.00
313 17 00 00	Park Sales & Use Tax	\$ 3,387.85	\$ 10,004.71	\$ 10,000.00	\$ 10,700.00
313 71 00 01	Criminal Justice Sales & Use Tax	\$ 18,227.81	\$ 20,371.92	\$ 19,000.00	\$ 19,300.00
316 10 00 00	B & O Tax (Miscellaneous)	\$ 21,746.65	\$ 42,651.60	\$ 42,700.00	\$ 106,300.00
316 40 00 00	Tax On Water Sales	\$ 41,307.50	\$ 75,533.24	\$ 58,830.00	\$ 39,500.00
316 41 00 00	B & O Tax (Electric)	\$ 65,381.35	\$ 70,086.32	\$ 70,100.00	\$ 13,300.00
316 45 00 00	B & O Tax (Garbage)	\$ 4,368.21	\$ 7,215.92	\$ 7,300.00	\$ -
316 46 00 00	B & O Tax (Cable Television)	\$ 3,676.79	\$ 8,167.52	\$ 8,200.00	\$ -
316 47 00 00	B & O Tax (Telephone/Cable)	\$ 20,439.85	\$ 22,714.64	\$ 22,800.00	\$ 300.00
316 81 00 00	Gambling Tax Pull Tabs	\$ 1,404.61	\$ 1,357.07	\$ 2,500.00	\$ 3,800.00
	Total Taxes	\$ 598,655.04	\$ 690,711.64	\$ 667,530.00	\$ 582,000.00

320 Licenses & Permits

Account	Title	2025 (Actual)	2026 Year-End Est.	2027 Proposed	Prior Budget
	License & Permits				
321 30 00 00	Fireworks Seller Permits	\$ -	\$ -	\$ -	\$ 100
321 70 00 00	Dance & Cabaret Licenses	\$ -	\$ -	\$ -	\$ 300
321 91 00 00	Franchise Cable TV	\$ 4,010.31	\$ -	\$ -	\$ -
321 99 00 00	Business Licenses	\$ 12,313.75	\$ 10,040.00	\$ 10,600.00	\$ 10,600.00
322 10 00 00	Building Permits	\$ 8,154.60	\$ 10,105.67	\$ 10,000.00	\$ 15,500.00
322 30 00 00	Animal Licenses	\$ 1,277.68	\$ 691.00	\$ 700.00	\$ 500.00
322 40 00 00	Street And Curb Permits	\$ -	\$ -	\$ -	\$ -
322 90 00 00	Garage Sale Permit	\$ 15.00	\$ -	\$ -	\$ -
	Total License & Permits	\$25,771.34	\$20,836.67	\$21,300.00	\$27,000.00

CITY OF ROY- 2027 BUDGET

330 State Generated

Account	Title	2025 (Actual)	2026 Year-End Est.	2027 Proposed	Prior Budget
	State Generated				
334 00 30 00	State Direct/Indirect Grant from	\$ -	\$ -	\$ -	\$ -
334 03 50 00	State Grant -Traffic Safety Comm	\$ 1,243.15	\$ -	\$ -	\$ -
334 03 60 00	State Direct/Indirect Grant from	\$ 147,987.07	\$ -	\$ -	\$ -
334 04 20 00	STATE GRANT - DEPT. OF COMME	\$ -	\$ 582,073.94	\$ 2,700,000.00	\$ -
334 06 90 00	WA Assoc. Of Sheriffs And PD Use	\$ -	\$ 1,870.42	\$ 1,870.42	\$ -
336 00 98 00	City Assistance	\$ 5,299.36	\$ 5,384.98	\$ 5,200.00	\$ 2,900.00
336 06 21 01	CJ-Population & Violent Crime	\$ 1,000.00	\$ 1,215.09	\$ 1,000.00	\$ 1,000.00
336 06 26 01	CJ -Special Programs	\$ 500.00	\$ 886.14	\$ 1,000.00	\$ 1,100.00
336 06 51 00	DUI-Cities	\$ 80.28	\$ 95.00	\$ 100.00	\$ 100.00
336 06 94 00	Liquor Excise Tax	\$ 5,531.17	\$ 5,191.68	\$ 5,500.00	\$ 5,500.00
336 06 95 00	Liquor Board Profits-.7977 Gener	\$ 6,076.08	\$ 6,042.80	\$ 6,200.00	\$ 6,200.00
337 00 00 00	Local Grants, Entitlements And O	\$ -	\$ 5,280.00	\$ -	\$ -
	Total State Shared Revenue	\$ 167,717.11	\$ 608,040.05	\$ 2,720,870.42	\$ 16,800.00

340 Charges for Service

Account	Title	2025 (Actual)	2026 Year-End Est.	2027 Proposed	Prior Budget
	Charges For Service				
341 33 00 00	Court Admin Fees/IT Time Pay Fe	\$ 4,470.95	\$ 122.02	\$ 130.00	\$ -
341 81 00 00	Printing & Copying	\$ 20.85	\$ 22.30	\$ 20.00	\$ 20.00
342 30 00 00	Detention Services	\$ -	\$ 44.21	\$ -	\$ -
342 40 00 00	Fire Inspection Fees	\$ -	\$ -	\$ -	\$ -
342 50 00 00	DUI Emergency Response	\$ 357.59	\$ -	\$ -	\$ -
345 83 00 00	Plan Checking	\$ 4,642.38	\$ -	\$ -	\$ 3,900.00
	Total Charges For Service	\$ 9,491.77	\$ 188.53	\$ 150.00	\$ 3,920.00

350 Fines and Forfeitures

Account	Title	2025 (Actual)	2026 Year-End Est.	2027 Proposed	Prior Budget
	Fines & Forfeitures				
352 30 00 00	Mandatory Administrative Costs	\$ 49.56	\$ -	\$ -	\$ -
353 10 00 00	Traffic Infractions	\$ 31,709.18	\$ 30,101.42	\$ 23,500.00	\$ -
355 80 00 00	Criminal Traffic Misdemeanors	\$ 240.40	\$ 755.33	\$ 660.00	\$ -
357 37 00 00	Municipal Court Receipts	\$ -	\$ 15,228.74	\$ 3,500.00	\$ 11,900.00
359 90 00 00	Non-Court Fines, Penalties	\$ 225.00	\$ 30.00	\$ 100.00	\$ 100.00
	Total Fines & Forfeitures	\$ 32,224.14	\$ 46,115.49	\$ 27,760.00	\$ 12,000.00

CITY OF ROY- 2027 BUDGET

360 MISC

Account	Title	2025 (Actual)	2026 Year-End Est.	2027 Proposed	Prior Budget
	Misc Revenue				
361 11 00 01	Investment Interest	\$ 91,141.83	\$ 76,608.02	\$ 98,000.00	
361 40 00 00	Interest	\$ 764.81	\$ 417.12	\$ -	\$ 800.00
361 40 01 00	Dist/Mun Court Interest	\$ 58.82	\$ 65.82	\$ -	\$ 100.00
362 00 04 00	Community Center/Park Rental	\$ 535.00	\$ 2,596.52	\$ 600.00	\$ 600.00
362 00 05 00	Space Lease	\$ 21,129.35	\$ 1,920.85	\$ 1,930.00	\$ 24,300.00
367.00.00.01	Misc Donations	\$ 753.00	\$ -	\$ -	\$ -
367 11 00 00	Contributions	\$ 3,250.00	\$ 300.00	\$ -	\$ -
369 10 00 00	Sale Of Surplus	\$ -	\$ 300.00	\$ -	\$ -
369 91 00 00	Court NSF	\$ 95.77	\$ 60.00	\$ -	\$ -
369 91 00 01	Misc Immaterial Cash In	\$ 1,744.71	\$ 1,743.92	\$ 1,790.00	\$ 3,200.00
	Total Misc Revenue	\$ 119,473.29	\$ 84,012.25	\$ 102,320.00	\$ 29,000.00

Revenue & Total General fund Revenue

	Revenue	\$ 953,332.69	\$ 1,449,904.63	\$ 3,539,930.42
	Grand Total General Fund Resou	\$ 1,204,145.76	\$ 1,465,800.79	\$ 3,913,613.20

The Revenue is the total of the 001 revenues combined, whereas the Grand Total General Fund Resource adds both the Beginning Balance with the total revenue. This is our total General funds available for allocation. Although there will be years when the expenditures will create a single-year deficit, this cannot be sustained long term.

The City must seek to ensure a balance, or revenue is gained to ensure success.

CITY OF ROY- 2027 BUDGET

001 General fund (Expenses)

511 Legislative/512 Judicial/ 513 Executive

Account	Title	2025 (Actual)	2026 Year-End Est.	2027 Proposed	Prior Budget
Legislative					
511 30 44 00	Official Publication Svcs	\$ 1,765.38	\$ 2,135.00	\$ 2,200.00	\$ 500.00
511 60 10 00	Salaries/Wages	\$ 2,375.00	\$ 1,275.00	\$ 2,375.00	\$ 7,200.00
511 60 20 00	F.I.C.A.	\$ 176.00	\$ 42.10	\$ 180.00	\$ 551.00
	Total Legislative Expenditures	\$ 4,316.38	\$ 3,452.10	\$ 4,755.00	\$ 8,251.00
Judicial					
512 50 10 00	Judicial Salaries	\$ 44,850.69	\$ 45,370.52	\$ 48,750.00	\$ 44,429.00
512 50 20 00	Judicial Benefits	\$ 12,765.11	\$ 13,523.10	\$ 15,000.00	\$ 16,174.00
512 50 20 01	Judicial FICA	\$ 3,260.44	\$ 3,163.72	\$ 3,400.00	\$ 3,399.00
512 50 20 02	Judicial L&I	\$ 477.60	\$ 802.02	\$ 810.00	\$ 452.00
512 50 20 03	Judicial Retirement	\$ 1,580.82	\$ 1,624.80	\$ 1,700.00	\$ 2,849.00
512 50 31 00	Judicial Supplies	\$ 229.94	\$ 241.43	\$ 250.00	\$ 500.00
512 50 35 00	Judicial Small Equipment	\$ -	\$ 655.91	\$ 500.00	\$ 800.00
512 50 40 00	Judicial Services-AV Recording	\$ 1,623.00	\$ 1,623.00	\$ 1,700.00	\$ 1,800.00
512 51 41 00	Judicial - Professional Services	\$ 1,597.13	\$ 1,660.15	\$ 1,750.00	\$ 500.00
512 51 42 00	Judicial Postage/Phone	\$ 887.37	\$ 1,605.09	\$ 500.00	\$ 1,000.00
512 51 46 00	Judicial Insurance	\$ 5,721.42	\$ 6,861.58	\$ 6,500.00	\$ 5,800.00
512 50 49 00	Judicial Memberships, Training	\$ 680.00	\$ 760.00	\$ 1,600.00	\$ 1,600.00
	Total Judicial Expenditures	\$ 73,673.52	\$ 77,891.32	\$ 82,460.00	\$ 79,303.00
Executive					
513 10 10 00	Mayor Salary	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00
513 10 20 01	Mayor F.I.C.A	\$ 918.00	\$ 379.00	\$ 920.00	\$ -
513 10 31 00	City Office Supplies	\$ 181.74	\$ 390.19	\$ 100.00	\$ 300.00
513 10 43 00	Mayor - Travel	\$ -	\$ -	\$ -	\$ -
513 10 49 00	City Memberships, Training	\$ 2,310.69	\$ 2,665.95	\$ 1,500.00	\$ 2,000.00
	Total Executive Expenditures	\$ 15,410.43	\$ 15,435.14	\$ 14,520.00	\$ 14,300.00

CITY OF ROY- 2027 BUDGET

514 Administration

Account	Title	2025 (Actual)	2026 Year-End Est.	2027 Proposed	Prior Budget
Administration					
514 20 30 00	Financial & Record Services- Grant	\$ -	\$ 19.90	\$ -	\$ -
514 20 40 00	Finance Taxes & Fees Assessed	\$ 18.11	\$ 93.12	\$ 100.00	\$ 100.00
514 20 41 00	Budget & Financial Professional S	\$ -	\$ 5,073.77	\$ 1,600.00	\$ 1,000.00
514 23 10 00	Financial/Admin. Salaries	\$ 81,343.62	\$ 75,862.70	\$ 50,350.00	\$ 77,114.00
514 23 20 00	Financial/Admin. Benefits	\$ 9,345.30	\$ 10,766.24	\$ 9,500.00	\$ 13,849.00
514 23 20 01	Finance F.I.C.A.	\$ 6,311.90	\$ 6,544.28	\$ 6,000.00	\$ 10,030.00
514 23 20 02	Finance L&I	\$ 1,187.04	\$ 1,676.57	\$ 1,600.00	\$ 452.00
514 23 20 03	Finance Retirement	\$ 4,099.29	\$ 4,255.82	\$ 4,000.00	\$ 11,943.00
514 23 31 00	Financial/Admin Supplies	\$ 964.57	\$ 1,439.37	\$ 1,000.00	\$ 900.00
514 23 35 00	Financial/Admin Sm Equipment	\$ 89.17	\$ -	\$ 100.00	\$ 100.00
514 23 40 51	State Audit	\$ 20,894.36	\$ -	\$ 12,600.00	\$ 12,600.00
514 23 41 00	Contract Services (BIAS)	\$ 36,619.80	\$ 6,001.00	\$ 30,000.00	\$ 7,500.00
514 23 42 00	Financial/Admin Postage	\$ 698.47	\$ 1,914.40	\$ 3,000.00	\$ 700.00
514 23 43 00	Financial & Record Services - Trav	\$ 402.32	\$ 549.43	\$ 750.00	\$ 1,000.00
514 23 48 00	Financial/Admin - Repairs/Maint	\$ 57.73	\$ 25.00	\$ 50.00	\$ 100.00
514 23 49 00	Financial/Admin-Fees, Training,	\$ 451.60	\$ 46.49	\$ 300.00	\$ 1,500.00
514 40 40 51	Election Costs-Legislative	\$ 1,499.51	\$ 7,996.57	\$ 2,200.00	\$ 2,200.00
515 41 40 00	City Attorney	\$ 89,961.47	\$ 10,009.00	\$ 20,000.00	\$ 20,000.00
	Total Finance Expenditures	\$ 253,926.15	\$ 132,160.64	\$ 143,050.00	\$ 161,088.00

514 Legal

Account	Title	2025 (Actual)	2026 Year-End Est.	2027 Proposed	Prior Budget
Legal Services					
515 41 41 00	Prosecutor	\$ 3,500.00	\$ 7,800.00	\$ 7,800.00	\$ 3,300.00
515 41 49 00	Legal - Miscellaneous	\$ 4,341.50	\$ -	\$ 10,000.00	\$ 5,000.00
515 91 41 00	Court Appointed Attorney	\$ -	\$ -	\$ 5,000.00	\$ 5,000.00
515 91 49 00	Interpreter	\$ 28.51	\$ 36.82	\$ -	\$ 100.00
	Total Legal Services	\$ 7,870.01	\$ 7,836.82	\$ 22,800.00	\$ 13,400.00

CITY OF ROY- 2027 BUDGET

518 Central Services

Account	Title	2025 (Actual)	2026 Year-End Est.	2027 Proposed	Prior Budget
Central Services					
518 30 10 00	Central Svcs Salaries	\$ 39,769.50	\$ 33,163.38	\$ 14,000.00	\$ 34,422.00
518 30 20 00	Central Svcs Benefits	\$ 2,586.26	\$ 8,658.84	\$ 2,500.00	\$ 11,486.00
518 30 20 01	Central Svcs F.I.C.A.	\$ 2,625.37	\$ 2,414.70	\$ 450.00	\$ -
518 30 20 02	Central Svcs L&I	\$ 1,454.05	\$ 2,632.01	\$ 650.00	\$ -
518 30 20 03	Central Svcs Retirement	\$ 1,743.26	\$ 1,760.48	\$ 300.00	\$ -
518 30 31 00	Central Svcs Maint/Janitorial Sup	\$ -	\$ 268.22	\$ 300.00	\$ -
518 30 32 00	Central Svcs - Fuel Consumed	\$ -	\$ -	\$ -	\$ 300.00
518 30 35 00	Central Svcs Small Equip	\$ 575.55	\$ 1,259.06	\$ 600.00	\$ 600.00
518 30 38 00	Central Svcs-Repair/Maint Parts	\$ -	\$ -	\$ -	\$ 1,000.00
518 30 42 00	Central Svcs Comm/Security	\$ 14,042.33	\$ 11,556.82	\$ 12,500.00	\$ 7,600.00
518 30 45 00	Central Svcs Copier/Meter Lease	\$ 553.73	\$ 501.06	\$ 300.00	\$ 1,500.00
518 30 46 00	Central Svcs Insurance	\$ 22,687.80	\$ 27,692.25	\$ 33,000.00	\$ 24,750.00
518 30 47 00	Central Svcs Electricity/Water	\$ 2,883.35	\$ 8,772.38	\$ 6,000.00	\$ 5,200.00
518 30 48 00	Central Svcs Repairs/Maint	\$ 1,162.16	\$ 684.40	\$ 500.00	\$ 1,400.00
518 80 41 00	Central Svcs Information Techno	\$ 34,296.23	\$ 5,858.92	\$ 14,100.00	\$ 14,100.00
	Total Central Services	\$ 124,379.59	\$ 105,222.52	\$ 85,200.00	\$ 102,358.00

550 Nature and Economic Environment

Account	Title	2025 (Actual)	2026 Year-End Est.	2027 Proposed	Prior Budget
Nature & Eco. Env.					
553 60 44 00	Weed Control Assessment	\$ 294.19	\$ -	\$ 300.00	\$ -
553 70 44 00	Puget Sound Clean Air Assessme	\$ 575.00	\$ 585.00	\$ 590.00	\$ 1,400.00
554 30 51 00	Environmental Services - Animal	\$ -	\$ -	\$ 500.00	\$ -
558 50 41 00	Building Code Services	\$ 5,262.46	\$ 2,872.20	\$ 2,900.00	\$ 4,600.00
558 60 41 00	Planning Consultant	\$ 14,872.74	\$ 8,557.12	\$ 10,000.00	\$ 30,400.00
558 60 41 01	Planning Engineering Services	\$ 112,997.62	\$ 28,117.46	\$ 10,000.00	\$ 20,400.00
558 60 41 02	Engineering Services- Crosswalk	\$ 26,855.76	\$ 11,966.37	\$ -	\$ -
566 00 40 51	Liquor Taxes & Profits	\$ 234.52	\$ 226.72	\$ 250.00	\$ 200.00
	Total Nature & Economic Environ	\$ 161,092.29	\$ 52,324.87	\$ 24,540.00	\$ 57,000.00

CITY OF ROY- 2027 BUDGET

521 Law Enforcement

Account	Title	2025 (Actual)	2026 Year-End Est.	2027 Proposed	Prior Budget
Law Enforcement					
521 10 30 00	Law Enf Admin Equip	\$ 3,512.53	\$ 3,740.84	\$ 3,750.00	\$ 3,500.00
521 10 31 00	Law Enforcement - Printing/Copy	\$ 89.74	\$ 373.75	\$ 400.00	\$ 80.00
521 10 40 00	Law Enf Dues & Fees	\$ 3,791.08	\$ 3,782.08	\$ 3,800.00	\$ 500.00
521 10 41 01	Law Enf. Attorney	\$ 1,034.00	\$ -	\$ 1,000.00	\$ 6,000.00
521 20 10 00	Law Enf Salaries	\$ 207,239.72	\$ 192,427.58	\$ 192,000.00	\$ 198,202.00
521 20 20 00	Law Enf Benefits	\$ 20,781.08	\$ 27,204.14	\$ 27,800.00	\$ 36,873.00
521 20 20 01	Law Enf F.I.C.A.	\$ 14,822.90	\$ 14,142.50	\$ 14,900.00	\$ 15,163.00
521 20 20 02	Law Enf L&I	\$ 8,719.29	\$ 18,877.05	\$ 19,100.00	\$ 1,340.00
521 20 20 03	Law Enf Retirement	\$ 6,364.51	\$ 9,951.30	\$ 10,545.00	\$ 10,545.00
521 20 21 00	Law Enf Uniform Allow	\$ 766.62	\$ -	\$ 750.00	\$ 2,500.00
521 20 31 00	Law Enf Supplies	\$ 613.64	\$ 212.02	\$ 700.00	\$ 700.00
521 20 35 00	Law Enf Sm Equipment	\$ 3,408.66	\$ -	\$ 2,000.00	\$ 2,000.00
521 20 40 00	Law Enf Hiring Services	\$ 765.00	\$ -	\$ -	\$ -
521 20 46 00	Law Enf Insurance/Prop, Liab	\$ 19,978.61	\$ 24,369.18	\$ 56,000.00	\$ 22,110.00
521 20 49 00	Law Enf Policing Services	\$ -	\$ -	\$ 1,000.00	\$ 1,000.00
521 22 40 51	Law Enf 911 Responses By Pierce	\$ 9,613.84	\$ 6,014.58	\$ 8,500.00	\$ 8,500.00
521 23 40 51	Law Enf Specialized Policing Svcs	\$ -	\$ -	\$ 3,000.00	\$ 3,000.00
521 27 31 00	Law Enf Rep/Maint Parts, Vehicle	\$ 19,407.24	\$ 7,053.68	\$ -	\$ 3,500.00
521 27 32 00	Law Enf Fuel	\$ 8,372.02	\$ 10,832.77	\$ 9,500.00	\$ 10,000.00
521 28 40 51	SS911 Services	\$ 26,840.00	\$ 22,848.30	\$ 27,000.00	\$ 24,580.00
521 28 42 00	Law Enf Cell/Data/Postage	\$ 4,489.45	\$ 1,830.70	\$ 1,850.00	\$ 5,000.00
521 28 48 00	Law Enf Communication Repair	\$ -	\$ -	\$ 1,000.00	\$ 1,000.00
521 40 31 00	Law Enf Training Supplies	\$ -	\$ 19.81	\$ 200.00	\$ 1,500.00
521 40 49 00	Law Enf Training	\$ 2,324.40	\$ 212.00	\$ 1,000.00	\$ 1,500.00
521 50 31 00	Law Enf Bldg/Facility Supplies	\$ -	\$ 6.00	\$ 100.00	\$ 200.00
521 50 42 00	Law Enf Facility Services	\$ 742.82	\$ 510.70	\$ 400.00	\$ 1,200.00
521 70 35 00	Law Enf/Traffic Sm Equip	\$ 4,416.12	\$ -	\$ 200.00	\$ 1,200.00
521 70 49 00	Law Enforcement - Miscellaneous	\$ -	\$ -	\$ -	\$ 1,500.00
	Total Law Enforcement	\$ 368,093.27	\$ 344,408.98	\$ 386,495.00	\$ 363,193.00

CITY OF ROY- 2027 BUDGET

524 Protective Services

Account	Title	2025 (Actual)	2026 Year-End Est.	2027 Proposed	Prior Budget
Protective Services					
522 20 31 00	Fire Control - Hydrant Parts	\$ -	\$ -	\$ 1,000.00	\$ -
522 20 40 00	Fire Control - Hydrant Repair	\$ 88.00	\$ -	\$ 1,000.00	\$ -
523 60 40 51	Jail Services	\$ 1,575.00	\$ 900.00	\$ 1,200.00	\$ 1,300.00
524 20 40 51	Fire Inspections	\$ 1,359.32	\$ -	\$ 1,380.00	\$ -
	Total Protective Services	\$ 3,022.32	\$ 900.00	\$ 4,580.00	\$ 1,300.00

570 Culture and Recreation

Account	Title	2025 (Actual)	2026 Year-End Est.	2027 Proposed	Prior Budget
Cultural & Recreation					
573 90 31 00	Community Events-Supplies	\$ 50.50	\$ 900.00	\$ 1,500.00	\$ 2,200.00
575 30 45 00	Railroad Water Tower Lease	\$ 1,339.41	\$ 1,381.50	\$ 1,400.00	\$ 1,300.00
575 50 31 00	Community Center - Supplies	\$ -	\$ -	\$ 500.00	\$ -
575 50 35 00	Community Center - Small Equip	\$ -	\$ -	\$ -	\$ -
575 50 42 00	Community Center - Fire Alarm	\$ -	\$ -	\$ 100.00	\$ 600.00
575 50 46 00	Community Center - Insurance	\$ -	\$ -	\$ 6,500.00	\$ -
575 50 47 00	Community Center - Utilities	\$ 1,030.55	\$ 2,371.90	\$ 2,500.00	\$ 1,600.00
575 50 48 00	Community Center - Repair/Maint	\$ 87.58	\$ -	\$ 300.00	\$ -
575 50 49 00	Community Center - Internet	\$ -	\$ 696.00	\$ -	\$ -
576 81 46 00	Park Insurance-Property/Liability	\$ 967.00	\$ 1,033.00	\$ 2,500.00	\$ 5,200.00
576 81 47 00	Park Electricity,Water	\$ 367.32	\$ 200.00	\$ 3,000.00	\$ 900.00
576 85 10 00	Parks Salary	\$ 3,879.20	\$ 6,280.88	\$ 19,550.00	\$ 2,591.00
576 85 20 00	Parks Benefits	\$ 651.77	\$ 1,161.40	\$ 2,070.00	\$ 944.00
576 85 20 01	Parks F.I.C.A.	\$ 219.68	\$ 456.00	\$ 460.00	\$ -
576 85 20 02	Parks L&I	\$ 93.00	\$ 501.52	\$ 510.00	\$ -
576 85 20 03	Parks Retirement	\$ 52.79	\$ 164.67	\$ 170.00	\$ -
576 85 31 00	Park Supplies	\$ -	\$ -	\$ 100.00	\$ 100.00
576 85 32 00	Park Fuel	\$ -	\$ 80.88	\$ 100.00	\$ 100.00
576 85 38 00	Park Maint. Parts	\$ -	\$ 242.62	\$ 500.00	\$ 1,800.00
576 85 48 00	Park Maint. Service	\$ 333.25	\$ 9,426.93	\$ 350.00	\$ -
582 10 00 00	Refund on Planning Services	\$ -	\$ -	\$ -	\$ -
582 10 01 00	Refund on Rentals	\$ 300.00	\$ 450.00	\$ 500.00	\$ -
	Total Cultural & Recreation	\$ 9,372.05	\$ 25,347.30	\$ 42,610.00	\$ 17,335.00

CITY OF ROY- 2027 BUDGET

580/590 Other decreases in Fund Resources

Account	Title	2025 (Actual)	2026 Year-End Est.	2027 Proposed	Prior Budget
Other Decreases In Fund Rev.					
589 90 00 00	Payroll Clearing	\$ 106.18	\$ 17,253.74	\$ 17,300.00	\$ -
589 90 00 01	Contingency	\$ 3,136.41	\$ -	\$ -	\$ -
594 76 63 01	Playground Equipment and Park	\$ 23,851.01	\$ -	\$ -	\$ -
597 18 05 01	Public Works Truck Purchase	\$ -	\$ -	\$ -	\$ -
597 21 05 01	Police Vehicle Purchase	\$ -	\$ -		\$ -
597 42 00 48	Transfer To Fund Streets	\$ -	\$ -	\$ 52,000.00	\$ 20,000.00
597 94 00 49	Transfer to 303 to Close	\$ -	\$ -	\$ -	\$ -
597 94 03 05	Transfer Out For Capital Outlay	\$ 140,000.00	\$ 309,884.58	\$ 2,700,000.00	\$ -
597 95 03 05	Transfer For Grant Matching	\$ -	\$ -	\$ -	\$ -
	Total Decreases In Fund Resources	\$ 167,093.60	\$ 327,138.32	\$ 2,769,300.00	

Revenue & Total General fund Revenue

	Revenue	\$ 953,332.69	\$ 1,449,904.63	\$ 3,539,930.42
	Grand Total General Fund Resources	\$ 1,204,145.76	\$ 1,465,800.79	\$ 3,913,613.20

Total Expenditures & Ending Balance (Gain/Loss)

Account	Title	2025 (Actual)	2026 Year-End Est.	2027 Proposed
	Expenses	\$ 1,188,249.61	\$ 1,092,118.01	\$ 3,580,310.00
508 91 00 01	Ending Balance - Unreserved	\$ 15,896.15	\$ 373,682.78	\$ 333,303.20
	GAIN/LOSS			\$ (40,379.58)

**Please see Exhibit I for a larger 001 General fund print out.*

The end of 001 Funding

101 City Streets

This funding is an extension of the General funds, but because of the sheer level of importance, it warrants its own funding code (101). For the City of Roy, the main factor to be noted is that this funding is not self-sustaining, meaning it must receive a transfer of an estimated \$25,000 annually to manage a balanced Ending Balance. This transfer covers various expenditures, none higher than the allocated portion of salary for Public Works. Due to the previous years' budgeting issues, the funding did not receive the transfer (Operating Transfer (397 42 00 48)), and as a result, created a multi-year deficit. In 2027, the proposed budget shall correct this deficit, then moving forward, the standard of \$25,000* will be budgeted to be transferred.

Account	Title	2025 (Actual)	2026 Year-End Est.	2027 Proposed	Prior Budget
Beg. Bal					
308 31 01 01	Beginning Balance - Reserved	\$ 14,792.41	\$ 1,586.12	\$ (33,690.15)	
State Shared Revenue					
336 00 71 00	Multimodal Transportation	\$ 1,030.41	\$ 1,026.06	\$ 1,050.00	\$ 1,300.00
336 00 87 00	Motor Vehicle Fuel Tax	\$ 12,862.05	\$ 14,823.36	\$ 14,500.00	\$ 13,900.00
	Total State Shared Revenue	\$ 13,892.46	\$ 15,849.42	\$ 15,550.00	
State Shared Revenue					
	Total Misc Revenue	\$ 13,892.46	\$ 15,849.42	\$ 15,550.00	
Interfund Transfers					
397 42 00 48	Operating Transfer	\$ -	\$ -	\$ 52,000.00	\$ 20,000.00
	Revenue	\$ 28,684.87	\$ 15,849.42	\$ 67,550.00	
	TOTAL Revenue	\$ 28,684.87	\$ 17,435.54	\$ 33,859.85	
Street Expenditures					
542 30 31 00	Ordinary Street Maint Supplies	\$ 149.58	\$ -	\$ 300.00	\$ 1,200.00
542 30 35 00	Ordinary Street Maint Equip	\$ 447.43	\$ -	\$ 400.00	\$ 400.00
542 30 40 00	Ordinary Street Maint Svcs	\$ -	\$ -	\$ -	\$ 208,000.00
542 50 40 00	Ordinary Bridge Maint Svcs	\$ -	\$ -	\$ 800.00	\$ -
542 63 47 00	Street Lighting	\$ 6,098.25	\$ 20,048.40	\$ 5,000.00	\$ 9,400.00
542 64 30 00	Traffic Control Devices	\$ 2,451.65	\$ 600.50	\$ -	\$ 1,200.00
542 70 32 00	Roadside Maint Fuel	\$ 472.94	\$ -	\$ 100.00	\$ 100.00
	Streets Salary	\$ 5,464.36	\$ 15,801.01	\$ 19,550.00	\$ -
	Streets Benefits	\$ 1,890.25	\$ 2,164.91	\$ 3,675.00	\$ 3,675.00
	Streets F.I.C.A.	\$ 833.14	\$ 1,099.48	\$ 1,250.00	\$ -
	Streets L&I	\$ 393.48	\$ 2,060.62	\$ 2,100.00	\$ -
	Streets Retirement	\$ 315.54	\$ 489.25	\$ 540.00	\$ -
543 30 46 00	Streets, General-Insurance	\$ 8,582.13	\$ 8,861.52	\$ -	\$ 12,650.00
	Total Street Expenditures	\$ 27,098.75	\$ 51,125.69	\$ 33,715.00	\$ 236,625.00
Ending Balance					
508 31 01 01	Ending Balance - Reserved	\$ 1,586.12	\$ (33,690.15)	\$ 144.85	

*The \$25,000 May change by 2027. This is an estimate.

102 Transportation Benefits

Like 101 City Street funds, this funding is an extension of the General funds as well. In a larger city, the 101 and 102 are far more distinct in nature, but because of the City of Roy's size, the funds can be blurred. Having gained over \$15,000 in revenue a year in 2025 and 2026, along with now having over \$155,000 in funds, the City is going to better utilize this fund moving forward. This will both use this self-revenue generating fund, and relieve the General fund transfer needs of 101.

Account	Title	2025 (Actual)	2026 Year-End Est.	2027 Proposed	Prior Budget
Beg. Bal					
308 31 01 02	Beginning Balance - R	\$ 126,124.16	\$ 142,576.37	\$ 146,684.91	\$ 125,651.00
		\$ 126,124.16	\$ 142,576.37	\$ 146,684.91	\$ 125,651.00
Revenue					
Taxes					
317 60 00 00	Vehicle Fees	\$ 16,452.21	\$ 15,900.54	\$ 16,300.00	\$ 16,300.00
	Total Taxes	\$ 16,452.21	\$ 15,900.54	\$ 16,300.00	\$ 16,300.00
Misc Revenue					
361 11 01 02	Investment Interest	\$ -	\$ -	\$ -	\$ -
	Total Misc Revenue	\$ 16,452.21	\$ 15,900.54	\$ 16,300.00	\$ -
	Total Revenue	\$ 142,576.37	\$ 158,476.91	\$ 162,984.91	
Expenditures					
Street Operating Expenses					
542 30 40 02	Street Maintenance S	\$ -	\$ 3,470.96	\$ 4,000.00	\$ 8,000.00
542 60 35 00	Street Maintenance E	\$ -	\$ -	\$ -	\$ -
542 64 35 00	Traffic Control Device	\$ -	\$ 297.60	\$ 4,000.00	\$ 10,000.00
544 90 47 00	Road and Street Oper	\$ -	\$ 8,023.44	\$ 7,000.00	
	Total Street Operatin	\$ -	\$ 11,792.00	\$ 15,000.00	\$ 18,000.00
Ending Balance					
508 31 01 02	Ending Balance - Rese	\$ 142,576.37	\$ 146,684.91	\$ 147,984.91	

632 Fiduciary Funds

The Fiduciary fund is explained as the City Courts revenue and remittances. The Fiduciary fund does not have any expenditures in and of itself.

The revenue is generated through law enforcement (ie. ticketing) and once processed through our Court is considered General Fund. In previous years, \$11,866.37 was gained from revenue, but was not transferred into the General Fund, therefore the Total Ending Balance was the \$11,866.37. If processed correctly, there should be a \$0 balance in the 632 fund at year's end, and the revenue would be placed in bar code 357 37 00 00 (Municipal Court Receipts).

As you can see on the budget, the Total to Transfer in 2026 includes both the 2025 total of and the 2026 year-end total, totaling an estimated \$15,228.74 to be transferred. Moving forward, this transfer should take place at the end of each month.

<i>632 Fiduciary Funds</i>	2025	2026 YE Est.	2027 Proposed
Beginning Fund Balance	\$ 11,680.27	\$ 11,866.37	\$ -
Municipal Court Receipts	\$ 30,681.97	\$ 31,517.47	\$ 20,000.00
Total Remittance & Tax Revenues	\$ 11,866.37	\$ 3,362.37	\$ 3,300.00
Total to transfer	\$ 11,866.37	\$ 15,228.74	\$ 3,300.00
Remittance & Tax Expenditures	\$ -	\$ 41,026.94	\$ 26,000.00
Total Remittance & Tax Expenditu	\$ -	\$ 41,026.94	\$ 26,000.00
Total Ending Balance (After Trans	\$ 11,866.37	\$ -	\$ -

Again, the 632 Fiduciary does not have any true expenditure. Rather this fund operates by remittances. The difference is that when the court processes various revenue (ie. ticket) a portion remains with the City, and a portion is given to the state. Therefore, it is a shared revenue, or a fiduciary, and not a clear expense.

What will take place moving forward is that the Municipal receipts will be transferred to the General fund and recorded in the Total to transfer bar. Then the remittance and Tax expenditures bar will be received, then transferred to the states so in budgeting, they are two separate and distinct actions. The 2027 proposed shows this process in full effect.

CAPITAL IMPROVEMENTS (General funded-City)

Both the 301 (Capital Improvement) and 303 (Park Impact) are City improvement funds. With current grants focused on storm/flood preparations, water infrastructure, and having built a new park in 2026, there is no current plans to utilize these funds. Although reintroducing the Library and Community Center is in early development.

301 Capital Improvement

<i>Capital Improvement</i>	2025	2026 YE Est.	2027 Proposed
Beginning Fund Balance	\$ 61,567.65	\$ 61,567.65	\$ 61,567.65
Miscellaneous	\$ -	\$ -	\$ -
Total Revenue	\$ -	\$ -	\$ -
Total Expenditures	\$ -	\$ -	\$ -
Increase (Decrease) in Fund Balance	\$ -	\$ -	\$ -
Total Ending Balance (After Transfers)	\$ 61,567.65	\$ 61,567.65	\$ 61,567.65

303 Park Impact

<i>Park Impact</i>	2025	2026 YE Est.	2027 Proposed
Beginning Fund Balance	\$ 7,071.37	\$ 7,071.37	\$ 7,071.37
Investment Interest	\$ -	\$ -	\$ -
Park Impact Fee	\$ -	\$ -	\$ -
Transfer in from GF	\$ 115,662.25	\$ -	\$ -
Total Misc Revenues	\$ 115,662.25		
	\$ -	\$ -	\$ -
Expenditures			
New Park	\$ 115,662.25	\$ -	\$ -
Total Expenditures	\$ 115,662.25		
Ending Fund Balance	\$ 7,071.37	\$ 7,071.37	\$ 7,071.37

It must be noted that any remaining funds in the 301 Ending Balance are unreserved and may be transferred to the General fund under RCW 35.33.121 (Exhibit E). The 303 fund cannot be transferred. The City has no plans to utilize this RCW in 2026 but may be enacted if unforeseen expenditures arise.

305 REET 1

Reet (Real Estate Excise Tax) is revenue generated by home sales within the jurisdiction. The funding is utilized strictly for Capital improvement (either General or Water). Although budgeted separately, they are essentially one in the same and serve the same function. Their main difference is how the state allocates and delivers the funds rather than anything regarding the funds themselves.

<i>Real Estate Excise Tax I</i>	2025	2026 YE Est.	2027 Proposed
Beginning Fund Balance	\$ 185,428.45	\$ 187,739.91	\$ 198,639.91
Taxes	\$ 2,311.46	\$ 10,900.00	\$ 11,000.00
Intergovernmental	\$ 147,987.07	\$ -	\$ -
Miscellaneous	\$ -	\$ -	\$ -
Total Revenue	\$ 150,298.53	\$ 10,900.00	\$ 11,000.00
Transfer Out to GF Capital	\$ 147,987.07	\$ -	\$ -
Total Expenditures	\$ 147,987.07	\$ -	\$ -
Increase (Decrease) in Fund Balance	\$ 147,987.07	\$ 10,900.00	\$ 11,000.00
Ending Fund Balance	\$ 187,739.91	\$ 198,639.91	\$ 209,639.91

306 REET 2

<i>Real Estate Excise Tax 2</i>	2025	2026 YE Est.	2027 Proposed
Beginning Fund Balance	\$ 186,182.18	\$ 200,553.04	\$ 211,553.04
Taxes	\$ 14,370.86	\$ 11,000.00	\$ 11,000.00
Miscellaneous	\$ -	\$ -	\$ -
Total Revenue	\$ 14,370.86	\$ 11,000.00	\$ 11,000.00
Total Expenditures	\$ -	\$ -	\$ -
Increase (Decrease) in Fund Balance	\$ 14,370.86	\$ 11,000.00	\$ 11,000.00
Ending Fund Balance	\$ 200,553.04	\$ 211,553.04	\$ 222,553.04

Treasurer Note (General Fund)

As the City's Treasurer, I have become intimate with the City's finances and state this with full conviction, the City is best utilizing our funds, and the budget reflects that. The 2027 budget proposed offers a means to cover all expenditures, forecast many unexpected expenditures, and dramatically cut down the spending. Although it must be clearly stated, in doing so, there will be a deficit.

In previous years', the budget estimated a \$70,000 decrease within General funds 001, and over \$580,000 decrease in total funding. See the following last two years Budget Summaries;

2026

2026 Budget Summary

Fund	<u>Beginning Fund</u> Balance	<u>Revenues</u>	<u>Expenditures</u>	<u>Increase (Decrease)</u>	<u>Ending Fund</u> Balance
General	298,779	714,200	785,073	(70,873)	227,907
Donations to Roy	5	-	-	-	5
City Streets	9,523	241,200	246,997	(5,797)	3,726
Transportation Benefit District	125,651	16,300	18,000	(1,700)	123,951
Capital Improvement	61,565	-	-	-	61,565
Park Impact Fees	7,016	-	-	-	7,016
Real Estate Excise Tax I	186,193	11,900	-	11,900	198,093
Real Estate Excise Tax II	181,719	11,100	-	11,100	192,819
Water Operations	275,321	390,800	406,431	(15,631)	259,691
Water Capital Improvement	1,162,436	85,000	600,000	(515,000)	647,436
Equipment Replacement	8,913	-	-	-	8,913
Total	2,317,120	1,470,500	2,056,501	(586,001)	1,731,120

2025

City-Wide Budget Summary

Fund	<u>Beginning Fund</u> Balance	<u>Revenues</u>	<u>Expenditures</u>	<u>Increase (Decrease)</u>	<u>Ending Fund</u> Balance
General	298,779	714,200	785,073	(70,873)	227,907
Donations to Roy	5	-	-	-	5
City Streets	9,523	241,200	246,997	(5,797)	3,726
Transportation Benefit District	125,651	16,300	18,000	(1,700)	123,951
Capital Improvement	61,565	-	-	-	61,565
Park Impact Fees	7,016	-	-	-	7,016
Real Estate Excise Tax I	186,193	11,900	-	11,900	198,093
Real Estate Excise Tax II	181,719	11,100	-	11,100	192,819
Water Operations	275,321	390,800	406,431	(15,631)	259,691
Water Capital Improvement	1,162,436	85,000	600,000	(515,000)	647,436
Equipment Replacement	8,913	-	-	-	8,913
Total	2,317,120	1,470,500	2,056,501	(586,001)	1,731,120

There are two major factors that must be noted in looking at last two years' budgets;

A. The last two years' budgets mirror one another. It would be one thing if the proposed revenues and expenditures were the same, but the Beginning and Ending funds are the same as well. This means there were no changes made to the budget and it is simply impossible to have balances be the same after two years.

B. The General fund was depleted by more than the \$70,000 allocated on both years' budgets. Many of the reasons were described in the Revenue/Expenditures Review (pgs. 14-15). During these two years, our General fund decreased from \$298,779 to \$39,385. A \$259,394 decrease, or 87%.

The current Administration has worked hard to replenish the funds by actioning the following;

*\$45,000 from the 12% Water tax	*Ensure 100% of grants were reimbursed
*\$76,608.02 LGIP end-of-year interest	*\$18,227.92 in reducing overtime
*\$24,063.20 Police schedule changing	*Spoke to each vendor to reduce invoices

The 2027 General fund proposed has two factors I would like to discuss;

A. The City must fill the deficit made in 101 Streets after an annual operational transfer was not transferred for the last two years. Once fulfilled in 2027, the estimated annual operational transfer will be near \$25,000. This will decrease our current proposed budget deficit by \$27,000 moving forward.

B. Taking into account (A.), we must also acknowledge that basic rates and costs on our expenditures will continue to rise. So, although we will reduce the 101 Street deficit in 2027, that estimated \$20,000 will be larger due to basic inflation in 2028.

The point is, the City is overspending and there is no way to stop the proposed deficit, or its future growth. The City must create revenue or slash various spendings. As the Treasurer, it is my goal to create a budget that will allow the City to not simply 'make it through one more year', but to formulate the blueprint for the City's future success. Through these changes listed above, along with the pursuit of grant reimbursements, the City has been able to replenish the once dwindled General fund. But despite these disciplinarys being followed, the funds will continue to decrease, just at a slower rate. It is my goal to continue to establish a clear picture for the City that is transparent, precise, and unbiased, while paving a way ahead. The City does have a two-year plan to cover all deficits and begin formulating General fund revenue.

2027 Water Funds Budget Overview

<u>Description</u>	<u>2025 (Actual)</u>	<u>2026 Year-End Est</u>	<u>2027 Proposed</u>
Water Operations			
Beginning Fund Balance	\$ 368,078.07	\$ 402,534.86	\$ 402,534.86
340 Charges for Services	\$ 377,849.93	\$ 385,342.49	\$ 377,900.00
350 Fines & Forfeitures	\$ 31,541.31	\$ 11,102.70	\$ 11,110.00
360 Misc Revenue	\$ -	\$ 181.85	\$ -
Revenue	\$ 409,391.24	\$ 396,627.04	\$ 389,010.00
Total Revenue	\$ 777,469.31	\$ 799,161.90	\$ 791,544.86
Water Expenses	\$ 374,934.45	\$ 356,914.36	\$ 372,180.00
Ending Fund Balance (Before Transfer)	\$ 402,534.86	\$ 442,247.54	\$ 419,364.86
Interfund Transfers	\$ -	\$ 39,712.68	\$ 16,830.00
Ending Balance -Unreserved	\$ 402,534.86	\$ 402,534.86	\$ 402,534.86
<i>Water Capital</i>	<u>2025 (Actual)</u>	<u>2026 Year-End Est</u>	<u>2027 Proposed</u>
Beginning Fund Balance	\$ 1,050,466.37	\$ 958,448.14	\$ 958,448.14
System Development Charges	\$ -	\$ -	\$ -
Misc Revenue	\$ -	\$ -	\$ -
Total Interfund Transfer	\$ -	\$ 194,222.33	\$ 2,700,000.00
Revenue	\$ -	\$ 194,222.33	\$ 2,700,000.00
Total Revenue	\$ 1,050,466.37	\$ 1,152,670.47	\$ 3,658,448.14
Expenditures			
Water Plan - Prof Services	\$ 92,018.23	\$ 194,222.33	\$ 400,000.00
Capital Expenditure (Rpair/New Utilty	\$ -	\$ -	\$ -
Capital Outlays - Water System	\$ -	\$ -	\$ 2,300,000.00
Well Filtration System	\$ -	\$ -	\$ -
Total Expenditures	\$ 92,018.23	\$ 194,222.33	\$ 2,700,000.00
Ending Fund Balance	\$ 958,448.14	\$ 958,448.14	\$ 958,448.14

CITY OF ROY- 2027 BUDGET

2027 Water Funds**402 Water**

Account	Title	2025 (Actual)	2026 (Actual)	Proposed 2027	Prior Budget
Revenue		\$ 409,391.24	\$ 396,627.04	\$ 389,010.00	
Total Revenue		\$ 777,469.31	\$ 799,161.90	\$ 791,544.86	
Expenditures					
Water Expenses					
534 10 10 00	Water Admin Salary	\$ 54,795.14	\$ 51,467.46	\$ 75,200.00	\$ 98,000.00
	Water Admin Benefits	\$ 6,079.64	\$ 5,268.28	\$ 7,100.00	\$ 10,137.00
	Water Admin F.I.C.A.	\$ 4,203.48	\$ 3,488.02	\$ 4,200.00	\$ -
	Water Admin L&I	\$ 857.47	\$ 2,004.16	\$ 2,100.00	\$ -
	Water Admin Retirement	\$ 2,791.40	\$ 3,068.68	\$ 3,200.00	\$ -
534 10 31 00	Water Admin/General Supplies	\$ 2,123.37	\$ 295.66	\$ 300.00	\$ 300.00
534 10 32 00	Water Admin - Vehicle Fuel	\$ 595.90	\$ 4,362.77	\$ 4,000.00	\$ 1,000.00
534 10 35 00	Water Admin-Small Equip	\$ -	\$ 576.64	\$ 500.00	\$ 100.00
534 10 38 00	Water Admin Svcs-Repair/Maint	\$ 30.37	\$ 430.34	\$ 400.00	\$ -
534 10 41 00	Water Admin Svcs - BIAS, IT	\$ 15,538.65	\$ 30,274.36	\$ 10,000.00	\$ 4,200.00
534 10 42 00	Water Telephone/Postage/Int	\$ 9,588.96	\$ 7,401.98	\$ 9,400.00	\$ 6,300.00
534 10 43 01	State B&O Utility Tax	\$ 5,325.03	\$ 16,568.00	\$ 16,500.00	\$ 16,500.00
534 10 43 02	City B&O Utility Tax	\$ 41,137.61	\$ 35,820.56	\$ 42,000.00	\$ 39,400.00
534 10 45 00	Water Copier/Meter Leases	\$ 1,254.62	\$ 1,569.54	\$ 1,570.00	\$ 800.00
534 10 46 00	Water Insurance-Prop/Liability	\$ 34,912.63	\$ 38,769.15	\$ 10,000.00	\$ 46,900.00
534 10 47 00	Water Admin Electricity/Water	\$ 909.98	\$ 1,418.60	\$ 2,000.00	\$ 300.00
534 10 48 00	Water Admin-Repair/Maint	\$ 64.99	\$ -	\$ 100.00	\$ 100.00
534 10 49 00	Water - Memberships, Fees, A	\$ 3,333.10	\$ 1,798.70	\$ 1,500.00	\$ 1,600.00
	Water Operator Salary	\$ 80,163.52	\$ 70,912.30	\$ 91,250.00	\$ 69,428.00
	Water Operator Benefits	\$ 11,575.73	\$ 19,016.16	\$ 21,000.00	\$ 23,877.00
	Water Operator F.I.C.A	\$ 5,386.26	\$ 5,114.00	\$ 5,500.00	\$ 8,937.00
	Water Operator L&I	\$ 2,785.10	\$ 8,602.62	\$ 8,700.00	\$ 1,340.00
	Water Operator Retirement	\$ 3,107.30	\$ 4,558.80	\$ 4,700.00	\$ 10,642.00
534 50 31 00	Water Ops/Maint Supplies	\$ 12,187.45	\$ 8,126.04	\$ 8,150.00	\$ 3,500.00
534 50 32 00	Water Generator/Other Fuel	\$ 478.03	\$ -	\$ 200.00	\$ -
534 50 35 00	Water Ops/Maint Sm Equip	\$ -	\$ -	\$ 100.00	\$ 100.00
534 50 38 00	Water Ops/Maint-Repairs/Mai	\$ 92.84	\$ -	\$ 600.00	\$ 600.00
534 50 41 00	Water Ops/Maint Contract Svcs	\$ 18,644.57	\$ 14,612.98	\$ 1,000.00	\$ 4,600.00
534 50 42 00	Water Ops/Telephone, Interne	\$ 2,120.14	\$ -	\$ 2,100.00	\$ 2,100.00
534 50 45 00	Water Well Site Lease	\$ -	\$ -	\$ 20,000.00	\$ 2,800.00
534 50 47 00	Water System Electricity	\$ 21,752.18	\$ 2,484.06	\$ 14,000.00	\$ 9,300.00
534 50 48 00	Water Ops/Maint Repairs	\$ 32,318.49	\$ 17,096.08	\$ 3,000.00	\$ 13,800.00
534 50 49 00	Water Operator Training	\$ 780.50	\$ 1,808.42	\$ 1,810.00	\$ 500.00
	Total Water Expenses	\$ 374,934.45	\$ 356,914.36	\$ 366,180.00	
508 51 04 02	Ending Balance -Before Transfer	\$ 402,534.86	\$ 442,247.54	\$ 425,364.86	
Interfund Transfers					
597 34 00 64	Transfer Portion Of Care/Maint				
597 34 05 01	Truck Purchase				
	Total Interfund Transfers		\$ 39,712.68	\$ 22,830.00	
	Increase (Decrease) in Fund Balance		\$ -	\$ -	
	Ending Balance -Unreserved	\$ 402,534.86	\$ 402,534.86	\$ 402,534.86	

**Please see Exhibit J for a larger print out.*

405 Capital Improvements

The 405 Water Capital Improvement is a fund specifically for projects and services related to the City's water enhancements. In 2027, the City plans to utilize several grants to continue the planning and building of a new water infrastructure, the reduction of the 12-inch pipe to reduce sediment, and other possible projects to care for our residents. With a detailed plan for these improvements and routine follow on water-quality tests, the City is focused on ensuring the water is safe, reliable, and meets or exceeds all state and federal drinking water standards.

Account	Title	2025 (Actual)	2026 Year-End Est.	2027 Proposed
Beg. Bal.				
308 41 04 05	Beginning Balance - Unreserved	\$ 1,050,466.37	\$ 958,448.14	\$ 958,448.14
		\$ 1,050,466.37	\$ 958,448.14	\$ 958,448.14
Revenues				
Charges for Services				
343 42 00 00	System Development Charges	\$ -	\$ -	
	Total Charges for Services	\$ -	\$ -	\$ -
Misc Revenue				
361 11 04 05	Investment Interest	\$ -	\$ -	\$ -
361 41 00 00	Interest Inter-fund Loan	\$ -	\$ -	\$ -
	Total Misc Revenue	\$ -	\$ -	\$ -
Interfund Transfer				
397 34 00 64	Transfer Portion Care/Maint	\$ -	\$ 194,222.33	\$ 2,700,000.00
	Total Interfund Transfer	\$ -	\$ 194,222.33	\$ 2,700,000.00
Revenue		\$ -		
Total Revenue		\$ 1,050,466.37	\$ 1,152,670.47	\$ 3,658,448.14
Expenditures				
Water Utility Expenses				
534 50 41 05	Water Plan - Prof Services	\$ 92,018.23	\$ 194,222.33	\$ 400,000.00
	Total Water Utility Expenses	\$ 92,018.23	\$ 194,222.33	\$ 400,000.00
Capital Expenditures				
594 34 60 37	Cap Outlay - Seismic Retrofit - Ci	\$ -	\$ -	\$ -
594 34 60 38	Cap Outlay - Seismic Retrofit - ST	\$ -	\$ -	\$ -
594 34 60 39	Cap Outlay - Seismic Retrofit - Fe	\$ -	\$ -	\$ -
594 34 48 00	Capital Expenditure (Rpair/New	\$ -	\$ -	\$ -
594 34 60 00	Capital Outlays - Water System	\$ -	\$ -	\$ 2,300,000.00
594 34 60 01	Well Filtration System	\$ -	\$ -	
	Total Capital Expenditures	\$ -	\$ -	\$ 2,700,000.00
End Bal.				
508 41 04 05	Ending Balance - Unreserved	\$ 958,448.14	\$ 958,448.14	\$ 958,448.14

Treasurer Notes (Water Fund)

Currently, the Water fund is more than simply self-sustaining. It is a true, albeit limited, revenue stream for the City. Therefore, the fund should be considered a successful program. With the proposal to utilize a portion of the revenue to better allocate for salary, attribute to the General fund through the % on taxation, along with providing end-of-year surplus transfer according to the RCWS attached, all while still allowing for Water fund growth for future projects, the City will be best capitalized on its assets.

With future projects like the incoming Roy Meadows neighborhood incoming, it is in the City's best interest to continue to monitor enhancements and growth. This 79-home development is expected to enhance water revenue up to 25%-30%, which will only allow for improved care for our community.

As we build the water infrastructure and improve on the 12-inch pipe that runs along the 507 to Oakview and other homes, the City has a footing on not only these projects, but utilizing State grants to ensure that each and every home has safe, potable water.

As the Treasurer, my focus has been to learn the authorized methods of utilizing this revenue for the wholistic approach of managing the City. I sought to answer questions about if, and how, the fund can be used to both improve the City's water while also allotting a fair portion to the City's General fund. A City of this size must maximize all means possible for success. I believe we have done this.

The City is moving forward in a way that allows us to correct past mismanagement of funds, replenish deficits, interconnect the Water to General fund, and most importantly, care for our residents and prepare for the future.



Snapshot of 2027 Monthly Costs

The following is a snapshot of the monthly expenditures which are 'infused' within the Bars Codes. This table allows for a simplified look at the day-to-day costs of running the City. They are not broken into funding codes, and it must be noted that many of these costs are paid utilizing several Bar codes. This is not an exhausted listed but shared to give a generalized concept.

Monthly Expenses	Amount
Angelcom IT	\$ 1,700.00
BHC (Monthly)	\$ 400.00
Comcast	\$ 600.00
Capital Business	\$ 50.00
Century Link (lumen)	\$ 340.00
Court Remittance	\$ 5,000.00
Dille	\$ 1,000.00
(PSE) Electric bill	\$ 3,500.00
Excise tax	\$ 1,700.00
Guardian Alarm	\$ 330.00
ITRON	\$ 3,500.00
LEAF Copier	\$ 350.00
Les Townzen	\$ 200.00
ORCA	\$ 478.00
P.C. Finances	\$ 2,000.00
Verizon Phone	\$ 400.00
Underground	\$ 2.00
US Bank	\$ 5,000.00
Prosecutor	\$ 650.00
Water Management	\$ 122.00
Water Utilites	\$ 250.00
Other (Various One-time fe	\$ 7,500.00
TOTAL FOR MONTH	\$ 35,072.00
AWC	\$ 110,000.00
TOTAL FOR YEAR	\$ 530,864.00
Salary (Benefits)	\$ 580,000.00
TOTAL (Estimated Average	\$ 1,110,864.00

**This table cannot be used for true budget analysis. It is strictly for basic references of costs.*

Exhibits

- A) The 2027 Budget Booklet
- B) 2026/2027 Salary Analysis/Schedule Data
- C) MRSC Insurance Breakdown
- D) Ordinance 1029--Water Tax (RCW 35.92.460)
- E) 301 Capital to General, if needed in 2027 (RCW 35.33.121)
- F) Resolution 982--Water Surplus (RCW 35.37.020) 2027)
- G) Determination of 2027 LGIP Interest available for Transfer
- H) Unused Bar Codes
- I) 001 General Fund—Larger Print
- J) 402 Water Fund--Larger Print