CITY OF LAKE FOREST PARK
CITY COUNCIL
AGENDA COVER SHEET

Meeting Date	November 5, 2026
Originating Department	Finance
Contact Person	Leslie Peterson
Title	Resolution 26-2106/Approving Amendments to the City of Lake Forest Park Comprehensive Financial Management Policies

Legislative History

- First Presentation — October 15, 2026 Budget & Finance Committee
- Second Presentation — October 22, 2026 Regular Meeting
- Action — November 5, 2026 Special Meeting

Attachments:

1. Comprehensive Financial Management Policies (red line)

Executive Summary

Comprehensive Financial Management Policies (Policies) are updated periodically to improve a City's policies responding to continually updating best practice recommendations from Government Finance Officers Association and Washington State Auditor recommendations to name a few.

Background

The conversation started back in May 2026 in anticipation of the upcoming development of the 2027-2028 Biennial Budget. The City's reserve policy for the General Fund balance is 16% of current-year revenues. It was determined that basing the reserve amount on revenue is not practical with expenditures currently outpacing revenues. At the Council's direction, the Policies have been updated to calculate reserve balances on "revenues or expenditures, whichever is greater."

In reviewing the Policies, staff has also added several funds that were created since the last update in February 2020 and updated LFPMC references.

Fiscal & Policy Implications

Reserve balances will be calculated using current-year revenues or expenditures, whichever is greater. At this time, expenditures outpace revenues which will translate to a larger target reserve balance compared to the previously adopted Policies.

Alternatives

Options	***Results***
• Approve Resolution 26-2106	Updated Comprehensive Financial Management Policies that reflect current practices and fund structure.
• No action	The Policies will not be updated to reflect current practices and fund structure.

Staff Recommendation

Approve Resolution 26-2106 updating the City's Comprehensive Financial Management Policies.