

Budget Public Hearing

City of Lake Forest Park

Lindsey Vaughn, Finance Director



Public Hearing Overview

- 1. Overview Presentation by Finance Director
- 2. Questions/Comments from City Council
- 3. Open Public Hearing for Citizen Comments
 - Friendly reminder 3 minutes per speaker



2025 Property Tax Levy

- City Adopts Property Tax Annually
 - Even though the budget is adopted on a biennial basis

2024 Regular Property Tax Levy	\$3,473,591
Limit Factor 1%	\$34,736
Subtotal	\$3,508,327
<u>New Construction</u>	<u>\$25,263</u>
<u>Relevy prior year refunds</u>	<u>\$5,861</u>
Subtotal	\$3,508,327
<i>Estimate high due to preliminary numbers</i>	<i>\$200,000</i>
Estimated 2025 Property Tax Levy	\$3,739,451



2025 Property Tax

2024 Regular Property Tax Levy	\$3,473,591
Limit Factor 1%	\$34,736
Subtotal	\$3,508,327

- Current Levy Rate for 2024
\$0.80429
- *Proposed* Levy Rate for 2025
\$0.71611

Calculation:
(Assessed Value / 1,000) * Levy Rate

Example:

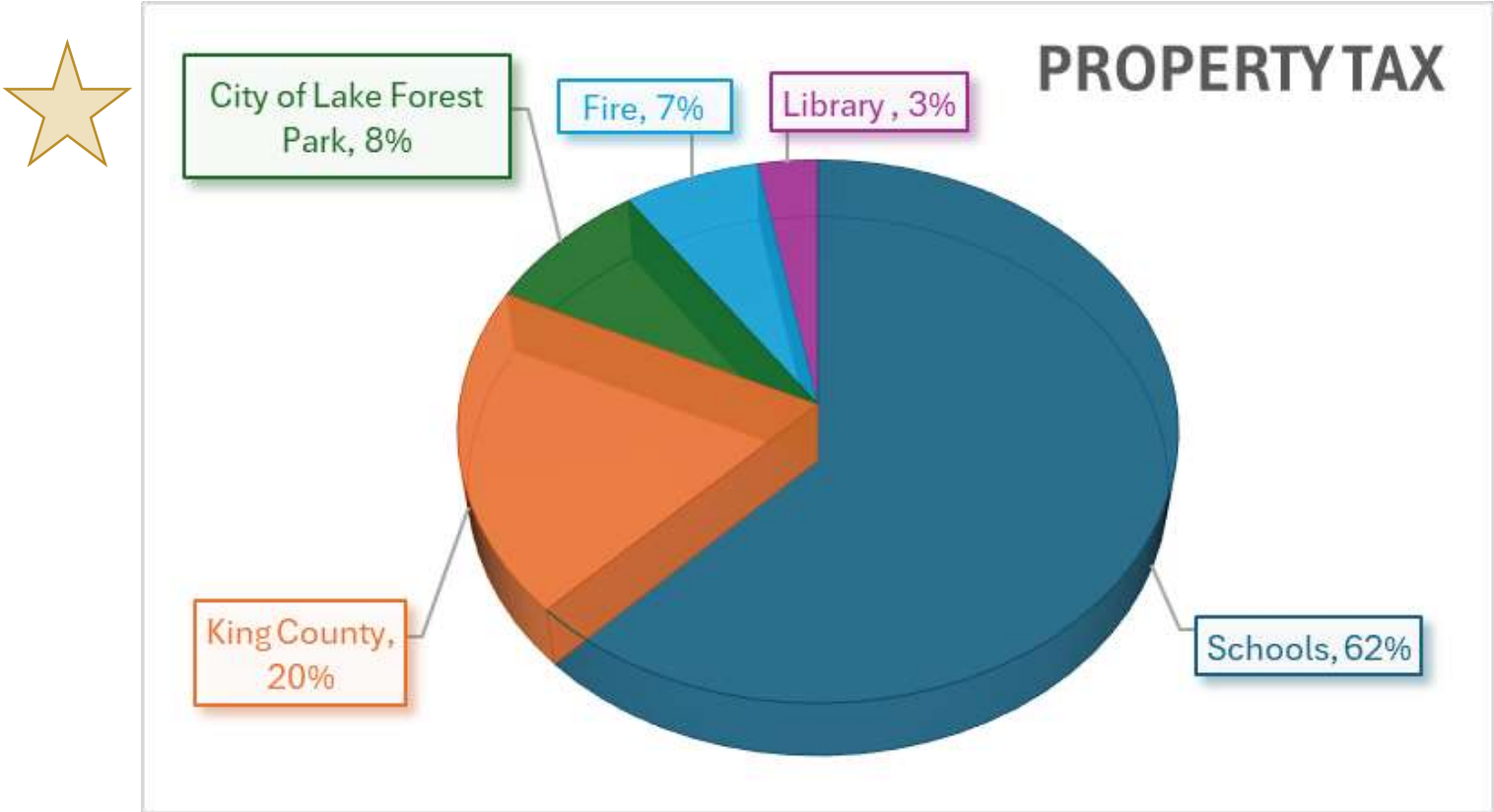
2024 Median Assessed Value \$790,000

$$(\$790,000 / 1,000) * \$0.80429 = \$635.39$$

$$(\$790,000 / 1,000) * \$0.71611 = \$565.73$$



Simplified Property Tax Breakdown





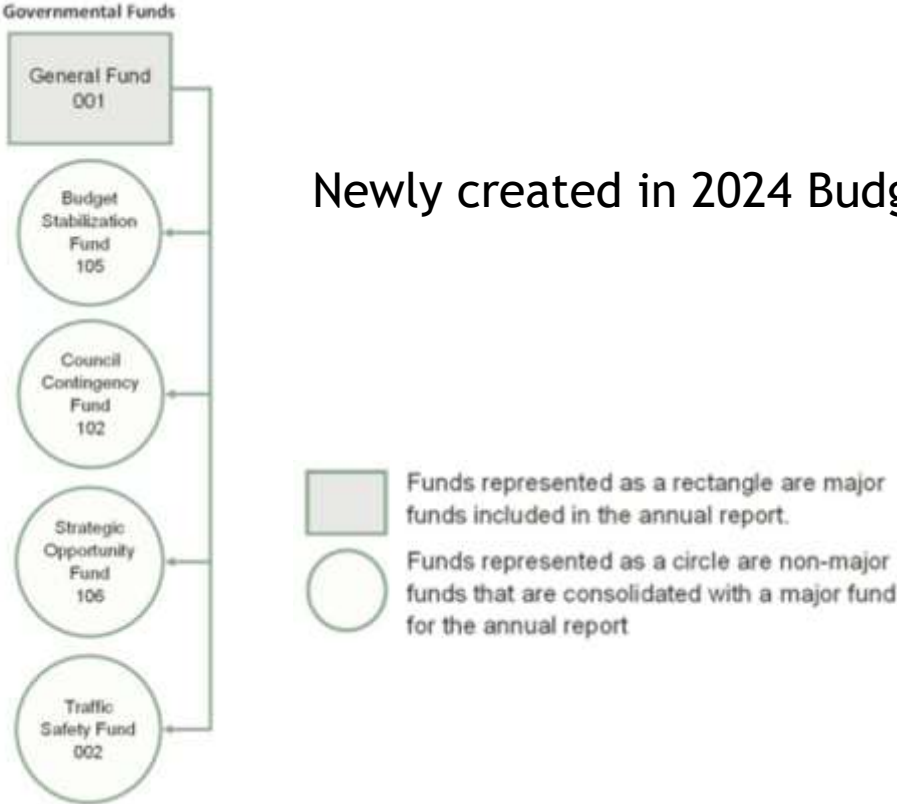
Expenditures

- Health Care Benefits increasing over 8%
- Municipal Court: Laserfische (one-time purchase and on-going annual costs)
- Community Partners:
 - Shoreline/Lake Forest Park Senior Center +\$20,000
 - ShoreLake Arts +\$19,000
 - 3rd Place Commons +\$13,000
- New Community Partners
 - Shoreline Historical Society +\$19,200
 - Hopestream +\$20,000
 - Funded through restricted opioid settlement fund
- Inflation costs: Consultants, Supplies & Materials
 - Jail Costs
 - 2021 \$104,975
 - 2022 \$257,263
 - 2023 \$454,907
 - Dispatch Costs switch to Norcom in 2023
 - \$179,360 (Bothell) to \$463,560 (Norcom) increasing \$283,560 first full year
 - Washington Cities Insurance Authority
 - Previously increased over 40%

Traffic Safety Fund 002 (page 14 in budget)

FINANCIAL ORGANIZATION CHART (FUND STRUCTURE)

The following chart displays the fund structure for Lake Forest Park and is organized by fund type. The fund structure is prescribed by the Washington State Budgeting and Reporting System (BARS) and bears no connection to the organizational structure.



Budgeted Positions

- Guild Union: Police (General Fund)
 - Currently in Negotiations for 2025 & 2026
- Teamsters Union (General, Street, Transportation Capital, Sewer and Surface Water)
 - Currently in Negotiations for 2025 & 2026
- Non-Represented Employees
 - Market Adjustments: Evaluated by Position/Title
 - Cost of Living Adjustment 3%
- Updated Titles:
 - Records Management & Office Support > Public Records Specialist
 - Receptionist/ Office Clerk > Administrative Specialist
 - Passport Clerk > Passport Acceptance Agent
 - Environmental & Sustainability Specialist > Community Programs Planner
 - *Adding*: Associate Planner without an FTE increase
 - Lieutenant > Commander



Proposed Sewer Rates

Sewer Monthly Service Monthly Residential Rates		2023	2024	2025	2026
King County		52.11	55.11	58.28	62.36
City		20.77	21.39	22.46	23.58
	\$	72.88	\$ 76.50	\$ 80.74	\$ 85.94
Monthly Increase:	\$	3.45	\$ 3.62	\$ 4.24	\$ 5.20
Total Increase		5.0%	5.0%	5.5%	6.4%
County Portion		5.75%	5.75%	5.75%	7.00%
City Portion		3.0%	3.0%	5.0%	5.0%

Sewer Monthly Service Commercial & Multi-Family		2023	2024	2025	2026
King County	\$	6.57	\$ 6.95	\$ 7.35	\$ 7.87
City	\$	4.20	\$ 4.33	\$ 4.55	\$ 4.77
		10.78	11.28	11.90	12.64
Monthly Increase:	\$	0.48	\$ 0.50	\$ 0.62	\$ 0.74
% Increase:		4.7%	4.7%	5.5%	6.2%

Proposed:

\$4.24 monthly increase in 2025

\$5.20 monthly increase in 2026

Residents are billed **bimonthly \$161.48**

2026: bimonthly \$171.88



Proposed Revenue Enhancements

- Increase the sewer utility tax from 6% to 10%.
 - Funds will help offset current general fund deficit.
 - Monthly increase per household at 10% - \$3.23

Sewer Monthly Service Monthly Residential Rates		2023	2024	2025	2026
King County		52.11	55.11	58.28	62.36
City		20.77	21.39	22.46	23.58
		\$ 72.88	\$ 76.50	\$ 80.74	\$ 85.94
	Utility Tax 6%	\$ 4.37	\$ 4.59	\$ 4.84	\$ 5.16
	Utility Tax 10%	\$ 7.29	\$ 7.65	\$ 8.07	\$ 8.59
	Including Utility Tax 6%	\$ 77.25	\$ 81.09	\$ 85.58	\$ 91.10
	Including Utility Tax 10%	\$ 80.16	\$ 84.15	\$ 88.81	\$ 94.54

	2025-2026 Revenue			
Sewer Utility	\$	8,001,871.00	Utility Tax Rate	Increase from 6%
	\$	480,112.26	6%	
	\$	560,130.97	7%	\$ 80,018.71
	\$	640,149.68	8%	\$ 160,037.42
	\$	720,168.39	9%	\$ 240,056.13
	\$	800,187.10	10%	\$ 320,074.84



Proposed Surface Water Rates

- Annual increase **\$40.63** for single family residential
- Proposed 15% increase to support increasing operational costs 10% & additional employee position 5%
- Adopt annually

Surface Water								
Rate increase calculator								
class	class description	type	# of accounts	2024 rate	15%	proposed rate increase '25	15%	proposed rate increase '26
1	single family residential	house	4620	\$ 270.86	\$ 40.63	\$ 311.49	\$ 46.72	\$ 358.21
		mobile home	13	\$ 270.86	\$ 40.63	\$ 311.49	\$ 46.72	\$ 358.21
2	very light (0-10 IA)	commercial unit	3	\$ 270.86	\$ 40.63	\$ 311.49	\$ 46.72	\$ 358.21
3	light (10-20% IA)	commercial unit	4	\$ 651.04	\$ 97.66	\$ 748.70	\$ 112.30	\$ 861.00
4	moderate (20-45% IA)	commercial unit	10	\$ 1,309.35	\$ 196.40	\$ 1,505.76	\$ 225.86	\$ 1,731.62
		condo unit	20	\$ 1,309.35	\$ 196.40	\$ 1,505.76	\$ 225.86	\$ 1,731.62
5	moderately heavy (45-65% IA)	commercial unit	9	\$ 2,528.37	\$ 379.26	\$ 2,907.62	\$ 436.14	\$ 3,343.77
		condo unit	142	\$ 2,528.37	\$ 379.26	\$ 2,907.62	\$ 436.14	\$ 3,343.77
6	heavy (65-85% IA)	commercial unit	16	\$ 3,205.57	\$ 480.84	\$ 3,686.40	\$ 552.96	\$ 4,239.36
		condo unit	104	\$ 3,205.57	\$ 480.84	\$ 3,686.40	\$ 552.96	\$ 4,239.36
7	very heavy (85-100% IA)	commercial unit	26	\$ 4,198.88	\$ 629.83	\$ 4,828.71	\$ 724.31	\$ 5,553.02
		condo unit	40	\$ 4,198.88	\$ 629.83	\$ 4,828.71	\$ 724.31	\$ 5,553.02



Proposed Revenue Enhancements

- Increase the surface water utility tax from 6% to 10%.
 - Funds will help offset current general fund deficit.
 - Monthly increase per household @ 10% - \$1.04

Surface Water							
class	class description	type	total 2024 revenue	proposed rate increase		6% Utility Tax	10% Utility Tax
				15%	'25		
1	single family residential	house	\$ 1,251,366.27	\$ 40.63	\$ 311.49	\$ 18.69	\$ 31.15

	2025-2026 Revenue			
Surface Water Utility	\$	3,408,246.37	Utility Tax Rate	Increase from 6%
	\$	204,494.78	6%	
	\$	238,577.25	7%	\$ 34,082.46
	\$	272,659.71	8%	\$ 68,164.93
	\$	306,742.17	9%	\$ 102,247.39
	\$	340,824.64	10%	\$ 136,329.85



Proposed Revenue Enhancement

- Adopt a solid waste utility tax
 - Funds will help offset current general fund deficit.
 - If other new revenues become available, this revenue stream could be allocated to providing a new Climate Project Coordinator position.
 - Monthly increase per household @ 10% - \$7.33 (90/96-gallon garbage can)
 - Annual CPI Modification 3.5% per contract

Numbers below are annual:

Solid Waste Utility Tax*	5%	6%	7%	8%	9%	10%
	\$ 128,450.00	\$ 154,140.00	\$ 179,830.00	\$ 205,520.00	\$ 231,210.00	\$ 256,900.00

*Source: Republic Services ESTIMATED



CY 2024		
City	Utility	Rate
LFP	Sewer	6.0%
	Surface water	6.0%
LFP Proposed	Sewer	10.0%
	Surface water	10.0%
	Solid waste	10.0%
Kirkland	Solid waste	10.5%
	Sewer	10.5%
	Surface water	7.5%
	Water	11.5%
Woodinville	Solid waste	4.0%
	Surface water	Flat fee
	Sewer	Flat fee
Duvall	Water	10.0%
	Sewer	10.0%
	Surface water	10.0%
	Solid waste	6.0%
Kenmore	Solid waste	10.0%
	Surface water	6.0%
	Sewer	5.0%
	Water	5.0%
Shoreline	Solid waste	6.0%
	Sewer	6.0%
	Surface water	6.0%
	Water	6.0%
Edmonds	Water	9.0%
	Surface water	8.5%
	Sewer	10.0%
	Solid waste	6.0%
Mountlake Terrace	Water	13.8%
	Sewer	10.0%
	Surface water	10.0%
	Solid waste	10.0%
Bothell	Solid waste	5.0%
	Water	11.2%
	Sewer	6.0%
	Surface water	6.0%
Yakima	Sewer	20.0%
	Solid waste	15%
	Surface water	15.0%
	Water	20%

Proposed Utility Taxes

- Sewer Utility Tax
 - Currently 6%
 - Increase to 10%
- Surface Water
 - Currently 6%
 - Increase to 10%
- Solid Waste (Garbage) *NEW*
 - Currently not charged 0%
 - Increase to 10%



Proposed 2025 User Fee Schedule

- Sewer Rates 5.5%
 - King County 5.75% & City of Lake Forest Park 5%
- Surface Water Rate 15%
- Building Fees:
 - Increase 1.8% following the International Code Council's update
- Notary Services
 - \$10.00 to \$15.00





Council Questions/Comments

Open Public Hearing:

2025-2026 Preliminary Biennial Budget