2027/2028 Revenue Projections

Budget & Finance Committee

September 17, 2026

Phillip Hill, City Administrator

General Fund: Taxes

General Fund taxes account for approximately 64% of General Fund revenue. The largest tax received is property tax which accounts for 43% of General Fund revenues. Another significant tax is sales and use tax which accounts for almost 21% of General Fund revenues. Additional tax revenue sources include utility taxes on sewer, surface water, and solid waste.

Description	Method	2025-2026 Adopted Budget	2025-2026 Projected	2027-2028 Budget
Property Tax	T	$7,161,227	$7,046,357	$7,378,847
Sales and Use Tax	T	$3,560,204	$4,108,617	$4,295,249
Affordable/Supportive Housing	A	$21,000	$22,751	$23,200
Local Criminal Justice / State	T	$1,013,338	$995,079	$1,035,280
Business Tax	A	$830,000	$917,218	$935,000
Solid Waste Collection Tax	T	$315,386	$395,210	$426,534
Utility Tax	T	$946,916	$919,102	$1,030,099
Seattle City Light Contract Fee	T	$1,083,956	$1,293,087	$1,337,924
Utility Tax Sewer	A	$800,187	$820,704	$978,366
Utility Tax Surface Water	A	$340,825	$340,824	$371,543
Utility Tax Solid Waste	A	$522,792	$599,461	$645,170
Leasehold Excise Tax	A	-	$1,646	$3,293
Admission Tax	T	$42,808	$29,224	$33,997
TOTAL TAXES		**$16,638,638**	**$17,489,279**	**$18,494,500**

General Fund: Licenses & Permits

General Fund licenses and permits account for approximately 6.8% of General Fund revenues. Construction and development permits are the largest revenue source in this category and account for approximately 43% of license and permit revenue. Other significant revenues in this category include utility franchise fees (excluding electric utility franchise fees) and business license fees.

Description	Method	2025-2026 Adopted Budget	2025-2026 Projected	2027-2028 Budget
Cable Television Franchise Fee	T	$392,930	$336,097	$315,000
Telecommunication Franchise	T	-	$7,500	$5,000
Business Licenses	T	$171,700	$171,700	$189,880
Construction Permits	T	$462,000	$490,612	$480,000
Stride (BRT Project)				$600,000
Land Use Permits	T	$120,000	$82,601	$80,000
Plumbing Permits	T	$40,150	$55,062	$67,000
Mechanical Permits	T	$90,200	$109,261	$112,000
Concealed Weapon Permit / City	T	$4,800	$4,713	$4,800
Credit Card Fee	T	$16,000	$16,358	$16,750
Other Licenses / Permits	T	$51,122	$39,524	$43,000
TOTAL LICENSES AND PERMITS		**$1,348,902**	**$1,313,429**	**$1,913,430**

General Fund: Intergovernmental

Intergovernmental revenues account for over 4% of General Fund revenues and are comprised of revenues received from other governments, primarily the State of Washington. Major revenues in this category include shared liquor and marijuana tax revenues received from the state.

Description	Method	2025-2026 Adopted Budget	2025-2026 Projected	2027-2028 Budget
Bulletproof Vest Partnership	A	$5,000	$4,995	$5,000
EMPG Grant	E	$44,000	$37,787	$40,000
WASPC Behavioral Health Grant	A	$7,005	$9,959	-
WAAOC Interpreter Grant	A	$14,470	$14,470	$16,000
Court Equipment/software grant	A	-	-	$3,000
Traffic Safety Commission Grant	A	$43,478	$43,478	-
DOC State GMA Comp Plan Grant	A	$525,000	$615,099	-
Multimodal Transportation City	E	$35,288	$34,418	$34,936
Criminal Justice - Population	E	$10,999	$11,511	$12,181
CJ - Special Programs	E	$38,496	$38,495	$39,500
Marijuana Excise Tax Distribution	A	$46,555	$45,371	$54,500
DUI Distribution	T	$3,000	$3,000	$3,800
Liquor Excise Tax	A	$180,379	$180,379	$185,641
Liquor Board Profits	A	$210,570	$203,489	$205,500
Local Hazardous Waste Grant	A	$11,670	$19,359	$18,000
KC Waste Reduction Recycling	A	$18,504	$18,752	$19,000
KC Waterworks Grant	A	$7,500	$7,500	-
TOTAL INTERGOVERNMENTAL		**$1,201,913**	**$1,288,062**	**$637,057**

General Fund: Charges for Goods & Services

Charges for goods & services is a category of revenues that account for the recovery of costs associated with providing certain services. Services that generate revenue for this category include finance/accounting, human resources and information technology services provided by the General Fund to other funds of the City. Charges for those services are accounted for in this category and comprise about 6.5% of General Fund revenue. Revenue received for passport processing is accounted for in this category and accounts for approximately 29% of charges for goods & services revenue.

Description	Method	2025-2026 Adopted Budget	2025-2026 Projected	2027-2028 Budget
AWC Wellness Grant		-	$300	$300
Court Administrative Fees		$1,000	$266	$1,000
Interfund Svc. From Fund Surface Water	T	$185,210	$205,270	$219,823
Interfund Svc. From Fund Sewer Utility	T	$372,180	$338,453	$362,448
Interfund Svc. From Fund Streets	T	$175,556	$154,400	$165,346
Interfund Svc. From Fund Transportation Capital	T	$66,909	$75,360	$80,702
Interfund Svc. From Capital Improvement	T	$9,300	$8,077	$8,650
Interfund Svc. From Replacement Fund	T	$8,105	$7,604	$8,143
Shared Service From 502		$6,312	$12,685	$13,586
NSF Fees		$2,800	$6,160	$6,800
Development Tech. Surcharge	T	$60,000	$63,775	$68,000
Printing Copies		$2,400	$1,786	$2,200
Police Services OT		$630,000	$643,975	$500,000
Notary Services	T	$3,000	$5,934	$6,300
Passport Revenue	T	$567,181	$587,479	$635,000
Adult Probation Services	T	$40,000	$25,100	$20,000
Television/Cable Sub. Fee	T	$15,000	$11,035	$9,800
Support Service From TBD	T	$4,809	$4,216	$4,515
Animal Control Reimbursement	T	$8,000	$ -	$ -
TOTAL CHARGES FOR GOODS & SERVICES		**$2,157,762**	**$2,151,875**	**$2,112,613**

General Fund: Fines & Penalties

The City accounts for its fines & penalties in this category. The largest single revenue in this category is traffic safety camera fines, which account for approximately 96% of the revenue. Other revenues accounted for in this category include fines and penalties levied by the Lake Forest Park Municipal Court for infractions, fines and penalties issued within City limits.

Description	Method	2025-2026 Adopted Budget	2025-2026 Projected	2027-2028 Budget
Other Civil Penalties	T	$550	$966	$1,000
Traffic Infraction Penalties	T	$140,090	$262,339	$273,000
Traffic Safety Camera Fines	T	$4,381,800	$3,806,000	$3,914,760
Local/JIS Account	T	$5,000	$8,939	$7,000
Legislative Assessment	T	$4,500	$500	$1,000
Civil Parking Infraction Penalties	T	$3,300	$19,270	$21,500
DUI Fines	T	$8,000	$7,293	$9,500
Other Criminal Traffic Misdemeanor	T	$22,500	$19,364	$18,000
Emergency Services		$550	$164	$550
Other Crim. Non-Traffic Fines	T	$7,500	$11,640	$14,500
Court Fines & Forfeits	T	$9,450	$4,646	$6,000
Court Costs Recouped		-	$50	-
TOTAL FINES AND PENALTIES		**$4,583,240**	**$4,141,171**	**$4,266,810**

General Fund: Miscellaneous

The miscellaneous category includes revenues that are not classified elsewhere and includes interest income. The miscellaneous revenue category accounts for less than 3% of the General Fund. The City diversified its investment portfolio to include government agency bonds with the goal of providing a more predictable and sustainable interest income for current and future budgets.

Description	Method	2025-2026 Adopted Budget	2025-2026 Projected	2027-2028 Budget
Investment Interest	T	$643,000	$889,748	$532,800
Sales Tax Interest-State Treas	T	$16,000	$11,955	$12,000
Facility Rental Fees	A	$600	$2,325	$1,600
Donations		-	$92	-
Donations-Public Safety		-	$51	-
City Forestry Account	T	$10,000	$16,231	$20,000
Sales of Surplus		$3,000	-	-
P-Card Rebate	A	$26,000	$24,749	$26,000
Forfeits / Asset Seizure	T	$1,000	-	-
Restitution		$30,500	$30,839	$1,000
State Opioid Settlement		$30,000	$26,524	$18,000
Miscellaneous Operating	T	-	$2,611	$5,000
Police Miscellaneous Revenue		-	$1,861	$5,000
Miscellaneous Court Fees	T	$14,370	$15,345	$3,000
Miscellaneous Revenue	A	$5,000	-	$1,000
Insurance Recoveries		-	$29,190	-
Sale of Property		-	$22,959	$10,000
Insurance Recoveries - Capital Assets		-	-	$10,000
TOTAL MISCELLANEOUS		**$779,470**	**$1,074,504**	**$645,400**

General Fund: Non-Major (Sub) Funds

Traffic Safety Fund

New traffic safety cameras were introduced along NE 178th Street in 2024 following state legislation allowing such cameras in areas identified as school walk zones. The revenues generated are restricted by law to traffic safety operations and improvements and may not support the City's General Fund. Currently, these revenues support police and court operations to issue and adjudicate the citations, the construction of the City's first roundabout, early design of multimodal improvements near Brookside and Lake Forest Park Elementary schools, and a beacon supported crosswalk design on NE 178th Street and Ballinger Way NE.

Description	Method	2025-2026 Adopted Budget	2025-2026 Projected	2027-2028 Budget
TRAFFIC SAFETY FUND				
Traffic Safety Camera Fines	T	$8,000,000	$4,783,483	$4,300,000
TOTAL TRAFFIC SAFETY		**$8,000,000**	**$4,783,483**	**$4,300,000**
COUNCIL CONTINGENCY FUND				
Investment Interest	T	$44,000	$51,445	$48,000
TOTAL COUNCIL CONTINGENCY		**$44,000**	**$51,445**	**$48,000**
BUDGET STABILIZATION FUND				
Investment Interest	T	$18,500	$24,625	$14,400
TOTAL BUDGET STABILIZATION		**$18,500**	**$24,625**	**$14,400**
STRATEGIC OPPORTUNITY FUND				
Dept of Commerce State Grant Lake Front Prop.		-	$270,000	-
Investment Interest	T	$54,500	$54,500	$90,000
Transfer From Gen. Fund (001)		-	$1,600,000	-
Transfer from Fund (301) Capital Imp Fund		$1,000,000	$1,000,000	-
TOTAL STRATEGIC OPPORTUNITY		**$1,054,500**	**$2,924,500**	**$90,000**

SPECIAL REVENUE FUNDS

Street Fund

Street Fund revenues are made up mainly of three revenue sources: right-of-way permits for construction purposes, fees paid for the use of the City owned right-of-way by utilities operating in the city, and amounts received from the State for gas tax distributions. Right-of-way construction revenue accounts for approximately 6% of total Street Fund revenue, right-of-way utility franchise accounts for approximately 34% of total Street Fund revenue, and gas tax revenue accounts for approximately 35% of total Street Fund revenue. The transfer from the General Fund supports the Street Lights and accounts for slightly under 21% of the Street Fund revenue. Interest income and other miscellaneous revenues account for the remainder of the Street Fund revenue.

Description	Method	2025-2026 Adopted Budget	2025-2026 Projected	2027-2028 Budget
ROW Permits – Construction	T	$90,000	$71,450	$90,000
ROW Rev. / Utility Franchise	T	$475,000	$480,032	$490,000
Gas Taxes (MVET Cities)	A	$499,893	$464,031	$470,000
Investment Interest	T	$50,000	$57,958	$36,000
Transfer From Gen. Fund (001)	A	$295,000	$295,000	$1,115,000
TOTAL		**$1,409,893**	**$1,368,471**	**$2,201,000**

Transportation Benefit District Fund

The Transportation Benefit District Fund is primarily funded from a council voted vehicle tab fee for residents. The vehicle tab fees directly fund the City's Capital Road Overlay and ADA (Americans with Disabilities Act) Ramp Program. Currently, the City partners with King County to stretch all funds collected with the buying power of King County's road maintenance division.

Description	Method	2025-2026 Adopted Budget	2025-2026 Projected	2027-2028 Budget
TBD Vehicle Fees-State	T	$1,058,659	$1,035,374	$1,041,000
TBD Vehicle Fees-Sales Tax .1%		$402,669	$459,827	$466,137
Investment Interest	T	$54,000	$111,209	$75,600
TOTAL		**$1,515,328**	**$1,606,409**	**$1,582,737**

CAPITAL FUNDS

Capital Improvement Fund

Approximately 60% of Capital Improvement Fund revenue comes from Real Estate Excise Tax (REET I) on home sales within the City limits estimated for the upcoming biennium at $800,000. The other approximately 40% comes from the King County Parks Levy and investment interest earned on the cash balance.

Description	Method	2025-2026 Adopted Budget	2025-2026 Projected	2027-2028 Budget
Real Estate Excise Tax I	T	$650,000	$914,745	$800,000
Recreation & Conservation State Grant		$1,554,551	$1,284,551	-
King County Parks Levy	T	$308,000	$317,401	$215,865
K.Co. Youth Amateur Sports Grant		$25,000	$25,000	-
Investment Interest	T	$140,000	$72,250	$108,000
TOTAL		**$2,677,551**	**$2,613,946**	**$1,123,865**

Transportation Capital Fund

The Transportation Capital Fund has budgeted revenues of over $5.3 million dollars for the Preliminary 2027-2028 Budget. A significant portion of the revenues received by the Transportation Capital Fund are project related one-time grants. In the Preliminary 2027-2028 Budget one-time project revenues consist of $2.87 million in grant funds from the State Transportation Improvement Board (TIB) and $601,120 from the Washington State Department of Transportation (WSDOT). The project being funded is a Roundabout at State Route 104 and 40th Place NE. Real Estate Excise Tax (REET II) is expected to generate revenue of $800,000 during the biennium. The Transportation Benefit District contracts with the Transportation Capital Fund to provide annual overlay services; this transaction generates $1.1M of revenue during the biennium.

Description	Method	2025-2026 Adopted Budget	2025-2026 Projected	2027-2028 Budget
Real Estate Excise Tax II	T	$650,000	$914,745	$800,000
WSDOT Grants RAB		$601,120	$601,120	-
State Transportation Improvement Board RAB		$2,878,367	$2,878,387	$1,000,000
LFP Water District for RAB	A	$155,905	$155,905	-
Investment Interest	T	$177,000	$216,764	$108,000
Public Works GO Loan RAB		$2,000,000	-	$2,000,000
Transfer From Traffic Safety Fund (002)		$300,000	$300,000	$360,000
Transfer From TBD (104) Overlay/ADA Ramps	A	$800,000	$566,000	$1,100,000
TOTAL		**$7,562,393**	**$5,632,921**	**$5,368,000**

Capital Facilities Maintenance Fund

The capital facilities maintenance fund is primarily funded by interfund transfers from the capital improvement fund which is primarily Real Estate Excise Tax (REET I) revenue. The remaining revenue is generated by interest income.

Description	Method	2025-2026 Adopted Budget	2025-2026 Projected	2027-2028 Budget
Investment Interest	T	$59,000	$74,185	$100,800
Trans. From Capital Fund	A	$250,000	$250,000	
TOTAL		**$309,000**	**$324,185**	**$100,800**

Sewer Utility Fund & Sewer Capital Fund

The Sewer Utility Fund is funded by charges to customers for sewer service. Sewer utility charges provide over 89% of the sewer fund revenue. Charges include late fees, utility taxes, and other charges related to sewer connections. The sewer utility also earns interest on the daily cash balance in the fund.

The Sewer Capital Fund is funded through a transfer from the Sewer Utility Fund; therefore, the utility charges are funding operations and maintenance in addition to funding future infrastructure capital needs. The final debt payment was paid in 2025, providing for the allocation of future funds to sewer capital projects such as the Beach Drive Lift station that is currently in the design phase. All funds accrue interest income on the current cash balances.

Description	Method	2025-2026 Adopted Budget	2025-2026 Projected	2027-2028 Budget
SEWER UTILITY FUND				
Licenses and Permits	T	$30,000	$30,000	$42,554
Utility Charges	T	$8,106,871	$8,041,871	$9,783,654
Sewer Service Charge - Utility Tax		$800,187	$800,187	$978,365
Late Charges - Utility Bills	T	$50,000	$50,000	$50,000
Investment Interest	T	$65,000	$65,000	$86,400
Sewer Certificate Fee	T	$1,000	$1,000	$1,400
TOTAL		**$9,053,058**	**$8,988,058**	**$10,942,373**
SEWER CAPITAL FUND				
Investment Interest	T	$201,000	$201,000	$252,000
Transfer From Sewer Fund	A	$250,000	$250,000	-
TOTAL		**$451,000**	**$451,000**	**$252,000**
SEWER BOND RESERVE FUND				
Investment Interest	T	$6,000	$4,875	$10,800
TOTAL		**$6,000**	**$4,875**	**$10,800**
PUBLIC WORKS TRUST REPAYMENT FUND				
Excise Tax Revenue	T	$56,500	$56,499	$30,000
Connection Charges	T	$50,000	$50,000	$40,000
Investment Interest	T	$34,000	$34,000	$32,400
Transfer From Sewer Utility	A	$168,000	$168,000	-
TOTAL		**$308,500**	**$308,499**	**$102,400**

Surface Water Utility Fund & Surface Water Capital Fund

The Surface Water Utility Fund is funded by user fees. The user fees are billed to property owners for surface water management through King County's property tax statements and accounts for 93% of the revenue. The remaining 7% is from interest income, utility tax, and miscellaneous revenue.

The Surface Water Capital Fund is funded by a combination of transfers from the Surface Water Utility Fund and grants received from third parties.

Description	Method	2025-2026 Adopted Budget	2025-2026 Projected	2027-2028 Budget
SURFACE WATER UTILITY FUND				
Surface Water Service Charge - Utility Tax		$340,825	$340,823	$371,543
Muni. Stormwater Grant (DOE)	A	$127,836	$127,835	-
Utility Service Charges	T	$3,408,246	$3,408,246	$3,715,425
Investment Interest	T	$64,000	$88,590	$162,000
TOTAL		**$3,940,907**	**$3,965,494**	**$4,248,968**
SURFACE WATER CAPITAL FUND				
Muni. Stormwater Grant (DOE)	A	$85,000	$85,000	-
WSDOT Grant	A	$133,506	$133,506	-
Department of Commerce #1	A	-	-	$1,032,259
Department of Commerce #2	A	-	-	$1,765,400
L90 Grants:Dept of Comm, LFPWD, WSDOT	A	$3,070,000	$50,000	-
Investment Interest	A	$85,000	$85,000	$21,600
Trans From Surface Water (403)	A	$400,000	$400,000	-
TOTAL		**$3,773,506**	**$753,506**	**$2,819,259**

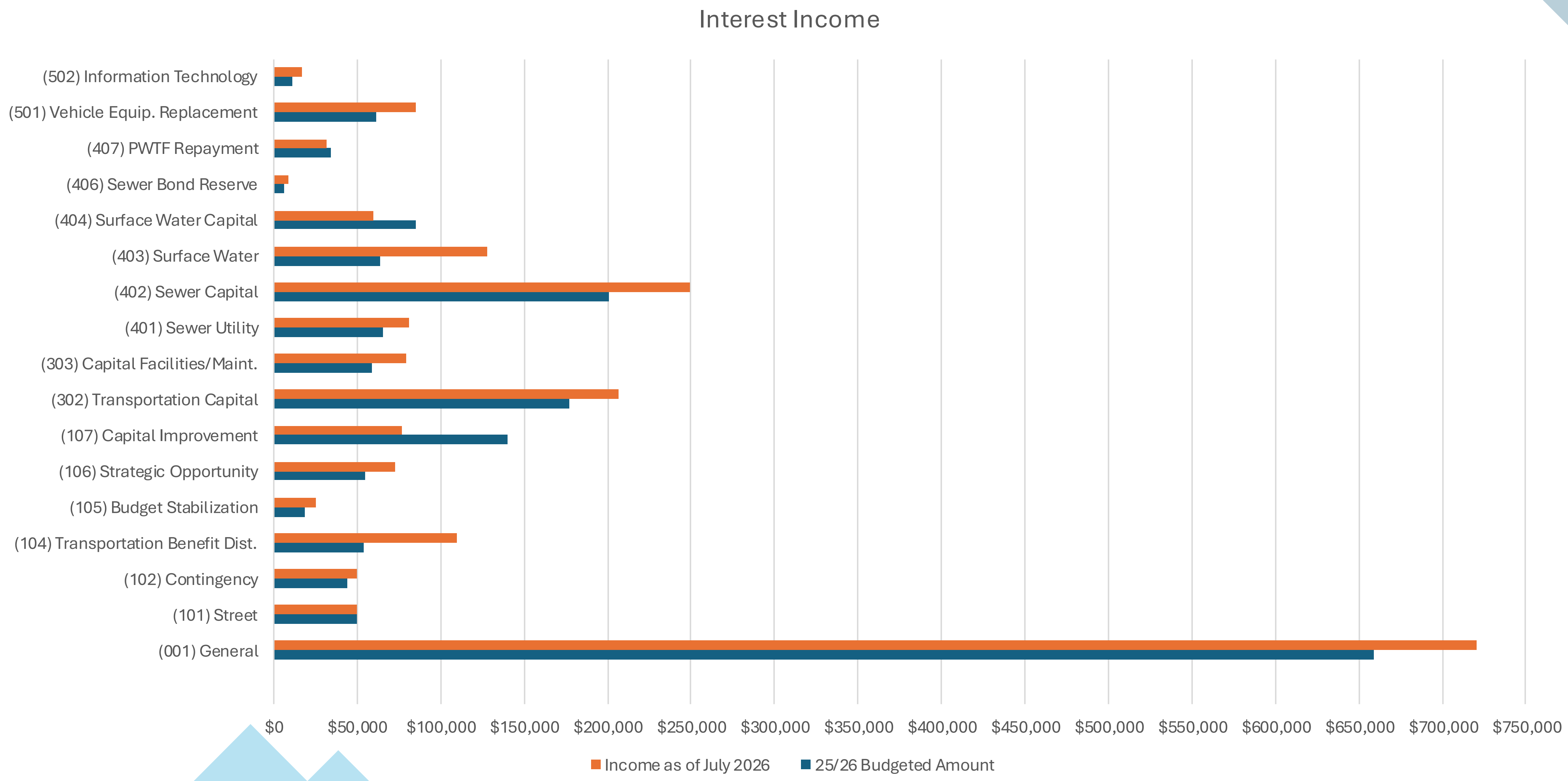
2025/2026 Interest Income

Budget & Finance Committee

September 17, 2026

Phillip Hill, City Administrator

July 2026



Interest Income
(502) Information Technology
(501) Vehicle Equip. Replacement
(407) PWTF Repayment
(406) Sewer Bond Reserve
(404) Surface Water Capital
(403) Surface Water
(402) Sewer Capital
(401) Sewer Utility
(303) Capital Facilities/Maint.
(302) Transportation Capital
(107) Capital Improvement
(106) Strategic Opportunity
(105) Budget Stabilization
(104) Transportation Benefit Dist.
(102) Contingency
(101) Street
(001) General
$0
$50,000
$100,000
$150,000
$200,000
$250,000
$300,000
$350,000
$400,000
$450,000
$500,000
$550,000
$600,000
$650,000
$700,000
$750,000
Income as of July 2026
25/26 Budgeted Amount

Fund	25/26 Budgeted Amount		Income as of July 2026	
(001) General	$	659,000	$	720,260
(101) Street	$	50,000	$	49,776
(102) Contingency	$	44,000	$	50,120
(104) Transportation Benefit Dist.	$	54,000	$	109,925
(105) Budget Stabilization	$	18,500	$	24,727
(106) Strategic Opportunity	$	54,500	$	72,740
(107) Capital Improvement	$	140,000	$	77,003
(302) Transportation Capital	$	177,000	$	206,551
(303) Capital Facilities/Maint.	$	59,000	$	79,308
(401) Sewer Utility	$	65,000	$	80,692
(402) Sewer Capital	$	201,000	$	249,231
(403) Surface Water	$	64,000	$	127,522
(404) Surface Water Capital	$	85,000	$	59,361
(406) Sewer Bond Reserve	$	6,000	$	8,481
(407) PWTF Repayment	$	34,000	$	31,913
(501) Vehicle Equip. Replacement	$	61,000	$	85,331
(502) Information Technology	$	11,000	$	16,591