



CITY OF LAKE FOREST PARK

CITY COUNCIL

AGENDA COVER SHEET

Meeting Date	December 11, 2025
Originating Department	Finance Department
Contact Person	Lindsey Vaughn, Finance Director
Title	Ordinance 25-1311/Amending the 2025-2026 Biennial Budget

Legislative History

- First Presentation June 26, 2025 Budget & Finance Committee Meeting
 - Second Presentation August 14, 2025, City Council Regular Meeting
 - Third Presentation November 13, 2025, City Council Regular Meeting
 - Fourth Presentation November 20, 2025, City Council Special Meeting
 - Fifth Presentation November 24, 2025, City Council Special Meeting
 - Sixth Presentation December 11, 2025, City Council Regular Meeting
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Attachments:

1. Ordinance 25-1311/Amending the 2025-2026 Biennial Budget
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Executive Summary

The proposed ordinance would amend the 2025-2026 budget to reflect actual performance rather than the projected amounts used when adopting the budget. The City of Lake Forest Park develops a budget based on a set of predictions. A city budget is a living document, and since it is impossible to predict the future precisely, adjustments to the adopted budget are often necessary once the budget period begins. A formal modification to an adopted budget is called a budget amendment. Budgets are approved at the fund level, rather than at the line-item or department level, so budget amendments are also made at the fund level.

Budget amendments do not require public hearings and do not have specific associated timelines. However, it is best practice to formally amend a budget before an expenditure is allocated (amend before you spend). A budget amendment must be approved before the last day of the fiscal period to take effect for that adopted fiscal period.

Background

The City adopts a biennial budget covering two years. Local governments that choose to adopt biennial budgets are required by state law to perform an in-depth review mid-way through the budget cycle to identify any significant discrepancies between projected figures and actual financial results. A mid-biennial budget adjustment should be considered if significant differences are identified. Mid-biennial budget adjustments serve to 'true-up' the adopted budget to match actual performance. Budgets are living documents created with the best information available at the time of adoption. Budget adjustments, or amendments, are a normal part of managing local government finances.

Fiscal & Policy Implications

General Fund: Within the general fund, there are four direct pass-through items for the Police Department. The first is third-party overtime reimbursement for security services provided, which generates revenue for the city. This revenue is directly passed through to expand the overtime budget to cover Police overtime salaries and benefits. The remaining three are all grant pass-throughs. The Police Department also received a state grant that the Police Department is using to pay for an additional Star Chase subscription, new office chairs, and upgrades to the sally port and evidence room. Additionally, they received another grant to replace aging Automatic External Defibrillators (AEDs), which will cover the cost to purchase updated AEDs for City Hall. Lastly, the Police Department received a third health and wellness grant, which will be used to purchase additional gym equipment.

The Police Collective Bargaining Agreement (CBA) was agreed to and adopted by the City Council after the budget was approved, and the actual cost impact on the budget needs to be amended to reflect what was approved for 2025 and 2026. Due to the high number of retirements and separations, the department requires an amendment for the amount paid within the 2025 fiscal year for the approved payroll balances per the approved CBA. An additional amendment may also be necessary in 2026, as the City is aware of planned retirements within the Police Department. The turnover in the Police Department also increases demand for uniforms, badges, vests, and expanded police training budgets, all totaling \$45,000.

The expansion of the Court Probation Officer position from 0.2 to 0.3 full-time equivalent was adopted during the 2025-2026 regular budget process but was unintentionally excluded and needs to be corrected. The judicial demand resulting from the addition of the School Walk Zone camera has increased the Municipal Court's need to boost its full-time employee count and adjust wages through a market adjustment. A more tiered organizational approach is being proposed, including changing the title of Court Clerk to Judicial Specialist. As the department grows, there is also a new need to add a Senior Judicial Specialist position for consideration. Additionally, the court was awarded reimbursement for overtime due to the system outage in late 2024, and there is a request to expand the current overtime line item to cover an upcoming software upgrade scheduled for the second quarter of next year.

Laserfiche was included in the originally adopted budget (Court/Municipal Services departments), but the actual cost exceeded the initial budget, and the budget needs to be increased by an additional \$12,000, which was brought forward at a Budget & Finance Meeting earlier this spring.

Executive Department Professional Services: The City negotiated labor contracts with the Police Guild and Teamsters, and also hired a temporary employee to assist the Human Resources Department with its demanding workload. The original request to fund a HR Specialist at .8 full-time equivalent was included in the Mayor's Proposed Budget and is being reconsidered for the Mid-Biennial Budget discussion, as the ongoing need remains. To accommodate the new positions, the executive area will need to be reconfigured to add additional desks and workstations.

Municipal Services: Passports are steady and exceeding revenue projections; therefore, the city is requesting to expand both revenue and operational supplies, including taxes (directly linked to passport revenue) and postage increases for the department.

Northshore Emergency Management Co (NEMCo): The City's emergency management was underbudgeted in the original budget and needs to be trued up to the actual costs of \$52,000.

Contracts within the General Fund: The proposed increases for the Prosecutor and Public Defender contracts amount to an estimated \$98,000 for 2026.

Senior Center Community Partner: The Shoreline/Lake Forest Park Senior Center has submitted a request for an additional \$4,750 and a request to repurpose \$4,000 of the 2026 funds already allocated to support social worker services for Lake Forest Park residents.

Facilities: The City Hall facilities faced some unexpected health and safety issues that needed urgent attention at the start of 2025. The budgets for professional services and repairs and maintenance are being increased to cover the additional unforeseen health and safety costs.

Decisions in the General Fund: The Human Resources Specialist position, which was not funded in the original budget, is being proposed due to the operational need for the City. This need arises from the high turnover and ongoing human resources support required for conducting interviews, managing health care benefits, negotiations, handling personnel issues, evaluating all positions' market adjustments, and supporting union interpretation and disputes.

Traffic Safety Fund: The increase in traffic safety camera activity and ticket volume compelled the Court to redesign its work area to accommodate more employees and to amend budgets for certain supplies, equipment, and professional services. The fund is also supporting the purchase of two police vehicles, an expense approved by the Council that was not included in the original adopted budget.

Due to the high volume of School Walk Zone traffic infractions, the Judge's salary is increasing by .15 FTE, along with a growing budget for the Pro Tem Judges, which will be funded by the traffic safety fund.

Capital Improvement Fund: The City is acquiring a park on 35th Avenue NE, Lake Forest Park.

Sewer Utility Fund: The City originally adopted a resolution that included a 7% increase in King County's wastewater treatment charge for 2026. However, King County actually adopted an increased rate of 7.5% per ordinance number 19942. The City is proposing to increase the rate to capture the full pass-through amount that the City will be charged by King County.

The residential sewer rate will now be \$86.24 per month which is an increase of \$5.50 from the adopted 2025 sewer rate of \$80.74. The commercial and multifamily sewer rate will increase from \$11.90 to \$12.68 increasing by \$0.78.

Sewer Monthly Service

Residential	80.74	86.24
Sewer Excise Tax	22.46	23.58
Commercial / Multi-Family Residential (per ccf)	11.90	12.68

Surface Water Utility & Capital Fund: The requested increase is due to the Public Works Yard Material Bin Covers Project change order, which resulted from the Project exposing contaminated soils on the construction site that required proper remediation.

Surface water rates were included to increase by 15% in the 2025-2026 adopted budget. The 15% increase includes 10% for operational needs and 5% to fund the Stormwater Program Manager position, which supports the NPDES Department of Ecology permit and regulation requirements.

Surface Water					
Class	Class Description	Type	2026 Surface Water Rate	10% Service Tax	Total 2026 Surface Water Rate
1	single family residential	house	\$ 358.21	\$ 35.82	\$ 394.03
2	very light (0-10 IA)	commercial unit	\$ 358.21	\$ 35.82	\$ 394.03
3	light (10-20% IA)	commercial unit	\$ 861.00	\$ 86.10	\$ 947.10
4	moderate (20-45% IA)	commercial unit	\$ 1,731.62	\$ 173.16	\$ 1,904.78
5	moderately heavy (45-65% IA)	commercial unit	\$ 3,343.77	\$ 334.38	\$ 3,678.14
6	heavy (65-85% IA)	commercial unit	\$ 4,239.36	\$ 423.94	\$ 4,663.30
7	very heavy (85-100% IA)	commercial unit	\$ 5,553.02	\$ 555.30	\$ 6,108.32

Vehicle & Equipment Replacement Fund: During the initial budget discussions, the City allocated the revenue portion of the vehicle and equipment replacement fund and set it aside for a broader discussion on the fleet strategy for the Public Works and Police Departments. The City has now determined that the Fund will purchase three police patrol vehicles and a transport van, along with an F-150, a Chevy 2500, and an F-550 for the Public Works Department. The maintenance costs are for the repair and replacement of the large sweeper head.

Information Technology Fund: The city is appropriately funding the creation of a separate Information Technology Fund to establish a responsible replacement schedule for equipment that has exceeded its useful life. Expanding professional services is necessary to support KDH Consulting for system maintenance and covering City employee time off, in addition to increases in the Yakima Interlocal Agreement. A significant portion of the city's hardware, such as computers, monitors, printers, and docking stations, has surpassed the recommended useful life and needs replacement. Computer software costs for Office 365 were underestimated during the initial budgeting due to available information at the time. Two new items not originally budgeted are SysAid, a web-based tracking system, and Pace Scheduling, which improves timecard entry efficiency for the Teamsters and Non-represented staff.

Multiple Funds: The Teamsters Union Agreement salary and benefits are being adjusted because the approved contract exceeded the original estimates included in the 2025-2026 adopted budget. The funds involved include the general, street, sewer, and surface water funds. Additionally, the overtime budgets for all funds were set at an unreasonably low amount and need to be increased to meet the demand for community events, storm response, and on-call support, among other overtime demands.

Please see the table below that shows allocation changes by fund.

GENERAL FUND 001				
	Revenue(R)/Expend.(E)	2025-2026 Adjustment Amount	Total Revenue	Total Expenditure
<u>Title</u>				
Police Services: Overtime Reimbursed for Security Services pass through (2025)	R	\$ 280,000	\$ 280,000	
Police CSPA Grant (pass through)	R	\$ 43,478	\$ 43,478	
Court: AOC Interpreter Grant Reimbursement	R	\$ 5,500	\$ 5,500	
Miscellaneous Court: Overtime Reimbursement from 2024 pass through	R	\$ 13,870	\$ 13,870	
Police: Health & Wellness Grant	R	\$ 7,005	\$ 7,005	
Police Grant: AED's	R	\$ 7,500	\$ 7,500	
KC Waste Reduction Recycling Grant 2025 & 2026	R	\$ 18,504	\$ 18,504	
Passport Revenue	R	\$ 80,000	\$ 80,000	
Judgements & Settlements: Republic	R	\$ 30,500	\$ 30,500	
General Fund Revenue Adjustment Total		\$ 486,357	\$ 486,357	
Executive Department Salaries: Human Resources Specialist Salary .8 FTE	E	\$ 82,500		\$ 82,500
Executive Department HR Specialist Benefit	E	\$ 40,000		\$ 40,000
Community Development: Climate Coordinator Salary 1.0 FTE	E	\$ 111,500		\$ 111,500
Community Development: Climate Coordinator Benefits	E	\$ 40,000		\$ 40,000
Executive Professional Services: 2 Negotiations, HR Support	E	\$ 50,000		\$ 50,000
Executive/Finance/Municipal Area: Furniture Remodel	E	\$ 43,000		\$ 43,000
Municipal Services Department Salaries	E	\$ 8,000		\$ 8,000
Municipal Services Department Benefits	E	\$ 1,000		\$ 1,000
Municipal Services: Office Supplies, taxes, communications, & postage	E	\$ 46,000		\$ 46,000
Finance Department Salaries	E	\$ 22,500		\$ 22,500
Finance Department Benefits	E	\$ 8,000		\$ 8,000
Judicial Salaries	E	\$ 45,500		\$ 45,500
Judicial Benefits	E	\$ 22,000		\$ 22,000
Court Overtime: Reimbursement for overtime	E	\$ 13,870		\$ 13,870
Police Salaries per CBA 2025 & 2026, plus 2025 retirements/separations	E	\$ 160,500		\$ 160,500
Police Overtime (Pass-through supported by outside revenue)	E	\$ 280,000		\$ 280,000
Police Benefits per CBA 2025 & 2026, plus 2025 retirements/separations	E	\$ 21,000		\$ 21,000
Police Department: CSPA Grant Pass-through	E	\$ 43,478		\$ 43,478
Police Dept: Health and wellness grant equipment	E	\$ 7,005		\$ 7,005
Police Dept: AED grant pass through	E	\$ 7,500		\$ 7,500
Police Uniforms	E	\$ 20,000		\$ 20,000
Police Badges & Vests	E	\$ 5,000		\$ 5,000
Police Training	E	\$ 20,000		\$ 20,000
Emergency Management: NEMCo	E	\$ 52,000		\$ 52,000
Court/Municipal Services: Laserfische	E	\$ 12,000		\$ 12,000
Prosecutor	E	\$ 48,000		\$ 48,000
Public Defender	E	\$ 50,000		\$ 50,000
Senior Center Community Partner for mental health	E	\$ 4,750		\$ 4,750
Parks Employee Salaries Teamsters	E	\$ 52,500		\$ 52,500
Parks Overtime	E	\$ 6,000		\$ 6,000
Parks Employee Benefits Teamsters	E	\$ 12,500		\$ 12,500
Parks: Equipment Purchase Gate for Lyon Creek Preserve	E	\$ 15,000		\$ 15,000
Facilities Employee Salaries Teamsters	E	\$ 31,000		\$ 31,000
Facilities Overtime	E	\$ 4,500		\$ 4,500
Facilities Employee Benefits Teamsters	E	\$ 6,000		\$ 6,000
Facilities: Professional Services	E	\$ 55,000		\$ 55,000
Facilities: Repairs & Maintenance	E	\$ 100,000		\$ 100,000
General Fund Expenditure Adjustment Total		\$ 1,547,603		\$ 1,547,603
Total Net Change to the General Fund		\$ (1,061,246)		

TRAFFIC SAFETY FUND 002				
Title	Revenue(R)/Expend.(E)	2025-2026 Adjustment Amount	Total Revenue	Total Expenditure
	R		\$ -	
Traffic Safety Fund Revenue Adjustment Total		\$ -	\$ -	
Salaries - Court	E	\$ 58,500		\$ 58,500
Employee Benefits - Court	E	\$ 27,000		\$ 27,000
Court: Supplies	E	\$ 3,500		\$ 3,500
Court: Small Tools & Equipment	E	\$ 20,000		\$ 20,000
Professional Services	E	\$ 3,000		\$ 3,000
Transfer OUT to Vehicle Replacement Fund 501 for Police Vehicles	E	\$ 169,886		\$ 169,886
Traffic Safety Fund Expenditure Adjustment Total		\$ 281,886		\$ 281,886
Total Net Change to the Traffic Safety Fund		\$ (281,886)		
STREET FUND 101				
Title		2025-2026 Budget Amount	Total Revenue	Total Expenditure
	R		\$ -	
Street Fund Revenue Adjustment Total		\$ -	\$ -	
Employees Salaries: Teamsters	E	\$ 100,000		\$ 100,000
Employee Overtime	E	\$ 7,000		\$ 7,000
Employees Benefits: Teamsters	E	\$ 24,000		\$ 24,000
Street Expenditure Adjustment Total		\$ 131,000		\$ 131,000
Total Net Change to the Street Fund		\$ (131,000)		
CAPITAL IMPROVEMENT FUND 301				
Title		2025-2026 Budget Amount	Total Revenue	Total Expenditure
Capital Improvement Fund Revenue Adjustment Total		\$ -	\$ -	\$ -
Park Acquisition	E	\$ 300,000		\$ 300,000
Park Acquisition additional expenses	E	\$ 15,000		\$ 15,000
Pickleball Court Improvements	E	\$ 25,000		\$ 25,000
Capital Improvement Fund Expenditure Adjustment Total		\$ 340,000	\$ -	\$ 340,000
Total Net Change to the Capital Improvement Fund		\$ (340,000)		
TRANSPORTATION CAPITAL FUND 302				
Title		2025-2026 Budget Amount	Total Revenue	Total Expenditure
	R		\$ -	
Transportation Capital Fund Revenue Adjustment Total		\$ -	\$ -	
Safe Streets Early Action: Early Action		\$ 300,000		\$ 300,000
Transportation Capital Fund Expenditure Adjustment Total		\$ 300,000		\$ 300,000
Total Net Change to the Transportation Capital Fund		\$ (300,000)		

SEWER OPERATION FUND 401				
<u>Title</u>		<u>2025-2026 Budget Amount</u>	<u>Total Revenue</u>	<u>Total Expenditure</u>
King County's Wastewater Utility Charge	R	\$ 40,000	\$ 40,000	
Sewer Operation Fund Revenue Adjustment Total		\$ 40,000	\$ 40,000	
Employee Salaries: Teamsters	E	47,000		\$ 47,000
Employee Overtime	E	8,000		\$ 8,000
Employee Benefits: Teamsters	E	27,000		\$ 27,000
King County METRO Wastewater Treatment Charges	E	\$ 40,000		\$ 40,000
Sewer Operation Fund Expenditure Adjustment Total		\$ 202,000		\$ 122,000
Total Net Change to the Sewer Operation Fund		\$ (82,000)		
SURFACE WATER OPERATIONS FUND 403				
<u>Title</u>		<u>2025-2026 Budget Amount</u>	<u>Total Revenue</u>	<u>Total Expenditure</u>
Surface Water Operations Revenue Adjustment Total		\$ -	\$ -	
Employee Salaries: Teamsters	E	\$ 117,500		\$ 117,500
Employee Overtime	E	\$ 5,000		\$ 5,000
Employee Benefits: Teamsters	E	\$ 26,500		\$ 26,500
Surface Water Operation Fund Expenditure Adjustment Total		\$ 149,000		\$ 149,000
Total Net Change to the Surface Water Fund		\$ (149,000)		
SURFACE WATER CAPITAL FUND 404				
<u>Title</u>		<u>2025-2026 Budget Amount</u>	<u>Total Revenue</u>	<u>Total Expenditure</u>
Surface Water Capital Revenue Adjustment Total		\$ -	\$ -	
Public Works Yard Materials Bin Cover Change Order Cont. Soils, etc.	E	\$ 133,000		\$ 133,000
Surface Water Capital Fund Expenditure Adjustment Total		\$ 133,000		\$ 133,000
Total Net Change to the Surface Water Capital Fund		(133,000)		
VEHICLE & EQUIPMENT REPLACEMENT FUND 501				
<u>Title</u>		<u>2025-2026 Budget Amount</u>	<u>Total Revenue</u>	<u>Total Expenditure</u>
Transfer In From Traffic Safety Fund 002	R	\$ 169,886	\$ 169,886	
Vehicle and Equipment Revenue Adjustment Total		\$ 169,886	\$ 169,886	
Public Works Equipment: Maintenance Sweeper Brush Head replacement	E	\$ 34,000		\$ 34,000
PD Vehicle Replacement	E	\$ 348,580		\$ 348,580
Public Works Vehicles: Replacement	E	\$ 510,338		\$ 510,338
Vehicle & Equipment Fund Expenditure Adjustment Total		\$ 892,918		\$ 892,918
Total Net Change to the Vehicle & Equipment Fund		\$ (723,032)		
INFORMATION TECHNOLOGY FUND 502				
<u>Title</u>		<u>2025-2026 Budget Amount</u>	<u>Total Revenue</u>	<u>Total Expenditure</u>
Information Technology Revenue Adjustment Total	R	\$ -	\$ -	
Professional Services: KDH Consulting and Yakima ILA cost increase	E	\$ 35,000		\$ 35,000
Hardware: Computers, Monitors, Docking Stations, and Peripherals	E	\$ 30,000		\$ 30,000
Computer Software: Microsoft O365, SysAid, and Pace Scheduling System	E	\$ 50,000		\$ 50,000
Information Technology Fund Expenditure Adjustment Total		\$ 115,000		\$ 115,000
Total Net Change to the IT Fund		\$ (115,000)		

Please see the table below that shows allocation changes by fund.

Fund No.	Fund Name	<u>January 2025</u>	<u>Adopted 2025-2026</u>		<u>Proposed 2025-2026 Amended Budget</u>		<u>Projected 2026</u>
		<u>Actual Beginning</u>	<u>Revenue</u>	<u>Expenditure</u>	<u>Revenue</u>	<u>Expenditure</u>	<u>Ending Fund</u>
		<u>Fund Balance</u>					<u>Balance</u>
001	General Fund	\$ 10,316,028.28	\$ 26,110,786.57	\$ 26,992,986.49	\$ 26,597,143.71	\$ 28,540,589.49	\$ 8,372,582.50
002	Traffic Safety Fund	\$ 42,682.46	\$ 8,000,000.00	\$ 3,360,500.00	\$ 8,000,000.00	\$ 3,642,386.00	\$ 4,400,296.46
101	Street Fund	\$ 908,991.97	\$ 1,409,893.03	\$ 2,048,751.26	\$ 1,409,893.03	\$ 2,179,751.26	\$ 139,133.74
102	Council Contingency Fund	\$ 811,257.21	\$ 44,000.00	\$ -	\$ 44,000.00	\$ -	\$ 855,257.21
104	Transportation Benefit District	\$ 1,514,458.06	\$ 1,515,327.93	\$ 804,809.07	\$ 1,515,327.93	\$ 804,809.07	\$ 2,224,976.92
105	Budget Stabilization Fund	\$ 354,761.40	\$ 18,500.00	\$ -	\$ 18,500.00	\$ -	\$ 373,261.40
106	Strategic Opportunity Fund	\$ 786,353.55	\$ 554,500.00	\$ 530,000.00	\$ 554,500.00	\$ 530,000.00	\$ 810,853.55
301	Capital Improvement Fund	\$ 817,024.53	\$ 1,368,000.00	\$ 951,431.00	\$ 1,368,000.00	\$ 1,291,431.00	\$ 893,593.53
302	Transportation Capital Fund	\$ 2,912,476.83	\$ 7,562,392.62	\$ 8,720,311.00	\$ 7,562,392.62	\$ 9,020,311.00	\$ 1,454,558.45
303	Facilities Maintenance Fund	\$ 1,246,253.10	\$ 309,000.00	\$ 945,000.00	\$ 309,000.00	\$ 945,000.00	\$ 610,253.10
401	Sewer Utility Fund	\$ 1,231,461.57	\$ 8,948,058.38	\$ 8,901,291.00	\$ 8,988,058.38	\$ 9,023,291.00	\$ 1,196,228.95
402	Sewer Capital Fund	\$ 4,186,507.32	\$ 451,000.00	\$ 3,074,000.00	\$ 451,000.00	\$ 3,074,000.00	\$ 1,563,507.32
403	Surface Water Utility Fund	\$ 1,548,379.82	\$ 3,813,070.60	\$ 3,838,615.00	\$ 3,813,070.60	\$ 3,987,615.00	\$ 1,373,835.42
404	Surface Water Capital Fund	\$ 1,316,374.31	\$ 3,640,000.00	\$ 3,160,000.00	\$ 3,640,000.00	\$ 3,293,000.00	\$ 1,663,374.31
406	Sewer Bond Reserve	\$ 118,244.33	\$ 6,000.00	\$ -	\$ 6,000.00	\$ -	\$ 124,244.33
407	PW Trust Fund Repayment Fund	\$ 564,171.88	\$ 308,500.00	\$ 242,805.00	\$ 308,500.00	\$ 242,805.00	\$ 629,866.88
501	Replacement Fund	\$ 1,386,227.82	\$ 972,562.00	\$ 356,105.00	\$ 1,142,448.00	\$ 1,249,023.00	\$ 1,279,652.82
502	Information Technology Fund	\$ 241,337.23	\$ 450,198.00	\$ 393,500.00	\$ 450,198.00	\$ 508,500.00	\$ 183,035.23

Alternatives

<i>Options</i>	<i>Results</i>
<ul style="list-style-type: none"> Adopt budget amendment ordinance 	Align the budget to reflect additional revenues and expenditures
<ul style="list-style-type: none"> Do not adopt budget amendment ordinance 	Keep the budget appropriations as currently adopted and not align the budget numbers to reflect the current financial allocations.

Staff Recommendation

Adopt Ordinance 25-1311/Amending the 2025-2026 Biennial Budget