

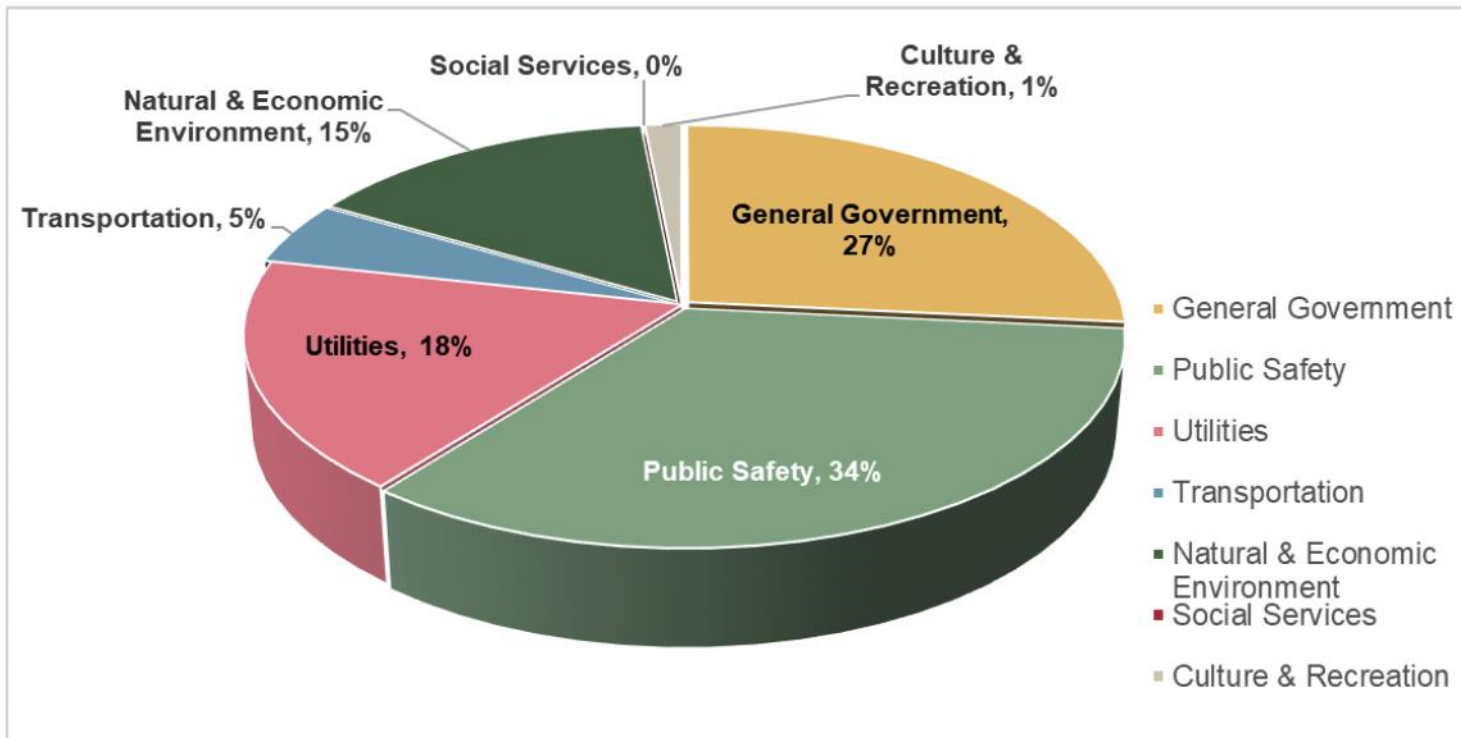


# — **CONSIDERATION OF PROPERTY TAX LEVY**

June 25, 2026, City Council Regular Meeting

# Budget Challenges

*Citywide Expenditures by Category, All Funds*



- Public Safety = 34% of budgeted expenses
  - Officers & gear
  - 911 dispatch services
  - Mental health crisis response
  - Jail costs
  - Insurance
  - Patrol vehicles
  - Prosecuting attorney
  - Public defense
  - Mandatory training

A hand is shown holding a single red house icon, which stands out from a field of many white house icons. The scene is set against a light, textured background.

# Budget Challenges

- Inflation has risen more than 24% in four years.
- Since the 2023/2024 Biennium, to date, the city has realized the following cost increases, beyond inflation.
  - 911 dispatch services increased \$284,000 per year.
  - Jail costs increased \$281,787 per year.
  - Insurance costs rose by over \$109,000 per year in 2023 and again by \$84,000 per year in 2024.
  - Prosecuting attorney services increased \$106,488 per year.
  - Public defense services increased \$50,000 per year.



# Budget Challenges

- Without a vote of approval by LFP residents, the city's revenue growth is limited by state law to 1%, which for 2026 amounted to \$35,141.
- The 2025/2026 Biennial budget cut approximately \$455,000 in needed staffing, fleet services and operations.
- Despite these cuts, a nearly \$900,000 annual deficit remained, funded with savings.
- Due to tight budgeting and continued inflation, council has amended the 2025-2026 Biennial budget both in 2025 and again in 2026 to account for additional, necessary operational costs.

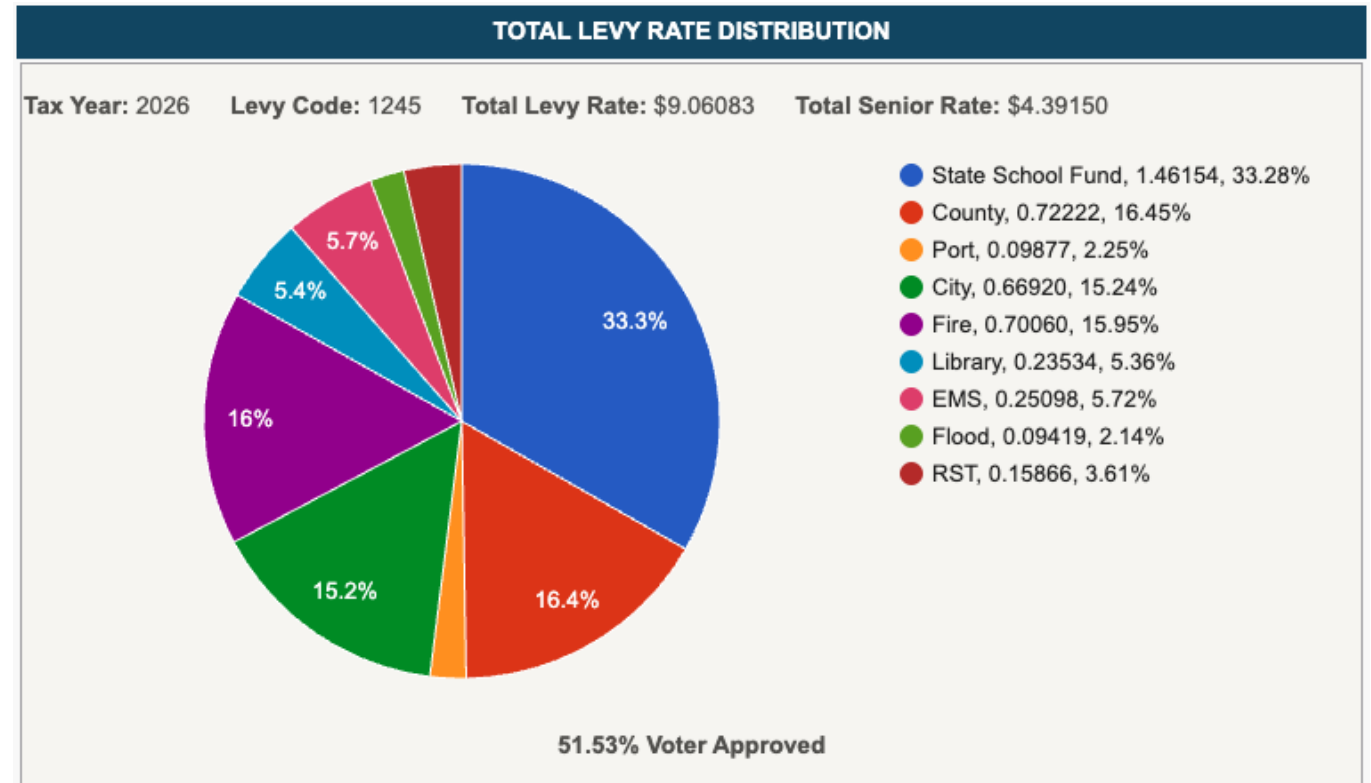


# Levy Rate

- Levy rate breakdown
  - The total, maximum allowable property tax levy rate within the city is \$3.60 per \$1,000 of assessed value. The current total of the three taxing entities within the city is \$1.61 per \$1,000 of assessed value.
    - Current city rate is \$0.66920
    - Current fire district rate is \$0.70060
    - Current library rate is \$0.23534

# Levy Rate

- Levy rate breakdown
  - The 2026 total levy rate for a property in Lake Forest Park is \$9.06083 per \$1,000 assessed value.
  - \$4.39 of that comprises senior taxing districts.
  - Junior taxing districts, not shown, comprise the remainder.
    - Regional Transit Authority, Shoreline School District, King Conservation District, Emergency Medical Services & Medic One, AFIS, King County Flood Control



"Junior taxing district" means a taxing district other than the state, a county, a county road district, a city, a town, a port district, or a public utility district.

# Levy Rate

Resolution proposes a \$0.22 increase to the city's levy rate.

Impact on Homeowner	Value	Div/1,000	Increase	Monthly	Annually
	\$ 663,000.00	\$ 663.00	\$ 0.22	\$ 12.16	\$ 145.86
	\$ 763,000.00	\$ 763.00	\$ 0.22	\$ 13.99	\$ 167.86
	\$ 863,000.00	\$ 863.00	\$ 0.22	\$ 15.82	\$ 189.86
2026 Median Home Value	\$ 963,000.00	\$ 963.00	\$ 0.22	\$ 17.66	\$ 211.86
	\$ 1,063,000.00	\$ 1,063.00	\$ 0.22	\$ 19.49	\$ 233.86
	\$ 1,163,000.00	\$ 1,163.00	\$ 0.22	\$ 21.32	\$ 255.86
	\$ 1,263,000.00	\$ 1,263.00	\$ 0.22	\$ 23.16	\$ 277.86

An increase in the city levy rate of \$0.22 would increase city revenue by approximately \$1,247,153 based on an assumed city-wide property value increase of 6% in 2027.

# Levy Rate

## Biennial Financial Calculation - General Fund Only

Reserves 16.00%

27-28 Strategic Opportunity Fund \$ 1,600,000

City Levy Rate Request \$ 0.2200

Total Levy Revenue \$8,067,096.68

### Biennium Years

		25-26	27-28	29-30	31-32
<b>BUDGET</b>	General Fund Revenue	\$25,949,791.00	\$27,712,506.33	\$29,231,983.33	\$30,847,750.33
	General Fund Expenditures	\$27,695,585.00	\$29,988,717.00	\$31,660,040.00	\$33,426,575.00
	<i>GF Expenditures with CPI</i>		\$30,438,547.76	\$32,134,940.60	\$33,927,973.63
	Shortfall/Excess with Supporting Funds	<b>-\$1,745,794.00</b>	<b>-\$2,726,041.43</b>	<b>-\$2,902,957.27</b>	<b>-\$3,080,223.30</b>
<b>RESTRICTED FUNDS</b>	Strategic Opportunity Fund	N/A	\$1,600,000.00	\$0.00	\$0.00
	Shortfall/Excess Less Restricted Funds		<b>-\$4,326,041.43</b>	<b>-\$2,902,957.27</b>	<b>-\$3,080,223.30</b>
<b>LEVY</b>	Levy Revenue	N/A	\$2,531,720.55	\$2,685,902.34	\$2,849,473.79
	Shortfall/Excess with Levy Funds Added	N/A	<b>-\$1,794,320.87</b>	<b>-\$217,054.93</b>	<b>-\$230,749.51</b>
<b>RESERVE</b>	Balance from Prior Biennium		\$6,970,235.00	\$5,175,914.13	\$4,958,859.19
	Balance Less Required Reserve		\$4,571,137.64	\$2,643,110.93	\$2,284,733.19
	Balance After Shortfall/Excess Included (Balance for future budgets)	\$8,570,235.00	\$2,776,816.77	\$2,426,055.99	\$2,053,983.69
	Reserve Amount	\$2,075,983.28	\$2,399,097.36	\$2,532,803.20	\$2,674,126.00

