



CITY OF LAKE FOREST PARK

CITY COUNCIL

AGENDA COVER SHEET

Meeting Date June 25, 2026

Originating Department Executive

Contact Person Phillip Hill, City Administrator
Kim Adams-Pratt, City Attorney

Title

Resolution 26-2084 - A resolution of the City Council of the City of Lake Forest Park, Washington, providing for a ballot measure to be submitted to the qualified electors of the city at the General Election to be held on November 3, 2026, in conjunction with the State General Election, of a proposition authorizing the city to levy regular property taxes in an amount in excess of the limitations provided in chapter 84.55 RCW for public safety services beginning in 2027; setting forth the ballot title; and providing for other related matters.

Legislative History

- February 21, 2026 – Council Retreat
 - March 12, 2026 – City Council Work Session
 - March 19, 2026 – Budget and Finance Committee
 - March 26, 2026 – Committee of the Whole
 - April 16, 2026 – Budget and Finance Committee
 - April 20, 2026 – Committee of the Whole
 - May 21, 2026 – Budget and Finance Committee
 - May 28, 2026 – Committee of the Whole
 - May 28, 2026 – City Council Regular Meeting
 - June 11, 2026 – City Council Regular Meeting
 - June 22, 2026 – Committee of the Whole
 - June 25, 2026 – City Council Regular Meeting
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Attachments:

1. Resolution 26-2084

Executive Summary

Resulting from four years of higher-than-average inflation and extraordinary growth in costs for outside services, related to Public Safety, the City's growing disparity between expenditures and revenues ballooned to roughly \$2.8M as identified in the 2025-2026 amended budget. The adopted 2025-2026 budget cut approximately \$455,000 in needed staffing, fleet services, and operations, but a nearly \$900,000 annual deficit remained, requiring the City Council to balance the budget with one-time funds from savings.

Costs for services will continue to outpace the city's annual 1% property tax levy growth limit, further widening the gap between expenditures and revenues, and are anticipated to deplete the city's savings, above emergency reserves, by approximately 2028. Any unanticipated costs, responding to increases in outside services, and federal and state mandates, will only accelerate this trajectory. Resolution 26-2084 is before the City Council for consideration of placing a ballot measure before the voters for the November 2026 general election to increase the City's general tax levy for 6 years to cover the existing deficit. As a temporary levy, a similar ballot measure would need to be presented to the residents of Lake Forest Park in 2032 to continue funding these services.

Background

Chapter 84.55 RCW limits the amount of the City's regular property tax levy to 101% (or 100% plus inflation, if inflation is less than 1%) of the prior highest lawful levy amount (the "levy lid"), plus an additional amount for increases in assessed value from or due to new construction, construction of certain renewable energy facilities, improvements to property and state-assessed property. These increases are authorized by a majority vote of the council on an annual basis. Increases beyond this statutorily authorized amount require voter approval.

City services are mostly paid for through property taxes, which go into the general fund. Of the property taxes King County collects from Lake Forest Park property owners, the city receives 7.0%. This means the city gets \$0.067 (less than 7 cents) for every dollar city property owners pay in property taxes.

As property values go up, the levy rate goes down to ensure the city is limited to the same amount of money each year, plus a 1% increase allowed by law. For example, in 2025, the levy rate was about \$0.77 per \$1,000 of assessed property value. Due to the strong increase in property values, the levy rate in 2026 was lowered, per state law, to \$0.67 per \$1,000, to ensure the city's property tax revenue stays the same, except for the 1% increase.

Fiscal & Policy Implications

Fiscal implications for taxpayers

Council requested that the Administration produce a final draft resolution to include an approximate \$1.247 million annual levy amount, resulting in a property tax rate of approximately \$0.889 per \$1,000 of assessed valuation (an approximate \$0.22 per \$1,000 increase) beginning in the 2027 calendar year that includes an exemption from the levy increase for qualifying low-income seniors, disabled veterans and others with disabilities under RCW 84.36.381. If enacted by the voters, the levy would have the following effects based on the King County Assessor's Office, assessed values.

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

Note: \$963,000 is the City of Lake Forest Park’s median assessed property value in 2026.

Fiscal implications for the City

New revenue sources would help close the City’s current funding deficit, enabling continued service levels without relying on one-time funds from the City’s savings.

Alternatives

<i>Options</i>	<i>Results</i>
<ul style="list-style-type: none"> Pass Resolution 26-2084 	The ballot measure will be placed on the ballot for the November 2026 General Election
<ul style="list-style-type: none"> Do not pass Resolution 26-2084 	The ballot measure will not be placed on the ballot for the November 2026 General Election

Staff Recommendation

Consider Resolution 26-2084, evaluating the fiscal position of the city, the feedback received through the City’s public process, and the goals of the City Council and Mayor.