



CITY OF LAKE FOREST PARK

CITY COUNCIL

AGENDA COVER SHEET

Meeting Date	June 11, 2026
Originating Department	Finance Department
Contact Person	Lindsey Vaughn, Finance Director
Title	Ordinance 26-1318/Amending the 2025-2026 Budget

Legislative History

- City Council Meeting June 11, 2026
-

Attachments:

1. Ordinance 26-1318/Amending 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 to adopt 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 know what will happen in the future, adjustments to the adopted budget are frequently required once the budgetary period is underway. A formal change to an adopted budget is known as a budget amendment. Budgets are adopted at the fund level, as opposed to the line-item or department level. Therefore, budget amendments are also made at the fund level.

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

Background

The City adopts a biennial budget spanning two years. Local governments choosing to adopt biennial budgets are required by state statute to perform an in-depth review mid-way through the budget cycle to pinpoint any substantial discrepancies between the projected amounts and the actual financial results. Budgets are living documents created with the best knowledge at the time of adoption. Budget adjustments, or amendments, are considered a normal course of action in local government.

Fiscal & Policy Implications

General Fund 001

The Police continue to exceed the overtime budget due to providing outside security services for third parties. The revenue for the Police overtime reimbursement needs to be passed through to the overtime line item as a pass through. The department also recently had the Police Chief retire and is anticipating another long-term Sergeant to retire at the end of June which necessitates additional amendments following the collective bargaining and contract requirements.

There are a handful of line items from operational increases that need to be amended due to the original adopted budgets being too lean, such as professional services, the City newsletter, and communications.

The City was involved in a hearing due to an appeal that drastically increased the legal and planning professional service budgets that was unanticipated and is still ongoing.

The City recently completed the 2023 and 2024 accountability, financial, and attestation audits that exceeded the appropriated budget. The fiscal year 2025 audit is scheduled in the fall timeframe, causing a necessary budget increase.

The City is considering a levy lid lift on the November 2026 ballot and has already exceeded the budget for voter election costs. The King County elections invoice has a high probability of exceeding the budgeted amount within the 2026 fiscal year.

The City will be receiving an amount for the Stride Bus Rapid Transit capital project that will be directly applied to professional services through Community Development and the Public Works Department. The revenue to expenditures will be a pass through and is held in a holding account until expenditures are incurred.

The Council approved the Program Executive position to support the City's major on-going capital projects that will be paid from multiple funds: general, traffic safety, transportation capital, sewer, and surface water funds to accurately allocate the salary and benefit to match the capital projects that are being supported.

Traffic Safety Fund 002

Council recently approved the addition of another traffic officer that has an increase per the Police Guild Collective Bargaining Agreement (CBA) and the purchase of a motorcycle from the traffic safety funds.

The Prosecutor contract has a sizable increase due to the minimal annual increases that were not keeping up with current market rates for the services that were being provided to the City. The new contract has a portion that is directly allocated to the traffic safety citations.

There is a safety capital project to improve pedestrian safety on 201st by Horizon View Park that will install extruded curb. The requested budget amount for approval is an estimate.

Strategic Opportunity Fund 106

The funding for the Lake Front Park Phase 2 does not match the contract that was approved by Council for the design and should be increased for what is estimated to be expended in 2026.

Capital Improvement Fund 301

The City was awarded a grant called *Get Active, Stay Active* from King County that the City will be using towards the Horizon View Trail Rehab project that is anticipated to cost slightly more than the

awarded grant.

City Administrator Hill worked diligently to apply for the King County Conservation Futures Grant to support the reimbursement from the Rose Property purchase.

The Animal Acres fence has fallen and will require a budget amendment. This incident was not anticipated in the original budget and will be repaired on a larger scale for safety reasons.

Transportation Capital Fund 302

The handrail on Hamlin Road was damaged and, while replacing the damaged handrail, the requirement to bring it up to code needed to be met.

The City has a couple housekeeping items where the engineering travel and training budget were not allocated within the transportation capital fund and need an allocation.

Sewer Utility Fund 401

The City needs to true up the cost increase for King County's additional rate increase from 2026 as it was underestimated and is supported by rate payers for a revenue to expenditure pass-through for wastewater treatment services. The rate increase has also increased the tax and assessment amount that is submitted to the Department of Revenue to pay appropriate fees on the revenue generated through the wastewater utility. The sewer utility tax, and the surface water utility tax, did not match the general fund revenue and both expenses need to be trued up to match the general fund revenue. The general fund revenue was allocated correctly, only the expense on both the sewer and surface water utility needs to be increased to match the appropriately budgeted revenue.

Surface Water Utility and Capital Funds 403 & 404

The City received two grants from the Department of Ecology and the Washington State Department of Transportation to support surface water operations.

The original budget for the material bin cover project was not amended to reflect the actual award amount to the contractor. Although the City approved the change orders during the Mid-Biennial Budget Adjustment, the original budget needs to be increased to allocate the difference from the estimated cost to the original capital project awarded.

Vehicle & Equipment Fund 501

Funds are being transferred from the traffic safety fund 002 for the Police Vehicle purchase of the motorcycle, as approved by City Council.

Please see the schedule of adjustments

GENERAL FUND 001				
Title	Revenue(R)/Expend.(E)	2025-2026		Total Expenditure
		Adjustment Amount	Total Revenue	
Police Services: Overtime Reimbursed for Security Services pass through (2025) <i>STRIDE (BRT Project)</i>	R	\$ 100,000	\$ 100,000	
		\$ 100,000	\$ 100,000	
General Fund Revenue Adjustment Total		\$ 200,000	\$ 200,000	
Executive Professional Services	E	\$ 20,000		\$ 20,000
Legal Services: Hearing & SEPA Support	E	\$ 125,000		\$ 125,000
Municipal Services: Professional Services	E	\$ 25,000		\$ 25,000
Newsletter	E	\$ 10,000		\$ 10,000
Election Voter Costs: November 2026	E	\$ 80,000		\$ 80,000
Municipal Auditor SAO	E	\$ 44,000		\$ 44,000
Police Salaries 2026 retirements	E	\$ 150,000		\$ 150,000
Police Overtime (Pass-through supported by outside revenue)	E	\$ 100,000		\$ 100,000
Police Benefits 2026 retirements	E	\$ 40,000		\$ 40,000
Professional Services: Hearing & SEPA Support	E	\$ 300,000		\$ 300,000
Planning Communications	E	\$ 5,000		\$ 5,000
Planning Advertising	E	\$ 25,000		\$ 25,000
Facilities Salaries	E	\$ 21,000		\$ 21,000
Facilities Benefits	E	\$ 6,000		\$ 6,000
Facilities: Janitorial Contract	E	\$ -		\$ -
Community Development: Professional Services (pass through)	-	\$ 50,000		\$ 50,000
Public Works: Professional Services (pass through)	-	\$ 50,000		\$ 50,000
General Fund Expenditure Adjustment Total		\$ 1,051,000		\$ 1,051,000
Total Net Change to the General Fund		\$ (851,000)		
TRAFFIC SAFETY FUND 002				
Title	Revenue(R)/Expend.(E)	2025-2026		Total Expenditure
		Adjustment Amount	Total Revenue	
Traffic Safety Fund Revenue Adjustment Total	R	\$ -	\$ -	
		\$ -	\$ -	
Salaries - Police: Traffic Motorcycle Safety Support	E	\$ 7,500		\$ 7,500
Employee Benefits - Police Traffic Motorcycle Safety Support	E	\$ 3,000		\$ 3,000
Professional Services: Prosecutor Contract	E	\$ 36,000		\$ 36,000
Transfer OUT to Vehicle Replacement Fund 501 for Police Motorcycle	E	\$ 50,000		\$ 50,000
Public Works Salaries	E	\$ 72,500		\$ 72,500
Public Works Benefits	E	\$ 21,000		\$ 21,000
Extruded Curb Walkway (for 201st)	E	\$ 120,000		\$ 120,000
Traffic Safety Fund Expenditure Adjustment Total		\$ 310,000		\$ 310,000
Total Net Change to the Traffic Safety Fund		\$ (310,000)		
STRATEGIC OPPORTUNITY FUND 106				
Title		2025-2026		Total Expenditure
		Budget Amount	Total Revenue	
Transfer in from Capital Fund 301	R	\$ 500,000	\$ 500,000	
Strategic Opportunity Revenue Total		\$ 500,000	\$ 500,000	
Lake Front Park Phase 2	E	\$ 500,000		\$ 500,000
Strategic Opportunity Expenditure Total		\$ 500,000		\$ 500,000
Total Net Change to the Strategic Opportunity Fund		\$ -		

CAPITAL IMPROVEMENT FUND 301				
Title		2025-2026		Total
		Budget Amount	Total Revenue	Expenditure
Get Active, Stay Active KC: Horizon View Trail Rehab	R	\$ 25,000	\$ 25,000	
King County Conservation Futures Grant	R	\$ 1,284,551	\$ 1,284,551	
Capital Improvement Fund Revenue Adjustment Total		\$ -	\$ 1,309,551	\$ -
Animal Acres Fence Capital Project	E	\$ 50,000		\$ 50,000
Horizon View Trail Rehab Project	E	\$ 30,000		\$ 30,000
Transfer OUT to Strategic Opportunity Fund 106 for Lake Front Phase 2	E	\$ 500,000		\$ 500,000
Capital Improvement Fund Expenditure Adjustment Total		\$ 580,000	\$ -	\$ 580,000
Total Net Change to the Capital Improvement Fund		\$ 729,551		
TRANSPORTATION CAPITAL FUND 302				
Title		2025-2026		Total
		Budget Amount	Total Revenue	Expenditure
Transportation Capital Fund Revenue Adjustment Total	R	\$ -	\$ -	
Engineering Travel	E	\$ 3,500		\$ 3,500
Engineering Training	E	\$ 3,500		\$ 3,500
Transportation Cap Salaries	E	\$ 62,000		\$ 62,000
Transportation Cap Benefits	E	\$ 18,000		\$ 18,000
Hamlin Handrail Code Upgrade Repair: Reallocation from Guardrail Budget	E	\$ 20,000		\$ 20,000
Guardrail Replacement: <i>Reallocation of budget within the fund</i>	E	\$ (20,000)		\$ (20,000)
37th Ave Elementary Sidewalk for design	E	\$ 60,000		\$ 60,000
Transportation Capital Fund Expenditure Adjustment Total		\$ 147,000		\$ 147,000
Total Net Change to the Transportation Capital Fund		\$ (147,000)		
SEWER OPERATION FUND 401				
Title		2025-2026		Total
		Budget Amount	Total Revenue	Expenditure
King County's Wastewater Utility Charge	R	\$ 65,000	\$ 65,000	
Sewer Operation Fund Revenue Adjustment Total		\$ 65,000	\$ 65,000	
Employee Salaries	E	\$ 31,000		\$ 31,000
Employee Benefits	E	\$ 9,000		\$ 9,000
King County METRO Wastewater Treatment Charges	E	\$ 65,000		\$ 65,000
Taxes & Assessments	E	\$ 55,000		\$ 55,000
Sewer Utility Tax (transfer to General Fund true up to match GF revenue)	E	\$ 320,075		\$ 320,075
Sewer Operation Fund Expenditure Adjustment Total		\$ 480,075		\$ 480,075
Total Net Change to the Sewer Operation Fund		\$ (415,075)		
SURFACE WATER OPERATIONS FUND 403				
Title		2025-2026		Total
		Budget Amount	Total Revenue	Expenditure
Dept of Ecology Grant	R	\$ 127,836	\$ 127,836	
Surface Water Operations Revenue Adjustment Total		\$ 127,836	\$ 127,836	
Employee Salaries	E	\$ 21,000		\$ 21,000
Employee Benefits	E	\$ 6,000		\$ 6,000
Surface Water Utility Tax (transfers to General Fund)	E	\$ 140,024		\$ 140,024
Surface Water Operation Fund Expenditure Adjustment Total		\$ 167,024		\$ 167,024
Total Net Change to the Surface Water Fund		\$ (39,188)		

SURFACE WATER CAPITAL FUND 404				
Title		2025-2026		Total
		Budget Amount	Total Revenue	Expenditure
WSDOT Grant	R	\$ 133,506	\$ 133,506	
Surface Water Capital Revenue Adjustment Total		\$ 133,506	\$ 133,506	
Public Works Yard Materials Bin Cover Original Budget Delta + increase in sales tax	E	\$ 171,600		\$ 171,600
Surface Water Capital Fund Expenditure Adjustment Total		\$ 171,600		\$ 171,600
Total Net Change to the Surface Water Capital Fund		\$ (38,094)		

VEHICLE & EQUIPMENT REPLACEMENT FUND 501				
Title		2025-2026		Total
		Budget Amount	Total Revenue	Expenditure
Transfer In From Traffic Safety Fund 002 (for Motorcycle)	R	\$ 50,000	\$ 50,000	
Vehicle and Equipment Revenue Adjustment Total		\$ 50,000	\$ 50,000	
PD Vehicle Replacement (Motorcycle from Traffic Safety Funds)	E	\$ 50,000		\$ 50,000
Vehicle & Equipment Fund Expenditure Adjustment Total		\$ 50,000		\$ 50,000
Total Net Change to the Vehicle & Equipment Fund		\$ -		

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

Fund No.	Fund Name	January 2025 Actual Beginning Fund Balance	Original Adopted 2025-2026 Budget		Proposed 2025-2026 Amended Budget		Projected 2026 Ending Fund Balance
			Adopted Revenue	Expenditure	Revenue	Expenditure	
001	General Fund	\$ 10,316,028.28	\$ 26,110,786.57	\$ 26,992,986.49	\$ 26,797,143.71	\$ 29,591,589.75	\$ 5,921,582.24
002	Traffic Safety Fund	\$ 42,682.46	\$ 8,000,000.00	\$ 3,360,500.00	\$ 8,000,000.00	\$ 3,952,386.00	\$ 4,090,296.46
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	\$ 1,054,500.00	\$ 1,030,000.00	\$ 2,410,853.55
301	Capital Improvement Fund	\$ 817,024.53	\$ 1,368,000.00	\$ 951,431.00	\$ 2,677,551.00	\$ 1,871,431.00	\$ 1,623,144.53
302	Transportation Capital Fund	\$ 2,912,476.83	\$ 7,562,392.62	\$ 8,720,311.00	\$ 7,562,392.62	\$ 9,167,311.00	\$ 1,307,558.45
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	\$ 9,053,058.38	\$ 9,503,366.00	\$ 781,153.95
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	\$ 3,940,906.60	\$ 4,154,639.00	\$ 1,334,647.42
404	Surface Water Capital Fund	\$ 1,316,374.31	\$ 3,640,000.00	\$ 3,160,000.00	\$ 3,773,506.00	\$ 3,464,600.00	\$ 1,625,280.31
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	\$ 1,192,448.00	\$ 1,299,023.00	\$ 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

Options	Results
<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 26-1318/Amending the 2025-206 Budget.