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CITY OF LAKE FOREST PARK
CITY COUNCIL SPECIAL MEETING

Thursday, November 05, 2026 at 7:00 PM

Meeting Location: In Person and Virtual / Zoom

17425 Ballinger Way NE Lake Forest Park, WA 98155

INSTRUCTIONS FOR ATTENDING THIS MEETING VIRTUALLY:

Join Zoom Webinar: https://us06web.zoom.us/j/86867692707
Call into Webinar: 253-215-8782 | Webinar ID: 868 6769 2707

The City Council is providing opportunities for public comment by submitting a written comment or by attending in person to provide oral public comment.

HOW TO PARTICIPATE WITH ORAL COMMENTS:

If you are attending the meeting in person, there is a sign in sheet located near the entrance to the Council Chambers. Simply fill the form out and the Mayor will call your name at the appropriate time. Oral comments are limited to 3:00 minutes per speaker. Oral comments are not being accepted via Zoom.

The meeting is being recorded.

HOW TO SUBMIT WRITTEN COMMENTS:

Written comments will be submitted to Council if received by 5:00 p.m. on the date of the meeting; otherwise, they will be provided to the City Council the next day. The City Clerk will read your name and subject matter into the record during Public Comments.

As allowed by law, the Council may add and take action on items not listed on the agenda. For up-to-date information on agendas, please visit the City's website at www.cityoflfp.gov

Meetings are shown on the city's website and on Comcast channel 21 for subscribers within the Lake Forest Park city limits.

AGENDA

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ADOPTION OF AGENDA**
4. **PUBLIC COMMENTS**

   The Council will not be accepting online public comments. Comments are limited to a three (3) minute time limit.

This is an opportunity for the public to address the City Council on any item within its purview or control.

- *Oral public comments are only accepted in person to ensure the orderly conduct of the meeting.*
- *Speakers are limited to three (3) minutes.*
- *Councilmembers may not respond during public comments, but may ask staff to follow up, if appropriate.*
- *Public comments may not be used to promote or oppose candidates for public office or ballot measures.*
- *The Mayor or presiding officer may interrupt comments that violate these instructions, are unrelated to the Council's purview or control, or otherwise hinder the orderly conduct of the meeting.*

5. ITEMS FOR DISCUSSION, CONSIDERATION, AND/OR ACTION

A. Consideration of one additional Project Manager in Public Works

B. Resolution 26-2106/Approving Amendments to the City of Lake Forest Park Comprehensive Financial Management Policies

C. Ordinance 26-1323/Amending the Municipal Code by creating Chapter 3.90, Strategic Opportunity Fund

D. Ordinance 26-1325/Amending Chapter 3.19 of the Lake Forest Park Municipal Code, Sewer, Stormwater and Surface Water Service Tax

E. Proposed 2027-2028 Biennial Budget - City Council Deliberations and Recommendations

6. ADJOURN

FUTURE SCHEDULE

- Thursday, November 12, 2026, 6:00 p.m. City Council Work Session – *hybrid meeting (City Hall and via Zoom)*

- Thursday, November 12, 2026, 7:00 p.m. City Council Regular Meeting – *hybrid meeting (City Hall and via Zoom)*

- Thursday, November 19, 2026, 6:00 p.m. Budget & Finance Committee Meeting – *hybrid meeting (City Hall and via Zoom)*

- Thursday, December 10, 2026, 6:00 p.m. City Council Work Session – *hybrid meeting (City Hall and via Zoom)*

- Thursday, December 10, 2026, 7:00 p.m. City Council Regular Meeting – *hybrid meeting (City Hall and via Zoom)*

This is a special meeting of the City Council. Action may only be taken on items listed on the agenda.

Any person requiring a disability accommodation should contact city hall at 206-368-5440 by 4:00 p.m. on the day of the meeting for more information.

CITY OF LAKE FOREST PARK
CITY COUNCIL
AGENDA COVER SHEET

Meeting Date	November 5, 2026
Originating Department	Executive
Contact Person	Phillip Hill, City Administrator
Title	Consideration of one additional Project Manager in Public Works

Legislative History

- First Presentation – November 5, 2026, Special City Council meeting

Attachments:

1. Current Project Manager job description
2. 2027-2028 Salary Schedule

Executive Summary

Mayor French is requesting council consideration to add one additional Project Manager in the Public Works Department, assigned strictly to Multi-modal projects. Due to the nature of the work to be completed by this position, it would be funded by the Traffic Safety Fund (Fund 002).

Background

One of the challenges of small departments is staff capacity. Given the number of capital projects currently in design and under construction, in addition to the day-to-day job duties of the engineering department, there lacks capacity to move several of council's transportation priorities forward. The addition of a full-time project manager in the public works department would provide the opportunity to move additional multi-modal projects forward to 10% design, allowing the administration to begin applying for funding for full design and in the future, construction.

Project managers working for the city do not design projects but manage consulting engineers with expertise in designing a given capital project and subsequently contractors who would build the final approved design.

After meeting with Director Heaton, it has been determined that a Project Manager, supported by the Director and Senior Project Manager would be appropriate for this work.

Fiscal & Policy Implications

There are sufficient ongoing revenues in the Traffic Safety Fund (Fund 002) to support this position. The top end of the salary schedule in 2027 is $130,706.64 a year plus approximately $58,000 in benefits.

Alternatives

Options	***Results***
• Add the requested position to the 2027-2028 budget	The administration will move forward with advertising the position in Q1 2027.
• Do not add the requested position to the 2027-2028 budget	The Public Works department will remain at 14 full-time employees.

Staff Recommendation

Consider the Mayor's request and provide the administration direction on whether or not to include the requested position in the 2027-2028 budget.

CITY OF LAKE FOREST PARK
JOB DESCRIPTION

Title: Project Manager
Reports to: Director of Public Works
FLSA Class: Non-Exempt
Department: Public Works
Position Type: Full-Time
Effective Date: June 2025

Position Purpose

Under the direction of the Public Works Director, the Project Manager is responsible for the successful completion of various Public Works projects and performing other administrative duties related to project management and contract administration. Responsibilities include managing resources, timelines, and budgets; administering projects from inception to completion including design, review, scheduling, public input and meetings, bidding, and contract management. Coordination, oversight, and execution of the delivery of assigned projects includes capital improvement, facilities, and other public works projects.

Duties require strong collaboration and communication with internal and external stakeholders, including other departments, elected officials, public agencies, vendors, contractors, and consultants. Responsibilities have a significant impact on the department's operations, budget, and customer satisfaction.

Essential Functions

I. Contract and CIP Administration

- Oversee the services of professional consultants and contractors; determine project scope; prepare requests for proposal and project scope of work; review, evaluate and recommend consultants; negotiate contracts; monitor consultant services to ensure compliance with contractual obligations and approved budgets.
- Manage the public bid process and contract signing procedures; prepare bid tabulations and conduct pre-construction meetings, as necessary.
- Manages the workflow and prioritization of assigned projects and takes appropriate remedial action when necessary.
- Assist with the administrative aspects of biennial CIP updates including internal call for projects, scoring, and costing projects, and updating and publishing CIP documents and related materials.

II. Project Administration / Management

- Compile and maintain accurate project schedule(s). Monitor and coordinate activities of contractors, consultants, committees, community organizations and users to keep projects on planned schedule.
- Oversee in-house projects and/or consultant development of plans and schedules for timely coordination with outside parties ensuring project milestones are met and projects are delivered on time.
- Control project costs: monitor and track project budget spreadsheets and payments to consultants and contractors; work with Finance to establish anticipated cash flow for projects; alert appropriate stakeholders when problems with the approved budget may be developing.
- Prepare project presentations for review and/or approval of subject project at Council Meetings and Budget & Finance Committee Meetings.
- Manage and track the close-out phase of construction contracts and the documentation required for final project approval.
- Prepare a variety of business, technical and standard correspondence including staff reports, contracts, funding applications, agreements, memoranda, meeting agendas, and related documents; utilize specialized business, engineering, and software applications to develop and design maps, charts, and graphics.
- Provide information to the public and other Governmental agencies regarding construction projects; respond to questions and resolve complaints; prepare project notifications correspondence to

residents, businesses, and organizations impacted by projects.
- Facilitate the timely review of design plans by other utility and regulatory agencies.
- Participate in preliminary field surveys and the inspection of capital improvement projects.
- Coordinate project development, implementation, and sequencing activities with City staff, local and regional government public agencies, e.g., Washington State Department of Transportation (WSDOT), and private business organizations with a mutual or cooperative interest in assigned projects; prepare correspondence to present the City's capital improvement program objectives.
- Review engineering and architectural design and construction plans, drawings, specifications, contract documents, cost estimates and related documents prepared by consulting engineers, architects, and contractors for compliance with professional and City standards and practices: coordinate reviews with other departments and agencies.

III. Financial Coordination
- Participate in pursuing grants and other funds necessary to support the Capital Improvement Program.
- Monitor and track local, state, and federal grants and loans for capital improvement projects for compliance purposes; work with granting agencies to prepare project agreements and submit timely reimbursement requests.
- Ensure proper documentation of compliance with funding requirements, including environmental, prevailing wage, material testing and approval, and award procedures, right of way acquisition, and eligible project costs.

IV. Other (as determined by the Director of Public Works)
- Coordinates project activities with other staff, city departments, and county and state agencies.
- Participates as an active member in City committees and interdepartmental/interagency work groups.
- Performs other duties as needed.
- Attendance outside of normal work hours may be necessary.

The job duties and responsibilities in this job description in no way imply that these are the only duties to be performed. The employee occupying this position may be required to follow any other job-related instructions and perform any other job-related duties requested by his or her supervisor.

Supervisory Responsibilities

This position has no supervisory responsibilities.

Education and Experience

Required:
- Bachelor's degree in construction management, civil engineering, or a related field AND at least three years of project management experience OR equivalent education/experience.
- Valid Driver's License upon hire and ability to maintain insurability with the City.

Preferred:
- Prior experience in contract administration and/or administration of public works projects within the public sector.
- Prior grant writing experience.
- PMP and/or CM Certification.

Knowledge, Skills, Abilities

Knowledge of:

- Principles, practices, regulations, and techniques of architectural/engineering design and construction practices in related disciplines such as architectural, civil, structural, or mechanical.
- Knowledge of related Washington state building construction regulations, Federal, State and local codes and regulations and other pertinent safety rules and regulations.
- The development process including site planning, basic engineering needs and architectural design principles.
- Basic understanding of planning for capital improvements projects.
- Site design principles and theory.
- Public relations and interpersonal skills using tact, patience and courtesy.
- Research methodology as applied to the collection and analysis of project data.
- Research methods and ability to compile and analyze original data.
- Proficient knowledge of Cartography and computer mapping programs such as ArcGIS.
- Proficient knowledge of computers and applicable computer software applications, including specific knowledge of Microsoft Word, Excel and Outlook.
- Working knowledge of modern administrative office procedures, methods and equipment.

Skill in:

- Strong organizational, problem-solving and interpersonal skills.
- Customer service, problem-solving and conflict resolution strategies.
- Strong attention to detail, working in a busy and sometimes stressful environment and changing priorities.
- Using initiative and independent judgment within established guidelines.

Ability to:

- Participate and work effectively in an organization committed to treating all people in a fair and impartial manner.
- Report for scheduled work with regular, reliable and punctual attendance.
- Apply Project Management industry standards and practices in the areas of project planning, coordinating, budget management, scheduling and monitoring.
- Effectively communicate, both written and verbally; correct usage of English grammar, spelling, punctuation and vocabulary.
- Read, interpret, apply and explain plans, regulations, policies and procedures.
- Read and interpret engineering and architectural site plans.
- Provide a high level of customer service to members of the public.
- Communicate effectively with individuals and groups regarding issues or regulations.
- Work on several projects or issues simultaneously with a high degree of reliability, accuracy, and productivity.
- Work independently or in a team environment as needed.

Working Conditions / Physical Requirements

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job.

The position works in a standard office environment; field inspections are performed in all weather conditions. Evening work is frequently required, and weekend work may be necessary on occasion. The noise level in the work environment is usually moderate.

Public Works Department							
Public Works Director	1.00	$13,765.85	$14,177.96	$15,065.27	$15,950.86	$16,836.27	$17,723.75
Senior Project Manager	1.00	$9,752.14	$10,287.82	$10,930.64	$11,574.00	$12,217.24	$12,860.45
Project Manager	1.00	$8,170.94	$8,713.77	$9,258.97	$9,804.17	$10,349.38	$10,892.22
Public Works Superintendent	1.00	$8,310.76	$8,865.82	$9,419.20	$9,972.59	$10,527.64	$11,967.50
Stormwater Program Coordinator	1.00	$7,288.70	$7,744.97	$8,199.99	$8,650.18	$9,106.03	$9,561.34
PW Admin. Assistant	1.00	$5,418.80	$5,779.91	$6,141.01	$6,502.12	$6,863.23	$7,224.33
Lead Maintenance Worker	1.00	$7,570.01	$7,837.17	$8,104.36	$8,371.50	$8,638.69	$8,905.89
Maintenance Worker	5.00	$6,881.82	$7,124.71	$7,367.60	$7,610.46	$7,853.36	$8,096.27
Seasonal Maintenance Worker (Hourly)	2.00	$24.89	$26.45	$27.99	$29.56	$31.11	$33.18
Total Public Works FTE	**14.00**						

Section 5, ItemA.

CITY OF LAKE FOREST PARK
CITY COUNCIL
AGENDA COVER SHEET

Meeting Date	November 5, 2026
Originating Department	Finance
Contact Person	Leslie Peterson
Title	Resolution 26-2106/Approving Amendments to the City of Lake Forest Park Comprehensive Financial Management Policies

Legislative History

- First Presentation — October 15, 2026 Budget & Finance Committee
- Second Presentation — October 22, 2026 Regular Meeting
- Action — November 5, 2026 Special Meeting

Attachments:

1. Comprehensive Financial Management Policies (red line)

Executive Summary

Comprehensive Financial Management Policies (Policies) are updated periodically to improve a City's policies responding to continually updating best practice recommendations from Government Finance Officers Association and Washington State Auditor recommendations to name a few.

Background

The conversation started back in May 2026 in anticipation of the upcoming development of the 2027-2028 Biennial Budget. The City's reserve policy for the General Fund balance is 16% of current-year revenues. It was determined that basing the reserve amount on revenue is not practical with expenditures currently outpacing revenues. At the Council's direction, the Policies have been updated to calculate reserve balances on "revenues or expenditures, whichever is greater."

In reviewing the Policies, staff has also added several funds that were created since the last update in February 2020 and updated LFPMC references.

Fiscal & Policy Implications

Reserve balances will be calculated using current-year revenues or expenditures, whichever is greater. At this time, expenditures outpace revenues which will translate to a larger target reserve balance compared to the previously adopted Policies.

Alternatives

Options	***Results***
• Approve Resolution 26-2106	Updated Comprehensive Financial Management Policies that reflect current practices and fund structure.
• No action	The Policies will not be updated to reflect current practices and fund structure.

Staff Recommendation

Approve Resolution 26-2106 updating the City's Comprehensive Financial Management Policies.

RESOLUTION NO. 26-2106

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE FOREST PARK, WASHINGTON, APPROVING AMENDMENTS TO THE CITY OF LAKE FOREST PARK COMPREHENSIVE FINANCIAL MANAGEMENT POLICIES

WHEREAS, the City of Lake Forest Park maintains Comprehensive Financial Management Policies that serve as a framework for the financial planning, budgeting and accounting, and reporting for the City; and

WHEREAS, the purpose of the Policies is to ensure that the City operates in a financially prudent manner and safeguards City assets and financial resources; and

WHEREAS, the Policies are updated when a change to the Policies is considered prudent or desirable; and

WHEREAS, several changes to the Policies have been determined to be prudent and/or desirable by staff and the Budget and Finance Committee; and

WHEREAS, these modifications are outlined in the proposed amendments to the City Financial Management Policies attached hereto.

NOW, THEREFORE, **BE IT RESOLVED,** by the City Council of the City of Lake Forest Park, Washington as follows:

Section 1. APPROVAL. The amendments to the City's Comprehensive Financial Management Policies as noted in the 2026 Comprehensive Financial Management Policies attached as Exhibit A are approved.

Section 2. CORRECTIONS. The City Clerk is authorized to make necessary corrections to this resolution including, but not limited to, the correction of scrivener's/clerical errors, references, resolution numbering, section/subsection numbers and any references thereto.

PASSED BY A MAJORITY VOTE of the members of the Lake Forest Park City Council this 5th day of November 2026.

APPROVED:

_____

Tom French
Mayor

ATTEST/AUTHENTICATED:

_____

Matt McLean
City Clerk

FILED WITH THE CITY CLERK: October 15, 2026
PASSED BY THE CITY COUNCIL: November 5, 2026
RESOLUTION NO.: 26-2106

Comprehensive Financial Management Policies

Resolution 1761
February 13, 2020

Resolution 26-XXXX
November XX, 2026

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Purchasing Policy (~~coming soon~~Resolution 24-1956)

DRAFT

The City's Comprehensive Financial Management Polices serves as a Mayor and Council-approved framework for the financial planning, budgeting accounting reporting and other financial management practices. The purpose of these policies is to ensure the City operates in a prudent manner, using sound fiscal policies to ensure the safekeeping of the City's assets and provide the delivery of services to the community.

Director of Finance

1. The Director of Finance is designated as the City's Chief Financial Officer and City Treasurer.

2. The Director of Finance is designated as the City's Auditing Officer pursuant to RCW 42.242.080 and as such will be responsible for the review of all claims and certification that the goods have been received or the services rendered and that the claims are valid and should be paid by the City.

Commented [KA1]: Typo from initial adoption

City Funds

The City shall utilize "governmental fund accounting" as the organizational structure for its financial activities. The following funds have been established for budgeting, accounting and reporting.

OPERATING FUNDS

1. The *General Fund (001)* is the general operating fund of the City. It accounts for all financial resources and transactions, except those required to be accounted for in another fund.

2. The *City Street Fund (101)* is required by state law to account for State-shared Motor Vehicle Fuel Tax revenue distributed on a per capita basis for transportation maintenance or capital improvements (RCW 47.24.040).

Commented [KA2]: The RCW says it is designated "City Street Fund"

3. The *Surface Water Management~~Utility~~ Fund (403)* accounts for fees charged to all property owners for cost and expense of maintaining and operating surface and stormwater management facilities, including cost and expense of planning, designing, establishing, acquiring, developing, constructing and improving any such facilities, or to pay or secure the payment of all or any portion of any issue of general obligation or revenue bond issued for such purpose.~~maintenance to the City's surface water drainage system~~ (~~Ord. 459, Section 10 (1990)~~LFPMC 13.16.100).

Commented [KA3]: Code says "surface water management fund".

Commented [KA4]: The code authorizes use of this fund for more than maintenance so suggest this edit to match the code.

4. The *Sewer Revenue ~~Utility~~ Fund (401)* accounts for collections from property owners connected to the City's sewer system. Expenditures include payment to King County and for City sewer system operating costs (~~Ord. 106, Section 5 (1966)~~LFPMC 13.08.090 (G)).

Commented [KA5]: Edit to match code

~~5. The *Public Works Contract Fund*[1] accounts for costs related to the agreement to provide services to Kenmore or other agency.~~

6. The *Traffic Safety Fund (002)* accounts for fees collected from all traffic safety cameras except traffic safety cameras used in school speed zones and used to detect stoplight violations. Funds are used to fund traffic safety activities (LFPMC 3.87).

DEBT SERVICE FUNDS

7. Periodically the City may administratively create one or more debt service funds ~~to~~ pursuant to a debt issuance. Any such funds are to be created administratively, are governed by the agreement necessitating the fund, and if created pursuant to a debt issuance approved by the City Council, do not require separate council action.

RESERVE FUNDS

8. The *Council Contingency Reserve Fund (102)* is established per RCW 35A.34.250 and 35A.34.260~~33.45~~ for capital purchases or for operating shortfalls due to unforeseen cost increases or unanticipated revenue losses (~~Ord. 660 (1995)~~LFPMC 3.68).

9. The *Budget Stabilization Fund (105)* is established as a subsidiary fund to the General Fund and accounts for transfers from the General Fund in accordance with chapter 3.88 LFMPC~~Ordinance No. 1071~~. The City Council may authorize transfers during Biennial Budget adoption or Mid-biennial Adjustment to the Adopted Budget between the parent and subsidiary fund to mitigate fluctuations in General Fund revenues and expenditures in order to provide for uninterrupted public services (~~Ord. 1071 (2014)~~LFPMC 3.88).

~~9.~~10. The *Strategic Opportunity Fund (106)* is established as a subsidiary fund to the General Fund for revenue approved by the City Council designated for strategic, time-sensitive, or opportunistic municipal initiatives, including real property acquisitions, capital project match funding and project development. Revenues may include General Fund transfers, interfund loans, capital contributions, and state or federal grants. Expenditures and interfund financing from this fund shall be authorized by the City Council during budget adoption or by separate Council action (LFPMC 3.90).

CAPITAL FUNDS

~~10.~~11. The *Capital Improvement Fund (301)* accounts for the excise tax on the sale of real property within the City, the King County Parks Levy, grants and other sources. Real Estate Excise Tax (REET) proceeds are restricted pursuant by State law. Expenditures from the Fund are for facility and parks capital projects (RCW 82.46.035).

Commented [KA6]: May want to specify KC so people don't think the City has a Parks Levy they are paying.

~~11.~~12. The *Capital Facilities and Maintenance Reserve Fund (303)*~~, established by Ordinance No. 1051 (2012),~~ is for the purpose~~s~~ of providing a reserve account for anticipated major maintenance and repairs to City Hall and the

Public Works Facility. Transfers to the account for City Hall maintenance and repairs shall be from REET. Transfers to the account for Public Works facility maintenance and repairs shall be made from various funds in rough proportion to the annual percentage of maintenance-worker hours dedicated to the work supported by those various funds. (LFPMC 3.85)

~~12.~~13. The *Transportation Capital Fund (302)* accounts for REET and other sources for transportation capital projects (RCW 82.46.035).

~~13.~~14. The *Surface Water Capital Fund (404)* accounts for transfers of storm water fees for capital improvements to the City's surface water drainage system (~~Ord. 459, Section 10 (1990)~~LFPMC 3.84).

~~14.~~15. The *Sewer Capital Fund (402)* accounts for new connection charges and transfers from the Sewer ~~rates~~ Revenue Fund for capital improvements to the City's ~~Sewer Capital Fund~~ sanitary sewer system (~~Ord. 927 (2005)~~LFPMC 3.70).

16. The *Vehicle~~/~~ and Equipment Repair Replacement Fund (501)* accounts for the expenditures for the repair, maintenance and replacement of major City assets such as ~~for the City's~~ vehicles, machinery, and major equipment ~~the City's information technology equipment and licensing, and Fixed Assets~~ (~~Ord. 659 (1995)~~LFPMC 3.64).

~~15.~~17. The *Information Technology Fund* (502) accounts for expenditures for the cost, maintenance, and operation of information systems equipment including hardware, software, and professional services as well as equipment replacements and larger technology projects (LFPMC 3.86).

AGENCY FUNDS

~~16.~~18. Periodically the City may administratively create one or more agency funds to support regional coalitions of two or more local entities created by an interlocal agreement where the City has agreed to act as the finance fiduciary. Any such funds ~~are to be created administratively,~~ are governed by the agreement creating the coalition~~, and if created pursuant to an interlocal agreement approved by the City Council, do not require separate council action~~.

Commented [KA7]: LFPMC 13.08.090(G) says put connection charges into the sewer capital improvement fund created by ordinance. Does "sewer rates" include "connection charges" or should an edit be made to add ?

Commented [JH8R7]: Edited

Commented [KA9]: Edit suggested to eliminate redundancy. If the regional coalition was created by an ILA then it had to go through Council and Council is saying those can be created administratively, which by definition does not require separate Council action.

Financial Planning and Budget

1. The Director of Finance shall develop a financial planning calendar that will provide for the timely update of the six-year financial forecasts for all City funds to adopt the City's biennial budget and Capital Improvement Plan. The six-year forecast will also be updated during the mid-biennial budget review and adjustment.

2. A six-year financial forecast shall be prepared and updated on a biennial basis for all City funds as a multi-year financial planning tool. The financial forecast shall be integrated in the City's biennial operating capital budgeting process.

3. The City will use prudent revenue and expenditure assumptions in the development of the six-year financial forecast and budgets for all City funds.

4. The City budget will implement City Council adopted goals and policies, long-range plans, the service choices for the community and revenue allocation policies of the Council.

5. When budgeting for the General Fund, the Recommended Biennial Budget proposed by the Mayor shall be a two-year balanced budget. For the purposes of this policy, a balanced budget is defined as total biennial resources (fund balance, plus projected revenue) that is greater than or equal to approved biennial expenditures, plus the calculated minimum fund balance, if applicable, for each fund. The published budget overview will identify whether the adopted budget is balanced.

6. The relationship between the General Fund and Capital Improvement Plan (CIP) budgets will be incorporated into the financial forecasts and the biennial Budget Process. Maintenance and operating costs associated with new CIP projects shall be estimated and included for each project within the CIP. Such costs should be included in the operating budgets when the projects are complete.

7. The City shall prepare and adopt its budget on a biennial basis and shall comply with the provisions of state law with respect to the biennial budget process. The adopted biennial budget will include one revenue and one expenditure amount for the biennium for each of the City's funds; budget appropriations unspent in the first year of the biennium will automatically carry over to the second year of the budget unless adjusted by an ordinance adopted by the City Council. The Director of Finance shall be responsible for the management of the City's biennial budget development process. The Director of Finance shall provide timely and accurate budget monitoring reports to Department Directors on a regular basis and quarterly budget monitoring reports to the Budget and Finance Committee.

8. Department Directors have primary responsibility for the development, implementation, management, and monitoring of their respective budgets in accordance with direction from the Mayor. Any significant variances from the adopted budget shall be reported by department directors to the city administrator in a timely manner.

9. The biennial budget process and materials shall be developed in a manner to provide information in a readily understandable manner, and to the greatest extent possible avoid jargon, acronyms, and the like.

10. One-time resources shall be identified and should be used to support one-time expenditures. Ongoing expenditures should be supported by ongoing resources.

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11. Budgeted staff positions (part-time, full-time, and temporary) will be included in the biennial Budget.

12. In accordance with State law, the City Council will adopt the biennial budget at the fund level. The Mayor is authorized to transfer budgeted amounts within any fund.

13. The City shall exhaust restricted funds to finance uses authorized by State or local law before General Fund resources are used to finance those activities. Restricted fund balance reserves should not be exhausted below the minimum fund balance reserve required by this policy.

Fund Balances and Reserves

1. Operating funds of the city have a minimum fund balance target equal to 30 days operating expense (based on the adopted biennial budget) or eight percent (8%) of total estimated current year revenue or expenditures, whichever is greater, except as noted below[2].

   - General Fund, 60 days operating expense or 16 percent of total estimated current year revenue or expenditures, whichever is greater
   - Street Fund, 60 days operating expense or 16 percent of total estimated current year revenue or expenditures, whichever is greater
   - Sewer Fund, 60 days operating expense or 16 percent of total estimated current year revenue or expenditures, whichever is greater
   - Surface Water Utility Fund, 60 days operating expense or 16 percent of total estimated current year revenue or expenditures, whichever is greater

   Current year revenue is defined as total estimated (budgeted) resources less beginning fund balances and one-time revenues. Current year expenditures is defined as total estimated (budgeted) expenses. Projected variances from the minimum fund targets shall be disclosed during the biennial budget process or during the current year if unanticipated circumstances occur that negatively impact current year revenue and/or expenditure projections. Fund Balance targets may be modified by Council action.

2. The Council Contingency Reserve should be maintained in accordance with RCW 35A.33.145 to cover unforeseen issues. (LFPMC 3.68)

3. The Budget Stabilization Fund should be maintained to provide for General Fund operating reserves in accordance with ~~Ordinance 1071~~ch. ~~LFPMC~~ 3.88 LFPMC.

[2] Operating funds, for the purpose of the minimum fund balance target, is any fund with payroll expense coded directly to the fund in the year that the target is calculated.

~~3.~~4. The Strategic Opportunity Fund should be maintained for strategic, time-sensitive, or opportunistic municipal initiatives in accordance with ~~LFPMC~~ ch. 3.90 LFPMC.

Accounting

1. The City will maintain an accounting and financial reporting system that fully meets governmental accounting professional standards and State of Washington budgeting, accounting, and reporting requirements as established in the cash basis Budgeting Accounting and Reporting System (BARS) Manual.

2. Financial procedures shall be maintained to assure appropriate internal controls are in place to protect city assets. This includes recording all purchased fixed assets in the fixed asset inventory system at the time of purchase. This enables the City to have timely and accurate financial reporting of its assets.

3. The City will report the results of operations using the cash basis of accounting allowed by the State for reporting.

Financial Reporting

1. The City shall prepare and submit in a timely manner an annual financial report to the Washington State Auditor's Office in accordance with the standards established for such reports.

Revenues

1. The City will strive to maintain a diversified mix of revenues to provide for continuity and predictability of resources and to minimize the impacts of periodic economic cycles.

2. Where the City has authority to set fees and charges, all such fees and charges should be adjusted to reflect inflation and cost of services and should be reviewed and reported to the Budget and Finance Committee on a periodic basis.

3. Grant revenue shall be included in the financial forecasts and biennial budgets when it is deemed likely by staff that the City will receive the grant award. Should planned or budgeted grant revenue not be received, offsetting expenditure reductions shall be implemented or alternative revenue sources shall be identified.

4. Investment Interest shall be credited to the appropriate City funds based on the monthly cash balances.

Expenditures and Contract Management

1. The City shall implement procedures for purchasing, credit card usage, and contract management consistent with the policy framework established in this section.

2. The Department Directors have primary responsibility for purchasing and expenditures for their respective budgets in accordance with the adopted biennial budget. Any significant variances from the adopted budget shall be reported by department directors to the City Administrator in a timely manner.

3. Subject to competitive bidding requirements, the administration/staff is granted the authority to execute contracts for goods and services up to a contract value of $50,000 for Public Works and $30,000 for all others. Staff is allowed to exercise this authority only when the purchase is consistent with the type of acquisition routinely and regularly included in a line item in the current year adopted budget. Contracts or services that could reasonably be defined as carrying out policy provisions in the budget are not subject to the aforementioned contracting authority.

4. In the case of significant damage or threat to public infrastructure or public facilities that require immediate action to prevent significant future loss or threat to property or to public safety and meets the definition of "emergency" in RCW 39.04.280(3), a contract of up to $100,000 is authorized. Reasonable attempts will be made to follow the Small Works Roster process authorized in Resolution No. 617.

5. City claims payments will be reviewed by a member of the City Council (Currently the Budget and Finance Committee Chair). The Councilmember review is intended to provide for a general, high-level review of claims to assure that adequate documentation is being maintained and the initiating department along with the Finance Department are doing appropriate due diligence in their review activities.

6. The City will seek to optimize the efficiency and effectiveness of its services to reduce costs and improve service quality.

Debt

1. Debt may be utilized to address short-term cash flow needs. Debt may also be used to finance significant capital or other obligations. The City Council is required to approve the issuance of debt. Debt will not be used to fund long-term revenue shortages.

2. When evaluating the use of non-voted (councilmanic) debt and the associated debt service obligations, an analysis shall be performed to determine the City's ability to make debt service payments, taking into account revenue fluctuations associated with periodic economic cycles. Debt may be considered when there is sufficient projected discretionary revenue to service the debt.

3. Voted and non-voted (councilmanic) debt will be used prudently in a manner to avoid any adverse impact on the City's credit rating or ability to issue subsequent or additional debt.

4. Upon the issuance of any debt, the City will establish the appropriate procedures to assure compliance with bond/debt covenants and applicable federal, State and local laws, policies and regulations.

Investments

1. Purpose: ~~To~~ Invest the City of Lake Forest Park funds in a manner which will provide the highest investment return consistent with a high degree of security while meeting the necessary cash flow demands of the City and conforming to all state statutes governing the investment of public funds.

2. ~~Investment~~ Objective: The purpose of this document is to identify those funds that are considered available for investment, to invest funds to the fullest extent possible, and to formalize the investment-related activities to assure the highest return with maximum security. In order of priority to invest the City's funds are the following: safety, liquidity, and return on investment (yield).
    a. Safety: Investments of the City will be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. Diversification is a key component to ensuring the safety of the City's investment portfolio.
    b. Liquidity: The City's investments will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated.
    c. Return on Investment (yield): The City's investment portfolio shall be designed with the objective of attaining a market rate of return given the City's risk constraints and cash flow requirements.

3. Delegation of Authority & Responsibility: The Designated Investment Officer will be the Finance Director. The Budget & Finance Committee must approve all investment strategies that are eventually implemented by the Finance Director. The Alternative Investment Officer in the event the Finance Director position is vacant, or in the event that the Finance Director is absent and/or unavailable to implement a Committee decision, will be the City Administrator. The Alternate Investment Officer will be required to follow the same guidelines as the Designated Investment Officer.

4. Authorized Investments types for Diversification:
    a. Washington State Local Government Investment Pool (LGIP) – Max 100%
    b. City's designated Bank – Max 100%
    c. Government Agency Bonds – Max 60%, Target 50%

    Diversifying funds using a balance of both short and longer term investment types enhances the investment portfolio of the City. For the longer term investments the maturity dates will be strategically laddered not to exceed a 5 year maturity date.

5. Reporting: The Finance Director, or designee, shall provide the Budget & Finance Committee a quarterly investment report for regular reporting.

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Assets

1. Fixed assets are defined as land, buildings, equipment, and improvements to existing fixed assets costing more than $5,000 and having a useful life in excess of one year. Assets with a value or cost under $5,000, but more than $500 are not defined as fixed assets and are subject to the Small and Attractive Asset Policy.

2. Small and Attractive Assets are safeguarded by a Small and Attractive Asset Policy designed to ensure controls over items that might not be noticed immediately after disappearance. The Policy maintains accountability for items that do not meet the criteria of a fixed asset. In certain cases the Administration may classify items below the threshold as small and attractive, despite having a value or cost below the threshold.

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Appendix

CITY OF LAKE FOREST PARK
CREDIT CARD POLICY

Purpose

The purpose of this policy is to establish guidelines and rules for the use of credit cards by City officials and employees. This policy shall be interpreted to provide for the use of credit cards by authorized persons to the fullest extent allowed by law including RCWs 43.09.2855 and 42.24.115.

Definitions

As used in this policy, the term "credit card" means a card or device issued under an arrangement pursuant to which the issuer (credit card company) gives to the card holder (the City) the privilege of obtaining credit from the issuer. Credit cards include cards imprinted with a specific named individual user, cards imprinted with a specific named city department, and cards issued for use by the City with a specific vendor.

Issuance, use and control of credit cards.

A. The City adopts the following system for the issuance, use and control of credit cards by City officials and employees. The Finance Director is authorized to obtain City credit cards under the following system, which provides for the distribution, authorization, control, credit limits and payment of bills through the use of the credit cards by City officials and employees.

    1. Issuance and Use. Credit cards may be issued to the City of Lake Forest Park and used by authorized City officials and employees for purchasing goods, services, supplies and other items from vendors; incurring registration, training or travel expenses in connection with the performance of their duties on behalf of the City. Each card imprinted with the name of an individual must be “signed for” by that individual using the City’s card user agreement.
    2. Authorization and Control. Upon authorization from the Finance Director or designee, City officials and employees may obtain a credit card from the Finance Director who shall maintain a ledger of individuals and departments receiving credit cards, including the date the card was received. The Finance Director shall implement accounting controls to promote the proper use of credit cards and reduce the risk of loss or misuse.
    3. Credit card limits shall be set administratively for each card, reflecting among other things purchases expected to be made during a typical billing cycle and additional credit capacity needed in an emergency or other contingency.
    4. Payment of Bills. The Finance Director shall establish a procedure for the prompt payment of all credit card bills on or before the due date.

5. Unauthorized Charges. No official or employee shall use the City-issued credit card for non-City business purposes. No charge(s) shall exceed amounts established and available in the City budget.
6. Prohibited Uses. Cash advances on credit cards are prohibited.

B. Expenses incident to authorized travel may be charged to a City-issued credit card provided the official or employee returns to the City with credit card receipts in accordance with the City travel policies and procedures.

C. Failure to provide detailed documentation as required by the policy will result in the user being responsible for the charge. If certain credit charges are disallowed as a result of audit or City policy, such charge must be repaid to the City with the City having the right to withhold funds payable to the official or employee up to the amount of the disallowed charge including interest at the rate charged by the credit card company. Misuse of a City credit card may result in disciplinary action up to and including termination and legal action.

D. The Finance Director is authorized to revoke the use of any credit card issued and immediately require the surrender of the credit card. The Finance Director may deliver a revocation order to the credit card company with the City not being liable for any future costs incurred after the date of revocation. Credit cards are to be returned to the City immediately upon ending employment.

E. The Finance Director is authorized to adopt any additional rules or policies necessary to implement the provisions of this policy.

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CITY OF LAKE FOREST PARK
CITY COUNCIL
AGENDA COVER SHEET

Meeting Date	November 5, 2026
Originating Department	Municipal Services/Finance
Contact Person	Matt McLean, City Clerk
	Leslie Peterson, Finance Director
Title	Ordinance 26-1323/Amending the Municipal Code by creating Chapter 3.90, Strategic Opportunity Fund

Legislative History

- First Presentation — October 15, 2026 Budget and Finance Meeting
- Second Presentation — October 22, 2026 Regular Meeting
- Third Presentation — November 5, 2026 Special Meeting

Attachments:

1. Ordinance 26-1323

Executive Summary

Ordinance No. 26-1323 would add Chapter 3.90 to the Lake Forest Park Municipal Code, establishing the Strategic Opportunity Fund (Fund 106) as a subsidiary reserve fund of the General Fund. The fund would hold Council-approved revenues designated for strategic, time-sensitive, or opportunistic municipal initiatives. Expenditures and interfund financing would require City Council authorization, either through budget adoption or separate Council action.

Background

The City Council has identified the need for an additional fund to support strategic municipal opportunities. The ordinance identifies eligible uses, including real property acquisitions, capital projects, planning and feasibility studies, grant-matching contributions, and other strategic opportunities. Establishing a separate fund would allow the City to account for resources designated for these purposes.

The fund may receive General Fund transfers. All interest and earnings would remain in the fund.

Fiscal & Policy Implications

The fiscal impact would depend on subsequent funding and spending decisions approved by the City Council. Any General Fund transfer would move resources into Fund 106; it would not create new City revenue.

Staff Recommendation

Adopt Ordinance No. 26-1323, establishing the Strategic Opportunity Fund, Fund 106, and adding Chapter 3.90 to the Lake Forest Park Municipal Code.

ORDINANCE NO. 26-1323

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAKE FOREST PARK, WASHINGTON, AMENDING THE LAKE FOREST PARK MUNICIPAL CODE BY CREATING CHAPTER 3.90, STRATEGIC OPPORTUNITY FUND; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the City has identified that there is a need to create an additional fund for strategic, time-sensitive, or opportunistic municipal initiatives that would be titled “Strategic Opportunity Fund” (Fund 106).

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAKE FOREST PARK, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. ADOPTION. Chapter 3.90 LFPMC, Strategic Opportunity Fund, is hereby adopted as follows:

3.90.010 Established.

The Strategic Opportunity Fund (Fund 106) is established as a subsidiary reserve fund to the General Fund for revenue approved by the City Council and designated for strategic, time-sensitive, or opportunistic municipal initiatives, including real property acquisitions, capital projects, planning and feasibility studies, grant matching contributions, and other strategic opportunities. Revenues may include General Fund transfers, interfund loans, capital contributions, and state or federal grants. Expenditures and interfund financing from this fund shall be authorized by the City Council either during budget adoption or by separate Council action.

3.90.020 Interest and earnings.

Any interest and earnings from the strategic opportunity fund shall be paid into the strategic opportunity fund.

Section 2. SEVERABILITY. Should any portion of this Ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, such decision shall not affect the validity of the remaining portions of this Ordinance or its application to other persons or circumstances.

Section 3. CORRECTIONS. The City Clerk is authorized to make necessary corrections to this Ordinance, including, but not limited to, the correction of scrivener’s/clerical errors, references, ordinance numbering, section/subsection numbers, and any references thereto.

Section 4. EFFECTIVE DATE. This ordinance shall take effect five (5) days after passage and publication.

APPROVED BY A MAJORITY of the Lake Forest Park City Council this ____ day of _____ 2026.

APPROVED:

_____
Tom French
Mayor

ATTEST/AUTHENTICATED:

_____
Matt McLean
City Clerk

APPROVED AS TO FORM:

_____
Kim Adams Pratt
City Attorney

Introduced: October 15, 2026
Adopted:
Posted:
Published:
Effective:

CITY OF LAKE FOREST PARK
CITY COUNCIL
AGENDA COVER SHEET

Meeting Date	November 5, 2026
Originating Department	Municipal Services/Finance
Contact Person	Matt McLean, City Clerk
	Leslie Peterson, Finance Director
Title	Ordinance 26-1325/Amending Chapter 3.19 of the Lake Forest Park Municipal Code, Sewer, Stormwater and Surface Water Service Tax

Legislative History

- First Presentation November 5, 2026

Attachments:

1. Ordinance 26-1325

Executive Summary

The City Council is asked to consider a utility tax rate for sewer, stormwater and surface water services and provide direction for completing Ordinance No. 26-1325. The draft ordinance would amend LFPMC 3.19.010 to increase the current 10% tax to a rate Council selects within the proposed range of 11% to 16%, or another range Councilmembers see fit. The proposed effective date is January 1, 2027.

Background

The draft ordinance applies the tax to gross income from sewer, stormwater and surface water services, including services provided by the City, with the tax charged to customers. The draft also states the intent to maintain the 50% low-income discount for sanitary sewer and stormwater ratepayers authorized by Resolution No. 1989 in 2024.

Council may select a rate within the proposed 11%–16% range (or choose a different rate), retain the current 10% rate, or request additional analysis before selecting a rate.

Fiscal & Policy Implications

Additional City revenue will depend on the selected rate, taxable utility revenues and applicable discounts. The interactive spreadsheet that the Council received earlier provides the potential revenues.

Staff Recommendation

Review the ordinance and decide on a proposed utility tax rate for sewer and surface water. Staff will bring back the updated ordinance at a future meeting.

ORDINANCE NO. 26-1325

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAKE FOREST PARK, WASHINGTON, AMENDING CHAPTER 3.19 OF THE LAKE FOREST PARK MUNICIPAL CODE, SEWER, STORMWATER AND SURFACE WATER SERVICE TAX; PROVIDING FOR SEVERABILITY, AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, Chapter 3.19 of the Lake Forest Park Municipal Code established a tax on the provision of sewer, stormwater, and surface water services at ten percent of the gross income from those services; and

WHEREAS, in 2024, the City Council passed Resolution 1989 authorizing a 50% low-income discount for sanitary sewer and stormwater ratepayers; and

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WHEREAS, the City Council has determined that it is in the city's best interest to increase the rate to [11-16] percent, and maintain the low-income discount.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAKE FOREST PARK, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. AMENDEMENT. The City Council of the City of Lake Forest Park hereby amends chapter 3.19 LFPMC, Sewer, Stormwater and Surface Water Service Tax, section 3.19.010 as follows:

Chapter 3.19 Sewer, Stormwater and Surface Water Service Tax.

3.19.010 Imposed.

There shall be levied on every business engaged in the sale, delivery, distribution, or furnishing of sewer services, or stormwater and surface water services, a tax equal to ~~10~~ [11-16] percent of the total gross income derived from the operation of such business, to be charged to the customers of such business. The City of Lake Forest Park, as a provider of sewer services, and stormwater and surface water services shall be subject to the tax imposed by this chapter.

Section 2. SEVERABILITY. Should any portion of this ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, such decision shall not affect the validity of the remaining portions of this ordinance or its application to other persons or circumstances.

Section 3. CORRECTIONS. The City Clerk is authorized to make necessary corrections to this ordinance including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

Section 4. EFFECTIVE DATE. After passage and publication, this ordinance shall take effect January 1, 2027.

APPROVED BY A MAJORITY of the Lake Forest Park City Council this ___ day of November, 2026.

APPROVED:

_____
Thomas French
Mayor

ATTEST/AUTHENTICATED:

_____
Matthew McLean
City Clerk

APPROVED AS TO FORM:

_____
Kim Adams Pratt
City Attorney

Introduced: _____
Adopted: _____
Posted: _____
Published: _____
Effective: _____

Utility Tax Proviso for Medical Debt for Low Income families

Given:

1. Medical debt can be a significant financial burden to low-income families and senior citizens.
2. One in three unhoused people surveyed in Seattle describe medical debt as a cause of their housing situation, and two thirds of unhoused people in the area report carrying medical debt.
3. Because of the federal HR 1 legislation, it is estimated that 215,000 King County residents will lose access to Medicaid healthcare, and may take on new medical debt
4. There exist charities who can purchase medical debt for pennies on the dollar in order to retire that debt and remove that financial burden on the community.
5. The City of Seattle is proposing to fund such a program in their 2027-2028 budget, using a one-time $350,000 payment to automatically wipe out medical debt for low income families, having identified $5 million in eligible debt using their potential nonprofit partner's criteria of: household incomes either at or below 400% of the federal poverty level, or those with medical debt that exceeds 5% of income.
6. Utility taxes are highly regressive with the largest relative impact on low-income families, and other revenue options for cities also have regressive effects on residents that add to housing precarity and other financial pressure.

Then, the city resolves to fund a partnership with a designated nonprofit to retire medical debt for low income families contingent on:

1. The City receives an estimate from a non-profit partner as to how much qualifying medical debt is held by eligible city residents.
2. The City Council authorizes an increase in the sewer utility tax of at least 1% above the current 10% rate.
3. The City Council authorizes a one-time payment to a selected nonprofit partner amounting to the lesser of: the estimate from the non-profit of total eligible medical debt in the City, or the increased annual revenue resulting from a 1% increase in the sewer tax rate.

Sales Tax Proviso for Medical Debt for Low Income families

Given:

1. Medical debt can be a significant financial burden to low-income families and senior citizens.
2. One in three unhoused people surveyed in Seattle describe medical debt as a cause of their housing situation, and two thirds of unhoused people in the area report carrying medical debt.
3. Because of the federal HR 1 legislation, it is estimated that 215,000 King County residents will lose access to Medicaid healthcare, and may take on new medical debt
4. There exist charities who can purchase medical debt for pennies on the dollar in order to retire that debt and remove that financial burden on the community.
5. The City of Seattle is proposing to fund such a program in their 2027-2028 budget, using a one-time $350,000 payment to automatically wipe out medical debt for low income families, having identified $5 million in eligible debt using their potential nonprofit partner's criteria of: household incomes either at or below 400% of the federal poverty level, or those with medical debt that exceeds 5% of income.
6. HB 2442 allows the city to claim up to a 0.01% sales tax that would otherwise pass through to King County. This money must be spent on "additional services" for children and their families.
7. The 0.01% sales tax authorized by HB 2442 could raise approximately $20,000/year

Then, the city resolves to fund a partnership with a designated nonprofit to retire medical debt for low income families with children contingent on:

1. The City receives an estimate from a non-profit partner as to how much qualifying medical debt is held by eligible city residents.
2. The City Council authorizes the collection of sales tax revenue (up to 0.01%) allowed by HB 2442 and receives that revenue
3. The City Council authorizes a one-time payment to a selected nonprofit partner amounting to the lesser of: the estimate from the non-profit of total eligible medical debt in the City, or the amount of sales tax revenue the city receives that is authorized by HB 2442.