



**City of Lake Forest Park
City Council Budget and Finance Committee
Thursday November 3, 2016
6:00 p.m.
Lake Forest Park City Hall
Council Chambers, 17425 Ballinger Way NE
AGENDA**

Budget Season Committee Members: John Resha (Co-Chair), Tom French (Co-Chair), Phillipa Kassover, Mark Phillips, Semra Riddle, Catherine Stanford, John Wright

Budget and Finance Committee Budget Deliberations

Public Comment

Budget Recommendations Discussion

Public Comment

Adjourn

Attachments:

Schedule of Enhancements and Updates Since Mayor's Proposal
Draft Ordinance 1144, 17-18 Biennial Budget Adoption
Draft Ordinance 1145, 2017 Property Tax Levy
Draft Resolution 1576, Resolution of Substantial Need
Draft Ordinance 1146, Setting 2017 Sewer Rates
Draft Resolution 1572, Setting 2017 Surface Water Utility Rates

SCHEDULE OF ENHANCEMENTS AND UPDATES SINCE PUBLISHED MAYOR'S PROPOSAL

GENERAL FUND				
<u>Title</u>	<u>Revenue(R)/Expend.(E)</u>	<u>Adjustment Type</u> ¹	<u>2017-2018 Budget</u>	
			<u>Amount</u>	<u>Annual Ongoing</u>
Property Tax, New Construction and Refunds	R	T	77,319	35,000
Traffic Camera Revenue	R	T	(100,000)	-
Community Resource Officer, Loss of Grant Funding	R	T	(134,000)	-
General Fund Revenue Total			<u>(156,681)</u>	<u>35,000</u>
Assistant Planner (LTE)	E	MP	140,000	-
Community Resource Police Officer	E	MP	67,000	140,000
Parks Maintenance Upgrade	E	MP	30,000	-
Emergency Management Increase	E	MP	20,000	10,000
Community Events	E	MP	20,000	-
Website Redesign	E	MP	15,950	-
City Council Paperless Meeting Hardware Update	E	MP	10,000	-
Ecommerce Expansion	E	MP	8,000	4,000
IT Staffing Contract	E	MP	5,500	-
Veteran's Memorial	E	BF	5,000	-
Finance Dept. Position Reclassifications	E	MP	2,750	1,375
General Fund Expenditure Total			<u>324,200</u>	<u>155,375</u>
STREET FUND				
<u>Title</u>			<u>2017-2018 Budget</u>	
			<u>Amount</u>	<u>Annual Ongoing</u>
Streetscape Maintenance Upgrade	E	MP	30,000	-
Street Fund Expenditure Total			<u>30,000</u>	<u>-</u>

¹ Adjustment type codes are as follows:

- MP, Mayor's Proposed
- T, Technical
- CIP, Capital Improvement Plan
- BF, Budget and Finance Committee

SCHEDULE OF ENHANCEMENTS AND UPDATES SINCE PUBLISHED MAYOR'S PROPOSAL

Title	Revenue(R)/Expend.(E)		Adjustment Type ¹		2017-2018 Budget	
	Amount	Annual Ongoing	Amount	Annual Ongoing	Amount	Annual Ongoing
CAPITAL IMPROVEMENT FUND						
2017-2018 Budget						
Title					Amount	Annual Ongoing
Park Property Acquisition and Development, Grants	R	CIP			270,075	-
Capital Improvement Fund Revenue Total					270,075	-
Park Property Acquisition and Development	E	CIP			640,150	-
Animal Acres Picnic Shelter	E	CIP			92,000	-
McKinnon Creek Trail	E	CIP			90,000	-
Tennis Court Lighting	E	CIP			35,000	-
PD Evidence Storage	E	CIP			2,000	-
Transportation Capital Fund Expenditure Total					859,150	-
TRANSPORTATION CAPITAL FUND						
2017-2018 Budget						
Title					Amount	Annual Ongoing
Safe Highways, Grants	R	CIP			475,000	-
Transportation Capital Fund Revenue Total					475,000	-
Annual Overlay	E	CIP			500,000	-
Safe Highways	E	CIP			475,000	-
Safe Streets, Early Action Investments	E	CIP			160,000	-
ADA Ramps	E	CIP			150,000	-
37th Avenue Sidewalk	E	CIP			60,000	-
Federal Lobbyist	E	MP			32,500	-
Transportation Capital Fund Total					1,377,500	-

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SCHEDULE OF ENHANCEMENTS AND UPDATES SINCE PUBLISHED MAYOR'S PROPOSAL

Title	Revenue(R)/Expend.(E)		2017-2018 Budget	
	Adjustment Type ¹		Amount	Annual Ongoing
CAPITAL FACILITIES MAINTENANCE FUND				
2017-2018 Budget				
<u>Title</u>			<u>Amount</u>	<u>Annual Ongoing</u>
Reception Safety Glass	E	CIP	54,000	-
City Hall Space Efficiency Study	E	CIP	20,000	-
City Hall Security Assessment	E	CIP	15,000	-
City Hall Facilities	E	CIP	213,644	-
Public Works Facilities	E	CIP	37,923	-
Capital Facilities Maintenance Fund Total			340,567	-
SEWER UTILITY FUND				
2017-2018 Budget				
<u>Title</u>			<u>Amount</u>	<u>Annual Ongoing</u>
Utility Camera	E	MP	50,000	-
Finance Dept. Position Reclassifications	E	MP	5,000	2,500
Ecommerce Expansion	E	MP	4,000	2,000
Sewer Utility Fund Total			59,000	4,500
SEWER CAPITAL FUND				
2017-2018 Budget				
<u>Title</u>			<u>Amount</u>	<u>Annual Ongoing</u>
Sheridan Beach Reliability Study	E	CIP	9,302	-
Beach Drive Lift Stations	E	CIP	215,000	-
Sewer Comprehensive Plan	E	CIP	200,000	-
Sewer Capital Fund Total			424,302	-

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<u>Title</u>	<u>Revenue(R)/Expend.(E)</u>		<u>Adjustment Type</u> ¹		<u>2017-2018 Budget</u>	<u>Annual Ongoing</u>
					<u>Amount</u>	
SURFACE WATER UTILITY FUND						
<u>Title</u>					<u>2017-2018 Budget</u>	<u>Annual Ongoing</u>
					<u>Amount</u>	
KC Flood Control Dist. Opportunity Fund	R	T			68,000	-
Federal Lobbyist	E	MP			32,500	-
Surface Water Utility Fund Total					100,500	-
SURFACE WATER CAPITAL FUND						
<u>Title</u>					<u>2017-2018 Budget</u>	<u>Annual Ongoing</u>
					<u>Amount</u>	
Culvert Replacement, Grant Funds	R	CIP			90,000	-
Culvert Replacement	E	CIP			560,000	-
Surface Water Capital Fund Total					650,000	-
FIDUCIARY FUNDS						
<u>Title</u>					<u>2017-2018 Budget</u>	<u>Annual Ongoing</u>
					<u>Amount</u>	
Ecommerce Expansion	E	MP			3,000	1,500
Fiduciary Funds Total					3,000	1,500
INTERFUND SERVICES TO ENTERPRISE AND CAPITAL FUNDS						
<u>Title</u>					<u>2017-2018 Budget</u>	<u>Annual Ongoing</u>
					<u>Amount</u>	
IT Staffing Contract	E	MP			4,500	-
Finance Dept. Position Reclassifications	E	MP			2,250	1,125
Enterprise and Capital Funds Total					6,750	1,125

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ORDINANCE NO. 1144

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAKE FOREST PARK, WASHINGTON, ADOPTING THE BIENNIAL BUDGET OF THE CITY OF LAKE FOREST PARK FOR THE YEARS 2017-2018

WHEREAS, State law, Chapter 35A.34 RCW provides for the biennial adoption of the City's budget and provides procedures for filing of the proposed budget, deliberations, public hearings, and final fixing of the budget; and

WHEREAS, a budget for fiscal years 2017-2018 has been prepared and filed, public hearings have been held for the purpose of fixing the final budget, and the City Council has deliberated and has made adjustments and changes deemed necessary and proper; and

WHEREAS, the budget maintains levels of service for most City services and makes strategic investments in areas aligned with the City Council's strategic plan goal areas; and

WHEREAS, the City desires to recognize the service of veterans with a veterans memorial in the City, the budget invests in a veteran's memorial; and

WHEREAS, the City of Lake Forest Park is required by RCW 35A.34.120 to include all revenues and expenditures for each fund in the adopted budget; and

WHEREAS, the budget is balanced per City Policy; and

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

Section 1. ADOPTING THE BIENNIAL BUDGET OF THE CITY OF LAKE FOREST PARK FOR THE YEARS 2017-2018. The budget for the City of Lake Forest Park for the period January 1, 2017 through December 31, 2018 as determined in the 2017-2018 Mayor's Proposed Budget and amended by the City Council is hereby adopted.

Section 2. SUMMARY OF REVENUES AND EXPENDITURES. The Budget sets forth totals of estimated revenues and expenditures of each separate fund, and the aggregate totals for all such funds as summarized below:

<u>Fund No.</u>	<u>Fund Name</u>	<u>2017-2018</u>	
		<u>Revenue</u>	<u>Expenditure</u>
001	General Fund	16,674,137	16,967,724
101	Street Fund	1,095,150	1,230,258
102	Council Contingency Fund	3,600	-
104	Transportation Benefit District	829,074	402,487
105	Budget Stabilization Fund	1,500	-
202	PW Facility Bond Fund	64,533	64,334
301	Capital Improvement Fund	779,075	1,162,467
302	Transportation Capital Fund	1,433,998	1,842,496
303	Facilities Maintenance Fund	301,400	340,567
401	Sewer Utility Fund	6,160,143	6,032,502
402	Sewer Capital Fund	410,000	424,302
403	Surface Water Utility Fund	2,404,663	2,281,173
404	Surface Water Capital Fund	714,000	560,000
406	Bond Redemption Fund	700	-
407	PW Trust Fund Repayment Fund	854,900	505,581
450	Public Works Contract Fund	1,765,154	1,727,820
501	Replacement Fund	921,811	824,924

Section 3. SALARY SCHEDULE. The salary schedule and full-time employee authorization request submitted to the City Council by the Administration is approved.

Section 4. COPIES OF THE BUDGET TO BE FILED. The City Clerk is directed to transmit a complete copy of the final budget as adopted to the Office of the State Auditor and to the Association of Washington Cities as required by RCW 35A.34.120.

Section 5. 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 6. 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 7. 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 [click here](#) to enter day of month. day of [Click here to enter month.](#), 2016.

APPROVED:

Jeff Johnson
Mayor

ATTEST/AUTHENTICATED:

Evelyn Jahed
City Clerk

APPROVED AS TO FORM:

Kim Adams Pratt
City Attorney

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

ORDINANCE NO. 1145

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAKE FOREST PARK, WASHINGTON, LEVYING PROPERTY TAX FOR THE CALENDAR YEAR 2017 AND MAKING PROVISION FOR INCREASES AS ALLOWED BY LAW

WHEREAS, the City Council of the City of Lake Forest Park has met and considered its budget for calendar years 2017-2018; and

WHEREAS, the City Council, in the course of considering the budget for 2017-2018, has reviewed all sources of revenue and examined all anticipated expenses and obligations; and

WHEREAS, the City Council, after hearing and duly considering all relevant evidence and testimony from the citizens of Lake Forest Park, determined that the City of Lake Forest Park adopt a regular levy in the amount of \$3,111,742. The levy amounts include an increase in property tax revenue from the previous year, and amounts resulting from the addition of new construction and improvements to property, and any increase in the value of state-assessed property, and refunds made. The levy amounts are requested in order to discharge the expected expenses and obligations of the City; and

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

Section 1. Property Tax Levy. The City of Lake Forest Park hereby levies a 2017 regular property tax in the amount of Three Million, Forty-Nine Thousand, Two Hundred, Seventy-Five and 00/100 dollars (\$3,049,275). The levy amount is exclusive of additional revenue resulting from the addition of new construction and improvements to property, any increase in the value of state assessed property, and any additional amounts resulting from any annexations that have occurred and refunds made.

Section 2. One (1.0) Percent Property Tax Levy Amount Increase, Thirty Thousand, One Hundred Ninety Dollars (\$30,190). The regular property tax levy above includes Thirty Thousand, One Hundred Ninety and 00/100 Dollars (\$30,190) increase, which represents a one (1.0) percent increase to the amount of the 2016 regular property tax levy, exclusive of new construction and improvements to property and any increase in the value of state assessed property, and any additional amounts resulting from any annexations that have occurred and refunds made.

Section 3. 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 4. 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 5. 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 [click here](#) to enter day of month. day of [Click here to enter month.](#), 2016.

APPROVED:

Jeff Johnson
Mayor

ATTEST/AUTHENTICATED:

Evelyn Jahed
City Clerk

APPROVED AS TO FORM:

Kim Adams Pratt
City Attorney

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

RESOLUTION NO. 1576

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE FOREST PARK, WASHINGTON, TO INCREASE THE 2017 PROPERTY TAX LEVY LIMIT DUE TO SUBSTANTIAL NEED

WHEREAS, the annual local property tax increase was limited by Initiative 747 to the lower of one percent or the rate of inflation calculated by the Implicit Price Deflator (IPD); and

WHEREAS, the rate of inflation used in setting the 2017 local property tax levy calculated using the IPD is 0.95%, which represents the 2017 limit for property tax increase, unless the governing body determines that the local government can demonstrate a substantial need, or substantial future need, to increase the limit to one percent; and

WHEREAS, the City of Lake Forest Park has recognized for years that the costs of providing services to residents has consistently increased at a faster pace than the revenue from its largest funding source, property tax, is legally allowed to increase since the passage of Initiative 747; and

WHEREAS, the City Council of the City of Lake Forest Park has determined that, due to the rate of increase of its costs to provide services there is a need to increase the regular property tax limit factor above the rate of inflation; and

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

Section 1. The City Council finds that there is a need to increase the regular property tax limit above the rate of inflation for the tax year 2017.

Section 2. The City of Lake Forest Park limit factor for the tax year 2017 shall be one percent (1%).

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.

PASSED BY A MAJORITY VOTE of the members of the Lake Forest Park City Council this 17th day of November, 2016.

APPROVED:

Jeff Johnson
Mayor

ATTEST/AUTHENTICATED:

Evelyn Jahed
City Clerk

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
RESOLUTION NO.:

ORDINANCE NO. 1146

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAKE FOREST PARK, WASHINGTON, SETTING 2017 SEWER UTILITY RATES

WHEREAS, the setting of City sewer rates are authorized in Section 13.08.090 of the Lake Forest Park Municipal Code; and

WHEREAS, the City of Lake Forest Park has a sewer rate structure where a portion of the rate is for King County treatment charges and a portion is for the operation and maintenance of the City's sewer infrastructure; and

WHEREAS, in 2004 the City completed a study of the sewer rates for operation, maintenance, and for the long-term replacement of the sewer system infrastructure; and

WHEREAS, the study recommended that the City's portion of the sewer rates be increased and a portion of the revenue be set aside in a new fund for future capital replacement of the City's sewer system; and

WHEREAS, King County is increasing its treatment charge by 5.2% in 2017; and

WHEREAS, the City Council has determined that it is in the best interests of the City to not increase the City's portion of the sewer rates in 2017, but to increase the City's sewer rate charge to account for only the increase in the King County treatment charge; and

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

Section 1. Effective January 1, 2017, the following classification of sewer use and schedule of rates and charges for sanitary sewer service are adopted, for properties located within the boundaries of the City of Lake Forest Park as now or hereafter determined:

Class No.	Description	Rate
I.	Residential (single-family and housing units with four or less residential units per building),	\$59.12 \$61.31 per month per unit
II.	Multi-family Residential (housing units with five or more units per building)	\$8.76 \$9.04 per hundred cubic feet (ccf) per month

III.	Commercial	\$8.76 \$9.04 per hundred cubic feet (ccf) per month per unit of business
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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 13th day of October, 2016.

APPROVED:

Jeff Johnson
Mayor

ATTEST/AUTHENTICATED:

Evelyn Jahed
City Clerk

APPROVED AS TO FORM:

Kim Adams Pratt
City Attorney

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

RESOLUTION NO. 1572

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF LAKE FOREST PARK, WASHINGTON,
ESTABLISHING ADJUSTMENT TO THE CITY'S
SURFACE WATER UTILITY RATES**

WHEREAS, the City Council of the City of Lake Forest Park has determined that establishing fees for various services, applications and permits by resolution allows for centralization of such fees and charges; and

WHEREAS, the City has reviewed the surface water utility revenue and operational expenditures that are needed to retain the current level of surface water management services, to continue compliance with the Endangered Species Act and other unfunded mandates, to continue with best management practices, to continue to develop the City's surface water management program, and to address the capital repair and improvement of the City's surface water management systems; and

WHEREAS, the City has determined that the annual surface water utility fees should be increased by six percent (6.0%) in order to retain and improve upon the current level of surface water management services, to assist the City in meeting the federal surface water requirements, and to set-aside annual amounts for the long-term capital improvement needs of the City's surface water infrastructure; and

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

Section 1. SURFACE WATER UTILITY RATES . Rates are according to the attached fee schedule identified as Attachment A to be effective on January 1, 2017 and to remain in effect until revised by future Council action.

Section 2. 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.

PASSED BY A MAJORITY VOTE of the members of the Lake Forest Park City Council this 13th day of October, 2016.

APPROVED:

Jeff Johnson
Mayor

ATTEST/AUTHENTICATED:

Evelyn Jahed
City Clerk

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
RESOLUTION NO.:

ATTACHMENT A TO RESOLUTION ****

Surface Water Utility Rates					
		2016 Fees	2017 Fees	Difference	Percent Change
Single Family Residential		\$ 191.98	\$ 203.50	\$ 11.52	6%
Class	% Impervious Surface				
Very Light	0%-10%	\$ 191.98	\$ 203.50	\$ 11.52	6%
Light	10%-20%	\$ 461.45	\$ 489.14	\$ 27.69	6%
Medium	20%-45%	\$ 928.06	\$ 983.74	\$ 55.68	6%
Medium High	45%-65%	\$ 1,792.08	\$ 1,899.60	\$ 107.52	6%
High	65%-85%	\$ 2,272.07	\$ 2,408.39	\$ 136.32	6%
Very High	85%-100%	\$ 2,976.11	\$ 3,154.68	\$ 178.57	6%