

CITY COUNCIL MEETING AGENDA



City of Lake Stevens Vision Statement

We are a thriving community that promotes a vibrant economy, preserves natural beauty, and supports an exceptional quality of life for all.

March 31, 2026 - 6:00 PM

City Council Regular Meeting

In person: The Mill, Sawyers Room, 1808 Main Street, Lake Stevens

or Join Zoom Meeting: [Zoom Link](#)

or call in at (253) 215-8782

Meeting ID: 83206841417 Passcode: 235987

1. **Call to Order**
2. **Pledge of Allegiance** Mayor
3. **Roll Call**
4. **Approval of Agenda** Council President
5. **Citizen Comments**
6. **Action Items**
 - A. **Aquafest 2026 In-Kind Request** Sarah Garceau
7. **Discussion Items**
 - A. **2025 Year End Financial Update** Matthew Heist,
Barb Stevens
 - B. **Citizen Financial Taskforce Update** Gene Brazel
8. **Council Business** Council President
9. **Adjourn**

THE PUBLIC IS INVITED TO ATTEND

The City of Lake Stevens strives to provide accessible opportunities for individuals with disabilities. Please contact Human Resources, City of Lake Stevens ADA Coordinator, (425) 622-9400, 48 hours prior to this council meeting if any accommodations are needed. For TDD users, please use the state's toll-free relay service, (800) 833-6384, and ask the operator to dial the City of Lake Stevens City Hall number.

CITY COUNCIL STAFF REPORT



Agenda Date: 3/31/2026

Subject: Aquafest 2026 In-Kind Request

Contact Person/Department: Sarah Garceau, Parks Department

Budget Impact:

Legal Review: No

RECOMMENDATION(S)/ACTION REQUESTED:

Approve City Support for Aquafest 2026

SUMMARY/BACKGROUND:

Aquafest is the largest special event in the City of Lake Stevens. Aquafest started in 1969 (57 years ago), and has grown into the event it is today: three days of lakeside festivals, parades, fireworks, and togetherness that bring together thousands of residents and visitors.

Aquafest is 100% volunteer-run and organized by the Aquafest Association of Lake Stevens, a 501(c)(4) civic organization. Every dollar raised goes directly toward producing the events and experiences that make Aquafest special.

The requested City support for the 2026 event is attached.

APPLICABLE CITY POLICIES:

ATTACHMENTS:

1. Aquafest - Detailed Support Spreadsheet
2. Aquafest - Overview of Support Requested

Aquafest 2026 In-Kind Donation List

Type	Category	SubCategory	Staff Quantity	Day(s)	Start Time	End Time	Total Units/Time	Unit	Cost per Unit	Item Total	In Kind Allowance	Needs Council Review/Approval	Notes
Boat Launch Closure First Day	Closure	--	0	Tues	N/A	N/A	1	days	\$300.00	\$300.00	\$300.00	\$0.00	done during regular hours
Boat Launch Closure Remaining Days	Closure	--	0	Wed-Mon	N/A	N/A	6	days	\$150.00	\$900.00	\$900.00	\$0.00	done during regular hours
Mill Spur Closure First Day	Closure	--	0	Thurs	N/A	N/A	1	days	\$240.00	\$240.00	\$240.00	\$0.00	done during regular hours
Mill Spur Closure Remaining Days	Closure	--	0	Fri-Mon	N/A	N/A	4	days	\$120.00	\$480.00	\$480.00	\$0.00	done during regular hours
Clear Stream Bags	Consumables	--	0	N/A	N/A	N/A	1	each	\$82.41	\$82.41	\$0.00	\$82.41	consumables purchased by event
Garbage Bags	Consumables	--	0	N/A	N/A	N/A	1	each	\$103.44	\$103.44	\$0.00	\$103.44	consumables purchased by event
PW/Parks Overtime - Event Support (trash/bathrooms/labor items)	Labor - OT	PW/Parks	1	Thurs	3:30 PM	11:15 PM	7.25	hours	\$108.49	\$786.55	\$0.00	\$786.55	can be green team
Parks Regular Time - Item Delivery/Event Prep	Labor	Parks	1	Thurs	7:00 AM	3:30 PM	8.00	hours	\$100.13	\$801.04	\$801.04	\$0.00	can be done during regular hours
Parks Regular Time - Admin Support (support/troubleshooting)	Labor	Parks	1	Thurs	8:00 AM	4:30 PM	8.00	hours	\$100.13	\$801.04	\$801.04	\$0.00	
PW/Parks Overtime - Event Support (trash/bathrooms/labor items)	Labor - OT	PW/Parks	1	Fri	3:30 PM	11:15 PM	7.25	hours	\$108.49	\$786.55	\$0.00	\$786.55	can be green team
Parks Regular Time - Admin Support (support/troubleshooting)	Labor	Parks	1	Fri	8:00 AM	4:30 PM	8.00	hours	\$100.13	\$801.04	\$801.04	\$0.00	
Parks Regular Time - Event Support (trash/bathrooms/labor items)	Labor	Parks	1	Fri	7:00 AM	3:30 PM	8.00	hours	\$100.13	\$801.04	\$801.04	\$0.00	regular rounds
Parks Regular Time - Event Support (trash/bathrooms/labor items)	Labor	Parks	1	Sat	7:00 AM	3:30 PM	8.00	hours	\$100.13	\$801.04	\$801.04	\$0.00	regular rounds
PW/Parks Overtime - Event Support (trash/bathrooms/labor items)	Labor - OT	PW/Parks	1	Sat	3:30 PM	11:15 PM	7.25	hours	\$108.49	\$786.55	\$0.00	\$786.55	can be green team
PW/Parks Overtime - Event Support (trash/bathrooms/labor items)	Labor - OT	PW/Parks	1	Sat	11:00 AM	8:30 PM	9.00	hours	\$108.49	\$976.41	\$0.00	\$976.41	can be green team
Parks Regular Time - Admin Support (support/troubleshooting)	Labor	Parks	1	Sat	8:00 AM	4:30 PM	8.00	hours	\$100.13	\$801.04	\$801.04	\$0.00	
Parks Regular Time - Event Support (trash/bathrooms/labor items)	Labor	Parks	1	Sun	7:00 AM	3:30 PM	8.00	hours	\$100.13	\$801.04	\$801.04	\$0.00	regular rounds
PW/Parks Overtime - Event Support (trash/bathrooms/labor items)	Labor - OT	PW/Parks	1	Sun	11:00 AM	7:15 PM	7.75	hours	\$108.49	\$840.80	\$0.00	\$840.80	can be green team
PW/Parks Overtime - Event Support (trash/bathrooms/labor items)	Labor - OT	PW/Parks	1	Sun	3:30 PM	7:15 PM	3.75	hours	\$108.49	\$406.84	\$0.00	\$406.84	can be green team
Parks Regular Time - Admin Support (support/troubleshooting)	Labor	Parks	1	Sun	12:00 PM	5:00 PM	4.50	hours	\$100.13	\$450.59	\$450.59	\$0.00	
Police Overtime - Operations (patrols/command center/support)	Labor - OT	Police	Varies	Thurs	6:00 PM	10:00 PM	18	hours	\$150.71	\$2,712.78	\$0.00	\$2,712.78	
Police Overtime - Operations (patrols/command center/support)	Labor - OT	Police	Varies	Fri	10:00 AM	11:30 PM	50.5	hours	\$150.71	\$7,610.86	\$0.00	\$7,610.86	
Police Overtime - Parade	Labor - OT	Police	Varies	Fri	6:00 PM	7:30 PM	14.5	hours	\$150.71	\$2,185.30	\$0.00	\$2,185.30	
Police Overtime - Operations (patrols/command center/support)	Labor - OT	Police	Varies	Sat	10:30 AM	11:30 PM	65	hours	\$150.71	\$9,796.15	\$0.00	\$9,796.15	
Police Overtime - Parade	Labor - OT	Police	Varies	Sat	1:00 PM	3:00 PM	12.5	hours	\$150.71	\$1,883.88	\$0.00	\$1,883.88	
Police Overtime - Aquarun	Labor - OT	Police	Varies	Sat	8:00 AM	11:00 AM	17.5	hours	\$150.71	\$2,637.43	\$0.00	\$2,637.43	
Police Overtime - Operations (patrols/command center/support)	Labor - OT	Police	Varies	Sun	11:30 AM	7:30 PM	14	hours	\$150.71	\$2,109.94	\$0.00	\$2,109.94	
Public Works Regular Time- Banner Hanging	Labor	Public Works	4	Mon	12:30 PM	4:00 PM	14	hours	\$112.21	\$1,570.94	\$1,570.94	\$0.00	can be done during regular hours
Public Works Regular Time- TCMS Sign Board Placement	Labor	Public Works	1	Mon	12:00 PM	2:00 PM	1	hours	\$112.21	\$112.21	\$112.21	\$0.00	can be done during regular hours
Public Works Regular Time- TCMS Sign Board Retrieval	Labor	Public Works	1	Mon	12:00 PM	2:00 PM	1	hours	\$112.21	\$112.21	\$112.21	\$0.00	can be done during regular hours
Public Works Regular Time - Barrier & Cone Retrieval	Labor	Public Works	2	Mon	12:00 PM	3:00 PM	6	hours	\$112.21	\$673.26	\$673.26	\$0.00	can be done during regular hours
Public Works Regular Time - Barrier & Cone Placement	Labor	Public Works	2	Fri	12:00 PM	3:00 PM	6	hours	\$112.21	\$673.26	\$673.26	\$0.00	can be done during regular hours
Public Works Overtime - AquaRun Road Closures	Labor - OT	Public Works	4	Sat	5:00 AM	7:30 AM	10	hours	\$108.49	\$1,084.90	\$0.00	\$1,084.90	
TCMS Sign Rental	Rentals	COLS	2	Mon-Mon	N/A	N/A	2	each	\$651.00	\$1,302.00	\$1,302.00	\$0.00	
Event Level 4 Permit Fee	Permit	--	0	N/A	N/A	N/A	1	each	\$1,106.00	\$1,106.00	\$1,106.00	\$0.00	
Clear Stream Frame Rental	Rentals	COLS	0	Thurs-Sun	N/A	N/A	25	each	\$10.00	\$250.00	\$250.00	\$0.00	
Radio Rental	Rentals	COLS	0	Thurs-Sun	N/A	N/A	14	each	\$50.00	\$700.00	\$700.00	\$0.00	
Downtown - No Parking Signs	Rentals	COLS	0	Thurs-Sun	N/A	N/A	15	each	\$2.00	\$30.00	\$30.00	\$0.00	
Permanent Road Closure - Barriers	Rentals	COLS	0	Thurs-Sun	N/A	N/A	4	each	\$30.00	\$120.00	\$120.00	\$0.00	
Temporary Road Closure - Barriers	Rentals	COLS	0	Thurs-Sun	N/A	N/A	6	each	\$12.00	\$72.00	\$72.00	\$0.00	
Observation Deck - North Cove	Rentals	North Cove	0	Thurs-Sun	N/A	N/A	4	days	\$125.00	\$500.00	\$500.00	\$0.00	
Picnic Shelter - North Cove	Rentals	North Cove	0	Thurs-Sun	N/A	N/A	4	days	\$125.00	\$500.00	\$500.00	\$0.00	
Cone Rentals from Granite Construction (Aquarun Closure)	Rentals	North Cove	0	Mon-Mon	N/A	N/A	100	each	\$19.95	\$898.76	\$0.00	\$898.76	direct rental needed; PW needs extra cones for closures (we use all we have plus
The Mill Rental - Thurs	Rentals	The Mill	0	Thurs	N/A	N/A	1	days	\$1,200.00	\$1,200.00	\$600.00	\$600.00	
The Mill Rental - Friday	Rentals	The Mill	0	Fri	N/A	N/A	1	days	\$1,440.00	\$1,440.00	\$720.00	\$720.00	
The Mill Rental - Saturday & Sunday	Rentals	The Mill	0	Sat & Sun	N/A	N/A	2	days	\$1,600.00	\$3,200.00	\$1,600.00	\$1,600.00	
The Mill - Outdoor Plaza	Rentals	The Mill	0	Thurs-Sun	N/A	N/A	4	days	\$125.00	\$500.00	\$250.00	\$250.00	
Dumpster Rental	Rentals	Waste Mgmt	0	Thurs-Mon	N/A	N/A	4	each	\$465.07	\$1,860.27	\$0.00	\$1,860.27	direct rental needed
Garbage Rolly Cans	Rentals	Waste Mgmt	0	Thurs-Mon	N/A	N/A	25	each	\$12.00	\$300.00	\$0.00	\$300.00	direct rental needed - research being done, was charged in 2024 but not 2025.
Totals										\$59,889.55	\$18,869.75	\$41,019.80	

Cost of event to the City is to the best effort of staff based on known factors.

Category Totals		
	In Kind Allowance	Needs Council Review/Approval
Labor	\$9,199.75	\$0.00
Labor - OT	\$0.00	\$34,604.92
Rentals	\$6,644.00	\$6,229.03
Permit	\$1,106.00	\$0.00
Closure	\$1,920.00	\$0.00
Consumables	\$0.00	\$185.85

2026 Aquafest Event Support

Description	Amount		Notes
Special Event In-Kind Contribution Program	\$18,869.75		Approved at Admin Level

Items For Council Review/Approval. (Consideration for reduced support)

Description	Amount	Sub Total	Notes
Full Support Proposed	\$41,019.80	\$41,019.80	See Spreadsheet (In-Kind Donation List)
Mill Rental	(\$3,890.00)	\$37,129.80	Aquafest's 1st preference - Waive Additional 50%, for 100% fee waiver.
1 Staff Reduction on Sat & Sun for Trash & Restrooms PW/Parks OT	(\$1,383.25)	\$35,746.56	Staff support was two. Aquafest is working to secure green team, if successful this will have no effect on event needs.
Garbage Bags & Clear Stream Bags	(\$185.85)	\$34,661.95	
100 Cones - Rentals for Aqua Run	(\$898.76)	\$34,847.80	
Dumpsters and Rolly Carts	(\$2,160.27)	\$32,501.68	Ordered/Rented from Waste Management. (Rolly Carts \$300 were billed in 2024 but not 2025; unclear if it will be billed for 2026.)

Option for Reducing OT

	Hours	Rate	Total
PW/Parks OT Event Support (Trash/Restrooms)	42.25	\$108.49	\$4,583.70
Outside Contract	42.25	\$25.00	\$1,056.25
Difference			\$3,527.45

If this is desired, I would suggest exploring this for 2027 to minimize impact and event coordinating needs.



2025 YEAREND FINANCIAL REPORT

Monthly Financial Report

City of Lake Stevens, WA

www.lakestevenswa.gov

Page 1



To: City Council

FROM: Barbara Stevens, Finance Director

SUBJECT: December 2025 Financial Report

DATE: March 20, 2026

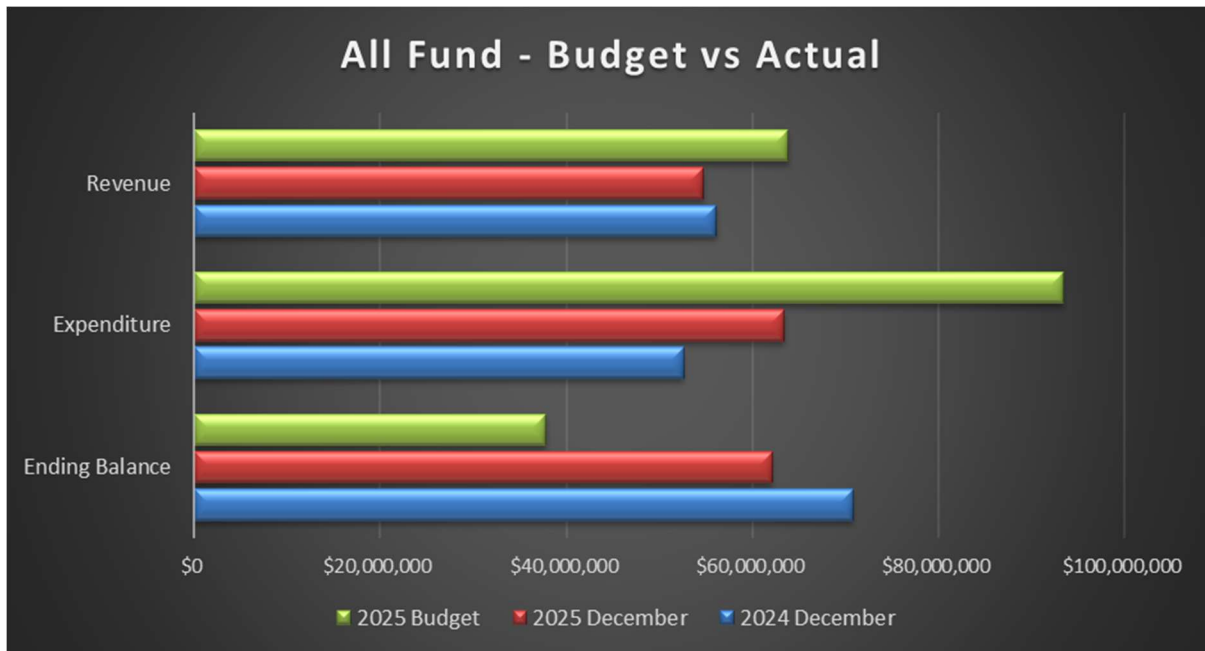
All Funds

Overview:

Overall, the City ended December 2025 with a fund balance of \$62,121,996. Revenues were \$54,720,976 (86%) and expenses were \$63,409,679 (68%).

Revenue and Expense comparisons over 2024 are skewed due to the receipt of bond funds for the Civic Campus property in 2024. Removing that extraordinary transaction, revenues increased 19% over the prior year. Overall, the citywide fund balance is 12% lower than 2024 due to capital project expenses.

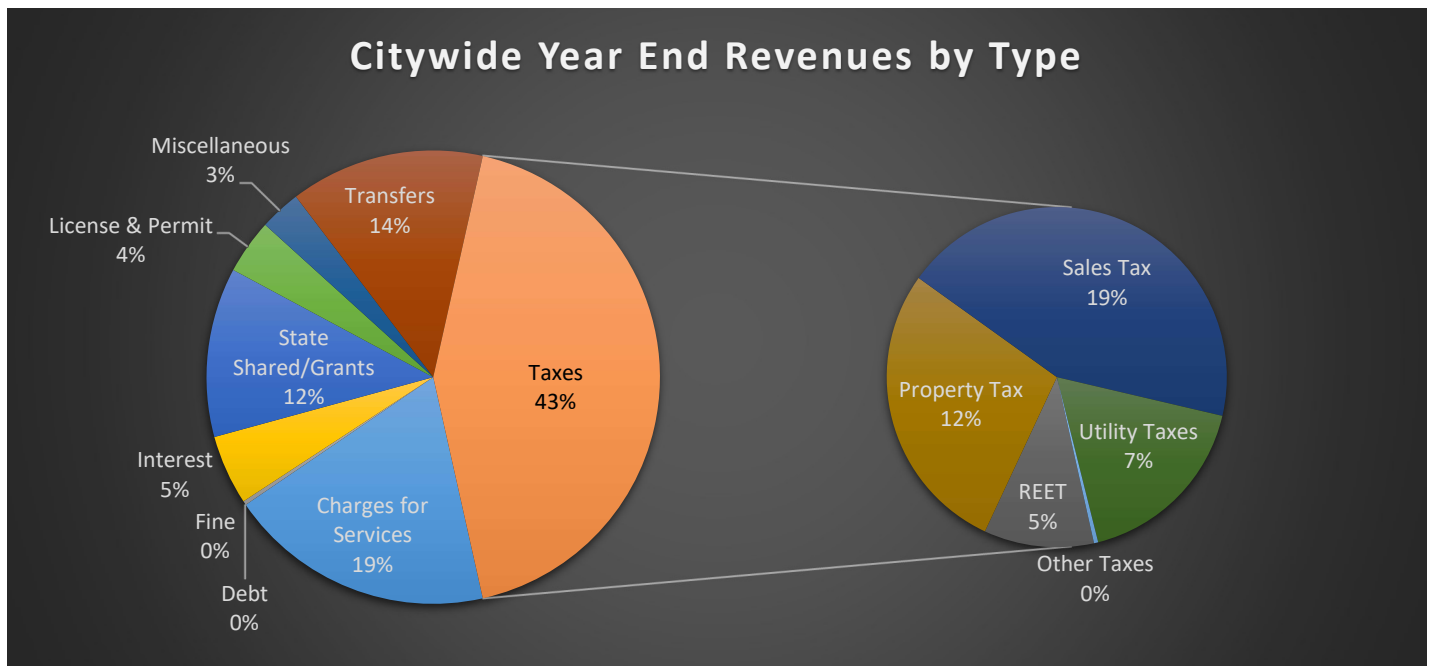
	2025 Budget	2025 December	2024 December	% BVA	% Comp 2024 - 2025
Beginning Assets	\$67,313,568	\$67,313,568	\$62,109,618	100%	8%
Revenues	\$63,856,155	\$54,720,976	\$56,140,897	86%	-3%
Expenditures	\$93,388,234	\$63,409,679	\$52,643,962	68%	20%
Ending Assets	\$37,781,489	\$62,121,996	\$70,810,504	164%	-12%





Revenues:

Citywide Mid-Year Revenues by Type



Taxes make up 43% of all revenues citywide and ended the year at 104% of the annual budget.

- Sales taxes are the largest source of taxes and ended the year at 106% of budget or \$10,277,295.
 - Local Retail Sales are 58% of this amount, a total increase of 3% over the prior year.
 - Construction Sales are 14%
 - Criminal Justice is 10%
 - Transportation Benefit taxes make up 17% of this amount or \$1,752,513
- Property taxes are 100% of budget or \$ \$6,573,076 – Majority of revenue received in May and November
- Utility taxes are 104% of budget or \$ \$4,101,173
- Real estate excise taxes (REET) are 103% of budget or \$ \$2,463,686 an 8% decrease over prior year

Charges for Services include various fees citywide that make up 19% of total revenues. 52% of these revenues are generated by storm water fees. Also included in this total are traffic and park impact fees which make up 15% of the total. Impact fees ended the year at 164% of the budget.

Investment interest is making up 5% of revenues citywide or \$2,728,398 a decrease of 19%. The city currently invests excess funds in the Local Government Investment Pool (LGIP) which tends to correlate with the Federal Funds Rate which have been higher than other short- and long-term instruments. Diversification strategies will come forward to the City Council in the near future.



Citywide Year Revenue Comparison 2024 - 2025

Citywide revenues decreased by 3% over the same period last year. The most significant contribution to the decrease was receipt of bond funds for and the purchase of the new Municipal Campus property in early 2024.

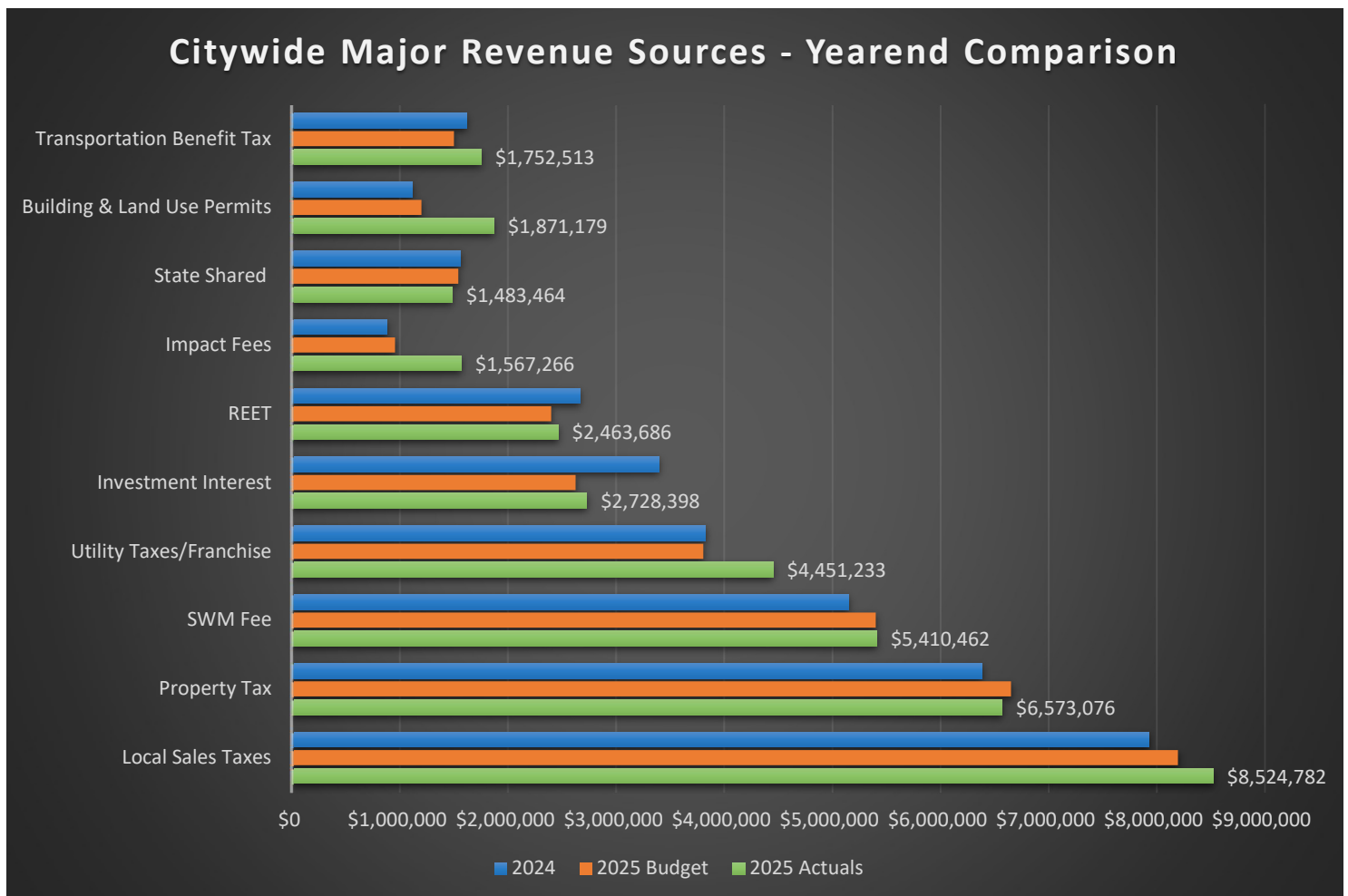
As mentioned previously, investment interest has decreased by more than \$654,000 over the prior year.

Additionally, overall sales taxes and utility taxes have increased 8% and 19% respectively.

Construction is on the rise in Lake Stevens.

- Building & land use permits are up 68% and 66% respectively over the same period last year.
- Traffic impact fee revenues are up by 84%, while park impact fees are up by 71%.
- Construction sales taxes increased by 36% over this period last year. We expect this trend to continue due to the school and library construction then decrease again.

Real estate excise taxes (REET) decreased by 8% compared to the prior year revenues.

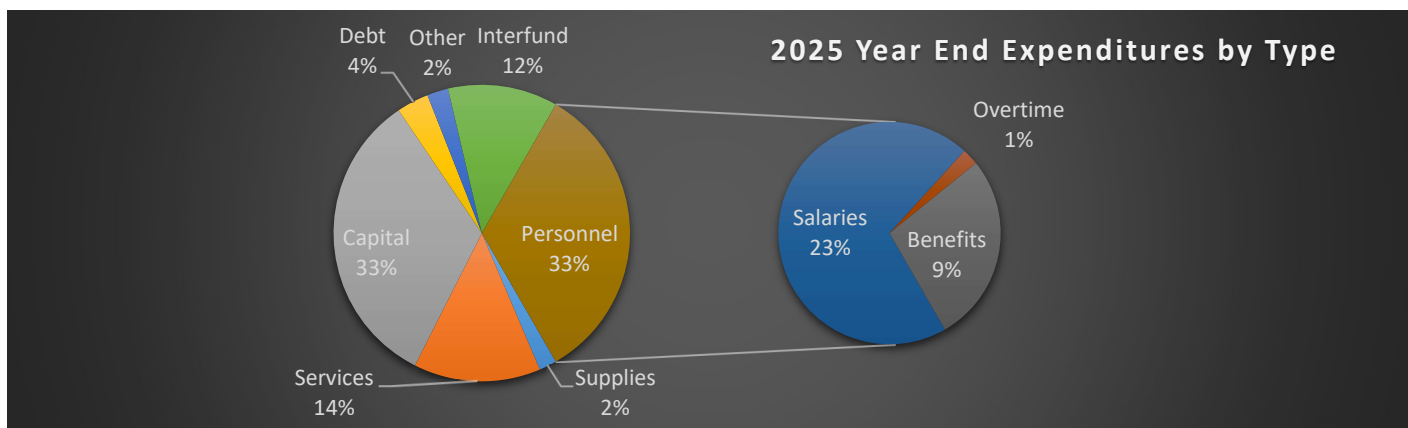




Expenditures:

Citywide expenditures increased by 25% over prior year. The largest contributor to this is the significant investment in infrastructure and capital projects underway in 2025. The city ended 2025 at 68% of the budget.

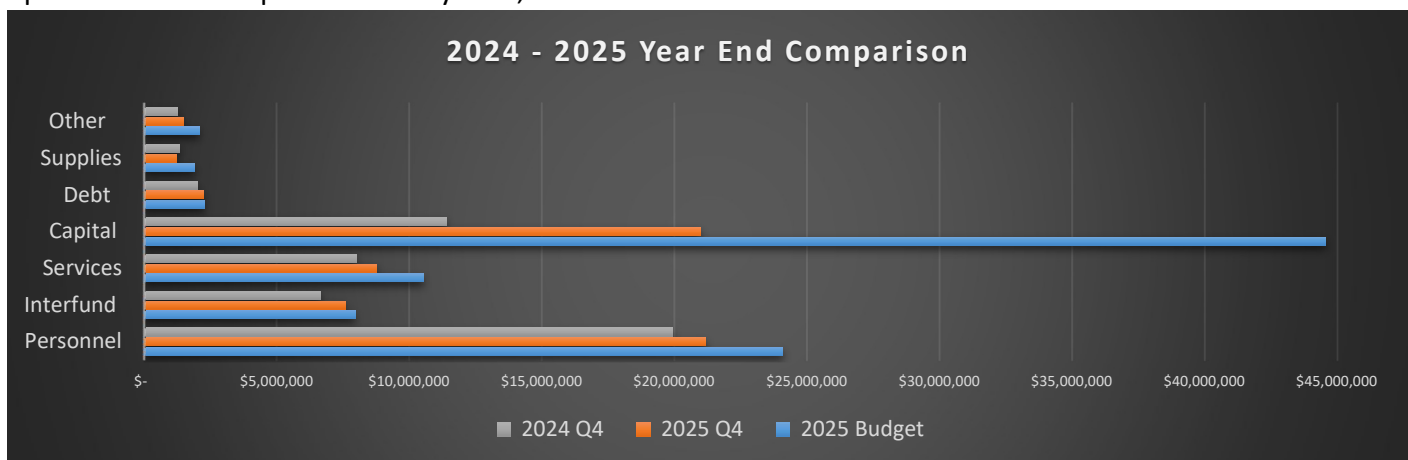
Citywide Mid-Year Expenditures by Type:



Personnel costs make up 33% of the annual budget or 66% of the operating budget. Year-end actual costs are at 88% of budget, an increase of 6% over the same period in 2024.

Capital outlays represent 33% of the annual budget. Current capital costs are at 47% of the budget, an 84% increase over the previous year. Major capital projects underway include the Bayview Trail, Main Street, the Museum, and the Municipal Campus. Other capital expenses include the purchase of property to expand Eagle Ridge park and payment for the 24th/91st infrastructure project.

Service costs make up 14% of the annual budget and ended the year at 83% of budget. To date, services make up 14% of actual expenditures citywide, a 10% increase.

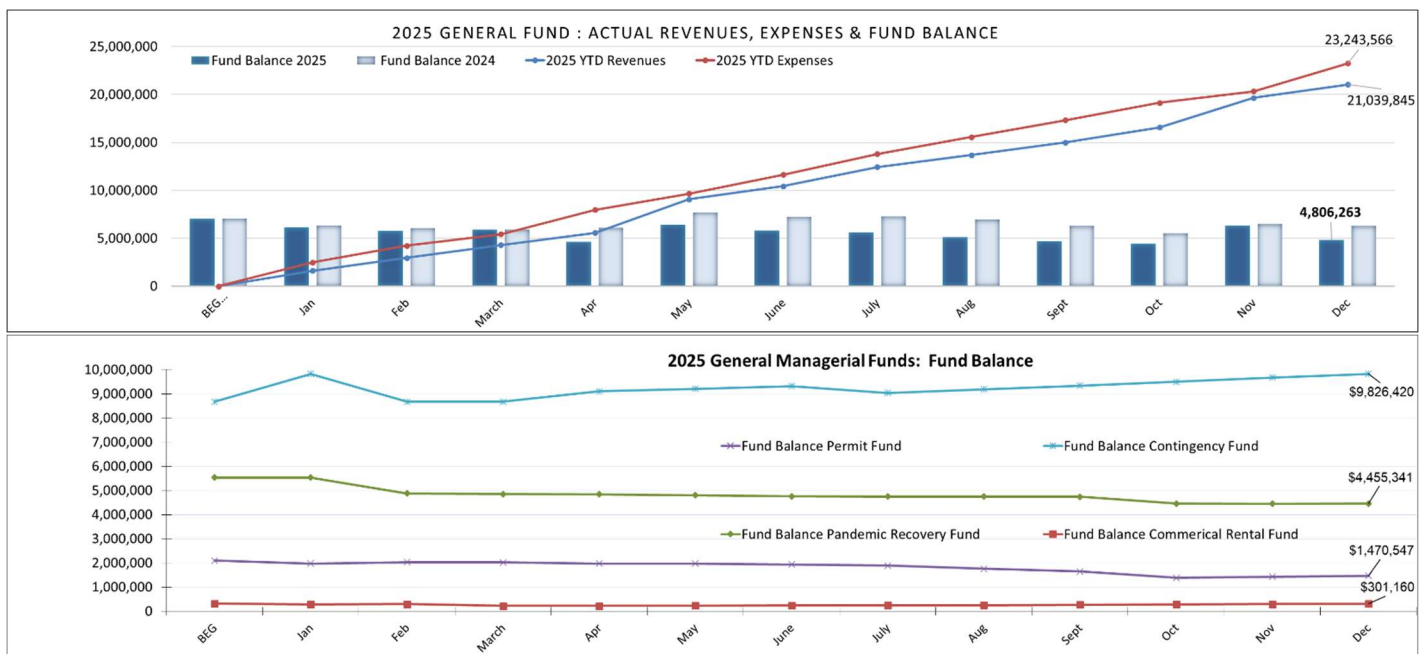




General Funds:

Fund Balance:

The General Operating Fund ended with a fund balance of \$4,806,263. Revenues were \$21,039,845 and expenses were \$23,243,566.



Revenues: (Also see Monthly General Fund Revenue Graphs)

Operating fund revenues ended at 98% collected.

The operating fund collected \$7,370,169 in sales tax, or 97% of the budget. Of this amount, \$1,019,925 is Criminal Justice Sales Tax, \$38,739 is Affordable Housing Sales Tax, and \$300,000 is construction sales tax.

Utility taxes are at 109% or \$3,200,092. This tax is imposed on gas, telephone, electric and water providers at 6% of revenues and is based on their estimated receipts.

Licenses & Permit revenues (other than Building & Land Use) are currently at 89% of budget or \$468,596. The majority (71%) of this is from Cable Franchise Fees.

Intergovernmental revenues ended at 93% of budget or \$1,052,997. These revenues consist of state shared revenues and grant receipts.

Charges for services ended at 104% of the budget or \$299,271. The bulk of these revenues are from School Resource officer services to the school district and extra duty law enforcement services to outside organizations.

Investment interest (portion of miscellaneous revenues) ended at 80% of budget or \$924,886.

Monthly Financial Report

City of Lake Stevens, WA

www.lakestevenswa.gov

Page 6



REVENUE SOURCES	2025 BUDGET	THROUGH DECEMBER 2025	% OF BUDGET
Taxes:			
-Property Tax-Regular	\$ 4,752,900	\$ 4,732,615	99.6%
-Sales -.85%	6,212,586	6,011,505	96.8%
-Criminal Justice Sales - 0.1%	1,056,140	1,019,925	96.6%
-Affordable & Sup. Housing	32,296	38,739	119.9%
- Construction Sales Tax	300,000	300,000	100.0%
-Utility	2,929,432	3,200,092	109.2%
-Gambling tax/leasehold excise	38,179	90,088	236.0%
Licenses & Permits	517,842	468,596	90.5%
Intergovernmental	1,127,677	1,052,997	93.4%
Charges for services	289,026	299,271	103.5%
Fines & Forfeitures	132,000	157,072	119.0%
Miscellaneous	1,527,272	1,316,306	86.2%
Other financial sources/Transfers	2,512,001	2,352,638	93.7%
Total Revenues	\$ 21,427,351	\$ 21,039,845	98.2%
Beginning Fund Balance	\$ 7,009,984	\$ 7,009,984	
Total Resources	\$ 28,437,335	\$ 28,049,828	98.6%

Permit Fund (Managerial Fund):

Zoning and Subdivision fees collected are \$260,909 or 130% of budget.

Building Permits are at 161% of budget, or \$1,610,270.

These revenues are used to offset permit-related costs and staff review-time citywide.

Expenditures: (Also see Monthly General Fund Expenditure Graphs)

Overall, General Fund expenditures were 89% spent or \$23,243,566.

EXPENDITURES	2025 BUDGET	THROUGH DECEMBER 2025	% OF BUDGET
Legislative & Executive	\$ 487,123	\$ 417,113	85.6%
Administration	321,586	284,651	88.5%
City Clerk	481,022	428,820	89.1%
Finance	978,160	679,783	69.5%
Human Resources	803,198	713,665	88.9%
Information Technology	991,887	796,177	80.3%
Planning & Community Development	3,364,576	2,795,933	83.1%
Law Enforcement	11,957,067	10,993,569	91.9%
Parks	3,020,120	2,787,315	92.3%
Legal	903,134	986,592	109.2%
Community	169,023	195,150	115.5%
General Government	2,614,140	2,164,797	82.8%
Total Expenditures	\$ 26,091,036	\$ 23,243,566	89.1%
Ending Fund Balance	\$ 2,346,299	\$ 4,806,263	

Monthly Financial Report

City of Lake Stevens, WA

www.lakestevenswa.gov

Page 7



Street Fund:

(Also, see Street Fund Operating Revenues and Expenditure BvA)

The Street Maintenance Division maintains the City's public roadway system in a safe and passable condition. Maintenance activities include pothole repair; traffic signal maintenance and operation; installation and replacement of traffic control signs and pavement markings; vegetation control and maintenance; sidewalk repair; street sweeping; snow and ice removal; and street lighting.

Revenues:

Total Street Fund revenues were \$3,774,644 or 92% of budget. The main revenue sources are Motor Vehicle Fuel Tax, which is a per gallon tax allocated on a per capita basis, and a 28% allocated contribution of Property Tax from the General Fund equaling approximately \$1.85 million annually. Additionally, the City imposes a utility tax on garbage and sewer utility providers in the amount of 6% and 3% respectively, that are used for road maintenance.

REVENUE SOURCES	2025 BUDGET	THROUGH DECEMBER 2025	% OF BUDGET
Taxes:			
-Property Tax-Regular	\$ 1,848,350	\$ 1,840,461	99.6%
-Utility Tax - Garbage	489,586	571,985	116.8%
-Utility Tax - Sewer	510,000	329,096	64.5%
Licenses & Permits	45,000	49,850	110.8%
Intergovernmental	817,953	758,053	92.7%
Charges for services	-	1,322	0.0%
Miscellaneous	121,118	117,555	97.1%
Other financial sources/Transfers	271,348	106,323	39.2%
Total Revenues	\$ 4,103,355	\$ 3,774,644	92.0%
Beginning Fund Balance	\$ 2,166,671	\$ 2,166,671	
Total Resources	\$ 6,270,026	\$ 5,941,316	94.8%

Expenditures:

Total Street Fund expenditures were \$3,471,936 or 75% of budget.

EXPENDITURES	2025 BUDGET	THROUGH DECEMBER 2025	% OF BUDGET
Salaries	\$ 1,858,074	\$ 1,417,568	76.3%
Benefits	808,476	564,097	69.8%
Supplies	286,529	184,358	64.3%
Professional Services	1,089,055	868,519	79.7%
Capital Outlays	330,000	197,955	60.0%
Debt Service	3,000	-	0.0%
Other financial uses	20,000	27,464	137.3%
Interfund Transfers	211,975	211,975	100.0%
Total Expenditures	\$ 4,607,109	\$ 3,471,936	75.4%
Ending Fund Balance	\$ 1,662,917	\$ 2,469,380	



Storm and Surface Water Fund:

(Also, see Storm & Surface Water Fund Operating & Capital Fund Revenues and Expenditure BvA)

The Storm and Surface Water Fund maintains the City’s storm system conveyance, detention, and retention systems, which includes drainage pipes and ditches, catch basins, storm detention vaults and ponds, and water filtering systems.

Revenues:

The Storm and Surface Water Fund revenues are 84%, or \$8,364,998. The main revenue source is from storm drainage charges, which we contract payment processing through Snohomish County and receive quarterly.

REVENUE SOURCES	2025 BUDGET	THROUGH DECEMBER 2025	% OF BUDGET
Intergovernmental	\$ 1,489,836	\$ 748,311	50.2%
Charges for services	5,403,921	5,410,462	100.1%
Miscellaneous	258,395	328,056	127.0%
Other Financial Sources/Transfers	2,832,929	1,878,168	66.3%
Total Revenues	\$ 9,985,081	\$ 8,364,998	83.8%
Beginning Fund Balance	\$ 7,059,695	\$ 7,059,695	
Total Resources	\$ 17,044,776	\$ 15,424,692	90.5%

Expenditures:

The funds’ Expenditures are 66% of budget at \$7,549,136. In addition to operating expenditures, the Surface Water Capital Fund and Surface Water Debt Service Fund are included in the totals. A one-time transfer from the operating fund to the capital fund is done at yearend after a final surplus amount is determined.

EXPENDITURES	2025 BUDGET	THROUGH DECEMBER 2025	% OF BUDGET
Salaries	\$ 2,043,049	\$ 1,984,590	97.1%
Benefits	851,479	766,991	90.1%
Supplies	261,787	261,758	100.0%
Professional Services	2,012,397	968,451	48.1%
Capital Outlays	4,133,982	1,443,020	34.9%
Debt Service	102,177	100,176	98.0%
Interfund Transfers	2,006,667	2,006,667	100.0%
Other	22,000	17,483	79.5%
Total Expenditures	\$ 11,433,538	\$ 7,549,136	66.0%
Ending Fund Balance	\$ 5,611,238	\$ 7,875,556	



Transportation Benefit Fund:

The Transportation Benefit District was created on January 1, 2019, for the purpose of acquiring, constructing, improving, providing, and funding transportation improvements. Shortly after, the City followed RCW 36.74 and assumed the rights, powers, functions, and obligations of the district, eliminating the need for a separate entity and creating a Transportation Benefit Fund to account for all program transactions.

Voters approved a 0.2% sales tax or two cents on a \$10 purchase that became effective April 1, 2023. This funding method means visitors who shop, dine, or recreate in Lake Stevens also help pay for city sidewalks, roads, and trails they use. The tax is projected to raise approximately \$1.5 million per year for projects and matching funds for larger grants.

Revenues:

The Transportation Benefit Fund revenues were at 83%, or \$1,999,901. The main revenue source is from transportation benefit tax, which the city began to receive in June. Anticipated funding also includes grants.

REVENUE SOURCES	2025 BUDGET	THROUGH DECEMBER 2025	% OF BUDGET
Transportation Benefit Tax	\$1,500,000	\$ 1,752,513	116.8%
WSDOT - SRTS - Grant	800,000	-	0.0%
TIB Grant	-	153,850	0.0%
Investment Interest	52,179	93,538	100.0%
Retainage	60,000	-	100.0%
Total Revenues	\$2,412,179	\$ 1,999,901	82.9%
Beginning Fund Balance	\$1,471,185	\$ 1,471,185	
Total Resources	\$3,883,364	\$ 3,471,086	89.4%

Expenditures:

The fund's expenditures are currently 48% of the budget. This includes design, engineering, and construction related to the following projects:

EXPENDITURES	2025 BUDGET	THROUGH DECEMBER 2025	% OF BUDGET
TBP Capital Project Salaries	\$ 100,000	\$ 46,722	46.7%
TBP Capital Project Benefits	50,000	14,134	28.3%
TBP - Pavement Preservation	500,000	469,098	93.8%
Retainage Release	60,000	26,121	43.5%
TBP04: 117th NE - 20th to 26th Sidewalk	300,000	152,232	50.7%
TBP05: 91st - 20th to 12th	315,000	123,181	39.1%
TBP07: Soper Hill	400,000	-	0.0%
Total Expenditures	\$1,725,000	\$ 831,488	48.2%
Ending Fund Balance	\$2,158,364	\$ 2,639,598	



Citywide Fund Summary

Funds are classified based on their function as follows:

- **Current Expense Funds** – General Fund
 - There may only be one General Fund for reporting purposes, but managerial funds are allowed for the purpose of tracking transactions assigned to a specific use. Most revenues in the current expense fund are unrestricted.

- **Special Revenue Funds** – Street Fund and Transportation Benefit Program
 - Uses are restricted for a specific purpose

- **Debt Service Funds** – Used to pay outstanding debt service for bonds and loans

- **Capital Project Funds** – Mitigation/Impact Fees, Real Estate Excise Tax, Project Specific
 - These funds are used to track and report revenues and expenditures related to capital projects. Revenues are generally restricted to use on capital projects listed in the Comprehensive/Capital Improvement Plan (CIP). Additional restrictions apply to certain revenue sources.

- **Enterprise (Utility) Funds** – Sewer and Storm & Surface Water Funds
 - The Sewer fund is used to receipt and pay debt service on loans held by the City on behalf of the Sewer District. The City invoices the District prior to paying the debt invoices.
 - The Storm & Surface Water Funds are self-sustaining, meaning fees are charged to cover their expenses, and those revenues must not be comingled with other funds or pay for any expenses not related to the function of the fund. Allocations of expenses such as administrative and overhead are allowed but must be justified and reasonable.

- **Internal Service Fund** – Unemployment, IT, and Equipment
 - These funds receive allocated contributions from the General, Street, and Stormwater funds to build a reserve for future purchases and replacements.
 - The City uses a “pay-as-you-go” method for Unemployment rather than taking part in an insurance-type program. As such funds are allocated based on policy and paid from this fund when claims are made.

- **Fiduciary/Trust** – Treasurer’s Trust Fund
 - Funds are held in trust until passed thru to the final recipient. Money does not belong to the City. Revenue sources include court fees, state share of taxes, and fire fees.

**CITY OF LAKE STEVENS
FINANCIAL REPORT - Summary
As of December 2025**

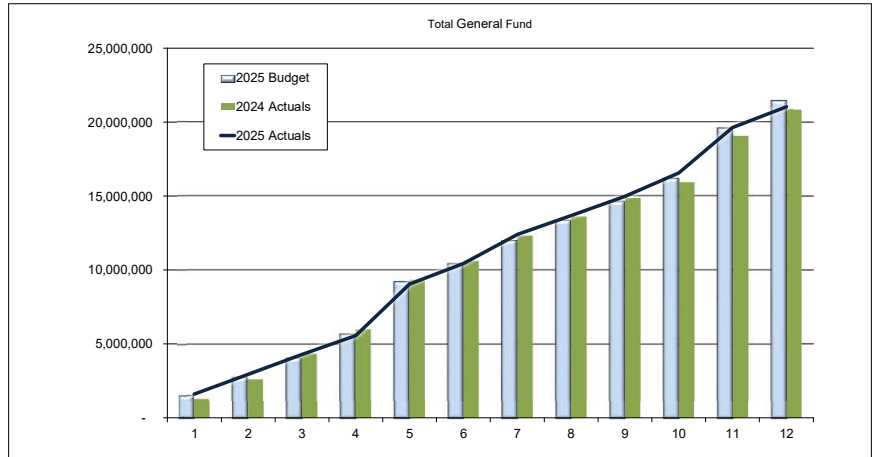
Fund	Revenues			Expenditures			Fund Balance
	2025 Budgeted Revenue	2025 Revenue Collected	2025 % of Budget Collected	2025 Budgeted Expenditures	2025 Expended	2025 % of Budget Expended	2025 Cash & Investments
General Funds:							
General Funds	\$21,427,351	\$21,039,845	98%	\$26,091,036	\$23,243,566	89%	\$4,806,263
Council Contingency	\$600,000	\$1,154,614	192%	\$0	\$0	0%	\$9,826,420
Permit Fund	\$1,200,000	\$1,871,179	156%	\$2,500,000	\$2,491,599	100%	\$1,470,547
Pandemic Recovery Fund	\$126,130	\$0	0%	\$4,960,796	\$1,076,368	22%	\$4,455,341
Commercial Rental Fund	\$422,900	\$425,262	101%	\$797,827	\$438,131	55%	\$301,160
SPECIAL REVENUE FUNDS:							
Street	\$4,103,355	\$3,774,644	92%	\$4,607,109	\$3,471,936	75%	\$2,469,478
Drug Seizure & Forfeiture	\$3,028	\$12,958	428%	\$36,000	\$13,667	38%	\$70,327
Municipal Arts	\$52,367	\$27,000	52%	\$25,000	\$0	0%	\$58,813
Transportation Benefit	\$2,412,179	\$1,999,901	83%	\$1,725,000	\$831,488	48%	\$2,639,598
DEBT SERVICE FUNDS:							
LTGO 2008A Bond	\$211,865	\$211,715	100%	\$211,865	\$211,715	100%	\$0
2019A LTGO Bond -PD	\$460,097	\$459,797	100%	\$460,097	\$459,797	100%	\$0
2021A LTGO Bond - 17005	\$608,350	\$608,200	100%	\$608,350	\$608,200	100%	\$456
2024A LTGO Bond - MS Campus	\$597,200	\$597,010	100%	\$587,200	\$587,050	100%	\$17,550
CAPITAL PROJECT FUNDS:							
Cap Project-Developer Contributions	\$800,110	\$1,326,649	166%	\$2,455,647	\$2,068,707	84%	\$4,646,973
Park Mitigation Fund	\$4,640,075	\$1,036,752	22%	\$6,664,130	\$678,891	10%	\$2,612,762
Real Estate Excise Tax I	\$1,500,975	\$1,625,930	108%	\$1,239,273	\$1,232,190	99%	\$8,589,766
Real Estate Excise Tax II	\$4,910,437	\$4,059,777	83%	\$7,503,038	\$3,876,676	52%	\$6,691,495
Facility Capital Project Fund	\$4,003,910	\$313,356	8%	\$7,191,032	\$815,414	11%	\$2,918,379
Infrastructure Capital Project	\$2,939,690	\$2,939,690	100%	\$10,778,879	\$10,778,880	100%	\$0
Sidewalk Capital Project	\$15,000	\$25,636	171%	\$218,787	\$70,717	32%	\$470,920
ENTERPRISE FUNDS:							
Sewer	\$806,285	\$807,688	100%	\$847,739	\$842,654	99%	\$61,066
Storm & Surface Water	\$6,577,335	\$5,845,815	89%	\$7,336,579	\$5,984,256	82%	\$1,784,309
Storm Water Capital	\$3,307,569	\$2,419,005	73%	\$3,996,782	\$1,464,704	37%	\$6,091,343
Storm Water Debt Service	\$100,177	\$100,177	100%	\$100,177	\$100,176	100%	\$2
INTERNAL SERVICE FUNDS:							
Unemployment	\$31,000	\$30,999	100%	\$50,000	\$45,025	90%	\$12,559
Capital Equipment - Computer	\$832,563	\$870,778	105%	\$987,846	\$716,704	73%	\$393,768
Capital Equipment - Vehicle Replacement	\$4,068	\$0	0%	\$9,083	\$9,083	100%	\$111,944
Capital Equipment - Police	\$379,534	\$394,571	104%	\$503,809	\$466,558	93%	\$953,592
Capital Equipment - Park	\$143,552	\$141,653	99%	\$114,640	\$105,207	92%	\$36,446
Capital Equipment - PW	\$243,153	\$256,104	105%	\$383,552	\$375,313	98%	\$602,956
FIDUCIARY FUNDS:							
Treasurer's Trust	\$395,900	\$344,273	87%	\$396,961	\$345,011	87%	\$27,766
Total All Funds	\$63,856,155	\$54,720,976	86%	\$93,388,234	\$63,409,679	68%	\$62,121,996

Monthly General Fund Revenue Graphs
As of December 2025

% thru year 100.0%

Total General Fund Revenues

	2025 Budget	2025 Actuals	2024 Actuals
January	1,524,234	1,616,169	1,279,717
February	2,740,476	2,949,903	2,618,715
March	4,058,181	4,301,427	4,351,817
April	5,667,541	5,569,502	5,996,701
May	9,199,374	9,055,757	9,326,140
June	10,418,186	10,431,081	10,616,750
July	11,989,115	12,418,356	12,310,994
August	13,352,261	13,678,356	13,589,788
September	14,615,009	14,985,051	14,849,674
October	16,176,576	16,570,378	15,914,280
November	19,576,102	19,637,116	19,032,626
December	21,427,351	21,039,845	20,851,268
Percent collected to date		98.19%	

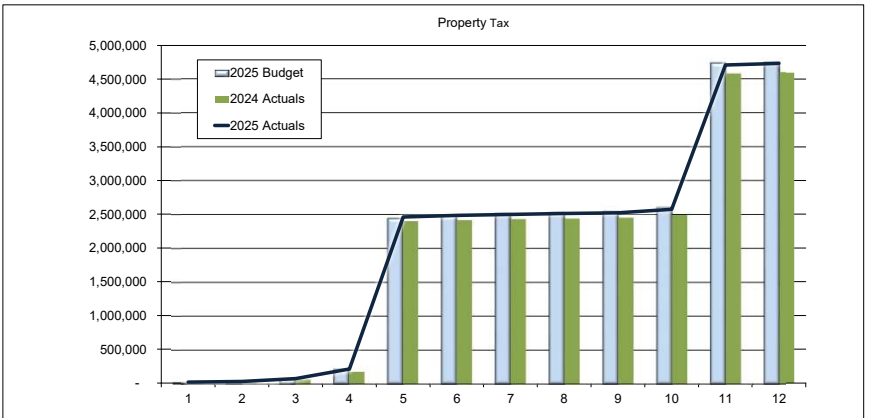


Total General Fund revenues.

Property Tax

22.18% of total GF Revenues

	2025 Budget	2025 Actuals	2024 Actuals
January	17,266	13,012	13,784
February	24,761	21,072	19,997
March	67,263	67,658	69,241
April	219,616	209,161	180,882
May	2,445,649	2,458,723	2,402,921
June	2,485,705	2,480,311	2,418,021
July	2,518,558	2,498,404	2,431,925
August	2,530,521	2,510,218	2,440,444
September	2,546,912	2,521,576	2,453,230
October	2,606,246	2,571,620	2,493,463
November	4,733,798	4,711,520	4,578,725
December	4,752,900	4,732,615	4,597,485
Percent collected to date		99.57%	

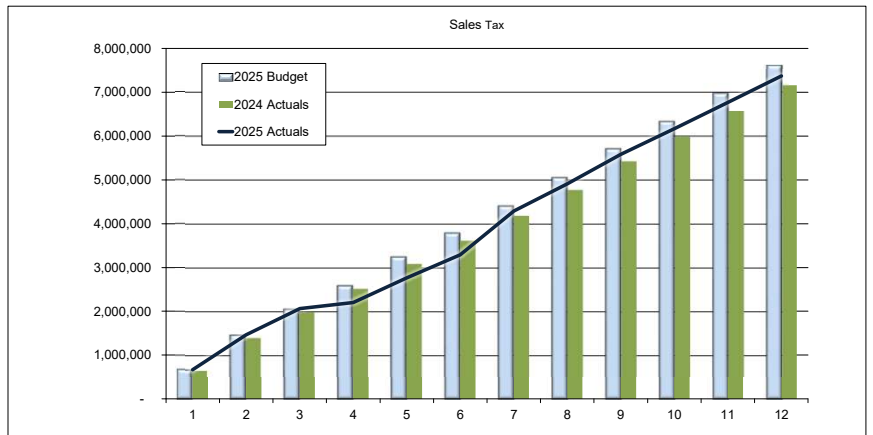


Property Taxes are paid twice a year (in May and November). Most property taxes are accounted for in the General Fund, however 28% of property taxes are also receipted in Fund 101 - Street.

Sales Tax

35.47% of total GF Revenues

	2025 Budget	2025 Actuals	2024 Actuals
January	683,209	666,257	659,795
February	1,478,005	1,461,725	1,406,834
March	2,069,651	2,062,438	1,987,366
April	2,605,427	2,203,574	2,526,968
May	3,261,365	2,762,948	3,095,463
June	3,803,503	3,287,731	3,620,759
July	4,417,099	4,285,186	4,187,043
August	5,063,501	4,910,278	4,774,823
September	5,718,702	5,583,549	5,428,882
October	6,338,129	6,166,072	5,988,523
November	6,978,061	6,768,196	6,575,254
December	7,601,022	7,370,169	7,162,132
Percent collected to date		96.96%	

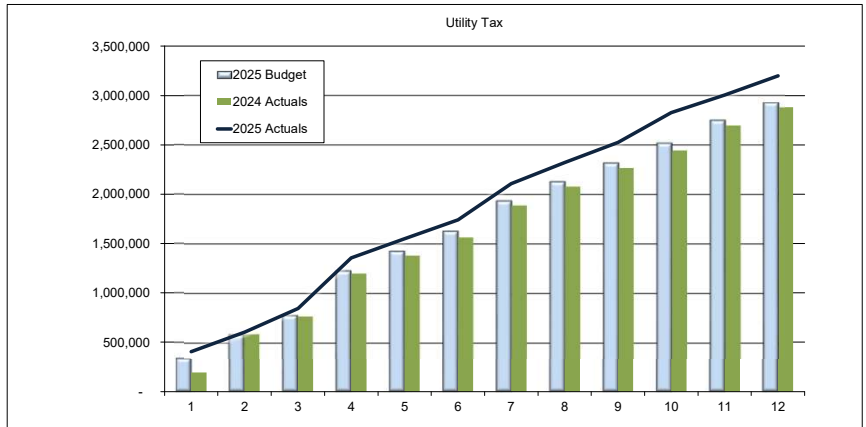


The total sales tax rate is 9.3% of the value of the sale. The City receives 1.05% of the 9.3% due to TBD tax which is receipted into the TBP Fund. The State receives the majority of sales tax at 6.5%. Taxes are collected by the state and sent to the city two months after the actual collection. This account also has Criminal justice sales tax, which is 1/10 of 1% or .1% of sales in the city, and it's use is restricted to Law Enforcement (10 cents per \$100 in sales), and Affordable Housing.

Monthly General Fund Revenue Graphs
As of December 2025

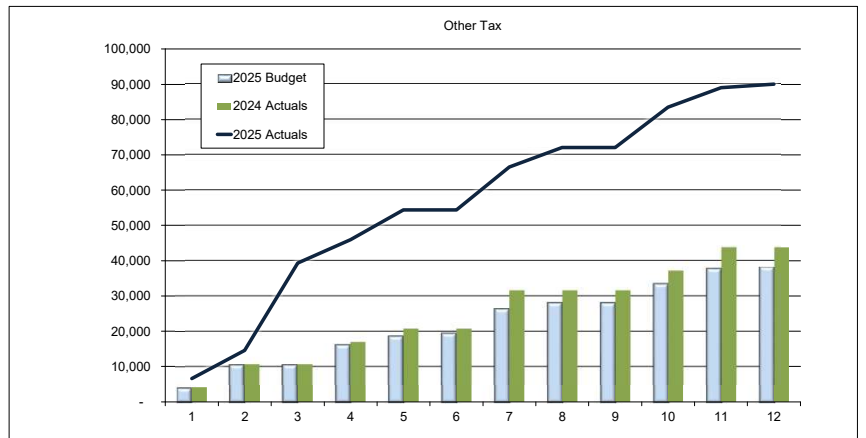
% thru year 100.0%

Utility			
	13.67%	of total GF Revenues	
	2025 Budget	2025 Actuals	2024 Actuals
January	333,246	403,790	192,575
February	581,562	600,052	590,052
March	776,464	841,862	769,331
April	1,227,558	1,354,835	1,201,731
May	1,426,266	1,549,495	1,383,537
June	1,629,316	1,741,261	1,567,382
July	1,934,781	2,105,515	1,889,322
August	2,129,329	2,319,998	2,079,006
September	2,318,673	2,526,292	2,266,823
October	2,518,802	2,825,751	2,445,784
November	2,749,990	3,004,521	2,697,170
December	2,929,432	3,200,092	2,880,929
Percent collected to date		109.24%	



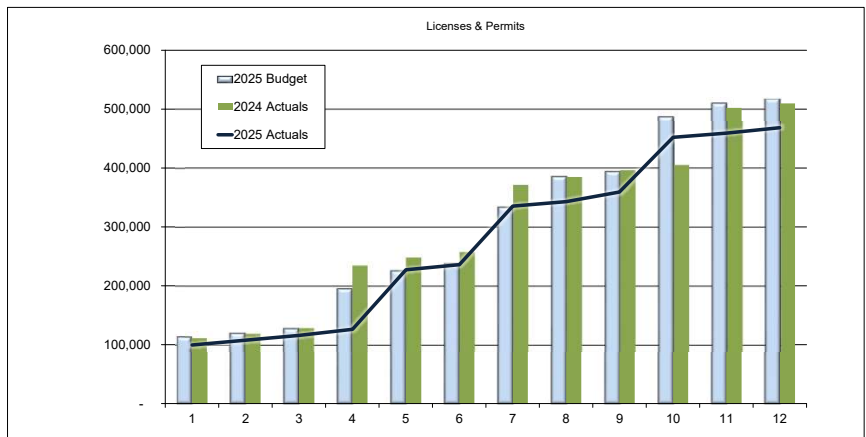
The utility tax rate is 6% on the gross revenue of telephone, gas, electric, water, and garbage. The City does not have a utility tax on cable, instead imposing a franchise fee. The garbage and sewer utility taxes are utilized in the Street Fund for transportation needs.

Other Taxes			
	0.18%	of total GF Revenues	
	2025 Budget	2025 Actuals	2024 Actuals
January	4,164	6,620	4,172
February	10,565	14,593	10,667
March	10,569	39,290	10,678
April	16,229	45,980	16,932
May	18,644	54,392	20,744
June	19,454	54,392	20,744
July	26,358	66,526	31,550
August	28,073	72,060	31,550
September	28,074	72,060	31,550
October	33,432	83,480	37,137
November	37,716	89,079	43,759
December	38,179	90,088	43,759
Percent collected to date		235.96%	



This account includes leasehold excise taxes and gambling taxes which include pull tabs and amusement games. The increase in 2025 is due to the retrieval of back gambling taxes owed.

Licenses / Other Permits			
	2.42%	of total GF Revenues	
	2025 Budget	2025 Actuals	2024 Actuals
January	113,736	99,426	111,655
February	120,146	107,767	119,220
March	127,972	116,025	128,767
April	195,415	126,379	234,634
May	225,769	226,902	248,366
June	237,956	235,924	257,751
July	333,536	335,117	371,309
August	385,394	342,929	384,815
September	393,816	359,017	396,082
October	486,937	452,150	404,996
November	510,351	459,148	502,185
December	517,842	468,596	509,625
Percent collected to date		90.49%	

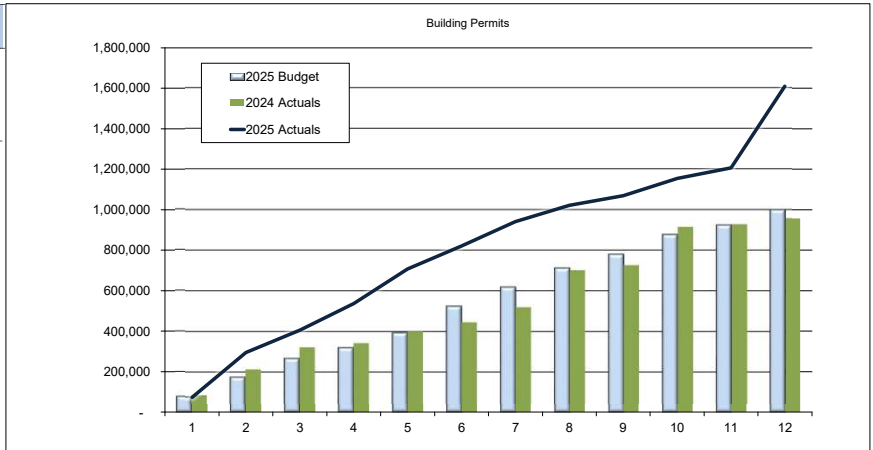


This account has Business Licenses, Cable Franchise fees, and permits other than building and land use.

Monthly General Fund Revenue Graphs
As of December 2025

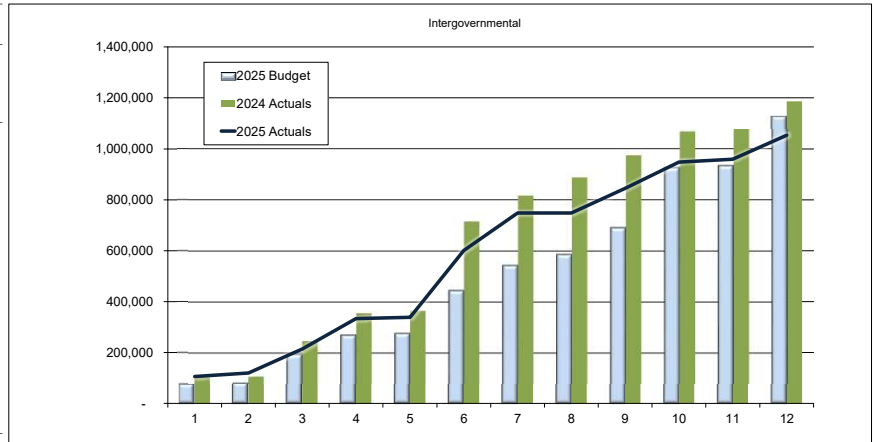
% thru year 100.0%

Building Permits (FUND 003)			
	2025 Budget	2025 Actuals	FUND 003 2024 Zoning Rev
January	77,388	73,206	13,097
February	175,353	293,865	22,788
March	267,656	404,777	71,817
April	320,907	536,757	90,986
May	394,329	706,250	112,331
June	524,665	820,571	137,701
July	619,250	941,531	151,631
August	712,638	1,021,534	161,586
September	779,922	1,069,580	188,871
October	877,965	1,153,979	221,751
November	924,207	1,205,998	242,071
December	1,000,000	1,610,270	260,909
Percent collected to date		161.03%	118.06%



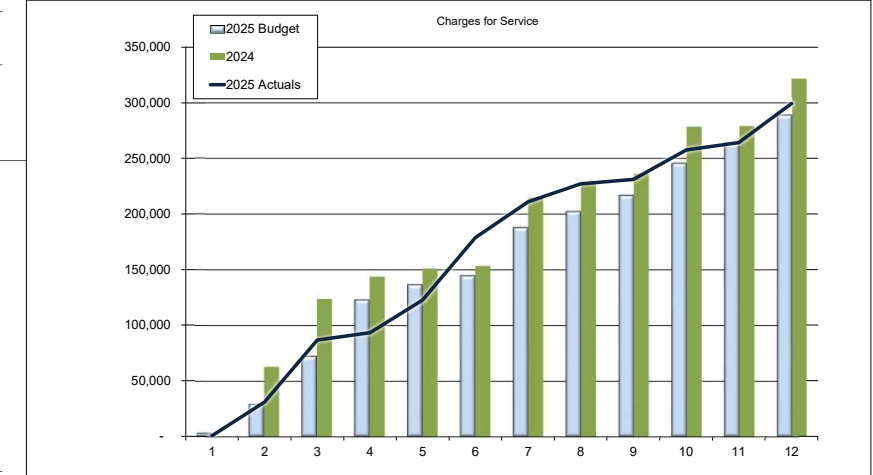
Permits related to development. These revenues are held in a managerial fund along with land use permit revenues, separate from other operating revenues.

Intergovernmental			
5.26% of total GF Revenues			
	2025 Budget	2025 Actuals	2024 Actuals
January	76,299	105,958	108,552
February	81,682	118,958	108,552
March	195,013	213,778	247,264
April	270,884	333,488	356,513
May	277,351	338,650	365,755
June	445,122	601,002	715,708
July	543,785	748,112	816,545
August	586,461	748,112	888,003
September	691,476	845,001	974,099
October	926,939	947,412	1,067,364
November	934,282	959,048	1,077,316
December	1,127,677	1,052,997	1,186,700
Percent collected to date		93.38%	



Intergovernmental revenues include state support for criminal justice, state shared revenues for liquor taxes, liquor profits, and marijuana enforcement. Also included are PUD privilege taxes received in June, and City-County assistance. Various types of grants are also included.

Charges for Service			
1.35% of total GF Revenues			
	2025 Budget	2025 Actuals	2024 Actuals
January	2,890	573	500
February	28,903	30,728	62,976
March	72,257	86,642	123,951
April	122,853	93,330	143,893
May	136,502	122,470	151,130
June	144,513	178,635	153,463
July	187,867	210,823	215,084
August	202,318	227,137	229,318
September	216,770	230,974	236,434
October	245,672	257,561	278,632
November	263,622	264,363	279,219
December	289,026	299,271	321,896
Percent collected to date		103.54%	



Charges for service include fees for services including those for the School Resource Officers.

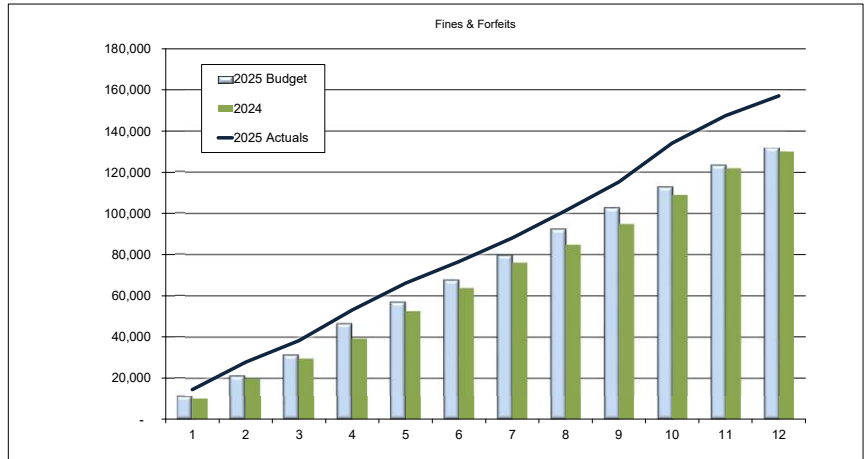
Monthly General Fund Revenue Graphs
As of December 2025

% thru year 100.0%

Fines & Forfeits

0.62% of total GF Revenues

	2025 Budget	2025 Actuals	2024 Actuals
January	11,038	14,420	9,951
February	21,097	27,670	19,993
March	31,302	38,205	29,573
April	46,523	53,139	39,291
May	57,058	66,071	52,552
June	67,732	76,511	63,847
July	79,749	88,139	76,139
August	92,479	101,348	84,791
September	102,826	115,255	94,904
October	112,908	134,143	108,939
November	123,423	147,412	121,897
December	132,000	157,072	130,092
Percent collected to date		119%	

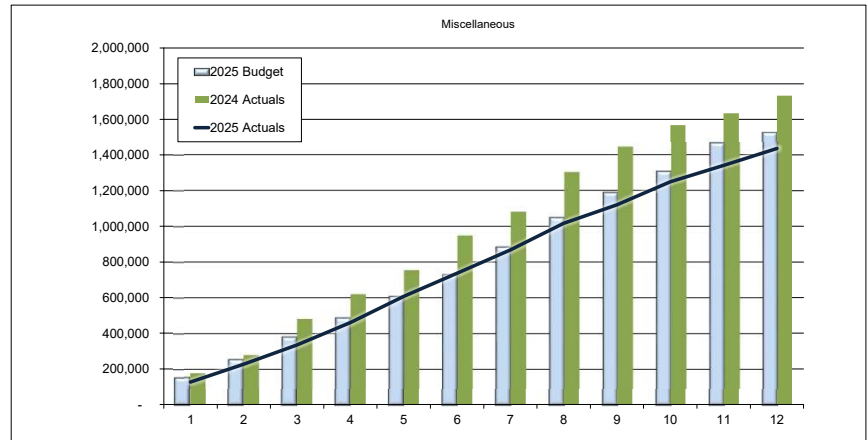


Fines and Forfeits collected by the district court on behalf of the city for violations.

Miscellaneous

7.13% of total GF Revenues

	2025 Budget	2025 Actuals	2024 Actuals
January	154,192	125,751	178,734
February	254,298	227,121	280,423
March	380,556	333,628	482,206
April	487,662	459,169	620,289
May	607,372	607,808	755,407
June	729,266	736,475	948,811
July	883,992	867,559	1,081,906
August	1,048,883	1,016,104	1,302,990
September	1,188,968	1,120,097	1,445,297
October	1,307,177	1,250,493	1,567,069
November	1,466,628	1,341,952	1,634,729
December	1,527,272	1,435,683	1,732,732
Percent collected to date		94%	



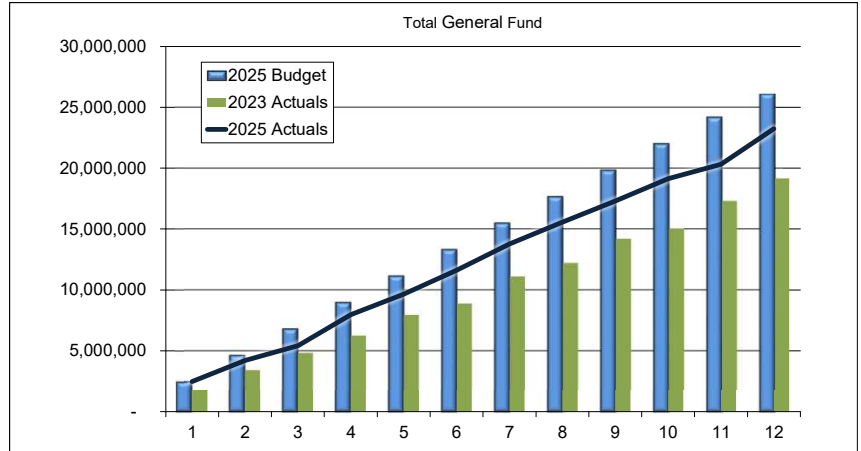
Miscellaneous revenues includes interest earnings, lease revenues, insurance recoveries, other smaller revenues that do not fit into one of the above categories. Investment interest was the largest portion of this revenue type in the prior year and is anticipated to remain such through 2025.

Monthly General Fund Expenditure Graphs
As of December 2025

% thru year 100.0%

Total General Fund Expenditures

	2025 Budget	2025 Actuals	2024 Actuals
January	2,436,170	2,474,958	1,777,477
February	4,610,423	4,216,708	3,414,122
March	6,784,676	5,424,395	4,820,727
April	8,958,929	7,962,687	6,238,760
May	11,133,182	9,657,023	7,943,813
June	13,307,435	11,622,526	8,877,488
July	15,481,688	13,791,942	11,101,574
August	17,655,941	15,565,544	12,214,716
September	19,830,194	17,315,789	14,208,153
October	22,004,447	19,136,521	15,041,190
November	24,178,700	20,332,250	17,301,812
December	26,091,036	23,243,566	19,161,124
% spent		89.09%	

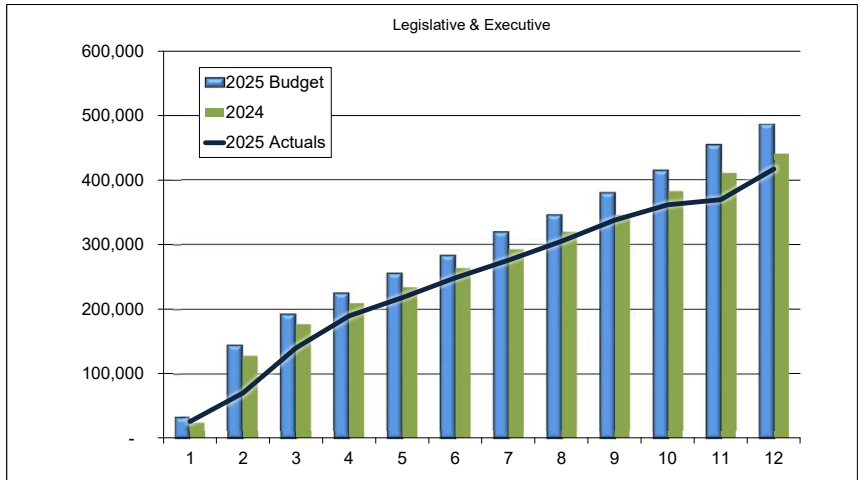


Total General Fund Expenditures.

Legislative & Executive

1.87% of total GF Exp

	2025 Budget	2025 Actuals	2024 Actuals
January	32,681	25,349	25,684
February	144,016	69,392	121,932
March	191,901	139,939	170,644
April	224,524	189,357	198,888
May	255,220	217,878	229,268
June	282,910	248,160	240,845
July	319,156	275,649	282,664
August	345,435	305,225	295,534
September	379,697	337,963	336,268
October	414,462	361,576	346,651
November	455,056	369,516	390,546
December	487,123	417,113	416,692
% spent		85.63%	

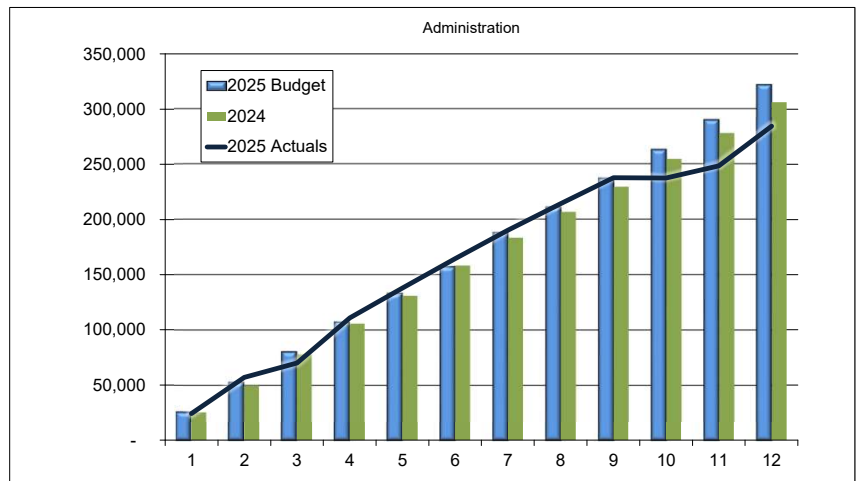


Includes activities related to the City Council and Mayor. Major items include salaries and benefits, travel & meetings, and voter registration fees.

Administration

1.23% of total GF Exp

	2025 Budget	2025 Actuals	2024 Actuals
January	25,745	24,020	22,211
February	52,799	57,024	48,443
March	80,482	70,081	73,193
April	107,289	110,872	97,012
May	133,379	137,967	120,989
June	157,348	164,443	133,394
July	188,177	190,392	170,123
August	211,123	214,296	182,009
September	236,966	237,984	214,961
October	262,934	237,514	225,279
November	289,733	248,719	260,422
December	321,586	284,651	282,863
% spent		88.51%	



Includes the salary, benefits and operating costs of the City Administrator. The City Administrator Salary is allocated between the General, Street, and Stormwater funds.

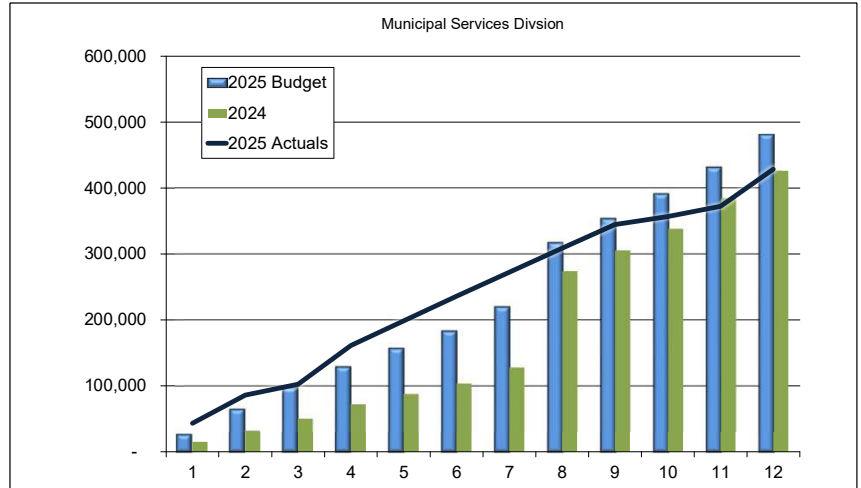
Monthly General Fund Expenditure Graphs
As of December 2025

% thru year 100.0%

Municipal Services Division

1.84% of total GF Exp

	2025 Budget	2025 Actuals	2024 Actuals
January	26,733	43,167	13,289
February	64,582	85,943	28,804
March	97,854	102,011	44,876
April	128,992	161,168	58,570
May	157,035	198,384	73,659
June	183,114	236,032	79,978
July	219,899	272,203	100,436
August	317,068	308,639	108,494
September	353,696	344,369	129,542
October	391,080	356,968	137,167
November	431,165	372,401	160,623
December	481,022	428,820	175,061
% spent		89.15%	

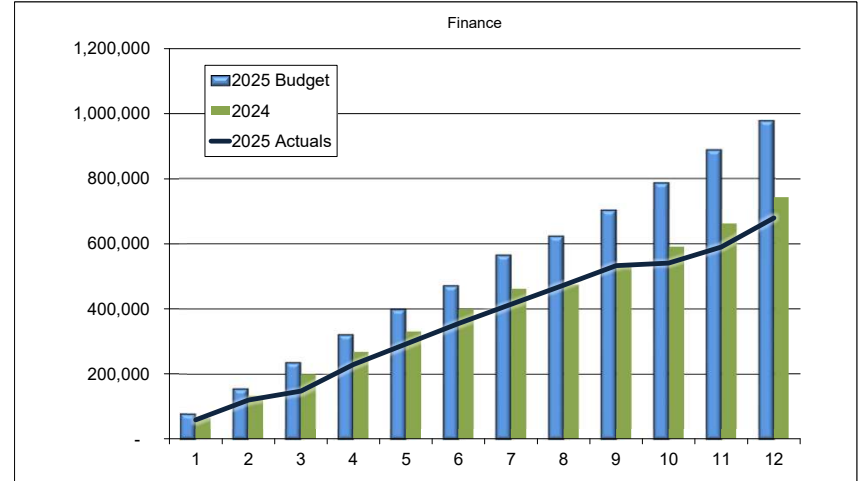


Municipal Services/City Clerk activities including records management, public disclosure, legal compliance services, agendas, minutes and legal notifications . Costs are mainly salaries and benefits.

Finance

3.75% of total GF Exp

	2025 Budget	2025 Actuals	2024 Actuals
January	78,302	58,033	61,867
February	155,642	119,065	127,193
March	236,260	146,607	189,716
April	321,494	228,406	254,900
May	399,530	290,994	320,808
June	471,773	354,384	360,000
July	565,361	413,460	472,376
August	623,539	473,049	505,220
September	703,252	532,380	603,050
October	787,256	540,745	674,952
November	888,325	590,399	778,066
December	978,160	679,783	843,078
% spent		69.50%	

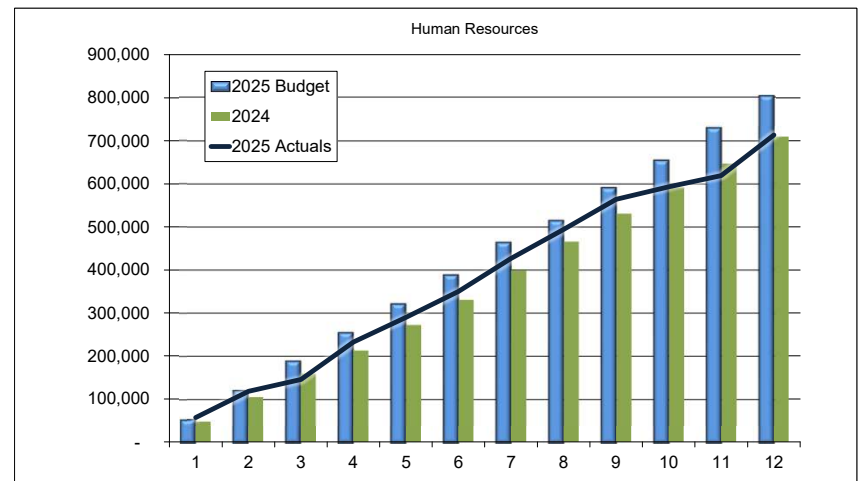


Finance provides for accounting, payroll processing, purchasing/payments, budgeting, and treasury services. Planned expenditures include professional services costs related to the State Audit.

Human Resources

3.08% of total GF Exp

	2025 Budget	2025 Actuals	2024 Actuals
January	53,952	56,846	44,002
February	121,393	117,809	90,415
March	189,755	145,072	138,269
April	255,699	232,610	184,832
May	322,528	289,190	231,659
June	389,344	349,698	255,639
July	464,726	426,109	325,738
August	515,490	494,243	348,065
September	591,307	564,134	418,697
October	654,838	593,258	440,694
November	730,130	619,287	511,612
December	803,198	713,665	562,205
% spent		88.85%	



Human Resources provides personnel, recruitment, risk management, training and related functions.

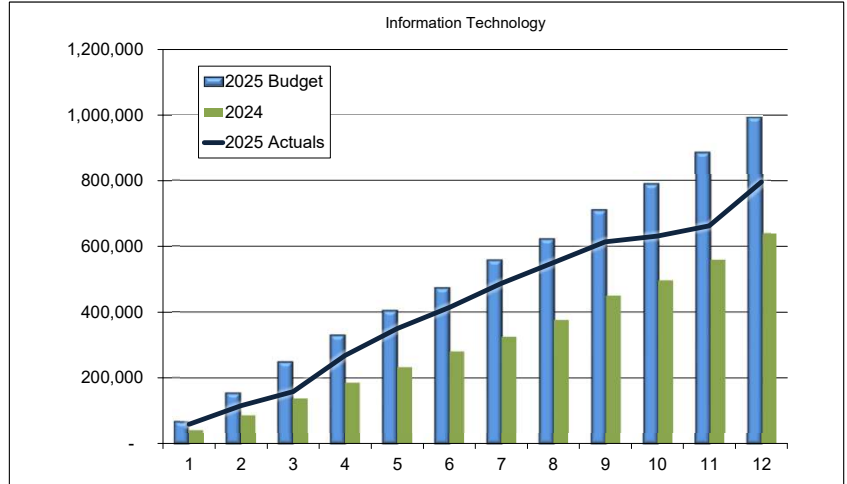
Monthly General Fund Expenditure Graphs
As of December 2025

% thru year 100.0%

Information Technology

3.80% of total GF Exp

	2025 Budget	2025 Actuals	2024 Actuals
January	67,753	58,393	28,667
February	155,290	114,883	70,923
March	250,056	157,261	125,663
April	331,458	267,887	168,514
May	406,257	349,267	212,832
June	475,072	413,991	238,905
July	559,460	487,436	302,530
August	623,558	550,796	321,779
September	711,542	614,560	382,025
October	790,745	631,510	407,705
November	884,795	662,899	469,213
December	991,887	796,177	511,244
% spent		80.27%	

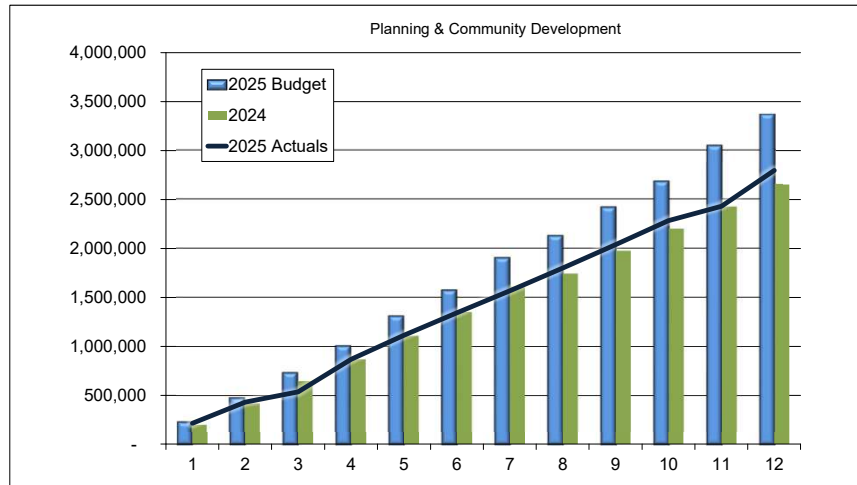


Information Technology provides technical hardware and software support of the City's computer systems and communication systems. Provides technology training, responding to technical support requests, administrating the city website and intranet.

Planning & Community Development

12.90% of total GF Exp

	2025 Budget	2025 Actuals	2024 Actuals
January	232,506	215,341	179,047
February	479,073	429,949	361,465
March	734,944	533,080	547,908
April	1,007,978	868,130	765,131
May	1,312,376	1,112,680	1,018,367
June	1,575,827	1,340,985	1,164,996
July	1,904,418	1,568,909	1,488,949
August	2,129,024	1,798,536	1,613,877
September	2,419,649	2,038,687	1,914,556
October	2,681,945	2,282,468	1,993,346
November	3,045,494	2,430,735	2,394,194
December	3,364,576	2,795,933	2,624,282
% spent		83.10%	

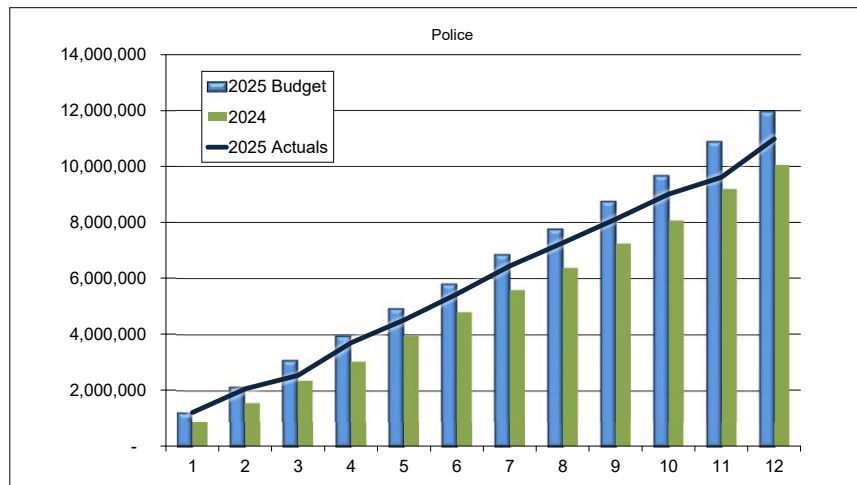


Largely accounts for the planning department which includes the permit center, long-range and short-range planning, and plan review. Also includes building official and building inspections in addition to economic development and code enforcement related activities. This department remained significantly under budget due to open staffing positions.

Police

45.83% of total GF Exp

	2025 Budget	2025 Actuals	2024 Actuals
January	1,213,770	1,192,278	916,276
February	2,136,479	2,039,297	1,662,376
March	3,084,145	2,521,244	2,327,473
April	3,952,897	3,697,014	2,962,951
May	4,926,934	4,501,001	3,688,741
June	5,803,595	5,430,516	4,095,562
July	6,849,795	6,443,198	5,131,515
August	7,762,562	7,269,455	5,664,306
September	8,745,717	8,111,569	6,677,776
October	9,666,345	9,008,352	7,069,025
November	10,876,516	9,612,128	8,134,885
December	11,957,067	10,993,569	9,044,136
% spent		91.94%	



Police Department Services. This includes funding budgeted in the amount of \$337,000 supplied by the General Fund to the Police Capital Fund for equipment purchases.

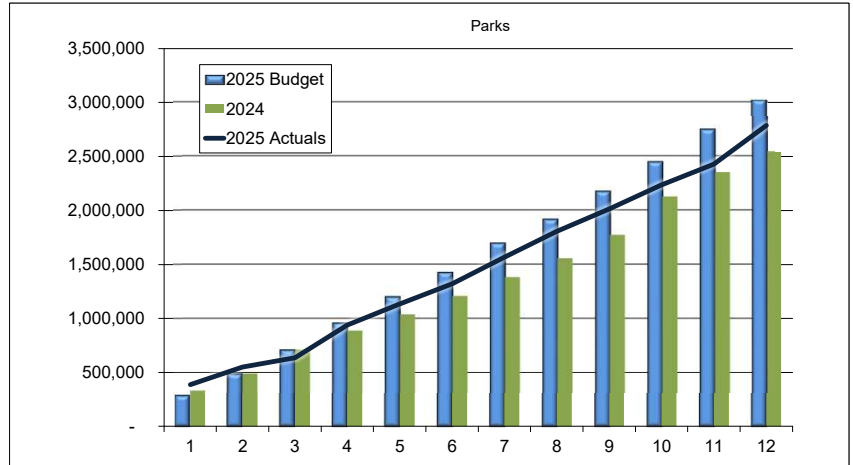
Monthly General Fund Expenditure Graphs
As of December 2025

% thru year 100.0%

Parks

11.58% of total GF Exp

	2025 Budget	2025 Actuals	2024 Actuals
January	288,102	387,080	189,949
February	487,499	549,153	357,742
March	708,090	634,831	510,585
April	957,563	936,641	711,096
May	1,199,373	1,132,728	907,199
June	1,423,908	1,321,744	1,001,259
July	1,694,452	1,566,778	1,242,041
August	1,914,705	1,806,370	1,348,591
September	2,173,078	2,015,090	1,584,963
October	2,445,420	2,237,201	1,671,517
November	2,745,493	2,429,828	1,934,079
December	3,020,120	2,787,315	2,139,871
% spent		92.29%	

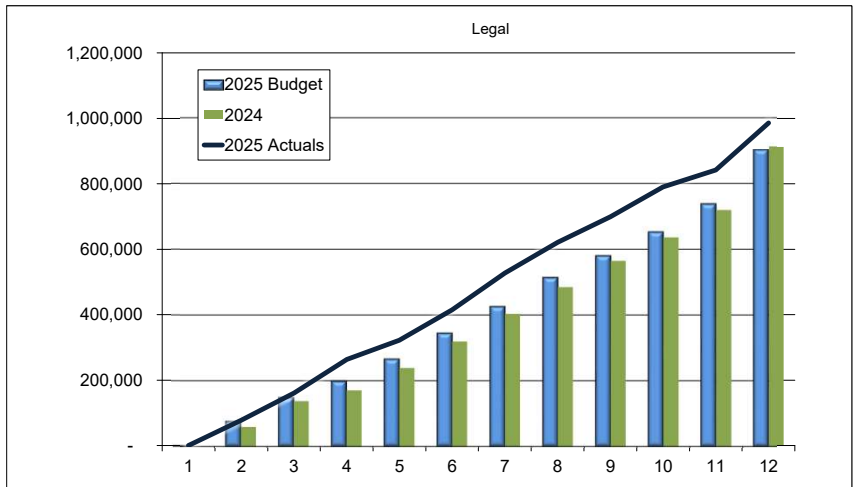


Parks within the General Fund includes personnel, park maintenance, and capital outlay.

Legal

3.46% of total GF Exp

	2025 Budget	2025 Actuals	2024 Actuals
January	1,112	450	-
February	75,302	77,326	39,192
March	148,702	160,113	96,724
April	198,409	263,778	145,755
May	265,406	322,324	237,202
June	344,260	414,919	300,460
July	425,815	527,351	386,472
August	514,198	621,279	501,711
September	580,407	699,978	534,711
October	652,703	790,653	605,058
November	738,276	842,639	671,019
December	903,134	986,592	782,998
% spent		109.24%	

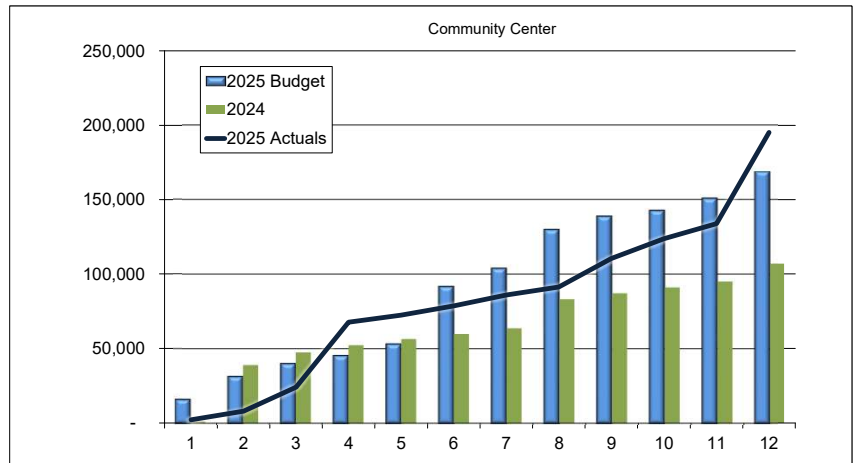


Includes our contracted City Attorney services, Prosecuting Attorney contract, and General Indigent Defense (public defender).

Monthly General Fund Expenditure Graphs
As of December 2025

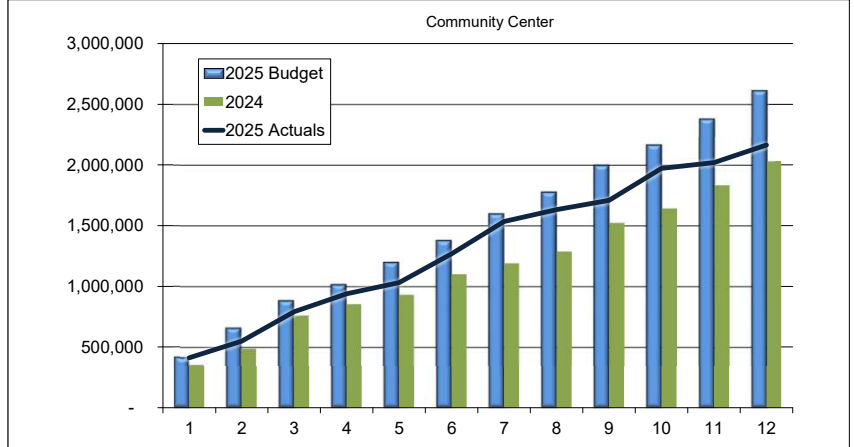
% thru year 100.0%

Community			
0.65% of total GF Exp			
	2025 Budget	2025 Actuals	2024 Actuals
January	16,298	1,952	32,795
February	31,583	7,778	37,896
March	40,290	24,015	42,358
April	45,610	67,692	44,406
May	53,353	72,456	52,871
June	91,897	78,523	67,760
July	104,068	85,971	85,692
August	130,071	91,393	109,526
September	138,938	110,358	113,257
October	142,810	123,738	116,740
November	150,995	133,939	126,944
December	169,023	195,150	137,938
% spent		115.46%	



Includes the Visitor Information Center (VIC), Library, Museum, and "The Mill" operating costs. Contributions to the Senior Center and contributions to the Volunteers of America are accounted for here.

General Government			
10.02% of total GF Exp			
	2025 Budget	2025 Actuals	2024 Actuals
January	415,344	412,050	263,688
February	658,759	549,089	467,741
March	884,478	790,143	553,319
April	1,017,317	939,134	646,703
May	1,200,207	1,032,155	850,220
June	1,381,166	1,269,131	938,690
July	1,600,235	1,534,487	1,113,039
August	1,778,636	1,632,264	1,215,604
September	1,999,810	1,708,717	1,298,349
October	2,167,068	1,972,538	1,353,056
November	2,378,903	2,019,761	1,470,209
December	2,614,140	2,164,797	1,640,757
% spent		82.81%	



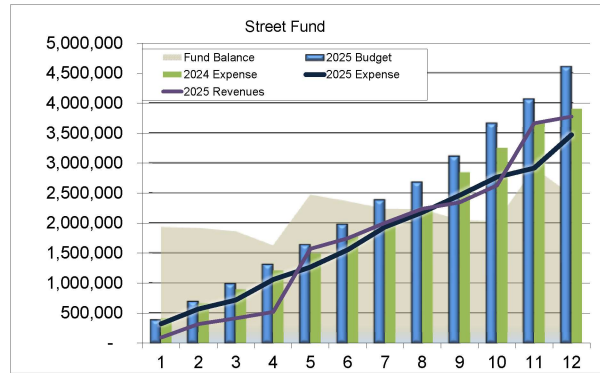
General Government includes annual insurance payments made in January or February, quarterly transfers to reserve and capital funds, monthly payments to the municipal court, facility division expenses, and other general city payments.

Monthly Other Fund Expenditure Graphs
As of December 2025

% thru year 100.0%

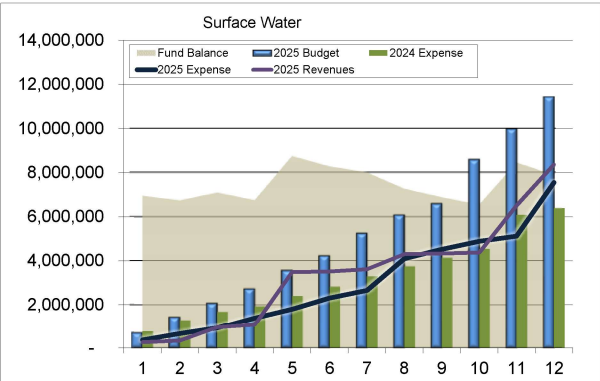
Street (Fund 101) Expenditures

	2025 Budget	2025 Expense	2024 Expense
January	387,337	322,305	415,097
February	695,476	566,758	661,519
March	991,447	715,642	892,601
April	1,312,515	1,060,513	1,206,246
May	1,641,462	1,267,012	1,494,654
June	1,979,370	1,554,629	1,779,859
July	2,386,385	1,935,527	2,012,935
August	2,682,795	2,178,875	2,252,512
September	3,116,039	2,465,599	2,846,465
October	3,664,455	2,770,345	3,247,478
November	4,067,561	2,915,734	3,680,249
December	4,607,109	3,471,936	3,904,150
BTD Status		75.36%	



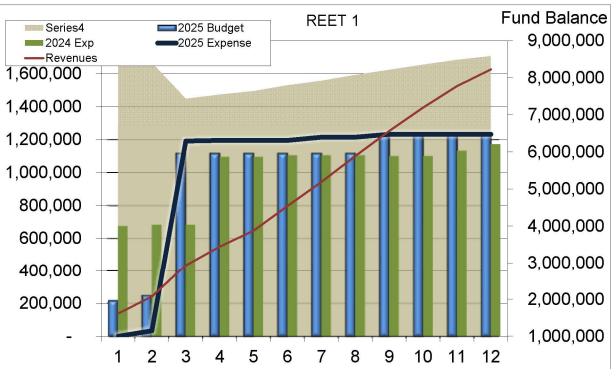
Storm & Surface Water (Fund 410 and 411 and 412) Expenditures

	2025 Budget	2025 Expense	2024 Expense
January	683,530	370,589	771,049
February	1,419,719	656,068	1,289,629
March	2,053,916	925,007	1,668,189
April	2,707,014	1,384,276	1,924,955
May	3,554,058	1,795,953	2,389,636
June	4,216,058	2,303,114	2,827,241
July	5,235,345	2,662,991	3,299,606
August	6,069,921	4,093,838	3,756,346
September	6,583,805	4,518,824	4,132,354
October	8,578,180	4,881,929	4,535,377
November	9,972,106	5,114,814	6,088,508
December	11,433,538	7,549,136	6,390,671
BTD Status		66.03%	



Real Estate Excise Tax I (Fund 303)

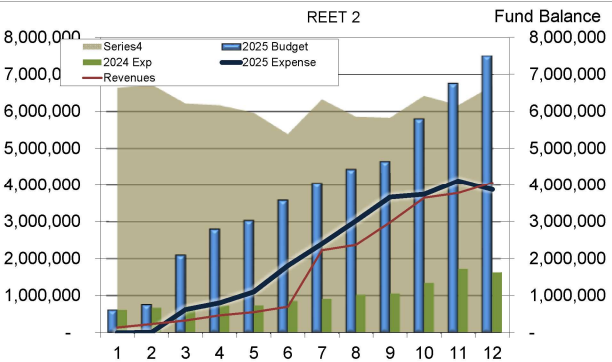
	2025 Budget	2025 Expense	2024 Expense
January	216,532	-	676,440
February	247,855	33,665	682,977
March	1,115,346	1,190,827	682,977
April	1,115,346	1,194,978	1,094,927
May	1,115,346	1,195,552	1,094,927
June	1,115,346	1,195,585	1,105,227
July	1,115,346	1,215,905	1,106,469
August	1,115,346	1,215,905	1,106,469
September	1,239,273	1,232,190	1,101,303
October	1,239,273	1,232,190	1,101,303
November	1,239,273	1,232,190	1,132,610
December	1,239,273	1,232,190	1,172,408
BTD Status		99.43%	



Real Estate Excise Tax I (Fund 303) revenues are mostly used to pay debt. In 2024, annual debt transfers were made in January and April. In 2025, they were all made in March.

Real Estate Excise Tax II (Fund 304)

	2025 Budget	2025 Expense	2024 Expense
January	601,966	-	608,800
February	750,304	7,676	669,453
March	2,093,408	620,858	708,215
April	2,797,606	802,580	732,999
May	3,031,320	1,098,527	732,999
June	3,580,760	1,812,545	848,566
July	4,050,930	2,401,711	912,504
August	4,431,139	3,020,473	1,015,454
September	4,642,842	3,663,109	1,062,851
October	5,796,095	3,738,946	1,343,192
November	6,756,930	4,113,414	1,719,675
December	7,503,038	3,876,676	1,625,892
BTD Status		51.67%	



Real Estate Excise Tax II (Fund 304) revenues are mostly used to pay for capital, but also to pay certain debt. In previous years, transfers were made from the REET fund as debt invoices were received throughout the year. In 2024, an annual transfer was made to the debt service funds in January, in 2025, it was made in March.



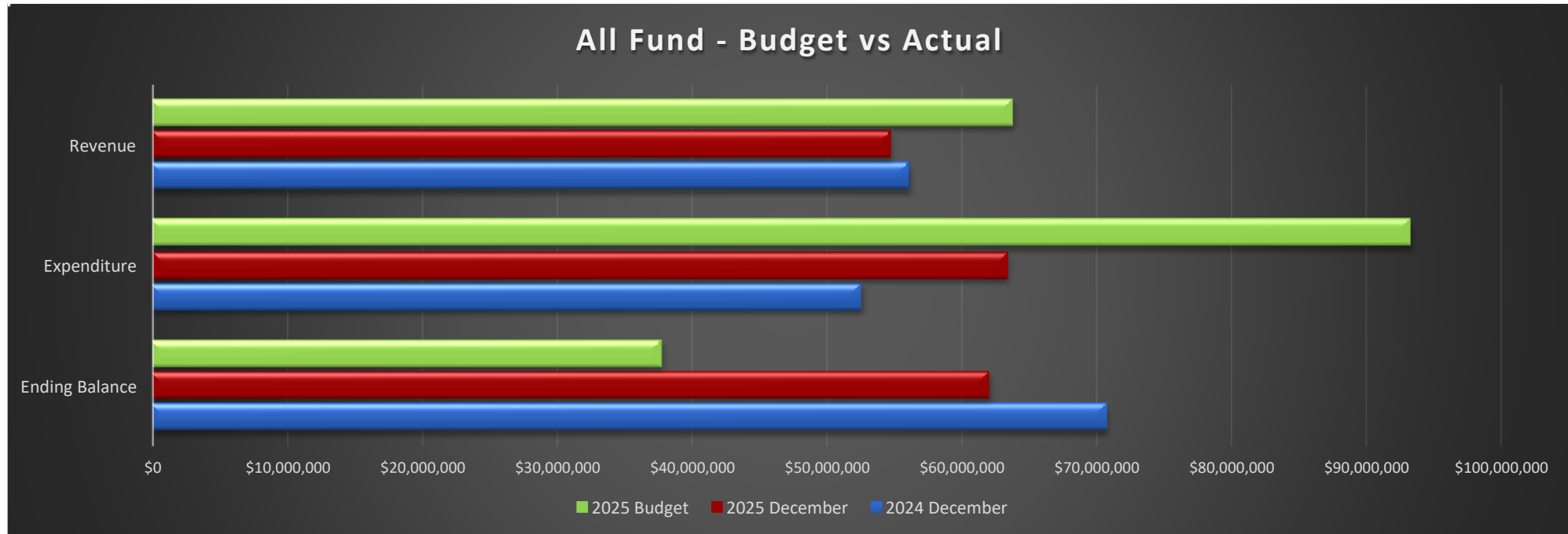
One Community Around The Lake

2025 Yearend Financial Update

MATTHEW HEIST, CPA, FINANCE
MANAGER

MARCH 31, 2026

All Funds

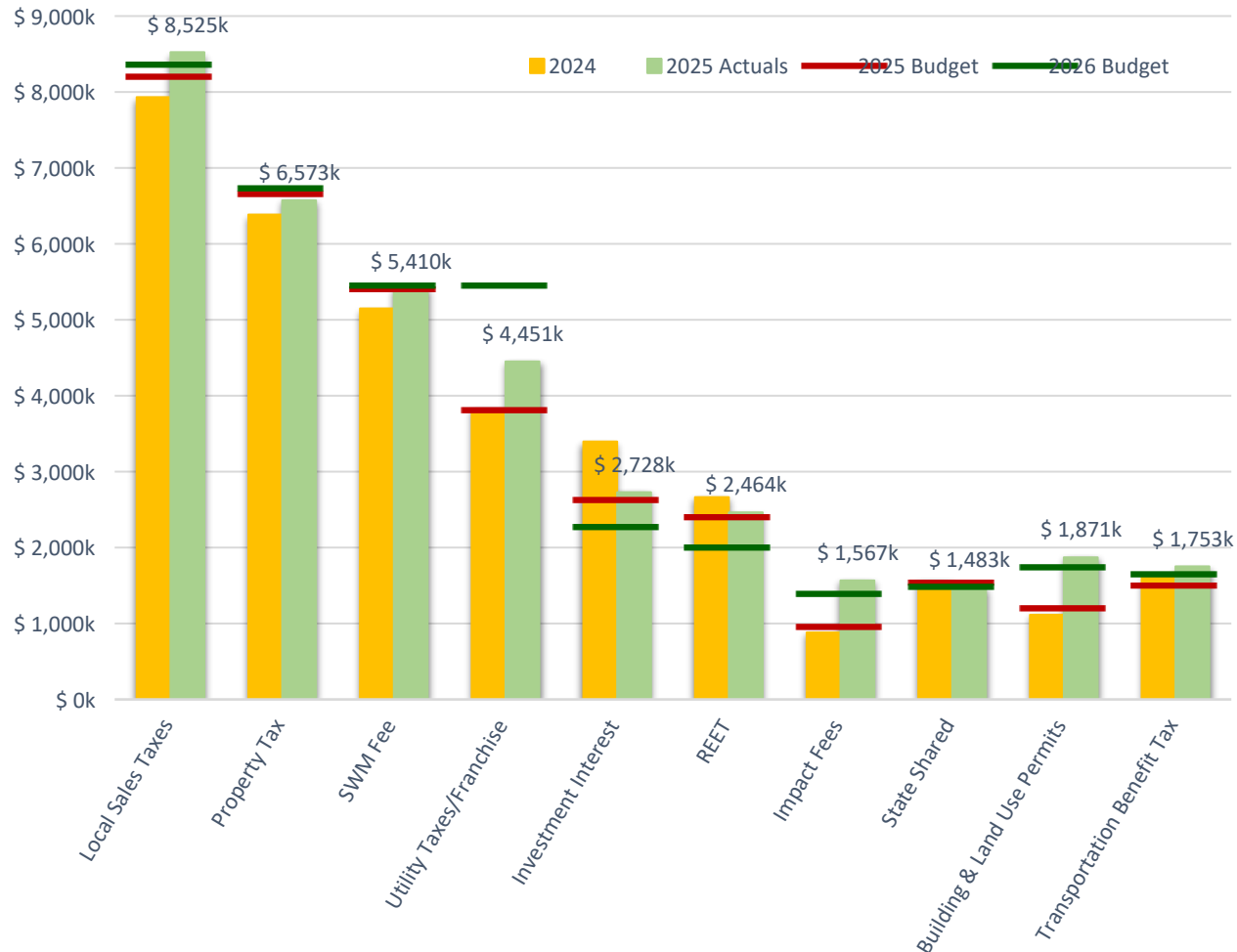


	2025 Budget	2025 December	2024 December	%BVA	% Comp 2024 - 2025
Beginning Assets	\$67,313,568	\$67,313,568	\$62,109,618	100%	8%
Revenues	\$63,856,155	\$54,720,976	\$56,140,897	86%	-3%
Expenditures	\$93,388,234	\$63,409,679	\$52,643,962	68%	20%
Ending Assets	\$37,781,489	\$62,121,996	\$70,810,504	164%	-12%

Major Revenue Sources – Citywide

Revenue Source	Fund	Uses	2024	2025 Budget	2025 Actual	2025 % Actual to Budget	2025 Budget Vs 2024
Property Tax	General 72%	Unrestricted	\$4,597,485	\$4,792,672	\$4,732,615	99%	104%
Local Sales & Use Tax	General	Unrestricted	\$5,834,264	\$6,212,586	\$6,011,505	97%	106%
Construction Sales Tax	General/Reserve	Unrestricted	\$1,069,910	\$900,000	\$1,454,614	162%	84%
Crim Just./Afford Housing	General	Some Restrictions	\$1,027,869	\$1,088,436	\$1,058,663	97%	106%
Utility Taxes/Franchise	General	Unrestricted	\$3,273,482	\$3,319,803	\$3,550,152	107%	101%
Liquor/DUI/State Shared	General	Some Restrictions	\$777,749	\$732,293	\$725,411	99%	94%
Building Permits	Permit	Restricted	\$957,275	\$1,000,000	\$1,610,270	161%	104%
Zoning & Subdivision (Plats)	Permit	Restricted	\$157,639	\$200,000	\$260,909	130%	127%
Property Tax	Street – 28%	Unrestricted	\$1,787,911	\$1,863,817	\$1,840,461	99%	104%
Utility Taxes	Street	Unrestricted	\$551,201	\$489,586	\$901,081	184%	89%
State Shared - MVFT	Street	Restricted to Fund Usage	\$783,203	\$807,953	\$758,053	94%	103%
TB - Transportation Benefit ST	Transportation Benefit	Restricted	\$1,617,321	\$1,500,000	\$1,752,513	117%	93%
Real Estate Excise Taxes	REET I&II	Restricted	\$2,664,219	\$2,400,000	\$2,463,686	103%	90%
Traffic Impact Fees	Developer Contribution	Restricted	\$454,199	\$455,000	\$834,980	184%	100%
Park Impact Fees	Park Mitigation	Restricted	\$427,585	\$500,000	\$732,286	146%	117%
Surface Water Fees	Storm & Surface Water	Restricted to Fund Usage	\$5,149,177	\$5,403,921	\$5,410,462	100%	105%
Investment Interest	Various	Unrestricted	\$3,396,603	\$2,626,214	\$2,728,398	104%	77%

Revenue – Major Sources

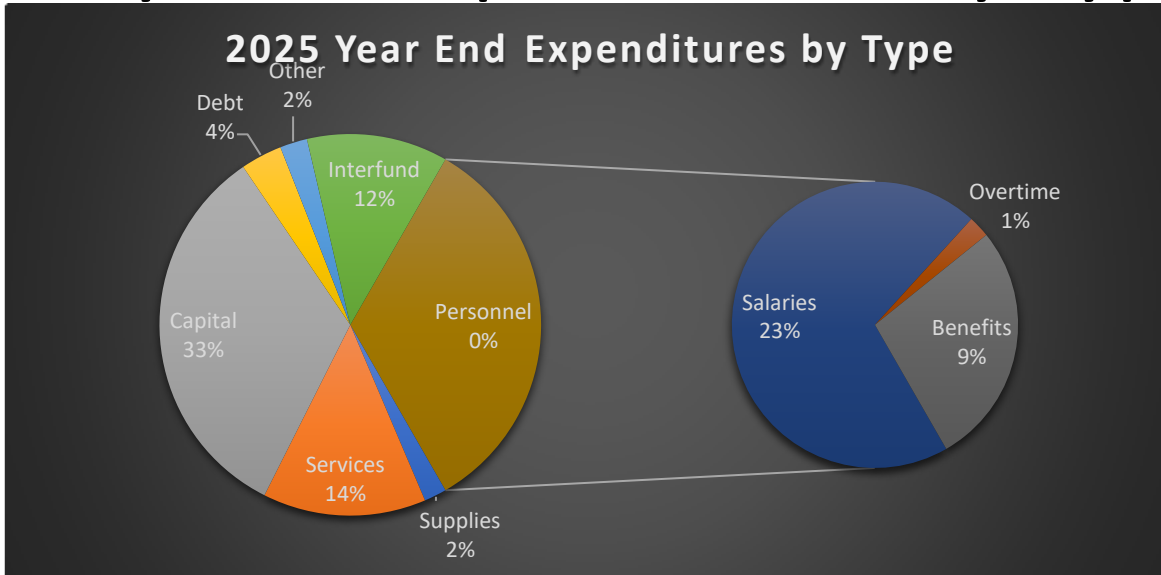


- Sales Tax is the largest revenue source making up 19% of citywide revenues.
- Property taxes are the 2nd largest at 12%
- Investment Interest is 5% of total revenues. Decreased 19% over prior year.
- Real Estate Excise Taxes (REET) decreased 8% in 2025.
- Traffic & Park Impact Fees increased 84% & 71% respectively.
- Building Permits increased 66%.
- TBP increased 8%.

Sales Tax Trend by Classification

Naics subcode	Sum Reported 2023	Sum Reported 2024	Sum Reported 2025	Change % 2024 - 2025	% of Total
11 Agriculture, Forestry, Fishing & Hunting	\$1,011	\$1,546	\$1,183	-23%	0%
21 Mining, Quarrying, and Oil and Gas Extraction	\$2,485	\$539	\$66	-88%	0%
22 Utilities	\$460	\$731	\$974	33%	0%
23 Construction	\$1,177,429	\$1,069,910	\$1,454,614	36%	19%
31 Manufacturing - food/clothing	\$12,982	\$11,120	\$10,411	-6%	0%
32 Manufacturing - wood/paper/chemicals/plastics/Furniture	\$27,231	\$28,704	\$20,373	-29%	0%
33 Manufacturing - ironwork/RR/Steel/Equipment/countertops	\$46,732	\$40,631	\$25,053	-38%	0%
42 Wholesale Trade - medical/diamonds/cork/athletic	\$229,461	\$240,808	\$212,702	-12%	3%
44 Retail Trade Car Parts/ Gargen Equip/ Furniture/ Food Retail	\$940,777	\$904,800	\$937,003	4%	13%
45 Retail Trade - General Merchandise/ Gas/ Clothes/ Sporting	\$2,535,894	\$2,679,490	\$2,756,491	3%	37%
48 Transportation and Warehousing	\$29,778	\$15,301	\$15,044	-2%	0%
49 Transportation and Warehousing	\$53,081	\$44,317	\$52,131	18%	1%
51 Information	\$297,520	\$298,935	\$323,757	8%	4%
52 Finance and Insurance	\$36,061	\$40,333	\$42,166	5%	1%
53 Real Estate and Rental and Leasing	\$46,013	\$41,711	\$53,604	29%	1%
54 Professional, Scientific, and Technical Services	\$110,868	\$115,428	\$136,675	18%	2%
55 Management of Companies and Enterprises	\$868	\$3,242	\$3,580	10%	0%
56 Admin & Support; Waste Mgmt; Remediation Svcs	\$407,974	\$407,469	\$414,522	2%	6%
61 Educational Services	\$7,722	\$8,321	\$7,663	-8%	0%
62 Health Care and Social Assistance	\$6,337	\$5,220	\$5,870	12%	0%
71 Arts, Entertainment, and Recreation	\$18,374	\$30,486	\$42,342	39%	1%
72 Accomodation and Food Services	\$616,797	\$642,700	\$670,292	4%	9%
81 Other Services (except Public Administration)	\$123,743	\$123,747	\$133,539	8%	2%
92 Public Administration	\$1,535	\$2,166	\$1,640	-24%	0%
99 ???	\$135,476	\$146,519	\$144,409	-1%	2%
Total by Naics	\$6,866,611	\$6,904,173	\$7,466,106	8%	100%

Citywide Expenditures by Type

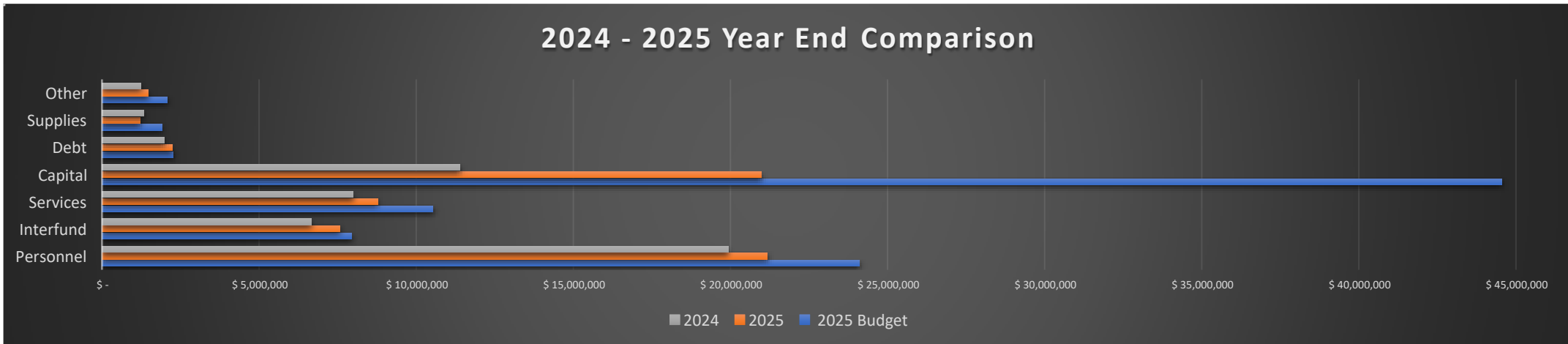


Salaries, Benefits & OT together make up 33% of the total citywide expenditures an increase of 6% over prior year and ended at 88% of budget.

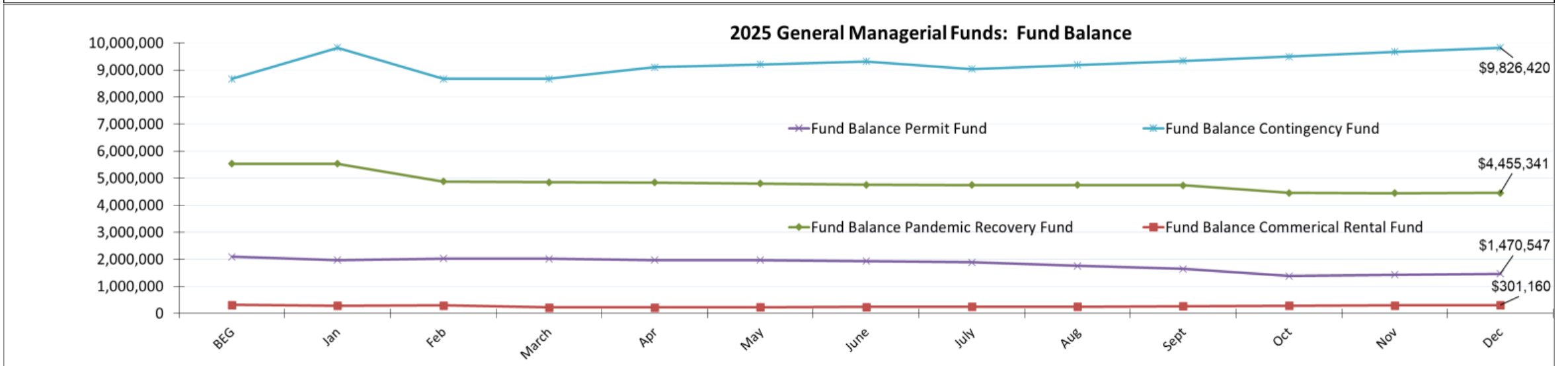
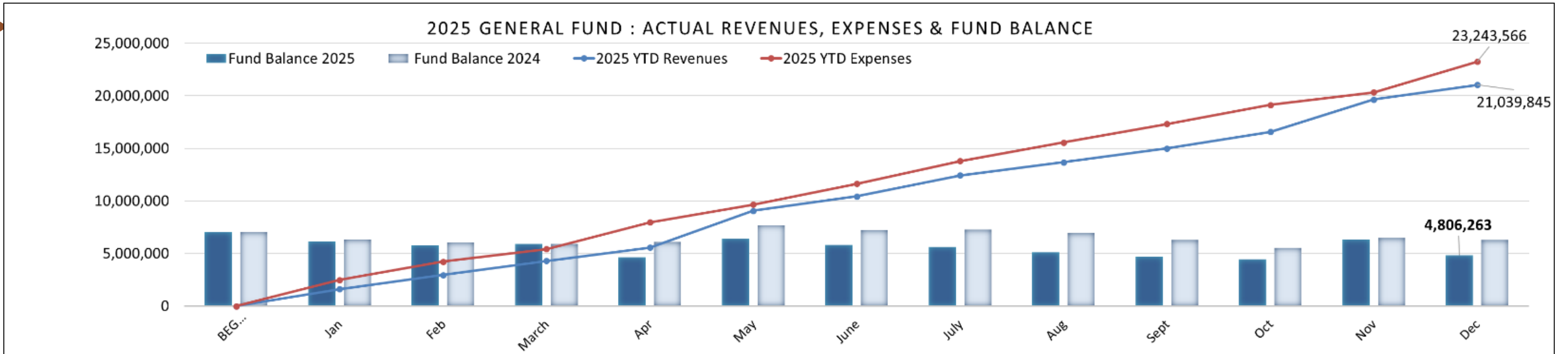
Capital Outlays made up 48% of the budget, but ended the year at only 33% of expenditures.

Services ended at 83% of budget, an increase of 10% over prior year.

Interfund includes transfers out that equal interfund transfers in on the revenue side



General Fund Summary



Fund	2025 Budgeted Revenue	2025 Revenue Collected	2025 % of Budget Collected	2025 Budgeted Expenditures	2025 Expended	2025 % of Budget Expended	2025 Cash & Investments
General Funds:							
General Funds	\$21,427,351	\$21,039,845	98%	\$26,091,036	\$23,243,566	89%	\$4,806,263
Council Contingency	\$600,000	\$1,154,614	192%	\$0	\$0	0%	\$9,826,420
Permit Fund	\$1,200,000	\$1,871,179	156%	\$2,500,000	\$2,491,599	100%	\$1,470,547
Pandemic Recovery Fund	\$126,130	\$0	0%	\$4,960,796	\$1,076,368	22%	\$4,455,341
Commercial Rental Fund	\$422,900	\$425,262	101%	\$797,827	\$438,131	55%	\$301,160
SPECIAL REVENUE FUNDS:							
Street	\$4,103,355	\$3,774,644	92%	\$4,607,109	\$3,471,936	75%	\$2,469,478
Drug Seizure & Forfeiture	\$3,028	\$12,958	428%	\$36,000	\$13,667	38%	\$70,327
Municipal Arts	\$52,367	\$27,000	52%	\$25,000	\$0	0%	\$58,813
Transportation Benefit	\$2,412,179	\$1,999,901	83%	\$1,725,000	\$831,488	48%	\$2,639,598
DEBT SERVICE FUNDS:							
LTGO 2008A Bond	\$211,865	\$211,715	100%	\$211,865	\$211,715	100%	\$0
2019A LTGO Bond -PD	\$460,097	\$459,797	100%	\$460,097	\$459,797	100%	\$0
2021A LTGO Bond - 17005	\$608,350	\$608,200	100%	\$608,350	\$608,200	100%	\$456
2024A LTGO Bond - MS Campus	\$597,200	\$597,010	100%	\$587,200	\$587,050	100%	\$17,550
CAPITAL PROJECT FUNDS:							
Cap Project-Developer Contributions	\$800,110	\$1,326,649	166%	\$2,455,647	\$2,068,707	84%	\$4,646,973
Park Mitigation Fund	\$4,640,075	\$1,036,752	22%	\$6,664,130	\$678,891	10%	\$2,612,762
Real Estate Excise Tax I	\$1,500,975	\$1,625,930	108%	\$1,239,273	\$1,232,190	99%	\$8,589,766
Real Estate Excise Tax II	\$4,910,437	\$4,059,777	83%	\$7,503,038	\$3,876,676	52%	\$6,691,495
Facility Capital Project Fund	\$4,003,910	\$313,356	8%	\$7,191,032	\$815,414	11%	\$2,918,379
Infrastructure Capital Project	\$2,939,690	\$2,939,690	100%	\$10,778,879	\$10,778,880	100%	\$0
Sidewalk Capital Project	\$15,000	\$25,636	171%	\$218,787	\$70,717	32%	\$470,920
ENTERPRISE FUNDS:							
Sewer	\$806,285	\$807,688	100%	\$847,739	\$842,654	99%	\$61,066
Storm & Surface Water	\$6,577,335	\$5,845,815	89%	\$7,336,579	\$5,984,256	82%	\$1,784,309
Storm Water Capital	\$3,307,569	\$2,419,005	73%	\$3,996,782	\$1,464,704	37%	\$6,091,343
Storm Water Debt Service	\$100,177	\$100,177	100%	\$100,177	\$100,176	100%	\$2
INTERNAL SERVICE FUNDS:							
Unemployment	\$31,000	\$30,999	100%	\$50,000	\$45,025	90%	\$12,559
Capital Equipment - Computer	\$832,563	\$870,778	105%	\$987,846	\$716,704	73%	\$393,768
Capital Equipment - Vehicle Replacement	\$4,068	\$0	0%	\$9,083	\$9,083	100%	\$111,944
Capital Equipment - Police	\$379,534	\$394,571	104%	\$503,809	\$466,558	93%	\$953,592
Capital Equipment - Park	\$143,552	\$141,653	99%	\$114,640	\$105,207	92%	\$36,446
Capital Equipment - PW	\$243,153	\$256,104	105%	\$383,552	\$375,313	98%	\$602,956
FIDUCIARY FUNDS:							
Treasurer's Trust	\$395,900	\$344,273	87%	\$396,961	\$345,011	87%	\$27,766
Total All Funds	\$63,856,155	\$54,720,976	86%	\$93,388,234	\$63,409,679	68%	\$62,121,996

Debt Service – Citywide by Funding Source

Debt Description	Year of Payoff	Funding Source	Original Bond Amount	Average Annual Debt Service Payment	Total Balance as of Yearend	City/Sewer Portion
2008A LTGO Bond - Ref (Grade Road/Ridgeline)	2028	REET 1	\$4,510,000	\$211,263	\$633,790	
2019A1 LTGO Bond (New PD)	2049	REET 1	\$6,320,000	\$425,265	\$10,206,350	
2019A2 LTGO Bond (New PD - Commercial Portion)	2029	REET 1	\$1,925,000	\$213,348	\$853,390	
2024A LTGO Bond (Municipal Campus/Museum)	2053	REET 1/ Rental Income	\$9,610,000	\$586,900	\$16,433,200	
2021A LTGO Bond (24th/91st Infrastructure)	2040	REET 2	\$8,877,000	\$608,283	\$9,124,250	
2006 Public Works Trust Fund Loan	2026	Sewer	\$7,000,000	\$411,587	\$411,587	\$37,250,980.00
2008 Public Works Trust Fund Loan	2038	Sewer	\$10,000,000	\$312,295	\$4,059,837	
Total Debt Service - Citywide				\$2,768,941	\$41,722,404	

CITY COUNCIL STAFF REPORT



Agenda Date: 3/31/2026

Subject: Citizen Financial Taskforce Update

Contact Person/Department: Gene Brazel, Administration

Budget Impact:

Legal Review: No

RECOMMENDATION(S)/ACTION REQUESTED:

SUMMARY/BACKGROUND:

Staff reviewed the City of Mountlake Terrace's Citizen Financial Task Force model as a potential framework for Lake Stevens. Their task force process was a year-long effort supported by a dedicated consultant and extensive staff involvement. Staff contacted Mountlake Terrace representatives and reviewed consultant materials to better understand their approach, formation, and long-term outcomes.

Additionally, staff consulted with municipal financial consultants (FCS Group, BERK Consulting, and Baker Tilly) regarding the feasibility and scope of similar work. These firms emphasized that developing a credible financial model and preparing for a citizen task force would require a phased, long-term approach.

Phase 1: Financial Model Update (Recommended Immediate Work)

Consultants consistently advised that the City should begin with a comprehensive financial assessment and updated long-term financial model. Key points include:

- A credible initial assessment requires approximately three months and an estimated \$30,000–\$40,000, plus contingency.
- Lake Stevens' existing financial model was created in 2018 and requires updating to support current and future budget planning.
- Phase 1 could also include a comprehensive review of stormwater rates, which ties directly into the City's long-term fiscal planning.

- The end product would be a modernized financial forecasting tool for Council to use in budget development and policy discussions.
- Consultants unanimously stated that this foundational phase is critically necessary before engaging a community committee or discussing revenue strategies.

Future Community Engagement: Citizen Financial Task Force (2027–2028)

A citizen-led financial task force remains a valuable long-term goal. Based on the Mountlake Terrace model and consultant feedback, staff recommends targeting 2027–2028 for formation. This timeline allows:

- Completion of Phase 1 financial model work.
- Adequate time to prepare curriculum, outreach materials, and committee training (which would require significant staff involvement).
- A structured and transparent process where residents help evaluate funding needs—particularly for sustaining and expanding the Parks and Recreation Department.
- Creation of community advocates who can participate meaningfully in future revenue discussions or ballot measures.

Recommendation

Staff recommends that the City Council:

1. Authorize Phase 1: Engage a consultant to update the City’s long-term financial model, including a review of stormwater rates in late Summer 2026.
2. Defer creation of a Citizen Financial Task Force until 2027–2028, once the updated financial model is complete and can be used as a foundation for committee education and analysis.
3. Use the updated financial model as a transparent, data-driven tool for Council and community financial planning.

APPLICABLE CITY POLICIES:

ATTACHMENTS:

None