



One Community Around The Lake

2026 Capital Project & Proposed Budget Review

BARB STEVENS, FINANCE DIRECTOR
NOVEMBER 6, 2025

2026 Budget Calendar

City of Lake Stevens Schedule	Budget Process Step	Required Deadline Per RCW
November 6, 2025	Council Budget Session – 2026 Capital & Transportation Benefit Projects	
November 6, 2025	Council Budget Session – Proposed Budget Review	
November 18, 2025	Public Hearing - Property Taxes <i>(SnoCo Assessor by Mid-November)</i>	
November 18, 2025	Public Hearing #1 - Preliminary Budget Hearing	11/30/2025
November 25, 2025	Final Public Hearing and Budget Adoption	12/2/2025
December 2, 2025	Final Public Hearing (continuation) <i>(If needed)</i>	12/7/2025

2026 Budget Priorities

Public Safety

- Implement Traffic Safety Camera Program

Information Technology

- Safeguard Data
- Critical System Support

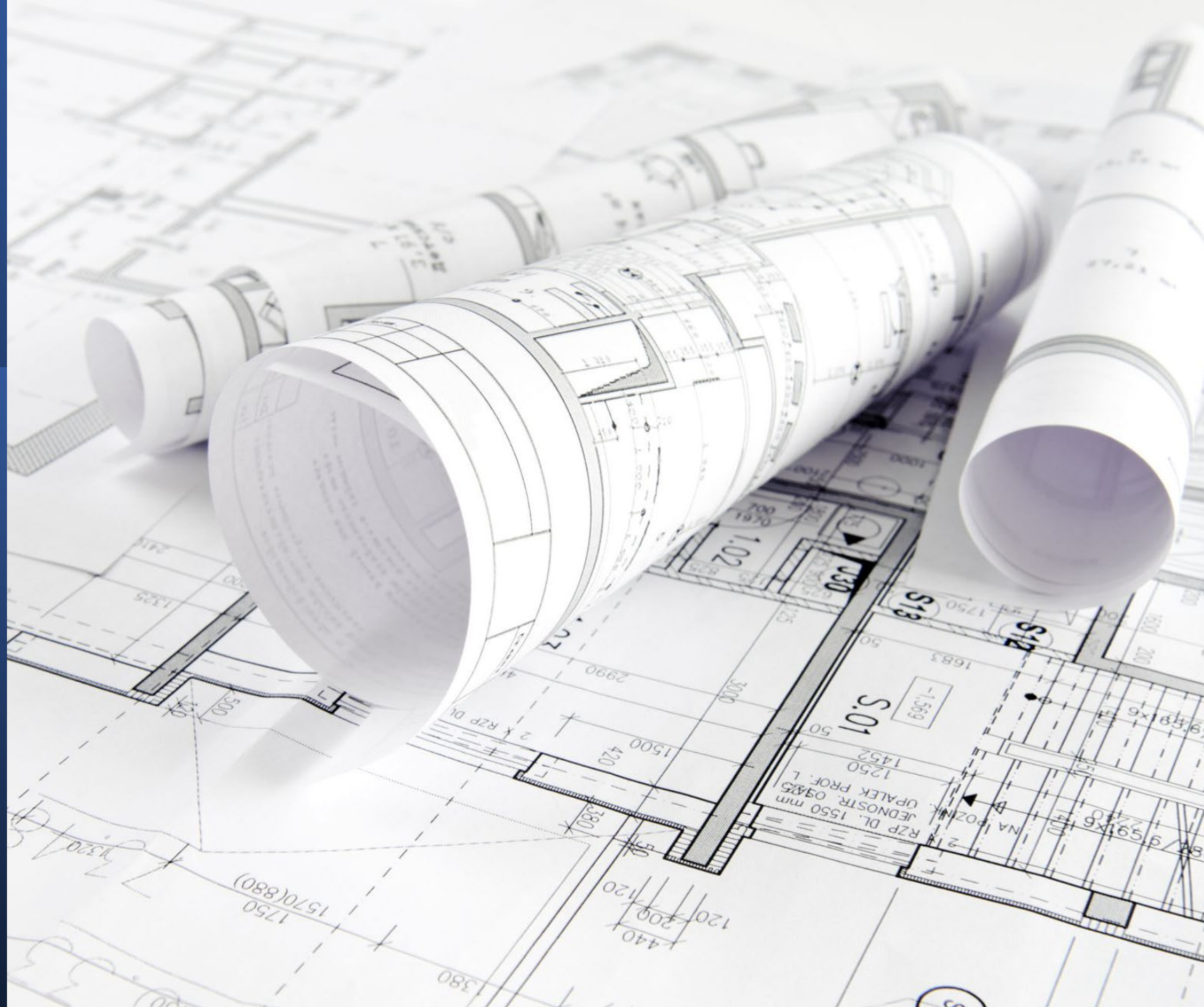
Maintain Infrastructure & Programs

- Maintain Levels of Service
- Encourage Innovative Process Improvement

2026

Capital Project

Proposed
Budget



2026 -2031 Capital Improvement Plan

46 Total Projects - \$118,760,425

2026 – 30 Projects

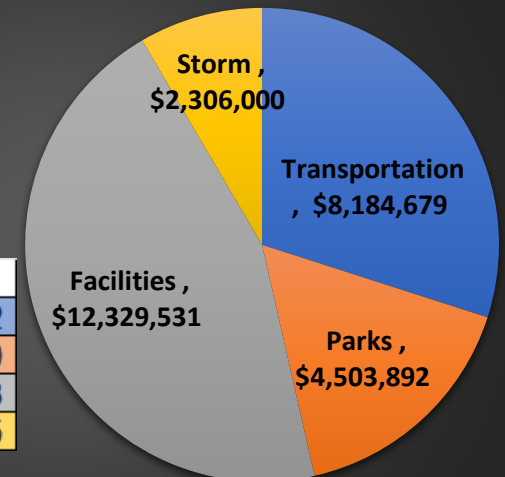
- 27 Multiyear Projects \$79,710,425
- 2026 Budget - \$27,274,102
 - 23 of these projects were budgeted in 2025 and approximately \$19.4M will roll forward into 2026
 - or have funds “set-aside”
 - Remaining have been in planning stages or are phased projects except the Traffic Safety Camera Program

Prioritization Rationale

- Scoring Matrix
 - Safety
 - Available Resources
 - Potential Funding Sources
 - Grants
 - Debt Service

2026 Projects by Type

Project Type	#
Transportation	12
Parks	10
Facilities	3
Storm	5



Transportation Benefit Program

	Sidewalk/Walkway/Trail	Start	End	Cost Estimate	2026	Timeline
	16th Street NE	Main Street	Machias Cutoff	3,150,000		2029 Grant
TBP02	91st Ave SE	4th St. SE	Market Street	606,528		Completed
TBP03	91st Ave SE	8th Street SE	4th Street SE	808,704		Completed
TBP04	117th Ave NE	20th Street NE	26th Street NE	1,650,000	1,374,853	2025-2026
TBP05	91st Ave SE	20th Street SE	12th Street SE	2,300,000	2,120,000	2025-2027
TBP06	North Lakeshore Drive	Main Street	123rd Ave NE	150,000	40,000	2026-2027
TBP07	Soper Hill	Lake Drive	RAB at SR9	3,800,000	570,000	2025-2027
	113 th Ave NE	32nd Street NE	36th Street NE	68,796		
	20th Street NE	Main Street	131st Ave SE	29,484		
	Grade Road	Hartford Drive	Library	383,292		
	Hartford Drive	20th St NE	21st Street NE	303,264		
	123rd Ave NE	22nd Street NE	North Lakeshore Drive	421,200		
	83rd Ave NE	20th Street SE	17th Street SE	477,360		
	99th Ave NE	1st Street NE	Chapel Hill Road	101,088		
	North Lakeshore Drive	123rd Ave NE	North Lakeshore Swim Beach	692,172		
	99 th Ave NE	Sunnycrest Elem.	30th Street NE	741,312		
	99th Ave SE	20th St. SE	8th St. SE	1,718,496		
	South Lake Stevens Road	East Lakeshore Drive	123rd Street SE	3,500,000		
	20th Street SE	S. Lake Stevens Road	113th Drive SE	1,151,280		
	4th Street NE	97th Drive NE	98th Drive NE	263,952		

* Sidewalk/Walkway/Trail Improvements – Sidewalk and walkway replacement/maintenance, connection of missing links and ADA improvement upgrades, construction of new walkways and trail links

Transportation Benefit Program

Roadway	Start	End	Cost Estimate	Timeline
Pavement Preservation (Annual Allocation)			500,000	Annual
79th Ave SE Access Road	20th St. NE	83rd Ave SE	3,163,500	
Main Street	16th Street NE	20th Street NE	4,040,000	2024-2026
91st Street NE	Market Place	SR 204	6,748,800	
Traffic and Pedestrian Safety Programs - Striping, pavement marker/delineators, and traffic control devices, sight improvements, traffic configuration, walkway and trail safety.				

REVENUE SOURCES	2025 Budget	ESTIMATED ACTUAL 2025	2026 BUDGET
Beginning Fund Balance	\$1,471,185	\$1,471,185	\$1,947,798
Transportation Benefit Tax	\$1,500,000	\$1,668,962	\$1,632,000
Grants/Other	\$427,179	\$423,826	\$580,600
Total Revenues	\$1,927,179	\$2,092,788	\$2,212,600
Total Resources	\$3,398,364	\$3,563,973	\$4,160,398
EXPENDITURES	2025 Budget	ESTIMATED ACTUAL 2025	2026 BUDGET
CP Wages/Other	\$210,000	\$101,174	\$150,000
TBP - Pavement Preservation	\$500,000	\$500,000	\$500,000
TBP04: 117th NE - 20th to 26th Sidewalk	\$300,000	\$300,000	\$974,853
TBP05: 91st - 20th to 12th	\$315,000	\$315,000	\$757,800
TBP06: N. Lakeshore	\$0	\$0	\$40,000
TBP07: Soper Hill	\$0	\$0	\$570,000
Total Expenditures	\$1,325,000	\$1,216,174	\$2,992,653
Ending Fund Balance	\$2,073,364	\$2,347,799	\$1,167,745

TBP05: Continuation of 91st Ave Sidewalk has a secured SRTS grant, and an additional TIB grant has been applied for.

TBP07: Soper Hill Sidewalk - A TIB grant has been applied for.

Should these additional grants be secured, they will be brought back as amendments to the budget.

Street & Stormwater Projects

Project No.	Project Group/Name	Total Project Cost	2026	Forecasted 2027	Description
RD-101	Main St. Improvements (16th St NE to 20th St NE)	\$ 4,040,000	\$ 400,000		Multi-use path, street frontage improvements along Main Street between 16th St to 20th St.
FC-112	131st Avenue Infrastructure Improvements	\$ 2,500,000	\$ 2,379,826		Construct new sewer, storm and road improvements along 131st Ave NE from 20th Street NE to Hartford Drive.
RD-113	20th St NE and Main Street Roundabout	\$ 3,200,000	\$ 80,000	\$ 2,691,785	Construct roundabout and frontage improvements per the downtown subarea plan.
TBD-04	117th Ave NE Sidewalk (20th to 26th St NE)	\$ 1,650,000	\$ 1,374,853		TBD sidewalk along one side of 117th Ave NE between 20th St and 26th St. Includes ROW and typical frontage improvements including stormwater.
TBD-05	91st Ave SE Sidewalk (20th to 12th St SE)	\$ 2,300,000	\$ 2,120,000		TBD sidewalk along the east side of 91st Ave SE between 20th St SE and 12th St. Includes ROW and typical frontage improvements including stormwater.
TBD-07	Soper Hill Sidewalk & Sewer Improvements	\$ 3,800,000	\$ 570,000	\$ 3,230,000	TBD sidewalk along one side of Soper Hill Rd between Lake Dr and SR9. Includes ROW and typical frontage improvements including stormwater.
TBD-06	N Lakeshore Dr Sidewalk (Main St to 123rd Ave NE)	\$ 150,000	\$ 40,000	\$ 110,000	TBD sidewalk along one side of N Lakeshore Dr between Main St and 123rd Ave.
Ongoing	Annual Citywide Road Striping and Thermoplastic	\$ 600,000	\$ 100,000	\$ 100,000	Maintenance of city-wide striping
RD-202	Annual ADA & Sidewalk Improvements	\$ 1,200,000	\$ 200,000	\$ 200,000	Curb ramp and sidewalk repair, maintenance, reconstruction in support of the ADA Transition Plan.
RD-203	Annual Pavement Preservation Program	\$ 4,200,000	\$ 700,000	\$ 700,000	Annual pavement preservation activities including grind and overlay, crack sealing.
RD-205	Traffic Safety & Calming Program	\$ 600,000	\$ 100,000	\$ 100,000	Create Traffic Calming Program with stakeholder engagement, update code, notify public, implement.
*new	Traffic Safety Cameras Program and Equipment	\$ 120,000	\$ 120,000		City Council has authorized the ordinance to install traffic safety cameras. This ordinance grants the ability to put into place a program
	Streets	\$ 42,790,000	\$ 8,184,679	\$ 8,381,785	
SW-104	Bridge 06 Replacement - 36th Street NE	\$ 4,000,000	\$ 731,000		Replacement of Bridge 06 to ensure safe access to the Hartford Industrial area by commercial traffic.
SW-111	Catherine Creek/Hartford Crossing Replacement	\$ 6,500,000	\$ 1,250,000	\$ 2,625,000	Lower Stevens Creek Phase 1A: Replace fish passage barrier culvert on Catherine Creek at Hartford Dr. for restored channel realignment.
SW-108	36th St Culvert Replacement	\$ 1,725,000	\$ 225,000		Replace the fish barrier culvert at 36th Street NE that conveys a tributary to Catherine Creek.
SW-103	99th Ave SE/4th St SE Culvert Feasibility	\$ 2,090,000	\$ 50,000		Feasibility of a fish barrier culvert replacement project at 99th Ave SE/4th St SE.
*new	SWM Fee - Rate Study and Fee Adoption	\$ 50,000	\$ 50,000		This project is to hire a consultant to set surface water utility rates.
	Storm	\$ 14,365,000	\$ 2,306,000	\$ 2,625,000	

Parks & Facilities Projects

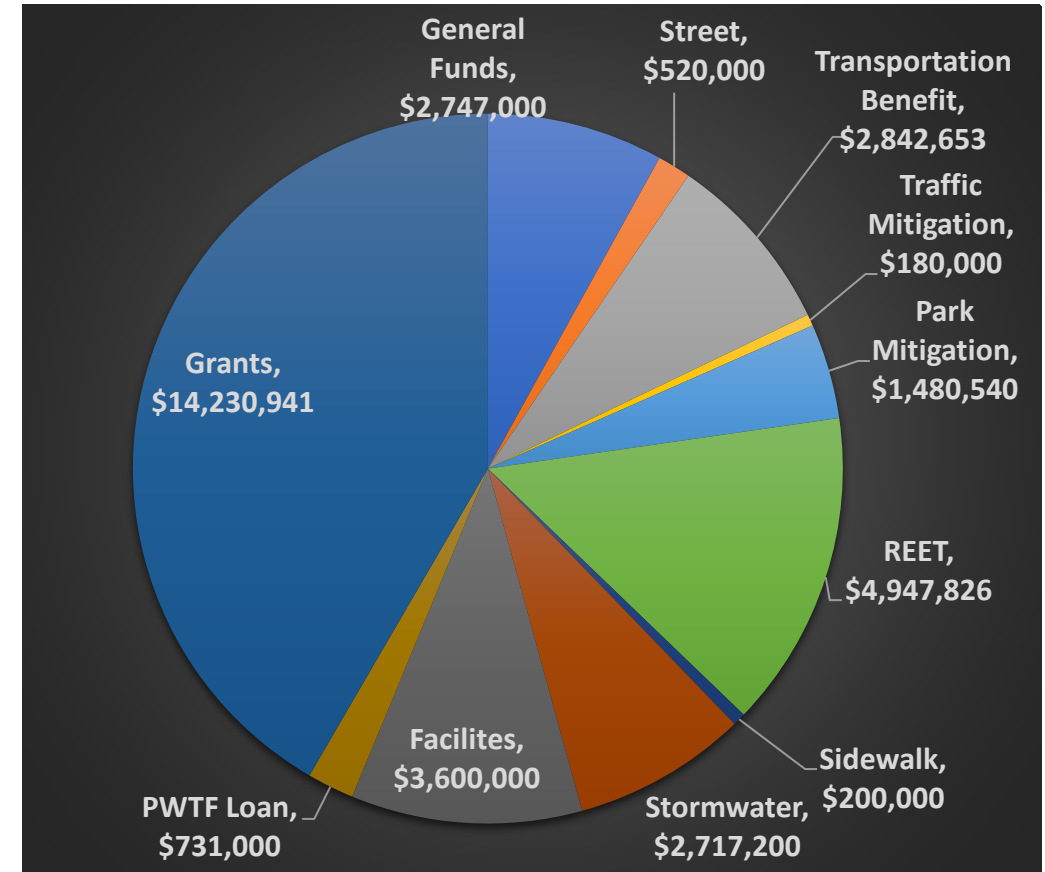
Project No.	Project Group/Name	Total Project Cost	2026	Forecasted 2027	Description
PR-100	Frontier Heights Phase II	\$ 2,000,000	\$ 1,283,505		Phase 2 - multi use synthetic athletic field, 4 pickleball courts, parking, sensory garden, labyrinth.
PR-102	Eagle Ridge Park Phase II	\$ 3,332,387	\$ 332,387	\$ 3,000,000	Phase 2 of master plan - playground, walking trail, amphitheater, parking.
PR-104	Cedarwood Property	\$ 2,455,589	\$ 500,000	\$ 1,955,589	Site feasibility study for Cedarwood property.
PR-106	West Lake Park Recreation Amenities	\$ 100,000	\$ 100,000		Plan amenities for West Lake Park consistent with the powerline easements. (May inc revamping sports field, adding a playground or pump track.)
PR-113	Davies Beach Pier Resurfacing	\$ 180,000	\$ 180,000		Resurface public dock at Davies Beach. The wood is degraded and new light transparent decking is needed.
PR-201	N Cove Marina Feasibility & Marine Unit Relocation	\$ 4,125,000	\$ 400,000	\$ 3,725,000	Construct a marina to replace motorized, non-motorized and first responder's dock.
PR-207	North Cove Parking Lot & Recreation Building	\$ 1,300,000	\$ 300,000	\$ 1,000,000	Remove one of the administrative buildings, repurpose the other and construct new parking lot.
PR-108	Lake Stevens Bayview Connector Phase 0.5	\$ 773,000	\$ 773,000		12th St to 8th St trail, realign 12th Street and connect to Phase 0 project
PR-203	Lake Stevens Bayview Connector Phase 1	\$ 2,835,000	\$ 635,000	\$ 2,200,000	8th St SE to SR 204, coordination with City of Marysville for Bayview Connector.
	Parks	\$ 35,550,976	\$ 4,503,892	\$ 12,730,589	
	Evergreen Office Building (HVAC, Alarm)	\$ 97,000	\$ 97,000		Replace the HVAC
	Municipal Service Campus	\$ 15,152,545	\$ 7,949,910		Remodel existing buildings to house the city hall complex
FC-101	Museum	\$ 4,282,621	\$ 4,282,621		Complete final design of museum and construction of the new building
	Facilities	\$ 21,532,166	\$ 12,329,531	\$ -	
2026 Capital Projects		\$114,238,142	\$27,324,102	\$23,737,374	

2026 Capital Project Budget Summary

Funding Sources

General Funds	\$2,747,000
Street	\$520,000
Transportation Benefit	\$2,842,653
Traffic Mitigation	\$180,000
Park Mitigation	\$1,480,540
REET	\$4,947,826
Sidewalk	\$200,000
Stormwater Capital	\$2,717,200
Facilities	\$3,600,000
PWTF Loan	\$731,000
Grants	\$14,230,941

- General Fund includes Pandemic Recovery and Rental Funds
- Facilities includes bonded debt for the Civic Campus and Museum



Real Estate Excise Tax I

REET I							
Beginning Balance	2025	2026	2027	2030	2040	2050	2054
	\$ 8,196,026	\$ 8,458,328	\$ 8,523,991	\$ 7,441,119	\$ 3,787,776	\$ 213,846	\$ 381,732
Revenue	2025	2026	2027	2030	2040	2050	2054
Estimated REET I	\$ 1,200,000	\$ 1,000,000	\$ 900,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000
Investment Interest	\$ 300,975	\$ 300,000	\$ 127,860	\$ 74,411	\$ 37,878	\$ 2,138	\$ 3,817
Debt	2025	2026	2027	2030	2040	2050	2054
2008 Bond - Series A (2028) (SD 2022)	\$ 211,365	\$ 208,985	\$ 211,400				
2019 A1 - PD Bond (2048)PD	\$ 240,850	\$ 240,850	\$ 240,850	\$ 460,100	\$ 459,600		
2019 A2 - PD Bond (2029) Commercial Bldg	\$ 218,247	\$ 219,152	\$ 219,652				
2024A - Civic Campus (2053)	\$ 586,700	\$ 588,950	\$ 585,700	\$ 588,700	\$ 588,700	\$ 585,000	
2024A - Civic Campus REDUCED by RENTS	\$ (100,000)	\$ (25,000)	\$ (25,000)	\$ (25,000)	\$ (25,000)	\$ (25,000)	
Bond Fees	\$ 1,400	\$ 1,400	\$ 1,400	\$ 700	\$ 700	\$ 350	
Capital	2025	2026	2027	2030	2040	2050	2054
Security Cameras	\$ 63,825						
Park Capital	\$ 16,286						
Ending Balance	2025	2026	2027	2030	2040	2050	2054
	\$ 8,458,328	\$ 8,523,991	\$ 8,317,849	\$ 7,091,031	\$ 3,401,653	\$ 255,634	\$ 985,549

Restricted Use

- Financing capital projects that are specified in the capital facilities plan element of a comprehensive plan (RCW 82.46.010(6))
- Planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets; roads; highways; sidewalks; street and road lighting systems; traffic signals; bridges; domestic water systems; storm and sanitary sewer systems; parks; recreational facilities; law enforcement facilities; fire protection facilities; trails; libraries; administrative and/or judicial facilities; river and/or waterway flood control projects; and technology infrastructure that is integral to the capital project.
- Majority of expenses are Debt Service related

Real Estate Excise Tax II

Restricted Use

- Financing capital projects that are specified in a capital facilities plan element of a comprehensive plan (RCW 82.46.035(5))
- Planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water systems, storm and sanitary sewer systems, and planning, construction, reconstruction, repair, rehabilitation, or improvement of parks.
- HB 1791 increased flexibility to allow REET 2 funds to be used for REET 1 eligible projects**
- Debt Service Payments
- Capital Projects

REET II								
Beginning Balance	2025	2026	2027	2030	2040	2050	2054	
	\$ 6,508,394	\$ 6,256,842	\$ 1,742,066	\$ 1,477,655	\$ 677,337	\$ 6,360,514	\$ 9,055,017	
Revenue	2025	2026	2027	2030	2040	2050	2054	
Estimated REET II	\$ 1,164,891	\$ 1,000,000	\$ 900,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	
Investment Interest	\$ 247,425	\$ 240,000	\$ 26,131	\$ 14,777	\$ 6,773	\$ 63,605	\$ 90,550	
Retainage		\$ 100,000						
Main Street: (FHWA)	\$ 2,960,300	\$ 344,000						
CERB - Machias Lift Station	\$ 50,000							
Debt	2025	2026	2027	2030	2040	2050	2054	
2021A Infrastructure Bond (2040)	\$ 607,850	\$ 606,600	\$ 610,050	\$ 608,900	\$ 607,700			
Bond Fees	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350			
Capital	2025	2026	2027	2030	2040	2050	2054	
Transfer Out - DT / Retainage		\$ 100,000						
Salaries/Benefits	\$ 255,588	\$ 200,000						
Davies Pier Resurfacing		\$ 180,000						
Bayview Connector	\$ 2,000	\$ 212,000						
Historical Museum		\$ 1,000,000						
Municipal Campus		\$ 2,000,000						
Main: 16th - 20th (inc \$344K grant)	\$ 3,063,555	\$ 400,000						
Main: 20th to Main	\$ 374,825							
131st Sewer Extension	\$ 120,000	\$ 1,499,826						
Machias Sewer Infrastructure (lift station)	\$ 50,000							
Pavement Overlays	\$ 200,000		\$ 200,000	\$ 200,000				
Ending Balance	2025	2026	2027	2030	2040	2050	2054	
	\$ 6,256,842	\$ 1,742,066	\$ 1,857,797	\$ 1,283,182	\$ 676,060	\$ 7,024,119	\$ 9,745,567	

Development Impact Fees

Restricted Uses

- Fees imposed to ensure new development pays a proportionate share of cost of new facilities.
- One-time charges assessed against development projects
- Charged during permit process
- Must be deposited in interest bearing account
- Cannot be used for M&O

Traffic Impact Fees (RCW)

- Street System Capacity Improvements – Roads, streets, bicycle and pedestrian facilities
- Use restricted by TIP and Traffic Impact Zones
 - TIZ 1 – Northeast
 - TIZ 2 – Northwest
 - TIZ 3 – Southern

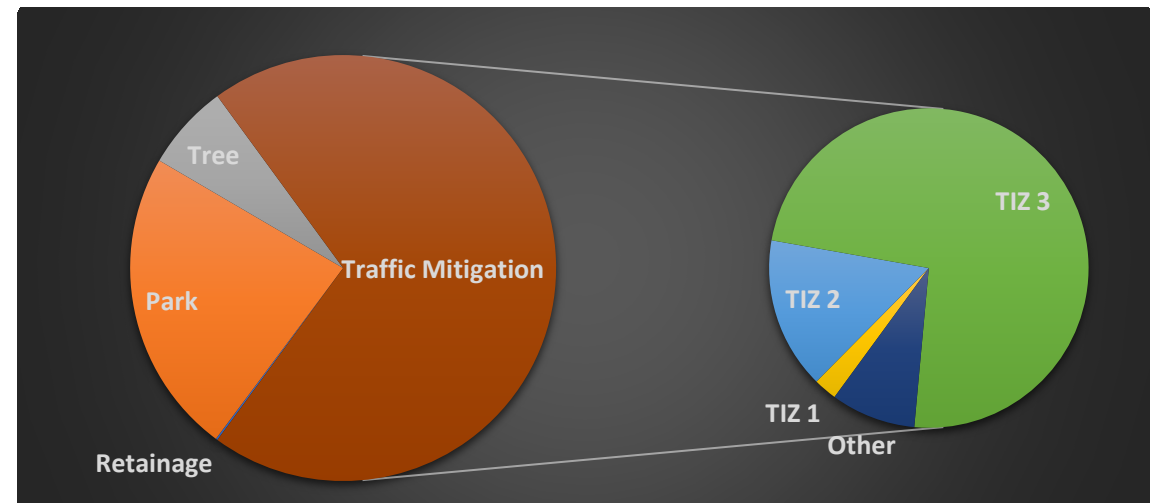
Park Impact Fees (RCW)

- Use restricted to publicly owned parks, open space, and recreation facilities.

Tree Mitigation In-Lieu (LSMC 14.76.120(e))

- Fee paid to mitigate the loss of trees in lieu of replanting
- Use committed to plantings on city property

Mitigation Funds Available at Yearend	Budget	Estimated	Budgeted
	2025	2025	2026
Ending Retainage	9,228	6,472	9,228
Ending Fund Balance-WSDOT ANNEX	9,372	9,280	9,767
Ending Fund Balance-TIZ 1	264,498	231,163	108,942
Ending Fund Balance-TIZ 2	507,658	574,569	706,137
Ending Fund Balance-TIZ 3	2,738,517	2,875,855	3,386,301
Ending Local ILO	224,873	398,663	385,384
Grant/Other	-	263,823	-
Ending Fund Balance - Park Unrestricted	\$793,430	\$2,115,895	\$1,523,355
Ending Fund Balance - Tree	\$259,267	\$377,808	\$427,808
Total Ending Fund Balance	\$4,806,843	\$6,853,528	\$6,556,922



2026 Proposed Operating Budget



Revenue Strategies

Resource	Description	2025	2026
Pandemic Recovery (M)	Redistribute expenses to Capital Project Funds		\$1,300,000
Property Tax	Redistribution between Street & General		\$940,000
Interest Earnings	Sweep Interest from Allowable fund to GG	\$115,000	\$10,000
Credit Card Fees	Recoup fees – Resolution Passed		\$55,000
Technology Fees	Recoup fees – Resolution Passed		\$25,000
Utility Tax	Impose Tax on City's Stormwater Utility		\$560,000
Sales Tax	Impose Councilmanic Public Safety Sales Tax		\$375,000
<i>Permit Reimbursement</i>	<i>Eliminate Reimbursement for Permit Related Wages</i>		<i>(\$-2,000,000)</i>
	<i>Subtotal</i>	<i>4% > Base</i>	<i>\$890,000</i>

Expense Strategies

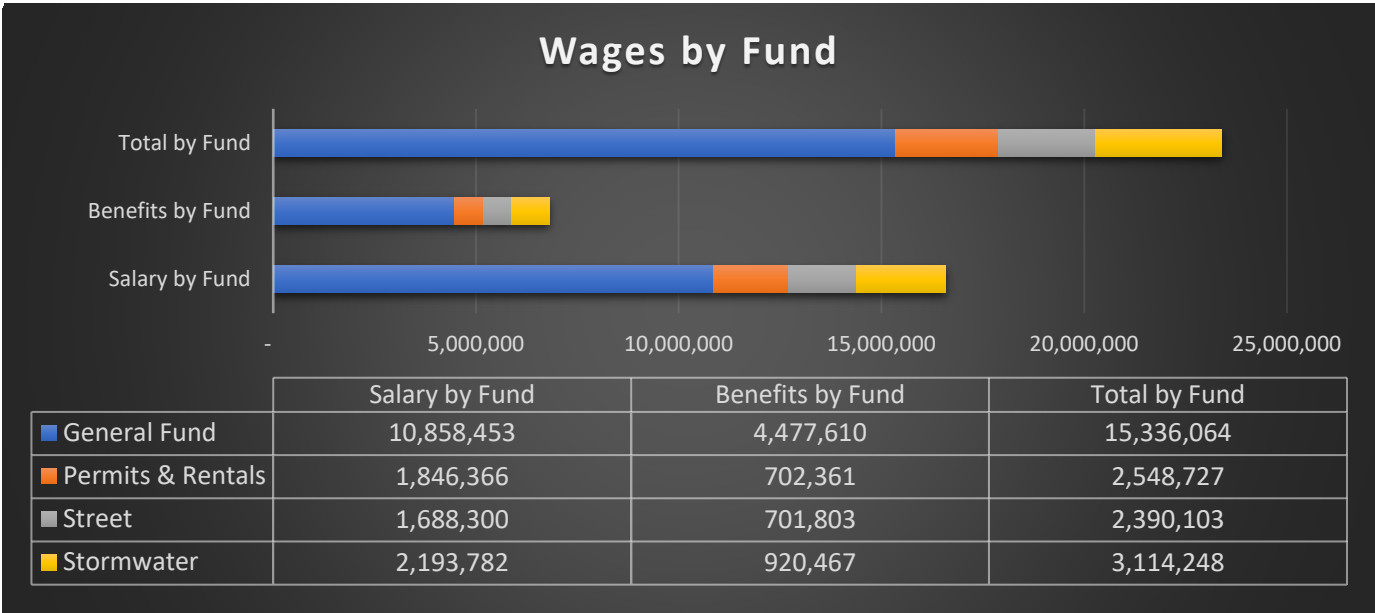
Expense	Description	Total	General Fund
Vacant Positions	8 positions & 2 Reclassifications Remain on hold	\$700,000	
Redistribute Admin OH	Distribute share of Admin Costs to Permit Funds		\$282,000
Community Development	Direct Allocation of Staffing to Permit Fund		\$2,252,700
North Cove Project	Remove GF contribution to PD Boat Relocation Project		\$54,000
Janitorial	Eliminate 2 positions – Limited contract	\$140,000	\$112,000
Vehicle Lease Policy	Increase from 5-year standard replacement to 7 years	\$51,500	
<i>WCIA Insurance</i>	<i>Raise Deductible for Property Insurance to \$25,000</i>	<i>\$64,000</i>	<i>\$43,000</i>
City Attorney	Limit Use & Meeting Attendance		
Contribution to Art	Reduce contribution in 2026 to \$5,000		\$20,000
Tuition Reimbursement	Hold Program in 2026		\$10,000
Annexation / UGA	Hold Expenses for 2026		\$20,000
	<i>Subtotal</i>	<i>11% < Base</i>	<i>\$2,793,700</i>

2026 Wages & Benefits

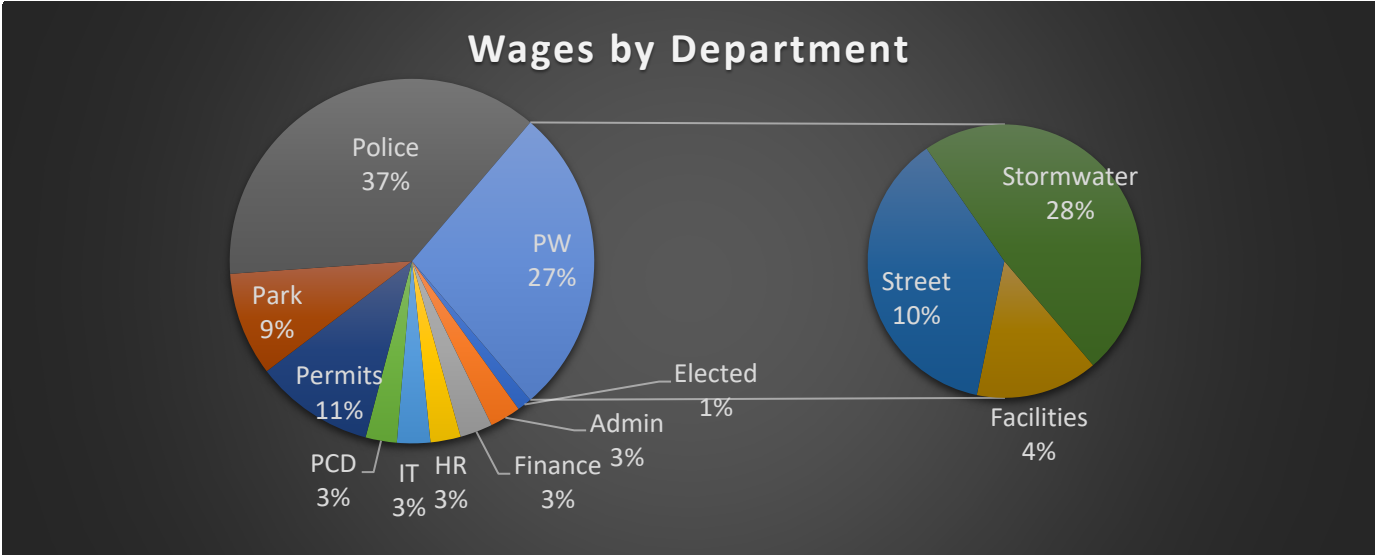
- General Fund – 66%
- Permits & Rentals - 11%
- Street – 10%
- SWM – 13%

36% of total Citywide Expenses

65% of General Operating Fund



**These totals do not include the 2 new positions or the salary survey placeholder that are included in the budget.*



2026 Proposed COLA & Benefits

Non-Represented

- 2.44% COLA
- Estimated Cost \$240,000
 - General Fund
 - \$127,000
 - Rental & Permit Fund
 - \$50,000
 - Street Fund
 - \$27,000
 - Stormwater Fund
 - \$36,000

Represented Classes:

- Guild Commissioned:
 - 3% (*2024 Contract*)
- Guild Non-Commissioned
 - 2.44% (*2025 Contract*)
 - \$168,000
- Teamsters (*Negotiations*)
 - @2.44%: \$66,000 (*38% GF*)

Citywide Benefits

- Medical & Dental Increases
 - Regence – 8.7%
 - Kaiser – 11.6%
 - Willamette Dental – 7.6%
 - Delta Dental – 4.3%
 - Teamsters Dental – 0%
 - Teamsters Vision – 0%
 - Vision Service Plan (VSP) – 0%
- PFML – 23%
- L&I – 5.4%

Market Study

Non- Represented

- Job/Grade to 95% of market (60th percentile)
- Brings all non-represented jobs under 95% of market to within 5% of market
 - Estimated \$345,000 with COLA and benefits
 - \$100,000 Placeholder for market adjustments
 - \$50,000 General
 - \$10,000 Permit
 - \$10,000 Street
 - \$30,000 SWM

2026 Proposed Budget Recap

Positions

IT - Application/Data Analyst

- Data Security, Mandatory ADA Updates, Critical System Support
 - Q2 Hire - \$112,000
 - 68% General Fund (\$76,000)

Traffic Engineer

- Develop and Implement traffic safety camera program
- Develop and Implement traffic calming program
 - Q1 Hire - \$164,000
 - Includes vehicle lease costs
 - 100% funded by Traffic Safety Camera Program (reimbursed)

Citizens of Lake Stevens

2026 Mayor's Proposed Budget

Council Member
Ryan Donoghue

Council Member
Kurt Hitt

Council Member
Kim Daughtry

Council Member
Gary Petershagen

Mayor
Brett Galey

Council Member
Steve Ewing

Council Member
Anji Jorstad

Council Member
Kyrinn Shipman

City Administrator

Police Chief

Policy Analyst

IT Director

Human Resources
Director

Finance Director

Community Dev Director

Parks & Recreation
Director

Public Works Director

Municipal Services
Manager/City Clerk

Police Admin Manager

Police Senior Admin
Assist - Confidential

Deputy Police Chief

IT Systems Engineer

IT Support Analyst

Finance Manager

CD Admin Assistant

Parks Plan & Devel
Coordinator

City Engineer

Public Works Analyst

Deputy City Clerk

Records Supervisor

Support Services
Sergeant

Detective
Sergeant

City-Wide Interns (4)

HR Manager*
(Sr. HR Specialist)

Senior Accountant

Planning Manager

Event & Marketing
Specialist

Senior Civil Engineer

PW Admin. Assistant

Grants/Communication
Specialist

Records Specialist (5)

Community Service
Officer (2)

Police Corporal
Detective

IT Systems Engineer

HR Manager*
(Sr. HR Specialist)

Senior Accountant

Senior Planner

Recreation Specialist

Civil Engineer I

Environmental Program
Manager

Records Management
Specialist

Traffic Officer

Police Detective (3)

IT Support Analyst

HR Technician

Accountant - Payroll

Principal Planner

Parks Revenue
Development Specialist

PW Inspector

Surface Water
Coordinator

Office Assistant (5)

SRO(2)

K-9 Officer

Evidence Technician

GIS Analyst

Risk Manager

Accountant - AP

Planner

Administrative Assistant

Civil Plan Reviewer

Surface Water Specialist

Office Assistant (5)

Applications Analyst

Security Analyst (5)

Applications/Data
Analyst

Safety & Training
Coordinator

Accountant - Cap
Proj/Grants

Assistant Planner (2)

Office Assistant

Traffic Engineer

Capital Projects Manager

Cap. Projects
Inspect/Engineering Tech

Police Commander

Police Sergeant

Police Sergeant

Police Sergeant

Police Sergeant

Police Corporal

Police Corporal

Police Corporal

Police Corporal

Building Official

Field Supervisor - Parks

Maintenance Lead

Maintenance Worker
Series (6)

Seasonal (1.68 FTE)

Police Corporal

Police Corporal

Police Corporal

Police Corporal

Police Officer (4)

Police Officer (4)

Police Officer (5)

Police Officer (5)

Code Enforcement
Officer

Permit Specialist Lead

Permit Specialist (2)

Building Supervisor

Plans Examiner

Police Officer (4)

Police Officer (4)

Police Officer (5)

Police Officer (5)

Police Officer (4)

Police Officer (4)

Police Officer (5)

Police Officer (5)

Building Inspector II

Building Inspector I

Field Supervisor - Streets

Field Supervisor - Storm

Field Supervisor - Facilities

Maintenance Lead

Maintenance Worker
Series (4)

Seasonals (0.84 FTE)

Maintenance Lead

Maintenance Worker
Series (6)

Seasonals (0.84 FTE)

Maintenance Lead

Maintenance Worker
Series (6)

Seasonals (0.84 FTE)

Seasonals (0.84 FTE)

Seasonals (0.84 FTE)

Facility Maintenance
Tech (2)

Seasonals (0.84 FTE)

Seasonals (0.84 FTE)

Seasonals (0.84 FTE)

Seasonals (0.84 FTE)

Seasonals (0.84 FTE)

Seasonals (0.84 FTE)

Seasonals (0.84 FTE)

Seasonals (0.84 FTE)

Seasonals (0.84 FTE)

Key

Funded positions

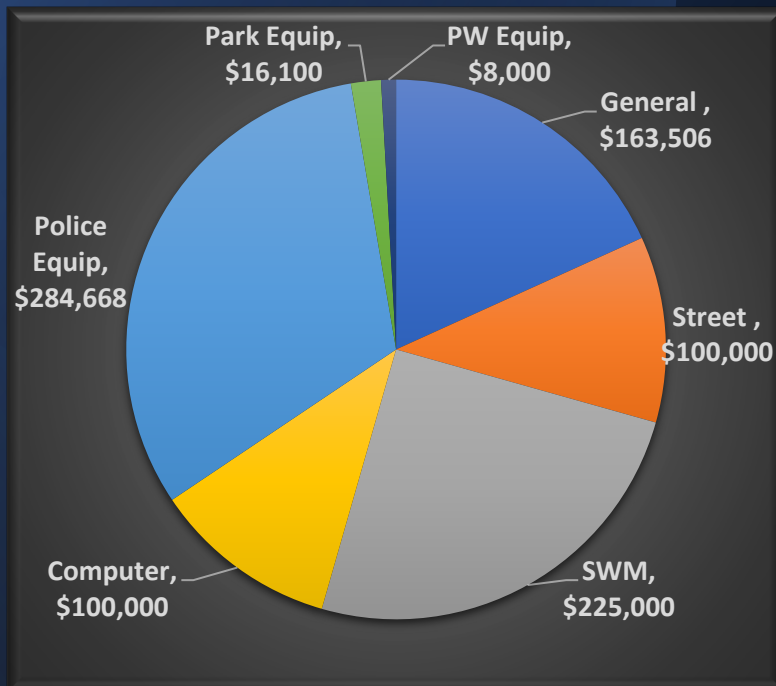
Supervisor/Manager

Temporary and/or unfunded
Positions

Mayor's Proposed Budget

2026 Proposed Budget Recap

Programs & Purchases



- AED/First Aid Equipment – Risk Management
- Emergency Operation Costs – Risk Management
- Building & Land Use Code Books (*required*) – PCD
- Forensic Investigation Program – Police
- Increased Parks Op Costs (*added parks*) – Park & Recreation
- Contributions to Senior Center & VOA – Human Services
- Pavement Preservation Software – Streets
- Increased Engineering Professional Services – Streets
- Continue EDDS Update (*required*) – Streets/SWM
- SWM Fee Evaluation - SWM
- Alum Treatment – SWM
- Shared Equipment (*added parks*) – PW/Parks & Recreation
- Equipment Attachments for Synthetic Turf Maintenance – Park
- Data Center Upgrade - Computer
- Vehicle Replacement Program – Police Equip

Police Vehicle Replacement Costs

- In 2024, Council authorized the vehicle lease program for replacement police vehicles.
- Annual replacement costs were provided and preauthorized to occur through 2026.
- Early budget approval is critical due to the lead time required for vehicle ordering and upfitting.
- Staff is requesting preauthorization of the annual allocations and costs to occur through 2028.

Expenses budgeted in 2026 are for vehicles ordered in 2025

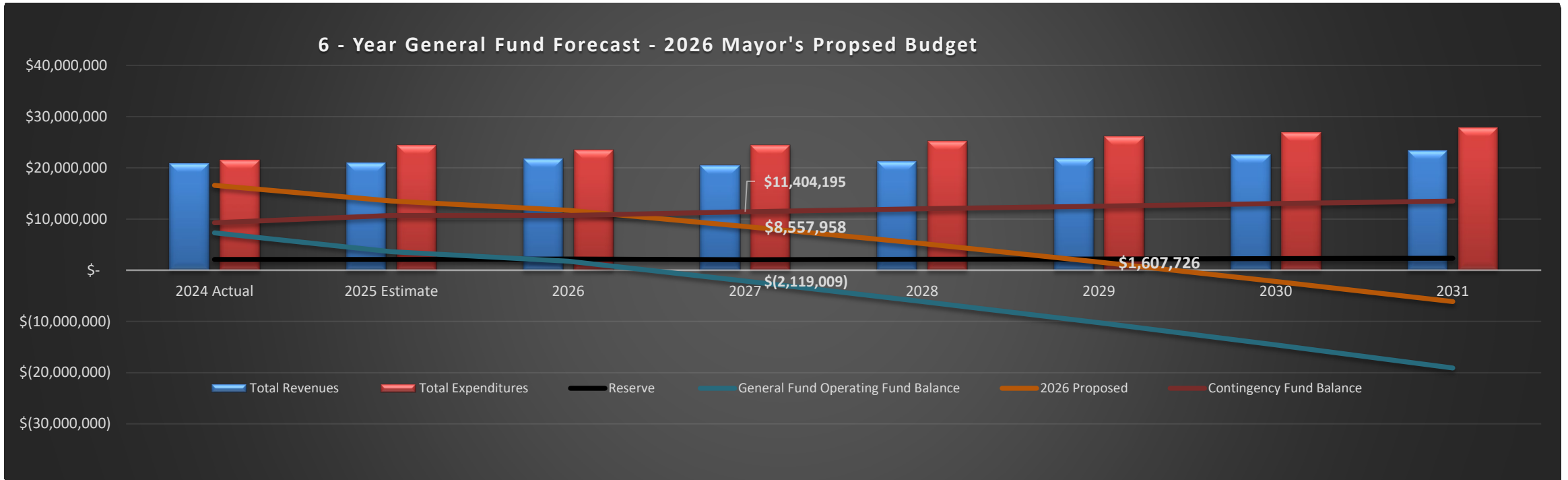
Vehicles	Beginning Balance	Yearly Contributions	Veh Auctions/Ins Claims	Authorized to spend	Actual Spent	Year End
2023	\$ 611,202.09	\$ 277,000.00	\$ 16,200.00	\$ 652,729.00	\$ 418,317.84	\$ 486,084.25
2024	\$ 486,084.25	\$ 277,000.00	\$ 39,760.00	\$ 303,000.00	\$ 123,186.00	\$ 679,658.25
2025	\$ 679,658.25	\$ 277,000.00		\$ 226,858.00	\$ 226,858.00	\$ 729,800.25
2026	\$ 729,800.25	\$ 225,000.00		\$ 284,558.00		\$ 670,242.25
2027	\$ 670,242.25	\$ 225,000.00		\$ 368,455.00		\$ 526,787.25
2028	\$ 526,787.25	\$ 225,000.00		\$ 432,927.00		\$ 318,860.25

2026 Proposed Budget – All Funds

Fund Name	Beginning Cash Balance	2026 Proposed Revenues	2026 Proposed Expenditures	2026 Proposed Ending Cash Balance	Revenue Over Exp (+)
General Fund (000)	\$3,836,322	\$21,738,726	\$23,579,944	\$1,995,104	(\$1,841,218)
Other General Funds (000)	\$15,482,118	\$3,150,450	\$7,517,213	\$11,115,355	(\$4,366,763)
Special Revenue (100)	\$4,228,700	\$5,902,845	\$7,514,239	\$2,617,306	(\$1,611,394)
Debt Service (200)	\$18,737	\$1,873,887	\$1,866,287	\$26,337	\$7,600
Capital Projects (300)	\$20,194,599	\$7,528,352	\$12,197,305	\$15,525,646	(\$4,668,953)
Other Proprietary (400)	\$61,419	\$1,348,936	\$1,340,436	\$69,919	\$8,500
SWM Funds (400)	\$7,748,298	\$7,658,826	\$10,504,121	\$4,903,003	(\$2,845,295)
Internal Service (500)	\$1,940,560	\$1,415,150	\$1,821,876	\$1,533,834	(\$406,726)
Trust (600)	\$34,642	\$405,100	\$406,161	\$33,581	(\$1,061)
Totals	\$53,545,395	\$51,022,272	\$66,747,582	\$37,820,085	(\$15,725,310)

No.	Fund Name	Beginning Cash Balance	2026 Proposed Revenues	2026 Proposed Expenditures	2026 Proposed Ending Cash Balance	Revenue Over Exp (+)
001	General Fund	\$3,836,322	\$21,738,726	\$23,579,944	\$1,995,104	(\$1,841,218)
002	Reserve Fund	\$9,700,006	\$1,000,000	\$0	\$10,700,006	\$1,000,000
003	Permitting - Managerial	\$1,319,453	\$1,740,000	\$2,736,749	\$322,704	(\$996,749)
004	Pandemic Recovery - Managerial	\$4,461,446	\$50,000	\$4,482,615	\$28,831	(\$4,432,615)
005	Rentals - Managerial	\$1,213	\$360,450	\$297,849	\$63,814	\$62,601
000	General Funds	\$19,318,440	\$24,889,176	\$31,097,157	\$13,110,459	\$ (6,207,981)

6-Year General Fund Forecasted



All numbers are estimates. Numbers for years two through six can change as 2025 continues and the 2026 Budget is developed and discussed. Long-term General Fund forecast often go in a negative fund balance, usually by the third or fourth year. This does not mean the City will run out of money but instead illustrates the path the City could realize if no adjustments are made during the first two years.

Adjustments to the forecast model have been made to illustrate cost savings measures as implemented citywide in 2025 and the Mayor's Budget.

Balancing the Budget

Balanced Budget

A balanced budget refers to a financial plan where total revenues are equal to or greater than total expenses. It is common for governments to account for all resources, including initial fund balances, and compare them to the total expenditures when balancing the budget.

Structural Deficit

A structural deficit occurs when a city's recurring expenses consistently exceed its recurring revenues. Unlike a temporary deficit caused by one-off events or economic downturns, a structural deficit indicates a recurring budget pattern. While it may reflect an ongoing imbalance, it also highlights areas where adjustments can be made to align revenues with expenses.

Summary

In financial forecasts, deficit spending often leads to a negative fund balance by the third or fourth year. This does not mean money will run out but illustrates the potential path if no sustainable adjustments are made during the first two years.

Recognizing a structural deficit early can provide an opportunity to make specific budgetary changes, such as reducing non-essential services and increasing revenues through taxes or fees, to ensure financial stability.

2026 Budget Calendar

City of Lake Stevens Schedule	Budget Process Step	Required Deadline Per RCW
November 18, 2025	Public Hearing - Property Taxes (<i>SnoCo Assessor by Mid-November</i>)	
November 18, 2025	Public Hearing #1 - Preliminary Budget Hearing	11/30/2025
November 25, 2025	Final Public Hearing and Budget Adoption	12/2/2025
December 2, 2025	Final Public Hearing (continuation) (<i>If needed</i>)	12/7/2025