



AGENDA

1. Call to Order – Flag Salute – Roll Call
2. Late Changes to Agenda
3. General Public Comment
4. Consent Agenda
 - a. Payment of Claims
 - b. Meeting Minutes
 - c. Resolution Adopting Community and Economic Development Fee Schedule
 - d. Resolution Adopting Recreation Fee Schedule
 - e. Resolution Adopting Engineering Fee Schedule
5. Review, Public Hearing, and Vote on Biennial Budget Amendment
6. Review, Public Hearing, and Vote on Ordinance Adopting Property Tax Levy
7. Review and Vote on Ordinance Adopting Franchise Agreement with Puget Sound Energy
8. Review On-Call Engineering Agreement with Parametrix for Water Tower Improvements
9. Review Agreement with Recreation Conservation Office for Evergreen Playfield #4
10. Presentation on Diversity, Equity and Inclusion Strategic Plan
11. City Manager’s Report
12. Council Liaison Reports
13. New Business
14. Adjournment

To listen to the meeting via telephone, call 1-253-215-8782. To watch the meeting online: 1) Go to <https://zoom.us/join>; 2) Enter meeting ID 810 1113 9518 and click “join”. No passcode needed.

To make a public comment remotely (Zoom or telephone), in person, or in writing, please refer to the Public Comment and Public Hearing Testimony Protocol on the city website <https://www.cityofmlt.com/129/Agendas-and-Minutes>.

No person shall make personal attacks, or threatening remarks while addressing the Council which disrupts, disturbs, or otherwise impedes the orderly conduct of the meeting. All hate speech will be construed as threatening remarks.



STAFF REPORT

To: Mountlake Terrace City Council

From: Jeff Niten, City Manager

Meeting Date: November 20, 2025

Subject: Payment of Claims

Required Reviews:

Jennifer Joki

Jeff Niten

Created -

-

Council Goal(s):

Responsible Governance to Ensure Desired Level of Service

Legislative History:

The Finance Committee, consisting of two Councilmembers and the Finance Director, meets monthly to review and discuss the claims subject to approval.

Subject Summary:

Financial/Budget Impacts:

Budget Amendment Required? No

Budget and Sources:	
Expenditure:	
New Appropriation Required + Sources:	

Additional Financial Information:

N/A

Community Notifications:

City Council Agenda

If "Other," please specify:

Board/Commission Recommendation:

N/A

Staff Recommendation:

Staff recommends the City Council vote to approve the claims as presented. This can be accomplished as part of the motion to approve the Consent Agenda.

Council Motion:

N/A

Attachments:

None



MOUNTLAKE TERRACE CITY COUNCIL
REGULAR MEETING MINUTES

November 6, 2025
7:00 p.m.

Mountlake Terrace City Hall and
via Telephone and Teleconference

Councilmembers Present

Councilmember Paige
Councilmember Ryan
Councilmember Sonmore
Councilmember Woodard
Mayor Pro Tem Wahl
Mayor Matsumoto Wright

Councilmembers Absent

Councilmember Murray

Staff Members Present

City Attorney Hillary Evans (via Teleconference)
City Clerk Jennifer Joki
City Manager Jeff Niten
Deputy City Manager Carolyn Hope
Public Works Director Gary Schimek (via Teleconference)
Recreation and Parks Director Jeff Betz (via Teleconference)

Guests

Kenyon Disend Attorney Lisa Marshall (via Teleconference)
Diversity, Equity and Inclusion Commission Vice-Chair Teresa Courtney
Diversity, Equity and Inclusion Commissioner Kernet Apio

1. Call to Order – Flag Salute – Roll Call

Mayor Matsumoto Wright called the meeting to order at 7:00 p.m.

City Clerk Jennifer Joki called roll.

A motion to excuse Councilmember Murray was made by Mayor Pro Tem Wahl and seconded. **Motion carried 6-0.**

2. Late Changes to Agenda

None.

3. Public Comment

No one signed up to provide public comment, either online or in person. All public comments submitted in writing were provided to Council.

4. Consent Agenda

A motion to approve the Consent Agenda, items a-e, was made by Mayor Pro Tem Wahl and seconded. **Motion carried 6-0.**

- a. Payment for 2025 claims
- b. Meeting Minutes for 10/16/2025 and 10/23/2025
- c. Professional Services Agreement with Kenyon Disend for City Attorney Services
- d. Interlocal Agreement with Snohomish County Regional Narcotics Task Force
- e. Ordinance 2896 Correction for Property Annexation

5. Review and Public Hearing on Ordinances Adopting Franchise Agreement with Puget Sound Energy

Public Works Director Gary Schimek and Kenyon Disend Attorney Lisa Marshall

Schimek introduced Kenyon Disend Attorney Lisa Marshall then presented on this item to include the background, new agreement term, new standards and best practices, costs, and relocation of facilities.

Schimek and Marshall heard and responded to questions and comments regarding initiation of additional years, high-level issues to be aware of, and updates in laws.

A motion to open the public hearing was made by Mayor Pro Tem Wahl and seconded. **Motion carried 6-0.** The public hearing was declared open.

Public Hearing Testimony: None.

A motion to close the public hearing was made by Mayor Pro Tem Wahl and seconded. **Motion carried 6-0.** The public hearing was declared closed.

This item will be on the agenda as a review and vote for the November 20, 2025 council meeting.

6. Review Draft Final Diversity, Equity and Inclusion Strategic Plan

Deputy City Manager Carolyn Hope, Diversity, Equity and Inclusion Commission Vice-Chair Teresa Courtney, and Diversity, Equity and Inclusion Commissioner Kermet Apio

Hope, Courtney, and Apio presented on this item to include the council goals, legislative history, acknowledgments, purpose of the plan, public comments, action plan with changes, recommendation, financial impacts, and next steps.

Hope, Courtney, and Apio heard and responded to questions and comments regarding accommodating people with trauma, data on term limits, translation costs, access to job opportunities, working with tribes, diversity in community conversations, celebrate diversity, budget amount, pieces of the plan to be fine-tuned, appreciation for work done on this plan, preparing by reading the materials ahead of time, presenting a high-level overview of the changes after presentation at last meeting, and action plan and recommendations written well.

The mayor called for a 5-minute recess.

7. Review and Vote on Allocation of Funds for Transit Connection Corridor Project
Recreation and Parks Director Jeff Betz

Betz presented on this item to include the legislative history, project details and requirements, additional needs, funding, and ask of council.

Betz heard and responded to questions and comments from council regarding the changes, additional tree removal, and project price overrun.

The motion to authorize the City Manager to sign change orders not to exceed an additional \$283,758 with Granite Construction for the Transit Connection Corridor Project was made by Mayor Pro Tem Wahl and seconded. **Motion carried 6-0.**

8. City Manager's Report
City Manager Jeff Niten

Niten's report included:

- Contractor will be out on Monday to restart work on the Transit Connection Corridor Project
- Appreciation for Public Works crews and residents, no major flooding on roadways
- City has the first draft of an AI (Artificial Intelligence) policy

Niten heard and responded to a question regarding adding the traffic camera discussion to an upcoming agenda.

9. Council Liaison Reports

Mayor Matsumoto Wright's report included:

- October 22 Water/Sewer Comprehensive Plan Public Forum
- October 24 Economic Alliance Snohomish County meeting with the City Manager
- October 28-29 Cascadia Conference
- November 3 Branding Consultant meeting
- November 5 South Snohomish County Mayors luncheon
- November 6 Dawson Place luncheon
- November 8 at 2pm at MLT Library Randal Gravelle will be discussing his book Mountlake Terrace: Four Square Miles

Councilmember Paige's report included:

- October Chamber of Commerce gathering at the Getaway
- City Manager meeting
- November 6 City Manager Evaluation consultant meeting

Councilmember Ryan's report included:

- October 21 Arts Advisory Commission meeting
- November 5 City Manager meeting

- November 6 City Manager Evaluation consultant meeting
- Councilmember Sonmore's report included:
- Fiscal Sustainability Task Force meeting last week

Mayor Pro Tem Wahl's report included:

- October 22 Snohomish County Tomorrow Steering Committee meeting
- October 23 Puget Sound Regional Council Operations Committee meeting
- October 23 Puget Sound Regional Council Executive Board meeting
- October 23 Council Finance Subcommittee meeting
- October 23 Council Work Session
- November 4 South Snohomish County Cities Mayors, Mayors Pro Tem, and Council Presidents meeting
- November 5 Snohomish County Tomorrow Executive Committee meeting
- November 6 City Manager meeting with the Mayor

Councilmember Woodard's report included:

- October 22 Water/Sewer Comprehensive Plan Public Forum
- October 23 Clothes for Kids breakfast fundraiser
- October 23 Council Finance Subcommittee meeting
- October 28 Branding Consultant meeting
- October 28 Chamber of Commerce meeting
- October 29 Cocoon House interview
- Appreciation for Best in Governance Award and to the City Manager
- City Manager Evaluation consultant meeting is tomorrow

10. New Business

- Councilmember Ryan recommended sending only a few council representatives to the AWC City Action Days in Olympia due to budget concerns. He also recommended sending only a few to the AWC summer session.
- Councilmember Sonmore agreed with sending a few representatives versus all attending.
- Mayor Matsumoto Wright commented that some cities require a Certificate of Municipal Leadership (CML) for Mayors and Mayors Pro Tem.
- Mayor Matsumoto Wright commented on the AWC Bothell Elected Officials Workshop and recommended attending.

11. Adjournment

Mayor Matsumoto Wright adjourned the meeting at 9:26 p.m.

These minutes are subject to approval at the next City Council meeting.



STAFF REPORT

To: Mountlake Terrace City Council

From: Matthew Gisle, Building Official

Meeting Date: November 20, 2025

Subject: Resolution Adopting Community and Economic Development Fee Schedule

Required Reviews:

Jennifer Joki	Created/Initiated - 11/13/2025
Matthew Gisle	Approved - 11/14/2025
Sirke Salminen	Approved - 11/14/2025
Hillary Evans	Approved - 11/14/2025
Jeff Niten	Final Approval - 11/14/2025

Council Goal(s):

Responsible Governance to Ensure Desired Level of Service

Legislative History:

The current development and permit fee schedules for Building/Fire and Civil/Land Use were adopted by resolution in Dec 2024 with the provisions to adjust the fee schedules annually based on the Seattle Consumer Price Index (CPI). Based on some minor amendments proposed, the fees are being brought back before the City Council for consideration.

This item was presented to the City Council at the November 13, 2025 work session.

Subject Summary:

Information from a periodic evaluation of fees provides an opportunity to fine tune and adjust fees as warranted. The objective is to meet, as close as possible, the 5 year cost recovery goal the City Council has adopted for the development services portion of the Community & Economic Development Department, provide greater equity in permit fees for primarily homeowners to assure the work meets health and safety standards, and to be in line with industry standards.

The current fee schedule uses three general approaches to determine the permit fee: published valuation tables, fixed cost fees and cost for service fees. These methods have worked fairly well, although only the published valuation tables consistently cover all costs.

1. Published valuation tables are used to determine building permit fees for new construction. The fee is based on the value of the work as determined by the local building valuation data published by the International Code Council. The valuation tables account for

different building types and construction materials used. The same valuation tables are used throughout the state (adjusted for local factors), which provides a consistent and predictable permit fee and creates equitability. These fees generally cover the cost of staff services.

2. Fixed cost fees have been used when the intent is to be of service to the community and encourage application for the permit, with no expectation of full cost recovery. Side sewer permits, fence, and special event permits are fixed cost permits regardless of the actual value of the work or the amount of staff time required to administer, review and inspect the work.

3. The third approach to cost for a permit fee is to reflect the actual cost of service. The permit fee consists of a non-refundable base fee and also, in some cases, a trust deposit (refunded if not expended). The base fee is intended to cover the average hours of staff time needed to process that type of permit. Processing includes administration of the permit from pre-submittal to close-out, plan check, inspections, revisions, communications, public notices, memos and other services related to the permit. Staff hours are tracked for each application. Additional hours in excess of the number included in the base fee are invoiced at the adopted hourly rate; any remainder of a deposit is refunded.

The intent of adopted fees is to cover the service costs for most types of approvals and permits, with some fees reduced for home owners/“mom-and-pop” development activities where it is deemed better to have oversight of activity than cost recovery. The intent in 2024 was to come back before the City Council with any changes to the fee schedule in 2025, as city staff continues to work on streamlining the permitting process some fees and the cost of administrative time can be modified accordingly.

Proposed changes to the fee schedules in 2026 are:

- Adjusting some fees to more accurately reflect actual staff time required to process such as a decrease in administrative time for some permits;
- Removing the fees that are no longer needed, allowing us to be consistent with recent State legislation.
- Add fees for over-the-counter minor remodel permits not going beyond drywall removal (framing changes and modifications not included);
- Adding a re-inspection fee to the residential rental housing inspections;
- Lowering commercial low-voltage permits to be 50% of line voltage permits;

These actions should allow development services to improve our 5-year cost recovery plan for services while taking into consideration the economic climate, complexity of individual activities, and fees charged by neighboring jurisdictions. It also continues to reflect the City Council’s interest in subsidizing the costs of some minor permits for do-it-yourself property owners.

These permit fees are adopted by the City Council by resolution. two fee schedules have been drafted (one for Building, Electrical, Fire and one for Land Use) in line with the recommended changes.

As in the past, the resolutions contain an adjustment clause authorizing the rates to be automatically changed, based on the CPI, in each of the following two years (2026 and 2027).

Financial/Budget Impacts:

Budget Amendment No
Required? _____

Budget and Sources:	N/A
Expenditure:	N/A
New Appropriation Required + Sources:	N/A

Additional Financial Information:

N/A

Community Notifications:

City Council Agenda

If "Other," please specify:

Board/Commission Recommendation:

N/A

Staff Recommendation:

Staff recommends the City Council vote to adopt the resolution adjusting Building and Land Use Development Fees based on the Seattle Consumer Price Index (CPI). This can be accomplished by adding it to the Consent Agenda for the November 20, 2025 council meeting..

Council Motion:

N/A

Attachments:

1. Building Electrical and Fire Fee Schedule 2026
2. Resolution Building Electrical Fire Fees for 2026 (Draft)
3. Land Use and Development Fee Schedule 2026
4. Resolution Land Use and Development Application Fees 2026 (Draft)

BUILDING, ELECTRICAL AND FIRE-RELATED PERMIT FEES
Effective January 1, 202~~6~~5

1. Adopting Building Permit Fees. All building permit fees consist of the following:

- a. Permit Fee is based on fair market project value determined by the applicable building valuation schedule.
- b. Plan Review Fee is 65% of the permit fee, except for expedited reviews (see Section 6 for Expedited Review) and except as otherwise provided under Section 5, in addition to any other fees required.
- c. Other permits related to building permit are subject to separate applications and fees (electrical, mechanical, plumbing, fire, backflow assemblies, shoring, retaining walls, etc.).
- d. New Construction - Valuation rates and fees are based on the International Code Council Building Valuation Data. New construction includes additions. For new mixed-use commercial shell space valuation, square foot construction cost valuations will be based on A-2 Assembly, restaurants, bars, banquet halls (25%), B Business (50%), and M Mercantile (25%).
- e. All Other Construction - Valuation is based on the valuation table below with value verified by the Building Official.
- f. The Building Official may, at their discretion, accept valuation from other sources.
- g. Washington State Building Code Council Surcharge Fee shall be assessed in the amount of \$6.50 for each residential building permit, plus an additional surcharge of \$2.00 for each residential unit after the first unit.
- h. For Commercial building permits, a \$25.00 fee is added for each building permit, plus an additional surcharge of \$2.00 for each residential unit after the first unit.

Regarding Building and Civil Permit Fee Refunds: MTMC 15.05.220

The Building Official may authorize the refunding of: (1) 100 percent of any fee erroneously paid or collected; (2) up to 75 percent of the permit fee paid when no work has been done under a permit issued in accordance with this code; and (3) up to 75 percent of the plan review fee paid when an application for a permit for which a plan review fee has been paid is withdrawn or canceled before any plan review is done. The Building Official shall not authorize refunding of any fee paid except on written application filed by the original permittee not later than 180 days after the date of fee payment. (Ord. 2453 § 1, 2007).

Administration, credit card processing, and technology fees are nonrefundable in all cases.

2025 Hourly Rate: \$200
Technology Fee: 5% of Total
Fees

Permit Fee Based on Valuation of New or Added Construction Value

Total Valuation	Fee Amount
\$1 to \$1,400	½-hour minimum
\$1,401.01 to \$2,000	½-hour minimum for the first \$1,400 plus \$4.25 for each additional \$100, or fraction thereof, up to and including \$2,000
\$2,000.01 to \$25,000	¾-hour minimum for the first \$2,000 plus \$17.50 for each additional \$1,000, or fraction thereof, up to and including \$25,000
\$25,000.01 to \$50,000	3 ¼-hour minimum for the first \$25,000 plus \$12.50 for each additional \$1,000, or fraction thereof, up to and including \$50,000
\$50,000.01 to \$100,000	5 ¼-hour minimum for the first \$50,000 plus \$9.25 for each additional \$1,000, or fraction thereof, up to and including \$100,000
\$100,000.01 to \$500,000	8 ½-hour minimum for the first \$100,000 plus \$7.25 for each additional \$1,000, or fraction thereof, up to and including \$500,000
\$500,000.01 to \$1,000,000	27 ¾-hour minimum for the first \$500,000 plus \$6.25 for each additional \$1,000, or fraction thereof, up to and including \$1,000,000
\$1,000,000.01 and greater	48 ½-hour minimum for the first \$1,000,000 plus \$5.25 for each additional \$1,000, or fraction thereof

2. Adopting Electrical, Mechanical and Plumbing Permit Fees (Single- Family Residential). Electrical, Mechanical and Plumbing Permit Fees (Residential and Commercial) are approved, adopted and established as follows:

Fixture Count Fee (Mechanical and Plumbing)

Unit Fee Schedule: For the installation, alteration, repair, addition, or relocation of mechanical and plumbing fixtures: \$200 (including 4 fixtures), \$12.00 per fixture over 4.

Electrical Permit Fees Remodel/Addition to Single Unit Dwelling – includes minor repair and replacement (2 inspections)	2.25 hour minimum
Remodel/Addition with Service Change/Panel Changes to Single Dwelling Unit – includes minor repair and replacement (3 inspections)	3.25 hour minimum
New Single Dwelling Unit (3 inspections)	3.25 hour minimum
Service Change/Panel Change/Temporary Service/Low Voltage (1 inspection)	1.25 hour minimum
Service Change with Added Circuit (2 inspections)	2.25 hour minimum
Add or Change a Circuits – <u>Up to 3 Circuits</u>	1.25 hour minimum
Inspections, additional	1 hour each

Non-Residential, Commercial and Multi-Family

All electrical, mechanical and plumbing permit fees consist of the following:

- a. Permit Fee is based on the project value determined by the applicable building valuation schedule.
- b. Plan Review Fee is 65% of permit fee, except for expedited reviews.
- c. All residential electrical, mechanical and plumbing permits are charged at a commercial rate.
- e.d. Plan review for commercial electrical low voltage not needed, except for industrial, hospitals, and schools.

Permit Fee Based on Valuation of Construction*

Total Valuation	Fee Amount
\$500 or less	1 hour minimum
\$500.01 to \$1000	1 hour minimum + 7.25% of total valuation excess over \$500
\$1000.01 to \$5000	1 ¼-hour minimum + 4.74% of total valuation excess over \$1000
\$5000.01 to \$10,000	2 ½-hour minimum + 2.23% of total valuation excess over \$5,000
\$10,000.01 to \$25,000	3 ½-hour minimum + 1.27% of total valuation excess over \$10,000
\$25,000.01 to \$50,000	4 ½-hour minimum + 0.83% of total valuation excess over \$25,000
\$50,000.01 and over	6 hour minimum + 0.60% of total valuation excess over \$50,000

***Low Voltage Permits are 50% cost of above fee schedule**

34. Adopting Investigation Fees. Investigation fees are approved, adopted and established as herein set forth. Whenever any work for which a permit is required by Chapter 15.05 MTMC has been commenced without first obtaining said permit, a special investigation can occur prior to permit issuance for such work. An investigation fee, in addition to the permit fee, may be collected whether or not

4. Costs Adopted for Outside Consultants and Applicant Requested Expedited

Review. Costs for use of outside consultants are approved, adopted and established as herein set forth. For use of outside consultants for plan checking, inspections or both, the cost shall be the actual cost to the City, in addition to the permit fees required by this resolution.

5. Adopting Other Types of Permits and Inspection Fees. Other inspections and fees are approved, adopted and established as herein set forth. All inspections and other services not explicitly mentioned, and which are provided by City staff, shall be charged at the current hourly rate, with the following minimum charges:

Certificate of Occupancy, Commercial	2 hours
Temporary Certificate of Occupancy, Commercial	\$3,000.00 \$1,500.00 for 180 day extension
Certificate of Occupancy, Residential (Included with Building Permit for New Construction)	N/A
<u>Minor Kitchen and/or Bathroom Remodels shall not include going beyond drywall removal (framing, changes, and modifications not permitted)</u>	<u>\$465 per space (max 3)</u>

Deferred Submittals	2 hour minimum
Expedited Plan Review (Fees are in Addition to Normal Permit Fees) - In-house - Consultant	4 hour min. + actual time 4 hour min. + City's actual cost for outside consultant
Fence, Residential - Fences under 6 feet in rear yard - Fences under 4 feet in front yard	N/A hour N/A N/A
Fence, Commercial and Multi-Family	3 hour minimum
Commercial Demolition, Single-Family Residential	3 hour minimum
Demolition, Garages, Sheds, etc.	2 hour minimum
<u>Demolition Interior - Residential</u>	<u>3 hour minimum</u>
<u>Demolition Interior - Commercial</u>	<u>6 hour minimum</u>
House Moving	3 hour minimum
Inspections, Additional	1 hour each
Inspections – For Which no Fee is Specifically Indicated	2 hour minimum
Inspection – Outside of Normal Business Hours	2 hour minimum
Re-inspection Fees	1 hour minimum
Residential Rental Unit Inspection - Single-family - Multi-family - Reinspections	\$62.50 \$62.50 + \$5.00 each unit \$100 each
Investigation Fees	See Investigation Fees, Section 4
Plan Review (Additional), Required by Changes, Additions or Revisions to Plans	2 hour minimum
<u>Site Plan Review for Modular Structures</u>	<u>2 hours minimum</u>
<u>Shed Permit (Less Than 200 Square Feet)</u>	<u>1 hour minimum</u>
Unusual, Phased or Permit not Individually Listed	2 hour minimum
Valuation Inspection Fee	2 hour minimum
Work Without a Permit	Investigation Fee + Permit fee
Reinstatement Fees (Commercial)	4 hours or ½ the permit price (the lesser of the two)
Reinstatement Fees (Residential)	2 hours or ½ the permit price (the lesser of the two)
Covering or concealing installations prior to inspection	First offense: \$250.00 Second offense: \$1,000.00 Each offense thereafter: \$2,000.00
Failure to make corrections within fifteen days of notification by the Electrical Inspector	First offense: \$250.00 Second offense: \$1,000.00

<i>Exception:</i> <i>Where an extension has been requested and granted, this penalty applies to corrections not completed within the extended time period.</i>	Each offense thereafter: \$2,000.00
Failure to get an inspection within 5 days of completion or to obtain a permit <i>Exception:</i> <i>In cases of emergency repairs, for owners, to existing systems, this penalty will not be charged if the permit is obtained and posted no later than the business day following beginning work on the emergency repair.</i>	First offense: \$250.00 Second offense: \$1,000.00 Each offense thereafter: \$2,000.00

6. Adopting Fire Code and Fire Protection System Permit Fees. Fire Code Permit Fees and Fire Protection System Fees are approved, adopted, and established herein set forth. Permit fee is based on the hourly rate of \$185.00 and includes one inspection.

Plan Review - Not Associated with a Building Permit - Associated with a Building Permit - Other	1 hour minimum 25% of the building permit fee 1 hour minimum
Inspection Fee - Inspection - Reinspection – Work concealed without inspection or work not ready at the time of inspection will be charged a reinspection fee - Inspection, Overtime-Weekday Call Back - Inspection, Overtime-Weekend/Holiday	1 hour minimum 1 st Reinspection: \$185 2 nd Reinspection: \$185 3 rd Reinspection +: \$385 2 hour minimum 4 hour minimum
Permit Fees - Alternative Automatic Fire Extinguishing Systems - Fire Alarm System 5 or less devices, communicator (Flat Fee) - Fire Alarm System, New and Greater than 25 devices, (Flat Fee) - Fire Alarm System, Each Additional Device Over 25 - Fire Sprinkler Systems, NFPA 13-D (One/Two Family and Townhomes) - Fire Sprinkler Systems, NFPA 13 or 13R, Tenant Improvements 5 or Less Heads (Flat Fee) - Fire Sprinkler Systems, New and Greater than 6 Head	\$536 \$298 \$991 \$8 \$214 \$298 \$905

Modifications to Permit Fees • Sprinkler Head (per unit) • Standpipe (per unit) • Fire Pump (per unit) • Underground Storage Tank Decommissioning, Commercial • Underground Storage Tank Decommissioning, Residential (per tank) • Operational Permits	\$8 \$536 \$571 \$536 \$238 \$370
Service and Other Charges • Appeal, Hearing Examiner (Deposit) • Preventable Alarms, After 3 Alarms Within 180 Days	\$1,500 \$1,000

CITY OF MOUNTLAKE TERRACE**RESOLUTION NO. XXX**

**A RESOLUTION OF THE CITY OF MOUNTLAKE TERRACE
ESTABLISHING FEES FOR PERMITS, PLAN CHECKS, INSPECTIONS
AND OTHER RELATED FEES FOR BUILDING, ELECTRICAL,
PLUMBING, MECHANICAL, AND FIRE PROTECTION; AND
REPEALING RESOLUTION NO. 910**

WHEREAS, the City has determined to set forth a schedule of fees to cover the costs of development services, including building construction and fire protection permits; and

WHEREAS, Chapter 3.150 MTMC authorizes fee schedules to be adopted by resolution; and

WHEREAS, pursuant to MTMC 3.150.090, changes to the fee schedule will be considered upon completion of a cost-of-service study every three years, and annual adjustments will be made to reflect the Seattle Area Consumer Price Index (CPI); and

WHEREAS, the City studied the cost of development services and the City Council considered new fee schedules at a work session on, November 13, 2025, and held a duly noticed public hearing on November 13, 2025 and then held a second duly noticed public hearing on November 20, 2025; and

WHEREAS, the City Council believes it is in the best interest of the City to adopt the proposed fees;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MOUNTLAKE TERRACE, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1. Adopting Building Permit Fees. All building permit fees consist of the following:

- a. Permit Fee is based on fair market project value determined by the applicable building valuation schedule.
- b. Plan Review Fee is 65% of the permit fee, except for expedited reviews (see Section 6 for Expedited Review) and except as otherwise provided under Section 5, in addition to any other fees required.
- c. Other permits related to building permit are subject to separate applications and fees (electrical, mechanical, plumbing, fire, backflow assemblies, shoring, retaining walls, etc.).
- d. New Construction - Valuation rates and fees are based on the International Code Council Building Valuation Data. New construction includes additions. For new mixed-use commercial shell space valuation, square foot construction cost valuations will be based on A-2 Assembly, restaurants, bars, banquet halls (25%), B Business (50%), and M Mercantile (25%).
- e. All Other Construction - Valuation is based on the valuation table below with value verified

by the Building Official.

- f. The Building Official may, at their discretion, accept valuation from other sources.
- g. Washington State Building Code Council Surcharge Fee shall be assessed in the amount of \$6.50 for each residential building permit, plus an additional surcharge of \$2.00 for each residential unit after the first unit.
- h. For Commercial building permits, a \$25.00 fee is added for each building permit, plus an additional surcharge of \$2.00 for each residential unit after the first unit.

2026 Hourly Rate: \$200
Technology Fee: 5% of Total Fees

Permit Fee Based on Valuation of New or Added Construction Value

Total Valuation	Fee Amount
\$1 to \$1,400	½-hour minimum
\$1,401.01 to \$2,000	½-hour minimum for the first \$1,400 plus \$4.25 for each additional \$100, or fraction thereof, up to and including \$2,000
\$2,000.01 to \$25,000	¾-hour minimum for the first \$2,000 plus \$17.50 for each additional \$1,000, or fraction thereof, up to and including \$25,000
\$25,000.01 to \$50,000	3 ¼-hour minimum for the first \$25,000 plus \$12.50 for each additional \$1,000, or fraction thereof, up to and including \$50,000
\$50,000.01 to \$100,000	5 ¼-hour minimum for the first \$50,000 plus \$9.25 for each additional \$1,000, or fraction thereof, up to and including \$100,000
\$100,000.01 to \$500,000	8 ½-hour minimum for the first \$100,000 plus \$7.25 for each additional \$1,000, or fraction thereof, up to and including \$500,000
\$500,000.01 to \$1,000,000	27 ¾-hour minimum for the first \$500,000 plus \$6.25 for each additional \$1,000, or fraction thereof, up to and including \$1,000,000
\$1,000,000.01 and greater	48 ½-hour minimum for the first \$1,000,000 plus \$5.25 for each additional \$1,000, or fraction thereof

Administration, credit card processing, and technology fees are nonrefundable in all cases.

Section 2. Adopting Electrical, Mechanical and Plumbing Permit Fees (Single- Family Residential). Electrical, Mechanical and Plumbing Permit Fees (Residential and Commercial) are approved, adopted and established as follows:

A. Fixture Count Fees for Mechanical and Plumbing:

Fixture Count Fee (Mechanical and Plumbing)

Unit Fee Schedule: For the installation, alteration, repair, addition, or relocation of mechanical and plumbing fixtures: \$200 (including 4 fixtures), \$12.00 per fixture over 4.

B: Residential Electrical:

Electrical Permit Fees Remodel/Addition to Single Unit Dwelling –	2.25 hour minimum
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includes minor repair and replacement (2 inspections)	
Remodel/Addition with Service Change/Panel Changes to Single Dwelling Unit – includes minor repair and replacement (3 inspections)	3.25 hour minimum
New Single Dwelling Unit (3 inspections)	3.25 hour minimum
Service Change/Panel Change/Temporary Service/Low Voltage (1 inspection)	1.25 hour minimum
Service Change with Added Circuit (2 inspections)	2.25 hour minimum
Add or Change a Circuits – Up to 3 Circuits	1.25 hour minimum
Inspections, additional	1 hour each

C. Non-Residential, Commercial and Multi-Family:

Non-Residential, Commercial and Multi-Family

All electrical, mechanical and plumbing permit fees consist of the following:

- Permit Fee is based on the project value determined by the applicable building valuation schedule.
- Plan Review Fee is 65% of permit fee, except for expedited reviews.
- All residential electrical, mechanical and plumbing permits are charged at a commercial rate.
- Plan review for commercial electrical low voltage not needed, except for industrial, hospitals, and schools.

D. Cost of Permit Fee Valuation Table:

Permit Fee Based on Valuation of Construction*

Total Valuation	Fee Amount
\$500 or less	1 hour minimum
\$500.01 to \$1000	1 hour minimum + 7.25% of total valuation excess over \$500
\$1000.01 to \$5000	1 ¼-hour minimum + 4.74% of total valuation excess over \$1000
\$5000.01 to \$10,000	2 ⅓-hour minimum + 2.23% of total valuation excess over \$5,000
\$10,000.01 to \$25,000	3 ⅓-hour minimum + 1.27% of total valuation excess over \$10,000
\$25,000.01 to \$50,000	4 ½-hour minimum + 0.83% of total valuation excess over \$25,000
\$50,000.01 and over	6 hour minimum + 0.60% of total valuation excess over \$50,000

*Low Voltage Permits are 50% cost of above fee schedule

Section 3. Adopting Investigation Fees. Investigation fees are approved, adopted and established as herein set forth. Whenever any work for which a permit is required by Chapter 15.05 MTMC has been commenced without first obtaining said permit, a special investigation can occur prior to permit issuance for such work. An investigation fee, in addition to the permit fee, may be collected whether or not

Section 4. Costs Adopted for Outside Consultants and Applicant Requested Expedited Review. Costs for use of outside consultants are approved, adopted and established as herein set forth. For use of outside consultants for plan checking, inspections or both, the cost shall be the actual cost to the City, in addition to the permit fees required by this resolution.

Section 5. Adopting Other Types of Permits and Inspection Fees. Other inspections and fees are approved, adopted and established as herein set forth. All inspections and other services not explicitly mentioned, and which are provided by City staff, shall be charged at the current hourly rate, with the following minimum charges:

Certificate of Occupancy, Commercial	2 hours
Temporary Certificate of Occupancy, Commercial	\$3,000.00 \$1,500 for 180 day extension
Certificate of Occupancy, Residential (Included with Building Permit for New Construction)	N/A
Minor Kitchen and/or Bathroom , Remodels shall not include going beyond drywall/insulation (framing, changes, and modifications not permitted)	\$465 per space (max 3)
Deferred Submittals	2 hour minimum
Expedited Plan Review (Fees are in Addition to Normal Permit Fees) - In-house - Consultant	4 hour min. + actual time 4 hour min. + City's actual cost for outside consultant
Fence, Residential - Fences under 6 feet in rear yard - Fences under 4 feet in front yard	N/A N/A N/A
Fence, Commercial and Multi-Family	3 hour minimum
Commercial Demolition, Single-Family Residential	3 hour minimum
Demolition, Garages, Sheds, etc.	2 hour minimum
Demolition Interior - Residential	3 hour minimum
Demolition Interior - Commercial	6 hour minimum
House Moving	3 hour minimum
Inspections, Additional	1 hour each
Inspections – For Which no Fee is Specifically Indicated	2 hour minimum
Inspection – Outside of Normal Business Hours	2 hour minimum
Re-inspection Fees	1 hour minimum
Residential Rental Unit Inspection - Single-family - Multi-family - Reinspections	\$62.50 \$62.50 + \$5.00 each unit \$100 each
Investigation Fees	See Investigation Fees, Section 4
Plan Review (Additional), Required by Changes, Additions or Revisions to Plans	2 hour minimum
Site Plan Review for Modular Structures	2 hours minimum
Unusual, Phased or Permit not Individually Listed	2 hour minimum

Valuation Inspection Fee	2 hour minimum
Work Without a Permit	Investigation Fee + Permit fee
Reinstatement Fees (Commercial)	4 hours or ½ the permit price (the lesser of the two)
Reinstatement Fees (Residential)	2 hours or ½ the permit price (the lesser of the two)
Covering or concealing installations prior to inspection	First offense: \$250.00 Second offense: \$1,000.00 Each offense thereafter: \$2,000.00
Failure to make corrections within fifteen days of notification by the Electrical Inspector <i>Exception:</i> <i>Where an extension has been requested and granted, this penalty applies to corrections not completed within the extended time period.</i>	First offense: \$250.00 Second offense: \$1,000.00 Each offense thereafter: \$2,000.00
Failure to get an inspection within 5 days of completion or to obtain a permit <i>Exception:</i> <i>In cases of emergency repairs, for owners, to existing systems, this penalty will not be charged if the permit is obtained and posted no later than the business day following beginning work on the emergency repair.</i>	First offense: \$250.00 Second offense: \$1,000.00 Each offense thereafter: \$2,000.00

Section 6. Adopting Fire Code and Fire Protection System Permit Fees. Fire Code Permit Fees and Fire Protection System Fees are approved, adopted, and established herein set forth. Permit fee is based on the hourly rate of \$185.00 and includes one inspection.

Plan Review - Not Associated with a Building Permit - Associated with a Building Permit - Other	1 hour minimum 25% of the building permit fee 1 hour minimum
Inspection Fee - Inspection - Reinspection – Work concealed without inspection or work not ready at the time of inspection will be charged a reinspection fee - Inspection, Overtime-Weekday Call Back - Inspection, Overtime-Weekend/Holiday	1 hour minimum 1 st Reinspection: \$185 2 nd Reinspection: \$185 3 rd Reinspection +: \$385 2 hour minimum 4 hour minimum
Permit Fees - Alternative Automatic Fire Extinguishing Systems - Fire Alarm System 5 or less devices,	\$536 \$298

communicator (Flat Fee • Fire Alarm System, New and Greater than 25 devices, (Flat Fee) • Fire Alarm System, Each Additional Device Over 25 • Fire Sprinkler Systems, NFPA 13-D (One/Two Family and Townhomes) • Fire Sprinkler Systems, NFPA 13 or 13R, Tenant Improvements • 5 or Less Heads (Flat Fee) Fire Sprinkler Systems, New and Greater than 6 Head	\$991 \$8 \$214 \$298 \$905
Modifications to Permit Fees • Sprinkler Head (per unit) • Standpipe (per unit) • Fire Pump (per unit) • Underground Storage Tank Decommissioning, Commercial • Underground Storage Tank Decommissioning, Residential (per tank) • Operational Permits	\$8 \$536 \$571 \$536 \$238 \$370
Service and Other Charges • Appeal, Hearing Examiner (Deposit) • Preventable Alarms, After 3 Alarms Within 180 Days	\$1,500 \$1,000

Section 7. Hourly Rate. Effective January 1, 2026, the hourly rate on the fee schedule shall remain at \$200.

Section 8. Fees – Nonrefundable - Exception. All fees shall be non-refundable, except as allowed by the Building Official pursuant to refunding provisions of the City’s adopted building code.

Section 9. Repealer – Resolution. Resolution No. 910 of the City of Mountlake Terrace is hereby repealed effective Midnight, January 1, 2026

Section 10. Effective Date. The fee schedules herein shall take effect and be in force on and after Midnight, January 1, 2026, and shall remain in effect until amended, revised or repealed and replaced by a subsequent fee schedule(s).

PASSED by the City Council on November 20, 2025

SIGNED in authentication of its passage on XXXX XX, 2025

EFFECTIVE date January 1, 2026

AUTHENTICATION:

Kyoko Matsumoto Wright, Mayor

ATTEST:

Jennifer Joki, City Clerk

APPROVED AS TO FORM:

Hillary J. Evans, City Attorney

LAND USE AND DEVELOPMENT FEES

Effective January 1, 202~~6~~⁵

Land Use and Development Application Fees and Deposits

All application fees identified herein are minimums, based on the hourly rate in effect at the time of service.

Trust deposits, when applicable, are in addition to the application fee and payable at time of submission. Additional deposits may be required when the trust funds have been expended. Additional deposits are based on the City's estimate of the number of hours anticipated will be necessary to complete processing the application and must be submitted upon request by the City.

Fees – Nonrefundable – Exception. The minimum application fee is non-refundable, except when the Community and Economic Development Department Director ("Director") approves a refund under the following circumstances:

- a. The City receives a written request to withdraw the application with a request for a refund. The request must state the reasons for withdrawing the application.
- b. No more than 28 days have elapsed since the application was submitted and no determination of complete application has been made.
- c. The Director has determined that substantive staff review of the application has not begun.

The refunded amount is left to the Directors' discretion, but the maximum refund amount shall not exceed 80% of the application fee.

Note: Any administration, credit card processing, and technology fees are nonrefundable in all cases.

2025 Hourly Rate: \$200
Technology Fee: 5% of Total Fees

Land Use and Development Fees

Land Use and Development Type	Application Fee (Minimum)	Deposit	Total Due at Application
Accessory Dwelling Unit	10 hours	5 hours	15 hours
Annexation Petition	40 hours <u>Plus recording fees</u>	10 hours	50 hours
Appeal			
• A code interpretation	4 hours	100%	8 hours
• An Administrative Decision	10 hours, plus Hearing Examiner fees	100%	20 hours
• Hearing Examiner	20 hours (SEPA), plus separately billed Hearing Examiner fees	100%	40 hours
• SEPA Determination	10 hours	100%	20 hours
Comprehensive Plan Amendment			
• Text or Map Amendment (Excluding SEPA Review)	60 hours	50%	90 hours
Conditional Use			
• Accessory to primary use (no land use application)	20 hours	50%	30 hours
• Primary (associated with a land use application)	60 hours, plus Hearing Examiner fees	50%	90 hours
• Essential Public Facility	60 hours, plus Hearing Examiner fees	50%	90 hours
Environmental Review (SEPA)			
• DNS	510 hours	100%	1020 hours
• <u>DNS with Planned Action</u>	<u>10 hours</u>	<u>100%</u>	<u>20 hours</u>
• MDNS	20 hours	50%	30 hours
• EIS	40 hours	100%	80 hours
• Planned Action Ordinance:			
○ With Concurrent Site Plan	10 hours (w/o land use)	100%	20 hours
○ Without Concurrent Site Plan	30 hours, plus Hearing Examiner fees (w/o land use)	50%	45 hours
○ SEPA Appeal (see Appeal)	20 hours	100%	40 hours

Critical Areas			
• Critical Area preliminary assessment	4 hours	N/A	4 hours
• Critical Area Report	10 hours	100%	20 hours
• Reasonable Use Exception	20 hours	N/A	20 hours
• Restoration Plan	4 hours	N/A	4 hours
• Tree Evaluation Report	2 hours	N/A	2 hours
• Emergency Work (environmental)	2 hours	N/A	2 hours
• Variance	20 hours	N/A	20 hours
Home Occupation			
• Administrative	35 hours	100%	640 hours
• Conditional Use	25 hours, plus actual cost of Hearing Examiner	N/A	25 hours
Lot Line or Boundary Line Adjustment, or Lot Consolidation			
• Lot Consolidation by Same Owner in Single-Family Residential District, without a land use application	5 hours	100%	10 hours
• All Other	10 hours	100%	20 hours
Planned Unit Development (PUD)			
• Preliminary	60 hours	50%	90 hours
• Final (Includes Rezone)	30 hours	50%	45 hours
Pre-Application Conference			
• Minor	5 hours	N/A	5 hours
• Major (50% of fees can go to permit application for major pre-apps)	10 hours	N/A	10 hours
Shoreline Substantial Development Permit			
• Major	30 hours	N/A	30 hours
• Minor	15 hours	N/A	15 hours
• Letter of Exemption	3 hours	N/A	3 hours
Signs			
• On-Site (Wall, Freestanding or Monument type)	Building fee schedule applies	N/A	N/A
• Directional Sign	Building fee schedule applies	100%	20 hours
• Memorial Sign	4-hours, plus any additional cost to City to purchase and install	N/A	4 hours
• Temporary Signs (Grand Opening, New Business, or Special Event)	\$30 each per event, \$60 maximum Per Resolution No. 613	N/A	TBD
• Comprehensive Sign Design Plan	30 hours	50%	45 hours

Site Development Plan • Administrative Decision • Hearing Examiner Decision • Major Amendment • Minor Amendment/Minor Site Plan Amendment	60 hours	100%	120 hours
	60 hours, plus Hearing Examiner fees	100%	120 hours
	60 hours	100%	120 hours
	10 hours	N/A	10 hours
Special Event (Chapter 10.20 MTMC)	See Special Event Fee Schedule	N/A	N/A
Street Vacation	60 hours <u>Plus recording fees</u>	50%	90 hours
Subdivision • Preliminary (Plat, Fee Simple, Binding Site Plan) • Final (Plat, Fee Simple, Binding Site Plan) • Plat amendment/alteration/vacation • Short Plat: ○ Up to 9 lots preliminary ○ Final	60 hours	50%	90 hours
	30 hours	<u>N/A</u>	30 hours
	45 hours	50%	67.5 hours
	45 hours	50%	67.5 hour
	15 hours	N/A	15 hours
Tax Exemption - Multifamily	\$2,500 plus recording fees	N/A	\$2,500
Telecommunications (Wireless Communication) Facilities • Antenna Co-Location, Administrative • Monopole, Pole Replacement, or not Administrative • When a Franchise Agreement is Required	20 hours	100%	40 hours
	30 hours, plus Hearing Examiner fees	100%	60 hours
	See Resolution No. 647, as amended; contact the Administrative Department	\$5,000	TBD

Temporary Use			
• Accessory	1 hour (unless Special Event or otherwise exempt)	N/A	2 hours
• Temporary Shelter Encampment	10 hours	100%	20 hours
Time Extensions (To an Approved Land Use)	4 hours, per application or approval	N/A	4 hours
Tree Removal Fee in Lieu	\$781 per tree	N/A	N/A
Variance			
• Single Unit Dwelling-Family	20 hours	N/A	20 hours
• Commercial and Multi- Household Dwelling Unit-Family (f	30 hours, plus Hearing Examiner fees	100%	60 hours
• Reasonable Use Exception	See critical areas		
Verification Requests	4 hours	N/A	4 hours
Zoning Amendment			
• Text or Map (Rezone)	60 hours	50%	90 hours
Tree retention (outside of critical area)			
• Heritage tree designating a new tree	1 hours, plus arborists fees (if provided through the city)	N/A	1 hour
• Removing a Designation	2 hours	N/A	2 hours
• Tree inventory plan	4 hours	N/A	4 hours

Outside Consultants or Expedited Review. Fees for the use of outside consultants shall be the actual cost to the City in addition to the application fees and administration fee of 4 hours.

Adopting Costs for Outside Consultants and Applicant Requested Expedited Review.

Costs for use of outside consultants are approved, adopted and established as herein set forth. For use of outside consultants for plan checking, inspections or both, the cost shall be the actual cost to the City, in addition to the permit fees required by this resolution.

CITY OF MOUNTLAKE TERRACE

RESOLUTION NO. XXX

**A RESOLUTION OF THE CITY OF MOUNTLAKE TERRACE ESTABLISHING FEES
AND DEPOSITS APPLICABLE TO LAND USE AND DEVELOPMENT
APPLICATIONS, AND REPEALING RESOLUTION NO. 912**

WHEREAS, the City has determined to set forth a schedule of fees to cover the costs of development services, including engineering construction and land use and development fees; and

WHEREAS, Chapter 3.150 MTMC authorizes fee schedules to be adopted by resolution; and

WHEREAS, pursuant to MTMC 3.150.090, changes to the fee schedule will be considered upon completion of a cost-of-service study every three years, and annual adjustments will be made to reflect the Seattle Area Consumer Price Index (CPI); and

WHEREAS, the City studied the cost of development services and the City Council considered new fee schedules at a work session on November 13, 2025 and a duly noticed public hearing on November 20, 2025; and

WHEREAS, the City Council believes it is in the best interest of the City to adopt the proposed fees;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MOUNTLAKE TERRACE, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1. Land Use and Development Application Fees and Deposits.

All application fees identified herein are minimums, based on the hourly rate in effect at the time of service.

Trust deposits, when applicable, are in addition to the application fee and payable at time of submission. Additional deposits may be required when the trust funds have been expended. Additional deposits are based on the City's estimate of the number of hours anticipated will be necessary to complete processing the application and must be submitted upon request by the City.

Section 2. Fees – Nonrefundable – Exception. The minimum application fee is non-refundable, except when the Community and Economic Development Department Director (“Director”) approves a refund under the following circumstances:

- a. The City receives a written request to withdraw the application with a request for a refund. The request must state the reasons for withdrawing the application.
- b. No more than 28 days have elapsed since the application was submitted and no determination of complete application has been made.
- c. The Director has determined that substantive staff review of the application has not begun.

The refunded amount is left to the Directors' discretion, but the maximum refund amount shall not exceed 80% of the application fee.

Note: Any administration, credit card processing, and technology fees are nonrefundable in all cases.

Hourly Rate: \$200**Technology Fee: 5% of Total Fees****Land Use and Development Fees**

Land Use and Development Type	Application Fee (Minimum)	Deposit	Total Due at Application
Annexation Petition	40 hours Plus recording fees	10 hours	50 hours
Appeal			
• A code interpretation	4 hours	100%	8 hours
• An Administrative Decision	10 hours, plus Hearing Examiner fees	100%	20 hours
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• Administrative	3 hours	100%	6 hours
• Conditional Use	25 hours, plus actual cost of Hearing Examiner	N/A	25 hours
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• Lot Consolidation by Same Owner in Residential District, without a land use application	5 hours	100%	10 hours
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Street Vacation		60 hours Plus recording fees	50%	90 hours
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	• Short Plat:			
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• When a Franchise Agreement is Required		See Resolution No. 647, as amended; contact the Administrative Department	\$5,000	TBD

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Section 4. Hourly Rate. Effective January 1, 2026, the hourly rate on the fee schedule shall remain at \$200.

Section 5. Repealer – Resolution. Resolution No. 912 of the City of Mountlake Terrace is hereby repealed effective Midnight, January 1, 2026

Section 6. Effective Date. The fee schedules herein shall take effect and be in force on and after Midnight, January 1, 2026, and shall remain in effect until amended, revised or repealed and replaced by a subsequent fee schedule(s).

PASSED by the City Council on November 20, 2025

SIGNED in authentication of its passage on XXXX XX, 2025

EFFECTIVE date January 1, 2026

AUTHENTICATION:

Kyoko Matsumoto Wright, Mayor

ATTEST:

Jennifer Joki, City Clerk

APPROVED AS TO FORM:

Hillary J. Evans, City Attorney



STAFF REPORT

To: Mountlake Terrace City Council
From: Jeff Betz, Parks and Recreation Director
Meeting Date: November 20, 2025
Subject: Resolution Adopting Recreation Fee Schedule

Required Reviews:

Jennifer Joki	Created/Initiated - 11/13/2025
Jeff Betz	Approved - 11/13/2025
Sirke Salminen	Approved - 11/14/2025
Hillary Evans	Approved - 11/14/2025
Carolyn Hope	New -

Council Goal(s):

Growing our Vibrant Community
Responsible Governance to Ensure Desired Level of Service

Legislative History:

This item is brought back annually in October or November to review the five-year fee schedule. Last year as part of the budget process it was reviewed on October 24 and approved on December 19.

This item was presented to the City Council at the November 13, 2025 work session.

Subject Summary:

In 2000, the City Council adopted an ordinance that enables Recreation and Parks fees to be set by resolution in a five-year schedule. Each year, an analysis is conducted to ensure the following year's fees are in alignment with current market conditions and reflective of the city's financial goals and policies. This annual fee review process also takes into consideration current economic conditions, program demand, costs and competition along with anticipating potential impacts associated with fee adjustments.

Recreation and Parks fee revenue in the 2025-2026 Biennial Budget is based, in part, upon these anticipated program fee adjustments to be in alignment with the Council's goals (Growing our Vibrant Community and Responsible Governance to Ensure Desired Level of Service). Additionally, this fee schedule is in compliance with city financial policies, which requires a robust cost recovery strategy for the recreation fund.

The recommended adjustments to the Recreation and Parks Fee Schedule were reviewed by the Recreation and Park Advisory Commission (RPAC) at their regular meeting on Tuesday, October 14, 2025. RPAC concurred with the proposed fee adjustments and recommended the City Council consider adopting a resolution establishing Recreation and Parks fees for 2026-2030.

As a result of this review process, some program fees are identified to remain at the current scheduled 2025 fee. Additionally, some fees that were not scheduled to change are recommended to increase based on market comparisons and additional factors. An additional exercise for this comparison was conducted as well to show the relative difference with a 20% non-resident cost difference instead of the standard 10%. This is shown in the presentation in more detail. Staff are not recommending that we make a change to the resident/non-resident cost difference at this time as it is shown to put us out of the market in various programs.

Financial/Budget Impacts:

Budget Amendment No
Required? _____

Budget and Sources:	Recreation Fund
Expenditure:	N/A
New Appropriation Required + Sources:	N/A

Additional Financial Information:

N/A

Community Notifications:

City Council Agenda
Board/Commission Meeting
If "Other," please specify:

Board/Commission Recommendation:

Recreation and Park Advisory Commission recommended approval of the fee schedule as presented at its October 14, 2025 meeting.

Staff Recommendation:

Staff recommends the City Council vote to adopt the resolution setting Recreation and Park Fees for 2026-2030. This can be accomplished by adding it to the Consent Agenda on November 20, 2025.

Council Motion:

N/A

Attachments:

1. Recreation Fees Presentation
2. Recreation Fee Schedule Exhibit A DRAFT
3. Recreation Fees Resolution DRAFT



CITY OF
**MOUNTLAKE
TERRACE**



Recreation & Parks Fee Schedule 2026-2030

City Council Work Session

November 13, 2025

PURPOSE

- Review Five-year Recreation Program Fee schedule (2026-2030) set by resolution
- Proposed Adjustments to the Five-year Fee Schedule reviewed annually



AGENDA

- Background
- Fee Schedule
- Fee Comparisons
- Program Outlook
- Timeline for Approval
- Discussion & Questions
- Recommendation



BACKGROUND

Review and Approval Process

- Analysis of Fees
 - Demand
 - Cost per unit
 - Comparisons
 - Economy
 - Competition
- Set Fees to Achieve Financial Goals
- Maintain Customer Base AND Attract new Customers
- Analyze Resident Discount Rate



BACKGROUND

Review and Approval Process

- Council Goals
 - Growing our Vibrant Community
 - Responsible Governance to Ensure Desired Level of Service
 - An Informed and Engaged Community
- City Financial Policies
 - Cost Recovery of Recreation Fund



FEE SCHEDULE

AQUATICS	2025 Approved		2026 Approved		2026 Proposed Changes	
	RES	N-RES	RES	N-RES	RES	N-RES
Swim, Cardio, Therapy, Sauna - drop in						
Adult	\$7.25	\$8.00	\$7.25	\$8.00		
Senior/Disabled	\$6.00	\$6.75	\$6.00	\$6.75		
Youth	\$6.00	\$6.75	\$6.00	\$6.75		
Infants under 1 year			\$0.00	\$0.00		
Family	\$18.50	\$20.50	\$18.50	\$20.50		
Shower	\$3.25	\$3.75	\$3.25	\$3.75		
Leisure Pool only	\$5.75	\$6.25	\$5.75	\$6.25		
Punch Cards						
Adult	\$72.50	\$80.00	\$72.50	\$80.00		
Senior/Disabled	\$60.00	\$67.50	\$60.00	\$67.50		
Youth	\$60.00	\$67.50	\$60.00	\$67.50		
Leisure Pool Pass	\$57.50	\$62.50	\$57.50	\$62.50		
Monthly Pass - All drop in use						
Adult	\$87.00	\$96.00	\$87.00	\$96.00		
Senior/Disabled	\$70.00	\$77.00	\$70.00	\$77.00		
Youth	\$70.00	\$77.00	\$70.00	\$77.00		

FEE SCHEDULE

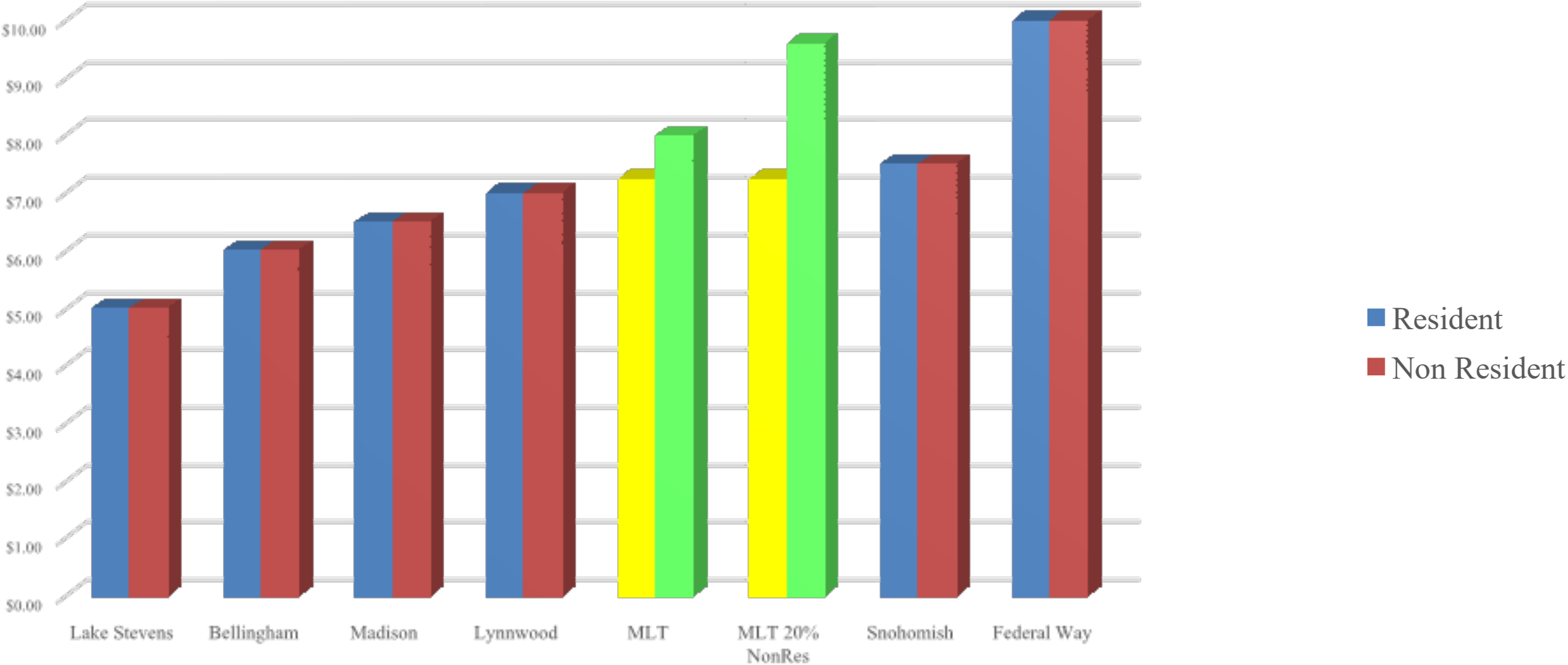
AQUATICS	2025 Approved		2026 Approved		2026 Proposed Changes	
	RES	N-RES	RES	N-RES	RES	N-RES
Annual Pass						
Adult	\$708	\$778	\$708	\$778		
Senior/Disabled	\$510	\$561	\$510	\$561		
Youth	\$510	\$561	\$510	\$561		
Aquatic Instruction						
Swim Lessons - Class (30 Min)	\$8.85	\$9.70	\$8.85	\$9.70		
Specialty - Class (45-min)	\$10.00	\$11.00	\$10.00	\$11.00		
Specialty - Class (60-min)	\$11.25	\$12.35	\$11.25	\$12.35		
Adaptive Swim lessons (30 min)	\$17.25	\$18.95	\$17.25	\$18.95		
Playtime Passport (per lesson)	\$1.25	\$1.35	\$1.25	\$1.35		
Swim Team (45 min practice)	\$7.80	\$8.60	\$7.80	\$8.60		
Swim Team Elite (60 min. practice)	\$8.70	\$9.60	\$8.70	\$9.60		
Adult Fitness (60 min) Class	\$9.30	\$10.25	\$9.30	\$10.25		
Senior/Disabled Fitness Class	\$7.25	\$7.95	\$7.25	\$7.95		
American Red Cross Courses (per hour)						
Lifeguard, CPR/AED, First Aid Training	\$11.25	\$12.35	\$11.25	\$12.35		
Junior Lifeguarding -	\$7.55	\$8.35	\$7.55	\$8.35		
Instructor Courses (LGI or WSI)	\$12.75	\$14.00	\$12.75	\$14.00		

FEE SCHEDULE

POOL RENTALS (per hour)	2025 Approved		2026 Approved		2026 Proposed Changes	
	RES	N-RES	RES	N-RES	RES	N-RES
Full Pool						
1-50 Participants	\$250	\$265	\$250	\$265		
51-120 Participants	\$275	\$290	\$275	\$290		
121-200 Participants	\$300	\$310	\$300	\$310		
Half Pool						
1-25 Participants	\$155	\$165	\$155	\$165		
26-50 Participants	\$170	\$180	\$170	\$180		
Lazy River Rental	\$42	\$46	\$42	\$46		
Rental per hour per lane/area	\$42	\$46	\$42	\$46		
After Hours Lifeguard Staff cost	\$35	\$40	\$35	\$40		

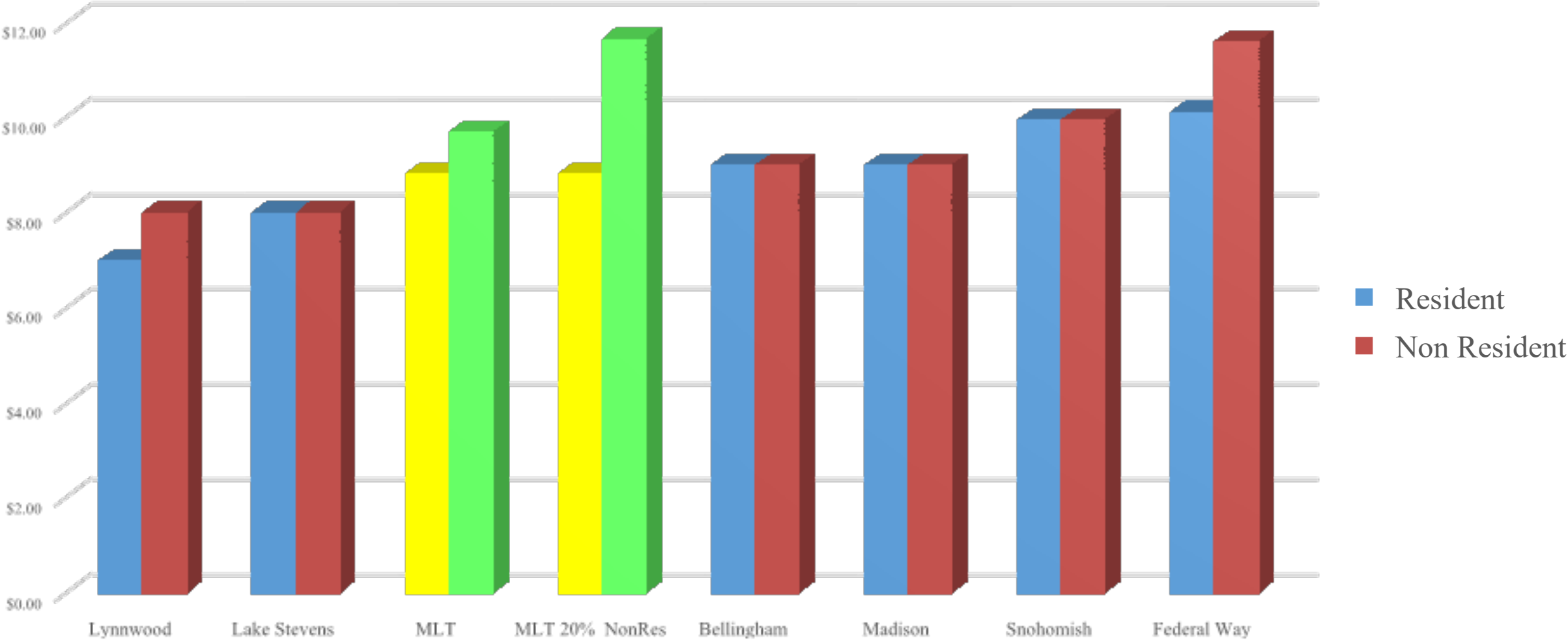
FEE COMPARISON

Public Swim Drop In



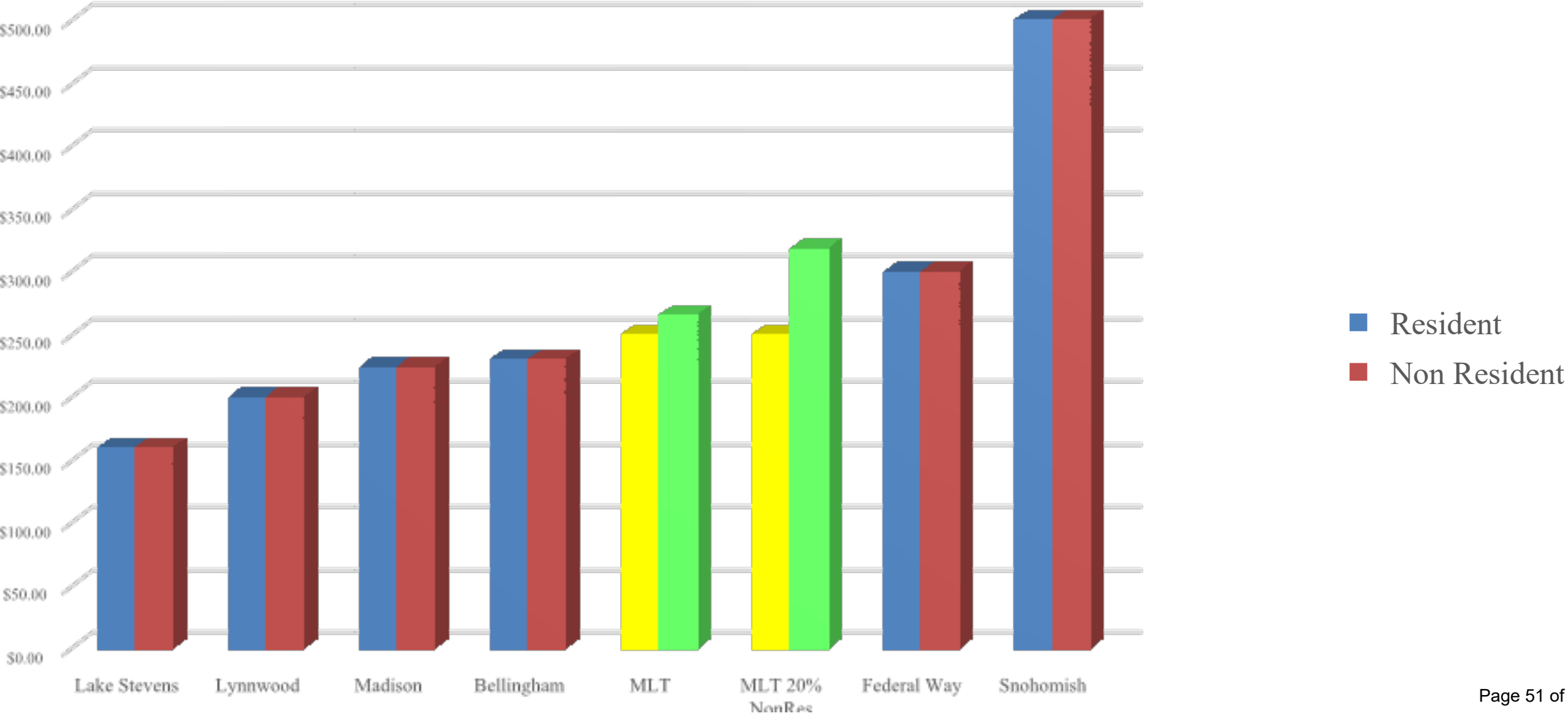
FEE COMPARISON

Swim Lessons



FEE COMPARISON

Pool Rental



FEE SCHEDULE

ROOM RENTALS (per hour)	2025 Approved		2026 Approved		2026 Proposed Changes	
	RES	N-RES	RES	N-RES	RES	N-RES
Mambo/Twilight Dance Rehearsal	\$20	\$23	\$20	\$23		
Arctic Room	\$75	\$83	\$75	\$83		
Center Court & Rec Rooms	\$80	\$88	\$80	\$88		
Riverview Room	\$85	\$94	\$85	\$94		
Arctic, Centr Ct, Rec Rm, Twilight Non-Prime	\$38	\$42	\$38	\$42		
Riverview Room Non-Prime	\$43	\$47	\$43	\$47		
Sport N Fun Party Pkg	\$80	\$88	\$80	\$88	\$90	\$99
Sport N fun Pkg w/ half pool < 20 People	\$175	\$192	\$175	\$192		
Sport N fun Pkg w/ half pool 20-40 People	\$210	\$230	\$210	\$230		

FEE SCHEDULE

RENTALS (per hour)	2025 Approved		2026 Approved		2026 Proposed Changes	
	RES	N-RES	RES	N-RES	RES	N-RES
Off the Wall Party Pkg	\$80	\$88	\$80	\$88		
Indoor Playground Rental	\$115	\$127	\$115	\$127		
Indoor Playground Rental - 1.5 Hr.	\$130	\$143	\$130	\$143		
Indoor Playground Rental - 2 Hr.	\$140	\$154	\$140	\$154		
Dance Party Rental 12-person Party -2 Hr.	\$200	\$220	\$200	\$220	\$212	\$233
Dance Party 24-person Party – 2 Hr.	\$280	\$310	\$280	\$310	\$297	\$327
PARK RENTAL						
Ballinger Park Half Day					\$99	\$99
Ballinger Park Full Day					\$144	\$144

FEE SCHEDULE

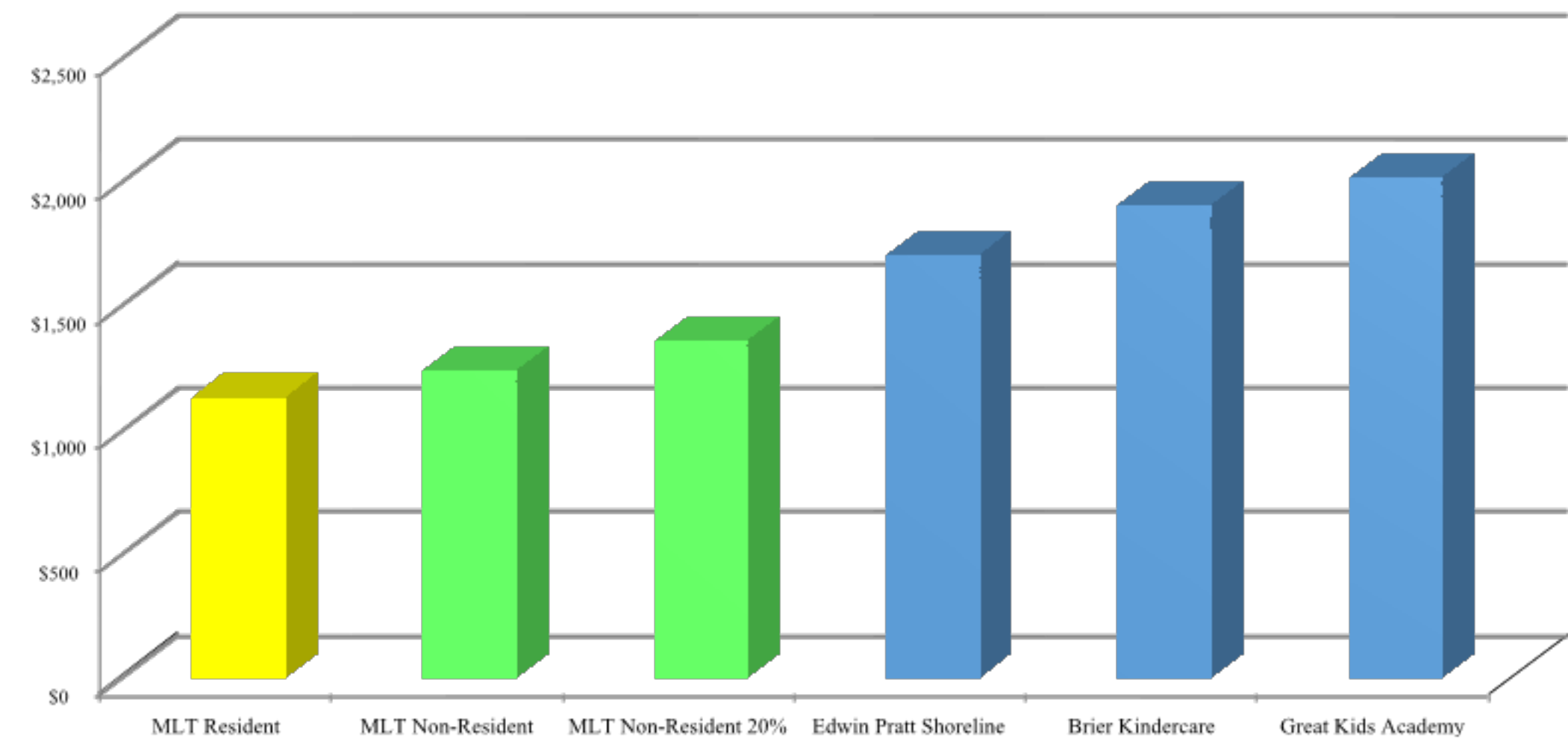
YOUTH PROGRAMS	2025 Approved		2026 Approved		2026 Proposed Changes	
Youth Camps (per hour)	RES	N-RES	RES	N-RES	RES	N-RES
School Age Camp	\$5.49	\$6.04	\$5.49	\$6.04		
Specialty Camp	\$8.80	\$9.68	\$8.80	\$9.68		
Before Camp Care	\$5.09	\$5.60	\$5.09	\$5.60		
After Camp Care	\$5.09	\$5.60	\$5.09	\$5.60		
Before & After Camp Care	\$5.15	\$5.67	\$5.15	\$5.67		
Tennis Camp	\$8.80	\$9.68	\$8.80	\$9.68		
Basketball Camp	\$8.80	\$9.68	\$8.80	\$9.68		
Aquatic Camps (per hour)						
Aqua Kids	\$9.25	\$10.25	\$9.25	\$10.25		
Youth Leagues (per hour)						
Tennis Team	\$2.88	\$3.17	\$2.88	\$3.17		

FEE SCHEDULE

YOUTH PROGRAMS	2025 Approved		2026 Approved		2026 Proposed Changes	
	RES	N-RES	RES	N-RES	RES	N-RES
Preschool (per hour)						
3 days 1/2 days	\$6.30	\$6.93	\$6.30	\$6.93		
2 days 1/2 day	\$7.19	\$7.91	\$7.19	\$7.91		
Jr. Kids Krew - less than 5 hrs	\$6.26	\$6.89	\$6.26	\$6.89		
Jr. Kids Krew - 5 to 7 hrs	\$5.93	\$6.52	\$5.93	\$6.52		
Jr. Kids Krew - 7 to 10 hrs	\$5.63	\$6.19	\$5.63	\$6.19		
Kids Krew Program (per hour)						
Before Care	\$6.12	\$6.73	\$6.12	\$6.73		
After Care	\$5.70	\$6.27	\$6.10	\$6.71		
Before & After Care	\$4.75	\$5.23	\$4.99	\$5.49		
Non School Day Care	\$4.75	\$5.23	\$4.99	\$5.49		
Early Release	\$5.70	\$6.27	\$6.10	\$6.71		
Drop In	\$9.21	\$10.13	\$9.49	\$10.44		
Parent's Night Out					\$10.00	\$11.66

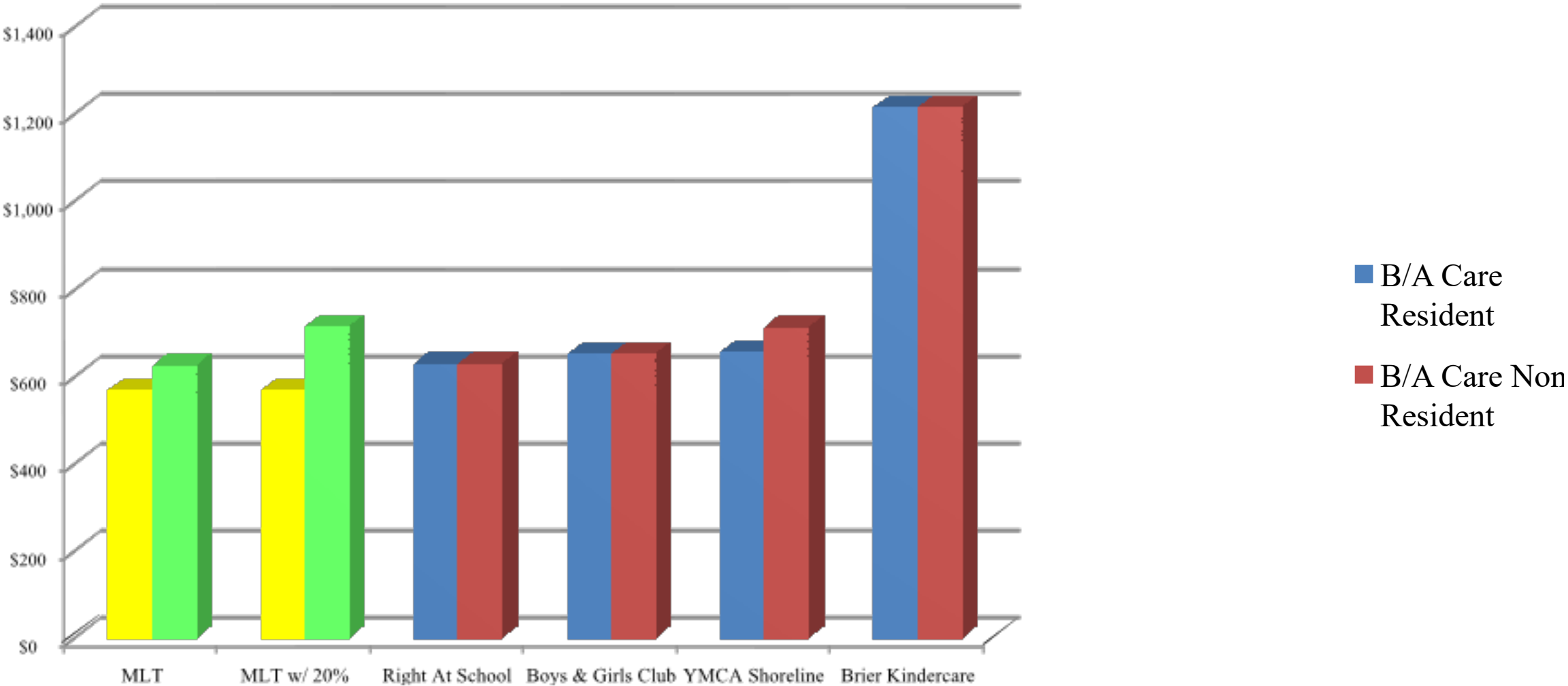
FEE COMPARISON

Childcare Rates



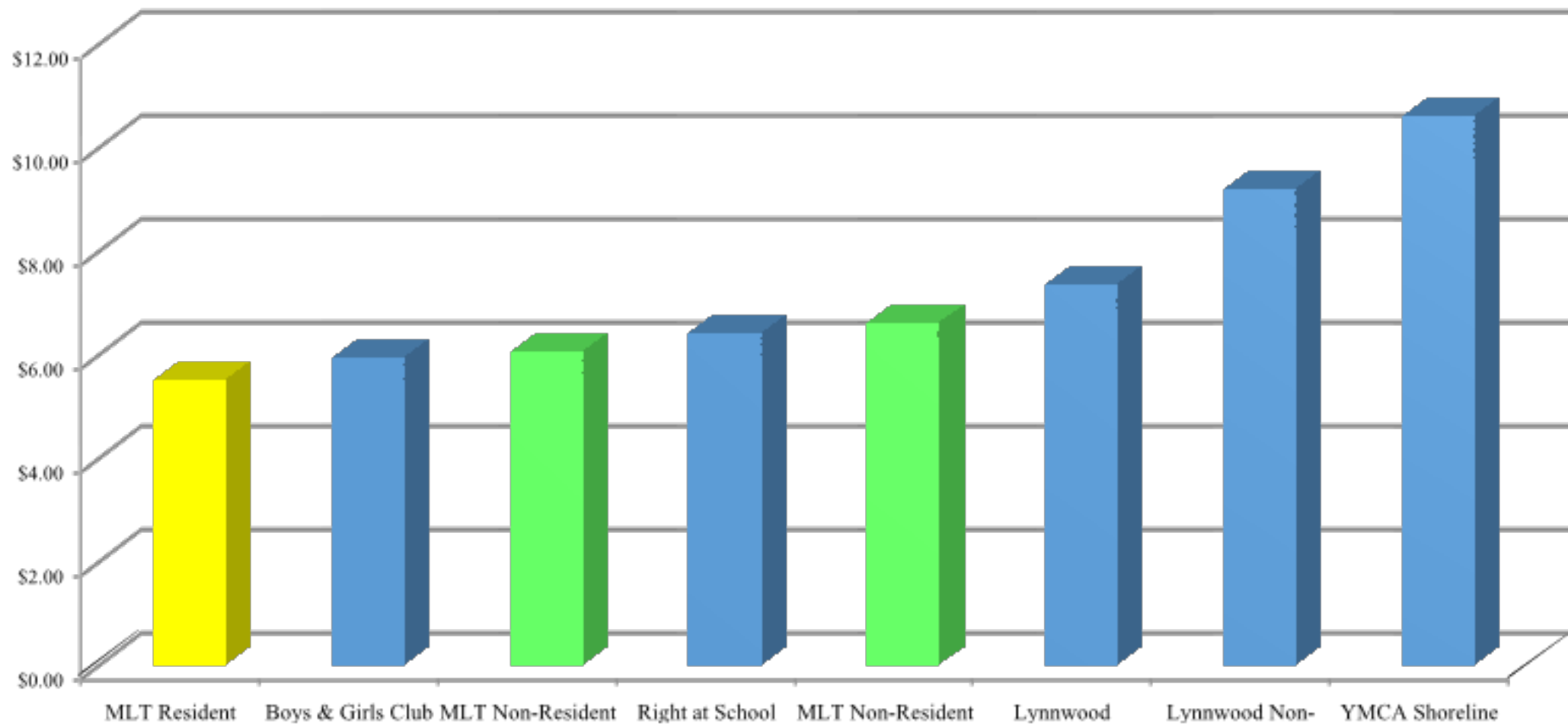
FEE COMPARISON

School Age Childcare Rates



FEE COMPARISON

Summer Day Camp

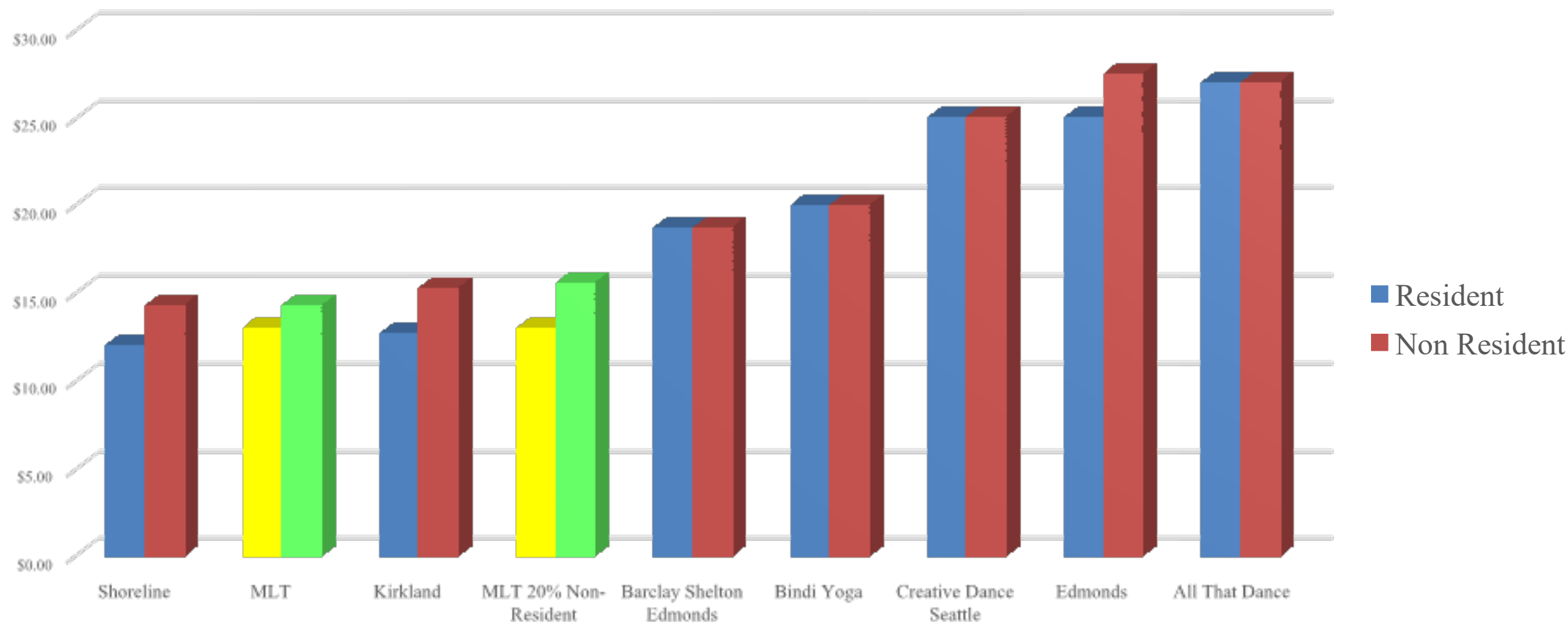


FEE SCHEDULE

YOUTH PROGRAMS	2025 Approved		2026 Approved		2026 Proposed Changes	
	RES	N-RES	RES	N-RES	RES	N-RES
Indoor Playground (per hour)						
Drop in	\$4.50	\$5.00	\$4.50	\$5.00		
Play Pass	\$45.00	\$50.00	\$45.00	\$50.00		
Drop in Add-on to Swim					\$2.50	\$2.50
Play Pass Dance/Swim	\$30.00	\$33.00	\$30.00	\$33.00		
Dance & Land Fitness (per class)						
45 min	\$12.50	\$13.75	\$13.00	\$14.30		
50 min	\$12.75	\$14.00	\$13.25	\$14.60		
60 min	\$13.00	\$14.30	\$13.50	\$14.85		
75 min	\$16.25	\$17.90	\$17.00	\$18.70		
90 min	\$19.50	\$21.50	\$20.25	\$22.30		
Drop-In 60 min					\$15.25	\$16.80
Drop-In 75 min					\$19.00	\$21.00
Drop-In 90 min					\$22.50	\$24.75
Dance Camp hourly rate	\$9.50	\$10.50	\$10.00	\$11.00		
Recital Fee - add to yearly	\$67.00	\$67.00	\$67.00	\$67.00		

FEE COMPARISON

Dance and Fitness Youth



FEE SCHEDULE

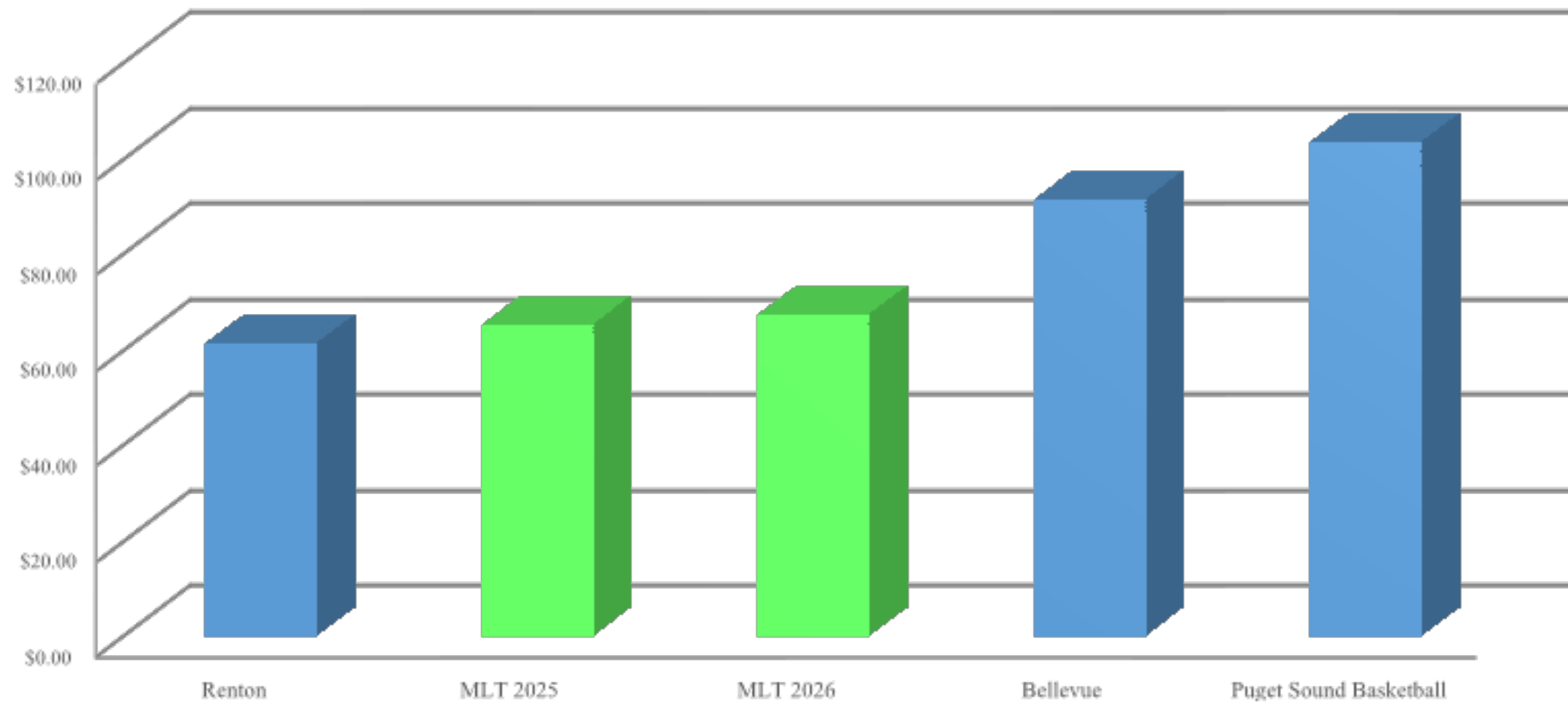
ATHLETICS	2025 Approved		2026 Approved		2026 Proposed Changes	
Open Gym (per drop in)	RES	N-RES	RES	N-RES	RES	N-RES
Adult	\$4.50	\$5.00	\$4.50	\$5.00		
Senior	\$3.75	\$4.25	\$3.75	\$4.25		
Cardio Room (per drop in)						
Drop in-Senior	\$3.25	\$3.50	\$3.25	\$3.50		
Drop in-Adult	\$3.50	\$3.75	\$3.50	\$3.75		
Silver Sneakers (per drop in)					\$6.00	\$7.00
Field Rentals (per hour)						
Youth Grass Fields	\$16.00	\$16.00	\$16.00	\$16.00		
Adult Grass Fields	\$25.00	\$25.00	\$25.00	\$25.00		
Youth Turf Field (Full Field)	\$43.00	\$43.00	\$43.00	\$43.00		
Youth Turf Ballfield	\$34.00	\$34.00	\$34.00	\$34.00		
Adult Turf Field (Full Field)	\$64.00	\$64.00	\$64.00	\$64.00		
Adult Turf Ballfield	\$50.00	\$50.00	\$50.00	\$50.00		
Lights	\$20.00	\$20.00	\$20.00	\$20.00		
Gymnasium Rental (per hour)						
Youth/hr	\$60.00	\$60.00	\$60.00	\$60.00		
Adult/hr	\$70.00	\$70.00	\$70.00	\$70.00		

FEE SCHEDULE

ATHLETICS	2025 Approved		2026 Approved		2026 Proposed Changes	
Racquetball						
Drop in/Reservations (per hour)	\$10.00	\$10.50	\$10.00	\$10.50		
Tournaments (per match)	\$17.00	\$17.00	\$17.00	\$17.00		
Leagues (per game)						
Basketball	\$65.00	\$65.00	\$67.00	\$67.00		
Softball	\$63.00	\$63.00	\$63.00	\$63.00		
Volleyball	\$37.00	\$37.00	\$39.00	\$39.00		
General Recreation Classes (per hour)						
Basic Dog Obedience	\$14.58	\$16.03	\$14.58	\$16.03		
Beyond Basic Dog Obedience	\$19.25	\$21.18	\$19.25	\$21.18		
Puppygarten/class	\$16.06	\$17.67	\$16.06	\$17.67		

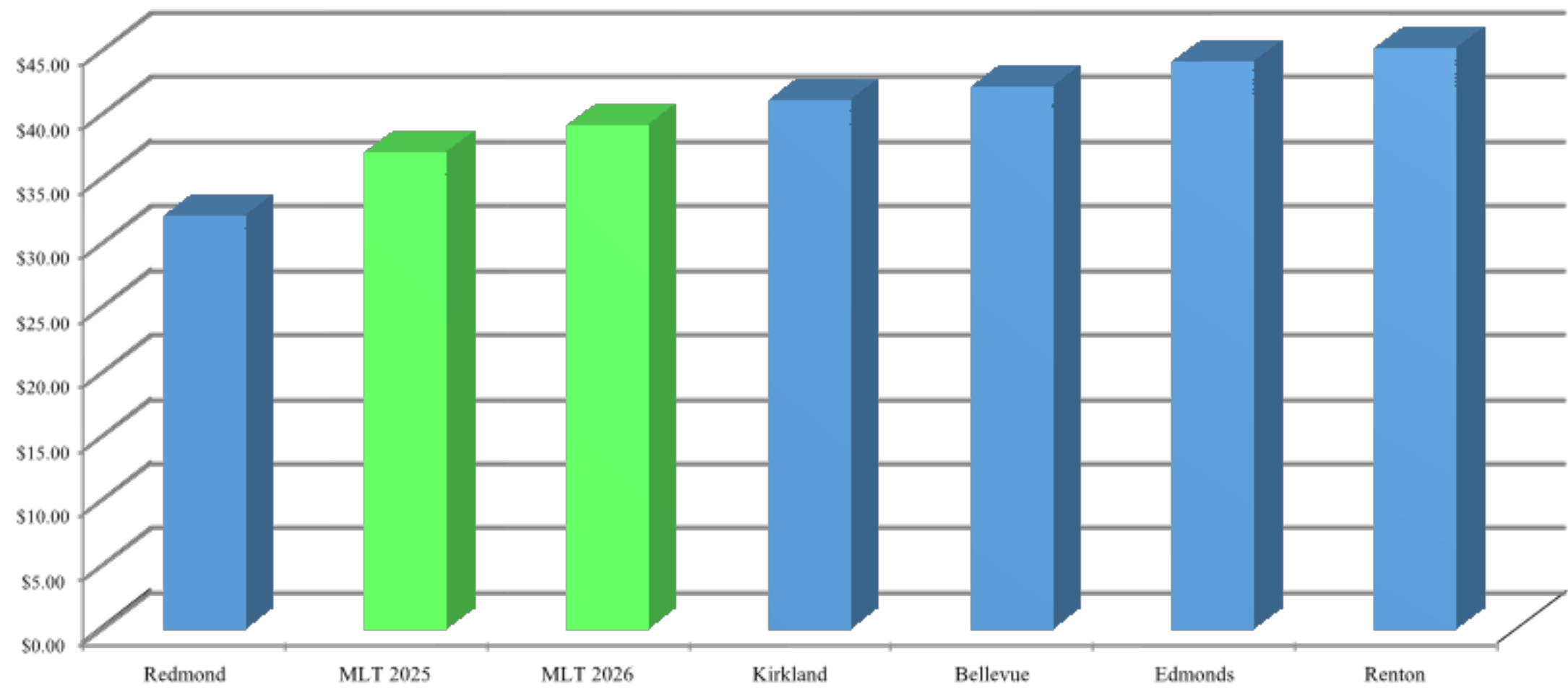
FEE COMPARISON

Basketball Leagues (per Game)



FEE COMPARISON

Volleyball Leagues per Match



PROGRAM OUTLOOK

2025-2026 Progress

- Recreation Revenues Growing
 - Expanded Childcare
 - Extending Weekend Lessons/Rentals
- Full Time Equivalents
 - 25-26 Budget was 35.56 and 36.61
 - Additional necessary for growth
 - Revenue dependent
- Agenda item back to you later this year requesting additional FTE's

PERSONNEL	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Proposed	2026 Proposed
Recreation & Parks Director	0.20	0.20	0.20	0.20	0.20	0.20
Recreation Supervisor	2.00	2.00	3.00	3.00	3.00	3.00
Events Coordinator	0.00	0.00	1.00	1.00	1.00	1.00
Recreation Programmer	1.70	1.70	2.75	2.75	2.75	2.75
Recreation Coordinator	4.00	4.00	3.00	3.00	3.00	3.00
Support Services Coordinator	1.00	1.00	1.00	1.00	1.00	1.00
Clerk II	1.00	1.00	1.75	1.75	2.00	2.00
Clerk I	3.30	3.30	2.10	2.10	2.05	2.05
Recreation Leader II	7.38	7.38	6.35	6.35	7.50	7.85
Recreation Leader I	12.67	12.89	7.97	7.97	11.28	11.98
Recreation Specialist II	0.00	0.00	0.00	0.00	0.27	0.27
Recreation Specialist I	2.26	2.87	2.08	2.08	1.51	1.51
PERSONNEL TOTALS	35.51	36.34	31.20	31.20	35.56	36.61

TIMELINE

- October 14, 2025 RPAC review and recommend proposed fee schedule.
- November 13, 2025 City Council review proposed fee schedule.
- November 20, 2025 City Council scheduled to adopt resolution setting recreation fees for 2026-2030.
- December 4, 2025 Staffing of Recreation Council Review.

RECOMMENDATION

- Staff recommend approval of the resolution for the Recreation and Park Fee Schedule.



DISCUSSION & QUESTIONS

Thank you



Recreation and Parks Fees and Charges 2026-2030
Exhibit A

AQUATICS	2026		2027		2028		2029		2030	
	RES	N-RES	RES	N-RES	RES	N-RES	RES	N-RES	RES	N-RES
Swim, Cardio, Spa, Sauna										
Adult	\$7.25	\$8.00	\$7.50	\$8.25	\$7.50	\$8.25	\$8.00	\$8.75	\$8.00	\$8.75
Senior/Disability	\$6.00	\$6.75	\$6.50	\$7.00	\$6.50	\$7.00	\$6.75	\$7.25	\$6.75	\$7.25
Youth	\$6.00	\$6.75	\$6.50	\$7.00	\$6.50	\$7.00	\$6.75	\$7.25	\$6.75	\$7.25
Infants Under 1 Year	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Shower	\$3.25	\$3.75	\$3.50	\$3.75	\$3.50	\$3.75	\$3.75	\$4.00	\$3.75	\$4.00
Leisure Pool only	\$5.75	\$6.25	\$6.00	\$6.50	\$6.00	\$6.50	\$6.25	\$7.00	\$6.25	\$7.00
Punch Cards										
Adult	\$72.50	\$80.00	\$75.00	\$82.50	\$75.00	\$82.50	\$80.00	\$87.50	\$80.00	\$87.50
Senior/Disability	\$60.00	\$67.50	\$65.00	\$70.00	\$65.00	\$70.00	\$67.50	\$72.50	\$67.50	\$72.50
Youth	\$60.00	\$67.50	\$65.00	\$70.00	\$65.00	\$70.00	\$67.50	\$72.50	\$67.50	\$72.50
Leisure Pool Pass	\$57.50	\$62.50	\$60.00	\$65.00	\$60.00	\$65.00	\$62.50	\$70.00	\$62.50	\$70.00
Monthly Pass - All Drop In Use										
Adult	\$87.00	\$96.00	\$92.00	\$101.00	\$92.00	\$101.00	\$96.00	\$106.00	\$96.00	\$106.00
Senior/Disability	\$70.00	\$77.00	\$75.00	\$82.00	\$75.00	\$82.00	\$78.00	\$86.00	\$78.00	\$86.00
Youth	\$70.00	\$77.00	\$75.00	\$82.00	\$75.00	\$82.00	\$78.00	\$85.86	\$78.00	\$85.86
Annual Pass										
Adult	\$708	\$778	\$743	\$817	\$743	\$817	\$780	\$858	\$780	\$858
Senior/Disability	\$510	\$561	\$535	\$589	\$535	\$589	\$562	\$618	\$562	\$618
Youth	\$510	\$561	\$535	\$589	\$535	\$589	\$562	\$618	\$562	\$618
Aquatic Instruction										
Swim Lessons - Class (30 Min)	\$8.85	\$9.70	\$9.25	\$10.20	\$9.25	\$10.20	\$9.75	\$10.70	\$9.75	\$10.70
Specialty - Class (45 Min)	\$10.00	\$11.00	\$10.50	\$11.60	\$10.50	\$11.60	\$11.20	\$12.25	\$11.20	\$12.25
Specialty - Class (60 Min)	\$11.25	\$12.35	\$11.80	\$13.00	\$11.80	\$13.00	\$12.35	\$13.50	\$12.35	\$13.50
Adaptive Swim Lessons (30 Min/One-on-One)	\$17.25	\$18.95	\$18.10	\$19.90	\$18.10	\$19.90	\$19.00	\$20.85	\$19.00	\$20.85
Playtime Passport (Per Lesson)	\$1.25	\$1.35	\$1.35	\$1.40	\$1.45	\$1.40	\$1.45	\$1.50	\$1.45	\$1.50
Swim Team (45 Min Practice)	\$7.80	\$8.60	\$8.20	\$9.25	\$8.20	\$9.25	\$8.60	\$9.45	\$8.60	\$9.45
Swim Team Elite (1 Hr Practice)	\$8.70	\$9.60	\$9.25	\$10.05	\$9.25	\$10.05	\$9.60	\$10.55	\$9.60	\$10.55
Adult Fitness (1 Hr)	\$9.30	\$10.25	\$9.75	\$10.75	\$9.75	\$10.75	\$10.00	\$11.25	\$10.00	\$11.25
Senior/Disability Fitness	\$7.25	\$7.95	\$7.60	\$8.35	\$7.60	\$8.35	\$7.95	\$8.75	\$7.95	\$8.75
American Red Cross Courses (Per Hr)										
Lifeguard, CPR/AED, First Aid Training	\$11.25	\$12.35	\$11.80	\$13.00	\$11.80	\$13.00	\$12.25	\$13.50	\$12.25	\$13.50
Junior Lifeguarding	\$7.55	\$8.35	\$7.95	\$8.75	\$7.95	\$8.75	\$8.35	\$9.25	\$8.35	\$9.25
Instructor Courses (LGI or WSI)	\$12.75	\$14.00	\$13.50	\$14.75	\$13.50	\$14.75	\$14.00	\$15.50	\$14.00	\$15.50

Recreation and Parks Fees and Charges 2026-2030
Exhibit A

RENTALS	2026		2027		2028		2029		2030	
	RES	N-RES	RES	N-RES	RES	N-RES	RES	N-RES	RES	N-RES
Full Pool										
1-50 Participants	\$250	\$265	\$255	\$281	\$255	\$281	\$260	\$286	\$260	\$286
51-120 Participants	\$275	\$290	\$280	\$308	\$280	\$308	\$308	\$339	\$308	\$339
121-200 Participants	\$300	\$310	\$305	\$336	\$305	\$336	\$335	\$369	\$335	\$369
1/2 Pool										
1-20 Participants	\$155	\$165	\$160	\$176	\$160	\$176	\$176	\$194	\$194	\$213
21-40 Participants	\$170	\$180	\$175	\$193	\$175	\$193	\$193	\$212	\$212	\$233
Lazy River Rental	\$42	\$46	\$46	\$51	\$46	\$51	\$50	\$55	\$50	\$55
Rental Per Hr Per Lane or Area	\$42	\$46	\$46	\$51	\$46	\$51	\$50	\$55	\$50	\$55
Hourly Lifeguard Staff Costs Per LG/Hr	\$35	\$40	\$40	\$44	\$40	\$44	\$45	\$50	\$45	\$50
Room Rentals										
Mambo/Twilight Room Dance Rehearsal - 1 Hr	\$20	\$23	\$23	\$26	\$23	\$26	\$25	\$28	\$25	\$28
Arctic Room - 1 Hr	\$75	\$83	\$80	\$88	\$80	\$88	\$85	\$94	\$85	\$94
Center Court & Rec Rm - 1 Hr	\$80	\$88	\$85	\$94	\$85	\$94	\$90	\$99	\$90	\$99
Riverview Room - 1 Hr	\$85	\$94	\$90	\$99	\$90	\$99	\$95	\$105	\$95	\$105
Twil, Arct, CC & Rec Rm Non Prime - 1 Hr	\$38	\$42	\$42	\$46	\$42	\$46	\$46	\$51	\$46	\$51
Riverview Room - Non Prime - 1 Hr	\$43	\$47	\$47	\$52	\$47	\$52	\$51	\$56	\$51	\$56
SportNFun Party Pkg - 1.5 Hr	\$90	\$99	\$90	\$99	\$90	\$99	\$105	\$115	\$105	\$115
SportNFun Pkg W/Half Pool <20 People	\$175	\$192	\$175	\$192	\$180	\$185	\$180	\$188	\$180	\$188
SportNFun Pkg W/Half Pool 20-40 People	\$210	\$230	\$210	\$230	\$215	\$235	\$215	\$235	\$215	\$235
Off the Wall Party Pkg - 1 Hr	\$80	\$88	\$80	\$88	\$85	\$90	\$85	\$94	\$85	\$94
Indoor Playground Rentals - 1 Hr	\$115	\$127	\$115	\$127	\$120	\$132	\$120	\$132	\$126	\$139
Indoor Playground Rentals - 1.5 Hr	\$130	\$143	\$130	\$143	\$140	\$154	\$140	\$154	\$147	\$162
Indoor Playground Rentals - 2 Hr	\$140	\$154	\$140	\$154	\$150	\$165	\$150	\$165	\$158	\$166
Dance Party 12 Person Party - 2 Hr	\$212	\$233	\$225	\$248	\$239	\$263	\$254	\$279	\$269	\$296
Dance Party 24 Person Party - 2 Hr	\$297	\$327	\$315	\$347	\$334	\$367	\$354	\$389	\$375	\$410
Park Rentals										
Ballinger Park Half Day	\$99	\$99	\$99	\$99	\$105	\$105	\$105	\$105	\$110	\$110
Ballinger Park Full Day	\$144	\$144	\$144	\$144	\$152	\$152	\$152	\$152	\$152	\$152

Recreation and Parks Fees and Charges 2026-2030
Exhibit A

YOUTH PROGRAMS	2026		2027		2028		2029		2030	
	RES	N-RES	RES	N-RES	RES	N-RES	RES	N-RES	RES	N-RES
Youth Camps (Per Hour)										
School Age Camp	\$5.49	\$6.04	\$5.86	\$6.45	\$5.86	\$6.45	\$6.27	\$6.90	\$6.27	\$6.90
Specialty Camp	\$8.80	\$9.68	\$9.42	\$10.36	\$9.42	\$10.36	\$10.08	\$11.08	\$10.08	\$11.08
Before Camp Care	\$5.09	\$5.60	\$5.45	\$6.00	\$5.45	\$6.00	\$5.83	\$6.41	\$5.83	\$6.41
After Camp Care	\$5.09	\$5.60	\$5.45	\$6.00	\$5.45	\$6.00	\$5.83	\$6.41	\$5.83	\$6.41
Before & After Camp Care	\$5.15	\$5.67	\$5.15	\$5.67	\$5.15	\$5.67	\$5.15	\$5.67	\$5.15	\$5.67
Tennis Camp	\$8.80	\$9.68	\$9.42	\$10.36	\$9.42	\$10.36	\$10.28	\$11.31	\$10.28	\$11.31
Basketball Camp	\$8.80	\$9.68	\$9.42	\$10.36	\$9.42	\$10.36	\$10.28	\$11.31	\$10.28	\$11.31
Aquatic Camps (Per Hour)										
Aqua Kids	\$9.25	\$10.25	\$9.75	\$10.75	\$9.75	\$10.75	\$10.25	\$11.50	\$10.25	\$11.50
Youth Leagues (Per Hour)										
Tennis Team	\$2.88	\$3.17	\$2.88	\$3.17	\$3.31	\$3.50	\$3.31	\$3.50	\$3.97	\$4.37
Preschool (Per Hour)										
3 Days 1/2 Days	\$6.30	\$6.93	\$6.62	\$7.28	\$6.62	\$7.28	\$6.95	\$7.65	\$6.95	\$7.65
2 Days 1/2 Day	\$7.19	\$7.91	\$7.55	\$8.31	\$7.55	\$8.31	\$6.95	\$8.31	\$6.95	\$8.31
Jr. Kids Krew - Less Than 5 Hrs	\$6.26	\$6.89	\$6.57	\$7.23	\$6.57	\$7.23	\$6.90	\$7.59	\$6.90	\$7.59
Jr. Kids Krew - 5 to 7 Hrs	\$5.93	\$6.52	\$6.23	\$6.85	\$6.23	\$6.85	\$6.54	\$7.19	\$6.54	\$7.19
Jr. Kids Krew - 7 to 10 Hrs	\$5.63	\$6.19	\$5.91	\$6.50	\$5.91	\$6.50	\$6.21	\$6.83	\$6.21	\$6.83
Kids Krew Program (Per Hour)										
Before Care	\$6.12	\$6.73	\$6.43	\$7.07	\$6.43	\$7.07	\$6.69	\$7.35	\$6.69	\$7.35
After Care	\$6.10	\$6.71	\$6.43	\$7.07	\$6.43	\$7.07	\$6.69	\$7.35	\$6.69	\$7.35
Before & After Care	\$4.99	\$5.49	\$5.19	\$5.71	\$5.19	\$5.71	\$5.40	\$5.94	\$5.40	\$5.94
Non School Day/Camp	\$4.99	\$5.49	\$5.19	\$5.71	\$5.19	\$5.71	\$5.40	\$5.94	\$5.40	\$5.94
Early Release	\$6.10	\$6.71	\$6.43	\$7.07	\$6.43	\$7.07	\$6.69	\$7.35	\$6.69	\$7.35
Drop In	\$9.49	\$10.44	\$9.77	\$10.75	\$10.06	\$11.07	\$10.06	\$11.07	\$10.36	\$11.40
Parents Night Out	\$10.00	\$11.66	\$10.66	\$11.75	\$10.66	\$11.75	\$11.66	\$13.33	\$11.66	\$13.33

Recreation and Parks Fees and Charges 2026-2030

Exhibit A

YOUTH PROGRAMS	2026		2027		2028		2029		2030	
	RES	N-RES	RES	N-RES	RES	N-RES	RES	N-RES	RES	N-RES
Indoor Playground										
Drop In	\$4.50	\$5.00	\$4.50	\$5.00	\$5.00	\$5.50	\$5.00	\$5.50	\$5.50	\$6.00
Play Pass	\$45.00	\$50.00	\$45.00	\$50.00	\$50.00	\$55.00	\$50.00	\$55.00	\$55.00	\$60.00
Drop In Add-on to Swim	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$3.00	\$3.00
Play Pass Dance/Swim	\$30.00	\$33.00	\$30.00	\$33.00	\$33.00	\$36.00	\$33.00	\$36.00	\$36.00	\$40.00
Dance & Land Fitness										
45 Min	\$13.25	\$14.60	\$14.00	\$14.85	\$14.75	\$16.25	\$15.50	\$17.05	\$16.45	\$18.10
60 Min	\$13.75	\$15.10	\$14.50	\$15.95	\$15.25	\$16.75	\$16.25	\$17.90	\$17.25	\$19.00
75 Min	\$17.25	\$19.00	\$18.25	\$20.00	\$19.00	\$20.90	\$20.25	\$22.00	\$21.50	\$23.65
90 Min	\$20.50	\$22.55	\$21.75	\$23.95	\$24.00	\$24.75	\$24.25	\$26.70	\$25.75	\$28.35
Dance Camp Hrly Rate	\$10.75	\$11.85	\$11.50	\$12.65	\$12.25	\$13.50	\$13.00	\$14.30	\$13.75	\$15.15
Recital Fee - add to yearly	\$67.00	\$67.00	\$67.00	\$67.00	\$67.00	\$67.00	\$67.00	\$67.00	\$67.00	\$67.00
Drop-In 60 min	\$15.25	\$16.80	\$16.00	\$17.60	\$16.75	\$18.40	\$17.75	\$19.55	\$19.00	\$20.90
Drop-In 75 min	\$19.00	\$21.00	\$20.00	\$22.00	\$21.00	\$23.10	\$22.00	\$24.00	\$23.75	\$26.15
Drop-In 90 min	\$22.50	\$24.75	\$24.00	\$26.40	\$25.00	\$27.50	\$26.50	\$29.15	\$25.50	\$28.00

Recreation and Parks Fees and Charges 2026-2030
Exhibit A

ATHLETICS	2026		2027		2028		2029		2030	
	RES	N-RES	RES	N-RES	RES	N-RES	RES	N-RES	RES	N-RES
Open Gym (Per Visit)										
Adult	\$4.50	\$5.00	\$4.75	\$5.25	\$4.75	\$5.25	\$5.00	\$5.50	\$5.00	\$5.50
Senior	\$3.75	\$4.25	\$4.00	\$4.50	\$4.00	\$4.50	\$4.25	\$4.75	\$4.25	\$4.75
Cardio Room (Per Visit)										
Drop In-Senior	\$3.25	\$3.50	\$3.50	\$3.75	\$3.50	\$3.75	\$3.75	\$4.00	\$3.75	\$4.00
Drop In-Adult	\$3.50	\$3.75	\$3.75	\$4.00	\$3.75	\$4.00	\$4.00	\$4.25	\$4.00	\$4.25
Silver Sneakers (Per Visit)	\$6.00	\$7.00	\$6.00	\$7.00	\$6.70	\$7.40	\$6.70	\$7.40	\$7.00	\$7.70
Field Rentals (Per Hour)										
Youth Grass Fields	\$16.00	\$16.00	\$17.00	\$17.00	\$17.00	\$17.00	\$18.00	\$18.00	\$18.00	\$18.00
Adult Grass Fields	\$25.00	\$25.00	\$26.00	\$26.00	\$26.00	\$26.00	\$27.00	\$27.00	\$27.00	\$27.00
Youth Turf Field (Full Field)	\$43.00	\$43.00	\$44.00	\$44.00	\$45.00	\$45.00	\$45.00	\$45.00	\$47.00	\$47.00
Youth Turf Field (Half Field)	\$29.00	\$29.00	\$30.00	\$30.00	\$30.00	\$30.00	\$31.00	\$31.00	\$35.00	\$35.00
Youth Ballfield Turf	\$34.00	\$34.00	\$35.00	\$35.00	\$35.00	\$35.00	\$36.00	\$36.00	\$36.00	\$36.00
Adult Ballfield Turf	\$50.00	\$50.00	\$51.00	\$51.00	\$51.00	\$51.00	\$52.00	\$52.00	\$52.00	\$52.00
Adult Turf Field (Full Field)	\$64.00	\$64.00	\$65.00	\$65.00	\$66.00	\$66.00	\$66.00	\$66.00	\$68.00	\$68.00
Adult Turf Field (Half Field)	\$37.00	\$37.00	\$38.00	\$38.00	\$38.00	\$38.00	\$39.00	\$39.00	\$44.00	\$44.00
Lights	\$20.00	\$20.00	\$21.00	\$21.00	\$21.00	\$21.00	\$22.00	\$22.00	\$22.00	\$22.00
Gym Rental (Per Hour)										
Youth	\$60.00	\$60.00	\$65.00	\$65.00	\$65.00	\$65.00	\$70.00	\$70.00	\$70.00	\$70.00
Adult	\$70.00	\$70.00	\$75.00	\$75.00	\$75.00	\$75.00	\$80.00	\$80.00	\$80.00	\$80.00
Racquetball										
Drop In/Reserv (Per Hour)	\$10.00	\$10.50	\$10.00	\$10.50	\$10.00	\$10.50	\$10.00	\$10.50	\$10.00	\$10.50
Tournaments (Per Match)	\$17.00	\$17.00	\$17.00	\$17.00	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00
Leagues (Per Game)										
Basketball	\$67.00	\$67.00	\$67.00	\$67.00	\$67.00	\$67.00	\$69.00	\$69.00	\$69.00	\$69.00
Softball	\$63.00	\$63.00	\$64.00	\$64.00	\$64.00	\$64.00	\$65.00	\$65.00	\$65.00	\$65.00
Volleyball	\$39.00	\$39.00	\$39.00	\$39.00	\$39.00	\$39.00	\$41.00	\$41.00	\$41.00	\$41.00
General Rec (Per 1 Hour)										
Basic Dog Obedience	\$14.58	\$16.03	\$16.03	\$17.64	\$16.03	\$17.64	\$17.64	\$19.40	\$17.64	\$19.40
Beyond Basic Dog Obedience	\$19.25	\$21.18	\$21.18	\$23.29	\$21.18	\$23.29	\$23.29	\$25.62	\$23.29	\$25.62
Puppygarten	\$16.06	\$17.67	\$17.67	\$19.43	\$17.67	\$19.43	\$19.43	\$21.38	\$19.43	\$21.38

CITY OF MOUNTLAKE TERRACE

RESOLUTION NO. XXXX

**A RESOLUTION OF THE CITY OF MOUNTLAKE TERRACE, WASHINGTON,
ESTABLISHING RECREATION AND PARKS FEES FOR 2026-2030, AND
REPEALING RESOLUTION NO. 909**

WHEREAS, the City of Mountlake Terrace is a non-charter optional municipal code city as provided in Title 35A RCW, incorporated under the laws of the State of Washington and is authorized by state law to impose fees to recuperate the costs of processing and/or providing services to the public, including but not limited to RCW 35A.11.020; and

WHEREAS, the City of Mountlake Terrace adopted Ordinance No. 2212, codified as Mountlake Terrace Municipal Code (“MTMC”) 3.150.070, establishing fees and charges applicable to parks, recreation, athletic, aquatic and other programs and services provided by the City; and

WHEREAS, MTMC 3.150.070 authorizes recreation and parks fees may be established annually by resolution; and

WHEREAS, the City of Mountlake Terrace has adopted the Five-Year Financial Plan, with a policy to maximize cost recovery on City services reflecting market rate pricing adjustments; and

WHEREAS, the Recreation and Park Advisory Commission reviewed and recommended the proposed fee schedule for approval at their October 14, 2025 regular meeting; and

WHEREAS, it is the intent of the City Council to revise and to set forth in a schedule, the fees and charges for Recreation and Parks programs and services.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MOUNTLAKE
TERRACE, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:**

Section 1. Fees Adopted. The City Council approves and adopts the fee schedule attached hereto as set forth in Exhibit A and incorporated herein by reference as the Recreation and Parks Fees and Charges.

Section 2. Effective Date. This Resolution together with the fee schedule herein adopted shall take effect and be in force on and after midnight December 31, 2025 and shall remain in effect until modified, revised or repealed by City Council action.

Section 3. Repealer. Mountlake Terrace Resolution No. 909 is hereby repealed in its entirety.

Section 4. **Savings Clause.** Resolution No. 909, which is repealed by this Resolution, shall remain in full force and effect until the Effective Date of this Resolution, and shall remain in full force and effect in the event this Resolution is invalidated in its entirety.

PASSED by the City Council on November 20, 2025

SIGNED in authentication of its passage on XXXX XX, 2025

EFFECTIVE date January 1, 2026

AUTHENTICATION:

Kyoko Matsumoto Wright, Mayor

ATTEST:

Jennifer Joki, City Clerk

APPROVED AS TO FORM:

Hillary J. Evans, City Attorney



STAFF REPORT

To: Mountlake Terrace City Council
From: Lucas Kragt, Civil Engineer II
Meeting Date: November 20, 2025
Subject: Resolution Adopting Engineering Fee Schedule

Required Reviews:

Jennifer Joki	Created/Initiated - 11/14/2025
Sirke Salminen	New -
Hillary Evans	-
Rich Meredith	-
Carolyn Hope	-

Council Goal(s):

Responsible Governance to Ensure Desired Level of Service, Growing our Vibrant Community

Legislative History:

Permit Fees: Resolution 911 updated Civil Engineering Permit fees for 2025.
Utility Connection Fees: Ordinance 2855 repealed the connection fees from code and added provisions for adopting the utility fees by resolution.

This item was presented to the City Council at the November 13, 2025 work session.

Subject Summary:

Permit Fees: Staff proposes the attached Civil Engineering Construction Development Fee Schedule for 2026 to recover the costs of civil engineering construction permits. Staff do not propose changing the permit fees between 2025 and 2026. The current hourly review rate is sufficient to collect the required permitting fees to cover staff time.

Utility Connection Fees: This is an update to the utility connection fees to reflect the Seattle Area Consumer Price index (CPI) and Utility Comprehensive Plan recommendations. This to fulfill the City's direction in MTMC 13.05.110 and 13.05.180 and 13.05.250 to establish fee schedules annually to recover the costs of constructing capacity improvements and managing maintenance. The storm, sewer and water fees have been increased 5.9% from 2025 to 2026.

Financial/Budget Impacts:

Budget Amendment	No
Required?	_____

Budget and Sources:	N/A
Expenditure:	N/A
New Appropriation Required + Sources:	N/A

Additional Financial Information:

N/A

Community Notifications:

City Council Agenda

If "Other," please specify:

Board/Commission Recommendation:

N/A

Staff Recommendation:

Staff recommends the City Council vote to adopt the resolution setting the 2026 Civil Engineering Construction Development Fees as well as the Utility Connection Fees. This can be accomplished by adding it to the Consent Agenda on November 20, 2025.

Council Motion:

N/A

Attachments:

1. Civil Fee Schedule 2026
2. Resolution Civil Fees (Draft)
3. Utility Connection Fees 2026
4. Resolution Utility Connection Fees (Draft)

CIVIL ENGINEERING CONSTRUCTION DEVELOPMENT FEES (Effective January 1, 2026)

Engineering Construction Permit Application Deposits and Fees

All engineering construction deposits consist of the following:

1. The application deposit covers the costs of filing the permit application, plan checking, and construction inspection fees.
2. A base deposit is the minimum amount due at time of application. Hourly rates apply to plan review and inspections.
3. An additional deposit may need to be collected could include additional review and inspection fees based on actual number of hours used.
4. Deposits are intended to cover the estimated number of hours needed for permit review. Additional deposits may be required and must be submitted upon request by the City based on the City's estimate of the number of hours of the City staff time needed to finalize the permit.
5. All references to days shall be business days. All submittals received after 3:00 PM shall be considered to be submitted on the following day.

Deposit Refund Timelines

All deposits shall be non-refundable, except that the City Engineer may allow a refund based on the criteria below.

1. For withdrawn applications, 80% of the initial deposit may be refunded when the written request is received within 20 days, and 50% of the initial deposit may be refunded after 20 days. Refunds are subject to the following circumstances:
 - a. The applicant submits a written request for a refund, which includes the reasons for withdrawing the application, to the City Engineer and,
 - b. The City Engineer verifies that substantive staff review of the application has not begun for refunds requested within 20 days.
2. After the permit is Finaled, up to 50% of the initial deposit may be refunded when the following circumstances are present.
 - a. All work is completed and no punchlist work remains and,
 - b. All Performance Bonds are released and Maintenance Bonds are posted if required.

Note: Any administration, credit card processing, and technology fees are nonrefundable in all cases.

**2026 Hourly Rate: \$200
Technology Fee: 5% of Total Fees**

Development Engineering Permit

Construction Valuation	Application Deposit*
Up to \$25,000	10-hours
\$25,000.01-\$100,000	40-hours
\$100,000.01-\$200,000	80-hours
\$200,000.01 or more	Application Deposit per City Engineer **
* Hours are tracked and billed based on actual hours spent or as set forth in city code regulating civil permit plan check and inspections, Chapter 13.05 MTMC, whichever applies (see Other Permit Fees). ** City Engineer is authorized to make a determination on the estimated number of hours for plan review and inspection to establish initial application deposit to be paid. 2 Hours charged at time of application.	

Clearing and Grading Permit

A Clearing and Grading Permit is not required if the permit scope is wholly contained within a Development Engineering Permit.

Cubic Yards	Fee*
51 to 100 cubic yards (40 m ³ to 76.5 m ³)	2-hours
Up to 1,000 cubic yards (764.6 m ³)	2-hours for the first 100 cubic yards (76.5 m ³) + \$27 for each additional 100 cubic yards (76.5 m ³) or fraction thereof
Up to 10,000 cubic yards (7645.5 m ³)	4-hours for the first 1,000 cubic yards (764.6 m ³) + \$53 for each additional 1,000 cubic yards (764.6 m ³) or fraction thereof
Up to 100,000 cubic yards (76,455 m ³)	8-hours for the first 10,000 cubic yards (7645.5 m ³) + \$160 for each additional 10,000 cubic yards (7645.5 m ³) or fraction thereof
* The fee for a Clearing and Grading Permit authorizing additional work to a valid permit shall be the difference between the original permit fee and the amended fee.	

Other Permit Fees

Permit Type	Fees (Hourly Rate Applies, Unless Otherwise Noted)
Driveway, Residential*	1.5 hours*
Erosion Control (TESC)**	2-hour application deposit; hours in excess of 2-hours will be billed**
Construction Staging Area	4 hour deposit
Hydrant Use	1-hour + field crew actual time billed + \$2,131 deposit; actual water usage billed
Landscape and Irrigation Plans	4-hour application deposit; hours in excess of 4-hours will be billed
Memorial Road Sign Fee	\$307

Permit Type	Fees (Hourly Rate Applies, Unless Otherwise Noted)
Right-of-Way Use Permit - Type A - Type B - Type C	1-hour 2-hours 4-hours
Sanitary Sewer (Side Sewer) - New - Repair	1-hour + see Utility Connection Fee Schedule + field crew actual time billed. Connections not made at manholes will be videoed by crew and billed 2-hours minimum
Water Meter Installation - New	1-hour + capital improvement fee (see Utility Connection Fee Schedule) + Public Works crew installation & meter cost below 3/4" or 5/8" meter = \$400 1" meter = \$500 1.5" meter = \$900 2" meter = \$1,100 3" meter = 1-hour account setup & owner purchases-installs 4" meter = 1-hour account setup & owner purchases-installs
* A Driveway Residential Permit is not required if the driveway permit scope is wholly contained within a Building (Residential) permit. ** Erosion Control (TESC) Permit is not required if the erosion control (TESC) permit scope is wholly contained within a Clearing and Grading Permit or Driveway Permit.	

Performance Guarantees

Type	Deposit (Refundable When Not Used)
Erosion Control	\$1,000 for each acre of development site area or fraction thereof
Street Invasion	\$1,500 for each invasion of improved public right-of-way

Public and Privately Owned Utilities

Type of Utility Service	Fees
Overhead Services - Individual - Distribution line (with or without services)	1-hour 1-hour per installation, or 2.2% of value of construction, whichever is greater
Underground Services - Individual, disturbing an improved portion of the right-of-way - Individual, not disturbing an improved portion of the right-of-way - Distribution line (with or without services)	\$366 per installation (street invasion deposit not applicable to companies with city franchise) 2-hours per installation 2-hours per installation including extensions, repairs or modifications, or 4.4% of value of construction, whichever is greater

Other Civil Construction Permit Services and Fees

Type	Fee
Additional plan review required by changes, additions, revision to plans and supporting documents (for approved or issued permits)	Hourly, 2-hour minimum
Expedited Review request (fees are in addition to normal review and permit fees): - In-house - Consultant	Actual time + 4 hours 4 hours, plus City's actual cost for outside consultant
Expired permit application (in review)	2 hours and Application Deposit to be updated per City Engineer
Expired approved or issued permit	2 hours and Application Deposit to be updated per City Engineer
Inspections - for which no fee is specifically indicated	2 hours, minimum
Inspection (outside of normal business hours, 8:00 a.m.- 4:00 p.m.)	Double the hourly rate (2 hours, minimum)
Investigation Fees	Equal to permit fee
Re-inspection fees	2 hours minimum
Time Extensions for unexpired applications, approved or issued permits	2-hours
Variance – Stormwater	6 hours minimum
Work without a permit	Investigation fee + permit fee

Costs Adopted for Outside Consultants and Applicant Requested Expedited Review.

Costs for use of outside consultants are approved, adopted and established as herein set forth. For use of outside consultants for plan checking, inspections or both, the cost shall be the actual cost to the City, in addition to the permit fees required by this resolution.

CITY OF MOUNTLAKE TERRACE**RESOLUTION NO. ____****A RESOLUTION OF THE CITY OF MOUNTLAKE TERRACE
ESTABLISHING FEES FOR PERMITS, PLAN CHECKS, INSPECTIONS
AND OTHER RELATED FEES FOR CIVIL PROJECTS; AND
REPEALING RESOLUTION NO. 911**

WHEREAS, the City has determined to set forth a schedule of fees to cover the costs of development services, including building construction and fire protection permits; and

WHEREAS, Chapter 3.150 MTMC authorizes fee schedules to be adopted by resolution; and

WHEREAS, pursuant to MTMC 3.150.090, the City Council considers changes to the fee schedule every three years, upon completion of a cost-of-service study, and annual adjustments will be made to reflect the Seattle Area Consumer Price Index (CPI); and

WHEREAS, the City studied the cost of development services and the City Council considered new fee schedules at a work session on, November 13, 2025, and held a duly noticed public hearing on November 20, 2025; and

WHEREAS, the City Council believes it is in the best interest of the City to adopt the proposed fees;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MOUNTLAKE TERRACE, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1. Adopting Civil Permit Fees. The City hereby adopts the following fees:

CIVIL ENGINEERING CONSTRUCTION DEVELOPMENT FEES

Effective January 1, 2026

Engineering Construction Permit Application Deposits and Fees

All engineering construction deposits consist of the following:

- a. The application deposit covers the costs of filing the permit application, plan checking, and construction inspection fees.
- b. A base deposit amount is the minimum amount due at time of application. Hourly rates apply to plan check and inspections.
- c. An additional deposit amount may need to be collected could include additional review and inspection fees based on actual number of hours used.
- d. Deposits are intended to cover the estimated number of hours needed for permit review. Additional deposits may be required and must be submitted upon request by the City based on the City's estimate of the number of hours of the City staff time needed to finalize the permit.
- e. All references to days shall be business days. All submittals received after 3:00 PM shall be considered to be submitted on the following day.

Deposit Refund Timelines

All deposits shall be non-refundable, except that the City Engineer may allow a refund based on the criteria below.

1. For withdrawn applications, 80% of the initial deposit may be refunded when the written request is received within 20 days, and 50% of the initial deposit may be refunded after 20 days. Refunds are subject to the following circumstances:
 - a. The applicant submits a written request for a refund, which includes the reasons for withdrawing the application, to the City Engineer and,
 - b. The City Engineer verifies that substantive staff review of the application has not begun for refunds requested within 20 days.
2. After the permit is Finalized, up to 50% of the initial deposit may be refunded when the following circumstances are present.
 - a. All work is completed and no punchlist work remains and,
 - b. All Performance Bonds are released and Maintenance Bonds are posted if required.

Note: Any administration, credit card processing, and technology fees are nonrefundable in all cases.

2026 Hourly Rate: \$200
Technology Fee: 5% of Total Fees

Development Engineering Permit

Construction Valuation	Application Deposit*
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\$25,000.01-\$100,000	40-hours
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\$200,000.01 or more	Application Deposit per City Engineer **
* Hours are tracked and billed based on actual hours spent or as set forth in city code regulating civil permit plan check and inspections, Chapter 13.05 MTMC, whichever applies (see Other Permit Fees). ** City Engineer is authorized to make a determination on the estimated number of hours for plan review and inspection to establish initial application deposit to be paid. 2 Hours charged at time of application.	

Clearing and Grading Permit

A Clearing and Grading Permit is not required if the grading permit scope is wholly contained within a Development Engineering Permit.

Cubic Yards	Fee*
51 to 100 cubic yards (40 m ³ to 76.5 m ³)	2-hours
Up to 1,000 cubic yards (764.6 m ³)	2-hours for the first 100 cubic yards (76.5 m ³) + \$27 for each additional 100 cubic yards (76.5 m ³) or fraction thereof
Up to 10,000 cubic yards (7645.5 m ³)	4-hours for the first 1,000 cubic yards (764.6 m ³) + \$53 for each additional 1,000 cubic yards (764.6 m ³) or fraction thereof
Up to 100,000 cubic yards (76,455 m ³)	8-hours for the first 10,000 cubic yards (7645.5 m ³) + \$160 for each additional 10,000 cubic yards (7645.5 m ³) or fraction thereof

* The fee for a Clearing and Grading permit authorizing additional work to a valid permit shall be the difference between the original permit fee and the amended fee.

Other Permit Fees

Permit Type	Fees (Hourly Rate Applies, Unless Otherwise Noted)
Driveway, Residential*	1.5 hours*
Erosion Control (TESC)**	2-hour application deposit; hours in excess of 2-hours will be billed**
Construction Staging Area	4-hour deposit
Hydrant Use	1-hour + field crew actual time billed + \$2,131 deposit; actual water usage billed
Landscape and Irrigation Plans	4-hour application deposit; hours in excess of 4-hours will be billed
Memorial Road Sign Fee	\$307
Right-of-Way Use Permit - Type A - Type B - Type C	1-hour 2-hours 4-hours minimum (When related to work under a civil permit, additional staff time will be added to that the permit. Other Type C permits to be billed hourly after 4-hours.
Sanitary Sewer (Side Sewer) - New - Repair	1-hour + see Utility Connection Fee Schedule + field crew actual time billed. Connections not made at manholes will be videoed by crew and billed 2-hours minimum
Water Meter Installation - New	1-hour + capital improvement fee (see Utility Connection Fee Schedule) + Public Works crew installation & meter cost below 3/4" or 5/8" meter = \$400 1" meter = \$500 1.5" meter = \$900 2" meter = \$1,100 3" meter = 1-hour account setup & owner purchases-installs 4" meter = 1-hour account setup & owner purchases-installs
* A Driveway Residential Permit is not required if the driveway permit scope is wholly contained within a Building (Residential) permit. **Erosion Control (TESC) Permit is not required if the erosion control (TESC) permit scope is wholly contained within a Clearing and Grading Permit or Driveway Permit.	

Performance Guarantees

Type	Deposit (Refundable When Not Used)
Erosion Control	\$1,000 for each acre of development site area or fraction thereof
Street Invasion	\$1,500 for each invasion of improved public right-of-way

Public and Privately Owned Utilities

Type of Utility Service	Fees
Overhead Services - Individual - Distribution line (with or without services)	1-hour 1-hour per installation, or 2.2% of value of construction, whichever is greater
Underground Services - Individual, disturbing an improved portion of the right-of-way - Individual, not disturbing an improved portion of the right-of-way - Distribution line (with or without services)	\$366 per installation (street invasion deposit not applicable to companies with city franchise) 2-hours per installation 2-hours per installation including extensions, repairs or modifications, or 4.4% of value of construction, whichever is greater

Other Civil Construction Permit Services and Fees

Type	Fee
Additional plan review required by changes, additions, revision to plans and supporting documents (for approved or issued permits)	Hourly, 2-hour minimum
Expedited Review request (fees are in addition to normal review and permit fees): - In-house - Consultant	Actual time + 4 hours 4 hours, plus City's actual cost for outside consultant
Expired permit application (in review)	2 Hours and Application Deposit to be updated per City Engineer
Expired approved or issued permit	2 Hours and Application Deposit to be updated per City Engineer
Inspections - for which no fee is specifically indicated	2 hours, minimum
Inspection (outside of normal business hours, 8:00 a.m.- 4:00 p.m.)	Double the hourly rate (2 hours, minimum)
Investigation Fees	Equal to permit fee
Re-inspection fees	2 hours minimum
Time Extensions for unexpired applications, approved or issued permits	2-hours
Variance – Stormwater	6 hours minimum
Work without a permit	Investigation fee + permit fee

Section 2. Adopting Costs for Outside Consultants and Applicant Requested Expedited Review.

Costs for use of outside consultants are approved, adopted and established as herein set forth. For use of outside consultants for plan checking, inspections or both, the cost shall be the actual cost to the City, in addition to the permit fees required by this resolution.

Section 3. Fees – Nonrefundable - Exception. All fees shall be non-refundable, except as allowed by the Building Official pursuant to refunding provisions of the City's adopted building code.

Section 4. Repealer – Resolution. Resolution No. 911 of the City of Mountlake Terrace is hereby repealed in its entirety effective Midnight, December 31, 2025.

Section 5. Effective Date – Resolution. The fee schedules herein shall take effect and be in force on and after Midnight, January 1, 2026, and shall remain in effect until amended, revised or repealed and replaced by a subsequent fee schedule(s).

PASSED by the City Council of the City of Mountlake Terrace this 20th day of November, 2025, and signed in authentication of its passage this 20th day of November, 2025.

Mayor Kyoko Matsumoto Wright

ATTEST: _____
City Clerk

APPROVED AS TO FORM: _____
Hillary Evans, City Attorney

UTILITY CONNECTION FEES DEVELOPER INSTALLATION

Water service capital improvement and installation fees: MTMC 13.05.110 (Effective January 1, 2026)

Meter Size	ERU Weighting Factor	Capital Improvement (Buy-In) Fee
5/8" x 3/4"	1	\$5,915
1"	2.5	\$14,786
1-1/2"	5	\$29,570
2"	8	\$47,313
3"	15	\$88,712
4"	25	\$147,854
6"	50	\$295,708

*City installation fee shall be based on the current Civil Engineering Construction Development Fees

Sanitary sewer capital facilities charge: MTMC 13.05.180 (Effective January 1, 2026)

Meter Size	ERU Weighting Factor	Capital Improvement (Buy-In) Fee
5/8" x 3/4"	1	\$4,450
1"	2.5	\$11,126
1-1/2"	5	\$22,252
2"	8	\$35,603
3"	17.5	\$77,881
4"	32.5	\$144,636

*City installation fee shall be based on the current Civil Engineering Construction Development Fees

Stormwater capital facilities charge: MTMC 13.05.250

Stormwater capital facilities charges shall be imposed on all new development. The equivalent residential unit (ERU) for stormwater (equal to 2,282 square feet of impervious surface in the City of Mountlake Terrace) shall be the unit for capital facilities charges. The charge for Stormwater capital facilities shall be \$3,275 per ERU.

- A. Single-Family Residential. Each single family residential lot will be assessed a capital facilities charge equal to \$3,275 (equal to one ERU.) The charge will be due when a lot is developed or redeveloped and new water and/or new sanitary sewer service is initiated for the parcel.
- B. Multi-Family, Industrial and Commercial. The total stormwater capital facility charge for a parcel will equal: Total impervious surface/2,282 x \$3,275. The charge will be due upon construction permit issuance for the parcel.

CITY OF MOUNTLAKE TERRACE**RESOLUTION NO. ____****A RESOLUTION OF THE CITY OF MOUNTLAKE TERRACE
ESTABLISHING FEES FOR UTILITY CONNECTIONS**

WHEREAS, the City has determined to set forth a schedule of fees to cover the costs of development services, including building construction and fire protection permits; and

WHEREAS, Chapter 3.150 MTMC authorizes fee schedules to be adopted by resolution; and

WHEREAS, pursuant to MTMC 13.05.110 AND 13.05.180 AND 13.05.250, the City Council considers changes to the fee schedule and annual adjustments will be made to reflect the Seattle Area Consumer Price Index (CPI) and Utility Comprehensive Plan Recommendations; and

WHEREAS, the City studied the cost of development services and the City Council considered new fee schedules at a work session on, November 13, 2025, and held a duly noticed public hearing on November 20, 2025; and

WHEREAS, the City Council believes it is in the best interest of the City to adopt the proposed fees;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MOUNTLAKE TERRACE, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1. Adopting Utility Connection Fees. The City hereby adopts the following fees:

UTILITY CONNECTION FEES DEVELOPER INSTALLATION

Water service capital improvement and installation fees: MTMC 13.05.110 (Effective January 1, 2026)

Meter Size	ERU Weighting Factor	Capital Improvement (Buy-In) Fee
5/8" x 3/4"	1	\$5,915
1"	2.5	\$14,786
1-1/2"	5	\$29,570
2"	8	\$47,313
3"	15	\$88,712
4"	25	\$147,854
6"	50	\$295,708

*City installation fee shall be based on the current Civil Engineering Construction Development Fees

Sanitary sewer capital facilities charge: MTMC 13.05.180 (Effective January 1, 2026)

Meter Size	ERU Weighting Factor	Capital Improvement (Buy-In) Fee
5/8" x 3/4"	1	\$4,450
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2"	8	\$35,603
3"	17.5	\$77,881
4"	32.5	\$144,636

*City installation fee shall be based on the current Civil Engineering Construction Development Fees

Stormwater capital facilities charge: MTMC 13.05.250

Stormwater capital facilities charges shall be imposed on all new development. The equivalent residential unit (ERU) for stormwater (equal to 2,282 square feet of impervious surface in the City of Mountlake Terrace) shall be the unit for capital facilities charges. The charge for Stormwater capital facilities shall be \$3,275 per ERU.

- A. Single-Family Residential. Each single family residential lot will be assessed a capital facilities charge equal to \$3,275 (equal to one ERU.) The charge will be due when a lot is developed or redeveloped and new water and/or new sanitary sewer service is initiated for the parcel.
- B. Multi-Family, Industrial and Commercial. The total stormwater capital facility charge for a parcel will equal: Total impervious surface/2,282 x \$3,275. The charge will be due upon construction permit issuance for the parcel.

Section 2. Fees – Nonrefundable - Exception. All fees shall be non-refundable, except as allowed by the Public Works Director pursuant to refunding provisions of the City’s adopted code.

Section 3. Effective Date – Resolution. The fee schedules herein shall take effect and be in force on and after Midnight, January 1, 2026, and shall remain in effect until amended, revised or repealed and replaced by a subsequent fee schedule(s).

PASSED by the City Council of the City of Mountlake Terrace this 20th day of November, 2025, and signed in authentication of its passage this 20th day of November, 2025.

Mayor Kyoko Matsumoto Wright

ATTEST: _____
City Clerk

APPROVED AS TO FORM: _____
Hillary Evans, City Attorney



STAFF REPORT

To: Mountlake Terrace City Council

From: Sirke Salminen, Finance Director

Meeting Date: November 20, 2025

Subject: Review, Public Hearing, and Vote on Biennial Budget Amendment

Required Reviews:

Jennifer Joki	Created/Initiated - 11/13/2025
Sirke Salminen	Approved - 11/14/2025
Hillary Evans	Approved - 11/14/2025
Carolyn Hope	New -

Council Goal(s):

Responsible Governance to Ensure Desired Level of Service

Legislative History:

The City prepared a biennial budget for 2025-2026 and the Council approved the budget on November 14, 2024. The City is required to provide a mid-biennial review and modification of the biennial budget between September 1 and December 31 of the odd numbered year of the biennium per RCW 35A.34.130. A public hearing is required for the mid-biennial review. A public hearing has been scheduled for November 20, 2025.

Subject Summary:

The modifications to the biennial budget include the following:

- Modification to the beginning fund balances — the original budget was prepared prior to the year-end close and the final beginning balance had not been finalized.
- Transfers to new funds — the City Council approved new funds and changes to existing funds on October 2, 2025. This budget amendment includes the transfers from existing funds to the new funds.
- Changes to capital project funds — Staff has revised the timing of capital projects to coincide with grant revenue and the timing of the completion of projects. Several projects are expected to be completed in 2026, instead of 2025. Many of the increases in expenditures are the result of transferring the project to a new fund. This creates an expenditure on paper, but not a reduction in cash.

Financial/Budget Impacts:

Budget Amendment Yes
Required? _____

Budget and Sources:	Explained in the summary and staff PowerPoint presentation
Expenditure:	N/A
New Appropriation Required + Sources:	N/A

Additional Financial Information:

N/A

Community Notifications:

City Council Agenda

Newspaper

If "Other," please specify:

Board/Commission Recommendation:

N/A

Staff Recommendation:

Staff recommends the City Council vote to adopt the Biennial Budget Amendment ordinance. This can be accomplished following a public hearing on this item at the council meeting on November 20, 2025.

Council Motion:

N/A

Attachments:

1. 2025 - 2026 Budget Amendment Public Hearing Presentation
2. 2025 Budget Amendment Presentation
3. 2026 Budget Amendment Presentation
4. 2025-2026_Budget Amendment Ordinance



CITY OF
**MOUNTLAKE
TERRACE**



2025 - 2026 Budget Amendment

City Council Work Session: November 20, 2025

Sirke Salminen, Finance Director, Finance

Caitland Reinke, Finance Technician, Finance

PURPOSE

- The City is required to provide a mid-biennial review and modification of the biennial budget between September 1 and December 31 of the odd numbered year of the biennium per RCW 35A.34.130.



SUBJECT SUMMARY

This is proposed to adjust the current biennial budget in response to changes in financial, operational, and capital projects that were not fully anticipated during the original budget adoption. Amendments ensure that budget allocations remain aligned with actual revenue projections, expenditure needs, and strategic priorities.

The modifications to the biennial budget include the following:

- Modification to the beginning fund balances — the original budget was prepared prior to the year-end close, and the final beginning balance had not been finalized.
- Transfers to new funds — the City Council approved new funds and changes to existing funds on October 2, 2025. This budget amendment includes the transfers from existing funds to the new funds.
- Changes to capital project funds — Staff has revised the timing of capital projects to coincide with grant revenue and the timing of the completion of projects. Several projects are expected to be completed in 2026, instead of 2025. Many of the increases in expenditures are the result of transferring the project to a new fund. This creates an expenditure on paper, but not a reduction in cash.

BUDGET AMENDMENT SUMMARY

2025 BUDGET SUMMARY BY FUND BUDGET AMENDMENT						
FUND	BEGINNING FUND BALANCE	REVENUES & OTHER SOURCES	TOTAL BEGINNING FUND BALANCE & REVENUES & OTHER SOURCES	EXPENDITURES & OTHER USES	ENDING FUND BALANCE	TOTAL EXPENDITURES & ENDING FUND BALANCE
GENERAL OPERATING FUNDS						
General Fund	\$ 8,218,572	\$ 18,712,760	\$ 26,931,332	\$ 21,666,622	5,264,710	\$ 26,931,332
Housing Needs Fund	293,567	8,000	301,567	22,300	279,267	301,567
Strategic Reserve Fund	934,426	101,392	1,035,818	-	1,035,818	1,035,818
Accumulated Leave Reserve Fund	62,984	1,941	64,925	46,000	18,925	64,925
Recreation Fund	285,768	3,415,610	3,701,378	3,613,175	88,203	3,701,378
Solid Waste Service Fund	111,594	49,000	160,594	52,014	108,580	160,594
Street Operating Fund	673,966	1,589,043	2,263,009	1,681,975	581,034	2,263,009
Art Fund	-	119,630	119,630	73,000	46,630	119,630
Tree Fund	-	20,000	20,000	20,000	-	20,000
American Rescue Plan Act Fund	105,175	-	105,175	105,175	-	105,175
Opioid Settlement fund	-	330,070	330,070	-	330,070	330,070
Hotel/Motel Tax Fund	192,125	58,200	250,325	50,000	200,325	250,325
Debt Service Fund	306,130	723,045	1,029,175	712,175	317,000	1,029,175
Fleet Management Fund	1,877,647	2,660,562	4,538,209	2,427,769	2,110,440	4,538,209
Information Technology Fund	-	1,693,323	1,693,323	1,693,323	-	1,693,323
Total General Operating Funds	\$ 13,061,954	\$ 29,482,576	\$ 42,544,530	\$ 32,163,528	\$ 10,381,002	\$ 42,544,530
UTILITY FUNDS						
Sewer Utility Fund	\$6,320,687	\$8,861,224	\$15,181,911	\$9,331,775	\$5,850,136	\$15,181,911
Water Utility Fund	10,693,507	8,779,216	19,472,723	9,223,437	10,249,286	19,472,723
Stormwater Utility Fund	5,934,231	5,371,356	11,305,587	4,280,400	7,025,187	11,305,587
Debt Service Funds	-	2,506,493	2,506,493	1,706,700	799,793	2,506,493
Total Utility Funds	\$ 22,948,425	\$ 25,518,289	\$ 48,466,714	\$ 24,542,312	\$ 23,924,402	\$ 48,466,714
CAPITAL FUNDS						
Street Construction Fund	\$8,441,121	\$378,658	\$8,819,779	\$4,245,370	\$4,574,409	\$8,819,779
Parks Capital Improvement Fund	2,114,293	7,257,422	9,371,715	7,430,456	1,941,259	9,371,715
Real Estate Excise Tax Fund	729,882	1,030,000	1,759,882	500,000	1,259,882	1,759,882
Facilities Construction	-	2,983,086	2,983,086	2,821,306	161,780	2,983,086
Stormwater Construction Fund	-	447,600	447,600	447,600	-	447,600
Sewer Construction Fund	-	755,000	755,000	753,138	1,862	755,000
Water Construction Fund	-	1,030,821	1,030,821	1,026,321	4,500	1,030,821
Total Capital Funds	\$ 11,285,296	\$ 13,882,587	\$ 25,167,883	\$ 17,224,191	\$ 7,943,692	\$ 25,167,883
TOTAL 2025 BUDGET	\$ 47,295,675	\$ 68,883,452	\$ 116,179,127	\$ 73,930,031	\$ 42,249,096	\$ 116,179,127

BUDGET AMENDMENT SUMMARY

2026 BUDGET SUMMARY BY FUND						
BUDGET AMENDMENT						
FUND	BEGINNING FUND BALANCE	REVENUES & OTHER SOURCES	TOTAL BEGINNING FUND BALANCE & REVENUES & OTHER SOURCES	EXPENDITURES & OTHER USES	ENDING FUND BALANCE	TOTAL EXPENDITURES & ENDING FUND BALANCE
GENERAL OPERATING FUNDS						
General Fund	\$ 5,264,710	\$ 19,041,496	\$ 24,306,206	\$ 21,283,533	\$ 3,022,673	\$ 24,306,206
Housing Needs Fund	279,267	7,000	286,267	22,300	263,967	286,267
Strategic Reserve Fund	1,035,818	27,466	1,063,284	-	1,063,284	1,063,284
Accumulated Leave Reserve Fund	18,925	1,999	20,924	-	20,924	20,924
Recreation Fund	88,203	3,681,710	3,769,913	3,767,183	2,730	3,769,913
Solid Waste Service Fund	108,580	49,000	157,580	53,574	104,006	157,580
Street Operating Fund	581,034	1,282,383	1,863,417	1,820,488	42,929	1,863,417
Art Fund	46,630	-	46,630	-	46,630	46,630
Tree Fund	-	20,000	20,000	20,000	-	20,000
American Rescue Plan Act Fund	-	-	-	-	-	-
Opioid Settlement fund	330,070	40,000	370,070	150,000	220,070	370,070
Hotel/Motel Tax Fund	200,325	58,000	258,325	50,000	208,325	258,325
Debt Service Fund	317,000	736,542	1,053,542	707,900	345,642	1,053,542
Fleet Management Fund	2,110,440	2,660,562	4,771,002	2,427,769	2,343,233	4,771,002
Information Technology Fund	-	1,530,458	1,530,458	1,530,458	-	1,530,458
Total General Operating Funds	\$ 10,381,002	\$ 29,136,615	\$ 39,517,617	\$ 31,833,205	\$ 7,684,412	\$ 39,517,617
UTILITY FUNDS						
Sewer Utility Fund	5,850,136	8,858,537	14,708,673	11,895,148	2,813,525	14,708,673
Water Utility Fund	10,249,286	8,938,768	19,188,054	15,763,333	3,424,721	19,188,054
Stormwater Utility Fund	7,025,187	5,443,486	12,468,673	8,906,900	3,561,773	12,468,673
Debt Service Funds	799,793	1,773,944	2,573,737	1,774,292	799,445	2,573,737
Total Utility Funds	\$ 23,924,402	\$ 25,014,735	\$ 48,939,137	\$ 38,339,673	\$ 10,599,464	\$ 48,939,137
CAPITAL FUNDS						
Street Construction Fund	4,574,409	9,017,913	13,592,322	11,911,364	1,680,958	13,592,322
Parks Capital Improvement Fund	1,941,259	3,823,374	5,764,633	2,870,000	2,894,633	5,764,633
Real Estate Excise Tax Fund	1,259,882	1,025,000	2,284,882	1,550,000	734,882	2,284,882
Facilities Construction	161,780	1,250,000	1,411,780	1,250,000	161,780	1,411,780
Stormwater Construction Fund	-	5,048,000	5,048,000	5,048,000	-	5,048,000
Sewer Construction Fund	1,862	3,570,715	3,572,577	3,570,713	1,864	3,572,577
Water Construction Fund	4,500	7,648,752	7,653,252	7,479,891	173,361	7,653,252
Total Capital Funds	\$ 7,943,692	\$ 31,383,754	\$ 39,327,446	\$ 33,679,968	\$ 5,647,478	\$ 39,327,446
TOTAL 2026 BUDGET	\$ 42,249,096	\$ 85,535,104	\$ 127,784,200	\$ 103,852,846	\$ 23,931,354	\$ 127,784,200



FINANCIAL/BUDGET IMPACTS

- Transparent budget amendments ensure that residents, council members, and staff clearly understand how and why public funds are being adjusted. While this approach enhances trust and accountability, it also carries operational and financial impacts that cities must plan for.
 - The original budget was prepared prior to the year end close, the beginning balances for all funds are approximately \$4.7 million more than forecasted in the original adopted budget.
 - Transfers to the new funds approved by Council do not have a financial impact.
 - Several capital projects were not completed in 2025 but are forecasted to be completed in 2026.
 - The ending fund balance for 2026 is approximately \$206,000 higher than the 2026 adopted budget.

COMMUNITY NOTIFICATION

Public Hearing November 20, 2025.



STAFF RECOMMENDATION

Staff recommends the City Council vote to adopt the Biennial Budget Amendment ordinance. This can be accomplished following a public hearing on this item at the Council meeting on November 20, 2025.

DISCUSSION & QUESTIONS

Thank you





CITY OF
**MOUNTLAKE
TERRACE**



2025 Budget Amendment

City Council Work Session: November 13, 2025

Sirke Salminen, Finance Director, Finance

Caitland Reinke, Finance Technician, Finance

PURPOSE

- The City is required to provide a mid-biennial review and modification of the biennial budget between September 1 and December 31 of the odd numbered year of the biennium per RCW 35A.34.130.



AGENDA

- Council Goals
- Summary
- Fund Updates
- Budget Amendment Summary

COUNCIL GOALS

Responsible Governance to Ensure Desired Level of Service

- Adjusting the biennial budget allows the City to maintain the desired level of service through prudent allocation of resources, addressing unanticipated costs, and aligning expenditures with updated priorities.
- These amendments demonstrate the City's commitment to effective stewardship of public funds while sustaining service delivery and advancing strategic objectives.

SUBJECT SUMMARY

This is proposed to adjust the current biennial budget in response to changes in financial, operational, and capital projects that were not fully anticipated during the original budget adoption. Amendments ensure that budget allocations remain aligned with actual revenue projections, expenditure needs, and strategic priorities.

The modifications to the biennial budget include the following:

- Modification to the beginning fund balances — the original budget was prepared prior to the year-end close, and the final beginning balance had not been finalized.
- Transfers to new funds — the City Council approved new funds and changes to existing funds on October 2, 2025. This budget amendment includes the transfers from existing funds to the new funds.
- Changes to capital project funds — Staff has revised the timing of capital projects to coincide with grant revenue and the timing of the completion of projects. Several projects are expected to be completed in 2026, instead of 2025. Many of the increases in expenditures are the result of transferring the project to a new fund. This creates an expenditure on paper, but not a reduction in cash.

GENERAL FUND 011

2025 Budget Amendment

General Fund 011				
	2025 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ 12,536,018	\$ (4,317,446)	\$ 8,218,572	Original budget forecast was prepared before the actual beginning cash was available after year end close.
Revenue Budget	18,712,760		18,712,760	
Expenditure Budget	21,309,278		21,309,278	
Void transfer to Capital Imp Fund F322		(550,000)	(550,000)	Moved project from Capital Imp Fund to Facilites Construction
Transfer to Fac Const F333		550,000	550,000	Moved project from Capital Imp Fund to Facilites Construction
Void transfer to Street Const F312		(145,000)	(145,000)	Transfer changed from Street Const to Capital Improv
Transfer to Capital Imp Fund F322		145,000	145,000	Transfer changed from Street Const to Capital Improv
Transfer to F141		330,070	330,070	Transfer to new fund-Opioid Settlement
Transfer to F116		27,274	27,274	Beginning balance of Art Fund - not included in original budget
Total Expenditures		357,344	357,344	
Ending Fund Balance	\$ 9,939,500	\$ (4,674,790)	\$ 5,264,710	
		Total BA		

HOUSING NEEDS FUND 018

2025 Budget Amendment

HousingNeeds Fund 018					
	2025 Original Budget	Budget Amendment	Revised Budget		Reason for Amendment
Beginning Fund Balance	\$ 262,464	\$ 31,103	\$ 293,567		Original budget forecast was prepared before the actual beginning cash was available after year end close.
Revenue Budget	8,000		8,000		
Expenditure Budget	22,300		22,300		
Ending Fund Balance	\$ 248,164	\$ 31,103	\$ 279,267		
		Total BA			

STRATEGIC RESERVE FUND 022

2025 Budget Amendment

Strategic Fund 022					
	2025 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment	
Beginning Fund Balance	\$ 922,979	\$ 11,447	\$ 934,426	Original budget forecast was prepared before the actual beginning cash was available after year end close.	
Revenue Budget	101,392		101,392		
Expenditure Budget	0		0		
Ending Fund Balance	\$ 1,024,371	\$ 11,447	\$ 1,035,818		
		Total BA			

ACCUMULATED LEAVE 023

2025 Budget Amendment

Accum Leave Reserve 023					
	2025 Original Budget	Budget Amendment	Revised Budget		Reason for Amendment
Beginning Fund Balance	\$ 60,510	\$ 2,474	\$ 62,984		Original budget forecast was prepared before the actual beginning cash was available after year end close.
Revenue Budget	1,941		1,941		
Expenditure Budget	46,000		46,000		
Ending Fund Balance	\$ 16,451	\$ 2,474	\$ 18,925		
		Total BA			

RECREATION PROGRAM 033

2025 Budget Amendment

Recreation Program 033					
	2025 Original Budget	Budget Amendment	Revised Budget		Reason for Amendment
Beginning Fund Balance	\$ 42,342	\$ 243,426	\$ 285,768		Original budget forecast was prepared before the actual beginning cash was available after year end close.
Revenue Budget	3,415,610		3,415,610		
Expenditure Budget	3,613,175		3,613,175		
Ending Fund Balance	\$ (155,223)	\$ 243,426	\$ 88,203		
		Total BA			

SOLID WASTE SERVICES FUND 064

2025 Budget Amendment

Solid Waste SVC 064					
	2025 Original Budget	Budget Amendment	Revised Budget		Reason for Amendment
Beginning Fund Balance	\$ 114,903	\$ (3,309)	\$ 111,594		Original budget forecast was prepared before the actual beginning cash was available after year end close.
Revenue Budget	49,000		49,000		
Expenditure Budget	52,014		52,014		
Ending Fund Balance	\$ 111,889	\$ (3,309)	\$ 108,580		
		Total BA			

STREET FUND 111

2025 Budget Amendment

Street Fund 111				
	2025 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ 1,361,341	\$ (687,375)	\$ 673,966	Original budget forecast was prepared before the actual beginning cash was available after year end close.
Revenue Budget	1,273,442		1,273,442	
TBD License Fees		315,601	315,601	TBD license fees moved from Street Construction fund
Total Revenues		315,601	315,601	
Expenditure Budget	1,681,975		1,681,975	
Ending Fund Balance	\$ 952,808	\$ (371,774)	\$ 581,034	
		Total BA		

ART FUND 116

2025 Budget Amendment

Art Fund 116				
	2025 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ -	\$ -	\$ -	The Art Fund was not included in the original budget.
Revenue Budget		0		
Revenues		92,356	92,356	1% for the arts from capital projects
Transfer from GF 011		27,274	27,274	Transfer 1% for the arts from previous capital projects
Total Revenues		119,630	119,630	
Expenditure Budget				
Expenditures		73,000	73,000	TCCP Plaza Public Art
Total Expenditures		73,000	73,000	
Ending Fund Balance	\$ -	\$ 46,630	\$ 46,630	
		Total BA		

TREE FUND 117 2025 Budget Amendment

Tree Fund 117					
	2025 Original Budget	Budget Amendment	Revised Budget		Reason for Amendment
Beginning Fund Balance	\$ -	\$ -	\$ -		The Tree Fund was not included in the original budget.
Revenue Budget	0				
Revenues		20,000	20,000		Tree replacement-fee in lieu
Total Revenues		20,000	20,000		
Expenditure Budget	0				
Expenditures		20,000	20,000		Tree mitigation projects
Total Expenditures		20,000	20,000		
Ending Fund Balance	\$ -	\$ -	\$ -		
		Total BA			

AMERICAN RESCUE PLAN ACT 140

2025 Budget Amendment

American Rescue Plan Act 140				
	2025 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ -	\$ 105,175	\$ 105,175	Original budget forecast was prepared before the actual beginning cash was available after year end close.
Revenue Budget	0		0	
Expenditure Budget	0		0	
Transfer to Capital F322		105,175	105,175	Transfer to Facilities Fund 333
Total Expenditures	0	105,175	105,175	
Ending Fund Balance	\$ -	\$ -	\$ -	
		Total BA		

OPIOID SETTLEMENT FUND 141

2025 Budget Amendment

Opioid Settlement Fund 141					
	2025 Original Budget	Budget Amendment	Revised Budget		Reason for Amendment
Beginning Fund Balance	\$ -	\$ -	\$ -		
Revenue Budget	0				
Transfer from F011		330,070	330,070		Transfer from General Fund to separate restricted opioid settlement funds
Total Revenues		330,070	330,070		
Expenditure Budget	0				
Ending Fund Balance	\$ -	\$ 330,070	\$ 330,070		
		Total BA			

HOTEL/MOTEL FUND 162

2025 Budget Amendment

Hotel/ Motel Fund 162					
	2025 Original Budget	Budget Amendment	Revised Budget		Reason for Amendment
Beginning Fund Balance	\$ 184,982	\$ 7,143	\$ 192,125		Original budget forecast was prepared before the actual beginning cash was available after year end close.
Revenue Budget	58,200		58,200		
Expenditure Budget	50,000		50,000		
Ending Fund Balance	\$ 193,182	\$ 7,143	\$ 200,325		
		Total BA			

DEBT SERVICE FUND 215

2025 Budget Amendment

Debt Service Fund 215					
	2025 Original Budget	Budget Amendment	Revised Budget		Reason for Amendment
Beginning Fund Balance	\$ 296,428	\$ 9,702	\$ 306,130		Original budget forecast was prepared before the actual beginning cash was available after year end close.
Revenue Budget	723,045		723,045		
Expenditure Budget	712,175		712,175		
Ending Fund Balance	\$ 307,298	\$ 9,702	\$ 317,000		
		Total BA			

STREET CONSTRUCTION FUND 312

2025 Budget Amendment

Street Construction Fund 312				
	2025 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ 2,454,714	\$ 5,986,407	\$ 8,441,121	Original budget forecast was prepared before the actual beginning cash was available after year end close.
Revenue Budget	1,339,259		1,339,259	
Revenues		(315,601)	(315,601)	TBD License Fees-moved to street operating fund
Transfer from REET		(500,000)	(500,000)	REET funds not needed in 2025
Transfer from GF 011		(145,000)	(145,000)	Transfer from GF to Parks Capital Fund instead
Total Revenues		(960,601)	(960,601)	
Expenditure Budget	1,595,000		1,595,000	
Reduce Expenditures		(1,470,000)	(1,470,000)	Asphalt Overlay & Main Street Phase II & III-moved to 2026
Capital Project		4,120,370	4,120,370	Main Street Phase I
Transfer to Debt F428		2,070	2,070	Move debt payment to new debt service fund
Reduce Expenditures		(2,070)	(2,070)	
Total Expenditures		2,650,370	2,650,370	
Ending Fund Balance	\$ 2,198,973	\$ 2,375,436	\$ 4,574,409	
		Total BA		

PARKS CAPITAL IMPROVEMENT FUND 322

2025 Budget Amendment

Parks Capital Improv Fund 322	2025 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ 341,928	\$ 1,772,365	\$ 2,114,293	Original budget forecast was prepared before the actual beginning cash was available after year end close.
Revenue Budget	7,159,810		7,159,810	
Revenues		2,122,910	2,122,910	Miscellaneous Revenues
Revenues		(970,298)	(970,298)	FHWA Grant - receive additional grant in 2026
Transfer from REET 330		(500,000)	(500,000)	Changed transfer to Facilities Construction fund
Transfer from General Fund 011		(150,000)	(150,000)	Zoning code update project moved to General Fund
Transfer from General Fund 011		145,000	145,000	Changed GF transfer from Street Construction to Parks Capital
Transfer from General Fund 011		(550,000)	(550,000)	Changed transfer to Facilities Construction fund
Total Revenues		97,612	97,612	
Expenditure Budget	7,326,300		7,326,300	
Expenditures		1,427,339	1,427,339	Increase to Ballinger Park Trails and Viewing Platform
Expenditures		(1,036,412)	(1,036,412)	Move projects to Facilities Construction-reduction in expenditures
Transfer to Facilities F333		1,367,422	1,367,422	Move to Facilities Construction Fund - Police Roof
Expenditures		(1,654,193)	(1,654,193)	Reduction in capital projects -Evergreen playfield
Total Expenditures		104,156	104,156	
Ending Fund Balance	\$ 175,438	\$ 1,765,821	\$ 1,941,259	
		Total BA		

REAL ESTATE EXCISE TAX 330

2025 Budget Amendment

Real Estate Excise Tax 330				
	2025 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ 605,910	\$ 123,972	\$ 729,882	Original budget forecast was prepared before the actual beginning cash was available after year end close.
Revenue Budget	1,030,000		1,030,000	
Expenditure Budget	1,000,000		1,000,000	
Expenditures		(500,000)	(500,000)	Void transfer to Street Construction
Expenditures		500,000	500,000	Transfer to Facilities Construction
Expenditures		(500,000)	(500,000)	Void Transfer to parks CIP
Total Expenditures		(500,000)	(500,000)	
Ending Fund Balance	\$ 635,910	\$ 623,972	\$ 1,259,882	
		Total BA		

FACILITIES CONSTRUCTION FUND 333

2025 Budget Amendment

Facilities Construction 333				
	2025 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ -	\$ -	\$ -	New fund-separated facilities capital from parks capital fund
Revenue Budget	0			
Revenue		370,489	370,489	Special Revenue Fund-Fire Department
Transfer from REET		500,000	500,000	Transferred revenues from CIPfund
Transfer from General Fund		550,000	550,000	Transferred revenues from CIPfund
Transfer from Parks CIPF322		90,000	90,000	Grant for EV Charging Stations
Transfer from CIP		1,367,422	1,367,422	Transfer from CIPF322 - Police roof
Transfer from ARPA F140		105,175	105,175	Transfer from ARPA fund
Total Revenues		2,983,086	2,983,086	
Expenditure Budget	0			
Expenditures		215,053	215,053	Pool Liner-original budget in 2026
Expenditures		945,489	945,489	Police generator
Expenditures		50,000	50,000	Clubhouse HVAC
Expenditures		1,367,422	1,367,422	Police Roof
Expenditures		243,342	243,342	EV Charging Stations
Total Expenditures		2,821,306	2,821,306	
Ending Fund Balance	\$ -	\$ 161,780	\$ 161,780	
		Total BA		

SEWER UTILITY FUND 410

2025 Budget Amendment

Sewer Utility 410				
	2025 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ 6,355,395	\$ (34,708)	\$ 6,320,687	Original budget forecast was prepared before the actual beginning cash was available after year end close.
Revenue Budget	8,861,224		8,861,224	
Expenditure Budget	12,711,765		12,711,765	
Transfer to Capital F420		755,000	755,000	Move to capital fund F420
Reduce Expenditures		(755,000)	(755,000)	
Forecast reduction		(3,500,000)	(3,500,000)	Sewer system capital project budget -project moved to 2026
Transfer to Debt 426		196,713	196,713	Separated debt service from sewer operating funds-move funds to pay for principal & interest
Transfer to Debt F426		60,005	60,005	Separated debt service from sewer operating funds-move funds to pay for principal & interest
Reduce Expenditures		(136,708)	(136,708)	Debt paid from debt service funds
Total Expenditures		(3,379,990)	(3,379,990)	
Ending Fund Balance	\$ 2,504,854	\$ 3,345,282	\$ 5,850,136	
		Total BA		

WATER UTILITY FUND 411

2025 Budget Amendment

Water Utility 411				
	2025 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ 9,356,443	\$ 1,337,064	\$ 10,693,507	Original budget forecast was prepared before the actual beginning cash was available after year end close.
Revenue Budget	8,779,216		8,779,216	
Expenditure Budget	13,538,138		13,538,138	
Transfer to capital project F421		1,030,821	1,030,821	Move to capital F421
Reduce Expenditures		(1,030,821)	(1,030,821)	Reduce expenditures
Forecast reduction		(4,315,000)	(4,315,000)	Water system capital project budget -move to 2026
Transfer to Debt F425		284,580	284,580	Separated debt service from water operating funds-move funds to pay for principal & interest
Transfer to Debt F428		2,724	2,724	Separated debt service from water operating funds-move funds to pay for principal & interest
Transfer to Debt F427		348,973	348,973	Separated debt service from water operating funds-move funds to pay for principal & interest
Transfer to Debt F426		150,010	150,010	Separated debt service from water operating funds-move funds to pay for principal & interest
Transfer to Debt F422		108,000	108,000	Separated debt service from water operating funds-move funds to pay for principal & interest
Transfer to Debt Res.F424		394,052	394,052	Separated debt service from water operating funds-move funds to pay for principal & interest
Reduce Expenditures		(1,288,039)	(1,288,039)	Debt paid from debt service funds
Total Expenditures		(4,314,701)	(4,314,701)	
Ending Fund Balance	\$ 4,597,521	\$ 5,651,765	\$ 10,249,286	
		Total BA		

STORMWATER UTILITY FUND 412

2025 Budget Amendment

Stormwater Utility 412					
	2025 Original Budget		Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ 5,747,856		\$ 186,375	\$ 5,934,231	Original budget forecast was prepared before the actual beginning cash was available after year end close.
Revenue Budget	5,371,356			5,371,356	
Expenditure Budget	4,550,400			4,550,400	
Transfer to capital project F419			447,600	447,600	Move to capital F419
Reduce Expenditures			(447,600)	(447,600)	
Forecast reduction			(270,000)	(270,000)	Moved to capital project 2026
Transfer to Debt F425			167,830	167,830	Separated debt service from stormwater operating funds-move funds to pay for principal & interest
Transfer to Debt F428			654	654	Separated debt service from stormwater operating funds-move funds to pay for principal & interest
Transfer to Debt F426			150,010	150,010	Separated debt service from stormwater operating funds-move funds to pay for principal & interest
Transfer to Debt Res. F424			405,373	405,373	Separated debt service from stormwater operating funds-move funds to pay for principal & interest
Transfer to Debt F422			235,500	235,500	Separated debt service from stormwater operating funds-move funds to pay for principal & interest
Reduce Expenditures			(959,367)	(959,367)	Debt paid from debt service funds
Total Expenditures			(270,000)	(270,000)	
Ending Fund Balance	\$ 6,568,812		\$ 456,375	\$ 7,025,187	
			Total BA		

STORMWATER CONSTRUCTION FUND 419

2025 Budget Amendment

Stormwater Construction 419				
	2025 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ -	\$ -	\$ -	
Revenue Budget	0		0	
Transfer from Storm Ops F412		447,600	447,600	Moved from Storm ops F412
Total Revenues		447,600	447,600	
Expenditure Budget	0			
Expenditures		447,600	447,600	220th Water Quality & Deep Pipe Repair
Total Expenditures		447,600	447,600	
Ending Fund Balance	\$ -	\$ -	\$ -	
		Total BA		

SEWER CONSTRUCTION FUND 420

2025 Budget Amendment

Sewer Construction 420				
	2025 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ -	\$ -	\$ -	
Revenue Budget	0		0	
Transfer from Sewer Op F410		755,000	755,000	Moved from Sewer Ops F410
Total Revenues		755,000	755,000	
Expenditure Budget	0			
Expenditures		753,138	753,138	Cedar Grove & Edmonds WWTP
Total Expenditures		753,138	753,138	
Ending Fund Balance	\$ -	\$ 1,862	\$ 1,862	
		Total BA		

WATER CONSTRUCTION FUND 421

2025 Budget Amendment

Water Construction 421				
	2025 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ -	\$ -	\$ -	
Revenue Budget	0		0	
Transfer from Water Op F411		1,030,821	1,030,821	Moved from Water Ops F411
Total Revenues		1,030,821	1,030,821	
Expenditure Budget	0			
Expenditures		1,026,321	1,026,321	Westwater Main & Reservoir Recoating & Seismic Retrofit
Total Expenditures		1,026,321	1,026,321	
Ending Fund Balance	\$ -	\$ 4,500	\$ 4,500	
		Total BA		

W/S 2012 REVENUE BOND 422

2025 Budget Amendment

W/ S 2012 Revenue Bond 422					
	2025 Original Budget	Budget Amendment	Revised Budget		Reason for Amendment
Beginning Fund Balance	\$ -	\$ -	\$ -		
Revenue Budget	0				
Transfer from Water F411		108,000	108,000		Separated debt service from water operating fund
Transfer from Storm F412		235,500	235,500		Separated debt service from stormwater operating fund
Total Revenues		343,500	343,500		
Expenditure Budget	0				
Debt payment		343,150	343,150		Debt Service payment
Total Expenditures		343,150	343,150		
Ending Fund Balance	\$ -	\$ 350	\$ 350		
		Total BA			

W/S REVENUE BOND RESERVE 424

2025 Budget Amendment

W/ S Rev Bond Reserve 424					
	2025 Original Budget	Budget Amendment		Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ -	\$ -		\$ -	
Revenue Budget	0				
Transfer from Water F411		394,052		394,052	Separated debt service from water operating funds
Transfer from Storm F412		405,373		405,373	Separated debt service from stormwater operating funds
Total Revenues		799,425	0	799,425	
Expenditure Budget	0				
Ending Fund Balance	\$ -	\$ 799,425		\$ 799,425	
		Total BA			

W/S 2014 REVENUE BOND 425

2025 Budget Amendment

W/ S 2014 Rev Bond 425				
	2025 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ -	\$ -	\$ -	
Revenue Budget	0			
Transfer from Water F411		284,580	284,580	Separated debt service from water operating funds
Transfer from Storm F412		167,830	167,830	Separated debt service from stormwater operating funds
Total Revenues		452,410	452,410	
Expenditure Budget	0			
Debt payment		452,400	452,400	Debt payment
Total Expenditures		452,400	452,400	
Ending Fund Balance	\$ -	\$ 10	\$ 10	
		Total BA		

W/S 2020 REVENUE BOND 426

2025 Budget Amendment

W/S 2020 Rev Bond 426				
	2025 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ -	\$ -	\$ -	
Revenue Budget	0			
Transfer from Sewer F410		196,713	196,713	Separated debt service from sewer operating funds
Transfer from Sewer F410		60,005	60,005	Separated debt service from sewer operating funds
Transfer from Water F411		150,010	150,010	Separated debt service from water operating funds
Transfer from Storm F412		150,010	150,010	Separated debt service from stormwater operating funds
Total Revenues		556,738	556,738	
Expenditure Budget	0			
Debt payment		556,730	556,730	Debt payment
Total Expenditures		556,730	556,730	
Ending Fund Balance	\$ -	\$ 7	\$ 7	
		Total BA		

PWTFNT FUND 427

2025 Budget Amendment

PWTFNT Fund 427					
	2025 Original Budget	Budget Amendment	Revised Budget		Reason for Amendment
Beginning Fund Balance	\$ -	\$ -	\$ -		
Revenue Budget	0				
Transfer from Water F411		348,973	348,973		Separated debt service from water operating funds
Total Revenues		348,973	348,973		
Expenditure Budget	0				
Debt payment		348,973	348,973		Debt payment
Total Expenditures		348,973	348,973		
Ending Fund Balance	\$ -	\$ 0	\$ 0		
		Total BA			

PWAF FUND 428

2025 Budget Amendment

PWAF Fund 428				
	2025 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ -	\$ -	\$ -	
Revenue Budget	0			
Transfer from Water F411		2,724	2,724	Separated debt from operating funds
Transfer from Streets F111		2,070	2,070	Separated debt from operating funds
Transfer from Storm F412		654	654	Separated debt from operating funds
Total Revenues		5,447	5,447	
Expenditure Budget	0			
Interest payment		5,447	5,447	Interest payment
Total Expenditures		5,447	5,447	
Ending Fund Balance	\$ -	\$ -	\$ -	
		Total BA		

BUDGET AMENDMENT SUMMARY

2025 BUDGET SUMMARY BY FUND BUDGET AMENDMENT						
FUND	BEGINNING FUND BALANCE	REVENUES & OTHER SOURCES	TOTAL BEGINNING FUND BALANCE & REVENUES & OTHER SOURCES	EXPENDITURES & OTHER USES	ENDING FUND BALANCE	TOTAL EXPENDITURES & ENDING FUND BALANCE
GENERAL OPERATING FUNDS						
General Fund	\$ 8,218,572	\$ 18,712,760	\$ 26,931,332	\$ 21,666,622	5,264,710	\$ 26,931,332
Housing Needs Fund	293,567	8,000	301,567	22,300	279,267	301,567
Strategic Reserve Fund	934,426	101,392	1,035,818	-	1,035,818	1,035,818
Accumulated Leave Reserve Fund	62,984	1,941	64,925	46,000	18,925	64,925
Recreation Fund	285,768	3,415,610	3,701,378	3,613,175	88,203	3,701,378
Solid Waste Service Fund	111,594	49,000	160,594	52,014	108,580	160,594
Street Operating Fund	673,966	1,589,043	2,263,009	1,681,975	581,034	2,263,009
Art Fund	-	119,630	119,630	73,000	46,630	119,630
Tree Fund	-	20,000	20,000	20,000	-	20,000
American Rescue Plan Act Fund	105,175	-	105,175	105,175	-	105,175
Opioid Settlement fund	-	330,070	330,070	-	330,070	330,070
Hotel/Motel Tax Fund	192,125	58,200	250,325	50,000	200,325	250,325
Debt Service Fund	306,130	723,045	1,029,175	712,175	317,000	1,029,175
Fleet Management Fund	1,877,647	2,660,562	4,538,209	2,427,769	2,110,440	4,538,209
Information Technology Fund	-	1,693,323	1,693,323	1,693,323	-	1,693,323
Total General Operating Funds	\$ 13,061,954	\$ 29,482,576	\$ 42,544,530	\$ 32,163,528	\$ 10,381,002	\$ 42,544,530
UTILITY FUNDS						
Sewer Utility Fund	\$6,320,687	\$8,861,224	\$15,181,911	\$9,331,775	\$5,850,136	\$15,181,911
Water Utility Fund	10,693,507	8,779,216	19,472,723	9,223,437	10,249,286	19,472,723
Stormwater Utility Fund	5,934,231	5,371,356	11,305,587	4,280,400	7,025,187	11,305,587
Debt Service Funds	-	2,506,493	2,506,493	1,706,700	799,793	2,506,493
Total Utility Funds	\$ 22,948,425	\$ 25,518,289	\$ 48,466,714	\$ 24,542,312	\$ 23,924,402	\$ 48,466,714
CAPITAL FUNDS						
Street Construction Fund	\$8,441,121	\$378,658	\$8,819,779	\$4,245,370	\$4,574,409	\$8,819,779
Parks Capital Improvement Fund	2,114,293	7,257,422	9,371,715	7,430,456	1,941,259	9,371,715
Real Estate Excise Tax Fund	729,882	1,030,000	1,759,882	500,000	1,259,882	1,759,882
Facilities Construction	-	2,983,086	2,983,086	2,771,306	211,780	2,983,086
Stormwater Construction Fund	-	447,600	447,600	447,600	-	447,600
Sewer Construction Fund	-	755,000	755,000	753,138	1,862	755,000
Water Construction Fund	-	1,030,821	1,030,821	1,026,321	4,500	1,030,821
Total Capital Funds	\$ 11,285,296	\$ 13,882,587	\$ 25,167,883	\$ 17,174,191	\$ 7,993,692	\$ 25,167,883
TOTAL 2025 BUDGET	\$ 47,295,675	\$ 68,883,452	\$ 116,179,127	\$ 73,880,031	\$ 42,299,096	\$ 116,179,127

FINANCIAL/BUDGET IMPACTS

- Transparent budget amendments ensure that residents, council members, and staff clearly understand how and why public funds are being adjusted. While this approach enhances trust and accountability, it also carries operational and financial impacts that cities must plan for.
 - The original budget was prepared prior to the year end close, the beginning balances for all funds are approximately \$4.7 million more than forecasted in the original adopted budget.
 - Transfers to the new funds approved by Council do not have a financial impact.
 - Several capital projects were not completed in 2025 but are forecasted to be completed in 2026. Resulting in a higher ending fund balance in 2025.

COMMUNITY NOTIFICATION

- A public hearing has been scheduled for November 20, 2025.



STAFF RECOMMENDATION

Staff recommends the City Council vote to adopt the Biennial Budget Amendment ordinance. This can be accomplished following a public hearing on this item at the Council meeting on November 20, 2025.

DISCUSSION & QUESTIONS

Thank you





CITY OF
**MOUNTLAKE
TERRACE**



2026 Budget Amendment

City Council Working Session: November 13, 2025

Sirke Salminen, Finance Director, Finance

Caitland Reinke, Finance Technician, Finance

PURPOSE

- The City is required to provide a mid-biennial review and modification of the biennial budget between September 1 and December 31 of the odd numbered year of the biennium per RCW 35A.34.130.



AGENDA

- Council Goals
- Summary
- Fund Updates
- Budget Amendment Summary

COUNCIL GOALS

Responsible Governance to Ensure Desired Level of Service

- Adjusting the biennial budget allows the City to maintain the desired level of service through prudent allocation of resources, addressing unanticipated costs, and aligning expenditures with updated priorities.
- These amendments demonstrate the City's commitment to effective stewardship of public funds while sustaining service delivery and advancing strategic objectives.

SUBJECT SUMMARY

This is proposed to adjust the current biennial budget in response to changes in financial, operational, and capital projects that were not fully anticipated during the original budget adoption. Amendments ensure that budget allocations remain aligned with actual revenue projections, expenditure needs, and strategic priorities.

The modifications to the biennial budget include the following:

- Modification to the beginning fund balances — the original budget was prepared prior to the year-end close, and the final beginning balance had not been finalized.
- Transfers to new funds — the City Council approved new funds and changes to existing funds on October 2, 2025. This budget amendment includes the transfers from existing funds to the new funds.
- Changes to capital project funds — Staff has revised the timing of capital projects to coincide with grant revenue and the timing of the completion of projects. Several projects are expected to be completed in 2026, instead of 2025. Many of the increases in expenditures are the result of transferring the project to a new fund. This creates an expenditure on paper, but not a reduction in cash.

GENERAL FUND 011

2026 Budget Amendment

General Fund 011					
	2026 Original Budget	Budget Amendment	Revised Budget		Reason for Amendment
Beginning Fund Balance	\$ 9,939,500	\$ (4,674,790)	\$ 5,264,710		Original budget forecast was prepared before the actual beginning cash was available after year end close.
Revenue Budget	19,041,496		19,041,496		
Expenditure Budget	21,313,533		21,313,533		
Expenditures		(145,000)	(145,000)		Void transfer to Street Construction F312
Transfer to F033		115,000	115,000		Transfer to Recreation Fund 033
Total Expenditures		(30,000)	(30,000)		
Ending Fund Balance	\$ 7,667,463	\$ (4,644,790)	\$ 3,022,673		
		Total BA			

HOUSING NEEDS FUND 018

2026 Budget Amendment

Housing Needs Fund 018					
	2026 Original Budget		Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ 248,164		\$ 31,103	\$ 279,267	Original budget forecast was prepared before the actual beginning cash was available after year end close in 2025. Forecast for 2026.
Revenue Budget	7,000			7,000	
Expenditure Budget	22,300			22,300	
Ending Fund Balance	\$ 232,864		\$ 31,103	\$ 263,967	
			Total BA		

STRATEGIC RESERVE FUND 022

2026 Budget Amendment

Strategic Fund 022						
	2026 Original Budget		Budget Amendment		Revised Budget	Reason for Amendment
						Original budget forecast was prepared before the actual beginning cash was available after year end close in 2025. Forecast for 2026.
Beginning Fund Balance	\$ 1,024,371		\$ 11,447		\$ 1,035,818	
Revenue Budget	27,466				27,466	
Expenditure Budget	0				0	
Ending Fund Balance	\$ 1,051,837		\$ 11,447		\$ 1,063,284	
			Total BA			

ACCUMULATED LEAVE 023

2026 Budget Amendment

Accum Leave Reserve 023					
	2026 Original Budget	Budget Amendment	Revised Budget		Reason for Amendment
Beginning Fund Balance	\$ 16,451	\$ 2,474	\$ 18,925		Original budget forecast was prepared before the actual beginning cash was available after year end close in 2025. Forecast for 2026.
Revenue Budget	1,999		1,999		
Expenditure Budget	0		0		
Ending Fund Balance	\$ 18,450	\$ 2,474	\$ 20,924		
		Total BA			

RECREATION PROGRAM 033

2026 Budget Amendment

Recreation Program 033					
	2026 Original Budget	Budget Amendment	Revised Budget		Reason for Amendment
Beginning Fund Balance	\$ (155,223)	\$ 243,426	\$ 88,203		Original budget forecast was prepared before the actual beginning cash was available after year end close in 2025. Forecast for 2026.
Revenue Budget	3,566,710		3,566,710		
Transfer from General Fund		115,000	115,000		Transfer from General Fund 011
Total Revenues		115,000	115,000		
Expenditure Budget	3,767,183		3,767,183		
Ending Fund Balance	\$ (355,696)	\$ 358,426	\$ 2,730		
		Total BA			

SOLID WASTE SERVICES FUND 064

2026 Budget Amendment

Solid Waste SVC 064					
	2026 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment	
Beginning Fund Balance	\$ 111,889	\$ (3,309)	\$ 108,580	Original budget forecast was prepared before the actual beginning cash was available after year end close in 2025. Forecast for 2026.	
Revenue Budget	49,000		49,000		
Expenditure Budget	53,574		53,574		
Ending Fund Balance	\$ 107,315	\$ (3,309)	\$ 104,006		
		Total BA			

STREET FUND 111

2026 Budget Amendment

Street Fund 111					
	2026 Original Budget	Budget Amendment	Revised Budget		Reason for Amendment
Beginning Fund Balance	\$ 952,808	\$ (371,774)	\$ 581,034		Original budget forecast was prepared before the actual beginning cash was available after year end close in 2025. Forecast for 2026.
Revenue Budget	1,282,383		1,282,383		
Expenditure Budget	1,820,488		1,820,488		
Ending Fund Balance	\$ 414,703	\$ (371,774)	\$ 42,929		
		Total BA			

ART FUND 116

2026 Budget Amendment

Art Fund 116					
	2026 Original Budget	Budget Amendment	Revised Budget		Reason for Amendment
Beginning Fund Balance	\$ -	\$ 46,630	\$ 46,630		The Art Fund was not included in the original budget.
Revenue Budget	0	0			
Expenditure Budget	0				
Ending Fund Balance	\$ -	\$ 46,630	\$ 46,630		
		Total BA			

TREE FUND 117 2026 Budget Amendment

Tree Fund 117					
	2026 Original Budget	Budget Amendment	Revised Budget		Reason for Amendment
Beginning Fund Balance	\$ -	\$ -	\$ -		The Tree Fund was not included in the original budget.
Revenue Budget	20,000				
Expenditure Budget	20,000				
Ending Fund Balance	\$ -	\$ -	\$ -		
		Total BA			

OPIOID SETTLEMENT FUND 141

2026 Budget Amendment

Opioid Settlement Fund 141				
	2026 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ -	\$ 330,070	\$ 330,070	
Revenue Budget	0			
Revenues		40,000	40,000	Opioid settlement
Total Revenues		40,000	40,000	
Expenditure Budget	0			
SCOUT program		150,000	150,000	Scout program
Total Expenditures		150,000	150,000	
Ending Fund Balance	\$ -	\$ 220,070	\$ 220,070	
		Total BA		

HOTEL/MOTEL FUND 162

2026 Budget Amendment

Hotel/ Motel Fund 162						
	2026 Original Budget		Budget Amendment		Revised Budget	Reason for Amendment
						Original budget forecast was prepared before the actual beginning cash was available after year end close in 2025. Forecast for 2026.
Beginning Fund Balance	\$ 193,182		\$ 7,143		\$ 200,325	
Revenue Budget	58,000				58,000	
Expenditure Budget	50,000				50,000	
Ending Fund Balance	\$ 201,182		\$ 7,143		\$ 208,325	
			Total BA			

DEBT SERVICE FUND 215

2026 Budget Amendment

Debt Service Fund 215					
	2026 Original Budget		Budget Amendment		Revised Budget
					Reason for Amendment
Beginning Fund Balance	\$ 307,298		\$ 9,702		\$ 317,000
Revenue Budget	736,542				736,542
Expenditure Budget	707,900				707,900
Ending Fund Balance	\$ 335,940		\$ 9,702		\$ 345,642
			Total BA		

STREET CONSTRUCTION FUND 312

2026 Budget Amendment

Street Construction Fund 312					
	2026 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment	
Beginning Fund Balance	\$ 2,198,973	\$ 2,375,436	\$ 4,574,409	Original budget forecast was prepared before the actual beginning cash was available after year end close in 2025. Forecast for 2026.	
Revenue Budget	9,162,913		9,162,913		
Transfer from General Fund 011		(145,000)	(145,000)	Void transfer	
Total Revenues		(145,000)	(145,000)		
Expenditure Budget	9,039,000		9,039,000		
Reduce Cap Projects		(9,039,000)	(9,039,000)	Original budget for capital projects	
Capital Project		14,377,242	14,377,242	Main Street & Asphalt Overlay	
Reduce Cap Projects		(2,493,000)	(2,493,000)	Main St utility portion moved to utility construction funds	
Transfer to Debt F428		27,122	27,122	Move debt payment to new debt service fund	
Total Expenditures		2,872,364	2,872,364		
Ending Fund Balance	\$ 2,322,886	\$ (641,928)	\$ 1,680,958		
		Total BA			

PARKS CAPITAL IMPROVEMENT FUND 322

2026 Budget Amendment

Parks Capital Improv Fund 322				
	2026 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ 175,438	\$ 1,765,821	\$ 1,941,259	Original budget forecast was prepared before the actual beginning cash was available after year end close.
Revenue Budget	1,703,295		1,703,295	
Revenues		1,570,079	1,570,079	Miscellaneous Revenues
Revenues		550,000	550,000	Transfer from REET
Total Revenues		2,120,079	2,120,079	
Expenditure Budget	2,870,000		2,870,000	
Expenditures		1,700,000	1,700,000	Transfer to Facilities Construction
Expenditures		(1,700,000)	(1,700,000)	Library roof-moved to Facilities Construction
Total Expenditures		0	0	
Ending Fund Balance	\$ (991,267)	\$ 3,885,900	\$ 2,894,633	
		Total BA		

REAL ESTATE EXCISE TAX 330

2026 Budget Amendment

Real Estate Excise Tax 330				
	2026 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
				Original budget forecast was prepared before the actual beginning cash was available after year end close in 2025. Forecast for 2026.
Beginning Fund Balance	\$ 635,910	\$ 623,972	\$ 1,259,882	
Revenue Budget	1,025,000		1,025,000	
Expenditure Budget	1,000,000		1,000,000	
Expenditures		550,000	550,000	Transfer to Parks Capital Fund
Expenditures		100,000	100,000	Transfer to Facilities Construction
Total Expenditures		650,000	650,000	
Ending Fund Balance	\$ 660,910	\$ (26,028)	\$ 634,882	
		Total BA		

FACILITIES CONSTRUCTION FUND 333

2026 Budget Amendment

Facilities Construction 333				
	2026 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ -	\$ -	\$ 161,780	New Fund
Revenue Budget	-			
Revenues		850,000	850,000	Federal Grant - Library
Revenues		300,000	300,000	State Grant - Library
Revenues		100,000	100,000	Transfer from REET
Total Revenues		1,250,000	1,250,000	
Expenditure Budget	-			
Expenditures			-	
Expenditures		1,250,000	1,250,000	Library Roof
Total Expenditures		1,250,000	1,250,000	
Ending Fund Balance	\$ -	\$ -	\$ 161,780	
		Total BA		

SEWER UTILITY FUND 410

2026 Budget Amendment

Sewer Utility 410					
	2026 Original Budget	Budget Amendment	Revised Budget		Reason for Amendment
					Original budget forecast was prepared before the actual beginning cash was available after year end close in 2025. Forecast for 2026.
Beginning Fund Balance	\$ 2,504,854	\$ 3,345,282	\$ 5,850,136		
Revenue Budget	8,858,537		8,858,537		
Expenditure Budget	10,701,074		10,701,074		
Transfer to Capital F420		200,000	200,000		Sewer portion of Main Street capital project
Transfer to Capital F420		3,370,715	3,370,715		Move to capital project F420
Reduction in Sewer Ops		(2,376,641)	(2,376,641)		Reduction in Sewer Ops budget from move of capital funds-original cap budget
Transfer to Debt 426		195,451	195,451		Separated debt service from sewer operating funds-move funds to pay for principal & interest
Transfer to Debt F426		59,904	59,904		Separated debt service from sewer operating funds-move funds to pay for principal & interest
Reduce Expenditures		(255,355)	(255,355)		
Total Expenditures		1,194,074	1,194,074		
Ending Fund Balance	\$ 662,317	\$ 2,151,208	\$ 2,813,525		
		Total BA			

WATER UTILITY FUND 411

2026 Budget Amendment

Water Utility 411					
	2026 Original Budget	Budget Amendment	Revised Budget		Reason for Amendment
Beginning Fund Balance	\$ 4,597,521	\$ 5,651,765	\$ 10,249,286		Original budget forecast was prepared before the actual beginning cash was available after year end close in 2025. Forecast for 2026.
Revenue Budget	8,938,768		8,938,768		
Expenditure Budget	12,263,333		12,263,333		
Transfer to capital project F421		4,148,752	4,148,752		Move to capital F421-budgeted capital project total
Reduction in Expenditures		(4,148,752)	(4,148,752)		Reduction in Capital Expenditures
Transfer to capital project F421		1,000,000	1,000,000		Water portion of Main Street capital project
Transfer to capital project F421		2,500,000	2,500,000		Move to capital F421-Carryover from 2025 capital project
Transfer to Debt F425		286,336	286,336		Separated debt service from water operating funds-move funds to pay for principal & interest
Transfer to Debt F428		35,687	35,687		Separated debt service from water operating funds-move funds to pay for principal & interest
Transfer to Debt F427		348,155	348,155		Separated debt service from water operating funds-move funds to pay for principal & interest
Transfer to Debt F426		149,754	149,754		Separated debt service from water operating funds-move funds to pay for principal & interest
Transfer to Debt F422		108,032	108,032		Separated debt service from water operating funds-move funds to pay for principal & interest
Reduce Expenditures		(927,964)	(927,964)		
Total Expenditures		3,500,000	3,500,000		
Ending Fund Balance	\$ 1,272,956	\$ 2,151,765	\$ 3,424,721		
		Total BA			

STORMWATER UTILITY FUND 412

2026 Budget Amendment

Stormwater Utility 412

	2026 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ 6,568,812	\$ 456,375	\$ 7,025,187	Original budget forecast was prepared before the actual beginning cash was available after year end close in 2025. Forecast for 2026.
Revenue Budget	5,443,486		5,443,486	
Expenditure Budget	5,138,900		5,138,900	
Transfer to capital project F419		3,755,000	3,755,000	Move to capital F419
Reduction to Stormwater Ops		(1,280,000)	(1,280,000)	Reduction to Stormwater Ops budget-original capital budget
Transfer to capital project F419		1,293,000	1,293,000	Stormwater portion of Main Street capital project
Transfer to Debt F425		168,865	168,865	Separated debt service from stormwater operating funds-move funds to pay for principal & interest
Transfer to Debt F428		8,565	8,565	Separated debt service from stormwater operating funds-move funds to pay for principal & interest
Transfer to Debt F426		149,754	149,754	Separated debt service from stormwater operating funds-move funds to pay for principal & interest
Transfer to Debt F422		236,319	236,319	Separated debt service from stormwater operating funds-move funds to pay for principal & interest
Reduce Expenditures		(563,503)	(563,503)	
Total Expenditures		3,768,000	3,768,000	
Ending Fund Balance	\$ 6,873,398	\$ (3,311,625)	\$ 3,561,773	
		Total BA		

STORMWATER CONSTRUCTION FUND 419

2026 Budget Amendment

Stormwater Construction 419				
	2026 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ -	\$ -	\$ -	
Revenue Budget	0		0	
Transfer from Storm Ops F412		1,293,000	1,293,000	Moved from Storm ops F412
Transfer from Storm Ops F412		3,755,000	3,755,000	Moved from Storm ops F412
Total Revenues		5,048,000	5,048,000	
Expenditure Budget	0			
Expenditures		3,755,000	3,755,000	220th Water Quality & Deep Pipe Repair
Expenditures		1,293,000	1,293,000	Stormwater portion of Main Street capital project
Total Expenditures		5,048,000	5,048,000	
Ending Fund Balance	\$ -	\$ -	\$ -	
		Total BA		

SEWER CONSTRUCTION FUND 420

2026 Budget Amendment

Sewer Construction 420				
	2026 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ -	\$ 1,862	\$ 1,862	2025 Ending fund balance brought forward
Revenue Budget	0		0	
Transfer from Sewer Op F410		200,000	200,000	Moved from Sewer Ops F410
Transfer from Sewer Op F410		3,370,715	3,370,715	Moved from Sewer Ops F410
Total Revenues		3,570,715	3,570,715	
Expenditure Budget	0			
Expenditures		3,370,713	3,370,713	Cedar Grove & Edmonds WWTP & Sewer Replacement
Expenditures		200,000	200,000	Sewer portion of Main Street capital project
Total Expenditures		3,570,713	3,570,713	
Ending Fund Balance	\$ -	\$ 1,864	\$ 1,864	
		Total BA		

WATER CONSTRUCTION FUND 421

2026 Budget Amendment

Water Construction 421				
	2026 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ -	\$ 4,500	\$ 4,500	2025 Ending fund balance brought forward
Revenue Budget	0		0	
Transfer from Water Op F411		1,000,000	1,000,000	Moved from Water Ops F411
Transfer from Water Op F411		2,500,000	2,500,000	Moved from Water Ops F411
Transfer from Water Op F411		4,148,752	4,148,752	Moved from Water Ops F411
Total Revenues		7,648,752	7,648,752	
Expenditure Budget	0		0	
Expenditures		6,479,891	6,479,891	Westwater Main & Reservoir Recoating & Seismic Retrofit
Expenditures		1,000,000	1,000,000	Water portion of Main Street capital project
Total Expenditures		7,479,891	7,479,891	
Ending Fund Balance	\$ -	\$ 173,361	\$ 173,361	
		Total BA		

W/S 2012 REVENUE BOND 422

2026 Budget Amendment

W/S 2012 Revenue Bond 422					
	2026 Original Budget	Budget Amendment	Revised Budget		Reason for Amendment
Beginning Fund Balance	\$ -	\$ 350	\$ 350		
Revenue Budget	0				
Transfer from Water F411		108,032	108,032		Separated debt service from water operating funds
Transfer from Storm F412		236,319	236,319		Separated debt service from stormwater operating funds
Total Revenues		344,351	344,351		
Expenditure Budget	0				
Debt service payment		344,350	344,350		Debt Service Payment
Debt Admin costs		350	350		
Total Expenditures		344,700	344,700		
Ending Fund Balance	\$ -	\$ 1	\$ 1		
		Total BA			

W/S REVENUE BOND RESERVE 424

2026 Budget Amendment

W/ S Rev Bond Reserve 424					
	2026 Original Budget	Budget Amendment	Revised Budget		Reason for Amendment
Beginning Fund Balance	\$ -	\$ 799,425	\$ 799,425		
Revenue Budget	0				
Expenditure Budget	0				
Ending Fund Balance	\$ -	\$ 799,425	\$ 799,425		
		Total BA			

W/S 2014 REVENUE BOND 425

2026 Budget Amendment

W/ S 2014 Rev Bond 425				
	2026 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ -	\$ 10	\$ 10	New Fund
Revenue Budget	0			
Transfer from Water F411		286,336	286,336	Separated debt service from water operating funds
Transfer from Storm F412		168,865	168,865	Separated debt service from stormwater operating funds
Total Revenues		455,201	455,201	
Expenditure Budget	0			
Debt Service payment		455,200	455,200	Debt Service payment
Total Expenditures		455,200	455,200	
Ending Fund Balance	\$ -	\$ 11	\$ 11	
		Total BA		

W/S 2020 REVENUE BOND 426

2026 Budget Amendment

W/ S 2020 Rev Bond 426				
	2026 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ -	\$ 7	\$ 7	New Fund
Revenue Budget	0			
Transfer from Sewer F410		195,451	195,451	Separated debt service from sewer operating funds
Transfer from Sewer F410		59,904	59,904	Separated debt service from sewer operating funds
Transfer from Water F411		149,754	149,754	Separated debt service from water operating funds
Transfer from Storm F412		149,754	149,754	Separated debt service from stormwater operating funds
Total Revenues		554,863	554,863	
Expenditure Budget	0			
Debt Service payment		359,412	359,412	Debt Service payment
Debt Service payment		195,451	195,451	Debt Service payment
Total Expenditures		554,863	554,863	
Ending Fund Balance	\$ -	\$ 7	\$ 7	
		Total BA		

PWTFNT FUND 427

2026 Budget Amendment

PWTFNT Fund 427				
	2026 Original Budget	Budget Amendment	Revised Budget	Reason for Amendment
Beginning Fund Balance	\$ -	\$ 0	\$ 0	New Fund
Revenue Budget	0			
Transfer from Water F411		348,155	348,155	Separated debt service from water operating funds
Total Revenues		348,155	348,155	
Expenditure Budget	0			
Principal payment		348,155	348,155	Debt Service payment
Total Expenditures		348,155	348,155	
Ending Fund Balance	\$ -	\$ 0	\$ 0	
		Total BA		

PWAF FUND 428

2026 Budget Amendment

PWAF Fund 428					
	2026 Original Budget	Budget Amendment	Revised Budget		Reason for Amendment
Beginning Fund Balance	\$ -	\$ -	\$ -		
Revenue Budget	0				
Transfer from Water F411		35,687	35,687		Separated debt from operating funds
Transfer from Streets F111		27,122	27,122		Separated debt from operating funds
Transfer from Storm F412		8,565	8,565		Separated debt from operating funds
Total Revenues		71,374	71,374		
Expenditure Budget	0				
Debt Service payment		71,374	71,374		Debt Service payment
Total Expenditures		71,374	71,374		
Ending Fund Balance	\$ -	\$ -	\$ -		
		Total BA			

BUDGET AMENDMENT SUMMARY

2026 BUDGET SUMMARY BY FUND						
BUDGET AMENDMENT						
FUND	BEGINNING FUND BALANCE	REVENUES & OTHER SOURCES	TOTAL BEGINNING FUND BALANCE & REVENUES & OTHER SOURCES	EXPENDITURES & OTHER USES	ENDING FUND BALANCE	TOTAL EXPENDITURES & ENDING FUND BALANCE
GENERAL OPERATING FUNDS						
General Fund	\$ 5,264,710	\$ 19,041,496	\$ 24,306,206	\$ 21,283,533	\$ 3,022,673	\$ 24,306,206
Housing Needs Fund	279,267	7,000	286,267	22,300	263,967	286,267
Strategic Reserve Fund	1,035,818	27,466	1,063,284	-	1,063,284	1,063,284
Accumulated Leave Reserve Fund	18,925	1,999	20,924	-	20,924	20,924
Recreation Fund	88,203	3,681,710	3,769,913	3,767,183	2,730	3,769,913
Solid Waste Service Fund	108,580	49,000	157,580	53,574	104,006	157,580
Street Operating Fund	581,034	1,282,383	1,863,417	1,820,488	42,929	1,863,417
Art Fund	46,630	-	46,630	-	46,630	46,630
Tree Fund	-	20,000	20,000	20,000	-	20,000
American Rescue Plan Act Fund	-	-	-	-	-	-
Opioid Settlement fund	330,070	40,000	370,070	150,000	220,070	370,070
Hotel/Motel Tax Fund	200,325	58,000	258,325	50,000	208,325	258,325
Debt Service Fund	317,000	736,542	1,053,542	707,900	345,642	1,053,542
Fleet Management Fund	2,110,440	2,660,562	4,771,002	2,427,769	2,343,233	4,771,002
Information Technology Fund	-	1,530,458	1,530,458	1,530,458	-	1,530,458
Total General Operating Funds	\$ 10,381,002	\$ 29,136,615	\$ 39,517,617	\$ 31,833,205	\$ 7,684,412	\$ 39,517,617
UTILITY FUNDS						
Sewer Utility Fund	5,850,136	8,858,537	14,708,673	11,895,148	2,813,525	14,708,673
Water Utility Fund	10,249,286	8,938,768	19,188,054	15,763,333	3,424,721	19,188,054
Stormwater Utility Fund	7,025,187	5,443,486	12,468,673	8,906,900	3,561,773	12,468,673
Debt Service Funds	799,793	1,773,944	2,573,737	1,774,292	799,445	2,573,737
Total Utility Funds	\$ 23,924,402	\$ 25,014,735	\$ 48,939,137	\$ 38,339,673	\$ 10,599,464	\$ 48,939,137
CAPITAL FUNDS						
Street Construction Fund	4,574,409	9,017,913	13,592,322	11,911,364	1,680,958	13,592,322
Parks Capital Improvement Fund	1,941,259	3,823,374	5,764,633	2,870,000	2,894,633	5,764,633
Real Estate Excise Tax Fund	1,259,882	1,025,000	2,284,882	1,550,000	734,882	2,284,882
Facilities Construction	211,780	1,250,000	1,461,780	1,250,000	211,780	1,461,780
Stormwater Construction Fund	-	5,048,000	5,048,000	5,048,000	-	5,048,000
Sewer Construction Fund	1,862	3,570,715	3,572,577	3,570,713	1,864	3,572,577
Water Construction Fund	4,500	7,648,752	7,653,252	7,479,891	173,361	7,653,252
Total Capital Funds	\$ 7,993,692	\$ 31,383,754	\$ 39,377,446	\$ 33,679,968	\$ 5,697,478	\$ 39,377,446
TOTAL 2026 BUDGET	\$ 42,299,096	\$ 85,535,104	\$ 127,834,200	\$ 103,852,846	\$ 23,981,354	\$ 127,834,200

FINANCIAL/BUDGET IMPACTS

- Transparent budget amendments ensure that residents, council members, and staff clearly understand how and why public funds are being adjusted. While this approach enhances trust and accountability, it also carries operational and financial impacts that cities must plan for.
 - Transfers to the new funds approved by Council do not have a financial impact.
 - Several capital projects were not completed in 2025 but are forecasted to be completed in 2026.
 - The ending fund balance for 2026 is approximately \$206,000 higher than the 2026 adopted budget.

COMMUNITY NOTIFICATION

- A public hearing has been scheduled for November 20, 2025.



STAFF RECOMMENDATION

Staff recommends the City Council vote to adopt the Biennial Budget Amendment ordinance. This can be accomplished following a public hearing on this item at the Council meeting on November 20, 2025.

DISCUSSION & QUESTIONS

Thank you



CITY OF MOUNTLAKE TERRACE

ORDINANCE NO. ____

**AN ORDINANCE OF THE CITY OF MOUNTLAKE TERRACE,
WASHINGTON AMENDING THE 2025-2026 BIENNIAL BUDGET;
PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN
EFFECTIVE DATE**

WHEREAS, On November 21, 2024, the City adopted the 2025-2026 biennial budget by Ordinance No. 2870; and

WHEREAS, the City Council approved the opening of several new funds and transfers to the new funds are necessary; and

WHEREAS, the budget was adopted prior to the close of the year and beginning fund balances have changed; and

WHEREAS, capital project revenues and expenditures have been revised to align with grant revenues and project timing; and

WHEREAS, a public hearing on the 2025-2026 Biennial Budget Amendment was held on November 20, 2025; and

WHEREAS, the City Council has made adjustments and changes as it deemed necessary or proper, and has determined the allowance in each item, department, classification, and fund, and desires to adopt the 2025-2026 Biennial Budget Amendment; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MOUNTLAKE TERRACE, WASHINGTON DOES ORDAIN AS FOLLOWS:

Section 1. Amending the 2025-2026 Biennial Budget. The City hereby amends its 2025-2026 Biennial Budget of the City of Mountlake Terrace, originally adopted in Ordinance No. 2870, as shown in Exhibits A-1 and B-1 which are attached hereto and incorporated herein by this reference.

Section 2. Administration. The City Manager shall administer the Biennial Budget Amendment approved herein.

Section 4. Transmittal. The City Clerk is directed to transmit a certified copy of the budget hereby adopted to the Division of Municipal Corporations of the Office of the State Auditor and to the Association of Washington Cities.

Section 5. Severability. The provisions of this ordinance are declared separate and this ordinance or the invalidity of the application thereof to any person or circumstance, shall not

affect the validity of the remainder of the ordinance, or the validity of its application to other persons or circumstances.

Section 6. Publication and Effective Date. A summary of this ordinance consisting of its title shall be published in the official newspaper of the City and shall take effect and be in full force five (5) days after the date of publication.

PASSED BY THE CITY COUNCIL OF THE CITY OF MOUNTLAKE TERRACE this 20th day of November 2025 and signed in authentication of its passage this 20th day of November 2025.

Mayor Kyoko Matsumoto Wright

ATTEST: _____
City Clerk

APPROVED AS TO FORM: _____
Hillary Evans, City Attorney

EXHIBIT A
CITY OF MOUNTLAKE TERRACE
2025 Adopted Budget

2025 BUDGET SUMMARY BY FUND						
FUND	BEGINNING FUND BALANCE	REVENUES & OTHER SOURCES	TOTAL BEGINNING FUND BALANCE & REVENUES & OTHER SOURCES	EXPENDITURES & OTHER USES	ENDING FUND BALANCE	TOTAL EXPENDITURES & ENDING FUND BALANCE
GENERAL GOVERNMENT FUNDS						
General Fund	\$ 12,536,018	\$ 18,712,760	\$ 31,248,778	\$ 21,309,278	\$ 9,939,500	\$ 31,248,778
Street Operating Fund	1,361,341	1,273,442	2,634,783	1,681,975	952,808	2,634,783
Recreation Fund	42,342	3,415,610	3,457,952	3,613,175	(155,223)	3,457,952
American Rescue Plan Act Fund	-	-	-	-	-	-
Housing Needs Fund	262,464	8,000	270,464	22,300	248,164	270,464
Debt Service Fund	296,428	723,045	1,019,473	712,175	307,298	1,019,473
Strategic Reserve Fund	922,979	101,392	1,024,371	-	1,024,371	1,024,371
Fleet Management Fund	1,877,647	2,660,562	4,538,209	2,427,768	2,110,441	4,538,209
Hotel/Motel Tax Fund	184,982	58,200	243,182	50,000	193,182	243,182
Solid Waste Service Fund	114,903	49,000	163,903	52,014	111,889	163,903
Accumulated Leave Reserve Fund	60,510	1,941	62,451	46,000	16,451	62,451
Total General Governmental Funds	\$ 17,659,614	\$ 27,003,951	\$ 44,663,565	\$ 29,914,685	\$ 14,748,880	\$ 44,663,565
UTILITY FUNDS						
Storm Water Utility Fund	5,747,856	5,371,356	11,119,212	4,550,400	6,568,812	11,119,212
Sewer Utility Fund	6,355,395	8,861,224	15,216,619	12,711,765	2,504,854	15,216,619
Water Utility Fund	9,356,443	8,779,216	18,135,659	13,538,138	4,597,521	18,135,659
Total Utility Funds	\$ 21,459,694	\$ 23,011,796	\$ 44,471,490	\$ 30,800,303	\$ 13,671,187	\$ 44,471,490
CAPITAL FUNDS						
Real Estate Excise Tax Fund	605,910	1,030,000	1,635,910	1,000,000	635,910	1,635,910
Street Construction Fund	2,454,714	1,339,259	3,793,973	1,595,000	2,198,973	3,793,973
Capital Improvement Fund	341,928	7,159,810	7,501,738	7,326,300	175,438	7,501,738
Total Capital Funds	\$ 3,402,552	\$ 9,529,069	\$ 12,931,621	\$ 9,921,300	\$ 3,010,321	\$ 12,931,621
TOTAL 2025 BUDGET	\$ 42,521,859	\$ 59,544,816	\$ 102,066,676	\$ 70,636,289	\$ 31,430,387	\$ 102,066,676

EXHIBIT B
CITY OF MOUNTLAKE TERRACE
2026 Adopted Budget

2026 BUDGET SUMMARY BY FUND						
FUND	BEGINNING FUND BALANCE	REVENUES & OTHER SOURCES	TOTAL BEGINNING FUND BALANCE & REVENUES & OTHER SOURCES	EXPENDITURES & OTHER USES	ENDING FUND BALANCE	TOTAL EXPENDITURES & ENDING FUND BALANCE
GENERAL GOVERNMENT FUNDS						
General Fund	\$ 9,939,500	\$ 19,041,496	\$ 28,980,996	\$ 21,313,533	\$ 7,667,462	\$ 28,980,996
Street Operating Fund	952,808	1,282,383	2,235,191	1,820,488	414,703	2,235,191
Recreation Fund	(155,223)	3,566,710	3,411,487	3,767,183	(355,696)	3,411,487
American Rescue Plan Act Fund	-	-	-	-	-	-
Housing Needs Fund	248,164	7,000	255,164	22,300	232,864	255,164
Debt Service Fund	307,298	736,542	1,043,840	707,900	335,940	1,043,840
Strategic Reserve Fund	1,024,371	27,466	1,051,837	-	1,051,837	1,051,837
Fleet Management Fund	2,110,441	2,717,315	4,827,756	1,578,435	3,249,321	4,827,756
Hotel/Motel Tax Fund	193,182	58,000	251,182	50,000	201,182	251,182
Solid Waste Service Fund	111,889	49,000	160,889	53,574	107,315	160,889
Accumulated Leave Reserve Fund	16,451	1,999	18,449	-	18,449	18,449
Total General Governmental Funds	\$ 14,748,880	\$ 27,487,910	\$ 42,236,790	\$ 29,313,413	\$ 12,923,377	\$ 42,236,790
UTILITY FUNDS						
Storm Water Utility Fund	6,568,812	5,443,486	12,012,298	5,138,900	6,873,398	12,012,298
Sewer Utility Fund	2,504,854	8,858,537	11,363,391	10,701,074	662,317	11,363,391
Water Utility Fund	4,597,521	8,938,768	13,536,289	12,263,333	1,272,955	13,536,289
Total Utility Funds	\$ 13,671,187	\$ 23,240,791	\$ 36,911,978	\$ 28,103,307	\$ 8,808,670	\$ 36,911,978
CAPITAL FUNDS						
Real Estate Excise Tax Fund	635,910	1,025,000	1,660,910	1,000,000	660,910	1,660,910
Street Construction Fund	2,198,973	9,162,913	11,361,886	9,039,000	2,322,886	11,361,886
Capital Improvement Fund	175,438	1,703,295	1,878,733	2,870,000	(991,267)	1,878,733
Total Capital Funds	\$ 3,010,321	\$ 11,891,208	\$ 14,901,529	\$ 12,909,000	\$ 1,992,529	\$ 14,901,529
TOTAL 2026 BUDGET	\$ 31,430,387	\$ 62,619,909	\$ 94,050,296	\$ 70,325,721	\$ 23,724,576	\$ 94,050,296

EXHIBIT A-1
CITY OF MOUNTLAKE TERRACE
2025 Budget Amendment

2025 BUDGET SUMMARY BY FUND						
BUDGET AMENDMENT						
FUND	BEGINNING FUND BALANCE	REVENUES & OTHER SOURCES	TOTAL BEGINNING FUND BALANCE & REVENUES & OTHER SOURCES	EXPENDITURES & OTHER USES	ENDING FUND BALANCE	TOTAL EXPENDITURES & ENDING FUND BALANCE
GENERAL OPERATING FUNDS						
General Fund	\$ 8,218,572	\$ 18,712,760	\$ 26,931,332	\$ 21,666,622	5,264,710	\$ 26,931,332
Housing Needs Fund	293,567	8,000	301,567	22,300	279,267	301,567
Strategic Reserve Fund	934,426	101,392	1,035,818	-	1,035,818	1,035,818
Accumulated Leave Reserve Fund	62,984	1,941	64,925	46,000	18,925	64,925
Recreation Fund	285,768	3,415,610	3,701,378	3,613,175	88,203	3,701,378
Solid Waste Service Fund	111,594	49,000	160,594	52,014	108,580	160,594
Street Operating Fund	673,966	1,589,043	2,263,009	1,681,975	581,034	2,263,009
Art Fund	-	119,630	119,630	73,000	46,630	119,630
Tree Fund	-	20,000	20,000	20,000	-	20,000
American Rescue Plan Act Fund	105,175	-	105,175	105,175	-	105,175
Opioid Settlement fund	-	330,070	330,070	-	330,070	330,070
Hotel/Motel Tax Fund	192,125	58,200	250,325	50,000	200,325	250,325
Debt Service Fund	306,130	723,045	1,029,175	712,175	317,000	1,029,175
Fleet Management Fund	1,877,647	2,660,562	4,538,209	2,427,769	2,110,440	4,538,209
Information Technology Fund	-	1,693,323	1,693,323	1,693,323	-	1,693,323
Total General Operating Funds	\$ 13,061,954	\$ 29,482,576	\$ 42,544,530	\$ 32,163,528	\$ 10,381,002	\$ 42,544,530
UTILITY FUNDS						
Sewer Utility Fund	\$6,320,687	\$8,861,224	\$15,181,911	\$9,331,775	\$5,850,136	\$15,181,911
Water Utility Fund	10,693,507	8,779,216	19,472,723	9,223,437	10,249,286	19,472,723
Stormwater Utility Fund	5,934,231	5,371,356	11,305,587	4,280,400	7,025,187	11,305,587
Debt Service Funds	-	2,506,493	2,506,493	1,706,700	799,793	2,506,493
Total Utility Funds	\$ 22,948,425	\$ 25,518,289	\$ 48,466,714	\$ 24,542,312	\$ 23,924,402	\$ 48,466,714
CAPITAL FUNDS						
Street Construction Fund	\$8,441,121	\$378,658	\$8,819,779	\$4,245,370	\$4,574,409	\$8,819,779
Parks Capital Improvement Fund	2,114,293	7,257,422	9,371,715	7,430,456	1,941,259	9,371,715
Real Estate Excise Tax Fund	729,882	1,030,000	1,759,882	500,000	1,259,882	1,759,882
Facilities Construction	-	2,983,086	2,983,086	2,821,306	161,780	2,983,086
Stormwater Construction Fund	-	447,600	447,600	447,600	-	447,600
Sewer Construction Fund	-	755,000	755,000	753,138	1,862	755,000
Water Construction Fund	-	1,030,821	1,030,821	1,026,321	4,500	1,030,821
Total Capital Funds	\$ 11,285,296	\$ 13,882,587	\$ 25,167,883	\$ 17,224,191	\$ 7,943,692	\$ 25,167,883
TOTAL 2025 BUDGET	\$ 47,295,675	\$ 68,883,452	\$ 116,179,127	\$ 73,930,031	\$ 42,249,096	\$ 116,179,127

EXHIBIT B-1
CITY OF MOUNTLAKE TERRACE
2026 Budget Amendment

2026 BUDGET SUMMARY BY FUND						
BUDGET AMENDMENT						
FUND	BEGINNING FUND BALANCE	REVENUES & OTHER SOURCES	TOTAL BEGINNING FUND BALANCE & REVENUES & OTHER SOURCES	EXPENDITURES & OTHER USES	ENDING FUND BALANCE	TOTAL EXPENDITURES & ENDING FUND BALANCE
GENERAL OPERATING FUNDS						
General Fund	\$ 5,264,710	\$ 19,041,496	\$ 24,306,206	\$ 21,283,533	\$ 3,022,673	\$ 24,306,206
Housing Needs Fund	279,267	7,000	286,267	22,300	263,967	286,267
Strategic Reserve Fund	1,035,818	27,466	1,063,284	-	1,063,284	1,063,284
Accumulated Leave Reserve Fund	18,925	1,999	20,924	-	20,924	20,924
Recreation Fund	88,203	3,681,710	3,769,913	3,767,183	2,730	3,769,913
Solid Waste Service Fund	108,580	49,000	157,580	53,574	104,006	157,580
Street Operating Fund	581,034	1,282,383	1,863,417	1,820,488	42,929	1,863,417
Art Fund	46,630	-	46,630	-	46,630	46,630
Tree Fund	-	20,000	20,000	20,000	-	20,000
American Rescue Plan Act Fund	-	-	-	-	-	-
Opioid Settlement fund	330,070	40,000	370,070	150,000	220,070	370,070
Hotel/Motel Tax Fund	200,325	58,000	258,325	50,000	208,325	258,325
Debt Service Fund	317,000	736,542	1,053,542	707,900	345,642	1,053,542
Fleet Management Fund	2,110,440	2,660,562	4,771,002	2,427,769	2,343,233	4,771,002
Information Technology Fund	-	1,530,458	1,530,458	1,530,458	-	1,530,458
Total General Operating Funds	\$ 10,381,002	\$ 29,136,615	\$ 39,517,617	\$ 31,833,205	\$ 7,684,412	\$ 39,517,617
UTILITY FUNDS						
Sewer Utility Fund	5,850,136	8,858,537	14,708,673	11,895,148	2,813,525	14,708,673
Water Utility Fund	10,249,286	8,938,768	19,188,054	15,763,333	3,424,721	19,188,054
Stormwater Utility Fund	7,025,187	5,443,486	12,468,673	8,906,900	3,561,773	12,468,673
Debt Service Funds	799,793	1,773,944	2,573,737	1,774,292	799,445	2,573,737
Total Utility Funds	\$ 23,924,402	\$ 25,014,735	\$ 48,939,137	\$ 38,339,673	\$ 10,599,464	\$ 48,939,137
CAPITAL FUNDS						
Street Construction Fund	4,574,409	9,017,913	13,592,322	11,911,364	1,680,958	13,592,322
Parks Capital Improvement Fund	1,941,259	3,823,374	5,764,633	2,870,000	2,894,633	5,764,633
Real Estate Excise Tax Fund	1,259,882	1,025,000	2,284,882	1,550,000	734,882	2,284,882
Facilities Construction	161,780	1,250,000	1,411,780	1,250,000	161,780	1,411,780
Stormwater Construction Fund	-	5,048,000	5,048,000	5,048,000	-	5,048,000
Sewer Construction Fund	1,862	3,570,715	3,572,577	3,570,713	1,864	3,572,577
Water Construction Fund	4,500	7,648,752	7,653,252	7,479,891	173,361	7,653,252
Total Capital Funds	\$ 7,943,692	\$ 31,383,754	\$ 39,327,446	\$ 33,679,968	\$ 5,647,478	\$ 39,327,446
TOTAL 2026 BUDGET	\$ 42,249,096	\$ 85,535,104	\$ 127,784,200	\$ 103,852,846	\$ 23,931,354	\$ 127,784,200



STAFF REPORT

To: Mountlake Terrace City Council

From: Sirke Salminen, Finance Director

Meeting Date: November 20, 2025

Subject: Review, Public Hearing, and Vote on Ordinance Adopting Property Tax Levy

Required Reviews:

Jennifer Joki	Created/Initiated - 11/13/2025
Sirke Salminen	Approved - 11/14/2025
Hillary Evans	Approved - 11/14/2025
Carolyn Hope	New -

Council Goal(s):

Responsible Governance to Ensure Desired Level of Service

Legislative History:

Cities hold a public hearing on revenue sources including consideration of possible increase in property tax revenues. The hearing and adoption must be held no later than November 25, 2025 in order to provide the county with information by the November 26, 2025 deadline for the 2025 tax levy to be implemented for collection in 2026. A public hearing has been scheduled for November 20, 2025 for this purpose, along with the adoption of the property tax levy ordinance.

Subject Summary:

The city is allowed to increase its property tax annually up to the Implicit Price Deflator (IPD) or one percent, whichever is lower. The IPD for 2025 tax purposes is 2.44%, so the maximum a city can increase its property tax levy for 2026 is 1% without using banked capacity.

According to the Snohomish County Assessor's office, the City's total assessed value for taxes in 2026 is estimated to be \$5,483,120,742. The estimated assessed value for new construction is \$16,887,331. A 1% increase in the regular property tax levy for 2025 collections is \$33,235.

Financial/Budget Impacts:

Budget Amendment	No
Required?	_____

Budget and Sources:	N/A
---------------------	-----

Expenditure:	N/A
New Appropriation Required + Sources:	N/A

Additional Financial Information:

N/A

Community Notifications:

City Council Agenda

Newspaper

If "Other," please specify:

Board/Commission Recommendation:

N/A

Staff Recommendation:

Staff recommends the City Council vote to adopt the Property Tax Levy ordinance adopting a one percent levy increase. This can be accomplished following a public hearing on this item at the council meeting on November 20, 2025.

Council Motion:

N/A

Attachments:

1. 2025 Property Tax Levy for 2026 Public Hearing Presentation
2. Property Tax Ordinance
3. 2025 Property Tax Levy for 2026 Presentation



CITY OF
**MOUNTLAKE
TERRACE**



2026 PROPERTY TAX LEVY

City Council Work Session: November 20, 2025

Sirke Salminen, Finance Director

Caitland Reinke, Finance Technician

PURPOSE

- To set the 2025 property tax levy amount to be collected in 2026.



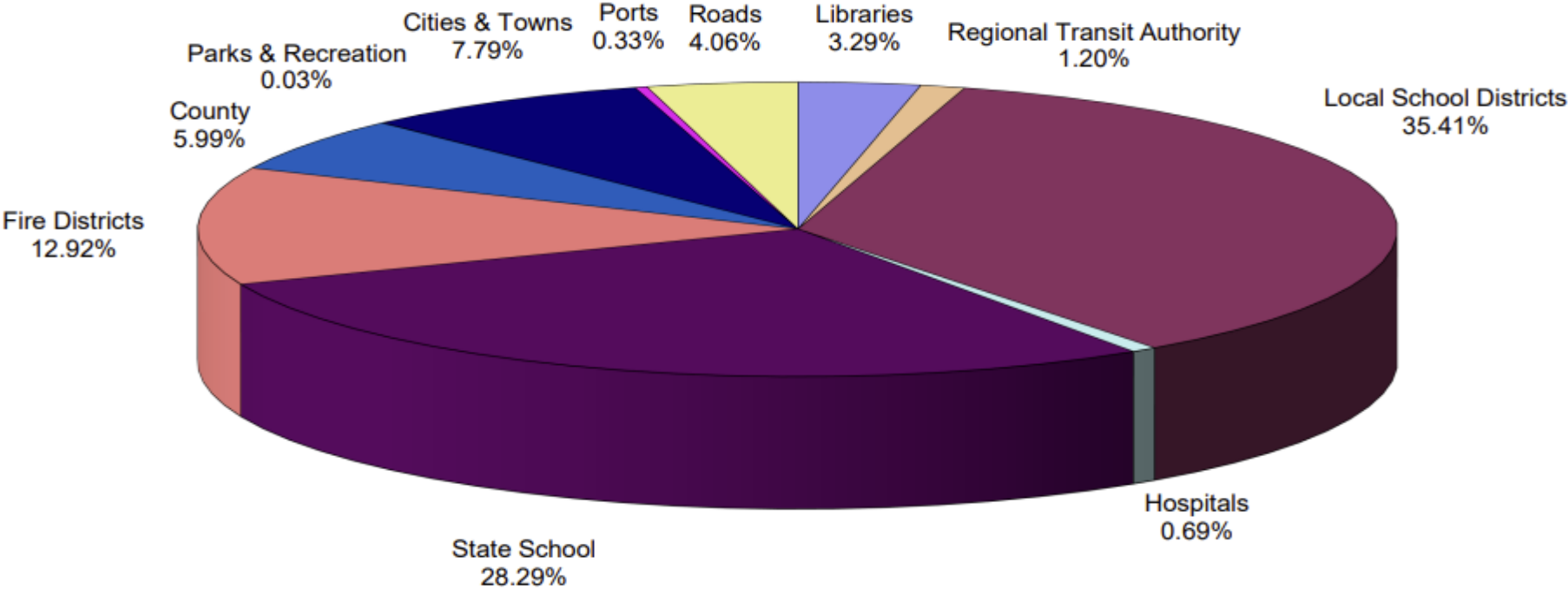
BACKGROUND

Washington Law

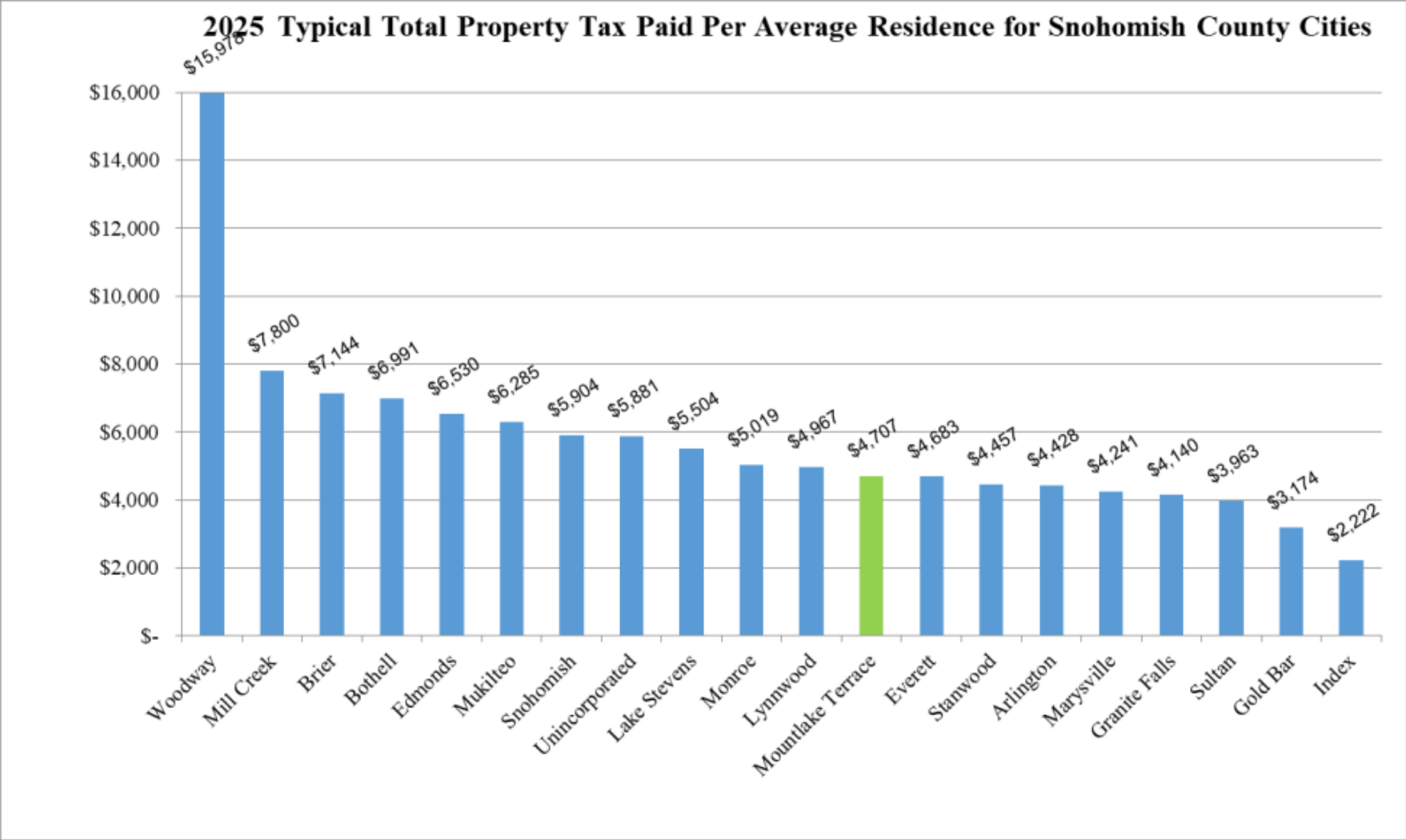
- Cities hold public hearing on revenue sources including “consideration of possible increase in property tax revenues”
- The hearing and adoption must be held no later than November 25th in order to provide the county with the information by the November 26th deadline for the 2025 tax levy to be implemented for collection in 2026. A public hearing has been scheduled for November 20, 2025 for this purpose, along with adoption of the property tax levy ordinance.
- The city is allowed to increase its property tax annually up to the Implicit Price Deflator (IPD) or one percent, whichever is lower. The IPD for 2025 tax purposes is 2.44 percent, so the maximum a city can increase its property tax levy for 2026 is one percent without using banked capacity.
- According to the Snohomish County Assessor’s office, the city’s total assessed value for taxes in 2026 is estimated to be \$5,483,120,742, which represents a 4.35 percent increase from the city’s total assessed value in 2025. The estimated assessed value increase from new construction is \$16,887,331 (.31 percent of the total).

Snohomish County Distribution of Taxes 2025

Property Taxes Total: \$1,851,532,350



2025 TYPICAL TOTAL PROPERTY TAX PAID PER AVERAGE RESIDENCE FOR SNOHOMISH COUNTY CITIES



GENERAL OPERATING LEVY OPTIONS FOR 2026

General Operating Levy Options For 2026	Estimated Operating Levy Without 1% Increase Approved	Estimated Operating Levy With 1 % Increase Approved	Difference
Base Levy Amount (From 2025)	\$3,323,507	\$3,323,507	\$0
1% Increase	\$0	33,235	\$33,235
New Construction & Refunds (Estimate)	69,169	69,169	\$0
Total Tax	\$3,392,677	3,425,912	\$33,235
Total Tax Per Average Home – Operating Levy 2026	367	370	\$2.84

STAFF RECOMMENDATION

Staff recommends the City Council vote to adopt the Property Tax ordinance. This can be accomplished following a public hearing on this item at the Council meeting on November 20, 2025.

Thank you



CITY OF MOUNTLAKE TERRACE

ORDINANCE NO. XXX

AN ORDINANCE OF THE CITY OF MOUNTLAKE TERRACE, WASHINGTON, PROVIDING FOR THE ANNUAL TAX LEVY BY INCREASING THE REGULAR PROPERTY TAX LEVY BY THE CURRENT 101 PERCENT LEVY LIMIT; LEVYING THE SAME UPON ALL TAXABLE PROPERTY, BOTH REAL AND PERSONAL, IN THE CITY OF MOUNTLAKE TERRACE, FOR COLLECTION IN 2026; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the City Council of the City of Mountlake Terrace has met and considered its budget for the calendar year 2026; and

WHEREAS, the district's actual levy amount from the previous year was \$3,323,507; and

WHEREAS, the population of this district is more than 10,000;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MOUNTLAKE TERRACE, WASHINGTON DO ORDAIN AS FOLLOWS:

Section 1. 2025 Regular Property Tax Levy. By the City Council of the City of Mountlake Terrace that an increase in the property tax levy is hereby authorized for the levy to be collected in the 2026 tax year as follows:

The dollar amount of the increase over the actual levy amount from the previous year shall be \$33,235 which is a percentage increase of 1% from the previous year. This increase is exclusive of additional revenue resulting from new construction, improvements to property, newly constructed wind turbines, solar, biomass, and geothermal facilities, any increase in the state assessed property, increment value, any annexations that have occurred and refunds made.

Section 2. Corrections. The City Clerk and codifiers of the ordinance are authorized to make necessary corrections to this ordinance including, but not limited to, the correction of scrivener/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

Section 3. Severability. If any section, subsection, paragraph, sentence, clause or phrase of this ordinance is declared unconstitutional or invalid for any reason, such invalidity shall not affect the validity or effectiveness of the remaining portions of this ordinance.

Section 4. Summary, Publication, and Effective Date. This Ordinance or a summary thereof consisting of the title shall be published in the official newspaper of the City and shall take effect and be in full force five (5) days after its adoption and publication as required by law.

ADOPTED BY THE CITY COUNCIL ON NOVEMBER 20, 2025.

Kyoko Matsumoto Wright, Mayor

ATTEST: _____
City Clerk

APPROVED AS TO FORM: _____
Hillary J. Evans, City Attorney



CITY OF
**MOUNTLAKE
TERRACE**



2026 PROPERTY TAX LEVY

City Council Work Session: November 13, 2025

Sirke Salminen, Finance Director

Caitland Reinke, Finance Technician

PURPOSE

- To set the 2025 property tax levy amount to be collected in 2026.



AGENDA

- Background
- Property Tax Allocation for City of Mountlake Terrace residents
- Typical Levy Rates by City
- Total Taxable Assessed Value over time
- 2025 Average Residence Value for Snohomish County Cities
- 2025 Typical Total Property Tax Paid per average residence for Snohomish County cities
- 2025 Typical Total Levy Rate Per Residence for Snohomish County Cities
- General Operating Levy Options
- Questions and Discussion

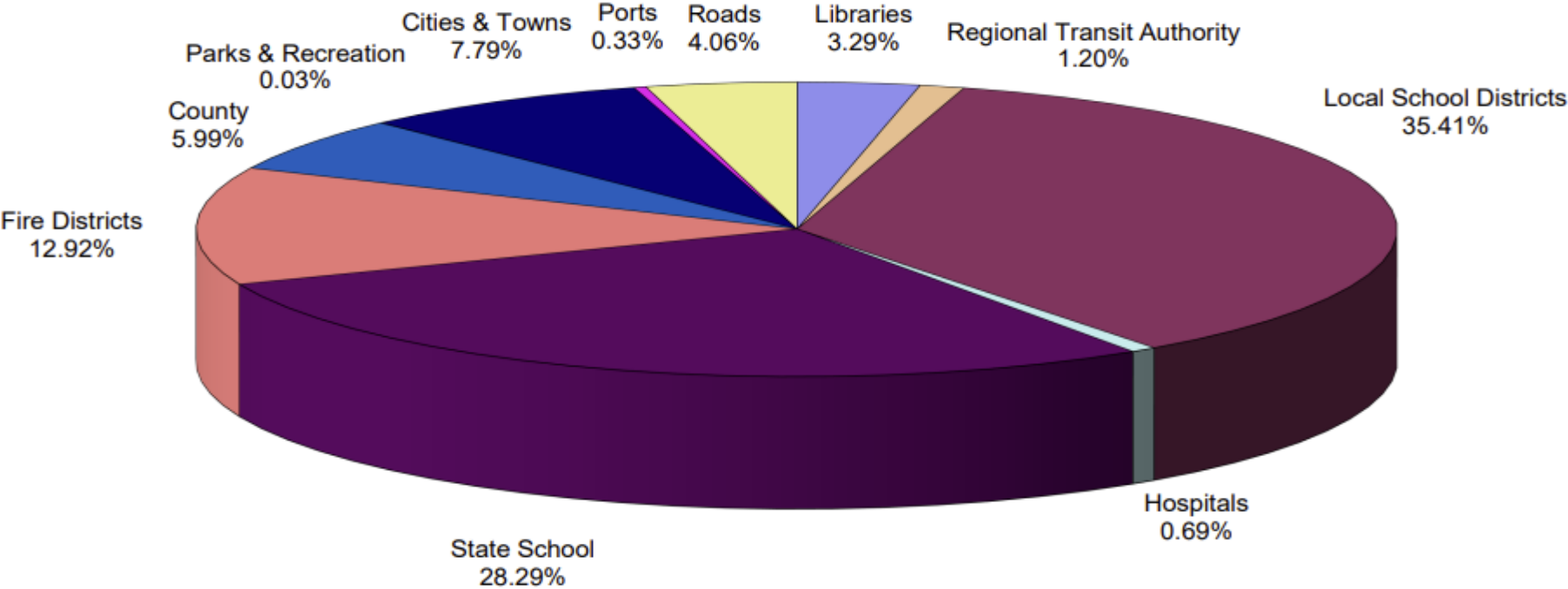
BACKGROUND

Washington Law

- Cities hold public hearing on revenue sources including “consideration of possible increase in property tax revenues”
- The hearing and adoption must be held no later than November 25th in order to provide the county with the information by the November 26th deadline for the 2025 tax levy to be implemented for collection in 2026. A public hearing has been scheduled for November 20, 2025 for this purpose, along with adoption of the property tax levy ordinance.
- The city is allowed to increase its property tax annually up to the Implicit Price Deflator (IPD) or one percent, whichever is lower. The IPD for 2025 tax purposes is 2.44 percent, so the maximum a city can increase its property tax levy for 2026 is one percent without using banked capacity.
- According to the Snohomish County Assessor’s office, the city’s total assessed value for taxes in 2026 is estimated to be \$5,483,120,742, which represents a 4.35 percent increase from the city’s total assessed value in 2025. The estimated assessed value increase from new construction is \$16,887,331 (.31 percent of the total).

Snohomish County Distribution of Taxes 2025

Property Taxes Total: \$1,851,532,350



Typical Levy Rates by City and Unincorporated

TYPICAL LEVY RATES BY CITY AND UNINCORPORATED

City	2025 Typical Levy Rate (1)	City	2025 Typical Levy Rate (1)
Arlington	8.6749	Lynnwood	7.8585
Bothell	8.0911	Marysville	7.8579
Brier	7.7667	Mill Creek	8.8163
Darrington	7.1714	Monroe	8.0984
Edmonds	7.0318	Mountlake Terrace	7.9585
Everett	8.7174	Mukilteo	7.5148
Gold Bar	8.5357	Snohomish	9.7993
Granite Falls	8.5422	Stanwood	8.3866
Index	6.0817	Sultan	8.9407
Lake Stevens	8.6967	Woodway	7.3221
Unincorporated	8.4068	(2)	

The above levy rates are expressed as dollars per \$1,000 of assessed taxable value.

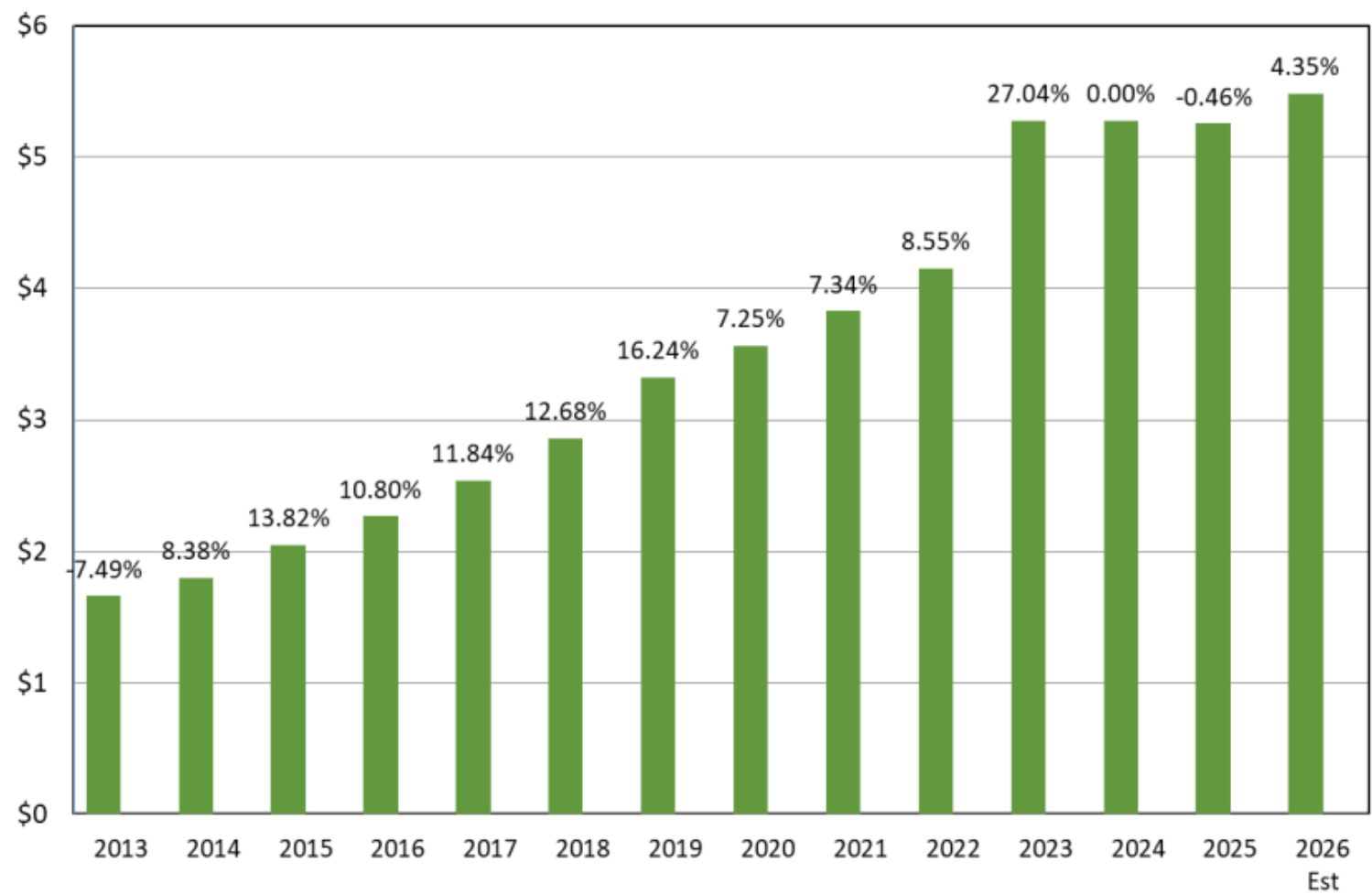
To calculate a "ballpark estimate" of how much taxes would be on an assessed taxable value, multiply the number of thousands of assessed taxable value times the levy rate.

If your home's assessed taxable value is \$100,000 divided by 1,000 = \$100 x \$8.6749 = \$867.49

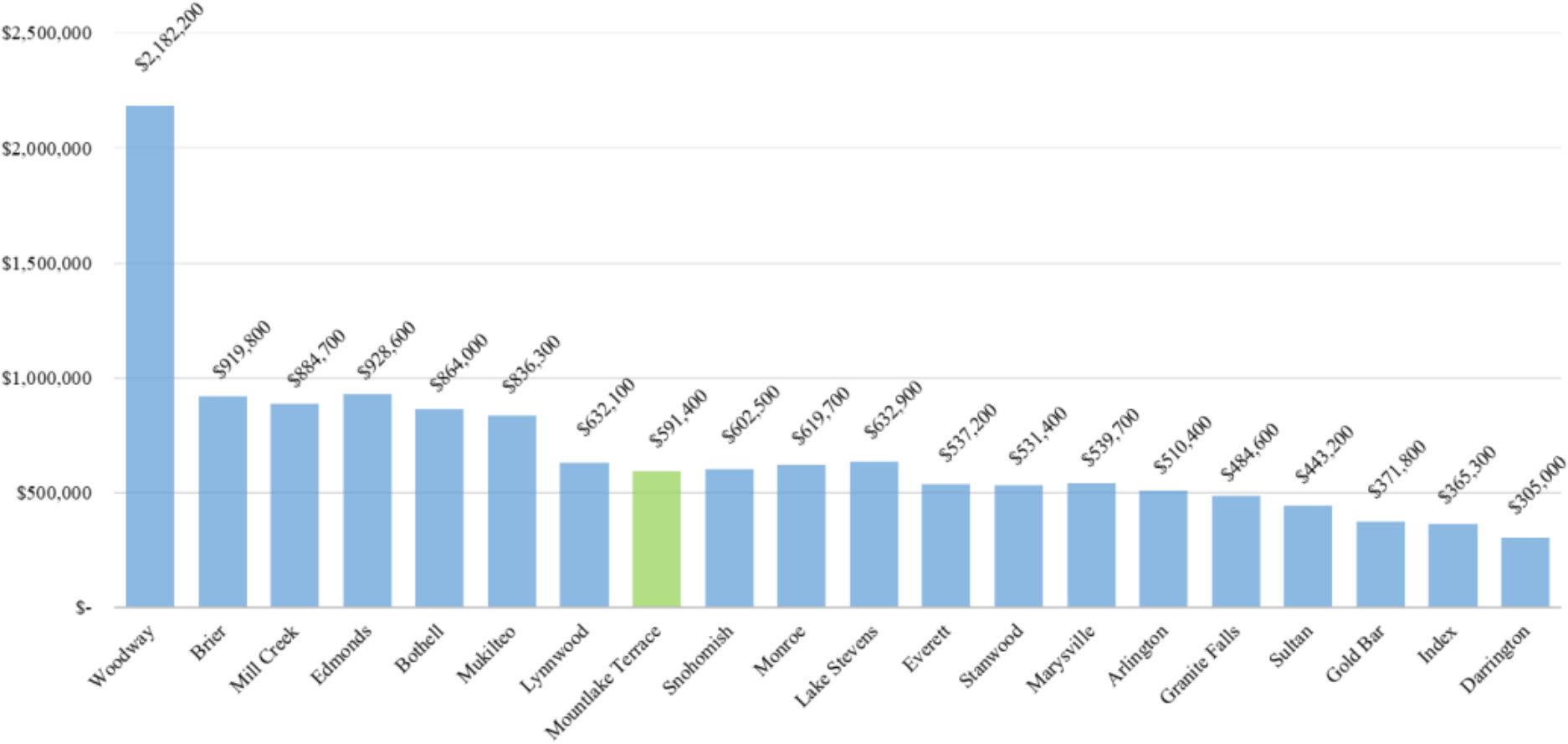
(1) Rates may vary within cities. The city rate shown is the predominant rate.

(2) The unincorporated rate shown is an average.

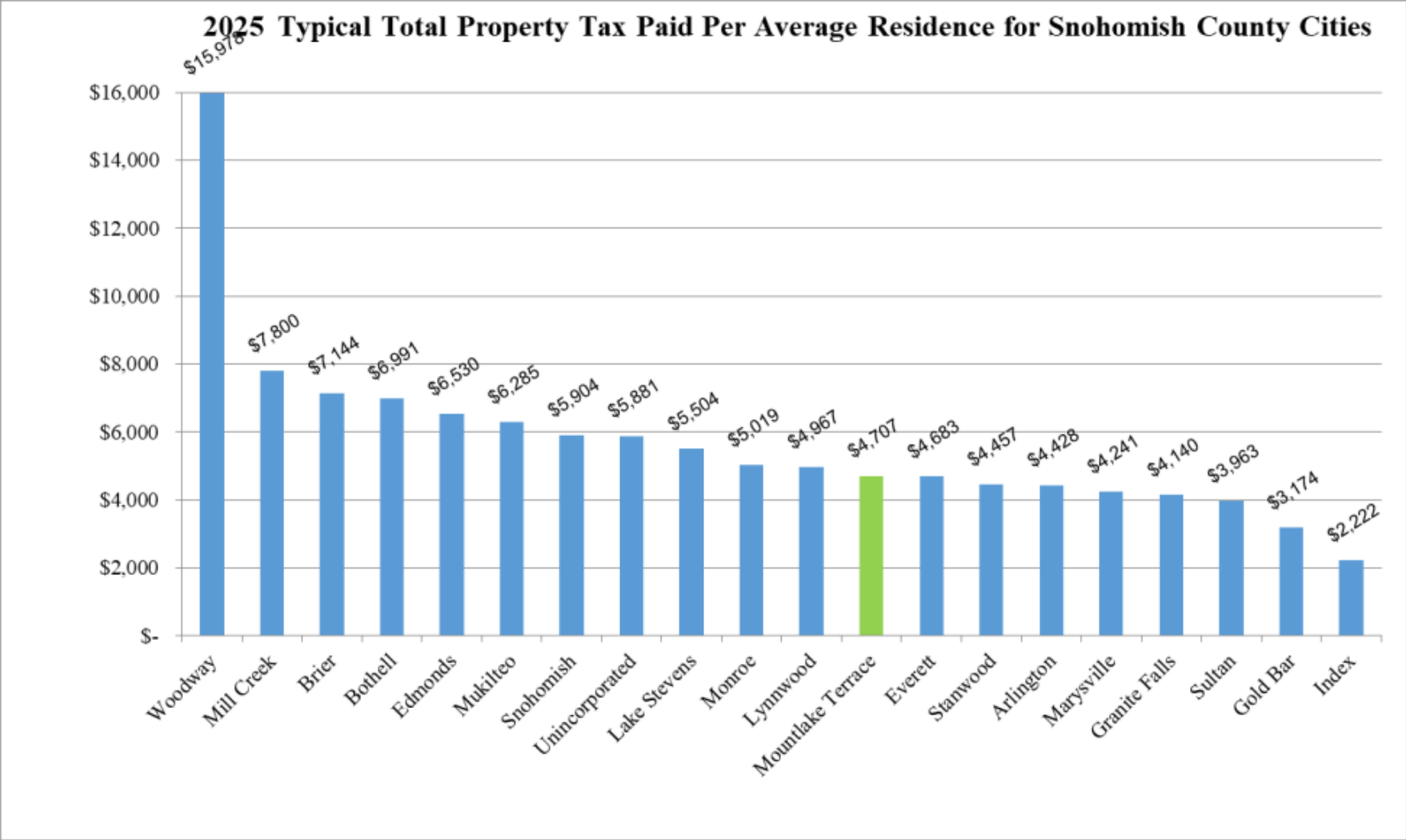
TOTAL TAXABLE ASSESSED VALUE 2013-2026 EST.



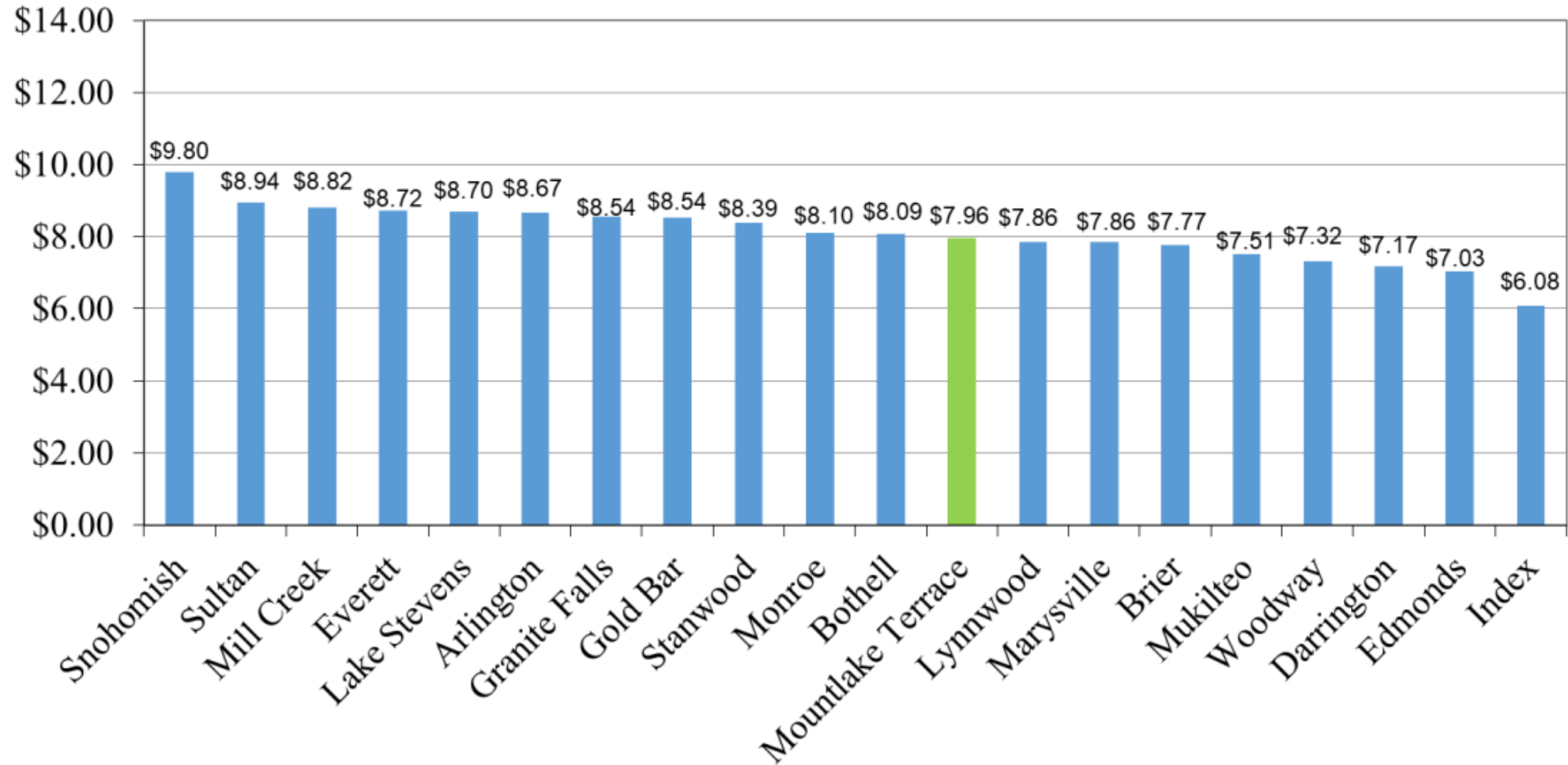
2025 AVERAGE RESIDENCE VALUE FOR SNOHOMISH COUNTY
CITIES



2025 TYPICAL TOTAL PROPERTY TAX PAID PER AVERAGE RESIDENCE FOR SNOHOMISH COUNTY CITIES



2025 Typical Levy Rate Per Residence for Snohomish County Cities



GENERAL OPERATING LEVY OPTIONS FOR 2026

General Operating Levy Options For 2026	Estimated Operating Levy Without 1% Increase Approved	Estimated Operating Levy With 1 % Increase Approved	Difference
Base Levy Amount (From 2025)	\$3,323,507	\$3,323,507	\$0
1% Increase	\$0	33,235	\$33,235
New Construction & Refunds (Estimate)	69,169	69,169	\$0
Total Tax	\$3,392,677	3,425,912	\$33,235
Total Tax Per Average Home – Operating Levy 2026	367	370	\$2.84

STAFF RECOMMENDATION

Staff recommends the City Council vote to adopt the Property Tax ordinance. This can be accomplished following a public hearing on this item at the Council meeting on November 20, 2025.

Thank you





STAFF REPORT

To: Mountlake Terrace City Council

From: Gary Schimek, Public Works Director

Meeting Date: November 20, 2025

Subject: Review and Vote on Ordinance Adopting Franchise Agreement with Puget Sound Energy

Required Reviews:

Jennifer Joki	Created/Initiated - 11/10/2025
Gary Schimek	Approved - 11/10/2025
Sirke Salminen	Approved - 11/10/2025
Hillary Evans	Approved - 11/11/2025
Carolyn Hope	Final Approval - 11/13/2025

Council Goal(s):

Responsible Governance to Ensure Desired Level of Service

Legislative History:

City Council reviewed and discussed the Franchise Agreement and Ordinance on November 6, 2025 with the Public Works Director and City Attorney. A Public Hearing was also held on that date. City Council then approved the Franchise Agreement and Ordinance for a vote on November 20, 2025.

Subject Summary:

The Franchise Agreement and Ordinance allows Puget Sound Energy (PSE) to conduct their gas distribution business within the City Right of Way. The original franchise agreement was approved by City Council in 1982. This new Franchise Agreement and Ordinance will be in place for 25 years. Puget Sound Energy will have the option for two (2) five (5) year extensions.

Financial/Budget Impacts:

Budget Amendment Required? N/A

Budget and Sources:	N/A
Expenditure:	N/A
New Appropriation Required + Sources:	N/A

Additional Financial Information:

Community Notifications:

City Council Agenda

If "Other," please specify:

Board/Commission Recommendation:

N/A

Staff Recommendation:

Staff recommends the City Council vote to adopt the ordinance and franchise agreement to allow Puget Sound Energy to conduct their gas distribution business with the City Right of Way as authorized by these documents.

Council Motion:

I move to adopt the ordinance and franchise agreement authorizing Puget Sound Energy to conduct their gas distribution business within the City Right of Way as described per the documents.

Attachments:

1. PSE 1982
2. PSE FRANCHISE 2025
3. PSE ORDINANCE 2025

1982

ORDINANCE NO. 1479

CITY OF MOUNTLAKE TERRACE

FILE COPY

AN ORDINANCE GRANTING TO WASHINGTON NATURAL GAS COMPANY, A WASHINGTON CORPORATION, AND A PUBLIC UTILITY SELLING AND DISTRIBUTING GAS WITHIN THE STATE OF WASHINGTON THE RIGHT AND FRANCHISE TO USE AND OCCUPY THE STREET, AVENUES, ROADS, ALLEYS, LANES AND OTHER PUBLIC PLACES AND WAYS OF THE CITY OF MOUNTLAKE TERRACE, WASHINGTON, FOR CONSTRUCTING, MAINTAINING, REPAIRING, RENEWING AND OPERATING A GAS DISTRIBUTION SYSTEM AND ACCESSORIES WITHIN AND THROUGH THE CITY OF MOUNTLAKE TERRACE, WASHINGTON and REPEALING ORDINANCE NO. 1457.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MOUNTLAKE TERRACE, AS FOLLOWS:

Section 1. The right is hereby granted to Washington Natural Gas Company, hereinafter referred to as the Grantee, to lay, construct, extend, maintain, repair, renew and replace gas pipes and gas mains and accessories under, along and/or across any and all streets, avenues, roads, alleys, lanes and other public places and ways in the City of Mountlake Terrace, hereinafter referred to as City and all territory hereafter lawfully annexed, and to use and occupy said streets, avenues, roads and alleys, lanes and other public places and ways for the purpose of therein laying, constructing, extending, maintaining, renewing, replacing and repairing mains and pipes and all appurtenances thereto and accessories used and/or useful for the manufacture, transmission and sale and distribution of gas within and through the present or future territorial limits of the City for the term of twenty-five (25) years from and after the effective date of the ordinance, except as hereinafter provided.

Section 2. Rights herein granted shall be subject to and governed by this ordinance; provided, however, the Council expressly reserves unto itself all its police power to adopt general ordinances necessary to protect the safety and welfare of the general public in relation to the rights hereby granted not inconsistent herewith.

Section 3. The location of all mains, laterals and appurtenances, within such streets, avenues, alleys, lanes and other public places and ways shall be determined and fixed by the City Engineer, and before any work is done by the Grantee under this franchise, (except in cases of emergency) it shall first file with the City Clerk an application for a permit to do such work, accompanied by a drawing showing the position and location of all such mains and/or laterals and meter boxes, plugs, etc., sought to be constructed, laid, installed or erected at that time and their relative positions to existing streets, avenues, roads, alleys, lanes and other public places or ways, and showing the location of local improvements above and below ground such as water mains and services, sewer mains and laterals, storm sewers and appurtenances, underground telephone power and cable TV, sidewalks, curbs, gutters, property lines, turnouts, parking strips, etc., as may be pertinent to the proposed work.

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CENTRAL FILE

Section 4. The Grantee in such application shall specify the class and type of material to be used and the equipment to be used and the mode of safeguarding and facilitating public traffic during construction. All such material and equipment shall be first class and shall meet with the approval and pass all requirements of said City, and the Grantee shall pay to the City of Mountlake Terrace all costs of and expenses incurred in the examination, inspection and supervision of such work on account of the granting of said permit, including the work described in Section 3 hereof.

Section 5. The Grantee shall leave all streets, avenues, roads, alleys, lanes, public places and way, after laying and installing mains and doing construction work, making repairs to equipment, etc., in as good and safe condition in all respects as they were before the commencement of such work by the Grantee, its agents or contractors, as determined in the sole discretion of the City. In case of any damage to said streets, avenues, roads, alleys, lanes, public places and ways or to pavements, turnouts, gutters, ditches, walks, drain pipes, rails, bridges, trestles, wharves or landings, caused by the Grantee, said Grantee shall immediately repair said damage at its sole cost and expense. The City may at any time, after giving oral or written notice to Grantee, do, order and have done any and all work considered necessary to restore to a safe condition any such streets, avenues, road, alleys, lanes, public places and ways, or pavement, turnouts, gutters, ditches, walks, drain pipes, rails, bridges, trestles, wharves or landings left by the Grantee or its agents in a condition dangerous to life or property, and the Grantee, upon demand, shall pay to the City of Mountlake Terrace all costs of such construction or repair and of doing such work. All repair or construction work performed by the Grantee shall be accomplished in the manner and according to the standards prescribed by the City, except as the same may be inconsistent with other requirements of law.

Section 6. The Grantee, by the acceptance of this franchise, hereby agrees, for itself, its successors and assigns, to protect and save harmless the City of Mountlake Terrace, from all claims, actions or damages of every kind and description which may accrue to or be suffered by any person or persons, corporation or property by reason of any faulty construction, defective material or equipment or maintenance, or by the improper occupation of said streets, avenues, roads, alleys, lanes, public places and ways by the Grantee, or by reason of the negligent, improper or faulty manner of safeguarding any excavation, temporary turnouts or inefficient operation by the Grantee of its said pipe lines as hereinbefore designated; and in case suit or action is brought against said City of Mountlake Terrace for damages arising out of or by reason of any of the abovementioned causes and in judgment shall be rendered against the City of Mountlake Terrace in such suit or action, the Grantee will fully satisfy said judgment within ninety (90) days after said suit or action shall have finally been determined, if determined adversely to the City of Mountlake Terrace, provided the Grantee herein, its successors and assigns, shall have the right to employ its or their own Counsel in any cause or action or be given the management of the defense thereof.

Section 7. If at any time the City of Mountlake Terrace deems it advisable to improve any of its streets, avenues, roads, alleys, lanes, public places and ways for the public benefit by grading or regrading such streets, avenues, roads, alleys, lanes, public places and ways or paving, altering, changing, repairing or reimproving the same, the Grantee, upon written notice by the City Manager, shall, at its own expense, immediately so raise, lower or move its line of pipes to conform to such new grades as may be established, or place said pipes in such location or position as shall cause the least interference with any such improvements, and said City of Mountlake Terrace shall in nowise be held liable for any damages to said Grantee that may occur by reason of such improvements, repairs or maintenance or by the exercise of any rights reserved in this grant.

Section 8. This grant shall not be exclusive and shall in no manner prohibit the City of Mountlake Terrace from granting other franchises of a like nature or franchises for other public or private utilities over, along, across, under and upon any of such streets, avenues, roads, alleys, lanes, public places and ways, and shall in nowise prohibit or prevent the City of Mountlake Terrace from using any of said streets, avenues, roads, alleys, lanes, public places and ways, with full power to make all necessary changes, relocations, repairs, maintenance, etc. of same as the City of Mountlake Terrace may deem fit.

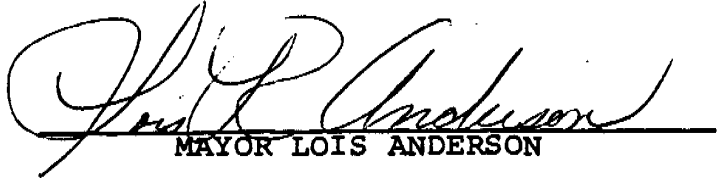
Section 9. In the event of the imposition by the City of a tax upon the furnishing of natural gas, the Grantee shall not increase the retail rates for the furnishing of natural gas to any customer in the City in any amount in excess of the actual amount necessary to reimburse itself for such tax liability.

Section 10. All of the provisions, conditions, regulations and requirements herein contained shall be binding upon the successors and assigns of the Grantee, and all privileges of the Grantee shall inure to its successors and assigns.

Section 11. If the Grantee, its successors or assigns, shall willfully violate or fail to comply with any of the provisions of this grant; or through willful or unreasonable negligence fail to heed to any notice given to the Grantee under the provisions of this grant, then the said Grantee, its successors or assigns, shall, at the election of the Council of the City of Mountlake Terrace, forfeit all rights conferred hereunder and this franchise may be revoked or annulled by the said City Council.

Section 12. This ordinance shall be in full force and effect from and after thirty (30) days after its passage and publication and its acceptance by the Grantee.

PASSED BY THE CITY COUNCIL THIS 20th day of September, 1982, and signed in authentication of its passage this 21st day of September, 1982.


MAYOR LOIS ANDERSON

ATTEST: 
City Clerk

APPROVED AS TO FORM: Levy Johnston, City Attorney.

The terms and conditions of the foregoing Franchise Ordinance
No. 1479 is hereby accepted this 12th day of OCTOBER,
1982.

WASHINGTON NATURAL GAS COMPANY

By: 
R.R. Golliver, President

ATTEST:

R.J. Tomlinson,
Vice President Legal and Secretary

Above acceptance received by:

City Clerk

Dated: _____

FRANCHISE AGREEMENT

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Section 1. Definitions.

1.1 Where used in this franchise (the “Franchise”), the following terms will have the meaning set forth in this Section 1. Other terms are defined elsewhere in this Franchise.

1.2 “City” means the City of Mountlake Terrace, a code city of the State of Washington, and its successors and assigns.

1.3 “Dispute” means any and all claims, controversies or disputes arising between the Parties relating to or in connection with this Franchise.

1.4 “Environmental Laws” means any and all Laws relating to the protection of human health and the environment, including those relating to the generation, use, handling, transportation, storage, release, discharge or disposal of Hazardous Substances, such as the Model Toxics Control Act, RCW ch. 70A.305.

1.5 “Facilities” means, collectively and as applicable, any and all of the following facilities that are owned, operated, or maintained by PSE: (i) natural gas distribution facilities and systems, including gas pipes, pipelines, mains, laterals, conduits, feeders, regulators, meters, meter-reading devices, meter-reading devices and infrastructure (including advanced metering infrastructure), and communication systems; and (ii) any and all other equipment, appliances, attachments, appurtenances, and other facilities or items necessary, convenient, or in any way appertaining to any and all of the foregoing, whether the same be located above ground or underground.

1.6 “Force Majeure Event” means any event or circumstance (or combination thereof) that: (i) delays or prevents performance by a Party of any of its obligations under this Franchise; (ii) is not caused by, and is beyond the reasonable control of, the affected Party; and (iii) could not have been prevented or overcome by commercially reasonable measures taken by the affected Party to avoid the effect of the event or circumstance on the affected Party’s ability to perform its obligations hereunder and to mitigate the consequences of the event or circumstance. Force Majeure Events may include the following: (a) acts of nature, including storms, epidemics, and pandemics; (b) acts of public enemies, terrorism, war, rioting, insurrection or sabotage; (c) any form of compulsory government action or change in state or federal Law; (d) accidents or other casualties causing damage, loss or delay; (e) labor disturbances, strikes, lock-outs or other industrial actions affecting the Parties or any of their contractors, subcontractors, agents or employees; (f) supply chain disruptions, shortages in materials, or similar events delaying or preventing the procurement of certain materials; and (g) delay in obtaining or denial of any regulatory consents or approvals.

1.7 “Franchise Area” means any and all of the roads, streets, avenues, alleys, and highways, and rights-of-way of the City as now laid out, platted, dedicated or improved; and any and all roads, streets, avenues, alleys, highways, and rights-of-way that may hereafter be laid out, platted, dedicated or improved within the limits of the City.

1.8 “Hazardous Substances” means any hazardous, toxic, or dangerous substance, material, waste, pollutant, or contaminant that is specifically designated as such and regulated by any Environmental Law.

1.9 “Law” means any and all federal, state or municipal law, code, statute, ordinance, rule, tariff, regulation or other requirement that is applicable to a Party or its activities under this Franchise and is accorded the full force and effect of law and is binding upon such Party.

1.10 “Ordinance” means Ordinance No. [REDACTED], which sets forth the terms and conditions of this Franchise.

1.11 “Party” means, as applicable, PSE or the City, and “Parties” means, collectively, PSE and the City.

1.12 “PSE” means Puget Sound Energy, Inc., a Washington corporation, and its successors and assigns.

1.13 “Public Improvement Project” means a capital improvement project within the Franchise Area that requires the relocation of Facilities within the Franchise Area, is funded by the City (either with its own funds or with other public monies obtained by the City for such capital improvement project), and is undertaken by the City.

1.14 “Term” means the term of this Franchise as defined in Section 13 (Franchise Term).

1.15 “WUTC” means the Washington Utilities and Transportation Commission, and any successor agency with jurisdiction over the terms and conditions of any gas services provided by PSE to its customers.

Section 2. Grant of Rights.

2.1 The City hereby grants to PSE the right, privilege, authority and franchise to set, erect, lay, construct, extend, support, attach, connect, maintain, repair, replace, enlarge, operate and use Facilities in, upon, over, under, along, across and through the Franchise Area to provide for the transmission, distribution and sale of gas for power, heat, light, and such other purposes for which gas may be used.

2.2 This Franchise is not, and will not be deemed to be, an exclusive Franchise. This Franchise will not in any manner prohibit the City from granting other and further franchises over, upon, and along the Franchise Area that do not interfere with PSE’s rights under this Franchise. This Franchise will not affect the jurisdiction of the City over the Franchise Area and will not limit or constrain the exercise of the City’s police powers, or prohibit or prevent the City from using the Franchise Area, in a manner that is consistent with Law and the terms and conditions of this Franchise.

2.3 PSE will exercise its rights within the Franchise Area in accordance with Law; except that in the event of any conflict or inconsistency between any municipal law, code, statute, ordinance, rule, regulation, policy or other requirement of the City and the terms and conditions of this Franchise, the terms and conditions of this Franchise will govern and control.

2.4 This Franchise will not convey any right to PSE to install any Facilities on, under, over or across, or to otherwise use, any City-owned or City-leased properties of any kind that are located outside the Franchise Area. Further, this Franchise will not govern or apply to any Facilities located

on any PSE-owned or PSE-leased properties or any easements (whether inside or outside of the Franchise Area, whether granted by a private or public entity, and whether now existing or hereafter acquired), and such Facilities are not, and will not be deemed to be, located pursuant to rights derived from this Franchise.

2.5 Facilities that were installed or maintained by PSE in accordance with a prior franchise agreement between PSE and the City, but that are not within the Franchise Area, may be maintained, repaired, and operated by PSE at the location such Facilities exist as of the Effective Date; except, that no such Facilities may be enlarged, improved, or expanded by PSE without the prior review and approval of the City pursuant to and consistent with Law.

Section 3. PSE's Use and Occupancy of the Franchise Area.

3.1 All work performed on Facilities within the Franchise Area will be accomplished in a good and workmanlike manner, by means that, to the extent practicable, minimize interference with the free passage of pedestrian or vehicle traffic, and by methods that allow for reasonable access to adjoining property, whether public or private. PSE will post and maintain proper barricades, flags, flaggers, lights, flares, safety devices, and other measures as required by Law. If any work by PSE on Facilities within the Franchise Area impairs the lateral support of the Franchise Area or adjacent properties, PSE will take such action as is reasonably necessary to restore and maintain the lateral support of the Franchise Area or such adjacent properties.

3.2 Prior to PSE engaging in any work on Facilities located within the Franchise Area, PSE will apply for all City permits required to do such work, and will, except to the extent contrary to or inconsistent with the terms and conditions of this Franchise, comply with all requirements and conditions of such permits. If Facilities within the Franchise Area are in such a condition so as to endanger the property, life, health, or safety of any individual or threaten system integrity, or are otherwise compromised, in each case as reasonably determined by PSE, PSE may take prompt action to correct the dangerous condition without first obtaining any required City permits on the condition that PSE applies for any such permit(s) as soon as reasonably practicable after taking such action. If the City discovers an emergency situation involving any Facilities, the City will promptly notify PSE, and PSE will address the emergency situation pursuant to this Section 3.2.

3.3 PSE will, after completing any installation, construction, relocation, maintenance, removal or repair of any of Facilities within the Franchise Area pursuant to this Franchise, restore the affected Franchise Area and any other City property situated within the Franchise Area that may be disturbed or damaged by such work, to at least the same condition as such area or property was in immediately prior to the applicable work. The City will not impose any fee, fine, charge, or other cost or expense on PSE for any such damage or disturbance if such restoration work is completed to the reasonable satisfaction of the City. All survey monuments which are to be disturbed or displaced by any such work will be referenced and restored consistent with Law.

3.4 PSE will have the right to cut, clear, and remove vegetation encroaching on, overhanging, or growing into Facilities within the Franchise Area so as to prevent such vegetation from coming in contact with such Facilities and to maintain safe and reliable operations of such Facilities. The exercise of such right will be subject to the City's prior approval, which will not be unreasonably withheld, conditioned, or delayed. PSE's tree trimming activities will preserve the appearance,

integrity, and health of the trees to the extent reasonably possible. Except in emergency situations or as otherwise approved by the City, PSE will (i) be responsible for all debris removal from such activities and (ii) ensure such work is performed under the direction of a certified arborist.

3.5 The Parties acknowledge that PSE is subject to state and federal Laws that apply to its gas operations and that certain information related to such operations is publicly available, including by or through the WUTC. The City may review such information, including publicly available maintenance, safety, and inspection information related to Facilities, in its discretion.

Section 4. Planning and Coordination.

4.1 Each Party will exercise commercially reasonable efforts to coordinate construction work it may undertake within the Franchise Area with the other Party so as to promote the orderly and expeditious performance and completion of such work as a whole. In so doing, the Parties will undertake cooperative planning so as to promote the coordinated timing, location, and prosecution of such work within the Franchise Area. Upon the reasonable request of a Party, but not more often than annually (unless otherwise agreed upon by the Parties), the Parties will meet to discuss and coordinate regarding future construction activities then being planned by either Party within the Franchise Area. Such discussions and coordination will be for informational purposes only and will not obligate either Party to undertake any specific improvements or other activities within the Franchise Area.

4.2 The City may, from time to time, request:

4.3 copies of certain available PSE plans for potential improvements to Facilities within the Franchise Area if and to the extent such information is needed by the City for its own project planning purposes, and

4.4 copies of certain available maps in use by PSE showing the approximate locations of Facilities within the Franchise Area if and to the extent such information is needed by the City for specific right-of-way management purposes.

Any such request by the City must be submitted by email to Map.Request@pse.com (or by such other method as PSE may reasonably direct, from time to time) and must be reasonable in scope and at intervals that minimize administrative burdens on both Parties. Any release of information to the City pursuant to this Section 4.4 will be subject to PSE's prior approval, which will not be unreasonably withheld. Any information provided by PSE pursuant to this Section 4.4 will be for informational purposes only and will not obligate PSE to undertake any specific improvements or other activities within the Franchise Area or be construed as a proposal to undertake any specific improvements or other activities within the Franchise Area. PSE does not warrant the accuracy of any information provided pursuant to this Section 4.4 and, to the extent the locations of Facilities are shown in any such information, such Facilities are shown in their approximate locations. Further, notwithstanding anything in this Franchise to the contrary, PSE will have no obligation to disclose any records, documents, or other information that, in PSE's reasonable discretion: (i) are financial, commercial, or proprietary in nature, or (ii) constitute critical energy infrastructure information as regulated under the Federal Power Act, 16 U.S.C. § 791, et seq.

4.5 If either Party causes an excavation to be made within the Franchise Area, the Party causing such excavation will afford the other Party an opportunity to use such excavation if the Party causing such excavation: (i) receives a written request from the other Party to do so, (ii) such joint use would not unreasonably delay the work of the Party causing such excavation, and (iii) such joint use is arranged and accomplished upon terms and conditions reasonably satisfactory to the Party causing such excavation.

4.6 Nothing in this Franchise is intended (nor will be construed) to relieve either Party of its respective obligations under Law with respect to determining the location of underground utility facilities, including Facilities.

Section 5. Decommissioned Facilities.

The Parties acknowledge that: (i) the removal of underground Facilities often causes significant disruptions to applicable rights-of-way within the Franchise Area, which may adversely impact the use of the affected Franchise Area and inconvenience the public, and (ii) an approach of decommissioning certain Facilities in place within the Franchise Area, consistent with prudent utility practice and this Franchise, could help the Parties reduce unnecessary disruptions to the Franchise Area while maintaining the Parties' respective responsibilities under this Franchise with respect to such Facilities. Accordingly, PSE may, from time to time, elect to discontinue its use of underground Facilities within the Franchise Area, and decommission such Facilities in place ("Decommissioned Underground Facilities"). In such event, PSE will notify the City of its decision to decommission such Facilities and will decommission such Facilities in place consistent with prevailing industry standards and Law, which may include disconnecting such Decommissioned Underground Facilities from the operating natural gas system, sealing such Decommissioned Underground Facilities, and rendering such Decommissioned Underground Facilities inert. As requested by the City in accordance with Section 4.4, PSE will provide the City with maps that show the approximate location of Decommissioned Underground Facilities. In addition, for the avoidance of doubt, Decommissioned Underground Facilities within the Franchise Area remain subject to the terms and conditions of this Franchise, including Section 7 (Relocation of Facilities) and Section 8 (Indemnification and Insurance).

Section 6. Hazardous Substances.

PSE will only use Hazardous Substances within the Franchise Area incident to PSE's normal business operations, and in all cases (i) limited to such quantities as may be required in its normal business operations, (ii) used, transported or stored in accordance with prevailing industry standards and Law, and (iii) used, transported or stored only for its intended use. In the event PSE or its contractors cause an unlawful release of Hazardous Substances within the Franchise Area, PSE will notify the City within twenty-four (24) hours after its discovery of such release. PSE will act promptly to remediate such release of Hazardous Substances in accordance with Law.

Section 7. Relocation of Facilities.

7.1 Whenever the City causes a capital improvement project to be undertaken within the Franchise Area, and the City believes such project constitutes a Public Improvement Project that requires the relocation of then-existing Facilities within the Franchise Area (for purposes other

than those described in Section 7.2), the City will provide to PSE, within a reasonable time prior to the commencement of such project:

7.1.1 written notice of the applicable project; and

7.1.2 reasonable plans and specifications sufficient for PSE to: (i) evaluate whether the proposed project constitutes a Public Improvement Project, including whether the relocation of any Facilities within the Franchise Area is necessary, and (ii) if the project requires any such relocations, to develop an initial system design for such Facilities in connection with such Public Improvement Project.

7.2 After receipt of such notice and such plans and specifications, the City and PSE will work together to review the plans and specifications provided pursuant to Section 7.1.2 as well as any proposed relocation of Facilities for such Public Improvement Project. For any Facilities that must be relocated within the Franchise Area for such Public Improvement Project, PSE will perform such relocation at no charge to the City and in accordance with a schedule mutually agreed upon in writing by the City and PSE. If the City requires the subsequent relocation of any such Facilities within five (5) years from the date of the initial relocation of such Facilities pursuant to this Section 7.1, the City will bear the entire cost of such subsequent relocation.

7.3 Whenever (i) any public or private development within the Franchise Area, other than a Public Improvement Project, requires the relocation of Facilities within the Franchise Area to accommodate such development, or (ii) the City requires the relocation of Facilities within the Franchise Area for the benefit of any person or entity other than the City, then, in such event, PSE will have the right as a condition of such relocation, to require such person or entity to make payment to PSE, at a time and upon terms and conditions acceptable to PSE, for any and all costs and expenses incurred by PSE in the relocation of such Facilities.

7.4 Any condition or requirement imposed by the City upon any person or entity, other than PSE, which requires the relocation of Facilities will be a relocation under Section 7.2 (including any condition or requirement imposed pursuant to any contract or in conjunction with approvals or permits for zoning, land use, construction or development).

7.5 Nothing in this Section 7 will require PSE to bear any cost or expense in connection with the location or relocation of any Facilities authorized by easement or other rights not derived from this Franchise, regardless of whether such easement or other rights are on public or private property and regardless of whether such easement or other rights extend to property within the Franchise Area.

Section 8. Indemnification and Insurance.

8.1 PSE shall defend, indemnify, and hold harmless the City and its officers, officials, and employees (“City Parties”) from and against any and all claims, suits, and actions made against a City Party (including any liabilities resulting from any such claims, suits, or actions) for injury or death of any person, or for damage to property, to the extent such injury or damage is caused by the negligence or intentional misconduct of PSE, its employees, or agents in exercising the rights granted to PSE by this Franchise. In the event any such claim, suit, or action is presented to or filed with any City Party, the City must promptly notify PSE thereof in writing, and PSE will have the

right, at its election and at its sole cost and expense, to settle and compromise such claim or demand, or to defend the same at its sole cost and expense, by attorneys of its own election. In addition, in the event any claim, suit, or action is begun against a City Party based upon any such claim, suit, or action, the City must likewise promptly notify PSE thereof in writing, and PSE will have the right, at its election and its sole cost and expense, to settle and compromise such claim, suit, or action, or to defend the same at its sole cost and expense, by attorneys of its own election.

8.2 However, should a court of competent jurisdiction determine that this Franchise is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of PSE and any City Party, PSE's indemnity obligations under Section 8.1 shall apply only to the extent of PSE's negligence.

8.3 It is further specifically and expressly understood that, solely to the extent required to enforce any indemnification under Section 8, PSE waives any immunity it may have under Industrial Insurance, Title 51 RCW; except that the foregoing waiver will not in any way preclude PSE from asserting such immunity directly against any of its own employees or such employees' estates or other representatives. The waiver set forth in this Section 8.3 has been specifically negotiated by the Parties.

8.4 During the Term PSE will maintain the following liability insurance coverages, insuring both PSE and including the City as additional insured against claims for injuries to persons or damages to property which may arise from or in connection with the exercise of the rights, privileges, and authority granted to PSE in this Franchise:

8.4.1 Commercial General Liability insurance with limits not less than five million dollars (\$5,000,000) per occurrence for bodily injury or death, property damage, and public liability.

8.4.2 Excess or Umbrella Liability insurance shall be written with limits of not less than \$5,000,000 per occurrence and annual aggregate. The Excess or Umbrella Liability requirement and limits may be satisfied instead through Grantee's Commercial General Liability and Automobile Liability insurance, or any combination thereof that achieves the overall required limits.

8.4.3 Automobile liability for owned, non-owned and hired vehicles with a Combined Single Limit of two million dollars (\$5,000,000) for each accident.

8.4.4 Worker's compensation with statutory limits and employer's liability insurance with limits of not less than one million dollars (\$1,000,000).

8.5 In lieu of the insurance requirements in Section 8.3, PSE may self-insure against such risks in such amounts as are consistent with good utility practice. Upon the City's request, PSE will provide the City with reasonable written evidence that PSE is maintaining such self-insurance program.

Section 9. Reservation of Easement in Event of Vacation.

In the event the City vacates any portion of the Franchise Area containing Facilities during the Term, the City will reserve an easement for such Facilities that are located in such vacated portion of the Franchise Area in a manner consistent with the City's vacation procedures, as applicable, and at no cost to PSE. The City will give PSE advance notice of its intent to vacate any portion of the Franchise Area and will consult with PSE regarding the terms and conditions of the easement to be reserved for Facilities.

Section 10. Force Majeure.

If performance of this Franchise, or of any obligation hereunder, is prevented or substantially restricted or interfered with by reason of a Force Majeure Event, the affected Party, upon giving notice to the other Party of the Force Majeure Event and its impact on the affected Party, will be excused from such performance to the extent of and for the duration of such prevention, restriction or interference. The affected Party must use commercially reasonable efforts to avoid or remove such causes of nonperformance under this Franchise and must continue performance hereunder whenever such causes are removed.

Section 11. Dispute Resolution.

11.1 A Dispute must be resolved in accordance with the dispute resolution procedures set forth in this Section 11. A Party will notify the other Party promptly following the occurrence or discovery of a Dispute. The initial mechanism to resolve a Dispute will be by negotiation between the Parties' representatives, so designated by the Parties by notice given pursuant to this Section

11.2 If the Parties cannot resolve a Dispute satisfactorily within fifteen (15) business days after receipt of the initial notice in accordance with Section 11.1, either Party may thereafter deliver to the other Party notice initiating the dispute resolution procedures set forth in this Section 11.2. Such notice will (i) contain a detailed description of the issues in Dispute, (ii) identify the senior officers or administrators authorized to settle the Dispute on behalf of the Party providing such notice, and (iii) propose a date or dates, not less than thirty (30) days from the date of such notice, that such officers or administrators are available for a meeting to resolve such Dispute. The recipient Party will, within ten (10) business days following receipt of notice pursuant to this Section 11.2, provide to the notifying Party a parallel schedule of availability of the recipient Party's senior officers or administrators authorized to settle the Dispute on behalf of the recipient Party. Following delivery of the respective senior officers' or administrators' schedules of availability, the senior officers or administrators so designated will engage in good-faith negotiations for a period of at least thirty (30) days after the first meeting between such officers or administrators (or such other time period as may be agreed upon by the Parties), to resolve the Dispute to the satisfaction of both Parties.

11.3 If at any time after the expiration of such thirty (30) day period (or such other time period as may be agreed upon by the Parties pursuant to Section 11.2), a Party determines that continued negotiations with the other Party will not result in a resolution of the Dispute, and if the Party reasonably believes that the other Party is in default of its obligations under this Franchise, such

Party may serve upon the other Party a written order to comply with the provisions of this Franchise pursuant to Section 12 (Default).

11.4 Except as otherwise provided in Section 11.3, the Parties intend that the Parties' exhaust the procedures for dispute resolution set forth in this Section 11 before a Party exercises any other right or remedy available under this Franchise.

Section 12. Default.

If PSE fails to comply with the provisions of this Franchise, the City may serve upon PSE a written order to so comply within sixty (60) days after the date on which such order is received by PSE. If PSE is not in compliance with this Franchise after expiration of such sixty (60) day period, the City may, by ordinance, declare an immediate forfeiture of this Franchise; except, that if any failure to comply with this Franchise by PSE cannot be corrected with due diligence within such sixty (60) day period (PSE's obligation to comply and to proceed with due diligence being subject to unavoidable delays and events beyond its control), the time within which PSE may so comply will be extended for such time as may be reasonably necessary and so long as PSE commences promptly and diligently to effect such compliance.

Section 13. Franchise Term.

This Franchise is and will remain in full force and effect for a period of twenty-five (25) years from and after the Effective Date (the "Term"). The Public Works Director may extend the Term for up to two (2) additional five (5) year periods if PSE requests such an extension not more than two (2) years nor less than one hundred eighty (180) days prior to the expiration of the then-current Term. If the Public Works Director elects to extend the Term pursuant to this Section 13, the City will provide written notice of such extension to PSE prior to the end of the then-current Term.

Section 14. Assignment.

PSE will not assign this Franchise to any unaffiliated third party without the prior consent of the City, which consent will not be unreasonably withheld. Notwithstanding the foregoing, PSE will have the right, without such notice or such written acceptance, to mortgage its rights, benefits and privileges in and under this Franchise for the benefit of bondholders.

Section 15. Miscellaneous.

15.1 Unless otherwise specifically provided by this Franchise, all notices, consents, requests, demands or other communications required or permitted by this Franchise must be in writing and given by personal delivery, email, or certified mail. All legal notices provided in connection with this Franchise, including notices relating to breach of this Franchise or a waiver of any right or obligation under this Franchise, however, must be in writing and sent to the notice address set forth in this Section 15.1 of the Party being notified. Such a notice will be deemed effective as follows: (i) if sent by certified mail with return receipt requested, upon certified receipt; (ii) if sent by a nationally recognized courier or mail service, delivery charges or postage prepaid, with delivery receipt requested, upon receipt; or (iii) if delivered personally, upon delivery.

To PSE: Puget Sound Energy, Municipal Liaison Manager
Attn: Municipal Relations
PO Box 97034
Bellevue, WA 98009
With a copy sent via email to: Municipal.Relations@pse.com

To City: Gary Schimek
Public Works Director
6204 215th Street SW
Mountlake Terrace, WA 98043
With a copy sent via email to: GSchimek@mltwa.gov

A Party may change its address for purposes of this Section 15.1 by giving written notice of such change to the other Party pursuant to this Section 15.1.

15.2 The headings of sections and paragraphs of this Franchise are for convenience of reference only and are not intended to restrict, affect or be of any weight in the interpretation or construction of the provisions of such sections or paragraphs. Terms defined in a given number, tense or form have the corresponding meaning when used in this Franchise in another number, tense or form. References containing terms such as “hereof,” “herein,” “hereto,” “hereinafter” and other terms of like import are not limited in applicability to the specific provision within which such references are set forth but instead refer to this Franchise taken as a whole. The terms “includes” or “including” will not be deemed limited by the specific enumeration of items, but will be deemed without limitation. The term “or” is not exclusive.

15.3 Any provisions of this Franchise prohibited or rendered unenforceable by any state or federal Law will be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Franchise. In such event, the remainder of this Franchise will remain valid and enforceable. Upon such determination that any term or other provision is prohibited or rendered unenforceable as described in this Section 15.3, the Parties will negotiate in good faith to modify this Franchise so as to maintain the original intent of the Parties as closely as possible in an acceptable manner to the end that rights and obligations contemplated under this Franchise are fulfilled to the greatest extent possible.

15.4 This Franchise may be amended only by a written instrument, signed by both Parties, which specifically states that it is an amendment to this Franchise and is approved and executed in accordance with Law. This Franchise constitutes the entire agreement between the Parties with respect to the subject matter of this Franchise, and supersedes all other prior agreements and understandings, oral and written, between the Parties, with respect to the same.

15.5 As provided by RCW 35.21.860, the City may recover from PSE actual administrative expenses incurred by the City that are directly related to receiving and approving this Franchise.

15.6 Nothing in this Franchise will be construed to create any rights or duties to any third party, nor any liability to or standard of care with reference to any third party. This Franchise will not confer any right or remedy upon any person other than the City and PSE. No action may be

commenced or prosecuted against either the City or PSE by any third party claiming as a third-party beneficiary of this Franchise.

15.7 The Parties will act in good faith and use commercially reasonable efforts to conduct their respective obligations under this Franchise. The failure of either Party to insist on or enforce strict performance of any provision of this Franchise or to exercise any right or remedy under this Franchise or Law will not be construed as a waiver or relinquishment to any extent of the right to assert or rely upon any such provision, right or remedy in that or any other instance; rather, the same will be and remain in full force and effect.

15.8 This Franchise will be governed by, subject to and construed under the laws of the State of Washington. This Franchise is subject to the provisions of any applicable tariff on file with the WUTC or its successor. In the event of any conflict or inconsistency between the provisions of this Franchise and any such tariff, the provisions of the tariff will control.

15.9 All terms and conditions of this Franchise that must be reasonably construed to survive the expiration or termination of this Franchise in order to give full force and effect to the intent of the Parties as set forth herein will survive the expiration or termination of this Franchise, regardless of whether such survival is expressly specified herein.

Section 16. Effective Date.

This Ordinance will be effective on _____, 2025, having been: (i) introduced to the City Council not less than five (5) days before its passage; (ii) first submitted to the City Attorney; (iii) published at least five (5) days prior to the effective date of this Ordinance and as otherwise required by Law; and (iv) passed at a regular meeting of the legislative body of the City of Mountlake Terrace on _____, 2025. This Franchise will take effect as of the date of PSE's written acceptance thereof (the "Effective Date").

Signed and approved by the Mayor on the ____ day of _____, 2025.

_____, Mayor

ATTEST:

_____, City Clerk

APPROVED AS TO FORM:

_____, City Attorney
Date: _____

CITY OF MOUNTLAKE TERRACE

ORDINANCE NO. XXX

**AN ORDINANCE OF THE CITY OF MOUNTLAKE TERRACE, WASHINGTON,
PROVIDING AUTHORIZATION TO THE MAYOR TO SIGN THE FRANCHISE
AGREEMENT WITH PUGET ENERGY SERVICES, INC.; PROVIDING FOR
SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE**

WHEREAS, the City Council of the City of Mountlake Terrace, Washington, has granted a franchise to Puget Sound Energy, Inc., a Washington corporation, its successors and assigns, by enacting Ordinance No. _____, bearing the date of _____, 2025; and

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MOUNTLAKE
TERRACE, WASHINGTON DO ORDAIN AS FOLLOWS:**

Section 1. Authorization. Authorization the Mayor of Mountlake Terrace to sign the Franchise Agreement with Puget Sound Energy, Inc. as attached hereto as Attachment A (the “Franchise”), which is attached hereto and incorporated herein by reference.

Section 2. Corrections. The City Clerk and codifiers of the ordinance are authorized to make necessary corrections to this first page of this ordinance (excluding the Franchise), including, but not limited to, the correction of scrivener/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

Section 3. Severability. If any section, subsection, paragraph, sentence, clause or phrase of this first page of this ordinance is declared unconstitutional or invalid for any reason, such invalidity shall not affect the validity or effectiveness of the remaining portions of this ordinance.

Section 4. Summary, Publication, and Effective Date. This Ordinance or a summary thereof consisting of the title shall be published in the official newspaper of the City and shall take effect and be in full force five (5) days after its adoption and publication as required by law.

ADOPTED BY THE CITY COUNCIL ON XXXX XX, 2025.

Kyoko Matsumoto Wright, Mayor

ATTEST: _____
City Clerk

APPROVED AS TO FORM: _____
Hillary J. Evans, City Attorney



Supplement Number 2 On-Call Engineering and Environmental Services Agreement	Organization Name and Address: Parametrix, Inc. 1019 39th Ave SE, Ste. 100 Puyallup, WA 98374		
Original Agreement Number N/A	Execution Date 12/23/2024	Completion Date 12/31/2026	
Project Title On-Call Engineering and Environmental Services	Original Amount Authorized		\$100,000.00
	Amount Previous Supplements		\$100,000.00
	Amount This Supplement		\$400,000.00
	New Maximum Amount Payable		\$600,000.00

The City of Mountlake Terrace desires to supplement the agreement entered into with Parametrix, Inc. and executed on 12/23/2024.

All provisions in the basic agreement remain in effect except as expressly modified by this supplement.

The changes to the agreement are described as follows:

I

Section V, Payment Provisions shall be amended to include new **Maximum Amount Payable to \$600,000.00.**

II

The original agreement, Exhibit E, Sub-consultant Cost Computations shall be amended to add **Peterson Structural Engineers as an approved sub-consultant** with fee schedule (Attachment A).

If you concur with this supplement and agree to the changes as stated above, please sign in the appropriate spaces below and return to this office for final action.

By: Parametrix, Inc.

By: City of Mountlake Terrace

Cindy Clark Date
Transportation Division Manager

Jeff Niten, City Manager Date

PETERSON STRUCTURAL ENGINEERS

2025 Hourly Rates

Principal-in-Charge	\$305
Principal	\$290
Senior Associate	\$275
Associate	\$266
Senior Project Manager	\$260
Senior Structural Engineer	\$260
Project Manager	\$242
Structural Engineer	\$242
Associate Project Manager	\$228
Senior Project Engineer	\$216
Project Engineer	\$208
Staff Engineer	\$202
Staff Designer	\$196
CADD Drafting	\$161
Administrative	\$150

- *Vehicle mileage will be billed at current U.S. General Services Administration allowable rates and periodically adjusted according to federal updates*
- *Direct expenses will be billed at cost plus 10%*
- *Hourly rates are typically revised annually January 1st (fiscal/calendar year)*



On-Call Services Work Order Agreement

Work Order Number:

4

Original On-Call Agreement Title: Agreement End date: 12/31/2026		
Consultant Organization: Parametrix, Inc.	Work Order Title: Water Tower Seismic Retrofit/Recoating PM & Engineering	
Consultant Project Manager: Yammie Ho	Agency Project Manager: Man Truong	
Work Order Anticipated Schedule:	Start Date: 12/1/2025	End Date: 12/31/2026

Brief Description of Work: Provide engineering and project management services for seismic retrofit and recoating the 2.5 MG (large) water tank facing I-5. The project scope includes engineering design support and management throughout the design phase and bidding process.

A. Maximum Amount Payable Under Agreement	\$600,000.00
B. Amount Not to Exceed This Work Order	\$400,000.00
C. Amounts Authorized Prior Work Orders	\$134,554.31
D. Total Amount Authorized (B+C)	\$534,554.31
E. Contract Amount Remaining (A-D)	\$65,445.69

All terms and conditions of the original Agreement are in full effect for this Work Order. The details of the work to be performed are described in the **Scope of Work** (Exhibit A) and **Fee Proposal** (Exhibit B) of \$376,764.94, attached and incorporated herein. This Work Order #4 also includes \$23,235.06 in management reserve funds. Total amount invoiced cannot exceed the amount authorized by this Work Order (Item "B" above).

Approvals:

Agency Project Manager Recommendation:

Consultant Approval:

Man Truong, PE

Date

Cindy Clark, Transportation
Division Manager

Date

Gary Schimek
PW Director

Date

Work Order Completion Date _____

By signing below, I attest that the work performed under this Work Order Agreement has been satisfied.

Project Manager:

Consultant Approval:

Signature

Date

Signature

Date

City of Mountlake Terrace
On-Call Engineering and Environmental Services
WO#4 Additional Services for Water Tower

Introduction

In WO#3, the City of Mountlake Terrace (City), requested Parametrix to provide project management and engineering services for exterior recoating and support for the City's artistic painting to the City's 2.5 MG water storage tank (649 Pressure Zone (PZ) Reservoir). The City has requested Parametrix to expand this scope of work to include additional services, including seismic retrofit improvements, interior recoating, tank appurtenance upgrades, and lead abatement support.

Schedule

WO#3 is anticipated to be completed by May 2026. The additional services described under WO#4 will extend the overall project completion to September 2026. However, WO#3 will still conclude in May 2026 as planned.

Task 01 – Project Management

Description of Tasks

The objective of this task is to provide additional project management to support the extended project duration and subconsultant's work.

These services are in addition to and concurrent with the project management tasks described in WO#3.

This task includes general management functions that include the following:

- Project Planning – Document and communicate the extended scope of work, budget, and schedule with the project team. Coordinate the project team and document issues throughout the project. One (1) in-person coordination additional to WO#3 will be included.
- Up to eight (8) virtual project management check-ins between Consultant's team and the city project manager. These check-ins are in addition to those provided under WO#3 and will be no more than one (1) hour each.
- Include one (1) additional iteration of schedule update reflecting these additional services.
- Manage overall scope, schedule, and budget with the extended effort, in addition to the ongoing project management provided under WO#3.
- Management for additional tasks and subconsultant work.
- Monthly Progress Reports – Prepare a monthly invoice for services performed by Parametrix under this Work Order, in addition to the monthly reporting requirements of WO#3.

Assumptions

- Four (4) months of project management, additional to WO#3. Budget assumes in-person project management coordination meeting (1 hour long). Up to three (3) consultant staff will attend.
- Budget assumes up to (3) consultant staff will attend additional check-in meetings, virtually.

Deliverables

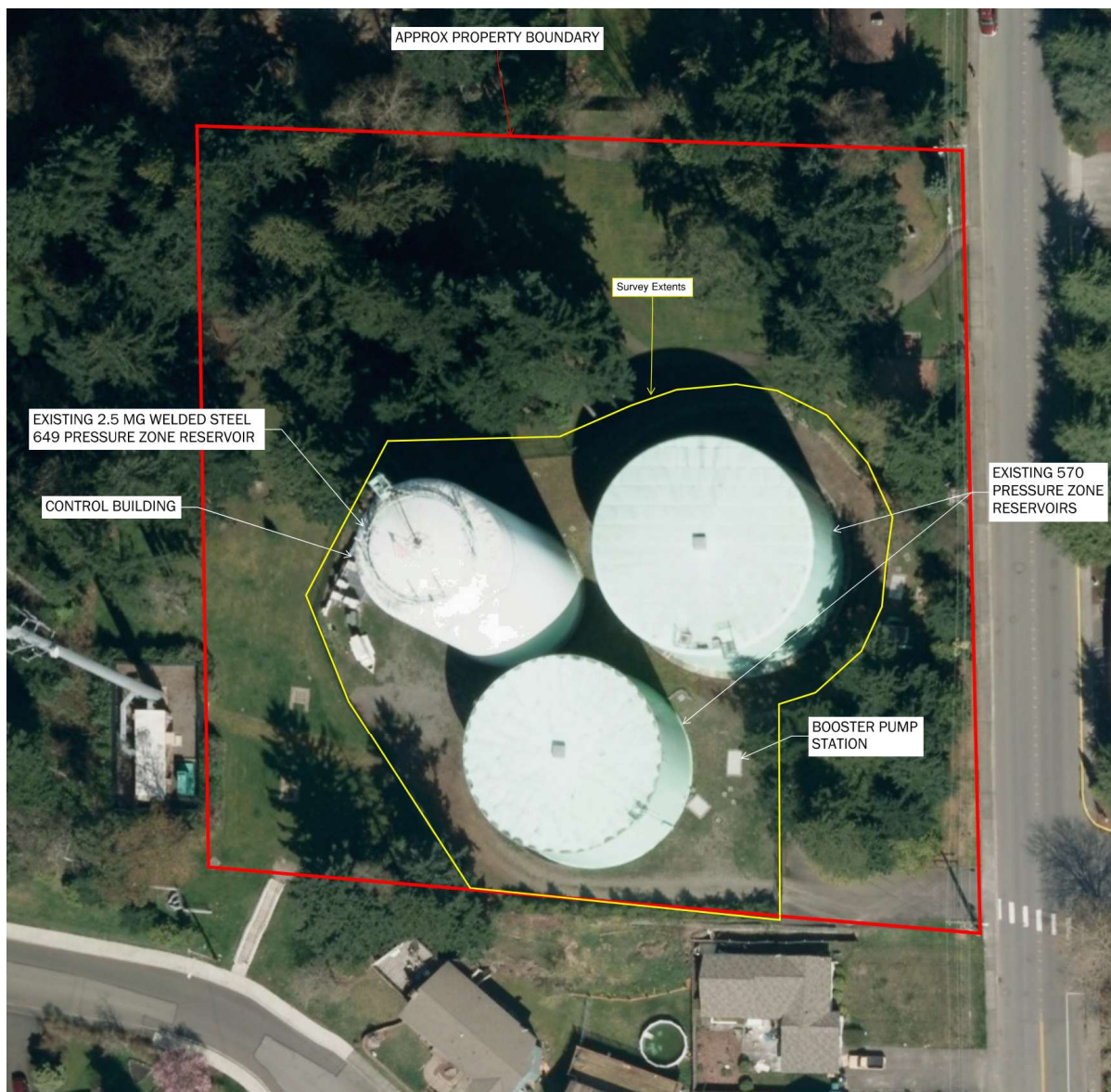
- Monthly progress reports enclosed with invoices.
- Project Schedule update
- Coordination and check-in meeting agendas and notes. Electronic (PDF) copies of the meeting notes will be provided to all attendees.
- Miscellaneous correspondence to document project management issues.

Task 02 – Topographic Survey and Scanning-LiDAR

Descriptions of Tasks

Parametrix will perform a topographic survey within the limits shown on **Figure A** below to support seismic retrofit and other tank upgrades as listed in Task 04. Storm and sanitary structures to be located shall include one structure upstream and downstream of the property. Contours will be at 1-foot intervals, or as required, and based on the NAVD 88.

Parametrix will utilize a combination of Total station, 3D laser scanning, and LiDAR survey equipment to conduct this survey. LiDAR will be utilized to capture top of tank features and as-built. 3D laser scanning will be utilized to capture exterior of tank, conventional survey methods utilized for the topographic survey mapping.



Topographic elements consist of information shown on a map which depicts the horizontal and vertical positions of natural and/or fabricated features and existing terrain surfaces. The topographic mapping will include evidence of, including but not limited to, the following improvements:

- Buildings
- Curbs
- Sidewalks/paths
- Driveways/curb cuts
- Pavement delineation between concrete and asphalt
- Retaining walls, bulkheads, and fences – materials and heights
- Underground utility location paint marks set by others if visible at time of the field survey
- Storm drainage and storm drain structures
- Sanitary sewer manholes and/or septic tank/drain field areas as identified to our field survey crew by the Client

- Electrical power vaults and associated surface features
- Overhead wires, guy wires
- Natural gas
- Cable or fiber optic pedestals
- Meters or utility connects to existing buildings
- Water valve boxes
- Fire hydrants
- Telephone pedestals
- Signage
- Ponds
- Street lighting
- Significant trees with drip lines (6 inches or larger as measured 4.5 feet above the ground).

Assumptions

This proposal is based on the following assumptions and/or receiving the following site-specific information.

- Parametrix will be provided reasonable access to all areas requiring surveys. Rights of Entry will not be required for this project.
- For safety reasons, our survey crews are not allowed to enter subsurface vaults. Our work will be conducted from the surface, using measure-down techniques. Crews will also not open any structure covers in excess of 80 pounds.
- All electronic mapping standards will be based on Parametrix drafting standards.
- Parametrix field crews may need to perform minor brushing with machetes to conduct this survey and has client's permission to do so.
- It is assumed that the City will provide locate City's owned underground utilities on the site prior to the field survey work. This scope of work does not include the cost of an independent utility-locating service to identify the location of existing underground utilities.
- No boundary resolution will be conducted for this survey.
- Unless otherwise specified by the client, horizontal datum shall be North American Datum (NAD) 83/11, Washington Coordinate System, North Zone, and vertical datum shall be North American Vertical Datum of 1988 (NAVD 88).

Deliverables

- An electronic drawing file of the Topographic Survey and 3D scanning data in AutoCAD Civil 3D 2024 format in one drawing file.

Task 03 – Permitting Support

Description of Tasks

The objective for this task is to support the City with the necessary permits for the project and respond to any comments received during permit review.

The following tasks will be performed:

- Attend preapplication meeting

- Prepare draft and final SEPA Checklist.
- Prepare draft and final building permit form.
- Prepare draft and final civil site construction permit form.
- Prepare Department of Health (DOH) Project Approval Application Form
- Submit permit applications listed above on behalf of the City.

Assumptions

- Up to two (2) consultant staff will be present for the pre-application meeting for an assumed two (2) hours. This includes coordination to develop and finalize an agenda, supporting documents, and meeting summaries.
- Information obtained at the pre-application meeting will be used to inform this task. Should the preapplication meeting require more permits and reports than assumed, a contract amendment may be authorized by the City.
- It is assumed that traffic and drainage reports will not be needed as part of the civil site construction permits and SEPA checklist. Any site disturbance will be less than 1 acre and would not require the Construction Stormwater General Permit (CSWGP). A Right-of-Way Use Permit is not anticipated as part of the construction.
- The City will review the draft SEPA checklist as part of the 60% deliverables. Then it will be revised and resubmitted for 90% deliverables.
- Permit fees will be paid directly by the City to other City departments and agency.
- It is assumed that permitting specific to lead abatement activities will not be required for this project. Lead abatement will be addressed in the project specifications and construction methodology to ensure compliance with applicable safety and environmental regulations.

Deliverables

- SEPA checklist: draft and final.
- Draft and final Building Permit Application Form.
- Draft and final Civil Site Construction Permit Application Form
- Draft and final DOH Project Approval Application Form
- Permit Drawings: Permit applications may require supporting design drawings such as site plans, general arrangement plans, and typical details. These drawings will be based on and coordinated with the design documents prepared under Task 04 – Engineering for Tank Interior Recoating and Upgrades. No separate or additional drawing sets are anticipated for permitting.
- Coordination and Submittal Package: Parametrix will compile and submit all permit applications and supporting documents on behalf of the City, incorporating City review comments on draft versions prior to final submittal.

Task 04 – Additional Engineering Services for Tank Recoating and Upgrades

Description of Tasks

This task provides engineering design services to address high-priority improvements identified in the 2024 RH2 Tank Assessment, focused on protecting the tank's structural integrity and extending its service life. Specifically, this work includes development of full PS&E-level design documents for interior recoating and critical upgrades to mechanical and electrical appurtenances, including structural and operational enhancements such as interior coating replacement, mechanical connection upgrades, corrosion protection, and valve actuator integration with telemetry systems.

These services are in addition to and concurrent with Work Order #3, which focuses on exterior recoating and improvements to the tank vent.

Work under this task will result in complete, biddable contract documents (plans, specifications, and cost estimates) integrating these new elements into the overall project design.

Coordination with Related Tasks

This task builds directly upon the design work completed under Work Order 3 and will be closely coordinated with Task 05 – Construction Phasing Feasibility and Temporary Supply System and Task 06 – Structural Engineering Services.

Findings and design elements developed under Task 05 (temporary supply and phasing) and Task 06 (structural retrofit design by PSE) will be incorporated into the overall PS&E package prepared through this task. Parametrix will manage coordination among disciplines, subconsultants, and the City to ensure that the temporary system, structural design, and recoating improvements are fully integrated and consistent across all contract documents.

Subtask 04.01 – Engineering for Tank Interior Recoating and Upgrades

Work included under work order #4 (This Scope)

WO#4 covers the following additional improvements and related design work:

- Interior recoating of the tank
- Installation of double-ball expansion joints with concrete thrust blocks
- Cathodic protection system
- Installation of seismic valve actuators and coordination for telemetry/controls integration with the City's telemetry consultant
- Addition of a 36-inch maintenance hole

Work continuing under work order #3 (For context only)

The following elements are already being addressed under WO#3 and are not included in this scope:

- Recoating of exterior
- Replacement of vent shroud and screen

- Roof slip/fall protection improvements
- Technical support to define the limits and extent of the City's anticipated mural

Engineering Activities (Phased Design Approach)

Engineering support will include preparation of plans, specifications & Engineer's Estimates (PS&E) through the following design milestones:

- 30% Design Phase: Review previous study documents and establish design basis for the added improvements. Revise existing 30% plans to incorporate approximately five (5) additional sheets addressing the new improvements, including interior recoating, inlet/outlet modifications, cathodic protection, valve actuators, and maintenance hole. Prepare preliminary cost estimate and draft specification list.
- 60% Design Phase: Advance drawings and develop specifications. Prepare updated cost estimate and conduct internal quality control (QC) review. Address City comments on 30% submittal and revise plans, specifications, and estimate accordingly.
- 90% Design Phase: Refine drawings, specifications and cost estimate based on City review of 60% design. Conduct formal QC review and incorporate feedback from City reviewers.
- Bid-Ready (Ad Copy): Finalize plans, specifications, and cost estimate suitable for advertisement. Perform final QC review, incorporate City's final comments, and prepare the Engineer's Opinion of Probable Construction Cost.

Temporary supply system drawings and specifications developed under Task 05 – Construction Phasing Feasibility & Temporary Supply System will be incorporated into the overall PS&E package prepared through this task but are excluded from the sheet count identified above.

Each design milestone corresponds with Parametrix's internal level-of-effort estimate; however, the City's budget management will be based on the overall task total ("Engineering for Tank Interior Recoating and Upgrades").

Subtask 04.02 – Design of Optional Improvements

This subtask includes optional, lower priority improvements identified in the 2024 RH2 report. These elements may be incorporated into the project as bid alternates depending on funding availability and City preference. Optional improvements include:

- Design for a new water sampling station
- Coordinate new valve actuators and associated controls across the 649 Zone and existing 570 Reservoir telemetry systems. This includes verifying whether existing tanks on site are equipped with actuators integrated into telemetry, and, if not, providing design support for new actuator installation and coordinating operations between existing and new systems with the City's SCADA integrator
- One (1) additional plan sheet for the water sampling station detail and 570 zone actuator locations.
- Additional specifications for the water sampling station and the actuator coordination

Subtask 04.03 – Bidding Support

Provide engineering support during the bidding and procurement phase following completion of the bid-ready PS&E documents. Services include:

- Responding to Contractor Requests for Information (RFIs) during the bid period.
- Preparing and issuing addenda, as needed, to clarify design intent.
- Participating in one (1) in-person pre-bid meeting with one (1) Parametrix staff member in attendance.
- Reviewing bid tabulation and preparing a recommendation of award letter.

Assumptions

- Applicable Standards: Plans and reports prepared as part of this task will be developed in accordance with the latest edition and amendments to the following documents, as of the date this Agreement is signed:
 - City of Mountlake Terrace Standards
 - 2024 Engineering Development Manual
 - 2024 Engineering Details & Specifications
 - CAD Standards Version 3.2
 - Other Standards and Publications
 - Washington State Department of Health Water System Design Manual
 - American Water Works Association (AWWA)
- Design Milestones: Project deliverables will include PS&E submittals at 30%, 60%, 90%, and 100% (or Ad Copy) stages. Revised 30% package will include draft specification list, design plans, and cost estimate. Specifications will be prepared in CSI specification format beginning at 60%.
- Project cost estimates will be prepared at 30%, 60%, and 90% and will be Class 3 level per the Association for the Advancement of Cost Engineering International (AACEI), typical for design development with an expected accuracy range of approximately -20% to +30%. For 100%, PDF and MS Excel format Engineer's Opinion of Probable Construction Cost (EOPCC) will be used for bidding and bid tab.
- Final PS&E documents will be duly stamped and sealed, ready to print, and will include complete specifications with all appendices and drawing sets in PDF format. Editable specification files will also be provided in MS Word format.
- SCADA/Telemetry Coordination: Coordination with the City's SCADA integrator, Technical Systems, Inc. (TSI), will be required to ensure compatibility of new valve actuators and controls across the 649 Zone, 570 Reservoir, and other tanks as applicable. Parametrix will support coordination and design integration; TSI will perform programming and field implementation under a separate City contract.
- The project is not federally funded.
- No underground utility relocation or adjustment is anticipated as part of the project.
- Traffic control plans (TCPs) are not anticipated. If needed, the Contractor will provide TCPs before construction.
- This task is limited to engineering support through bidding and excludes any environmental permitting, laboratory testing, or construction-phase services.

- All permitting activities are included under Task 03 – Permitting Support, which covers SEPA, Department of Health (DOH), building, and civil site construction permit preparation and submittal.
- This task includes design-level coordination only, such as providing technical information or drawing updates to support permit review comments received under Task 03, if applicable.
- No additional permits are anticipated as a result of the interior recoating and upgrade work defined under this task.
- The bid period is anticipated to last up to four (4) weeks. Up to five (5) RFIs, ten (10) bidder questions, and one (1) addendum are assumed for this effort. Addenda will be limited to minor clarifications and will not require redesign.
- The City will serve as the formal point of contact for bidders and will issue all bid documents and addenda. Parametrix will prepare responses to bidder questions and RFIs and provide addendum content to the City for official distribution.

Deliverables

- Plans, Specifications, and Engineer's Estimate (PS&E) submittals at 30%, 60%, 90%, and Bid-Ready milestones, each including:
 - Electronic copy (PDF) of drawing set (22 by 34 inches).
 - Project cost estimate in MS Excel and PDF format.
 - Specifications set in PDF and MS Word format.
- Final PS&E documents stamped and sealed, ready for advertisement.
- Optional Improvements: One (1) additional plan sheet and specification updates for the water sampling station and actuator coordination (if included).
- Bidding Support Deliverables: Responses to bidder questions, issued addenda (PDF), pre-bid meeting notes, and bid tabulation with recommendation of award letter (PDF).

Task 05 – Construction Phasing Feasibility & Temporary Supply System

Description of Tasks

Construction of the 649 PZ reservoir requires that the reservoir be offline for an extended duration (likely several months). The 649 zone is supplied by a pump station that pumps water from the 570 PZ into the 649 PZ and uses the 649 PZ reservoir water level to control the 640 PZ pump station. There are no other reservoirs in the 649 PZ and removing this reservoir from the system results in the need for continuous pumping at variable speed such that an acceptable pressure range can be maintained within the service area of the 649 PZ. Other features can be utilized, such as hydropneumatic tank(s) and pressure relief valve(s) to augment the variable speed pumping and better maintain acceptable pressure in the 649 PZ. The level of redundancy for the pumps, control valves, and power supply need to be considered to offset the loss of gravity storage by taking the reservoir offline.

The following tasks will be performed:

- Review of Existing Infrastructure and Hydraulic Demands
 - Review as-builts of the water system piping associated with the reservoir complex, the 570 to 649 zone pump station, and the intertie(s) control valves between the 570 and 649 zones.
 - Determine the performance (flow and head) of the 570 to 649 zone pump station, and the intertie(s) control valves between the 570 and 649 zones.
- Temporary Supply System Concept Development and Technical Memorandum (TM)
 - Identify a pressure range for the 570 and 649 zones in the vicinity of the reservoirs
 - Identify flow demand for the 649 zone during the anticipated 649 reservoir outage. These demands will include a normal flow condition range and the maximum flow required for meeting domestic flow and a fire flow condition.
 - Develop simple concepts for meeting the 649 zone demands while the reservoir is offline. These concepts are anticipated to include; operating the existing pump station with modified controls, deploying a temporary pumping system at the existing 4-inch zone intertie developed to accommodate pumping, utilizing existing intertie control valves in a pressure relief mode, and constructing a new 12-inch intertie between the zones for a temporary pumping system.
 - Determine levels of redundancy for temporary pumps, valves, and power supply associated with the temporary supply system.
 - Prepare a Technical Memorandum (TM) documenting design criteria, hydraulic assumptions, and conceptual configurations for City review.
- Review Meeting 1 – Concept Evaluation
 - Conduct a review meeting 1 with the City to discuss the acceptable system pressures, flows, and temporary concepts for supplying the 649 zone while the reservoir is offline.
- Supply System Refinement, Hydraulic Model Coordination, and Updated TM
 - Refine the concept with commercially available rental pumping systems or purchased equipment to better determine the performance of standby supply concepts.
 - Coordinate the verification of the performance of the concepts with the calibrated system model currently being calibrated by RH2 Engineering.
 - Update the TM based on refinements of the equipment and verification from the hydraulic modeling.
 - Conduct a review meeting 2 with the City to discuss the refined temporary supply system.
- Engineer's Opinion of Probable Construction Cost (EOPCC)
 - Prepare cost estimates at the 60 % and 90 % design stages at Class 3 level per AACEI (– 20 % to +30 % accuracy).
 - Provide a final Engineer's Opinion of Probable Construction Cost (EOPCC) at the 100% (Bid-Ready) stage for the selected temporary supply system concept.
- Incorporate temporary supply system into plans and specs
 - Prepare drawing details and specifications at the 60%, 90%, and 100% level. These temporary system drawings and specifications will be incorporated into the overall PS&E

set prepared under Task 04 – Additional Engineering Services for Tank Recoating and Upgrades.

- Approximately four (4) plan sheets are anticipated, including general layout, piping and pumping schematic, electrical/control diagram, and site details.
- Incorporate the selected temporary supply system into the construction documents either as performance specifications for a contractor designed and implemented system or as designed features that will be detailed in the construction documents. This may also be a combination of some permanent features that will be constructed to facilitate a contractor designed and implemented system.
- **Quality Control (QC)**
 - Perform internal quality-control reviews at each design milestone to ensure design consistency and integration with the overall PS&E package.
- **Construction Procurement Assistance**
 - Provide construction procurement assistance related to temporary supply system.
 - It is anticipated that the temporary system will be contractor-provided and bid as part of the overall construction contract.
 - Parametrix's effort assumed to include preparation of performance specifications and responses to bidder inquiries.

Coordination with Related Tasks

This task will be closely coordinated with Task 04 – Additional Engineering Services for Tank Recoating and Upgrades and Task 06 – Structural Engineering Services. The temporary supply system developed under this task will be incorporated into the overall PS&E package prepared under Task 04 to ensure consistent design integration and bidding. Parametrix will coordinate with the City and subconsultants to align design assumptions, schedule, and deliverables.

Assumptions

- The City will provide as-built information, pump performance data, and control valve performance for the existing equipment associated with the 649 zone pump stations and interties.
- The City will participate in 2 virtual review meetings of a 2-hour duration for considering temporary supply systems. Up to three (3) staff will attend.
- The City will contract directly with RH2 Engineering to evaluate the selected temporary supply system with the hydraulic model and help facilitate coordination between RH2 and PMX.
- The temporary supply system design is anticipated to require approximately four (4) plan sheets for inclusion in the overall PS&E set (general layout, piping and pumping schematic, electrical/control diagram, and site details).
- **Procurement Assumption:** It is assumed for budgeting purposes that the temporary supply system will be contractor-provided and bid as part of the overall construction contract. Parametrix's support will be limited to preparing performance specifications and bid-phase clarifications. Should the City elect to directly procure or rent temporary system components, additional coordination may be required under a future amendment.

- Project cost estimates for 30%, 60%, and 90% will be Class 3, consistent with Task 04.
- For 100%, the Engineer's Opinion of Probable Construction Cost (EOPCC) will be provided in both PDF and MS Excel formats for bidding and bid tabulation. Note: this estimate is specific to the temporary supply system and distinct from the total project cost estimate.
- Duly stamped and sealed specifications with all appendices, including drawings sets in PDF and MS Word format. This must be formatted and ready to print.

Deliverables

- A concept-level temporary supply system TM.
- Minutes for the review meetings.
- Plans, Specifications & Estimate (PS&E) contract documents for each milestone associated with the temporary standby system.

Task 06 – Structural Engineering Services

Description of Tasks

The objective of this task is to provide structural engineering services for the seismic retrofit design of the 649 reservoir to meet current code requirements.

Parametrix will team with PSE for structural engineering services. A detailed proposal, prepared by PSE, is included in Exhibit B.

The following tasks will be performed:

- Document Review: Review available documentation, including the 2024 RH2 report, original and retrofit drawings (if available), and the new geotechnical study to confirm assumptions used in the 2024 analysis. Snow load assumptions will be verified per ASCE 7-22.
- Existing Anchor Exploration Coordination: Assist with the coordination of field verification for existing seismic anchor embedment. A 3rd party contractor will be engaged by the City to complete this work. If anchor depth is found inadequate to meet current code, strengthening design will be scoped separately.
- On-site Visit – PSE is to visit on-site to review the current condition and confirm observations found by RH2. This on-site visit should be coordinated with anchor exploration.
- Retrofit and Upgrade Design – Design retrofit and upgrades to meet the requirements of AWWA D110-21, ASCE 7-22, and 2024/2021 IBC.
 - Shell Strengthening
 - Foundation Retrofit
 - Manway Design
- Structural Drawings – Prepare structural drawings documenting geometry, construction details, and minimum material properties at the 30%, 60%, 90%, and Final stages, with one round of review comment incorporation per phase. Drawings will be stamped by a Washington-licensed Structural Engineer suitable for bid and permit submittal.
- Structural Calculations – Generate structural calculations to document project assumptions and demonstrate code compliance.

- Structural Specifications – Generate structural specifications in 6-digit CSI format. Specifications will only be provided for the technical work within PSE’s scope of work.
- Bid and Permit Support – Provide support for bid and permit review phases for coordination, response to questions, and clarifications needed.
- PSE will perform internal quality control (QC) reviews for all structural design deliverables. Parametrix will conduct quality assurance (QA) reviews at each milestone to ensure consistency with other project elements, coordination with overall PS&E documents, and alignment with the City’s expectations.

Coordination with Related Tasks

This task will be closely coordinated with Task 04 – Additional Engineering Services for Tank Recoating and Upgrades and Task 05 – Construction Phasing Feasibility and Temporary Supply System. Structural drawings, calculations, and specifications developed by PSE will be incorporated into the overall PS&E package prepared under Task 04 to ensure design consistency and alignment with the temporary supply and recoating improvements. Parametrix will manage coordination between PSE, other design disciplines, and the City.

Assumptions

- Analysis completed by RH2 is accurate and acceptable to base the design on the findings within the study.
- Geotechnical report confirming the values and assumptions made by RH2 will be provided by the City based on provisions found in ASCE7-22. PSE reserves the right to revise the scope and fee based on the recommendations found within this report.
- The City will verify with the City’s Building Official if a site-specific geotechnical report is required for the project due to local requirements.
- Retrofit work will be limited to increasing foundation capacity and measures to prevent shell plate buckling. Additional work will include assistance with verifying existing anchor embedment depth and adding a 36-inch diameter manway to the tank.
- The foundation is assumed to be shallow spread footing construction. Design of deep foundations or piers is excluded.
- PSE will prepare a preliminary list of structural specification sections at the 30 % milestone, develop draft technical specifications at 60%, and finalize specifications by the bid/permit (Final) submittal.
- The structural design effort is anticipated to produce up to ten (10) structural sheets, including plan, elevation, section, and detail drawings, for incorporation into the overall PS&E set under Task 04.
- Parametrix will consolidate City comments and transmit them to PSE. PSE will prepare written responses to each review comment for Parametrix review before submittal to the City. Coordination meetings will occur at the 60% and 90% design milestones to review comments and resolve outstanding issues.
- Structural drawings, calculations, and specifications will be integrated into the overall PS&E set prepared under Task 04 for bidding and permit submittal.

Deliverables

- Structural drawings assume 30/60/90/Ad Copy for client and owner review, with one round of review comment incorporation per phase.
- Structural drawings will be sized/formatted consistent with Task 04 (22×34 PDF; CAD native files at Bid-Ready if requested)
- Structural cost-estimating support at 30%, 60%, 90%, and Final milestones, coordinated with Parametrix's project-wide estimates under Task 04.
- Structural calculations will be submitted with the final/permit level documents.

Budget

The detailed project budget is provided in Exhibit A, attached to this scope.



12121 Harbour Reach Dr.
Suite 110
Mukilteo, WA 98275
425.300.9075

September 26, 2025

Yammie Ho
c/o Parametrix
1019 39th Ave SE, Suite 100
Puyallup, WA 98374
(253) 604-6600

Project #: 2505-0012

RE: Mountlake Terrace 2.5MG Seismic Retrofit – Scope and Fee Proposal

Dear Yammie-

Thank you for the opportunity to provide structural engineering services for retrofit design of a steel reservoir located in Mountlake Terrace, WA. Based on previous conversations and document review, Peterson Structural Engineers, Inc. (PSE) understands that you require retrofit design to meet current code requirements.

Project Background & Summary

PSE understands that the existing Mountlake Terrace 649 pressure zone reservoir is a 2.5MG steel tank. The tank was originally constructed in 1971 and is 138-feet tall with 58-foot diameter. Anchor retrofits appear to have been completed previously but there is no record of the details for these retrofits. PSE understands that this retrofit work will be based on analysis completed by RH2 in April 2024 but includes a formal geotechnical study to confirm values used in that analysis.

Project Assumptions

PSE assumes that the analysis completed by RH2 has been completed accurately and that it is acceptable to base our design on the findings contained within that study. PSE will confirm this assumption but not complete a full independent analysis. Discrepancies, if any, will be brought to the attention of the project team. The geotechnical report being completed for this project will be used to confirm values and assumptions made by RH2 in 2024 based on provisions found in ASCE7-22. PSE anticipates that retrofit work will be limited to increasing foundation capacity and measures to prevent shell plate buckling. Additional work will include assistance with verifying existing anchor embedment depth and adding a 36-in diameter manway to the tank.

PSE understands that a geotechnical study is being completed by others as part of this retrofit project. PSE reserves the right to revise our scope and fee proposal as required by the recommendations within the potential report. If a geotechnical report/investigation is not provided by the Owner, it is the Owner's sole responsibility to ensure that the existing subgrade is consistent with the code allowable values and design assumptions. In addition, it is the Owner's responsibility to verify with the Building Official if a Site-Specific Geotechnical report is required for the project site due to local requirements. We have assumed that the foundations will be shallow spread footings. We have not included any time or expense for the design of deep foundations or piers. If

foundation improvements for shallow foundations are not possible and deep foundations are required, we will revise our assumed scope and fees accordingly before proceeding.

Proposed Project Scope

PSE proposes the following scope of work:

1. **Document Review** – Detailed review of pertinent documentation related to the subject reservoir. Documents include the 2024 RH2 report, original drawings, any retrofit drawings that are made available and the current geotechnical study being completed to confirm assumptions made in the 2024 analysis. Any significant questions or deviations from standard approach will be brought forward to the project team's attention.
 - a. **Note 1:** If the geotechnical report currently being completed identifies capacities that are significantly lower or demands that are significantly higher than assumed in the RH2 April 2024 report, PSE reserves the right to revise this scope to bring the tank up to compliant levels.
 - b. **Note 2:** Based on a cursory review, it does not appear that updated snow loads required by provisions of ASCE7-22 were considered during the 2024 analysis. PSE will confirm the magnitude of the snow load assumed and compare it to requirements found in ASCE7-22. PSE will notify the project team if a significant discrepancy exists and additional scope is warranted.
2. **Project Management and Coordination** – On-going internal and external project coordination and management.
 - a. **Kick-off Meeting** – Attendance and participation by the PSE Project Manager at (1) project kick-off meeting to be held in-person in Mountlake Terrace, WA.
 - b. **Recurring Meetings and Coordination** – Attendance and participation in up to (8) virtual project team coordination meetings. Assumes meeting duration of 1-hour with one PSE employee in attendance. Includes on-going internal and external project team coordination.
3. **Existing Anchor Exploration Coordination** – Assist with coordination required to field verify existing seismic anchor embedment depth. It appears that the existing anchorage was installed as part of a prior retrofit project in the early 2000's but no documentation is available that shows embedment depth. A 3rd party contractor will be engaged (by others) to complete this work, and PSE will help coordinate the exploration.
 - a. **Note:** If the anchor depth is found to be inadequate to meet building code requirements, strengthening and retrofit will be scoped separately.
4. **On-Site Visit** – PSE to perform (1) on-site visit to review the current condition of the tank and confirm general condition is similar as to what was observed during the 2024 assessment. PSE assumes the owner will provide safe access to areas under investigation. PSE assumes this on-site visit will be coordinated with the anchor exploration plan.
5. **Retrofit and Upgrade Design** – Design the following retrofit and upgrades to meet requirements of AWWA D110-21, ASCE 7-22 and the 2024/2021 IBC.
 - a. **Shell Strengthening** – Design reinforcing to prevent shell buckling vulnerability.
 - b. **Foundation Retrofit** – Foundation retrofits to keep bearing pressures within allowable limits.

- c. **Manway Design** – PSE understands the owner wishes to include a new 36-inch diameter manway as part of this work.
6. **Structural Drawings** – Generate structural drawings to document the overall geometry, details of construction, minimum material properties and construction criteria. PSE assumes 30/60/90/Final phasing for client and owner review, with one round of review comment incorporation per phase. The drawings will be stamped by a Structural Engineer licensed in the State of Washington and appropriate for permit, bid and construction.
7. **Structural Calculations** – Generate structural calculations to document project assumptions and demonstrate compliance with applicable building code, assumed to be 2021/2024 IBC with Washington State Building Code amendments. The calculations will be submitted with the final/permit level documents. The calculations will be stamped by a Structural Engineer licensed in the State of Washington and appropriate for permit review.
8. **Structural Specification** – Generate structural specifications in 6-digit CSI format. Specifications will be technical specifications only and germane to PSE's scope of work. Front end specifications are assumed to be by others. List of anticipated structural specifications will be generated for the 30 percent review level and progressed to final by the bid/permit level document delivery.
9. **Cost Estimating Support** – Provide support for cost estimating, limited to structural scope/bid items at the 30/60/90 and final submittal phases.
10. **Bid and Permit Support** – Up to (14) hours of time for both bid and permit review phases (28-hours total) for coordination and response to questions and clarifications raised during the permit and bid review periods.

Exclusions from Proposed Project Scope

Items specifically excluded from this proposal include, independent full structural analysis to verify findings of the 2024 RH2 report, client-initiated design changes after PSE has begun design, design and/or construction schedules, front end project specifications, temporary and/or permanent fencing design, project meetings (except as outlined above), site civil (including but not limited to grading, drainage improvements, utility protection and ancillary piping), architectural (including but not limited to egress, clearances, waterproofing and flashing), and mechanical/electrical/plumbing element design and coordination. Construction support is also specifically excluded at this time.

Proposed Fee and Schedule

Based upon the scope above, we have generated a fee estimate as follows:

- Task Items 1-10: \$61,824 with estimated project expenses of \$150, for a total of **\$61,974**.

Project expenses will be billed at cost plus 10%. Invoices will be submitted at the beginning of the month for structural services performed in the previous month. Should revisions to this scope and fee proposal be affected by pending information or scope changes, we will appraise you of that situation before proceeding.

Parametrix

Please note that the fee stated above is based solely on an estimate of the time to be expended to complete the scope defined above. Changes or additions to the defined scope could result in additional fees. PSE will require an amended PO/TO or alternate client official notification before beginning work on design changes or modifications.

PSE estimates that project deliverables will be available for review timeframe for submitting deliverables business days after receiving a Task Order (TO)/Purchase Order (PO) and receipt of all outstanding documents/information. This delivery timeline is an estimate based on our current workload. The actual project timeline is dependent on the date that PSE receives all required notices and documents.

The above proposal has been generated assuming that the structural engineering services are to be initiated within a six-month period from the proposal date and substantially completed within twelve months of the proposal date. If the schedule of work exceeds the projected time, we reserve the right to revise our fee estimate accordingly.

Electronic Communications

Contract approval will serve as acknowledgment and agreement to receive electronic communications via emails, text messages, and other electronic communications related to this project. To opt out of email, text message or other electronic communications, inform your PSE contact in writing.

Contract Approval

If the proposal is acceptable, please provide a Task Order and contract terms for review and signature. Thank you again for including us and we look forward to working with you on this project. Please call if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bill" followed by a stylized surname.

Bill Sandbo
Principal
Peterson Structural Engineers, Inc.

Sent via email to Yammie Ho on 9/26/2025 <YHo@parametrix.com>

PETERSON STRUCTURAL ENGINEERS

2025 Hourly Rates

Principal-in-Charge	\$305
Principal	\$290
Senior Associate	\$275
Associate	\$266
Senior Project Manager	\$260
Senior Structural Engineer	\$260
Project Manager	\$242
Structural Engineer	\$242
Associate Project Manager	\$228
Senior Project Engineer	\$216
Project Engineer	\$208
Staff Engineer	\$202
Staff Designer	\$196
CADD Drafting	\$161
Administrative	\$150

- *Vehicle mileage will be billed at current U.S. General Services Administration allowable rates and periodically adjusted according to federal updates*
- *Direct expenses will be billed at cost plus 10%*
- *Hourly rates are typically revised annually January 1st (fiscal/calendar year)*



12121 Harbour Reach Drive
Suite 110
Mukilteo, WA 98275
(425) 300-9075

Mountlake Terrace 2.5MG Retrofit

DATE: 9/26/2025

FILE: 2505-0012

ATTENTION: Yammie Ho, PE

PREPARED BY: Bill Sandbo, PE, SE

Project Phase: All

Scope of Work (by task)	PSE RATES					TOTAL HOURS	TOTAL COST
	\$290	\$260	\$242	\$208	\$161		
	Principal	Senior Project Manager	Project Manager	Project Engineer	Drafter		
1 Document Review	2	0	4	8	0	14	\$ 3,212
2 Project Management - kick-off	0	0	3	0	0	3	\$ 726
2 Project Management - on-going	4	0	16	2	0	22	\$ 5,448
3 Existing Anchor Exploration Coordination	0	0	8	8	0	16	\$ 3,600
4 On-Site Visit	0	0	6	2	0	8	\$ 1,868
5a Design - Shell Strengthening	0	0	5	20	0	25	\$ 5,370
5b Design - Foundation Retrofit	1	0	5	24	0	30	\$ 6,492
5c Design - Manway Design	0	0	2	12	0	14	\$ 2,980
6 Structural Drawings	2	0	8	16	24	50	\$ 9,708
7 Structural Calculation	2	0	7	20	0	29	\$ 6,434
8 Structural Specification	1	0	12	4	0	17	\$ 4,026
9 Cost Estimating Support	0	0	8	16	0	24	\$ 5,264
10 Bid and Permit Support	4	0	16	8	0	28	\$ 6,696
	0	0	0	0	0	0	\$ -
	0	0	0	0	0	0	\$ -
	0	0	0	0	0	0	\$ -
	0	0	0	0	0	0	\$ -
	0	0	0	0	0	0	\$ -
	0	0	0	0	0	0	\$ -
	0	0	0	0	0	0	\$ -
TOTALS	16	0	100	140	24	280	\$ 61,824
Projected Phase Expenses (markup not included) =							\$ 150
Total of Itemized Phase =							\$ 61,974



STAFF REPORT

To: Mountlake Terrace City Council

From: Jeff Betz, Parks and Recreation Director

Meeting Date: November 20, 2025

Subject: Review Agreement with Recreation Conservation Office for Evergreen Playfield #4

Required Reviews:

Jennifer Joki	Created/Initiated - 10/31/2025
Jeff Betz	Approved - 10/31/2025
Sirke Salminen	Approved - 11/02/2025
Hillary Evans	Approved - 11/02/2025
Carolyn Hope	Final Approval - 11/13/2025

Council Goal(s):

Growing our Vibrant Community

Responsible Governance to Ensure Desired Level of Service

Legislative History:

On April 4, 2024 the council reviewed a resolution to apply for Youth Athletic Facilities funding for Evergreen Playfield #4 and on April 11, 2024 the council approved the resolution.

Subject Summary:

Every two years the Washington State Recreation Conservation Office (RCO) issues a call for park projects to be funded through various grant programs that range in scope from small local parks to larger projects in state parks.

Mountlake Terrace has a long history of funding park projects through the RCO, including grant funding over the last few years for Ballinger Park and the Evergreen Playfield Complex.

Previous applications netted the city two Aquatic Land Enhancement Account grants (ALEA), four Youth Athletic Facility grants (YAF), two Washington Wildlife Recreation Program grants (WWRP), two Land Water Conservation Fund grants (LWCF), and one Local Park Maintenance grant (LPM) totaling over \$4.4 million in park grant funding.

RCO's application process requires City Council approval to apply for funding, which was accomplished via resolution in April 2024. RCO grants rarely fund an entire project; instead, RCO requires the applicant to also put funding toward the project (referred to as a "local match"). The scope of this project includes installing a new LED lighting system at Evergreen Playfield #4. The project elements include 5 new pole/LED heads and an additional LED head

placed on an existing pole servicing E-5. The lighting system would utilize conduit and remote lighting systems installed last year at E-5. This would complete the field lighting on Evergreen Playfield #4 and #5 so it can be utilized at night for two ballfields or one soccer field. This is one of the identified projects in the Capital Improvement Program (CIP) as well as the Recreation and Park Open Space Master Plan (adopted 1/2022). It was prioritized in the planning process through community meetings, facilities analysis, and population projections to expand our service to the community and comply with urban growth requirements identified in the Comprehensive Plan. This field is located just north of Terrace Park School. The total project cost is estimated to be \$653,000 with the RCO grant covering half of that amount and the city's matchin funds coming from the CIP. The contracted deadline to complete the project is December 31, 2027.

Financial/Budget Impacts:

Budget Amendment Required? No

Budget and Sources:	Capital Improvement Program
Expenditure:	\$653,000
New Appropriation Required + Sources:	\$0

Additional Financial Information:

This project is projected in our six-year CIP, including the projected grant amount.

Community Notifications:

City Council Agenda

Board/Commission Meeting

If "Other," please specify:

Board/Commission Recommendation:

The Recreation and Park Advisory Commission reviewed this project application in 2024.

Staff Recommendation:

Staff recommends the City Council vote to authorize the City Manager to sign the grant agreement with the Washington State Recreation and Conservation Office for Evergreen Playfield #4. This can be accomplished by adding it to the Consent Agenda on December 4, 2025.

Council Motion:

I move to authorize the City Manager to sign the grant agreement with the Washington State Recreation and Conservation Office for Evergreen Playfield #4.

Attachments:

1. 24-1748 Agreement - Evergreen Playfield No. 4 Lighting Improvement

Project Sponsor: City of Mountlake Terrace
Project Title: Evergreen Playfield #4 Lighting Improvement

Project Number: 24-1748D
Approval Date: 07/23/2025

PARTIES OF THE AGREEMENT

This Recreation and Conservation Office Grant Agreement (Agreement) is entered into between the State of Washington by and through the Recreation and Conservation Funding Board (RCFB or funding board) and the Recreation and Conservation Office (RCO), P.O. Box 40917, Olympia, Washington 98504-0917 and City of Mountlake Terrace (Sponsor, and primary Sponsor), 23204 58th Avenue West, Mountlake Terrace, WA 98043, and shall be binding on the agents and all persons acting by or through the parties.

All Sponsors are equally and independently subject to all the conditions of this Agreement except those conditions that expressly apply only to the primary Sponsor.

Prior to and during the Period of Performance, per the Applicant Resolution/Authorizations submitted by all Sponsors (and on file with the RCO), the identified Authorized Representative(s)/Agent(s) have full authority to legally bind the Sponsor(s) regarding all matters related to the project identified above, including but not limited to, full authority to: (1) sign a grant application for grant assistance, (2) enter into this Agreement on behalf of the Sponsor(s), including indemnification, as provided therein, (3) enter any amendments thereto on behalf of Sponsor(s), and (4) make any decisions and submissions required with respect to the project. Agreements and amendments must be signed by the Authorized Representative/Agent(s) of all Sponsors, unless otherwise allowed in the AMENDMENTS TO AGREEMENT Section.

- A. During the Period of Performance, in order for a Sponsor to change its Authorized Representative/Agent as identified on the original signed Applicant Resolution/Authorization the Sponsor must provide the RCO a new Applicant Resolution/Authorization signed by its governing body or a written delegation of authority to sign in lieu of originally authorized Representative/Agency(s). Unless a new Applicant Resolution/Authorization has been provided, the RCO shall proceed on the basis that the person who is listed as the Authorized Representative in the last Resolution/Authorization that RCO has received is the person with authority to bind the Sponsor to the Agreement (including any amendments thereto) and decisions related to implementation of the Agreement.
- B. Amendments After the Period of Performance. RCO reserves the right to request and Sponsor has the obligation to provide, authorizations and documents that demonstrate any signatory to an amendment has the authority to legally bind the Sponsor as described in the above Sections.

For the purposes of this Agreement, as well as for grant management purposes with RCO, only the primary Sponsor may act as a fiscal agent to obtain reimbursements (See PROJECT REIMBURSEMENTS Section).

PURPOSE OF AGREEMENT

This Agreement sets out the terms and conditions by which a grant is made from the State Building Construction Account of the State of Washington. The grant is administered by the Recreation and Conservation Office (RCO).

DESCRIPTION OF PROJECT

The City of Mountlake Terrace will use this grant to add new ballfield lighting to Evergreen Playfield #4 at the Evergreen Playfield Complex. Lighting this field will allow for extended play and improved safety. The primary recreation opportunities provided by this project are baseball, softball, and soccer.

PERIOD OF PERFORMANCE

The period of performance begins on October 1, 2025 (project start date) and ends on December 31, 2027 (project end date). No allowable cost incurred before or after this period is eligible for reimbursement unless specifically provided for by written amendment or addendum to this Agreement, or specifically provided for by applicable RCWs, WACs, and any applicable RCO manuals as of the effective date of this Agreement.

The RCO reserves the right to summarily dismiss any request to amend this Agreement if not made at least 60 days before the project end date.

STANDARD TERMS AND CONDITIONS INCORPORATED

The Standard Terms and Conditions of the Recreation and Conservation Office attached hereto are incorporated by reference as part of this Agreement.

LONG-TERM OBLIGATIONS

For this development project, the Sponsor's long-term obligations for the project area shall be for 20 years from project completion, or as otherwise provided for in this Agreement, or as approved by the funding board or RCO.

PROJECT FUNDING

The total grant award provided for this project shall not exceed \$326,500.00. The RCO shall not pay any amount beyond that approved for grant funding of the project and within the percentage as identified below. The Sponsor shall be responsible for all total project costs that exceed this amount. The minimum matching share provided by the Sponsor shall be as indicated below:

	Percentage	Dollar Amount	Source of Funding
RCFB - YAF - Large	50.00%	\$326,500.00	State
Project Sponsor	50.00%	\$326,500.00	
Total Project Cost	100.00%	\$653,000.00	

At the direction of the legislature and RCO best practices, sponsors must utilize the project funds in a timely and efficient manner in accordance with the project milestones set forth in this Agreement. Projects not aptly progressing towards completion may have funding rescinded.

RIGHTS AND OBLIGATIONS INTERPRETED IN LIGHT OF RELATED DOCUMENTS

All rights and obligations of the parties under this Agreement are further specified in and shall be interpreted in light of the Sponsor's application and the project summary and eligible scope activities under which the Agreement has been approved and/or amended as well as documents produced in the course of administering the Agreement, including the eligible scope activities, the milestones report, progress reports, and the final report. Provided, to the extent that information contained in such documents is irreconcilably in conflict with the Agreement, such information shall not be used to vary the terms of the Agreement, unless the terms in the Agreement are shown to be subject to an unintended error or omission. "Agreement" as used here and elsewhere in this document, unless otherwise specifically stated, has the meaning set forth in the definitions of the Standard Terms and Conditions.

AMENDMENTS TO AGREEMENT

Except as provided herein, no amendment (including without limitation, deletions) of this Agreement will be effective unless set forth in writing signed by all parties. Exception: extensions of the Period of Performance and minor scope adjustments need only be signed by RCO's director or designee and consented to in writing (including email) by the Sponsor's Authorized Representative/Agent or Sponsor's designated point of contact for the implementation of the Agreement (who may be a person other than the Authorized Agent/Representative), unless otherwise provided for in an amendment. This exception does not apply to a federal government Sponsor or a Sponsor that requests and enters into a formal amendment for extensions or minor scope adjustments.

It is the responsibility of a Sponsor to ensure that any person who signs an amendment on its behalf is duly authorized to do so.

Unless otherwise expressly stated in an amendment, any amendment to this Agreement shall be deemed to include all current federal, state, and local government laws and rules, and policies applicable and active and published in the applicable RCO manuals or on the RCO website in effect as of the effective date of the amendment, without limitation to the subject matter of the amendment. Provided, any update in law, rule, policy or a manual that is incorporated as a result of an amendment shall apply only prospectively and shall not require that an act previously done in compliance with existing requirements be redone. However, any such amendment, unless expressly stated, shall not extend or reduce the long-term obligation term.

COMPLIANCE WITH APPLICABLE STATUTES, RULES, AND POLICIES

This Agreement is governed by, and the sponsor shall comply with, all applicable state and federal laws and regulations, applicable RCO manuals as identified below, Exhibits, and any applicable federal program and accounting rules effective as of the date of this Agreement or as of the effective date of an amendment, unless otherwise provided in the amendment. Provided, any update in law, rule, policy or a manual that is incorporated as a result of an amendment shall apply only prospectively and shall not require that an act previously done in compliance with existing requirements be redone unless otherwise expressly stated in the amendment.

For the purpose of this Agreement, WAC Title 286, RCFB policies shall apply as terms of this Agreement.

For the purpose of this Agreement, the following RCO manuals are deemed applicable and shall apply as terms of this Agreement:

- Development Projects - Manual 4
- Long Term Obligations - Manual 7
- Reimbursements - Manual 8
- Youth Athletic Facilities - Manual 17

SPECIAL CONDITIONS

CONTROL AND TENURE

RCO and Sponsor acknowledge that the Interlocal Cooperation Agreement (ILA) between the Sponsor and the landowner, Edmonds School District, for the Evergreen Playfield #4 property dated August 7, 2018 (amended April 12, 2022, and March 21, 2023) does not conform to the Recreation and Conservation Funding Board's control and tenure policies because it is revocable at will by Edmonds School District at the end of each five-year period. Should the ILA be terminated, or the property be recaptured for a purpose(s) that restricts, limits, or precludes recreational use at the project area, prior to 20 years after RCO's final reimbursement for the project, the entire project area will be deemed a conversion under and subject to the LONG-TERM OBLIGATIONS OF THE PROJECTS AND SPONSORS section of the Standard Terms and Conditions of this Agreement and the Sponsor will be responsible for remedying the conversion.

SPECIAL CONDITIONS - CULTURAL RESOURCES

CONDITION APPLIES TO THE FOLLOWING AREA(S): Evergreen Playfield #4

State - RCO Lead: Survey required, may proceed with Geotech/soils: This agreement requires compliance with Executive Order 21-02. RCO has completed initial consultation for this project and a cultural resources survey is required. The cultural resources survey must include documentation of any above or below ground archaeological resources as well as any possible historic (over 45 years of age) structures or buildings in the project area on appropriate Washington State forms. This includes completing an Historic Property Inventory form for the sports complex itself (constructed in 1976). Geotechnical borings, investigations, and/or test pits as well as wetland delineation may occur prior to or during the cultural resources survey if that work is monitored by professional cultural resources specialist. The documentation of any monitored work must be included in the cultural resources survey report. The Sponsor must submit the results of the cultural resources survey to RCO and receive a notice of cultural resources completion. Project actions started without approval will be considered a breach of contract. If archaeological or historic materials are discovered while conducting project activities, work in the immediate vicinity must stop and the Sponsor must ensure compliance with the provisions found in this agreement. All cultural resources work must meet reporting guidelines outlined by the Department of Archaeology and Historic Preservation. Any changes to the Area of Potential Effect or scope of work must be communicated with the RCO grant manager immediately. The changes may trigger additional cultural resources review, consultation, and requirements.

AGREEMENT CONTACTS

The parties will provide all written communications and notices under this Agreement to either or both the mail address and/or the email address listed below:

Sponsor Project Contact

Donnelle Dayao
Parks Project Manager
23204 58th Ave W
Mountlake Terrace, WA 98043
ddayao@mltwa.gov

RCO Contact

Rachelle Lim
Outdoor Grants Manager
PO Box 40917
Olympia, WA 98504-0917
rachelle.lim@rco.wa.gov

These addresses and contacts shall be effective until receipt by one party from the other of a written notice of any change. Unless otherwise provided for in this Agreement, decisions relating to the Agreement must be made by the Authorized Representative/Agent, who may or may not be the Project Contact for purposes of notices and communications.

ENTIRE AGREEMENT

This Agreement, with all amendments and attachments, constitutes the entire Agreement of the parties. No other understandings, oral or otherwise, regarding this Agreement shall exist or bind any of the parties.

EFFECTIVE DATE

Unless otherwise provided for in this Agreement, this Agreement, for Project 24-1748, shall become effective and binding on the date signed by both the sponsor and the RCO's authorized representative, whichever is later (Effective Date). Reimbursements for eligible and allowable costs incurred within the period of performance identified in the PERIOD OF PERFORMANCE Section are allowed only when this Agreement is fully executed and an original is received by RCO.

The Sponsor has read, fully understands, and agrees to be bound by all terms and conditions as set forth in this Agreement and the STANDARD TERMS AND CONDITIONS OF THE RCO GRANT AGREEMENT. The signatories listed below represent and warrant their authority to bind the parties to this Agreement.

City of Mountlake Terrace**By:** _____**Date:** _____**Name (printed):** _____**Title:** _____**State of Washington Recreation and Conservation Office****On behalf of the Recreation and Conservation Funding Board (RCFB or funding board)****By:** _____**Date:** _____

Megan Duffy
Director
Recreation and Conservation Office

Pre-approved as to form:

By: _____**Date:** 01/31/2025

Assistant Attorney General

Project Sponsor: City of Mountlake Terrace
Project Title: Evergreen Playfield #4 Lighting Improvement

Project Number: 24-1748D
Approval Date: 07/23/2025

Eligible Scope Activities

ELIGIBLE SCOPE ACTIVITIES

Development Metrics

Worksite #1, Evergreen Playfield #4

Athletic Fields

Baseball field development

Number of baseball fields:	0 new, 0 renovated
Number of baseball fields with lighting:	0 new, 1 renovated
Number of baseball fields by surface type:	
Natural	1
Synthetic	0

Site Preparation

General site preparation

Cultural Resources

Cultural resources

Permits

Obtain permits

Architectural & Engineering

Architectural & Engineering (A&E)

Project Sponsor: City of Mountlake Terrace
Project Title: Evergreen Playfield #4 Lighting Improvement

Project Number: 24-1748D
Approval Date: 07/23/2025

Project Milestones

PROJECT MILESTONE REPORT

Complete	Milestone	Target Date	Comments/Description
	Project Start	10/01/2025	
	Design Initiated	12/01/2025	
	Progress Report Due	12/31/2025	
	Cultural Resources Study	02/01/2026	Cultural Resources Survey Report Required. Includes geotech monitoring and recording arch. sites and built environment (structures, sports fields) over 45 years old in APE on Site/Isolate Forms or HPI Forms. See CR Special Condition for details.
	Cultural Resources Study	02/01/2026	One or more Historic Property Inventory Forms (for the Playfield Complex itself) should be completed on WISAARD and also added to the report.
	Cultural Resources Complete	05/31/2026	Cultural Resources work is complete when either an IDP has been provided by the CR Unit and signed by the Sponsor, or the final Monitoring Report has been submitted and accepted by DAHP (if applicable).
	60% Plans to RCO	05/31/2026	
	Progress Report Due	06/30/2026	
	Annual Project Billing Due	07/31/2026	
	Applied for Permits	11/30/2026	
	Progress Report Due	12/31/2026	
	SEPA/NEPA Completed	12/31/2026	
	All Bid Docs/Plans to RCO	01/31/2027	
	RCO Notice to Proceed	02/28/2027	Receive Notice to Proceed from RCO prior to any ground disturbance.
	Bid Awarded/Contractor Hired	04/30/2027	
	Construction Started	06/01/2027	
	Progress Report Due	06/30/2027	
	50% Construction Complete	07/01/2027	
	Annual Project Billing Due	07/31/2027	
	90% Construction Complete	08/01/2027	
	Funding Acknowl Sign Posted	08/31/2027	
	Construction Complete	09/30/2027	
	RCO Final Inspection	10/31/2027	
	Final Billing Due	12/01/2027	
	Final Report Due	12/15/2027	
	Agreement End Date	12/31/2027	

Project Sponsor: City of Mountlake Terrace
Project Title: Evergreen Playfield #4 Lighting Improvement

Project Number: 24-1748D
Approval Date: 07/23/2025

Standard Terms and Conditions of the Recreation and Conservation Office

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STANDARD TERMS AND CONDITIONS EFFECTIVE DATE

This document sets forth the Standard Terms and Conditions of the Recreation and Conservation Office as of 07/08/2025.

CITATIONS, HEADINGS AND DEFINITIONS

- A. Any citations referencing specific documents refer to the current version on the effective date of this Agreement or the effective date of any amendment thereto.
- B. Headings used in this Agreement are for reference purposes only and shall not be considered a substantive part of this Agreement.
- C. Definitions. As used throughout this Agreement, the following terms shall have the meaning set forth below:

Agreement, terms of the Agreement, or project agreement – The document entitled “RCO GRANT AGREEMENT” accepted by all parties to the present project and transaction, including without limitation the Standard Terms and Conditions of the RCO Grant Agreement, all exhibits, attachments, addendums, amendments, and applicable manuals, and any intergovernmental agreements, and/or other documents that are incorporated into the Agreement subject to any limitations on their effect under this Agreement.

applicable manual(s), manual – A manual designated in this Agreement to apply as terms of this Agreement, subject (if applicable) to substitution of the “RCO director” for the term “board” in those manuals where the project is not approved by or funded by the referenced board, or a predecessor to the board.

applicable WAC(s) – Designated chapters or provisions of the Washington Administrative Code that apply by their terms to the type of grant in question or are deemed under this Agreement to apply as terms of the Agreement, subject to substitution of the “RCO director” for the term “board” or “agency” in those cases where the RCO has contracted to or been delegated to administer the grant program in question.

applicant – Any party, prior to becoming a Sponsor, who meets the qualifying standards/eligibility requirements for the grant application or request for funds in question.

application – The documents and other materials that an applicant submits to the RCO to support the applicant's request for grant funds; this includes materials required for the “Application” in the RCO's automated project information system, and other documents as noted on the application checklist including but not limited to legal opinions, maps, plans, evaluation presentations and scripts.

Authorized Representative/Agent – A Sponsor's agent (employee, political appointee, elected person, etc.) authorized to be the signatory of this Agreement and any amendments requiring a Sponsor's signature. This person has the signature authority to bind the Sponsor to this Agreement, grant, and project.

C.F.R. – Code of Federal Regulations

completed project or project completion – The status of a project when all of the following have occurred:

- The grant funded project has been inspected by the RCO and the RCO has determined that all scopes of work to implement the project have been completed satisfactorily.
- A final project report is submitted to and accepted by RCO.
- Any needed amendments to the Agreement have been entered by the Sponsor and RCO and have been delivered to the RCO.
- A final reimbursement request has been delivered to and paid by RCO.
- Documents affecting property rights (including RCO's as may apply) and any applicable notice of grant, have been recorded (as may apply).

contractor – An entity that receives a contract from a Sponsor related to performance of work or another obligation under this Agreement.

conversion – A conversion occurs 1) when facilities acquired, developed, renovated or restored within the project area are changed to a use other than that for which funds were approved, without obtaining prior written formal RCO or board approval, 2) when property interests are conveyed to a third party not otherwise eligible to receive grants in the program from which funding was approved without obtaining prior written formal RCO or board approval, or 3) when obligations to operate and maintain the funded property are not complied with after reasonable opportunity to cure.

Cultural Resources – Archaeological or historic archaeological sites, historic buildings/structures, and cultural or sacred places.

development project – A project that results in the construction of, or work resulting in, new elements, including but not limited to structures, facilities, and/or materials to enhance outdoor recreation resources. A development project may also involve activities that redevelop or renovate an existing facility, and these may occur exclusively in the project or in combination with new construction. For projects in the Boating Facilities Program, the term “development project” includes all of the above and may also include those activities that are defined as maintenance in 50 C.F.R. 86.

director – The chief executive officer of the Recreation and Conservation Office or that person’s designee.

effective date – The date when the signatures of all parties to this agreement are present in the agreement.

equipment – Tangible personal property (including information technology systems) having a useful service life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the Sponsor or \$5,000 (2 C.F.R. Part 200 (as updated)).

funding board or board – The Washington State Recreation and Conservation Funding Board, or the Washington State Salmon Recovery Funding Board. Or both as may apply.

Funding Entity – the entity that approves the project that is the subject to this Agreement.

grant program – The source of the grant funds received. May be an account in the state treasury, or a grant category within a larger grant program, or a federal source.

long-term compliance period – The term of years, beginning on the end date of the agreement, when long-term obligations exist for the Sponsor. The start date and end date of the compliance period may also be prescribed by RCO per the Agreement.

long-term obligations – Sponsor’s obligations after the project end date, as specified in the Agreement and manuals and other exhibits as may apply.

landowner agreement – An agreement that is required between a Sponsor and landowner for projects located on land not owned, or otherwise controlled, by the Sponsor.

match or matching share – The portion of the total project cost provided by the Sponsor.

milestone – An important event with a defined date to track an activity related to implementation of a funded project and monitor significant stages of project accomplishment.

Office – Means the Recreation and Conservation Office or RCO.

pass-through entity – A non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program (2 CFR 200 (as updated)). If this Agreement is a federal subaward, RCO is the pass-through entity.

period of performance – The period beginning on the project start date and ending on the project end date.

pre-agreement cost – A project cost incurred before the period of performance.

primary Sponsor – The Sponsor who is not a secondary Sponsor and who is specifically identified in the Agreement as the entity to which RCO grants funds to and authorizes and requires to administer the grant. Administration includes but is not limited to acting as the fiscal agent for the grant (e.g. requesting and accepting reimbursements, submitting reports). Primary Sponsor includes its officers, employees, agents and successors.

project – The undertaking that is funded by this Agreement either in whole or in part with funds administered by RCO.

project area - A geographic area that delineates a grant assisted site which is subject to project agreement requirements.

project completion or completed project – The status of a project when all of the following have occurred:

- The grant funded project has been inspected by the RCO and the RCO has determined that all scopes of work to implement the project have been completed satisfactorily.
- A final project report is submitted to and accepted by RCO.
- Any needed amendments to the Agreement have been entered by the Sponsor and RCO and have been delivered to the RCO.
- A final reimbursement request has been delivered to and paid by RCO.

- Documents affecting property rights (including RCO's as may apply) and any applicable notice of grant, have been recorded (as may apply).

project cost – The total allowable costs incurred under this Agreement and all required match share and voluntary committed matching share, including third-party contributions (see also 2 C.F.R. Part 200 (as updated)) for federally funded projects).

project end date – The specific date identified in the Agreement on which the period of performance ends, as may be changed by amendment. This date is not the end date for any long-term obligations.

project start date – The specific date identified in the Agreement on which the period of performance starts.

RCFB – Recreation and Conservation Funding Board

RCO – Recreation and Conservation Office – The state agency that administers the grant that is the subject of this Agreement. RCO includes the director and staff.

RCW – Revised Code of Washington

reimbursement – RCO's payment of funds from eligible and allowable costs that have already been paid by the Sponsor per the terms of the Agreement.

renovation project – A project intended to improve an existing site or structure in order to increase its useful service life beyond current expectations or functions. This does not include maintenance activities to maintain the facility for its originally expected useful service life.

secondary Sponsor – One of two or more Sponsors who is not a primary Sponsor. Only the primary Sponsor may be the fiscal agent for the project.

Sponsor – A Sponsor is an organization that is listed in and has signed this Agreement.

Sponsor Authorized Representative/Agent – A Sponsor's agent (employee, political appointee, elected person, etc.) authorized to be the signatory of this Agreement and any amendments requiring a Sponsor signature. This person has the signature authority to bind the Sponsor to this Agreement, grant, and project.

subaward – Funds allocated to the RCO from another organization, for which RCO makes available to or assigns to another organization via this Agreement. Also, a subaward may be an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of any award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a federal or other program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract. Also see 2 C.F.R. Part 200 (as updated). For federal subawards, a subaward is for the purpose of carrying out a portion of a Federal award and creates a federal assistance relationship with the subrecipient (2 C.F.R. Part 200 (as updated)). If this Agreement is a federal subaward, the subaward amount is the grant program amount in the Project Funding Section.

subrecipient – Subrecipient means an entity that receives a subaward. For non-federal entities receiving federal funds, a subrecipient is an entity that receives a subaward from a pass-through entity to carry out part of a federal program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other federal awards directly from a federal awarding agency (2 C.F.R. Part 200 (as updated)). If this Agreement is a federal subaward, the Sponsor is the subrecipient.

tribal consultation – Outreach, and consultation with one or more federally recognized tribes (or a partnership or coalition or consortium of such tribes, or a private tribal enterprise) whose rights will or may be significantly affected by the proposed project. This includes sharing with potentially-affected tribes the scope of work in the grant and potential impacts to natural areas, natural resources, and the built environment by the project. It also includes responding to any tribal request from such tribes and considering tribal recommendations for project implementation which may include not proceeding with parts of the project, altering the project concept and design, or relocating the project or not implementing the project, all of which RCO shall have the final approval of.

useful service life – Period during which a built asset, equipment, or fixture is expected to be useable for the purpose it was acquired, installed, developed, and/or renovated, or restored per this Agreement.

WAC – Washington Administrative Code.

PERFORMANCE BY THE SPONSOR

The Sponsor shall undertake the project as described in this Agreement, and in accordance with the Sponsor's proposed goals and objectives described in the application or documents submitted with the application, all as finally approved by the RCO (to include any RCO approved changes or amendments thereto). All submitted documents are incorporated by this reference as if fully set forth herein.

Timely completion of the project and submission of required documents, including progress and final reports, is important. Failure to meet critical milestones or complete the project, as set out in this Agreement, is a material breach of the Agreement.

ASSIGNMENT

Neither this Agreement, nor any claim arising under this Agreement, shall be transferred or assigned by the Sponsor without prior written approval of the RCO. Sponsor shall not sell, give, or otherwise assign to another party any property right, or alter a conveyance (see below) for the project area acquired with this grant without prior approval of the RCO.

RESPONSIBILITY FOR PROJECT

Although RCO administers the grant that is the subject of this Agreement, the project itself remains the sole responsibility of the Sponsor. The RCO and Funding Entity (if different from the RCO) undertakes no responsibilities to the Sponsor, or to any third party, other than as is expressly set out in this Agreement.

The responsibility for the implementation of the project is solely that of the Sponsor, as is the responsibility for any claim or suit of any nature by any third party related in any way to the project. When a project has more than one Sponsor, any and all Sponsors are equally responsible for the project and all post-completion stewardship responsibilities and long-term obligations unless otherwise stated in this Agreement.

The RCO, its employees, assigns, consultants and contractors, and members of any funding board or advisory committee or other RCO grant review individual or body, have no responsibility for reviewing, approving, overseeing or supervising design, construction, or safety of the project and leaves such review, approval, oversight and supervision exclusively to the Sponsor and others with expertise or authority. In this respect, the RCO, its employees, assigns, consultants and contractors, and any funding board or advisory committee or other RCO grant review individual or body will act only to confirm at a general, lay person, and nontechnical level, solely for the purpose of project eligibility and payment and not for safety or suitability, that the project apparently is proceeding or has been completed as per the Agreement.

INDEMNIFICATION

The Sponsor shall defend, indemnify, and hold the State and its officers and employees harmless from all claims, demands, or suits at law or equity arising in whole or in part from the actual or alleged acts, errors, omissions or negligence in connection with this Agreement (including without limitation all work or activities thereunder), or the breach of any obligation under this Agreement by the Sponsor or the Sponsor's agents, employees, contractors, subcontractors, or vendors, of any tier, or any other persons for whom the Sponsor may be legally liable.

Provided that nothing herein shall require a Sponsor to defend or indemnify the State against and hold harmless the State from claims, demands or suits based solely upon the negligence of the State, its employees and/or agents for whom the State is vicariously liable.

Provided further that if the claims or suits are caused by or result from the concurrent negligence of (a) the Sponsor or the Sponsor's agents or employees, and (b) the State, or its employees or agents the indemnity obligation shall be valid and enforceable only to the extent of the Sponsor's negligence or its agents, or employees.

As part of its obligations provided above, the Sponsor specifically assumes potential liability for actions brought by the Sponsor's own employees or its agents against the State and, solely for the purpose of this indemnification and defense, the Sponsor specifically waives any immunity under the state industrial insurance law, RCW Title 51. Sponsor's waiver of immunity under this provision extends only to claims against Sponsor by Indemnitee RCO, and does not include, or extend to, any claims by Sponsor's employees directly against Sponsor.

Sponsor shall ensure that any agreement relating to this project involving any contractors, subcontractors and/or vendors of any tier shall require that the contracting entity indemnify, defend, waive RCW 51 immunity, and otherwise protect the State as provided herein as if it were the Sponsor. This shall not apply to a contractor or subcontractor is solely donating its services to the project without compensation or other substantial consideration.

The Sponsor shall also defend, indemnify, and hold the State and its officers and employees harmless from all claims, demands, or suits at law or equity arising in whole or in part from the alleged patent or copyright infringement or other allegedly improper appropriation or use of trade secrets, patents, proprietary information, know-how, copyright rights or inventions by the Sponsor or the Sponsor's agents, employees, contractors, subcontractors or vendors, of any tier, or any other persons for whom the Sponsor may be legally liable, in performance of the work under this Agreement or arising out of any use in connection with the Agreement of methods, processes, designs, information or other items furnished or

communicated to the State, its agents, officers and employees pursuant to the Agreement. Provided, this indemnity shall not apply to any alleged patent or copyright infringement or other allegedly improper appropriation or use of trade secrets, patents, proprietary information, know-how, copyright rights or inventions resulting from the State's, its agents', officers' and employees' failure to comply with specific written instructions regarding use provided to the State, its agents, officers and employees by the Sponsor, its agents, employees, contractors, subcontractors or vendors, of any tier, or any other persons for whom the Sponsor may be legally liable.

The funding board and RCO are included within the term State, as are all other agencies, departments, boards, councils, committees, divisions, bureaus, offices, societies, or other entities of state government.

INDEPENDENT CAPACITY OF THE SPONSOR

The Sponsor and its employees or agents performing under this Agreement are not officers, employees or agents of the RCO or Funding Entity. The Sponsor will not hold itself out as nor claim to be an officer, employee or agent of the RCO or the Funding Entity, or of the state of Washington, nor will the Sponsor make any claim of right, privilege or benefit which would accrue to an employee under RCW 41.06.

The Sponsor is responsible for withholding and/or paying employment taxes, insurance, or deductions of any kind required by federal, state, and/or local laws.

CONFLICT OF INTEREST

Notwithstanding any determination by the Executive Ethics Board or other tribunal, RCO may, in its sole discretion, by written notice to the Sponsor terminate this Agreement if it is found after due notice and examination by RCO that there is a violation of the Ethics in Public Service Act, RCW 42.52; or any similar statute involving the Sponsor in the procurement of, or performance under, this Agreement.

In the event this Agreement is terminated as provided herein, RCO shall be entitled to pursue the same remedies against the Sponsor as it could pursue in the event of a breach of the Agreement by the Sponsor. The rights and remedies of RCO provided for in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or this Agreement.

COMPLIANCE WITH APPLICABLE LAW

In implementing the Agreement, the Sponsor shall comply with all applicable federal, state, and local laws (including without limitation all applicable ordinances, codes, rules, and regulations). Such compliance includes, without any limitation as to other applicable laws, the following laws:

- A. **Nondiscrimination Laws.** The Sponsor shall comply with all applicable federal, state, and local nondiscrimination laws and/or policies, including but not limited to: the Americans with Disabilities Act; Civil Rights Act; and the Age Discrimination Employment Act (if applicable). In the event of the Sponsor's noncompliance or refusal to comply with any nondiscrimination law or policy, the Agreement may be rescinded, cancelled, or terminated in whole or in part, and the Sponsor may be declared ineligible for further grant awards from the RCO or Funding Entity. The Sponsor is responsible for any and all costs or liability arising from the Sponsor's failure to so comply with applicable law. Except where a nondiscrimination clause required by a federal funding agency is used, the Sponsor shall insert the following nondiscrimination clause in each contract for construction of this project: "During the performance of this contract, the contractor agrees to comply with all federal and state nondiscrimination laws, regulations and policies."
- B. **Secular Use of Funds.** No funds awarded under this grant may be used to pay for any religious activities, worship, or instruction, or for lands and facilities for religious activities, worship, or instruction. Religious activities, worship, or instruction may be a minor use of the grant supported recreation and conservation land or facility.
- C. **Wages and Job Safety.** The Sponsor agrees to comply with all applicable laws, regulations, and policies of the United States and the State of Washington or other jurisdiction which affect wages and job safety. The Sponsor agrees when state prevailing wage laws (RCW 39.12) are applicable, to comply with such laws, to pay the prevailing rate of wage to all workers, laborers, or mechanics employed in the performance of any part of this contract, and to file a statement of intent to pay prevailing wage with the Washington State Department of Labor and Industries as required by RCW 39.12.40. The Sponsor also agrees to comply with the provisions of the rules and regulations of the Washington State Department of Labor and Industries.
 - 1) Pursuant to RCW 39.12.040(1)(a), all contractors and subcontractors shall submit to Sponsor a statement of intent to pay prevailing wages if the need to pay prevailing wages is required by law. If a contractor or subcontractor intends to pay other than prevailing wages, it must provide the Sponsor with an affirmative statement of the contractor's or subcontractor's intent. Unless required by law, the Sponsor is not required to investigate a statement regarding prevailing wage provided by a contractor or subcontractor.
 - 2) Exception, Service Organizations of Trail and Environmental Projects (RCW 79A.35.130). If allowed by state and federal law and rules, participants in conservation corps programs offered by a nonprofit organization

affiliated with a national service organization established under the authority of the national and community service trust act of 1993, P.L. 103-82, are exempt from provisions related to rates of compensation while performing environmental and trail maintenance work provided: (1) The nonprofit organization must be registered as a nonprofit corporation pursuant to RCW 24.03; (2) The nonprofit organization's management and administrative headquarters must be located in Washington; (3) Participants in the program must spend at least fifteen percent of their time in the program on education and training activities; and (4) Participants in the program must receive a stipend or living allowance as authorized by federal or state law. Participants are exempt from provisions related to rates of compensation only for environmental and trail maintenance work conducted pursuant to the conservation corps program.

- D. **Restrictions on Grant Use.** No part of any funds provided under this grant shall be used, other than for normal and recognized executive-legislative relationships, for publicity or propaganda purposes, or for the preparation, distribution, or use of any kit, pamphlet, booklet, publication, radio, television, or video presentation designed to support or defeat legislation pending before the U.S. Congress or any state legislature. No part of any funds provided under this grant shall be used to pay the salary or expenses of any Sponsor, or agent acting for such Sponsor, related to any activity designed to influence legislation or appropriations pending before the U.S. Congress or any state legislature.
- E. **Debarment and Certification.** By signing the Agreement with RCO, the Sponsor certifies that neither it nor its principals nor any other lower tier participant are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by Washington State Labor and Industries. Further, the Sponsor agrees not to enter into any arrangements or contracts related to this Agreement with any party that is on Washington State Department of Labor and Industries' "Debarred Contractor List."

ARCHAEOLOGICAL AND CULTURAL RESOURCES

- A. **Project Review.** RCO facilitates the review of projects for potential impacts to archaeology and cultural resources, except as those listed below. The Sponsor shall follow RCO guidance and directives to assist it with such review as may apply.
- 1) **Projects occurring on State/Federal Lands:** Archaeological and cultural resources compliance for projects occurring on State or Federal Agency owned or managed lands, will be the responsibility of the respective agency, regardless of sponsoring entity type. Prior to ground disturbing work or alteration of a potentially historic or culturally significant structure, or release of final payments on an acquisition, the Sponsor must provide RCO all documentation acknowledging and demonstrating that the applicable archaeological and cultural resources responsibilities of such state or federal landowner or manager has been conducted.
- B. **Termination.** RCO retains the right to terminate a project due to anticipated or actual impacts to archaeology and cultural resources.
- C. **Notice To Proceed.** No work shall commence in the project area until RCO has provided a notice of cultural resources completion. RCO may require on-site monitoring for impacts to archaeology and cultural resources during any demolition, construction, land clearing, restoration, or repair work, and may direct that work stop to minimize, mitigate, or avoid impacts to archaeology and cultural resource impacts or concerns. All cultural resources requirements for non ground disturbing projects (such as acquisition or planning projects) must be met prior to final reimbursement.
- D. **Compliance and Indemnification.** At all times, the Sponsor shall take reasonable action to avoid, minimize, or mitigate adverse effects to archaeological and historic resources in the project area, and comply with any RCO direction for such minimization and mitigation. All federal or state cultural resources requirements under Governor's Executive Order 21-02 and the National Historic Preservation Act, and the State Environmental Policy Act and the National Environmental Policy Act, and any local laws that may apply, must be completed prior to the start of any work on the project site. The Sponsor must agree to indemnify and hold harmless the State of Washington in relation to any claim related to historical or cultural artifacts discovered, disturbed, or damaged due to the project funded under this Agreement. Sponsor shall comply with RCW 27.53, RCW 27.44.055, and RCW 68.50.645, and all other applicable local, state, and federal laws protecting cultural resources and human remains.
- E. **Costs associated with project review and evaluation of archeology and cultural resources are eligible for reimbursement under this agreement.** Costs that exceed the budget grant amount shall be the responsibility of the Sponsor.
- F. **Inadvertent Discovery Plan.** The Sponsor shall request, review, and be bound by the RCO Inadvertent Discovery Plan, and:
- 1) Keep the IDP at the project site.
- 2) Make the IDP readily available to anyone working at the project site.
- 3) Discuss the IDP with staff and contractors working at the project site.

- 4) Implement the IDP when cultural resources or human remains are found at the project site.

G. Inadvertent Discovery

- 1) If any archaeological or historic resources are found while conducting work under this Agreement, the Sponsor shall immediately stop work and notify RCO, the Department of Archaeology and Historic Preservation at (360) 586-3064, and any affected Tribe, and stop any activity that may cause further disturbance to the archeological or historic resources.
- 2) If any human remains are found while conducting work under this Agreement, Sponsor shall immediately stop work and notify the local Law Enforcement Agency or Medical Examiner/Coroner's Office, and then RCO, all in the most expeditious manner, and stop any activity that may cause disturbance to the remains. Sponsor shall secure the area of the find will and protect the remains from further disturbance until the State provides a new notice to proceed.
 - a) Any human remains discovered shall not be touched, moved, or further disturbed unless directed by the Department of Archaeology and Historic Preservation (DAHP).
 - b) The county medical examiner/coroner will assume jurisdiction over the human skeletal remains and make a determination of whether those remains are forensic or non-forensic. If the county medical examiner/coroner determines the remains are non-forensic, then they will report that finding to the Department of Archaeology and Historic Preservation (DAHP) who will then take jurisdiction over the remains. The DAHP will notify any appropriate cemeteries and all affected tribes of the find. The State Physical Anthropologist will make a determination of whether the remains are Indian or Non-Indian and report that finding to any appropriate cemeteries and the affected tribes. The DAHP will then handle all consultation with the affected parties as to the future preservation, excavation, and disposition of the remains.

RECORDS

- A. **Digital Records.** If requested by RCO, the Sponsor must provide a digital file(s) of the project property and funded project site in a format specified by the RCO.
- B. **Maintenance and Retention.** The Sponsor shall maintain books, records, documents, data and other records relating to this Agreement and performance of the services described herein, including but not limited to accounting procedures and practices which sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this Agreement. Sponsor shall retain such records for a period of nine years from the date RCO deems the project complete, as defined in the PROJECT REIMBURSEMENTS Section. If any litigation, claim or audit is started before the expiration of the nine (9) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.
- C. **Access to Records and Data.** At no additional cost, the records relating to the Agreement, including materials generated under the Agreement, shall be subject at all reasonable times to inspection, review or audit by RCO, personnel duly authorized by RCO, the Office of the State Auditor, and federal and state officials so authorized by law, regulation or agreement. This includes access to all information that supports the costs submitted for payment under the grant and all findings, conclusions, and recommendations of the Sponsor's reports, including computer models and methodology for those models.
- D. **Public Records.** Sponsor acknowledges that the RCO is subject to RCW 42.56 and that this Agreement and any records Sponsor submits or has submitted to the State shall be a public record as defined in RCW 42.56. RCO administers public records requests per WAC 286-06 and 420-04 (which ever applies). Additionally, the Sponsor agrees to disclose any information in regards to the expenditure of that funding as if the project sponsor were subject to the requirements of chapter 42.56 RCW. By submitting any record to the State, Sponsor understands that the State may be requested to disclose or copy that record under the state public records law, currently codified at RCW 42.56. The Sponsor warrants that it possesses such legal rights as are necessary to permit the State to disclose and copy such record to respond to a request under state public records laws. The Sponsor hereby agrees to release the State from any claims arising out of allowing such review or copying pursuant to a public records act request, and to indemnify against any claims arising from allowing such review or copying and pay the reasonable cost of state's defense of such claims.

PROJECT FUNDING

- A. **Authority.** This Agreement and funding is made available to Sponsor through the RCO.
- B. **Additional Amounts.** The RCO or Funding Entity shall not be obligated to pay any amount beyond the dollar amount as identified in this Agreement, unless an additional amount has been approved in advance by the RCO director and incorporated by written amendment into this Agreement.

- C. **Before the Agreement.** No expenditure made, or obligation incurred, by the Sponsor before the project start date shall be eligible for grant funds, in whole or in part, unless specifically provided for by the RCO director, such as a waiver of retroactivity or program specific eligible pre-Agreement costs. For reimbursements of such costs, this Agreement must be fully executed and an original received by RCO. The dollar amounts identified in this Agreement may be reduced as necessary to exclude any such expenditure from reimbursement.
- D. **After the Period of Performance.** No expenditure made, or obligation incurred, following the period of performance shall be eligible, in whole or in part, for grant funds hereunder. In addition to any remedy the RCO or Funding Entity may have under this Agreement, the grant amounts identified in this Agreement shall be reduced to exclude any such expenditure from participation.

PROJECT REIMBURSEMENTS

- A. **Reimbursement Basis.** This Agreement is administered on a reimbursement basis per WAC 286-13 and/or 420-12, whichever has been designated to apply. Only the primary Sponsor may request reimbursement for eligible and allowable costs incurred during the period of performance. The primary Sponsor may request reimbursement only after (1) this Agreement has been fully executed and (2) the Sponsor has remitted payment to its vendors. RCO will authorize disbursement of project funds only on a reimbursable basis at the percentage as defined in the PROJECT FUNDING Section. Reimbursement shall not be approved for any expenditure not incurred by the Sponsor, or for a donation used as part of its matching share. RCO does not reimburse for donations. All reimbursement requests must include proper documentation of expenditures as required by RCO.
- B. **Reimbursement Request Frequency.** The primary Sponsor is required to submit a reimbursement request to RCO, at a minimum for each project at least once a year for reimbursable activities occurring between July 1 and June 30 or as identified in the milestones. Sponsors must refer to the most recent applicable RCO manuals and this Agreement regarding reimbursement requirements.
- C. **Compliance and Payment.** The obligation of RCO to pay any amount(s) under this Agreement is expressly conditioned on strict compliance with the terms of this Agreement and other agreements between RCO and the Sponsor.
- D. **Conditions for Payment of Retainage.** RCO reserves the right to withhold disbursement of the total amount of the grant to the Sponsor until the following has occurred:
 - 1) RCO has accepted the project as a completed project, which acceptance shall not be unreasonably withheld.
 - 2) On-site signs are in place (if applicable); Any other required documents and media are complete and submitted to RCO; Grant related fiscal transactions are complete, and
 - 3) RCO has accepted a final boundary map of the project area for which the Agreement terms will apply in the future.

RECOVERY OF PAYMENTS

- A. **Recovery for Noncompliance.** In the event that the Sponsor fails to expend funds under this Agreement in accordance with state and federal laws, and/or the provisions of the Agreement, fails to meet its percentage of the project total, and/or fails to comply with any of the terms and conditions of the Agreement, RCO reserves the right to recover grant award funds in the amount equivalent to the extent of noncompliance in addition to any other remedies available at law or in equity.
- B. **Return of Overpayments.** The Sponsor shall reimburse RCO for any overpayment or erroneous payments made under the Agreement. Repayment by the Sponsor of such funds under this recovery provision shall occur within 30 days of demand by RCO. Interest shall accrue at the rate of twelve percent (12%) per annum from the time the Sponsor received such overpayment. Unless the overpayment is due to an error of RCO, the payment shall be due and owing on the date that the Sponsor receives the overpayment from the RCO. If the payment is due to an error of RCO, it shall be due and owing 30 days after demand by RCO for refund.

COVENANT AGAINST CONTINGENT FEES

The Sponsor warrants that no person or selling agent has been employed or retained to solicit or secure this Agreement on an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established agents maintained by the Sponsor for the purpose of securing business. RCO shall have the right, in the event of breach of this clause by the Sponsor, to terminate this Agreement and to be reimbursed by Sponsor for any grant funds paid to Sponsor (even if such funds have been subsequently paid to an agent), without liability to RCO or, in RCO's discretion, to deduct from the Agreement grant amount or consideration or recover by other means the full amount of such commission, percentage, brokerage or contingent fee.

INCOME (AND FEES) AND USE OF INCOME

See WAC 286-13-110 for additional requirements for projects funded from the RCFB.

- A. **Compatible source.** The source of any income generated in a funded project or project area must be compatible with the funding source and the Agreement and any applicable manuals, RCWs, and WACs.
- B. **Use of Income.** Subject to any limitations contained in applicable state or federal law, any needed approvals of RCO, and applicable rules and policies, income or fees generated at a project work site (including entrance, utility corridor permit, cattle grazing, timber harvesting, farming, rent, franchise fees, ecosystem services, carbon offsets sequestration, etc.) during or after the reimbursement period cited in the Agreement, must be used to offset:
 - 1) The Sponsor's matching resources;
 - 2) The project's total cost;
 - 3) The expense of operation, maintenance, stewardship, monitoring, and/or repair of the facility or program assisted by the grant funding;
 - 4) The expense of operation, maintenance, stewardship, monitoring, and/or repair of other similar units in the Sponsor's system;
 - 5) Capital expenses for similar acquisition and/or development and renovation; and/or
 - 6) Other purposes explicitly approved by RCO or otherwise provided for in this agreement.
- C. **Fees.** User and/or other fees may be charged in connection with land acquired or facilities developed, maintained, renovated, or restored and shall be consistent with the:
 - 1) Grant program laws, rules, and applicable manuals;
 - 2) Value of any service(s) furnished;
 - 3) Value of any opportunities furnished; and
 - 4) Prevailing range of public fees in the state for the activity involved.

PROCUREMENT REQUIREMENTS

- A. **Procurement Requirements.** If the Sponsor has, or is required to have, a procurement process that follows applicable state and/or federal law or procurement rules and principles, it must be followed, documented, and retained. If no such process exists, the Sponsor must follow these minimum procedures:
 - 1) Publish a notice to the public requesting bids/proposals for the project;
 - 2) Specify in the notice the date for submittal of bids/proposals;
 - 3) Specify in the notice the general procedure and criteria for selection; and
 - 4) Sponsor must contract or hire from within its bid pool. If bids are unacceptable the process needs to be repeated until a suitable bid is selected.
 - 5) Comply with the same legal standards regarding unlawful discrimination based upon race, gender, ethnicity, sex, or sex-orientation that are applicable to state agencies in selecting a bidder or proposer.

Alternatively, Sponsor may choose a bid from a bidding cooperative if authorized to do so.

This procedure creates no rights for the benefit of third parties, including any proposers, and may not be enforced or subject to review of any kind or manner by any entity other than the RCO. Sponsors may be required to certify to the RCO that they have followed any applicable state and/or federal procedures or the above minimum procedure where state or federal procedures do not apply.

TREATMENT OF EQUIPMENT AND ASSETS

Equipment shall be used and managed only for the purpose of this Agreement, unless otherwise provided herein or in the applicable manuals, or approved by RCO in writing.

- A. **Discontinued Use.** Equipment obtained under this Agreement shall remain in the possession of the Sponsor for the duration of the project, or RULES of applicable grant assisted program. When the Sponsor discontinues use of the

equipment for the purpose for which it was funded, RCO may require the Sponsor to deliver the equipment to RCO, or to dispose of the equipment according to RCO published policies.

- B. **Loss or Damage.** The Sponsor shall be responsible for any loss or damage to equipment.

RIGHT OF INSPECTION

The Sponsor shall provide right of access to the project to RCO, or any of its officers, or to any other authorized agent or official of the state of Washington or the federal government, at all reasonable times, in order to monitor and evaluate performance, long-term obligations, compliance, and/or quality assurance under this Agreement. If a landowner agreement or other form of control and tenure limits access to the project area, it must include (or be amended to include) the RCO's right to inspect and access lands acquired or developed with this funding assistance.

STEWARDSHIP AND MONITORING

Sponsor agrees to perform monitoring and stewardship functions as stated in the applicable WACs and manuals, this Agreement, or as otherwise directed by RCO consistent with the existing laws and applicable manuals. Sponsor further agrees to utilize, where applicable and financially feasible, any monitoring protocols recommended by the RCO; provided that RCO does not represent that any monitoring it may recommend will be adequate to reasonably assure project performance or safety. It is the sole responsibility of the Sponsor to perform such additional monitoring as may be adequate for such purposes.

PREFERENCES FOR RESIDENTS

Sponsors shall not express a preference for users of grant assisted projects on the basis of residence (including preferential reservation, membership, and/or permit systems) except that reasonable differences in admission and other fees may be maintained on the basis of residence. Fees for nonresidents must not exceed twice the fee imposed on residents. Where there is no fee for residents but a fee is charged to nonresidents, the nonresident fee shall not exceed the amount that would be imposed on residents at comparable state or local public facilities.

ACKNOWLEDGMENT AND SIGNS

- A. **Publications.** The Sponsor shall include language which acknowledges the funding contribution of the applicable grant program to this project in any release or other publication developed or modified for, or referring to, the project during the project period and in the future.
- B. **Signs.**
- 1) During the period of performance through the period of long-term obligation, the Sponsor shall post openly visible signs or other appropriate media at entrances and other locations on the project area that acknowledge the applicable grant program's funding contribution, unless waived by the director; and
 - 2) During the period of long-term obligation, the Sponsor shall post openly visible signs or other appropriate media at entrances and other locations to notify the public of the availability of the site for reasonable public access.
- C. **Ceremonies.** The Sponsor shall notify RCO no later than two weeks before a dedication ceremony for this project. The Sponsor shall verbally acknowledge the applicable grant program's funding contribution at all dedication ceremonies and in all advertisements and mailings thereof, and any and all of its related digital media publications.

PROVISIONS APPLYING TO DEVELOPMENT, MAINTENANCE, RENOVATION, AND RESTORATION PROJECTS

The following provisions shall be in force:

- A. **Operations and Maintenance.** Properties, structures, and facilities developed, maintained, or operated with the assistance of money granted per this Agreement and within the project area shall be built, operated, and maintained according to applicable regulations, laws, building codes, and health and public safety standards to assure a reasonably safe condition and to prevent premature deterioration. It is the Sponsor's sole responsibility to ensure the same are operated and maintained in a safe and operable condition. The RCO does not conduct safety inspections or employ or train staff for that purpose.
- B. **Document Review and Approval.** Prior to commencing construction or finalizing the design, the Sponsor agrees to submit one copy of all construction and restoration plans and specifications to RCO for review solely for compliance with the scope of work to be identified in the Agreement. RCO does not review for, and disclaims any responsibility to review for safety, suitability, engineering, compliance with code, or any matters other than the scope so identified. Although RCO staff may provide tentative guidance to a Sponsor on matters related to site accessibility by persons with a disability, it is the Sponsor's responsibility to confirm that all legal requirements for accessibility are met even if

the RCO guidance would not meet such requirements.

- 1) Change orders that impact the amount of funding or changes to the scope of the project as described to and approved by the RCO must receive prior written approval of the RCO.
- C. **Control and Tenure.** The Sponsor must provide documentation that shows appropriate tenure and term (such as long-term lease, perpetual or long-term easement, or perpetual or long-term fee simple ownership, or landowner agreement or interagency agreement for the land proposed for construction, renovation, or restoration. The documentation must meet current RCO requirements identified in this Agreement as of the effective date of this Agreement unless otherwise provided in any applicable manual, RCW, WAC, or as approved by the RCO.
- D. **Use of Best Management Practices.** Sponsors are encouraged to use best management practices including those developed as part of the Washington State Aquatic Habitat Guidelines (AHG) Program. AHG documents include "Integrated Streambank Protection Guidelines", 2002; "Land Use Planning for Salmon, Steelhead and Trout: A land use planner's guide to salmonid habitat protection and recovery", 2009", "Protecting Nearshore Habitat and Functions in Puget Sound", 2010; "Stream Habitat Restoration Guidelines", 2012; "Water Crossing Design Guidelines", 2013; and "Marine Shoreline Design Guidelines", 2014. These documents, along with new and updated guidance documents, and other information are available on the AHG Web site. Sponsors are also encouraged to use best management practices developed by the Washington Invasive Species Council (WISC) described in "Reducing Accidental Introductions of Invasive Species" which is available on the WISC Web site.
- E. At no time shall the Sponsor design, construct, or operate this grant funded project in a way that unreasonably puts the public, itself, or others at risk of injury or property damage. The Sponsor agrees and acknowledges that the Sponsor is solely responsible for safety and risk associated with the project, that RCO does not have expertise, capacity, or a mission to review, monitor, or inspect for safety and risk, that no expectation exists that RCO will do so, and that RCO is in no way responsible for any risks associated with the project.

LONG-TERM OBLIGATIONS OF THE PROJECTS AND SPONSORS

- A. **Long-Term Obligations.** This section applies to completed projects only.
- B. **Perpetuity.** For acquisition, development, and restoration projects, or a combination thereof, unless otherwise allowed by applicable manual, policy, program rules, or this Agreement, or approved in writing by RCO. The RCO requires that the project area continue to function for the purposes for which these grant funds were approved, in perpetuity.
- C. **Conversion.** The Sponsor shall not at any time convert any real property (including any interest therein) or facility acquired, developed, renovated, and/ or restored pursuant to this Agreement, unless provided for in applicable statutes, rules, and policies. Conversion includes, but is not limited to, putting such property (or a portion of it) to uses other than those purposes for which funds were approved or transferring such property to another entity without prior approval via a written amendment to the Agreement. All real property or facilities acquired, developed, renovated, and/or restored with funding assistance shall remain in the same ownership and in public use/access status in perpetuity unless otherwise expressly provided in the Agreement or applicable policies or unless a transfer or change in use is approved by the RCO through an amendment. Failure to comply with these obligations is a conversion. Further, if the project is subject to operation and or maintenance obligations, the failure to comply with such obligations, without cure after a reasonable period as determined by the RCO, is a conversion. Determination of whether a conversion has occurred shall be based upon all terms of the Agreement, and all applicable state or federal laws or regulation.
- 1) When a conversion has been determined to have occurred, the Sponsor shall remedy the conversion as set forth in this Agreement (with incorporated documents) and as required by all applicable policies, manuals, WACs and laws that exist at the time the remedy is implemented or the right to the remedy is established by a court or other decision-making body, and the RCO may pursue all remedies as allowed by the Agreement or law.

CONSTRUCTION, OPERATION, USE, AND MAINTENANCE OF ASSISTED PROJECTS

The following provisions shall be in force for this agreement:

- A. **Property and facility operation and maintenance.** Sponsor must ensure that properties or facilities assisted with the grant funds, including undeveloped sites, are built, operated, used, and maintained:
- 1) According to applicable federal, state, and local laws and regulations, including public health standards and building codes;
 - 2) In a reasonably safe condition for the project's intended use;

- 3) Throughout its estimated useful service life so as to prevent undue deterioration;
 - 4) In compliance with all federal and state nondiscrimination laws, regulations and policies.
- B. **Open to the public.** Unless otherwise specifically provided for in the Agreement, and in compliance with applicable statutes, rules, and applicable WACs and manuals, facilities must be open and accessible to the general public, and must:
- 1) Be constructed, maintained, and operated to meet or exceed the minimum requirements of the most current guidelines or rules, local or state codes, Uniform Federal Accessibility Standards, guidelines, or rules, including but not limited to: the International Building Code, the Americans with Disabilities Act, and the Architectural Barriers Act, as amended and updated.
 - 2) Appear attractive and inviting to the public except for brief installation, construction, or maintenance periods.
 - 3) Be available for appropriate use by the general public at reasonable hours and times of the year, according to the type of area or facility, unless otherwise stated in RCO manuals or, by a decision of the RCO director in writing. Sponsor shall notify the public of the availability for use by posting and updating that information on its website and by maintaining at entrances and/or other locations openly visible signs with such information.

ORDER OF PRECEDENCE

This Agreement is entered into, pursuant to, and under the authority granted by applicable federal and state laws. The provisions of the Agreement shall be construed to conform to those laws. In the event of a direct and irreconcilable conflict between the terms of this Agreement and any applicable statute, rule, or policy or procedure, the conflict shall be resolved by giving precedence in the following order:

- A. Federal law and binding executive orders;
- B. Code of federal regulations;
- C. Terms and conditions of a grant award to the state from the federal government;
- D. Federal grant program policies and procedures adopted by a federal agency that are required to be applied by federal law;
- E. State Constitution, RCW, and WAC;
- F. Agreement Terms and Conditions and Applicable Manuals;
- G. Applicable deed restrictions, and/or governing documents.

LIMITATION OF AUTHORITY

Only RCO's Director or RCO's delegate authorized in writing (delegation to be made prior to action) shall have the authority to alter, amend, modify, or waive any clause or condition of this Agreement; provided that any such alteration, amendment, modification, or waiver of any clause or condition of this Agreement is not effective or binding unless made as a written amendment to this Agreement and signed by the RCO Director or delegate.

WAIVER OF DEFAULT

Waiver of any default shall not be deemed to be a waiver of any subsequent default. Waiver or breach of any provision of the Agreement shall not be deemed to be a waiver of any other or subsequent breach and shall not be construed to be a modification of the terms of the Agreement unless stated to be such in writing, signed by the director, or the director's designee, and attached as an amendment to the original Agreement.

APPLICATION REPRESENTATIONS – MISREPRESENTATIONS OR INACCURACY OR BREACH

The Funding Entity (if different from RCO) and RCO rely on the Sponsor's application in making its determinations as to eligibility for, selection for, and scope of, funding grants. Any misrepresentation, error or inaccuracy in any part of the application may be deemed a breach of this Agreement.

SPECIFIC PERFORMANCE

RCO may, at its discretion, enforce this Agreement by the remedy of specific performance, which means Sponsors' completion of the project and/or its completion of long-term obligations as described in this Agreement. However, the remedy

of specific performance shall not be the sole or exclusive remedy available to RCO. No remedy available to the RCO shall be deemed exclusive. The RCO may elect to exercise any, a combination of, or all of the remedies available to it under this Agreement, or under any provision of law, common law, or equity, including but not limited to seeking full or partial repayment of the grant amount paid and damages.

TERMINATION AND SUSPENSION

The RCO requires strict compliance by the Sponsor with all the terms of this Agreement including, but not limited to, the requirements of the applicable statutes, rules, and RCO policies, and with the representations of the Sponsor in its application for a grant as finally approved by RCO. For federal awards, notification of termination will comply with 2 C.F.R. § 200 (as updated).

A. For Cause.

- 1) The RCO director may suspend or terminate the obligation to provide funding to the Sponsor under this Agreement:
 - a) If the Sponsor breaches any of the Sponsor's obligations under this Agreement;
 - b) If the Sponsor fails to make progress satisfactory to the RCO director toward completion of the project by the completion date set out in this Agreement. Included in progress is adherence to milestones and other defined deadlines; or
 - c) If the primary and secondary Sponsor(s) cannot mutually agree on the process and actions needed to implement the project;
- 2) Prior to termination, the RCO shall notify the Sponsor in writing of the opportunity to cure. If corrective action is not taken within 30 days or such other time period that the director approves in writing, the Agreement may be terminated. In the event of termination, the Sponsor shall be liable for damages or other relief as authorized by law and/or this Agreement.
- 3) RCO reserves the right to suspend all or part of the Agreement, withhold further payments, or prohibit the Sponsor from incurring additional obligations of funds during the investigation of any alleged breach and pending corrective action by the Sponsor, or a decision by the RCO to terminate the Contract.

B. For Convenience. Except as otherwise provided in this Agreement, RCO may, by ten (10) days written notice, beginning on the second day after the mailing, terminate this Agreement, in whole or in part when it is in the best interest of the state. If this Agreement is so terminated, RCO shall be liable only for payment required under the terms of this Agreement prior to the effective date of termination. A claimed termination for cause shall be deemed to be a "Termination for Convenience" if it is determined that:

- 1) The Sponsor was not in default; or
- 2) Failure to perform was outside Sponsor's control, fault or negligence.

C. Rights and Remedies of the RCO.

- 1) The rights and remedies of RCO provided in this Agreement are not exclusive and are in addition to any other rights and remedies provided by law.
- 2) In the event this Agreement is terminated by the director, after any portion of the grant amount has been paid to the Sponsor under this Agreement due to Sponsor's breach of the Agreement or other violation of law, the director may require that any amount paid be repaid to RCO for redeposit into the account from which the funds were derived. However, any repayment shall be limited to the extent repayment would be inequitable and represent a manifest injustice in circumstances where the project will fulfill its fundamental purpose for substantially the entire period of performance and of long-term obligation.

D. Non Availability of Funds. The obligation of the RCO to make payments is contingent on the availability of state and federal funds through legislative appropriation and state allotment. If amounts sufficient to fund the grant made under this Agreement are not appropriated to RCO for expenditure for this Agreement in any biennial fiscal period, RCO shall not be obligated to pay any remaining unpaid portion of this grant unless and until the necessary action by the Legislature or the Office of Financial Management occurs. If RCO participation is suspended under this section for a continuous period of one year, RCO's obligation to provide any future funding under this Agreement shall terminate. Termination of the Agreement under this section is not subject to appeal by the Sponsor.

- 1) **Suspension:** The obligation of the RCO to manage contract terms and make payments is contingent upon the state appropriating state and federal funding each biennium. In the event the state is unable to appropriate such funds by the first day of each new biennium RCO reserves the right to suspend the Agreement, with ten (10) days written notice, until such time funds are appropriated. Suspension will mean

all work related to the contract must cease until such time funds are obligated to RCO and the RCO provides notice to continue work.

- 2) **No Waiver.** The failure or neglect of RCO to require strict compliance with any term of this Agreement or to pursue a remedy provided by this Agreement or by law shall not act as or be construed as a waiver of any right to fully enforce all rights and obligations set forth in this Agreement and in applicable state or federal law and regulations.

DISPUTE HEARING

Except as may otherwise be provided in this Agreement, when a dispute arises between the Sponsor and the RCO, which cannot be resolved, either party may request a dispute hearing according to the process set out in this section. Either party's request for a dispute hearing must be in writing and clearly state:

- A. The disputed issues;
- B. The relative positions of the parties;
- C. The Sponsor's name, address, project title, and the assigned project number.

In order for this section to apply to the resolution of any specific dispute or disputes, the other party must agree in writing that the procedure under this section shall be used to resolve those specific issues. The dispute shall be heard by a panel of three persons consisting of one person chosen by the Sponsor, one person chosen by the director, and a third person chosen by the two persons initially appointed. If a third person cannot be agreed on, the persons chosen by the Sponsor and director shall be dismissed and an alternate person chosen by the Sponsor, and one by the director shall be appointed and they shall agree on a third person. This process shall be repeated until a three person panel is established.

Any hearing under this section shall be informal, with the specific processes to be determined by the disputes panel according to the nature and complexity of the issues involved. The process may be solely based on written material if the parties so agree. The disputes panel shall be governed by the provisions of this Agreement in deciding the disputes.

The parties shall be bound by the majority decision of the dispute panelists, unless the remedy directed by that panel is beyond the authority of either or both parties to perform, as necessary, or is otherwise unlawful.

Request for a disputes hearing under this section by either party shall be delivered or mailed to the other party. The request shall be delivered or mailed within thirty (30) days of the date the requesting party has received notice of the action or position of the other party which it wishes to dispute. The written agreement to use the process under this section for resolution of those issues shall be delivered or mailed by the receiving party to the requesting party within thirty (30) days of receipt by the receiving party of the request.

All costs associated with the implementation of this process shall be shared equally by the parties.

ATTORNEYS' FEES

In the event of litigation or other action brought to enforce contract terms, each party agrees to bear its own costs and attorneys' fees.

GOVERNING LAW/VENUE

This Agreement shall be construed and interpreted in accordance with the laws of the State of Washington. In the event of a lawsuit involving this Agreement, venue shall be in Thurston County Superior Court if legally proper; otherwise venue shall be in the Superior Court of a county where the project is situated, if venue there is legally proper, and if not, in a county where venue is legally proper. The Sponsor, by execution of this Agreement acknowledges the jurisdiction of the courts of the State of Washington and agrees to venue as set forth above.

SEVERABILITY

The provisions of this Agreement are intended to be severable. If any term or provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the Agreement.

END OF STANDARD TERMS AND CONDITIONS

This is the end of the Standard Terms and Conditions of the Agreement.