



Mountlake Terrace City Council
Work Session Agenda
Thursday, October 9, 2025, 7:00 PM
City Hall and via Telephone or Teleconference

AGENDA

1. Call to Order
2. Attendance Roll Call
3. General Public Comment
4. Proclamation for Leadership Day
5. Presentation on State Legislative Agenda by Gordon Thomas Honeywell
6. Presentation on Update to Fiscal Sustainability Taskforce by Baker Tilly
7. City Manager's Report
8. Review October 16, 2025 Meeting Agenda
9. Council Comments
10. 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.

CITY OF MOUNTLAKE TERRACE

PROCLAMATION

LEADERSHIP DAY

WHEREAS, Leadership Snohomish County is recognized as the local organization specializing in developing leaders for a lifetime, making Snohomish County vibrant and providing education and opportunities for the past 18 years to strengthen our community; and

WHEREAS, more than 150 employers in all sectors have participated in Leadership Snohomish County; and

WHEREAS, in 2025, more than 1200 Snohomish County professionals will have graduated from Leadership Snohomish County programs; and

WHEREAS, Leadership Snohomish County intends to use Leadership Day to unite and recognize the role of leadership in our County, and encourage community celebrations on this day, as well; and

WHEREAS, Leadership Snohomish County will undertake the recognition of the many contributions from our community leaders across Snohomish County as part of this day, as well as coordinate a leadership service opportunity; and

WHEREAS, this will be an annual recognition of the importance of leadership; and

NOW THEREFORE, I, Mayor Kyoko Matsumoto Wright, on behalf of the Mountlake Terrace City Council, do hereby proclaim October 14, 2025 as Leadership Day in Mountlake Terrace, Washington, and join in recognizing the many contributions Leadership Snohomish County has made.

PROCLAIMED BY THE CITY COUNCIL ON OCTOBER 9, 2025.

MAYOR: _____
Kyoko Matsumoto Wright

ATTEST: _____
City Clerk



CITY OF MOUNTLAKE TERRACE

PREPARING FOR THE 2026 LEGISLATIVE SESSION

October 9, 2025

Amina Teouri &
Shelly Helder



TONIGHT'S AGENDA



2026 SESSION PREVIEW



CONTEXT FOR FUNDING REQUESTS



LEGISLATIVE AGENDA DEVELOPMENT



NEXT STEPS

2026 SESSION PREVIEW

60-DAY SESSION,
SECOND YEAR OF
THE BIENNIUM

MID-BIENNIAL
BUDGET
ADJUSTMENTS

POLITICAL
MAKEUP SIMILAR
TO 2025

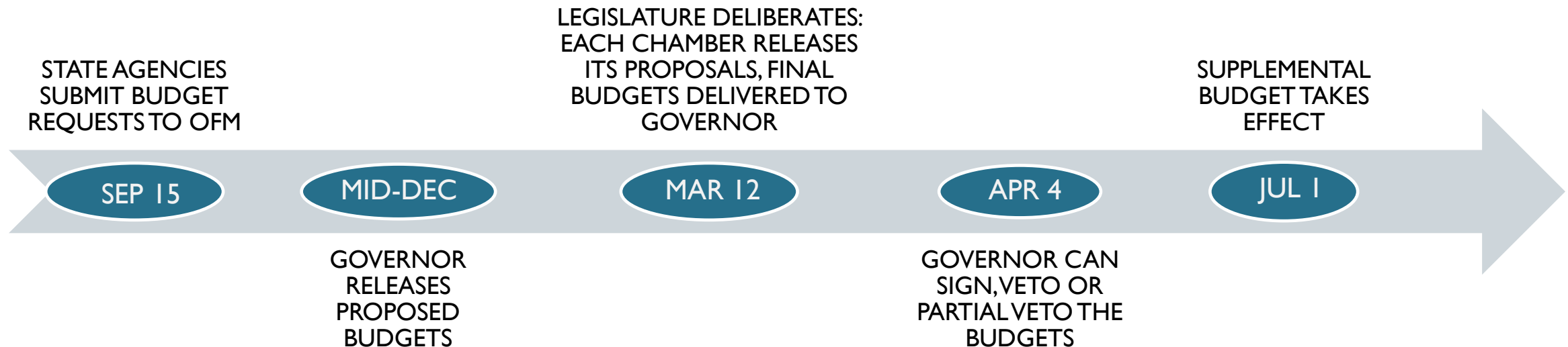
ALL 2025 BILLS
CARRY OVER

FORTHCOMING
ELECTIONS

FUNDING CONTEXT

- THREE STATE BUDGETS: OPERATING, CAPITAL & TRANSPORTATION
- STATE ADOPTS BIENNIAL BUDGETS
- CURRENT BUDGET RUNS FROM JULY 1, 2025 – JUNE 30, 2027
- 2026 IS A SUPPLEMENTAL BUDGET YEAR

THE STATE BUDGET PROCESS



FUNDING CONTEXT

OPERATING

- PROGRAMMATIC FUNDING, MUST BE SPENT WITHIN SPECIFIC FISCAL YEAR IT IS AWARDED
- MUST BE ADMINISTERED BY A STATE AGENCY

CAPITAL

- LOCAL & COMMUNITY PROJECTS (EARMARKS) ARE TYPICALLY LAST DOLLAR IN
- AVERAGE AWARD IN 2024 SUPPLEMENTAL BUDGET WAS \$211,000
- LARGER AWARDS GO TO PROJECTS WITH REGIONAL/STATEWIDE SIGNIFICANCE
- \$349M IN BONDING CAPACITY FOR 2026 SUPPLEMENTAL BUDGET

TRANSPORTATION

- LEGISLATURE IS FOCUSED ON COMPLETING WHAT THEY'VE STARTED
- MUST HAVE A NEXUS WITH THE STATE'S TRANSPORTATION SYSTEM

GUIDANCE FOR LEGISLATIVE AGENDA DEVELOPMENT



FOCUSED



CITY CENTRIC



**PROCESS, POLITICAL
& BUDGET REALITIES**

2026 DRAFT LEGISLATIVE AGENDA



BUILDS ON 2025 LEGISLATIVE AGENDA



TWO SECTIONS:

LEGISLATIVE PRIORITIES
ADDITIONAL LEGISLATIVE PRIORITIES

2025 LEGISLATIVE AGENDA

2025 PRIORITIES

- MOUNTLAKE TERRACE LIBRARY ROOF AND HVAC
 - REQUESTED \$800,000 & THE LEGISLATURE AWARDED \$500,000
- TRANSIT ORIENTED DEVELOPMENT IN MOUNTLAKE TERRACE – MAIN STREET
 - SCOPE CHANGE APPROVED & FUNDING WAS RE-APPROPRIATED

2025 ADDITIONAL LEGISLATIVE PRIORITIES

- BEHAVIORAL HEALTH FUNDING
- FACILITY MAINTENANCE & COMPLIANCE WITH CLEAN BUILDING STANDARDS
- INFRASTRUCTURE FUNDING

- INSURANCE COSTS
- HOUSING
- PARKS FUNDING
 - VETERANS MEMORIAL PARK REVITALIZATION
 - EVERGREEN PLAYFIELD #4 LIGHTING
- PUBLIC DEFENSE

2026 LEGISLATIVE AGENDA

2026 POTENTIAL PRIORITIES

- MOUNTLAKE TERRACE LIBRARY ROOF AND HVAC
 - REQUESTING THE REMAINING \$300,000
- MICKEY CORSO CLUBHOUSE ROOF AND HVAC
 - LAYING THE GROUNDWORK FOR 2027 FUNDING REQUEST

2026 ADDITIONAL LEGISLATIVE PRIORITIES

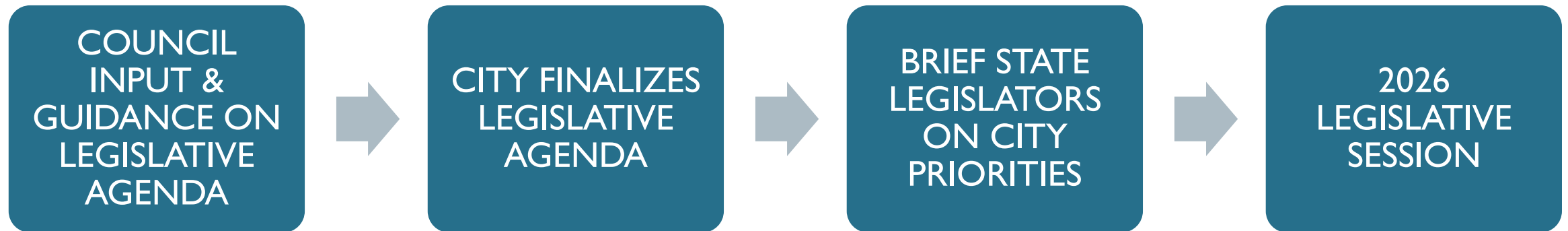
- REMOVED PARKS FUNDING
- ADD/EDIT/REMOVE BASED ON THE 2025 LIST

ASSOCIATION OF WASHINGTON CITIES

ADOPTED 2026 LEGISLATIVE PRIORITIES

- ENHANCE INDIGENT DEFENSE
- INCREASE SUSTAINABILITY FOR LOCAL TRANSPORTATION PRESERVATION, MAINTENANCE, AND OPERATIONS
- IMPROVE HOUSING SUPPLY
- PRESERVE STATE SHARED REVENUES

NEXT STEPS



DISCUSSION & FEEDBACK



Amina Teouri
State Lobbyist
ateouri@gth-gov.com

Shelly Helder
State Lobbyist
shelder@gth-gov.com

2026 State Legislative Agenda

Mountlake Terrace Library Roof and HVAC

The City is proud to partner with Sno-Isle Libraries to provide library services to the residents of Mountlake Terrace and the surrounding community. The library roof has exceeded its useful lifecycle and consistently has leaks in the winter that require repairs. The heating and cooling system is also original to the facility with parts being obtained on second hand websites. The estimated cost to replace the roof is \$2 million. The City requested \$800,000 from the state capital budget during the 2025 legislative session, received \$500,000 and is now seeking the remaining \$300,000 to complete the project.

On the Horizon: Mickey Corso Community Clubhouse Roof and HVAC

The Mickey Corso Community Clubhouse, located in Ballinger Park, is a cornerstone of community life in Mountlake Terrace. Operated in partnership with the Edmonds Waterfront Center, the facility plays a central role in delivering multigenerational and multicultural services to seniors and the broader community. It hosts senior programming, community events, and private rentals through its Lakeview Room. The clubhouse also functions as a warming, cooling, and smoke shelter during operating hours, providing essential services to vulnerable populations. To ensure the clubhouse remains a safe and reliable space for these critical services, the City is seeking state funding to replace the roof and heating, ventilation, and air conditioning (HVAC) system, which have become increasingly unreliable due to age and wear. The City has pursued other funding sources and dedicated its own resources toward the project; however, a funding gap of \$1.15 million remains.

Additional Legislative Priorities

Mountlake Terrace joins other cities in asking for support to ensure local governments have the tools necessary to fulfill their responsibilities.

- **Behavioral Health Funding:** The City of MLT supports increased and ongoing funding for co-responder programs. The City's current embedded social worker is a part time position working one or two days a week; the goal is for this to be a full-time position.
- **Facility Maintenance & Compliance with Clean Building Standards:** The City owns 6 facilities totaling 102,372 square feet. The City supports programs and policies to support maintenance and energy upgrades for municipally owned facilities.
- **Infrastructure Funding:** The City of MLT supports infrastructure funding to accommodate the expected increased densities in the city.
- **Insurance Costs:** Cities must purchase insurance coverage and the City of MLT's premiums have more than doubled in the last three years, from roughly \$530,000 in 2021 to \$1.2M in 2024. These rate increases are unsustainable and the City of MLT supports creative solutions to limit city liability and related costs.
- **Housing:** The City of MLT supports funding and policies that increase the complete spectrum of housing supply, from emergency shelters all the way to market rate housing.
- **Public Defense:** The City supports increased state funding for public defense services to comply with new caseload standards established by the Washington Supreme Court. Additionally, the City urges the state to invest in workforce development initiatives, such as incentives and training programs, to attract and retain qualified public defenders.



Mountlake Terrace Fiscal Sustainability Planning: Project Update

Steve Toler (Director) and
Michael Perkins (Senior Manager)

October 9, 2025

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Purpose of Tonight's Update



Provide status of Fiscal Sustainability Project



Share progress of the Fiscal Sustainability Taskforce (FST)



Preview upcoming milestones and next steps

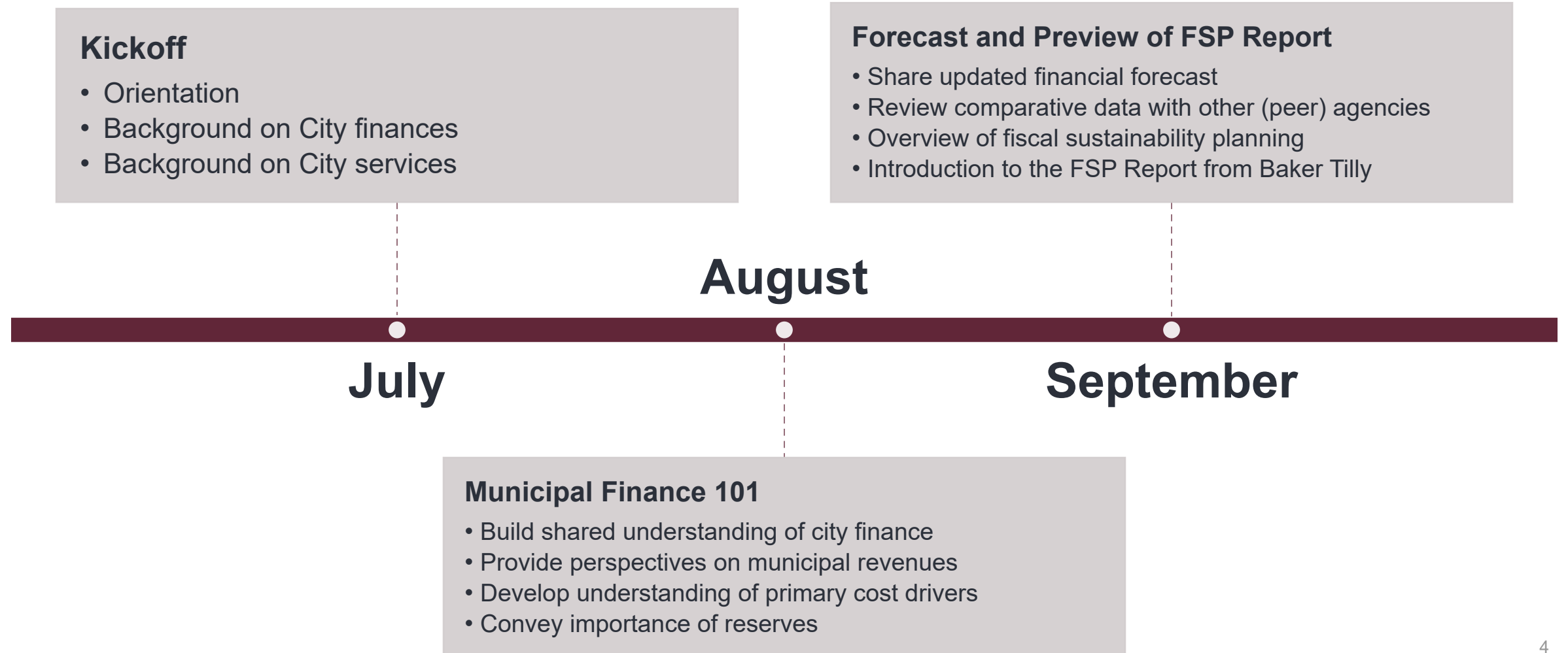
Why This Matters

Structural gap in the General Fund requires action

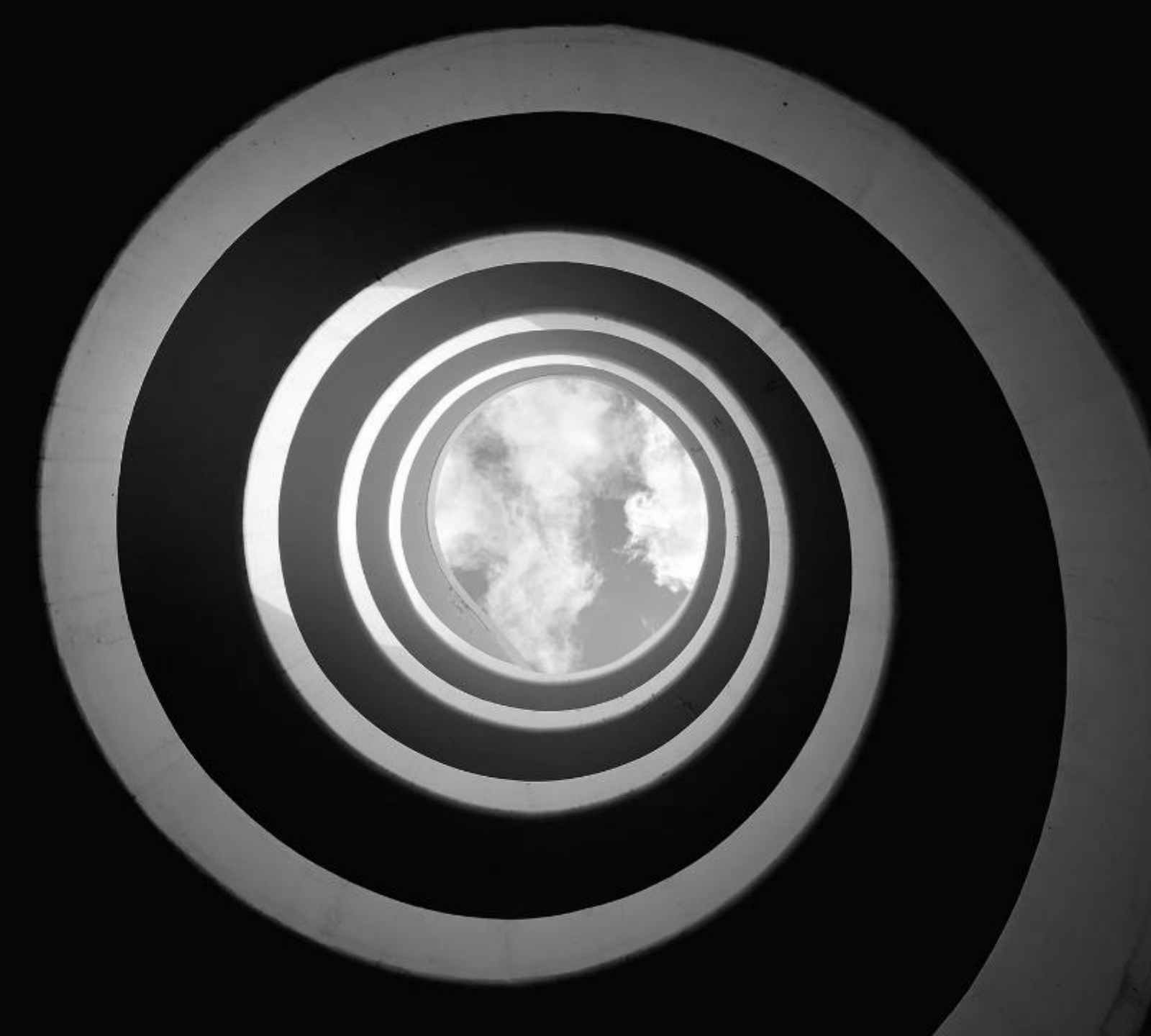
Need for sustainable revenues and expenditures to preserve service levels

City Council, Staff, Taskforce and community engagement all central to the process

FST Process to Date



Updated Long-Range Financial Forecast



Financial Forecasting

Financial forecasting is basically math. What makes it powerful is:

- Accurate baseline data
- Realistic assumptions
- The ability to tell a story about the fiscal health of an agency

But remember, the numbers never sleep.

Changes from Forecast Presentation in July



Reserves reset based on actual FY 2024 year-end results

Reduced beginning reserves assumption for FY 2025 by ~ \$3.2 million



Gambling tax revenues reduced

Clarity regarding closure of local casino/card rooms
Loss of \$1 million in annual revenues



Average annual fiscal gap grows to \$4.2 million through FY 2030

Gambling tax reduction is primary cause

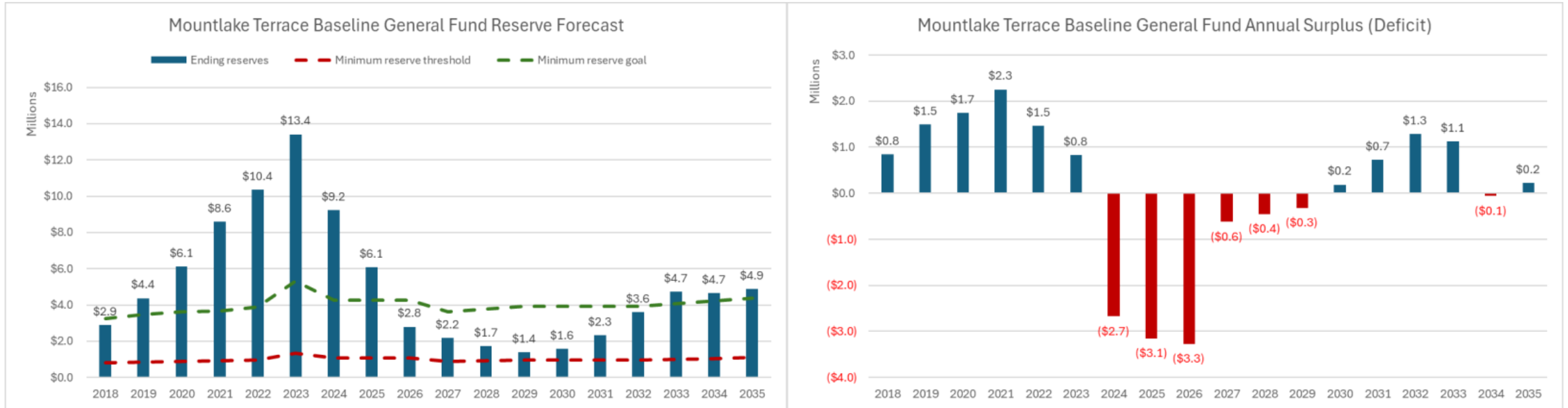


Reserves projected to fall below minimums by FY 2026-2027

Reserves fall below minimum reserve goal of 20% of annual operating expenditures by 2026

Reserves fall below minimum reserve policy of 5% by 2027

Addressing the Fiscal Gap



- Budget strategies (expenditure reductions and/or revenue enhancements) are required to address the fiscal gap and restore reserves at or above the minimum reserve goal by FY 2033
- **FY 2027 – \$4 million in new ongoing strategies** (Equivalent to 17% of total operating costs by FY 2030)
- **FY 2030 – Additional \$2.3 million in new ongoing strategies phased in over 3 years** (Equivalent to 10% of total operating costs in FY 2032)

Long-Range Forecast: So What? Now What?



The City's financial future will require community partnership in terms of service reductions and/or revenue enhancements if cost efficiencies are not achieved



Budget strategies may need to be introduced and implemented in FY 2026 to address the fiscal gap to preserve General Fund reserves



The Fiscal Sustainability Taskforce deliberations on potential budget strategies will be important to inform City Council and Staff in how to address the gap

Fiscal Sustainability Plan Report

Fiscal Sustainability Report from Baker Tilly

- Provides a **clear long-range financial forecast** for Mountlake Terrace
- Benchmarks the City against **peer communities** for context
- Outlines the **structural challenges** driving the budget gap
- Presents a framework for **fiscal sustainability planning**
- Offers **categories of budget strategies** to guide discussion
- Identifies **22 budget strategies** for consideration (without limiting the FST's imagination!)
- Provides sample **budget package scenarios**

Purpose: Support informed decisions about Mountlake Terrace's financial future



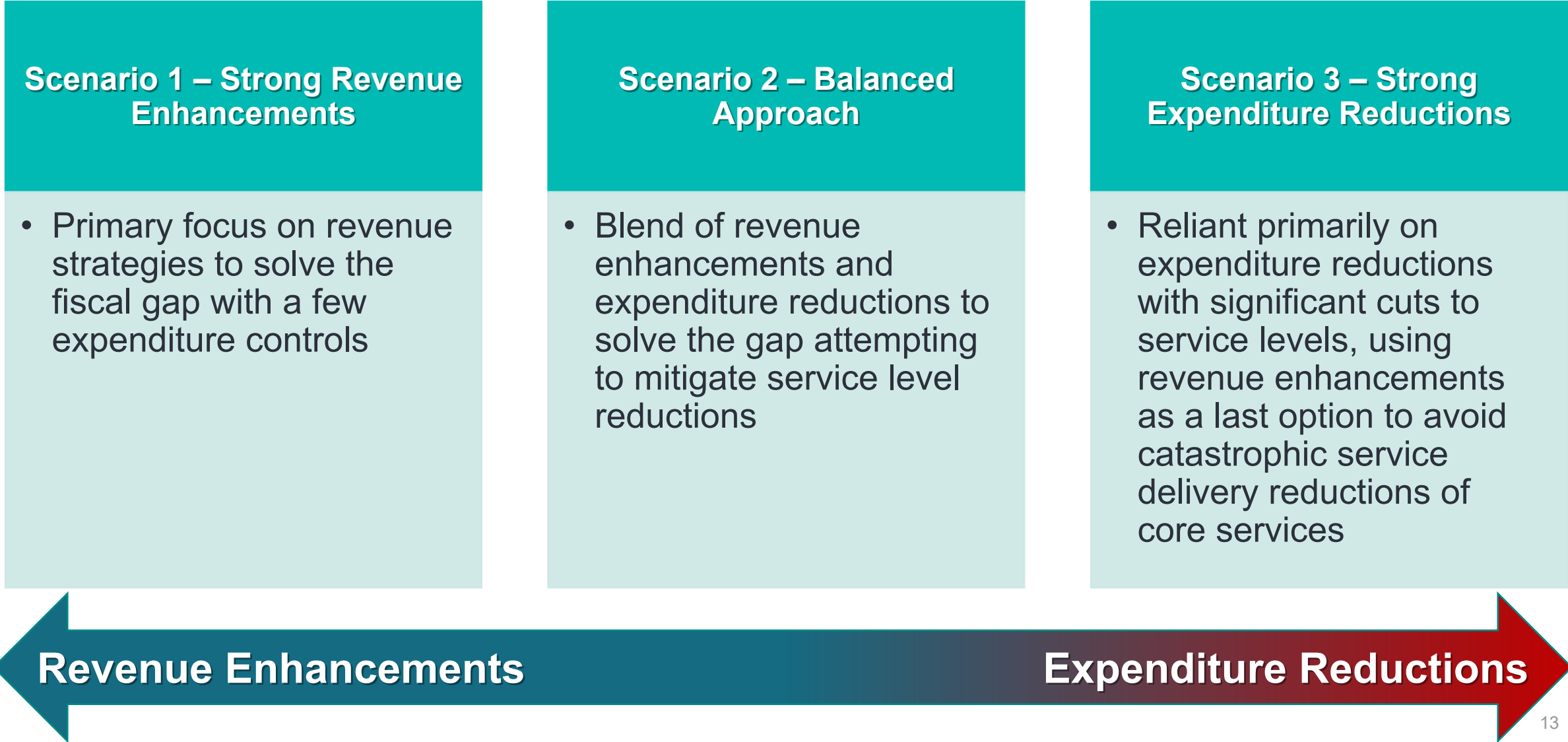
Budget Strategy Samples

Detailed analysis of 22 separate strategies (plus an additional 8 strategies whose implementation or fiscal impact were not as promising)

Revenue enhancements	Expenditure controls and cost shifts	Service delivery alternatives	Service level reductions
• Property tax banked capacity • Utility taxes • Transportation Benefit District fees/sales taxes • Cost recovery for fees and charges	• Cost allocation plan • Budgetary underspending categories • Restructuring assignments within departments • Refining and reducing recurring costs	• Contracting select services • Exploring regional/shared service models • Metropolitan Park District options	• Reducing General Fund departmental costs and services (e.g., 8-10%) • Eliminating city sponsorship of events • Reducing subsidies for recreation services

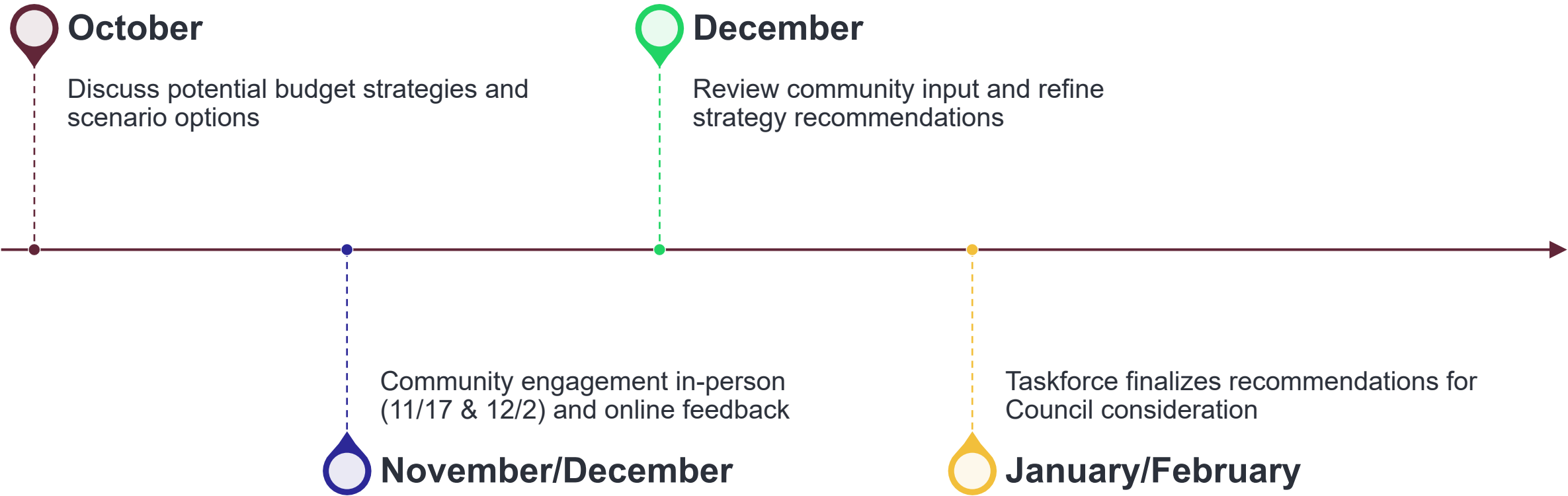


Sample – Budget Strategy Scenario Packages



FST's and Council's Work Ahead

FST's Work Ahead



Council's Role

Review report	Review FSP Report in advance of FST's recommendations
Receive FST recommendations	Receive Taskforce recommendations in early 2026
Select and finalize	Make final policy decisions on which strategies to adopt and implement
Approve implementation	Review and adopt staff's implementation action plan based on strategies selected

Closing Thoughts



Fiscal sustainability is about preserving services for the community long-term



Taskforce and community input will help inform options to pave the way



Staff's recommendations and Council's leadership will shape the path forward

Questions?

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MOUNTLAKE TERRACE CITY COUNCIL
MEETING AGENDA

October 16, 2025
7:00 p.m.

Mountlake Terrace City Hall; and
via Telephone or Teleconference

1. Call to Order – Flag Salute – Roll Call
2. Late Changes to Agenda
3. General Public Comment (*see Public Comment and Public Hearing Testimony Protocol on page 2*)
4. Consent Agenda
 - a. Payment of Claims
 - b. Meeting Minutes
5. Review, Public Hearing, and Vote on Ordinances Adopting Property Annexation and Zoning Designation for 24229 48th Ave
6. Review Interlocal Agreement with Snohomish County Emergency management for Member Funding
7. Review Draft Personnel Policies
8. City Manager’s Report
9. Council Liaison Reports
10. New Business
11. Adjournment

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Public Comment and Public Hearing Testimony Protocol

Public comments and public hearing testimony are permitted at meetings remotely, in-person, and in writing. All remarks shall be made to the Council as a body and not to any individual member.

General public comments to council are heard toward the beginning of regular meetings and work sessions. Public comments to council on specific agenda items and public hearing testimony will be called for at regular meetings when council discusses that agenda item.

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. Any person who is engaging in conduct that disturbs, disrupts, or impedes the business of the council or whose comments have been ruled out of order by the presiding officer, shall immediately cease and refrain from further improper comments or inappropriate conduct. All hate speech will be construed as threatening remarks.

To make a public comment/give public hearing testimony **remotely** (via Zoom or telephone), complete the [Remote Public Comment Request Form](#) (link on City Council Agendas and Minutes web page) at least 24 hours before the meeting. You will then be contacted via email to confirm your participation. Your reply to the confirmation email must be received by 4 p.m. on the day of meeting to be acknowledged that same evening. If you're using Zoom during the meeting, use the hand raise tool to be recognized to speak or press *9 if using a telephone. Speakers shall limit their presentations to five minutes.

To make a public comment/give public hearing testimony at a meeting **in-person**, please sign up at the meeting (no 24-hour notice required).

To submit a **written** public comment/public hearing testimony email remarks to cityhall@mltwa.gov or mail to/drop off at City Hall (23204 58th Avenue W., Mountlake Terrace, WA 98043) no later than 4 p.m. on the meeting/public hearing date.