



LAKWOOD CITY COUNCIL STUDY SESSION AGENDA

Monday, April 14, 2014

7:00 P.M.

City of Lakewood
City Council Chambers
6000 Main Street SW
Lakewood, WA 98499

Page No.

CALL TO ORDER

ITEMS FOR DISCUSSION:

- (4) 1. Review of the Community Visioning Plan and process. - (Memorandum)
- (18) 2. Review of a proposed Home Investment Partnership Act (HOME) loan agreement with Claude Remy relative to the Gravelly Lake Townhomes project at 8919 Gravelly Lake Drive SW. - (Memorandum)
- (41) 3. Presentation of the 2013 Year End Finance Report. - (Memorandum)
- (82) 4. Review of the 2014 budget amendments. - (Memorandum)

BRIEFING BY THE CITY MANAGER

ITEMS TENTATIVELY SCHEDULED FOR THE APRIL 21, 2014 REGULAR CITY COUNCIL MEETING:

1. Item Nos. 1 and 2 above.
2. Proclamation declaring May 5 - 11, 2014 as Teachers Appreciation Week. - *Ms. Myra Johnson, President, Clover Park Education Association*
3. Proclamation declaring April 26, 2014 as Parks Appreciation Day. – *Mr. Jason Gerwen, Chair, Parks and Recreation Advisory Board*
4. Business Show Case of Davinci Salon and Spa. – *Ms. Sunny Galaviz, Owner*

The City Council Chambers is accessible to persons with disabilities. Equipment is available for the hearing impaired. Persons requesting special accommodations or language interpreters should contact the City Clerk's Office, 589-2489, as soon as possible in advance of the Council meeting so that an attempt to provide the special accommodations can be made.

<http://www.cityoflakewood.us>

The Council Chambers will be closed 15 minutes after adjournment of the meeting.

5. Setting Monday, May 19, 2014, at approximately 7:00 p.m., as the date for a public hearing by the City Council on the proposed amendment to the Lakewood Municipal Code relative to the Tax Incentive Urban Use Center. – (Resolution – Consent Agenda)
6. This is the date set for a public hearing by the City Council on the Fiscal Year 2014 Consolidated Annual Action Plan and amendments to the Fiscal Years 2009, 2012 and 2013 Annual Action Plans and proposed use of funds for the Community Development Block Grant and HOME Investment Partnership Act.
7. This is the date set for a public hearing by the City Council on the proposed 2013-2014 biennial budget amendments.
8. Waiving competitive bidding requirements for the purchase of specific traffic signal equipment. – (Resolution – Regular Agenda)

CITY COUNCIL COMMENTS

ADJOURNMENT

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LAKWOOD CITY HALL
 6000 Main Street SW, Lakewood, WA 98499-5027
 (253) 589-2489

MEETING SCHEDULE
April 14, 2014 – April 18, 2014

Date	Time	Meeting	Location
April 14	7:00 P.M.	City Council Study Session	Lakewood City Hall Council Chambers
April 15	7:00 P.M.	Northeast Neighborhood Association	Lakewood Fire Station 10928 Pacific Highway SW
April 16	No Meetings Scheduled		
April 17	7:30 A.M.	Lakewood's Promise Advisory Board	Lakewood City Hall 3rd Floor, Conference Room 3A
	4:00 P.M.	Human Services Funding Advisory Board	Lakewood City Hall 3 rd Floor, Conference Room 3A
April 18	No Meetings Scheduled		

TENTATIVE MEETING SCHEDULE
April 21, 2014 – April 25, 2014

Date	Time	Meeting	Location
April 21	6:00 P.M.	Youth Council	Clover Park School District Student Services Center, Room 18
	7:00 P.M.	City Council	Lakewood City Hall Council Chambers
April 22	5:30 P.M.	Citizens Transportation Advisory Committee	Lakewood City Hall 1 st Floor, Conference Room 1E
April 23	No Meetings Scheduled		
April 24	No Meetings Scheduled		
April 25	No Meetings Scheduled		

NOTE: The City Clerk's Office has made every effort to ensure the accuracy of this information. Please confirm any meeting with the sponsoring City department or entity.



To: Mayor and City Councilmembers

From: Dave Bugher, Community Development Director

Through: John J. Caulfield, City Manager 

Date: April 14, 2014

Subject: Selection of Consultant to Provide Services for Visioning Process

In conjunction with the 2014 Comprehensive Plan Update, the Community Development Department is proposing to conduct a community visioning program to solicit input from the citizens regarding policy direction of the city. A request for proposals was issued in January 2014, and the City received proposals from nine firms. The City interviewed three firms and selected Tindale-Oliver Associates as the firm best suited to meet the City's needs. The firm will work in conjunction with Fregonese Associates to communicate with existing community groups, hold public visioning meetings, and solicit community input through other communication channels.

The proposed approach to the project includes creation of a Vision Committee comprised of key city staff and stakeholders from community groups and the business community in Lakewood. The Vision Committee is intended to serve a sounding board to discuss public engagement strategies, provide input on the project process, and to review technical materials related to development of the visioning plan.

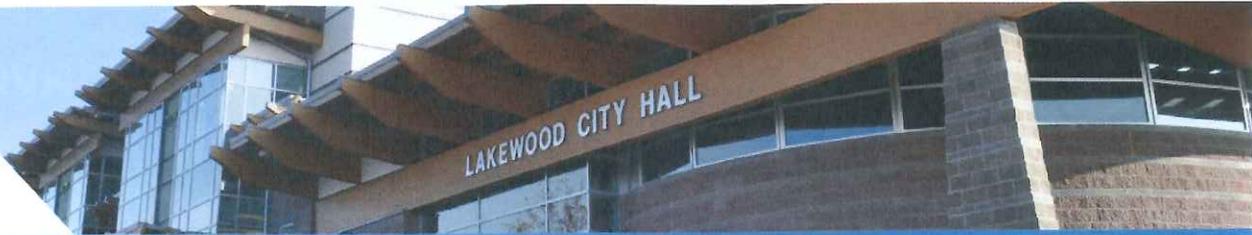
The consultant has also proposed to interview ten select stakeholders representing a variety of perspectives to help identify important topics for the community. The TOA team is also proposing to prepare a web-based community survey with a concise set of questions to help identify issues and opportunities that the vision process should address.

The consultant is also proposing to meet with existing community groups such as homeowners associations, service clubs and other groups, to distribute information about the visioning process and to collect information at the meetings.

The community outreach portion of the visioning process will be focused during a one-week period to be known as “Vision Week”. This period would include a mobile community tour with the staff, the visioning committee, and the consultant. Vision Week would also include a plenary Community Visioning Workshop led by Fregonese Associates.

Following the completion of the Community Tour and Community Visioning Workshop, the consultant team is proposing to present their preliminary findings at a workshop with the City Council. The Council workshop would be held at the end of or shortly following Vision Week.

After completion of the Vision Week activities, the consultant will develop a draft Community Vision document. The Community Vision document will include a Vision Statement with associated goals, and then a Strategic Action Plan addressing specific topics over 5, 10, and 20 year time horizons. The Community Vision document will include milestones and performance measures to track progress in reaching identified goals. A draft Vision Plan is scheduled to be delivered in early November 2014, with final adoption by the Council scheduled for the end of 2014.



CITY OF LAKEWOOD COMMUNITY VISION PLAN

MARCH 26, 2014

Your Vision...

- Build on the past accomplishments of the Lakewood Community
- Evaluate priorities of the community - What's relevant now?
- Vision and Action Plan that will identify performance measures
- Plan will serve as a framework for your comprehensive plan update

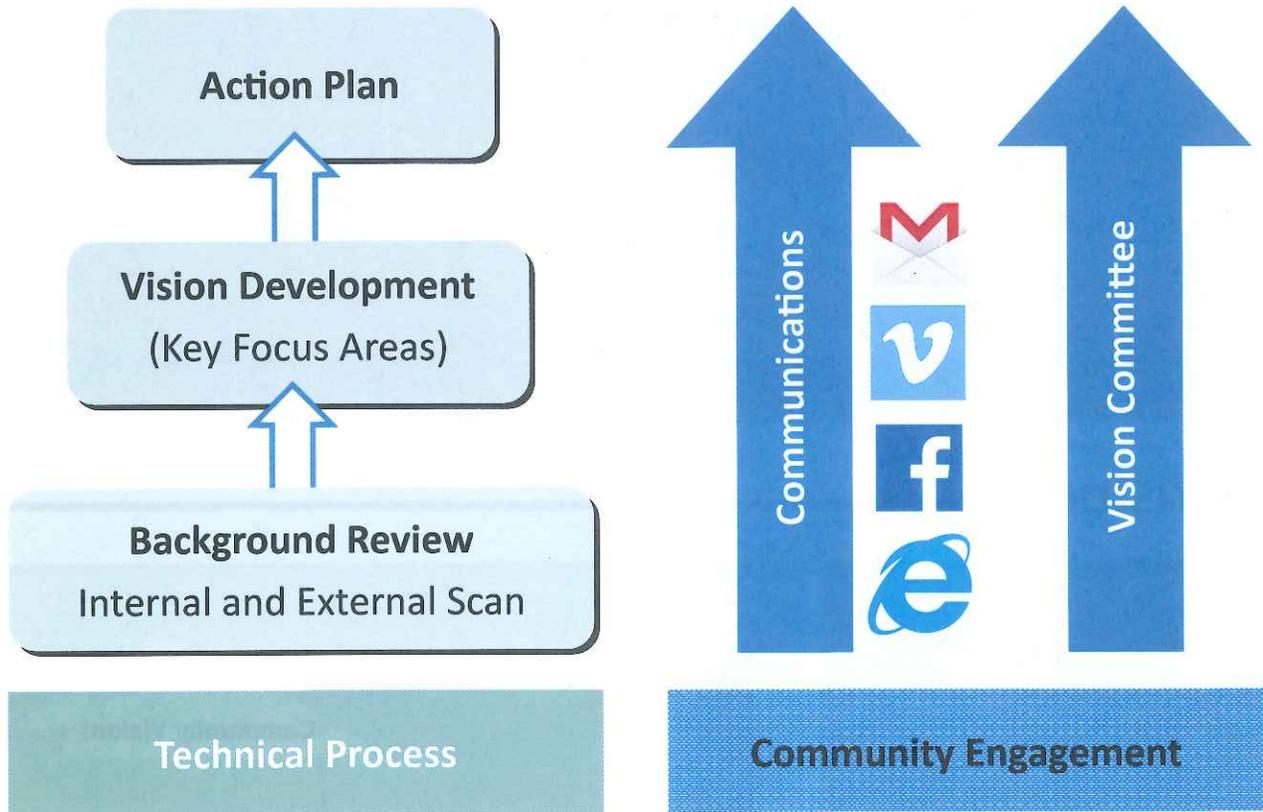


A vision is not a forecast or plan, but a strategy to preserve and pursue best options.

...Your Team!



- Guide the process
- Provide expertise and leverage experience
- Engage the community
- Pull together an implementable and action-driven plan



- 1**
- Grassroots Meetings
 - Community Survey
 - Stakeholder Interviews

- 2**
- Vision Week!**
- Community Tour
 - Visioning Workshop
 - City Council Workshop

- 3**
- Unveiling of Plan
 - City Council Workshop

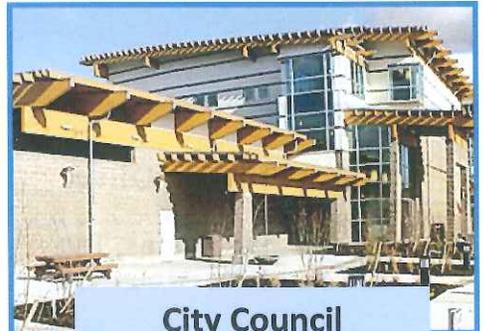
Vision Week!



Community Tour



Community Visioning Workshop

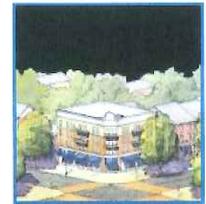
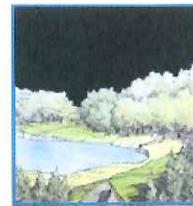


City Council Workshop

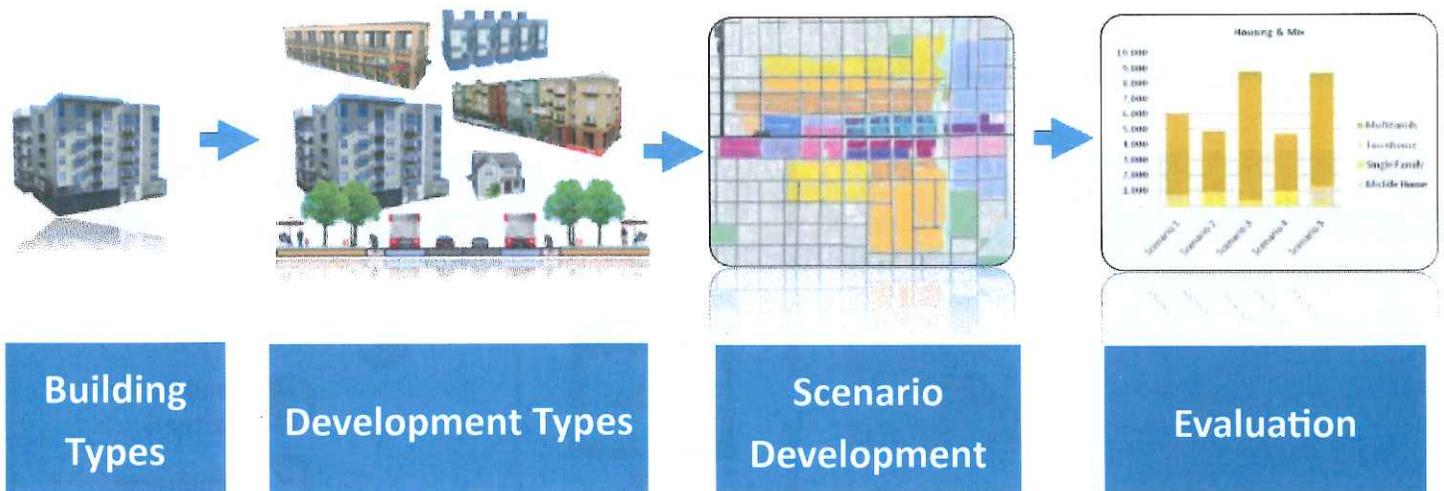
Scenario Planning Principles

- 1 Identify key driving forces
- 2 Define unpredictability and degree of control over driving forces
- 3 Build scenarios that explore range of realistic outcomes
- 4 Understand effects of driving forces
- 5 Develop a vision and strategies that optimize outcomes

What are plausible stories about the future?



The Scenario Building Process



- Provides a glimpse of impacts of policies, development decisions, and current growth trajectories
- Scenario comparisons measure indicators relating to land use, housing, demographics, economic growth, development feasibility, fiscal impacts, transportation, environmental factors, and quality of life



EVALUATION CRITERIA & THE FINAL PRODUCT

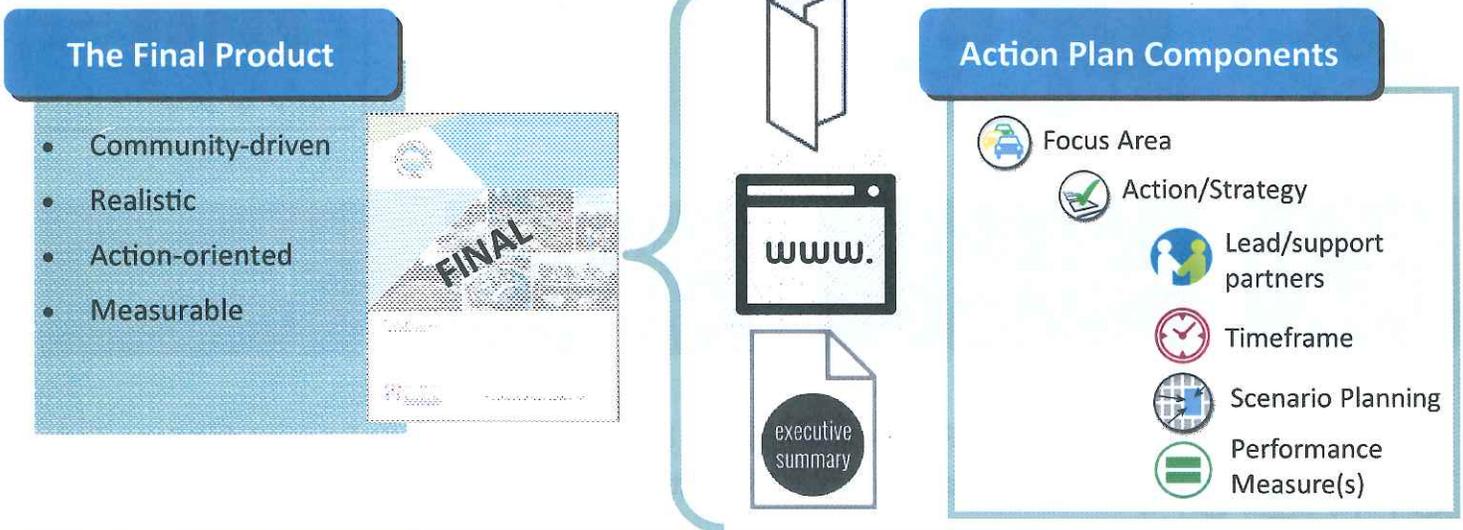
Evaluation Criteria & Performance Measures



Evaluation Criteria → Performance Measures



The Final Product



Introduction

Since its incorporation in 1996, the City of Lakewood has been working to create a sense of place for its citizens and a plan for the future that clearly defines its unique character and relationship to the larger Seattle-Tacoma region. The City first defined its vision in advance of its initial comprehensive plan, which was adopted in 2000. This plan included goals and policies covering a number of topic areas concerning land use, design and community character, economic development, transportation, utilities, public services, and capital facilities and improvements. The goals and policies of the comprehensive plan were built upon guiding principles developed during the City's initial visioning process. These guiding principles include:

- People are Lakewood's most vital asset.
- A sense of place helps define the city.
- Lakewood must be a safe community.
- Variety in the built environment helps sustain Lakewood.
- Connectivity and movement are essential.
- Lakewood's urban ecology is important.
- New development must contribute.
- The City must contribute.

As the City and community look forward, it is important to assess the successes and challenges of the existing vision and determine what adjustments should be made in advance of the next comprehensive plan update. To accomplish this, the TOA Team has prepared the following project approach to update the Lakewood Community Vision Plan.

Project Approach

Task 1.0 Environmental Scan/Background Review

In preparing a vision, it is imperative to understand the community's capacity to implement its goals while respecting its identity and character. This task will enable the TOA Team to better understand the City of Lakewood and work closely with community members to establish the vision. The environmental scan and background review will include an internal and external analysis of existing data sources related to demographics, socio-economic characteristics, land use trends, community assets and future needs, resources, and environmental conditions within the city.

Task 1.1 Vision Committee Meeting

To engage the greatest cross-section of the community in a cost-effective manner, we propose creating a Vision Committee comprising key staff/departmental representatives from the City of Lakewood. If the City desires, stakeholders from select community organizations and the business community also can be involved to serve as advisors during the planning and visioning process. The benefit to including outside stakeholders is that these members will be kept informed about the visioning process and can actively encourage their various constituents to become engaged. The Vision Committee is intended to serve as a sounding board to discuss public engagement

Approach

strategies, provide input on the project process, and review technical analysis related to the development of the Plan.

The purpose of this initial Vision Committee meeting is to “kick off” the project and discuss project goals and approach and to identify and discuss known community resources, strengths, opportunities, and challenges.

Task 1.2 – Existing Conditions Analysis and Documentation (Internal and External Scan)

The existing conditions analysis will include a review of the essential elements that shape the community of Lakewood, including demographic and socioeconomic trends, community assets and resources, existing policies, and existing and planned public resources and services. This task will build upon past planning efforts by the City and others—such as Pierce County, Washington Department of Transportation (WSDOT), Pierce Transit, Puget Sound Regional Council, and Joint Base Lewis-McChord, and other local organizations/agencies—by reviewing applicable planning and policy documents. Examples of plans to be reviewed include the City’s comprehensive plan, zoning and land development code, and other appropriate local/regional studies or master plans. The results of this analysis will be summarized in a technical memorandum that will document the community profile and identify available resources, strengths, opportunities, and challenges for Lakewood.

Task 2.0 Public Involvement/Facilitation

Following the completion of Task 1, a series of public involvement activities will be conducted to form the community vision, goals, and priorities. From our experience with similar projects, the TOA Team understands the integral role that public engagement should play in developing Lakewood’s vision. We have prepared this approach to appeal to a broad cross-section of the community by including a combination of small group meetings, citywide public workshops, and use of web-based tools.

Task 2.1 Key Stakeholder Interviews

The City of Lakewood staff will identify a list of 10 stakeholders who will be interviewed by the TOA Team. These stakeholders will represent a variety of perspectives and may include elected officials, business owners, leaders of civic organizations, and others who will provide unique insight on the City and its future direction.

Task 2.2 Visioning Process Information Sheet

A one-page information sheet detailing the visioning process and ways to become involved will be prepared. This information sheet will be distributed at the neighborhood/community organization meetings attended by the TOA Team and also provided to the City in electronic format for placement on the City’s website or to be sent out by the City via email.

Task 2.3 Web-based Survey

The TOA Team will prepare a web-based community survey for the City to include as a link on its website. The survey will be active for a finite period of time ahead of the “Vision Week” activities discussed in Task 2.5. The survey will contain a succinct list of questions for the public to answer to help identify issues and opportunities that the vision should address. The TOA Team will also provide the web survey link in a format that the City can post on its Facebook and Twitter accounts to gather input from social media users.

The quantitative and qualitative results of the survey will be summarized and insights gathered will be used to help formulate the approach and materials for the visioning workshop discussed in Task 2.5.2.

Task 2.4 Neighborhood/Community Organization Meetings

To share information about the visioning process and gather input from local neighborhood organizations, a TOA Team member will attend up to 10 neighborhood/community organization meetings. At each meeting, the TOA Team member will be prepared to make a brief presentation about the visioning process and seek input. Under this task, TOA will contact identified groups and ask to be placed on the upcoming agenda for their previously-scheduled meeting to target an existing audience-base. We have found this “piggybacking” approach is very effective in reaching a considerable number of people to spread the word about the project at a grassroots level. To be most effective, the majority of these meetings would occur earlier on in the project to inform the community about the visioning process and ways they can provide input. Input received from these meetings will also be used to help form the approach for the visioning workshop.



Hollywood/Pines Corridor Project

Project Overview
The Hollywood Pines Corridor Project is the Emerald MPD's Inaugural Complete Management Process/Accessibility Planning Project. This process of combining traditional congestion management approaches with livability planning focuses on enhancing the quality of life and improving safety and mobility through short- and long-term strategies and improvements for land use, transit, biking, walking.

Project Objectives

- Encourage sustainable growth patterns
- Complement land use and congestion management
- Improve transit operations and transit-supportive land uses
- Reduce congestion and increase safety
- Develop mobility hubs along corridor
- Recommend improvements to prepare the corridor for premium

Project Study Area

Map showing the corridor from Highway 27 to Highway 422, with various development nodes and photos illustrating concepts like transit hubs, parks, and commercial areas.

Neighborhood/community meetings were conducted by TOA during the Hollywood Pines Corridor Project. Easy-to-understand materials, such as the board to the right, were provided to illustrate project concepts.

Task 2.5 Vision Week Public Involvement

To maximize budget efficiency and build excitement around the community vision process, a series of focused public meetings will be held during a one-week period known as “Vision Week.” Vision Week will provide a number of different ways that the community can get involved within the visioning process. Some of these are described below.

Task 2.5.1 Community Tour

To kick-off “Vision Week,” the TOA Team, City staff, and the Vision Committee will participate in a community-wide tour to gain a better understanding of the physical, social, and economic context of the city. The tour logistics (including transportation) will be primarily organized by City staff, with input from the TOA Team. The City is encouraged to arrange for a few short meetings with community stakeholders (15-20 minutes) at key stops during the tour. In addition, stops will be made to allow for the TOA Team to collect photographic

Approach

documentation of existing conditions. When possible, residents and business owners will be engaged by tour participants to discuss the existing conditions and to gain insight for inclusion in the visioning process. It is anticipated that the tour will take approximately four hours.

Task 2.5.2 Community Visioning Workshop

The Community Visioning Workshop, led by national visioning experts Fregonese Associates, will be open to the entire Lakewood community and offer a number of interactive activities and opportunities to provide input into the visioning process and to help develop consensus of the community vision elements. The activities will include informational presentations, interactive polling, map exercises, and other techniques to provide everyone the opportunity to share. The workshop will be held in a centralized location that is accessible by public transportation. Following the visioning workshop, the results will be summarized and posted by the City for distribution to the general public.



The TOA Team uses a variety of activities to engage the public during a community visioning workshop, including a brief introductory presentation with interactive polling questions, open-house style informational boards, and break-out group activities.

Task 2.5.3 City Council Workshop

Following the completion of the Community Tour and Community Visioning Workshop, the TOA Team will present its preliminary findings to a workshop with the City Council. This workshop will allow the Council to share input into the process and ask questions about the remaining project steps. The TOA Team will coordinate the project schedule to include the City Council workshop at the end of or shortly following Vision Week.

Task 3.0 Community Vision Plan

Once the public engagement process described in Task 2 is complete, the TOA Team will develop a draft Community Vision based on the results of the process along with the analysis conducted during the Environmental Scan/Background Review (Task 1.0). The sub-tasks described below will develop the Community Vision and Goals and subsequent Action Plan and associated Performance Measures that will be used to track community progress.

Task 3.1 Vision and Goals Development

Following the completion of Vision Week activities, the TOA Team will formulate a draft Community Vision and associated goals. The draft Community Vision will be shared with the Vision Committee for their review/comment. The refined Community Vision and goals will then serve as the guiding framework to develop implementation milestones and performance measures that will be used to track community progress in achieving the vision.

Task 3.2 Action Plan and Performance Measures

Once the Community Vision and Goals are identified, the TOA Team will begin the process of developing a series of milestones and performance measures to track the progress of implementing the vision. Since the Community Vision and associated goals will not be known until the completion of the public involvement process, it is not feasible at this time to define the specific milestones and performance measures that could be recommended. However, as articulated in the RFP, the Community Vision will address a variety of issues over the 5-, 10-, and 20-year time horizon. These issues will touch on a number of topic areas including infrastructure costs, community engagement, development type, and fiscal sustainability, for example. The TOA Team will identify milestones and craft specific performance measures to address community progress on the issues that emerge most clearly in the visioning process. Some potential performance measures could potentially included the following:

- **Changes in Development Type and Taxable Value** – Using property assessor data, permitting data, and other sources, development activity and resulting changes in taxable value of properties could be used as a performance measure for tracking the success of redevelopment strategies within a given area of the city.
- **Success of Community Engagement Strategies** – The RFP language indicates that the City of Lakewood desires to increase the engagement of individual community members and organizations in the planning process and outcomes within the community. Performance measures that relate to the quality and quantity of community engagement activities can be considered. Potential measures include number of public meetings, number of meeting participants, and geographical areas from which those participants come.
- **Increasing Efficiencies in Infrastructure Provision** – If the Community Vision sets the goal of increasing efficient use of existing infrastructure, performance measures could be developed that track changes in infrastructure capacity over time and how that may relate to or influence changes in the development pattern consistent with the Community Vision.

These are only a few examples of the way in which performance measures can be developed and used to track the progress of implementing Lakewood’s Community Vision. Ultimately, the specific milestones and performance measures developed will be designed based on the Community Vision that emerges, available data and resources, and the capacity within the City to maintain and update the data over time.

Task 3.3 Vision Presentation

Once the Community Vision, Action Plan, and Performance Measures have been developed, a public meeting will be held to unveil the Plan elements to the public. The Community Vision Action Plan and Performance Measures will be refined based on comments and input received during the meeting and prior to being documented in the draft Plan.

Task 3.4 Vision Documentation and Vision Committee Meeting

The results of the visioning process will be documented in a draft Community Vision and Action Plan. In addition to documenting the project process (i.e., Environmental Scan, public involvement input, and development of the Vision and Goals), this report will identify next steps such as policy/planning initiatives, public engagement activities, and community investments that should be undertaken to begin the implementation process. An Executive Summary will be prepared to highlight key findings of the Community Vision and Action Plan and to help the City “promote” the vision by making available printed or electronic copies of this document.

Approach

A second Vision Committee meeting will be held to review the draft Plan. Input received from the Vision Committee will be incorporated into a draft final Plan.

Task 3.5 City Council Adoption and Final Plan

Following the completion of the draft final Community Vision and Action Plan and Executive Summary, the TOA Team will present the findings to the City Council for their review/approval. Comments received from the City staff, City Council, or others, as appropriate, will be incorporated into the final Plan.

Optional Public Engagement Activities

The TOA Team has provided our proposed public involvement approach based on our understanding of the project goals, community demographics, and available budget. However, the TOA Team has experience in many other public outreach activities, including project websites, statically-valid community surveys, public opinion polls, focus groups, newsletters, interactive project websites, and telephone/itown hall meetings. If the City desires, the TOA Team can discuss how these activities could play a role in the Community Vision Plan and discuss the most effective use of City resources to gather input. At this time, only the activities documented in the approach above are included in the proposed project budget.

Demonstrated Schedule and Cost Adherence

Through its historical performance with clients throughout the U.S., TOA has a proven track record of on-time performance. We will work with the City of Lakewood Project Manager to cooperatively develop a project schedule that clearly documents the overall project timeline, completion dates for major project milestones, and the roles and responsibilities of both the TOA Team and the City of Lakewood in ensuring that these deadlines are met.

In addition to the elements of the approach that contribute to on-time performance, the most important reason for meeting a project schedule is the TOA Team's commitment to doing whatever it takes to get the job done, not only on time but in a manner that results in high-quality deliverables. We have consistently demonstrated our ability to meet project milestones, often overcoming external schedule delays that are out of our control. We encourage you to contact any of our references regarding our ability to manage projects on time and regarding client satisfaction with our work and staff.

In addition to a track record of completing projects on time, TOA also has demonstrated an ability to manage projects within budget. Such a level of cost control results from several standard practices, including the development of detailed scopes and tasks with realistic timelines and budgets; regular project communication, both internally among the project team and externally with our clients; the use of good time-management practices; and the appropriate assignment of tasks to personnel based on level of expertise and experience.

Project Communication

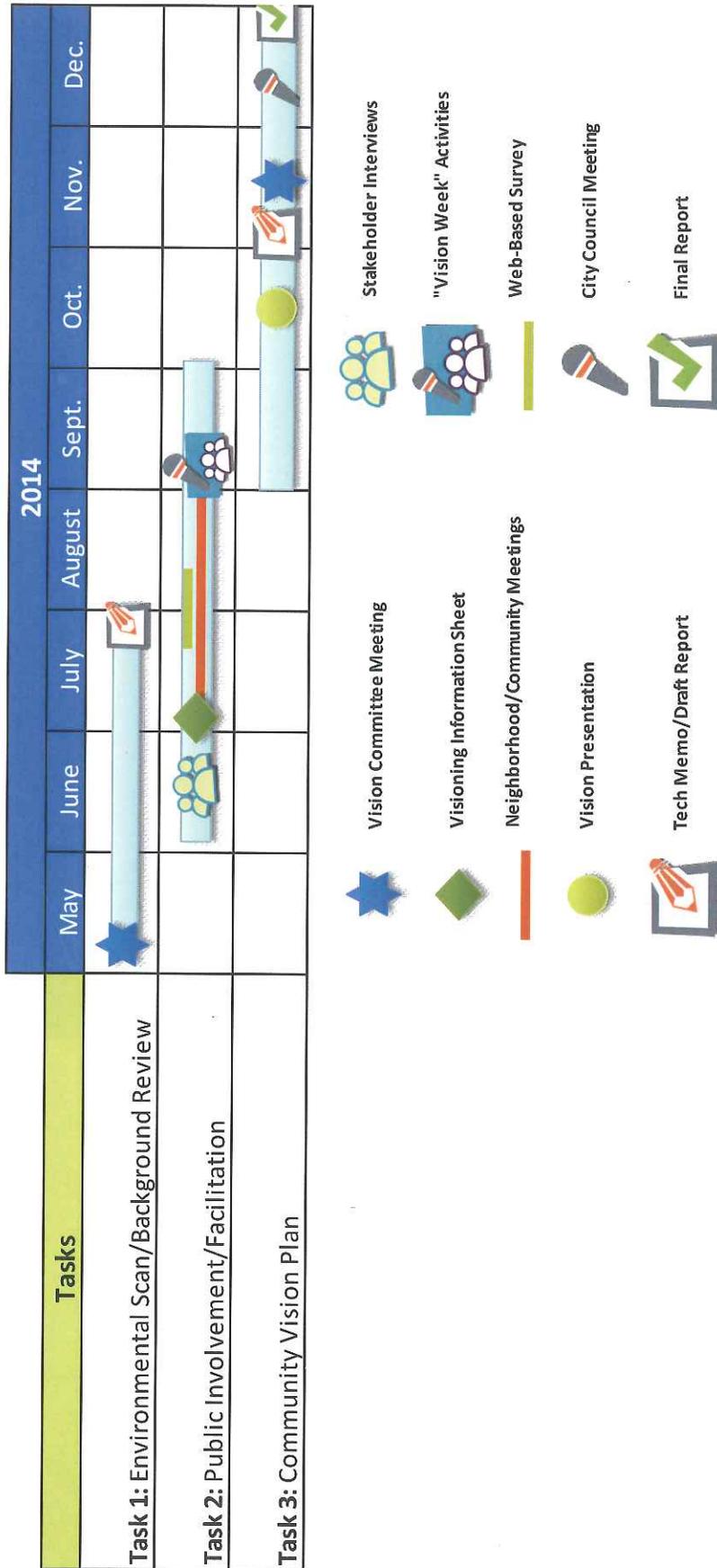
TOA believes that regular communication between the project team and client is essential for a successful project. The TOA Project Manager will be available to the City Project Manager via phone or email as needed.

Proposed Project Schedule

A proposed project schedule has been developed and is provided on the following page. This schedule identifies the overall project timeline by task, as well as the proposed timing of major project milestones that are identified in the project approach.

Lakewood Community Vision Plan

Proposed Project Schedule





TO: Mayor and City Councilmembers

FROM: Jeff Gumm, Program Manager

THROUGH: John J. Caulfield, City Manager *John J. Caulfield*

DATE: April 14, 2014 (Council Study Session)

SUBJECT: HUD HOME Program/ Gravelly Lake Townhomes, LLC - Phase 3 Project Application

The purpose of this memorandum is to provide the Council with information concerning application of commitment of \$316,920 in HOME Investment Partnership Act (HOME) funding for Phase 3 of the Gravelly Lake Townhomes project located at 8919 Gravelly Lake Dr. SW. Funding is being proposed as an interest bearing loan with payments amortized over 10 years.

General HOME Program Information: Each year, the City of Lakewood receives U.S. Department of Housing and Urban Development (HUD) funding through the HOME Investment Partnership Program (HOME). The primary objective of the HOME Program is to benefit low and moderate income individuals either through the creation of, or accessibility to, affordable housing.

Funding for this project would be provided through Lakewood's 2013 HOME Affordable Housing Fund allocation. The HOME Affordable Housing Fund was funded as part of Lakewood's FY 2013 Consolidated Annual Action Plan. The fund has a balance of \$353,309.37 in HOME funds available to be allocated to eligible projects.

General Project Information: Application was made by Mr. Claude Remy to acquire a single family residence located at 8919 Gravelly Lake Dr. SW (the "Project"), parcel #5130001840, to construct off street parking for permanent rental housing being constructed at 8911 Gravelly Lake Dr. SW. The Project includes acquisition and demolition of a single family residence and the construction of fourteen (14) parking spaces and fourteen (14) garage spaces. Two affordable, 3-bedroom housing units ("HOME rental units") are to be provided to meet HOME Program eligibility requirements pursuant to 24 CFR 92.205 and will carry rent restrictions and affordability requirements for a period of 20 years. Total project costs are \$412,701. The current zoning, Neighborhood Commercial 2 (NC2), is consistent with the intended use.

Application for Phase 3 would be partnered with two other project phases to complete a larger-scale, 52 unit townhome development located on 8911 Gravelly Lake Dr. SW.

Activities on this site consist of three distinct projects or phases- Phase 1, construction of 24 housing units; Phase 2, construction of 28 housing units, two of which are to be HOME units; and Phase 3, acquisition and construction of off street parking for phases 1 and 2 (HOME funding application). Phase 1 was completed in 2010 and is not being reviewed as part of this funding request. Phase 2 is a stand alone project and is not receiving any HOME funding; however, Phase 2 is being evaluated and underwritten to ensure there is sufficient cash flow to debt service the proposed City of Lakewood HOME loan. Phase 2 is also providing the required HOME rental units for eligibility purposes. Phase 3 includes the construction of 28 off street parking spaces and is slated to be completed in 2015. Phase 3 project costs include acquisition and related costs, architectural and engineering, permit fees, surveys, and other project related soft costs; no construction costs are being funded.

The HOME rental units will carry an affordability period of 20 years and will bill secured via deed of trust and covenant running with the land. Property maintenance standards (HUD Housing Quality Standards and International Existing Building Codes) will be enforced upon all common areas of the property and on all HOME units for the duration of the affordability period. Inspections of the property are to be conducted annually by City CDBG program staff.

For a detailed project review see HOME Project Specific Review as attached.

Use of Funds: Funding will be used to fund the following land acquisition costs, architectural and engineering, surveys and other project soft costs:

Development Costs	Budget
Acquisition and Closing Fees	\$182,520
Development Costs (appraisal, engineering, architect, legal, surveys, etc.)	\$57,350
Project Related Soft Costs (insurance, construction period interest/utilities permits, accounting, taxes, etc.)	\$77,050
Total Development Costs	\$316,920

Proposed Terms: Staff has proposed a 10-year, 3% interest loan with interest only payments in year 1; amortization will be on a 9-year schedule in years 2 – 10. Payments are to be made by borrower monthly with revenue generated from Phase 2 operations. For a complete amortization table of the proposed loan see HOME Project Specific Review as attached.

Council does have the authority to set the interest rate and terms of the loan for this project. To provide Council with additional options, staff has prepared loan terms sheets for a 4% and 5% loan. See Optional Interest Terms as included them in the loan document appendix.

Consistency with Approved 5-Year FY 2010-2014 Consolidated Plan for Housing and Community Development and FY 2013 Consolidated Annual Action Plan: The proposed use of funds is consistent with the 5-Yr Consolidated Plan and FY 2013 Consolidated Annual Action Plan as adopted by Council on May 3, 2010 and May 6, 2013, respectively. As part of the FY 2013 Annual Action Plan’s proposed use of funds, a HOME Affordable

Housing Fund allocation was set aside for the expansion of affordable housing opportunities through collaboration with partners and housing providers.

Staff is requesting concurrence with the proposal to authorize the City Manager to execute a HOME agreement in the amount of \$316,920, which funds will be used for the purpose of funding Gravelly Lake Townhomes, LLC to redevelop 8919 Gravelly Lake Dr. SW. Staff has recommended a 10-year, 3% interest loan, and is requesting Council to approve the terms of the loan or to make an alternative recommendation. Upon completion, redevelopment will consist of fourteen off street parking spaces and 14 garage spaces serving the 52-unit townhome development and will provide two, three-bedroom HOME units with an affordability period of 20 years.

Attachments/Appendix:

1. HOME Project Specific Review
2. Source & Uses
3. Phase 1 Operating Pro Forma
4. Phase 2 Operating Pro Forma
5. Residential Pro Forma
6. Harborstone 1st-2nd-3rd terms
7. Optional Interest Terms
8. Cash on Cash Return

ATTACHMENTS/APPENDIX

1. HOME Project Specific Review: Summarizes the proposed development project. This summary details project eligibility under HUD program requirements, lists the affordability period and rent restrictions, details property standards, provides financial underwriting guidelines, discusses collateral position, and details proposed loan terms and repayment structure.
2. Sources & Uses: Lists total project funding sources and corresponding uses of funds (by project phase).
3. Phase 1 Operating Pro Forma: Details total revenue and expenses, total debt service, and cash flow from operations for Phase 1 (24 units; completed in 2010). Phase 1 provided for informational purposes only to demonstrate total cash flow for entire project development. For federal qualification purposes, Phase 1 is not considered as a part of the “Project” as it was completed prior to application of federal funding for Phase 3.
4. Phase 2 Operating Pro Forma: Details total revenue and expenses, total debt service, and cash flow from operations for Phase 2 (28 units; to be completed in 2015). Phase 2 provided to document cash flow required to debt service HOME loan.
5. Residential Pro Forma: City projected analysis of income, expenses, debt service, and cash flow. Further establishes a project’s debt coverage ratio (DCR), loan schedule, fair market value (FMV), and combined loan to value (CLTV).

Debt coverage ratios are used to determine if a project has sufficient cash flow to debt service a proposed loan, and if said proposed loan is using a reasonable portion of cash flow available. Staff utilizes a 1.2 – 1.5 range for private sector housing development projects and 1.1 – 1.3 for typical nonprofit, low income housing developer projects.

Fair market value can be used to confirm an appraisal’s valuation. A property’s valuation can be determined by dividing a project’s net operating income by current market cap rate (cap rate is a number real estate appraisers use to determine value and is arrived at by reviewing comparable properties and dividing their net operating income by sales price. Example: $\$24,000/\$300,000 = 8\%$ cap rate). The cap rate for this project was determined to be 6.12% on March 4, 2014 by Ronald J. Hauswirth, Strickland, Heischman & Hoss, Inc.

Combined loan to value is used to determine if a project has reasonable or excessive levels of debt by combining existing debt with proposed debt and compares it to total project valuation. Typical housing projects combined loan to value should not exceed 80% combined loan to value.

6. Harborstone 1st-2nd-3rd terms: This spreadsheet shows the City projections used to determine future debt service payments for Phases 1 & 2. Multifamily rental housing projects typically have a construction period loan (1 year term) and a 7-10 year term

loan that takes out the construction loan once the project is placed in service. In order to determine project cash flow, annual debt service payments need to be projected over the project's affordability period (20 years). Staff estimated a 6.5% interest rate for the project's second loan term and 7% for the third.

7. Optional Interest Terms: Project pro formas and loan amortization schedules are projected for loans with 4% and 5% interest rates (term remains at 10 years).
8. Cash on Cash Return: Summarizes rate of return a project generates for the project owner. Cash on cash return is figured by dividing yearly cash flow by total equity investment. This spreadsheet allows return to be evaluated yearly and cumulatively over the life of the project.

HOME PROJECT-SPECIFIC REVIEW

PROJECT: GRAVELLY LAKE TOWNHOMES – PHASE 3	
APPLICANT: GRAVELLY LAKE TOWNHOMES, LLC – CLAUDE REMY	LOAN AMOUNT: \$316,920

PROJECT SUMMARY

Gravelly Lake Townhomes, LLC is proposing to acquire 8919 Gravelly Lake Dr. SW, parcel number 5130001840, to construct off street parking for permanent rental housing being constructed at 8911 Gravelly Lake Dr. SW (the "Project"). The Project includes acquisition and demolition of a single family residence and the construction of fourteen (14) parking spaces and fourteen (14) garage spaces. Two affordable housing units ("HOME rental units") are to be provided in order to meet eligible activity requirements pursuant to 24 CFR 92.205.

Activities on the site consist of three distinct projects or phases- Phase 1, construction of 24 housing units; Phase 2, construction of 28 housing units, two of which are to be HOME units; and Phase 3, acquisition and construction of off street parking for phases 1 and 2. Phase 1 was completed in 2010 and is not being reviewed as part of this funding request. Phase 2 is a stand alone project and is not receiving any HOME funding; however, this phase is being evaluated and underwritten to ensure there is sufficient cash flow to debt service the proposed City of Lakewood HOME loan. Phase 2 is also providing the required HOME rental units for eligibility purposes. Phase 3 (the Project) includes the construction of 28 off street parking spaces and is slated to be completed in 2015. Phase 3 project costs include acquisition and related costs, architectural and engineering, permit fees, surveys, and other project related soft costs; no construction costs are being funded. The current zoning, Neighborhood Commercial 2 (NC2), is consistent with the intended use.

By acquiring and demolishing the existing single family residence, the Project will likely improve the cohesiveness of the entire development. Removal of the single family residence will allow the construction of garages that will better blend into the project as a whole. If the property is not acquired as part of this project, the neighborhood will be left with a single family residence closely surrounded on three sides by the development.

Project Development:

Construction methods and finishes will be consistent with existing development at Phase 1. Garage units will be conventional wood framed, with beveled-panel siding and composition roofing. The site will receive asphalt paving for parking areas, on-site lighting and other fixtures, and landscaping improvements.

In addition to the construction of two HOME rental units, Phase 2 will be required to design and construct two units for persons with mobility impairments and one additional unit for persons with sensory impairments. Design standards for these units shall be in accordance with Section 504 at 24 Part 8.22(a). Note: HOME affordable rental units may or may not be Section 504 units; under no circumstance shall 504 units be required to be HOME affordable units.

HOME PROJECT-SPECIFIC REVIEW

PROJECT REVIEW

Criteria for review of project-specific HOME Affordable Housing Fund applications are in accordance with 24 CFR 91 and 92.

A. Community Development Objectives of the City

The proposed rental housing project will provide additional affordable housing opportunities to low and moderate income households and will meet the following Community Development Objectives of the City's 2010-2014 Consolidated Plan (pg. 111):

- Pursue long-range sustainable solutions, including development of improved coordination with and among housing providers, preservation of housing and public facilities' and reduction of barriers to affordable housing.

The project meets the following Anti-Poverty Strategies of the City's 2010-2014 Consolidated Plan (page 116) through:

- Reduction of barriers to affordable housing; and
- Development of new affordable housing.

B. HOME eligible activity under 24 CFR 92.205(a)

HOME funds will provide incentives to develop and support affordable rental housing. Specifically, Gravelly Lake Townhomes will be required to provide two units for affordable housing opportunities for low and moderate income persons. These units will have rental and income restrictions imposed for a period of 20 years ("Affordability Period").

Rent on the affordable units will be restricted so as not to exceed: 1) a rent that does not exceed 30 percent of the adjusted income of a household whose income equals 65% of the area median income, adjusted for unit size and tenant-paid utilities; or 2) the Section 8 Fair Market Rent, less tenant-paid utilities.

Household incomes in these units will also be restricted. Initially, all HOME units must be occupied by households at or below 60 percent of area median, with all subsequent renters being restricted to households that do not exceed 80 percent of area median income.

Documentation on rents and client eligibility will be collected and reviewed by the City as part of the compliance monitoring requirements of this loan. Minimum property and maintenance standards will be required of the HOME units, and all common areas of the development for the life of the Affordability Period.

C. Form of assistance under 24 CFR 92.205(b)

HOME funds shall be provided as a repayable interest-bearing loan.

D. Subsidy layering requirements under 24 CFR 92.250.

The project was reviewed in accordance with the HOME Final Rule as implemented on August 23, 2013. Per unit subsidy limits are in accordance with 221(d)(3) program limits.

HOME PROJECT-SPECIFIC REVIEW

E. Property Standards – 24 CFR 92.251

Upon completion of construction, the property must meet all applicable International Building Codes, State of Washington Disaster Mitigation Standards, state and local codes, and new construction program standards prior to occupancy. HOME affordable units and all common areas must be maintained for the life of the Affordability Period and comply with Housing Quality Standards (HQS) and International Existing Building Codes.

F. Affordability Period requirements – 24 CFR 92.252

The HOME affordable units will be required to comply with rent and income restrictions for a period of 20 years.

G. Financial Underwriting Guidelines:

1. Project management

The management of the development project will be undertaken by Gravelly Lake Townhomes, LLC. Gravelly Lake Townhomes is owned and operated by Claude Remy and Claire Spain-Remy. Their capacity is addressed below in item 7.

2. Proposed Costs

The total development budget for Phase 3 is estimated to be \$412,701. Costs include architectural and engineering, permit fees, surveys, and other project related soft costs, with a majority of the budget, 44%, to be expended at acquisition.

3. Project Funding

Lakewood HOME	\$316,920
<u>Gravelly Lake Townhomes, LLC</u>	<u>\$95,781</u>
Total sources:	\$412,701

4. Evidence of Site Control

Gravelly Lake Townhomes, LLC has executed a Purchase & Sale Agreement dated August 21, 2013.

5. Loan Structure (Term, Interest Rate, Origination Fee, other expenses)

The proposed loan will carry a 10-year term with interest-only payments in year 1; amortization on a 9-year schedule in years 2-10. Staff is proposing a fixed interest rate of 3%. Monthly payments shall be made by borrower from Phase 2 project operations. The initial interest period is being established to provide for initial rent up of the development. A loan fee of \$900 shall be paid to the City upon closing to cover costs associated with loan packaging, including title report fees, credit report fees, and recording fees.

6. Financial Feasibility

- a. Ability to Repay – Financial statements were reviewed for 2011, 2012, and 2013. The revenue stream the borrower will use for repayment is primarily derived from Phase 2. The 28 units are projected to generate an Effective Gross Rent (EGR) of \$457,986 at stabilization. Expenses of \$115,419 (\$4,122.10 per unit) were budgeted, resulting in a Net Operating

HOME PROJECT-SPECIFIC REVIEW

Income of \$342,567. Debt service in year one is projected at \$204,808 based on an interest only period from the City and Harborstone Bank loans. An interest reserve in the amount of \$196,000 has been established as part of Harborstone's construction loan to Gravelly Lake Townhomes.

- b. Collateral – the City will take a 1st lien position Deed of Trust and Assignment of Rents and Leases on the subject property (parcel # 5130001840) and a 3rd lien position Deed of Trust and Assignment of Rents and Leases on the entire project (Phase 1 and 2 – parcels # 5130001810, 5130001820, 5130001830, 5130001850, and 5130001860). The 3rd position lien will be behind two Harborstone liens- the first in the amount of \$3,574,846 on Phase 1; and the second in the amount of \$3,720,000 on Phase 2.

An appraisal of Phases 1 and 2 was conducted on March 21, 2014 by SH&H Valuation and Consulting with a resulting valuation of \$9,825,000. The proposed combined loan to value for the subject properties, including the City of Lakewood loan in the amount of \$316,920, would be \$7,611,766, or 77.5%, well within program guidelines of 80% loan to value. Note: This valuation does not include the subject property acquisition which has a current assessed valuation of \$120,400 (land \$39,300; improvements \$81,100).

7. Developer/Owner Capacity

Gravelly Lake Townhomes, LLC is owned and operated by Claude Remy and Claire Spain-Remy. Mr. Remy has a background in commercial real estate consulting and development, while Mrs. Spain-Remy is Senior Vice President of MultiCare Medical Associates. Mr. Remy acts as daily managing partner of Gravelly Lake Townhomes, LLC and will be the point of contact for this project. Mr. Remy has served as a member of the Tacoma Community Redevelopment Advisory Board and is familiar with the HOME funding rules and procedures. Recent developments by Mr. Remy include a 53-unit townhome community in Tacoma and a 24-unit townhome development in Lakewood (Phase 1), in addition to multiple smaller rental properties and single family residences owned and operated in excess of 10 years.

8. Developer/Owner Commitment

Gravelly Lake Townhomes, LLC has assembled the land required to complete both Phase 1 and 2. Phase 1, 24-units was completed in 2010 and is fully occupied and operational. Predevelopment capital investments have been made to move the Phase 2 sites to construction, including design and engineering, and permitting. Full financing for Phase 2 is in place and construction began in early 2014.

9. Project Monitoring

As funding is not being provided to fund construction, federal prevailing wage requirements are not triggered on this project. City staff will monitor construction progress to ensure the project is on target to meet the December 2014 completion date. Disbursements of HOME funds shall be provided in accordance with project schedules, with a majority of HOME funds being disbursed to acquire the property and reimburse predevelopment expenses. Once the development is complete, staff will monitor ongoing compliance and reporting requirements, including property maintenance, unit rents, and household income information to ensure HOME

HOME PROJECT-SPECIFIC REVIEW

rental units are maintained and remain affordable to low and moderate income households for the duration of the Affordability Period.

10. Project Readiness

The project is ready to proceed. All other funding sources have been fully committed. Construction on Phase 2 was started in early 2014 and is progressing. The project is ready to begin construction following closing on all financing by the end of May 2014.

11. Environmental Review

Review of the project requires a Part 58 National Environmental Policy Act (NEPA) review. Initial review of the project is nearly completed; no significant impact on the quality of the human environment is anticipated.

Conclusion and Recommendation:

The project meets both the HOME project eligibility requirements and the financial feasibility/underwriting guidelines of the HOME program. Based on this review and the proposed loan structure, it is recommended that the Gravelly Lake Townhomes Phase 3 project be approved for up to \$316,920 in HOME Affordable Housing funds subject to the following terms and conditions:

Loan structure:

- 10-year term with interest-only payments in year 1; amortization on a 9-year schedule in years 2-10;
- Interest rate fixed at closing at 3%;
- A loan fee of \$900 shall be paid to the City upon closing to cover costs associated with loan packaging, including title report fees, credit report fees, and recording fees.

Repayment:

- Repayment from borrower from Phase 2 operations.

Collateral:

- 1st lien position Deed of Trust and Assignment of Rents and Leases on the subject property and a 3rd lien position Deed of Trust and Assignment of Rents and Leases on the entire project (Phase 1 and 2) as recorded on title. The 3rd position lien will be behind two Harborstone liens- the first in the amount of \$3,574,846 on Phase 1; and the second in the amount of \$3,720,000 on Phase 2.

Recommended Conditions prior to Closing:

- Completion of environmental review and approval of City of Lakewood Request to Release Funds from HUD;
- Receipt of executed HOME Developer Agreement from borrower;
- Satisfaction of insurance requirements including Owner's General Liability, Builder's Risk, and Property;
- Receipt of an updated Lender's Title Policy in favor of the City of Lakewood and the Tacoma Community Redevelopment Authority for HOME funds;
- Receipt of updated documents (budgets, contracts, other documents) as requested by City.

HOME PROJECT-SPECIFIC REVIEW

Schedule for Repayment of Loan

In requesting approval of this HOME loan, staff is requesting a commitment for a 10-year term at 3% interest. Payments will be made by borrower on a monthly basis with revenue generated from Phase 2 operations. The Proposed Loan Amortization and Payment Table is below:

Proposed Loan Amortization and Payment

Yr	Balance	Interest	Principal	Total PMT
1	316,920	\$9,508	\$0	\$9,508
2	316,920	\$9,508	\$31,196	\$40,703
3	285,724	\$8,572	\$32,132	\$40,703
4	253,593	\$7,608	\$33,095	\$40,703
5	220,497	\$6,615	\$34,088	\$40,703
6	186,409	\$5,592	\$35,111	\$40,703
7	151,298	\$4,539	\$36,164	\$40,703
8	115,134	\$3,454	\$37,249	\$40,703
9	77,884	\$2,337	\$38,367	\$40,703
10	39,518	\$1,186	\$39,518	\$40,703

City of Lakewood Contact:

Jeff Gumm, Program Manager
City of Lakewood
6000 Main St. SW
Lakewood, WA 98499
Ph: (253) 983-7773

Sources & Uses

RESIDENTIAL SOURCES & USES - Phase 3 (Acquisition/Garages)

TOTAL DEVELOPMENT COSTS	412,701	100%
City of Lakewood - HOME	316,920	77%
Equity	95,781	23%
<hr/>		
TOTAL SOURCES (RESIDENTIAL):	412,701	

RESIDENTIAL SOURCES & USES - Phase 2 (28 units)

TOTAL DEVELOPMENT COSTS	4,607,863	100%
Harborstone Credit Union	3,720,000	81%
Equity	887,863	19%
<hr/>		
TOTAL SOURCES (RESIDENTIAL):	4,607,863	

TOTAL COMBINED SOURCES & USES - Phases 2 & 3

TOTAL DEVELOPMENT COSTS	5,020,564	100%
Harborstone Credit Union	3,720,000	74%
City of Lakewood - HOME	316,920	6%
Equity	983,644	20%
<hr/>		
TOTAL SOURCES (RESIDENTIAL):	5,020,564	

Residential Pro Forma

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Total Residential Income	482,090	496,553	511,449	526,793	542,597	558,874	575,641	592,910	610,697	629,018	647,889	667,325	687,345	707,965	729,204	751,081	773,613	796,821	820,726	845,348
3.00% escalation (Vacancy)	(24,105)	(24,828)	(25,572)	(26,340)	(27,130)	(27,944)	(28,782)	(29,645)	(30,535)	(31,451)	(32,394)	(33,366)	(34,367)	(35,398)	(36,460)	(37,554)	(38,681)	(39,841)	(41,036)	(42,267)
Effective Gross Income	457,986	471,725	485,877	500,453	515,467	530,931	546,859	563,264	580,162	597,567	615,494	633,959	652,978	672,567	692,744	713,526	734,932	756,980	779,690	803,080
Operating Expenses 5.00% escalation	115,419	121,172	127,214	133,557	140,217	147,210	154,553	162,264	170,359	178,860	187,785	197,157	206,997	217,330	228,179	239,570	251,531	264,090	277,277	291,124
Net Operating Income	342,567	350,553	358,663	366,896	375,250	383,720	392,305	401,001	409,803	418,707	427,709	436,802	445,980	455,237	464,565	473,956	483,401	492,890	502,412	511,957
Harborstone - temporary	195,300	246,636																		
Harborstone - 1st 7-yr term loan			245,496	245,496	245,496	245,496	245,496	245,496	245,496											
Harborstone - 2nd 7-yr term loan										247,708	247,708	247,708	247,708	247,708	247,708	247,708				
Harborstone - 3rd 7-yr term loan																	209,183	209,183	209,183	209,183
HOME - City of Lakewood	9,508	40,703	40,703	40,703	40,703	40,703	40,703	40,703	40,703	40,703										
Cash Flow to Owner(s)	137,759	63,213	72,464	80,697	89,050	97,521	106,106	114,802	123,604	130,296	180,001	189,094	198,272	207,529	216,857	226,248	274,218	283,707	293,229	302,774
DCR	1.67	1.22	1.25	1.28	1.31	1.34	1.37	1.40	1.43	1.45	1.73	1.76	1.80	1.84	1.88	1.91	2.31	2.36	2.40	2.45

Notes to Pro Forma:
Revenue from Phase 2 operations.

HOME Loan Amortization

Principal 316,920 Annual D/S: \$40,703.26
Interest 3.00%
Term 10 Yrs
Amort. 9 Yrs

Yr	Balance	Interest	Principal	Total PMT
1	316,920	\$9,508	\$0	\$9,508
2	316,920	\$9,508	\$31,196	\$40,703
3	285,724	\$8,572	\$32,132	\$40,703
4	253,593	\$7,608	\$33,095	\$40,703
5	220,497	\$6,615	\$34,088	\$40,703
6	186,409	\$5,592	\$35,111	\$40,703
7	151,298	\$4,539	\$36,164	\$40,703
8	115,134	\$3,454	\$37,249	\$40,703
9	77,884	\$2,337	\$38,367	\$40,703
10	39,518	\$1,186	\$39,518	\$40,703
Balance:	-		\$375,837	

Phase 2 (28 units)	
Fair Market Value	
NOI	\$342,567
Cap Rate	6.12%
FMV	\$5,597,492
Loan to Value (80% max)	
FMV x 80%	\$4,477,993
Combined Loan to Value (80% max)	
Harborstone	\$3,720,000
Lakewood - HOME	\$0
Total all Loans	\$3,720,000
CLTV	66%

Phase 3 (garages/parking)	
Fair Market Value	
Market Valuation	\$169,000
Loan to Value (80% max)	
FMV x 80%	\$135,200
Combined Loan to Value (80% max)	
Harborstone	\$0
Lakewood - HOME	\$316,920
Total all Loans	\$316,920
CLTV	188%

Phase 1 (24 units- already completed)	
Fair Market Value	
NOI	\$305,126
Cap Rate	6.12%
FMV	\$4,985,719
Loan to Value (80% max)	
FMV x 80%	\$3,988,575
Combined Loan to Value (80% max)	
Harborstone	\$3,574,846
Lakewood - HOME	\$0
Total all Loans	\$3,574,846
CLTV	72%

Combined Properties Valuation	
Fair Market Value	
NOI	\$647,693
Cap Rate	6.12%
FMV	\$10,583,211
Loan to Value (80% max)	
FMV x 80%	\$8,466,569
Combined Loan to Value (80% max)	
Harborstone	\$7,294,846
Lakewood - HOME	\$316,920
Total all Loans	\$7,611,766
CLTV	72%

Harborstone 1st-2nd-3rd terms

Phase 2 & 3				
Balance remaining on Harborstone after 1st 7-yr term:				
Beginning Loan Balance		3,668,664		
Fixed Interest Rate:		5.25% (est.)		
Interest-only period		0		
Amortization		30 yrs		
Term		7 yrs		
Monthly Payment		\$20,457.98		
Annual Debt Service		\$245,495.75		
Harborstone 1st 7-yr term loan				
7 yr term				
Balance	Int	Princ	Pmt	
3,668,664	192,605	52,891	245,496	
3,615,773	189,828	55,668	245,496	
3,560,105	186,906	58,590	245,496	
3,501,515	183,830	61,666	245,496	
3,439,849	180,592	64,904	245,496	
3,374,945	177,185	68,311	245,496	
3,306,634	173,598	71,897	245,496	
3,234,737	BALANCE DUE IN YR 2023			

Phase 1				
Balance remaining on Harborstone after 1st 7-yr term:				
Beginning Loan Balance		3,525,513		
Fixed Interest Rate:		5.25% (est.)		
Interest-only period		0		
Amortization		30 yrs		
Term		7 yrs		
Monthly Payment		\$19,659.71		
Annual Debt Service		\$235,916.52		
Harborstone 1st 7-yr term loan				
7 yr term				
Yr	Balance	Int	Princ	Pmt
1	3,525,513	185,089	50,827	235,917
2	3,474,686	182,421	53,496	235,917
3	3,421,190	179,612	56,304	235,917
4	3,364,886	176,657	59,260	235,917
5	3,305,626	173,545	62,371	235,917
6	3,243,255	170,271	65,646	235,917
7	3,177,610	166,825	69,092	235,917
	3,108,518	BALANCE DUE IN YR 2018		

Harborstone 2nd 7-yr term:				
Beginning Loan Balance		3,234,737		
Fixed Interest Rate:		6.50% (est.)		
Interest-only period		0		
Amortization		30 yrs		
Term		7 yrs		
Monthly Payment		\$20,642.32		
Annual Debt Service		\$247,707.87		
Harborstone 2nd 7-yr term loan				
7 yr term				
Balance	Int	Princ	Pmt	
3,234,737	169,824	77,884	247,708	
3,156,853	165,735	81,973	247,708	
3,074,880	161,431	86,277	247,708	
2,988,603	156,902	90,806	247,708	
2,897,797	152,134	95,574	247,708	
2,802,223	147,117	100,591	247,708	
2,701,632	141,836	105,872	247,708	
2,595,760	BALANCE DUE IN YR 2030			

Harborstone 2nd 7-yr term:				
Beginning Loan Balance		3,108,518		
Fixed Interest Rate:		6.50% (est.)		
Interest-only period		0		
Amortization		30 yrs		
Term		7 yrs		
Monthly Payment		\$19,836.86		
Annual Debt Service		\$238,042.33		
Harborstone 2nd 7-yr term loan				
7 yr term				
Balance	Int	Princ	Pmt	
3,108,518	163,197	74,845	238,042	
3,033,672	159,268	78,775	238,042	
2,954,898	155,132	82,910	238,042	
2,871,988	150,779	87,263	238,042	
2,784,725	146,198	91,844	238,042	
2,692,881	141,376	96,666	238,042	
2,596,214	136,301	101,741	238,042	
2,494,473	BALANCE DUE IN YR 2025			

Harborstone 3rd 7-yr term:				
Beginning Loan Balance		2,595,760		
Fixed Interest Rate:		7.00% (est.)		
Interest-only period		0		
Amortization		30 yrs		
Term		7 yrs		
Monthly Payment		\$17,431.91		
Annual Debt Service		\$209,182.94		
Harborstone 3rd 7-yr term loan				
7 yr term				
Balance	Int	Princ	Pmt	
2,595,760	136,277	72,906	209,183	
2,522,854	132,450	76,733	209,183	
2,446,121	128,421	80,762	209,183	
2,365,359	124,181	85,002	209,183	
2,280,358	119,719	89,464	209,183	
2,190,894	115,022	94,161	209,183	
2,096,733	110,078	99,104	209,183	
1,997,628	BALANCE DUE IN YR 2037			

Harborstone 3rd 7-yr term:				
Beginning Loan Balance		2,494,473		
Fixed Interest Rate:		7.00% (est.)		
Interest-only period		0		
Amortization		30 yrs		
Term		7 yrs		
Monthly Payment		\$16,751.72		
Annual Debt Service		\$201,020.64		
Harborstone 3rd 7-yr term loan				
7 yr term				
Balance	Int	Princ	Pmt	
2,494,473	130,960	70,061	201,021	
2,424,413	127,282	73,739	201,021	
2,350,674	123,410	77,610	201,021	
2,273,063	119,336	81,685	201,021	
2,191,378	115,047	85,973	201,021	
2,105,405	110,534	90,487	201,021	
2,014,918	105,783	95,237	201,021	
1,919,681	BALANCE DUE IN YR 2032			

Phase 1 Operating Pro Forma

Sponsor Name:	Gravelly Lake Townhomes, LLC
Project Name:	Gravelly Lake Townhomes- Phase 1 (completed)

Instructions:
 • Complete all 20 years of the pro forma. **Cells shaded green are input cells**; all others will autocalculate.
 • If project has rental subsidies, provide two separate pro formas - one with subsidy and one without.

REVENUES			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Residential Income									
Annual Gross Tenant Paid Rental Income	Inflation Factor	2.50% per year	\$ 404,640.00	\$ 414,756.00	\$ 425,124.90	\$ 435,753.02	\$ 446,646.85	\$ 457,813.02	\$ 469,258.34
Other: Miscellaneous Rent Income			\$ 3,500.00	\$ 3,587.50	\$ 3,677.19	\$ 3,769.12	\$ 3,863.35	\$ 3,959.93	\$ 4,058.93
Other: Garage Rental			\$ 15,510.00	\$ 15,897.75	\$ 16,295.19	\$ 16,702.57	\$ 17,120.14	\$ 17,548.14	\$ 17,986.84
Other:			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other:			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Residential Income	=		\$ 423,650.00	\$ 434,241.25	\$ 445,097.28	\$ 456,224.71	\$ 467,630.33	\$ 479,321.09	\$ 491,304.12
Total Annual Service Funding			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Non-Residential Income			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL PROJECT INCOME	=		\$ 423,650.00	\$ 434,241.25	\$ 445,097.28	\$ 456,224.71	\$ 467,630.33	\$ 479,321.09	\$ 491,304.12
Less Residential Vacancy	Vacancy Rate	5.00% per year	\$ (21,182.50)	\$ (21,712.06)	\$ (22,254.86)	\$ (22,811.24)	\$ (23,381.52)	\$ (23,966.05)	\$ (24,565.21)
Less Non-Residential Vacancy	Vacancy Rate	10.00% per year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EFFECTIVE GROSS INCOME (EGI)	=		\$ 402,467.50	\$ 412,529.19	\$ 422,842.42	\$ 433,413.48	\$ 444,248.81	\$ 455,355.03	\$ 466,738.91

EXPENSES			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Operating Expenses-									
Heat	Inflation Factor	2.50%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Electric	Cost Per Unit		\$ 69.17	\$ 1,660.00	\$ 1,701.50	\$ 1,744.04	\$ 1,787.64	\$ 1,832.33	\$ 1,878.14
Water & Sewer			\$ 65.42	\$ 1,570.00	\$ 1,609.25	\$ 1,649.48	\$ 1,690.72	\$ 1,732.99	\$ 1,776.31
Garbage Removal			\$ 41.67	\$ 1,000.00	\$ 1,025.00	\$ 1,050.63	\$ 1,076.89	\$ 1,103.81	\$ 1,131.41
Contract Repairs			\$ 105.83	\$ 2,540.00	\$ 2,603.50	\$ 2,668.59	\$ 2,735.30	\$ 2,803.68	\$ 2,873.78
Maintenance and janitorial			\$ 291.67	\$ 7,000.00	\$ 7,175.00	\$ 7,354.38	\$ 7,538.23	\$ 7,726.69	\$ 7,919.86
Management - Off-site			\$ 672.92	\$ 16,150.00	\$ 16,553.75	\$ 16,967.59	\$ 17,391.78	\$ 17,826.58	\$ 18,272.24
Management - On-site			\$ 576.92	\$ 13,846.00	\$ 14,192.15	\$ 14,546.95	\$ 14,910.63	\$ 15,283.39	\$ 15,665.48
Insurance			\$ 333.33	\$ 8,000.00	\$ 8,200.00	\$ 8,405.00	\$ 8,615.13	\$ 8,830.50	\$ 9,051.27
Accounting			\$ 69.17	\$ 1,660.00	\$ 1,701.50	\$ 1,744.04	\$ 1,787.64	\$ 1,832.33	\$ 1,878.14
Marketing			\$ 75.00	\$ 1,800.00	\$ 1,845.00	\$ 1,891.13	\$ 1,938.40	\$ 1,986.86	\$ 2,036.53
Real Estate Taxes			\$ 216.67	\$ 5,200.00	\$ 5,330.00	\$ 5,463.25	\$ 5,599.83	\$ 5,739.83	\$ 5,883.32
Other: Legal Fees			\$ 62.50	\$ 1,500.00	\$ 1,537.50	\$ 1,575.94	\$ 1,615.34	\$ 1,655.72	\$ 1,697.11
Other: Landscaping/Maintenance Services			\$ 134.58	\$ 3,230.00	\$ 3,310.75	\$ 3,393.52	\$ 3,478.36	\$ 3,565.32	\$ 3,654.45
Total Residential Operating Expenses			\$ 65,156.00	\$ 66,784.90	\$ 68,454.52	\$ 70,165.89	\$ 71,920.03	\$ 73,718.03	\$ 75,560.98
Replacement Reserve			\$ 378.58	\$ 9,086.00	\$ 9,313.15	\$ 9,545.98	\$ 9,784.63	\$ 10,029.24	\$ 10,279.98
Operating Reserve			\$ 962.50	\$ 23,100.00	\$ 23,677.50	\$ 24,269.44	\$ 24,876.17	\$ 25,498.08	\$ 26,135.53
Total Reserves			\$ 32,186.00	\$ 32,990.65	\$ 33,815.42	\$ 34,660.80	\$ 35,527.32	\$ 36,415.50	\$ 37,325.89
Service Expenses			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Residential Expenses			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL PROJECT EXPENSES	=		\$ 97,342.00	\$ 99,775.55	\$ 102,269.94	\$ 104,826.69	\$ 107,447.35	\$ 110,133.54	\$ 112,886.88
NET OPERATING INCOME (EGI - Total Expenses)	=		\$ 305,125.50	\$ 312,753.64	\$ 320,572.48	\$ 328,586.79	\$ 336,801.46	\$ 345,221.50	\$ 353,852.03

Debt Service on	Loan Amount	Rate (%)	Amortization	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Harborstone- 2 yr temp	\$ 3,574,846.00	5.25%	360	\$ 187,679.00	\$ 237,012.00	\$ -	\$ -	\$ -	\$ -	\$ -
Harborstone- 7 yr term (1st)	\$ 3,525,513.00	5.25%	360	\$ -	\$ -	\$ 235,917.00	\$ 235,917.00	\$ 235,917.00	\$ 235,917.00	\$ 235,917.00
				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL DEBT SERVICE				\$ 187,679.00	\$ 237,012.00	\$ 235,917.00	\$ 235,917.00	\$ 235,917.00	\$ 235,917.00	\$ 235,917.00
Projected Gross Cash Flow				\$ 117,446.50	\$ 75,741.64	\$ 84,655.48	\$ 92,669.79	\$ 100,884.46	\$ 109,304.50	\$ 117,935.03
Debt Coverage Ratio (DCR)				1.63	1.32	1.36	1.39	1.43	1.46	1.50

Phase 1 Operating Pro Forma

Sponsor Name: Gravelly Lake Townhomes, LLC
 Project Name: Gravelly Lake Townhomes- Phase 1 (completed)

REVENUES		Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Residential Income									
Annual Gross Tenant Paid Rental Income		\$ 480,989.80	\$ 493,014.55	\$ 505,339.91	\$ 517,973.41	\$ 530,922.75	\$ 544,195.81	\$ 557,800.71	\$ 571,745.73
Other: Miscellaneous Rent Income		\$ 4,160.40	\$ 4,264.41	\$ 4,371.02	\$ 4,480.30	\$ 4,592.30	\$ 4,707.11	\$ 4,824.79	\$ 4,945.41
Other: Garage Rental		\$ 18,436.52	\$ 18,897.43	\$ 19,369.86	\$ 19,854.11	\$ 20,350.46	\$ 20,859.23	\$ 21,380.71	\$ 21,915.22
Other:		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other:		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Residential Income	=	\$ 503,586.72	\$ 516,176.39	\$ 529,080.80	\$ 542,307.82	\$ 555,865.51	\$ 569,762.15	\$ 584,006.20	\$ 598,606.36
Total Annual Service Funding		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Non-Residential Income		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL PROJECT INCOME	=	\$ 503,586.72	\$ 516,176.39	\$ 529,080.80	\$ 542,307.82	\$ 555,865.51	\$ 569,762.15	\$ 584,006.20	\$ 598,606.36
Less Residential Vacancy		\$ (25,179.34)	\$ (25,808.82)	\$ (26,454.04)	\$ (27,115.39)	\$ (27,793.28)	\$ (28,488.11)	\$ (29,200.31)	\$ (29,930.32)
Less Non-Residential Vacancy		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EFFECTIVE GROSS INCOME (EGI)	=	\$ 478,407.38	\$ 490,367.57	\$ 502,626.76	\$ 515,192.43	\$ 528,072.24	\$ 541,274.04	\$ 554,805.89	\$ 568,676.04

EXPENSES		Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Operating Expenses-									
Heat		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Electric		\$ 1,973.22	\$ 2,022.55	\$ 2,073.11	\$ 2,124.94	\$ 2,178.06	\$ 2,232.52	\$ 2,288.33	\$ 2,345.54
Water & Sewer		\$ 1,866.24	\$ 1,912.89	\$ 1,960.71	\$ 2,009.73	\$ 2,059.98	\$ 2,111.48	\$ 2,164.26	\$ 2,218.37
Garbage Removal		\$ 1,188.69	\$ 1,218.40	\$ 1,248.86	\$ 1,280.08	\$ 1,312.09	\$ 1,344.89	\$ 1,378.51	\$ 1,412.97
Contract Repairs		\$ 3,019.26	\$ 3,094.74	\$ 3,172.11	\$ 3,251.41	\$ 3,332.70	\$ 3,416.02	\$ 3,501.42	\$ 3,588.95
Maintenance and janitorial		\$ 8,320.80	\$ 8,528.82	\$ 8,742.04	\$ 8,960.59	\$ 9,184.61	\$ 9,414.22	\$ 9,649.58	\$ 9,890.82
Management - Off-site		\$ 19,197.27	\$ 19,677.21	\$ 20,169.14	\$ 20,673.37	\$ 21,190.20	\$ 21,719.95	\$ 22,262.95	\$ 22,819.53
Management - On-site		\$ 16,458.54	\$ 16,870.01	\$ 17,291.76	\$ 17,724.05	\$ 18,167.15	\$ 18,621.33	\$ 19,086.86	\$ 19,564.04
Insurance		\$ 9,509.49	\$ 9,747.22	\$ 9,990.90	\$ 10,240.68	\$ 10,496.69	\$ 10,759.11	\$ 11,028.09	\$ 11,303.79
Accounting		\$ 1,973.22	\$ 2,022.55	\$ 2,073.11	\$ 2,124.94	\$ 2,178.06	\$ 2,232.52	\$ 2,288.33	\$ 2,345.54
Marketing		\$ 2,139.63	\$ 2,193.13	\$ 2,247.95	\$ 2,304.15	\$ 2,361.76	\$ 2,420.80	\$ 2,481.32	\$ 2,543.35
Real Estate Taxes		\$ 6,181.17	\$ 6,335.70	\$ 6,494.09	\$ 6,656.44	\$ 6,822.85	\$ 6,993.42	\$ 7,168.26	\$ 7,347.46
Other: Legal Fees		\$ 1,783.03	\$ 1,827.60	\$ 1,873.29	\$ 1,920.13	\$ 1,968.13	\$ 2,017.33	\$ 2,067.77	\$ 2,119.46
Other: Landscaping/Maintenance Services		\$ 3,839.45	\$ 3,935.44	\$ 4,033.83	\$ 4,134.67	\$ 4,238.04	\$ 4,343.99	\$ 4,452.59	\$ 4,563.91
Total Residential Operating Expenses		\$ 77,450.01	\$ 79,386.26	\$ 81,370.92	\$ 83,405.19	\$ 85,490.32	\$ 87,627.58	\$ 89,818.27	\$ 92,063.72
Replacement Reserve		\$ 10,800.40	\$ 11,070.41	\$ 11,347.17	\$ 11,630.85	\$ 11,921.62	\$ 12,219.66	\$ 12,525.15	\$ 12,838.28
Operating Reserve		\$ 27,458.64	\$ 28,145.11	\$ 28,848.73	\$ 29,569.95	\$ 30,309.20	\$ 31,066.93	\$ 31,843.61	\$ 32,639.70
Total Reserves		\$ 38,259.04	\$ 39,215.52	\$ 40,195.90	\$ 41,200.80	\$ 42,230.82	\$ 43,286.59	\$ 44,368.76	\$ 45,477.98
Service Expenses	<i>From Service Budget</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Residential Expenses		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL PROJECT EXPENSES	=	\$ 115,709.05	\$ 118,601.77	\$ 121,566.82	\$ 124,605.99	\$ 127,721.14	\$ 130,914.17	\$ 134,187.02	\$ 137,541.70

NET OPERATING INCOME (EGI - Total Expenses)	=	\$ 362,698.33	\$ 371,765.79	\$ 381,059.94	\$ 390,586.44	\$ 400,351.10	\$ 410,359.87	\$ 420,618.87	\$ 431,134.34
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Debt Service on	Loan Amount	Rate (%)	Amortization	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Harborstone- 2 yr temp	\$ 3,574,846.00	5.25%	360	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Harborstone- 7 yr term (1st)	\$ 3,525,513.00	5.25%	360	\$ 235,917.00	\$ 235,917.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Harborstone- 7 yr term (2nd)	\$ 3,108,518.00	6.50%	360	\$ -	\$ -	\$ 238,042.00	\$ 238,042.00	\$ 238,042.00	\$ 238,042.00	\$ 238,042.00	\$ 238,042.00
TOTAL DEBT SERVICE				\$ 235,917.00	\$ 235,917.00	\$ 238,042.00	\$ 238,042.00	\$ 238,042.00	\$ 238,042.00	\$ 238,042.00	\$ 238,042.00

Projected Gross Cash Flow	=	\$ 126,781.33	\$ 135,848.79	\$ 143,017.94	\$ 152,544.44	\$ 162,309.10	\$ 172,317.87	\$ 182,576.87	\$ 193,092.34
Debt Coverage Ratio (DCR)	=	1.54	1.58	1.60	1.64	1.68	1.72	1.77	1.81

Phase 1 Operating Pro Forma

Sponsor Name: Gravelly Lake Townhomes, LLC
 Project Name: Gravelly Lake Townhomes- Phase 1 (completed)

		Year 16	Year 17	Year 18	Year 19	Year 20
REVENUES						
Residential Income						
Annual Gross Tenant Paid Rental Income		\$ 586,039.37	\$ 600,690.35	\$ 615,707.61	\$ 631,100.30	\$ 646,877.81
Other: Miscellaneous Rent Income		\$ 5,069.04	\$ 5,195.77	\$ 5,325.66	\$ 5,458.81	\$ 5,595.28
Other: Garage Rental		\$ 22,463.10	\$ 23,024.68	\$ 23,600.30	\$ 24,190.31	\$ 24,795.06
Other:		\$ -	\$ -	\$ -	\$ -	\$ -
Other:		\$ -	\$ -	\$ -	\$ -	\$ -
Total Residential Income	=	\$ 613,571.52	\$ 628,910.81	\$ 644,633.58	\$ 660,749.42	\$ 677,268.15
Total Annual Service Funding		\$ -				
Total Non-Residential Income		\$ -				
TOTAL PROJECT INCOME	=	\$ 613,571.52	\$ 628,910.81	\$ 644,633.58	\$ 660,749.42	\$ 677,268.15
Less Residential Vacancy		\$ (30,678.58)	\$ (31,445.54)	\$ (32,231.68)	\$ (33,037.47)	\$ (33,863.41)
Less Non-Residential Vacancy		\$ -	\$ -	\$ -	\$ -	\$ -
EFFECTIVE GROSS INCOME (EGI)	=	\$ 582,892.94	\$ 597,465.27	\$ 612,401.90	\$ 627,711.94	\$ 643,404.74

EXPENSES						
Operating Expenses-						
Heat		\$ -	\$ -	\$ -	\$ -	\$ -
Electric		\$ 2,404.17	\$ 2,464.28	\$ 2,525.89	\$ 2,589.03	\$ 2,653.76
Water & Sewer		\$ 2,273.83	\$ 2,330.67	\$ 2,388.94	\$ 2,448.66	\$ 2,509.88
Garbage Removal		\$ 1,448.30	\$ 1,484.51	\$ 1,521.62	\$ 1,559.66	\$ 1,598.65
Contract Repairs		\$ 3,678.68	\$ 3,770.64	\$ 3,864.91	\$ 3,961.53	\$ 4,060.57
Maintenance and janitorial		\$ 10,138.09	\$ 10,391.54	\$ 10,651.33	\$ 10,917.61	\$ 11,190.55
Management - Off-site		\$ 23,390.02	\$ 23,974.77	\$ 24,574.13	\$ 25,188.49	\$ 25,818.20
Management - On-site		\$ 20,053.14	\$ 20,554.46	\$ 21,068.33	\$ 21,595.03	\$ 22,134.91
Insurance		\$ 11,586.39	\$ 11,876.04	\$ 12,172.95	\$ 12,477.27	\$ 12,789.20
Accounting		\$ 2,404.17	\$ 2,464.28	\$ 2,525.89	\$ 2,589.03	\$ 2,653.76
Marketing		\$ 2,606.94	\$ 2,672.11	\$ 2,738.91	\$ 2,807.39	\$ 2,877.57
Real Estate Taxes		\$ 7,531.15	\$ 7,719.43	\$ 7,912.41	\$ 8,110.23	\$ 8,312.98
Other: Legal Fees		\$ 2,172.45	\$ 2,226.76	\$ 2,282.43	\$ 2,339.49	\$ 2,397.98
Other: Landscaping/Maintenance Services		\$ 4,678.00	\$ 4,794.95	\$ 4,914.83	\$ 5,037.70	\$ 5,163.64
Total Residential Operating Expenses		\$ 94,365.32	\$ 96,724.45	\$ 99,142.56	\$ 101,621.12	\$ 104,161.65
Replacement Reserve		\$ 13,159.24	\$ 13,488.22	\$ 13,825.42	\$ 14,171.06	\$ 14,525.34
Operating Reserve		\$ 33,455.69	\$ 34,292.08	\$ 35,149.38	\$ 36,028.12	\$ 36,928.82
Total Reserves		\$ 46,614.92	\$ 47,780.30	\$ 48,974.81	\$ 50,199.18	\$ 51,454.15
Service Expenses	<i>From Service Budget</i>	\$ -				
Non-Residential Expenses		\$ -				
TOTAL PROJECT EXPENSES	=	\$ 140,980.24	\$ 144,504.75	\$ 148,117.36	\$ 151,820.30	\$ 155,615.81

NET OPERATING INCOME (EGI - Total Expenses) = **\$ 441,912.70** **\$ 452,960.52** **\$ 464,284.53** **\$ 475,891.65** **\$ 487,788.94**

Debt Service on	Loan Amount	Rate (%)	Amortization					
Harborstone- 2 yr temp	\$ 3,574,846.00	5.25%	360	\$ -	\$ -	\$ -	\$ -	\$ -
Harborstone- 7 yr term (1st)	\$ 3,525,513.00	5.25%	360	\$ -	\$ -	\$ -	\$ -	\$ -
Harborstone- 7 yr term (2nd)	\$ 3,108,518.00	6.50%	360	\$ 238,042.00	\$ -	\$ -	\$ -	\$ -
Harborstone- 7-yr term (3rd)	\$ 2,494,473.00	7.00%	360	\$ -	\$ 201,021.00	\$ 201,021.00	\$ 201,021.00	\$ 201,021.00
TOTAL DEBT SERVICE				\$ 238,042.00	\$ 201,021.00	\$ 201,021.00	\$ 201,021.00	\$ 201,021.00
Projected Gross Cash Flow				\$ 203,870.70	\$ 251,939.52	\$ 263,263.53	\$ 274,870.65	\$ 286,767.94
Debt Coverage Ratio (DCR)				1.86	2.25	2.31	2.37	2.43

Phase 2 Operating Pro Forma

Sponsor Name: Gravelly Lake Townhomes, LLC
 Project Name: Gravelly Lake Townhomes- Phase 3 (Phase 2 proforma included as cash flow to pay for Phase 3)

Instructions:
 • Complete all 20 years of the pro forma. Cells shaded green are input cells; all others will autocalculate.
 • If project has rental subsidies, provide two separate pro formas - one with subsidy and one without.

			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
REVENUES									
Residential Income	Inflation Factor								
Annual Gross Tenant Paid Rental Income	3.00%	per year	\$ 463,080.00	\$ 476,972.40	\$ 491,281.57	\$ 506,020.02	\$ 521,200.62	\$ 536,836.64	\$ 552,941.74
Other: Miscellaneous Rent Income			\$ 3,500.00	\$ 3,605.00	\$ 3,713.15	\$ 3,824.54	\$ 3,939.28	\$ 4,057.46	\$ 4,179.18
Other: Garage Rental			\$ 15,510.00	\$ 15,975.30	\$ 16,454.56	\$ 16,948.20	\$ 17,456.64	\$ 17,980.34	\$ 18,519.75
Other:			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other:			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Residential Income			\$ 482,090.00	\$ 496,552.70	\$ 511,449.28	\$ 526,792.76	\$ 542,596.54	\$ 558,874.44	\$ 575,640.67
Total Annual Service Funding			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Non-Residential Income			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL PROJECT INCOME			\$ 482,090.00	\$ 496,552.70	\$ 511,449.28	\$ 526,792.76	\$ 542,596.54	\$ 558,874.44	\$ 575,640.67
Less Residential Vacancy	Vacancy Rate	5.00% per year	\$ (24,104.50)	\$ (24,827.64)	\$ (25,572.46)	\$ (26,339.64)	\$ (27,129.83)	\$ (27,943.72)	\$ (28,782.03)
Less Non-Residential Vacancy	Vacancy Rate	10.00% per year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EFFECTIVE GROSS INCOME (EGI)			\$ 457,985.50	\$ 471,725.07	\$ 485,876.82	\$ 500,453.12	\$ 515,466.72	\$ 530,930.72	\$ 546,858.64

			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
EXPENSES									
Operating Expenses-	Inflation Factor								
Heat	5.00%	Cost Per Unit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Electric			\$ 64.67	\$ 1,940.00	\$ 2,037.00	\$ 2,138.85	\$ 2,245.79	\$ 2,358.08	\$ 2,475.99
Water & Sewer			\$ 61.00	\$ 1,830.00	\$ 1,921.50	\$ 2,017.58	\$ 2,118.45	\$ 2,224.38	\$ 2,335.60
Garbage Removal			\$ 39.17	\$ 1,175.00	\$ 1,233.75	\$ 1,295.44	\$ 1,360.21	\$ 1,428.22	\$ 1,499.63
Contract Repairs			\$ 98.67	\$ 2,960.00	\$ 3,108.00	\$ 3,263.40	\$ 3,426.57	\$ 3,597.90	\$ 3,777.79
Maintenance and janitorial			\$ 283.33	\$ 8,500.00	\$ 8,925.00	\$ 9,371.25	\$ 9,839.81	\$ 10,331.80	\$ 10,848.39
Management - Off-site			\$ 628.33	\$ 18,850.00	\$ 19,792.50	\$ 20,782.13	\$ 21,821.23	\$ 22,912.29	\$ 24,057.91
Management - On-site			\$ 538.47	\$ 16,154.00	\$ 16,961.70	\$ 17,809.79	\$ 18,700.27	\$ 19,635.29	\$ 20,617.05
Insurance			\$ 326.67	\$ 9,800.00	\$ 10,290.00	\$ 10,804.50	\$ 11,344.73	\$ 11,911.96	\$ 12,507.56
Accounting			\$ 64.67	\$ 1,940.00	\$ 2,037.00	\$ 2,138.85	\$ 2,245.79	\$ 2,358.08	\$ 2,475.99
Marketing			\$ 80.00	\$ 2,400.00	\$ 2,520.00	\$ 2,646.00	\$ 2,778.30	\$ 2,917.22	\$ 3,063.08
Real Estate Taxes			\$ 216.67	\$ 6,500.00	\$ 6,825.00	\$ 7,166.25	\$ 7,524.56	\$ 7,900.79	\$ 8,295.83
Other: HOME Rental Compliance Monitoring Fee			\$ 175.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00
Other: Legal Fees			\$ 58.33	\$ 1,750.00	\$ 1,837.50	\$ 1,929.38	\$ 2,025.84	\$ 2,127.14	\$ 2,233.49
Other: Landscaping/Maintenance Services			\$ 125.67	\$ 3,770.00	\$ 3,958.50	\$ 4,156.43	\$ 4,364.25	\$ 4,582.46	\$ 4,811.58
Total Residential Operating Expenses			\$ 77,919.00	\$ 81,797.45	\$ 85,869.82	\$ 90,145.81	\$ 94,635.60	\$ 99,349.88	\$ 104,299.88
Replacement Reserve			\$ 353.33	\$ 10,600.00	\$ 11,130.00	\$ 11,686.50	\$ 12,270.83	\$ 12,884.37	\$ 13,528.58
Operating Reserve			\$ 1,793.33	\$ 26,900.00	\$ 28,245.00	\$ 29,657.25	\$ 31,140.11	\$ 32,697.12	\$ 34,331.97
Total Reserves			\$ 37,500.00	\$ 39,375.00	\$ 41,343.75	\$ 43,410.94	\$ 45,581.48	\$ 47,860.56	\$ 50,253.59
Service Expenses			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Residential Expenses			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL PROJECT EXPENSES			\$ 115,419.00	\$ 121,172.45	\$ 127,213.57	\$ 133,556.75	\$ 140,217.09	\$ 147,210.44	\$ 154,553.47
NET OPERATING INCOME (EGI - Total Expenses)			\$ 342,566.50	\$ 350,552.62	\$ 358,663.24	\$ 366,896.37	\$ 375,249.63	\$ 383,720.27	\$ 392,305.17

Debt Service on	Loan Amount	Rate (%)	Amortization (years)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Harborstone- 2 yr temp	\$ 3,720,000.00	5.25%	360	\$ 195,300.00	\$ 246,636.00	\$ -	\$ -	\$ -	\$ -	\$ -
Harborstone- 7 yr term (1st)	\$ 3,668,664.00	5.25%	360	\$ -	\$ -	\$ 245,496.00	\$ 245,496.00	\$ 245,496.00	\$ 245,496.00	\$ 245,496.00
City of Lakewood- Sec 108	\$ 316,920.00	3.00%	108	\$ 9,508.00	\$ 40,703.00	\$ 40,703.00	\$ 40,703.00	\$ 40,703.00	\$ 40,703.00	\$ 40,703.00
TOTAL DEBT SERVICE				\$ 204,808.00	\$ 287,339.00	\$ 286,199.00	\$ 286,199.00	\$ 286,199.00	\$ 286,199.00	\$ 286,199.00
Projected Gross Cash Flow				\$ 137,758.50	\$ 63,213.61	\$ 72,464.24	\$ 80,697.37	\$ 89,050.63	\$ 97,521.27	\$ 106,106.17
Debt Coverage Ratio (DCR)				1.67	1.22	1.25	1.28	1.31	1.34	1.37

Phase 2 Operating Pro Forma

Sponsor Name: Gravelly Lake Townhomes, LLC
 Project Name: Gravelly Lake Townhomes- Phase 3 (Phase 2 proforma included as cash flow to pay for Phase 3)

	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
REVENUES								
Residential Income								
Annual Gross Tenant Paid Rental Income	\$ 569,529.99	\$ 586,615.89	\$ 604,214.37	\$ 622,340.80	\$ 641,011.02	\$ 660,241.35	\$ 680,048.59	\$ 700,450.05
Other: Miscellaneous Rent Income	\$ 4,304.56	\$ 4,433.70	\$ 4,566.71	\$ 4,703.71	\$ 4,844.82	\$ 4,990.16	\$ 5,139.87	\$ 5,294.06
Other: Garage Rental	\$ 19,075.34	\$ 19,647.60	\$ 20,237.03	\$ 20,844.14	\$ 21,469.47	\$ 22,113.55	\$ 22,776.96	\$ 23,460.27
Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Residential Income	\$ 592,909.89	\$ 610,697.19	\$ 629,018.10	\$ 647,888.65	\$ 667,325.31	\$ 687,345.07	\$ 707,965.42	\$ 729,204.38
Total Annual Service Funding	\$ -							
Total Non-Residential Income	\$ -							
TOTAL PROJECT INCOME	\$ 592,909.89	\$ 610,697.19	\$ 629,018.10	\$ 647,888.65	\$ 667,325.31	\$ 687,345.07	\$ 707,965.42	\$ 729,204.38
Less Residential Vacancy	\$ (29,645.49)	\$ (30,534.86)	\$ (31,450.91)	\$ (32,394.43)	\$ (33,366.27)	\$ (34,367.25)	\$ (35,398.27)	\$ (36,460.22)
Less Non-Residential Vacancy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EFFECTIVE GROSS INCOME (EGI)	\$ 563,264.40	\$ 580,162.33	\$ 597,567.20	\$ 615,494.21	\$ 633,959.04	\$ 652,977.81	\$ 672,567.15	\$ 692,744.16

EXPENSES		Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Operating Expenses-									
Heat		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Electric		\$ 2,729.77	\$ 2,866.26	\$ 3,009.58	\$ 3,160.06	\$ 3,318.06	\$ 3,483.96	\$ 3,658.16	\$ 3,841.07
Water & Sewer		\$ 2,574.99	\$ 2,703.74	\$ 2,838.93	\$ 2,980.88	\$ 3,129.92	\$ 3,286.42	\$ 3,450.74	\$ 3,623.27
Garbage Removal		\$ 1,653.34	\$ 1,736.01	\$ 1,822.81	\$ 1,913.95	\$ 2,009.65	\$ 2,110.13	\$ 2,215.64	\$ 2,326.42
Contract Repairs		\$ 4,165.02	\$ 4,373.27	\$ 4,591.93	\$ 4,821.53	\$ 5,062.60	\$ 5,315.93	\$ 5,581.52	\$ 5,860.60
Maintenance and janitorial		\$ 11,960.35	\$ 12,558.37	\$ 13,186.29	\$ 13,845.60	\$ 14,537.88	\$ 15,264.78	\$ 16,028.02	\$ 16,829.42
Management - Off-site		\$ 26,523.84	\$ 27,850.04	\$ 29,242.54	\$ 30,704.66	\$ 32,239.90	\$ 33,851.89	\$ 35,544.49	\$ 37,321.71
Management - On-site		\$ 22,730.30	\$ 23,866.82	\$ 25,060.16	\$ 26,313.16	\$ 27,628.82	\$ 29,010.26	\$ 30,460.78	\$ 31,983.82
Insurance		\$ 13,789.58	\$ 14,479.06	\$ 15,203.02	\$ 15,963.17	\$ 16,761.33	\$ 17,599.39	\$ 18,479.36	\$ 19,403.33
Accounting		\$ 2,729.77	\$ 2,866.26	\$ 3,009.58	\$ 3,160.06	\$ 3,318.06	\$ 3,483.96	\$ 3,658.16	\$ 3,841.07
Marketing		\$ 3,377.04	\$ 3,545.89	\$ 3,723.19	\$ 3,909.35	\$ 4,104.81	\$ 4,310.06	\$ 4,525.56	\$ 4,751.84
Real Estate Taxes		\$ 9,146.15	\$ 9,603.46	\$ 10,083.63	\$ 10,587.82	\$ 11,117.21	\$ 11,673.07	\$ 12,256.72	\$ 12,869.56
Other: HOME Rental Compliance Monitoring Fee		\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00
Other: Legal Fees		\$ 2,462.43	\$ 2,585.55	\$ 2,714.82	\$ 2,850.57	\$ 2,993.09	\$ 3,142.75	\$ 3,299.89	\$ 3,464.88
Other: Landscaping/Maintenance Services		\$ 5,304.77	\$ 5,570.01	\$ 5,848.51	\$ 6,140.93	\$ 6,447.98	\$ 6,770.38	\$ 7,108.90	\$ 7,464.34
Total Residential Operating Expenses		\$ 109,497.37	\$ 114,954.74	\$ 120,684.98	\$ 126,701.73	\$ 133,019.31	\$ 139,652.78	\$ 146,617.92	\$ 153,931.31
Replacement Reserve		\$ 14,915.26	\$ 15,661.03	\$ 16,444.08	\$ 17,266.28	\$ 18,129.60	\$ 19,036.08	\$ 19,987.88	\$ 20,987.27
Operating Reserve		\$ 37,851.00	\$ 39,743.55	\$ 41,730.73	\$ 43,817.27	\$ 46,008.13	\$ 48,308.54	\$ 50,723.96	\$ 53,260.16
Total Reserves		\$ 52,766.27	\$ 55,404.58	\$ 58,174.81	\$ 61,083.55	\$ 64,137.73	\$ 67,344.61	\$ 70,711.84	\$ 74,247.43
Service Expenses	<i>From Service Budget</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Residential Expenses		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL PROJECT EXPENSES		\$ 162,263.64	\$ 170,359.32	\$ 178,859.79	\$ 187,785.28	\$ 197,157.04	\$ 206,997.39	\$ 217,329.76	\$ 228,178.75

NET OPERATING INCOME (EGI - Total Expenses) = **\$ 401,000.76** **\$ 409,803.01** **\$ 418,707.41** **\$ 427,708.94** **\$ 436,802.00** **\$ 445,980.42** **\$ 455,237.39** **\$ 464,565.41**

Debt Service on	Loan Amount	Rate (%)	Amortization	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Harborstone- 2 yr temp	\$ 3,720,000.00	5.25%	360	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Harborstone- 7 yr term (1st)	\$ 3,668,664.00	5.25%	360	\$ 245,496.00	\$ 245,496.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Harborstone- 7 yr term (2nd)	\$ 3,234,737.00	6.50%	360	\$ -	\$ -	\$ 247,708.00	\$ 247,708.00	\$ 247,708.00	\$ 247,708.00	\$ 247,708.00	\$ 247,708.00
City of Lakewood- Sec 108	\$ 316,920.00	3.00%	120	\$ 40,703.00	\$ 40,703.00	\$ 40,703.00	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL DEBT SERVICE				\$ 286,199.00	\$ 286,199.00	\$ 288,411.00	\$ 247,708.00				

Projected Gross Cash Flow = **\$ 114,801.76** **\$ 123,604.01** **\$ 130,296.41** **\$ 180,000.94** **\$ 189,094.00** **\$ 198,272.42** **\$ 207,529.39** **\$ 216,857.41**

Debt Coverage Ratio (DCR) = **1.40** **1.43** **1.45** **1.73** **1.76** **1.80** **1.84** **1.88**

Phase 2 Operating Pro Forma

Sponsor Name:	Tacoma Housing Authority
Project Name:	Prairie Oaks

	Year 16	Year 17	Year 18	Year 19	Year 20
REVENUES					
Residential Income					
Annual Gross Tenant Paid Rental Income	\$ 721,463.55	\$ 743,107.46	\$ 765,400.68	\$ 788,362.70	\$ 812,013.58
Other: Miscellaneous Rent Income	\$ 5,452.89	\$ 5,616.47	\$ 5,784.97	\$ 5,958.52	\$ 6,137.27
Other: Garage Rental	\$ 24,164.07	\$ 24,889.00	\$ 25,635.67	\$ 26,404.74	\$ 27,196.88
Other:	\$ -	\$ -	\$ -	\$ -	\$ -
Other:	\$ -	\$ -	\$ -	\$ -	\$ -
Total Residential Income	\$ 751,080.51	\$ 773,612.93	\$ 796,821.32	\$ 820,725.95	\$ 845,347.73
Total Annual Service Funding	\$ -				
Total Non-Residential Income	\$ -				
TOTAL PROJECT INCOME	\$ 751,080.51	\$ 773,612.93	\$ 796,821.32	\$ 820,725.95	\$ 845,347.73
Less Residential Vacancy	\$ (37,554.03)	\$ (38,680.65)	\$ (39,841.07)	\$ (41,036.30)	\$ (42,267.39)
Less Non-Residential Vacancy	\$ -	\$ -	\$ -	\$ -	\$ -
EFFECTIVE GROSS INCOME (EGI)	\$ 713,526.49	\$ 734,932.28	\$ 756,980.25	\$ 779,689.66	\$ 803,080.35

EXPENSES					
Operating Expenses-					
Heat	\$ -	\$ -	\$ -	\$ -	\$ -
Electric	\$ 4,033.12	\$ 4,234.78	\$ 4,446.52	\$ 4,668.84	\$ 4,902.28
Water & Sewer	\$ 3,804.44	\$ 3,994.66	\$ 4,194.39	\$ 4,404.11	\$ 4,624.32
Garbage Removal	\$ 2,442.74	\$ 2,564.88	\$ 2,693.12	\$ 2,827.78	\$ 2,969.17
Contract Repairs	\$ 6,153.63	\$ 6,461.31	\$ 6,784.37	\$ 7,123.59	\$ 7,479.77
Maintenance and janitorial	\$ 17,670.89	\$ 18,554.43	\$ 19,482.16	\$ 20,456.26	\$ 21,479.08
Management - Off-site	\$ 39,187.80	\$ 41,147.19	\$ 43,204.55	\$ 45,364.77	\$ 47,633.01
Management - On-site	\$ 33,583.01	\$ 35,262.16	\$ 37,025.26	\$ 38,876.53	\$ 40,820.35
Insurance	\$ 20,373.50	\$ 21,392.17	\$ 22,461.78	\$ 23,584.87	\$ 24,764.11
Accounting	\$ 4,033.12	\$ 4,234.78	\$ 4,446.52	\$ 4,668.84	\$ 4,902.28
Marketing	\$ 4,989.43	\$ 5,238.90	\$ 5,500.84	\$ 5,775.89	\$ 6,064.68
Real Estate Taxes	\$ 13,513.03	\$ 14,188.68	\$ 14,898.12	\$ 15,643.03	\$ 16,425.18
Other: HOME Rental Compliance Monitoring Fee	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00
Other: Legal Fees	\$ 3,638.12	\$ 3,820.03	\$ 4,011.03	\$ 4,211.58	\$ 4,422.16
Other: Landscaping/Maintenance Services	\$ 7,837.56	\$ 8,229.44	\$ 8,640.91	\$ 9,072.95	\$ 9,526.60
Total Residential Operating Expenses	\$ 161,610.38	\$ 169,673.40	\$ 178,139.57	\$ 187,029.05	\$ 196,363.00
Replacement Reserve	\$ 22,036.64	\$ 23,138.47	\$ 24,295.39	\$ 25,510.16	\$ 26,785.67
Operating Reserve	\$ 55,923.17	\$ 58,719.33	\$ 61,655.29	\$ 64,738.06	\$ 67,974.96
Total Reserves	\$ 77,959.81	\$ 81,857.80	\$ 85,950.69	\$ 90,248.22	\$ 94,760.63
Service Expenses	\$ -				
<i>From Service Budget</i>					
Non-Residential Expenses	\$ -				
TOTAL PROJECT EXPENSES	\$ 239,570.19	\$ 251,531.20	\$ 264,090.26	\$ 277,277.27	\$ 291,123.63

NET OPERATING INCOME (EGI - Total Expenses)	\$ 473,956.30	\$ 483,401.08	\$ 492,889.99	\$ 502,412.39	\$ 511,956.71
Debt Service on					
	Loan Amount	Rate (%)	Amortization		
Harborstone- 2 yr temp	\$ 3,720,000.00	5.25%	360	\$ -	\$ -
Harborstone- 7 yr term (1st)	\$ 3,668,664.00	5.25%	360	\$ -	\$ -
Harborstone- 7 yr term (2nd)	\$ 3,234,737.00	6.50%	360	\$ 247,708.00	\$ -
Harborstone- 7-yr term (3rd)	\$ 2,595,760.00	7.00%	360	\$ -	\$ 209,183.00
City of Lakewood- Sec 108	\$ 316,920.00	3.00%	120	\$ -	\$ -
TOTAL DEBT SERVICE	\$ 247,708.00	\$ 209,183.00	\$ 209,183.00	\$ 209,183.00	\$ 209,183.00
Projected Gross Cash Flow	\$ 226,248.30	\$ 274,218.08	\$ 283,706.99	\$ 293,229.39	\$ 302,773.71
Debt Coverage Ratio (DCR)	1.91	2.31	2.36	2.40	2.45

Optional Interest Terms

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Total Residential Income	482,090	496,553	511,449	526,793	542,597	558,874	575,641	592,910	610,697	629,018	647,889	667,325	687,345	707,965	729,204	751,081	773,613	796,821	820,726	845,348
3.00% escalation (Vacancy)	(24,105)	(24,828)	(25,572)	(26,340)	(27,130)	(27,944)	(28,782)	(29,645)	(30,535)	(31,451)	(32,394)	(33,366)	(34,367)	(35,398)	(36,460)	(37,554)	(38,681)	(39,841)	(41,036)	(42,267)
Effective Gross Income	457,986	471,725	485,877	500,453	515,467	530,931	546,859	563,264	580,162	597,567	615,494	633,959	652,978	672,567	692,744	713,526	734,932	756,980	779,690	803,080
Operating Expenses 5.00% escalation	115,419	121,172	127,214	133,557	140,217	147,210	154,553	162,264	170,359	178,860	187,785	197,157	206,997	217,330	228,179	239,570	251,531	264,090	277,277	291,124
Net Operating Income	342,567	350,553	358,663	366,896	375,250	383,720	392,305	401,001	409,803	418,707	427,709	436,802	445,980	455,237	464,565	473,956	483,401	492,890	502,412	511,957
Harborstone - temporary	195,300	246,636																		
Harborstone - 1st 7-yr term loan			245,496	245,496	245,496	245,496	245,496	245,496	245,496											
Harborstone - 2nd 7-yr term loan										247,708	247,708	247,708	247,708	247,708	247,708	247,708				
Harborstone - 3rd 7-yr term loan																	209,183	209,183	209,183	209,183
HOME - City of Lakewood	12,677	42,624	42,624	42,624	42,624	42,624	42,624	42,624	42,624	42,624										
Cash Flow to Owner(s)	134,590	61,293	70,544	78,777	87,130	95,601	104,186	112,881	121,683	128,376	180,001	189,094	198,272	207,529	216,857	226,248	274,218	283,707	293,229	302,774
DCR	1.65	1.21	1.24	1.27	1.30	1.33	1.36	1.39	1.42	1.44	1.73	1.76	1.80	1.84	1.88	1.91	2.31	2.36	2.40	2.45

Notes to Pro Forma:
Revenue from Phase 2 operations.

HOME Loan Amortization

Principal 316,920 Annual D/S: \$42,623.52
Interest 4.00%
Term 10 Yrs
Amort. 9 Yrs

Yr	Balance	Interest	Principal	Total PMT
1	316,920	\$12,677	\$0	\$12,677
2	316,920	\$12,677	\$29,947	\$42,624
3	286,973	\$11,479	\$31,145	\$42,624
4	255,829	\$10,233	\$32,390	\$42,624
5	223,438	\$8,938	\$33,686	\$42,624
6	189,752	\$7,590	\$35,033	\$42,624
7	154,719	\$6,189	\$36,435	\$42,624
8	118,284	\$4,731	\$37,892	\$42,624
9	80,392	\$3,216	\$39,408	\$42,624
10	40,984	\$1,639	\$40,984	\$42,624
Balance:	-		\$396,288	

Phase 2 (28 units)	
Fair Market Value	
NOI	\$342,567
Cap Rate	6.12%
FMV	\$5,597,492
Loan to Value (80% max)	
FMV x 80%	\$4,477,993
Combined Loan to Value (80% max)	
Harborstone	\$3,720,000
Lakewood - HOME	\$0
Total all Loans	<u>\$3,720,000</u>
CLTV	66%

Phase 3 (garages/parking)	
Fair Market Value	
Market Valuation	\$169,000
Loan to Value (80% max)	
FMV x 80%	\$135,200
Combined Loan to Value (80% max)	
Harborstone	\$0
Lakewood - HOME	<u>\$316,920</u>
Total all Loans	<u>\$316,920</u>
CLTV	188%

Phase 1 (24 units- already completed)	
Fair Market Value	
NOI	\$305,126
Cap Rate	6.12%
FMV	\$4,985,719
Loan to Value (80% max)	
FMV x 80%	\$3,988,575
Combined Loan to Value (80% max)	
Harborstone	\$3,574,846
Lakewood - HOME	<u>\$0</u>
Total all Loans	<u>\$3,574,846</u>
CLTV	72%

Combined Properties Valuation	
Fair Market Value	
NOI	\$647,693
Cap Rate	6.12%
FMV	\$10,583,211
Loan to Value (80% max)	
FMV x 80%	\$8,466,569
Combined Loan to Value (80% max)	
Harborstone	\$7,294,846
Lakewood - HOME	<u>\$316,920</u>
Total all Loans	<u>\$7,611,766</u>
CLTV	72%

Optional Interest Terms

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Total Residential Income	482,090	496,553	511,449	526,793	542,597	558,874	575,641	592,910	610,697	629,018	647,889	667,325	687,345	707,965	729,204	751,081	773,613	796,821	820,726	845,348
3.00% escalation (Vacancy)	(24,105)	(24,828)	(25,572)	(26,340)	(27,130)	(27,944)	(28,782)	(29,645)	(30,535)	(31,451)	(32,394)	(33,366)	(34,367)	(35,398)	(36,460)	(37,554)	(38,681)	(39,841)	(41,036)	(42,267)
Effective Gross Income	457,986	471,725	485,877	500,453	515,467	530,931	546,859	563,264	580,162	597,567	615,494	633,959	652,978	672,567	692,744	713,526	734,932	756,980	779,690	803,080
Operating Expenses 5.00% escalation	115,419	121,172	127,214	133,557	140,217	147,210	154,553	162,264	170,359	178,860	187,785	197,157	206,997	217,330	228,179	239,570	251,531	264,090	277,277	291,124
Net Operating Income	342,567	350,553	358,663	366,896	375,250	383,720	392,305	401,001	409,803	418,707	427,709	436,802	445,980	455,237	464,565	473,956	483,401	492,890	502,412	511,957
Harborstone - temporary	195,300	246,636																		
Harborstone - 1st 7-yr term loan			245,496	245,496	245,496	245,496	245,496	245,496	245,496											
Harborstone - 2nd 7-yr term loan										247,708	247,708	247,708	247,708	247,708	247,708	247,708				
Harborstone - 3rd 7-yr term loan																	209,183	209,183	209,183	209,183
HOME - City of Lakewood	15,846	44,588	44,588	44,588	44,588	44,588	44,588	44,588	44,588	44,588										
Cash Flow to Owner(s)	131,421	59,329	68,580	76,813	85,166	93,637	102,222	110,917	119,720	126,412	180,001	189,094	198,272	207,529	216,857	226,248	274,218	283,707	293,229	302,774
DCR	1.62	1.20	1.24	1.26	1.29	1.32	1.35	1.38	1.41	1.43	1.73	1.76	1.80	1.84	1.88	1.91	2.31	2.36	2.40	2.45

Notes to Pro Forma:
Revenue from Phase 2 operations.

HOME Loan Amortization

Principal 316,920 Annual D/S: \$44,587.50
Interest 5.00%
Term 10 Yrs
Amort. 9 Yrs

Yr	Balance	Interest	Principal	Total PMT
1	316,920	\$15,846	\$0	\$15,846
2	316,920	\$15,846	\$28,742	\$44,588
3	288,178	\$14,409	\$30,179	\$44,588
4	258,000	\$12,900	\$31,688	\$44,588
5	226,312	\$11,316	\$33,272	\$44,588
6	193,041	\$9,652	\$34,935	\$44,588
7	158,105	\$7,905	\$36,682	\$44,588
8	121,423	\$6,071	\$38,516	\$44,588
9	82,906	\$4,145	\$40,442	\$44,588
10	42,464	\$2,123	\$42,464	\$44,588
Balance:	0			\$417,134

Phase 2 (28 units)	
Fair Market Value	
NOI	\$342,567
Cap Rate	6.12%
FMV	\$5,597,492
Loan to Value (80% max)	
FMV x 80%	\$4,477,993
Combined Loan to Value (80% max)	
Harborstone	\$3,720,000
Lakewood - HOME	\$0
Total all Loans	<u>\$3,720,000</u>
CLTV	66%

Phase 3 (garages/parking)	
Fair Market Value	
Market Valuation	\$169,000
Loan to Value (80% max)	
FMV x 80%	\$135,200
Combined Loan to Value (80% max)	
Harborstone	\$0
Lakewood - HOME	<u>\$316,920</u>
Total all Loans	<u>\$316,920</u>
CLTV	188%

Phase 1 (24 units- already completed)	
Fair Market Value	
NOI	\$305,126
Cap Rate	6.12%
FMV	\$4,985,719
Loan to Value (80% max)	
FMV x 80%	\$3,988,575
Combined Loan to Value (80% max)	
Harborstone	\$3,574,846
Lakewood - HOME	<u>\$0</u>
Total all Loans	<u>\$3,574,846</u>
CLTV	72%

Combined Properties Valuation	
Fair Market Value	
NOI	\$647,693
Cap Rate	6.12%
FMV	\$10,583,211
Loan to Value (80% max)	
FMV x 80%	\$8,466,569
Combined Loan to Value (80% max)	
Harborstone	\$7,294,846
Lakewood - HOME	<u>\$316,920</u>
Total all Loans	<u>\$7,611,766</u>
CLTV	72%

Cash on Cash Return

Total Project Cost:	\$ 5,020,564.00	100%
Owner Investment:	\$ 983,644.00	20%
Other Financing:	\$ 4,036,920.00	80%

3% Int. Rate	YEAR	Cash Flow	CoC Return
	1	\$ 137,758.50	14.00%
	2	\$ 63,213.36	6.43%
	3	\$ 72,463.99	7.37%
	4	\$ 80,697.11	8.20%
	5	\$ 89,050.37	9.05%
	6	\$ 97,521.02	9.91%
	7	\$ 106,105.91	10.79%
	8	\$ 114,801.50	11.67%
	9	\$ 123,603.75	12.57%
	10	\$ 130,296.15	13.25%
	11	\$ 180,000.94	18.30%
	12	\$ 189,094.00	19.22%
	13	\$ 198,272.42	20.16%
	14	\$ 207,529.39	21.10%
	15	\$ 216,857.41	22.05%
	16	\$ 226,248.30	23.00%
	17	\$ 274,218.08	27.88%
	18	\$ 283,706.99	28.84%
	19	\$ 293,229.39	29.81%
	20	\$ 302,773.71	30.78%
		\$ 3,387,442.30	0.1721884

4% Int. Rate	YEAR	Cash Flow	CoC Return
	1	\$ 134,589.70	13.68%
	2	\$ 61,293.10	6.23%
	3	\$ 70,543.73	7.17%
	4	\$ 78,776.85	8.01%
	5	\$ 78,776.85	8.01%
	6	\$ 95,600.75	9.72%
	7	\$ 104,185.65	10.59%
	8	\$ 112,881.24	11.48%
	9	\$ 121,683.49	12.37%
	10	\$ 128,375.89	13.05%
	11	\$ 180,000.94	18.30%
	12	\$ 189,094.00	19.22%
	13	\$ 198,272.42	20.16%
	14	\$ 207,529.39	21.10%
	15	\$ 216,857.41	22.05%
	16	\$ 226,248.30	23.00%
	17	\$ 274,218.08	27.88%
	18	\$ 283,706.99	28.84%
	19	\$ 293,229.39	29.81%
	20	\$ 302,773.71	30.78%
		\$ 3,358,637.89	0.1707243

5% Int. Rate	YEAR	Cash Flow	CoC Return
	1	\$ 131,420.50	13.36%
	2	\$ 59,329.11	6.03%
	3	\$ 68,579.74	6.97%
	4	\$ 76,812.87	7.81%
	5	\$ 85,166.13	8.66%
	6	\$ 93,636.77	9.52%
	7	\$ 102,221.67	10.39%
	8	\$ 110,917.26	11.28%
	9	\$ 119,719.51	12.17%
	10	\$ 126,411.91	12.85%
	11	\$ 180,000.94	18.30%
	12	\$ 189,094.00	19.22%
	13	\$ 198,272.42	20.16%
	14	\$ 207,529.39	21.10%
	15	\$ 216,857.41	22.05%
	16	\$ 226,248.30	23.00%
	17	\$ 274,218.08	27.88%
	18	\$ 283,706.99	28.84%
	19	\$ 293,229.39	29.81%
	20	\$ 302,773.71	30.78%
		\$ 3,346,146.12	0.1700893



To: Mayor and City Councilmembers
From: Tho Kraus, Assistant City Manager/Finance & Administrative Services
Through: John J. Caulfield, City Manager *John J. Caulfield*
Date: April 14, 2014
Subject: Year-End 2013 Financial Report

Introduction

The financial report is intended to provide an overview of activity in all funds through December 31, 2013, with more in depth discussion focused on the City's main operating fund, the General Fund.

As mentioned in the first in-depth quarterly report (for third quarter, 2013), this report continues to be a work in progress.

New items added for the 2013 Year-End Financial Report include the following:

- A comprehensive list of City funds with their respective purposes and descriptions;
- A chart listing the real estate excise tax major transactions;
- An analysis of the community development permit and business license activity and related recovery ratio;
- An analysis of parks and recreation revenues, expenditures and related recovery ratio; and,
- A debt service debt limitation chart.

There are also expanded analysis and additional information for capital project expenditures, expenditure variances, tax revenues, and the hotel/motel lodging tax revenues and expenditures.

Additionally, the General Fund summary spreadsheets now include comparisons of 2013 actual to 2012 actual, 2013 actual to 2013 budget, as well as the average change between 2007 and 2013. The same comparisons will be prepared for Fund 101 Street Operations & Maintenance in future reports.

Reporting in the future will include:

- Sales tax reporting by the following areas – International District, South Tacoma to Ponders, Fort Steilacoom Park to Phillips, Lakewood Towne Center, and Lakewood Industrial Center;
- Continue further breakdown between ongoing versus one-time revenues and expenditures;
- Capital projects; and
- More in-depth reporting on other funds including grants.

The following are upcoming financial documents currently under development and will be presented to Council in the near future:

- Fleet and Equipment Plan (Apr 2014);
- Information Technology Strategic Plan (Apr 2014);

- Financial Policies (May/June 2014);
- 6-Year Financial Forecast (May/June 2014); and
- 1st Quarter, 2014 Financial Report (June 2014).

City Funds

In reviewing the Lakewood Municipal Code (LMC) City Funds section, not all City funds are referenced, although they may have been approved by Council via another ordinance (such as the budget ordinance). Additionally, existing funds that were created via the fund ordinance do not have fund numbers referenced so modifications to those existing fund ordinances will also take place. A reconciliation fund ordinances to the LMC is currently in progress and will be forwarded to Council in the near future for adoption (housekeeping item).

The following is a list of City funds:

Fund 001 General – This fund is used to account for all receipts and disbursements associated with ordinary City operations that are not required to be accounted for in another fund. This fund is both tax and general revenue supported. The fund is divided into nine primary departments: City Council, City Manager, Municipal Court, Finance and Administrative Services, Legal, Community & Economic Development, Parks, Recreation & Cultural Services, Police and Public Works in terms of property management. The fund’s major sources of revenue are taxes which accounts for 72% of operating revenues (property tax, sales tax, utility tax, gambling tax and other taxes). Other sources of revenues include franchise fees (8%), state share & intergovernmental revenue (4%), fines & forfeitures (7%); charges for services (3%); licenses & permits (1%); and miscellaneous/interest (2%). Primary services areas include police protection and jail services, court services, land use and development services, parks, recreation and cultural services, human services, general governmental (human resources, legal, finance, etc.), and public works in the form of interfund transfer to the Street Fund.

Fund 101 Street Operations & Maintenance - This fund is used to account for the receipts and disbursements associated with City planning, establishing, repairing and maintaining City streets sidewalks, and appurtenances, including pedestrian and bicycle paths, lanes and routes. The fund is supported primarily by an interfund transfer from the General Fund, motor vehicle fuel tax and permits to a much lesser degree. Primary areas of service are engineering plan reviews and inspections, transportation planning, traffic operations and maintenance, neighborhood traffic services, snow and ice response, and street maintenance.

Fund 102 Street Capital – This fund is used to account for the receipts and disbursements associated with the City’s street capital program. The primary sources of revenues are real estate excise tax, motor vehicle fuel tax, and grants.

Fund 104 Hotel/Motel Lodging Tax – This fund is used to account for all lodging tax receipts and disbursements related to tourism promotion and acquisition and/or operation of tourism-related facilities.

Fund 105 Property Abatement – The purpose of this fund is to account for projects that the City has identified and processed through the abatement process. All revenues from the rightful recovery of those project expenses, along with all revenues from fees, fines, and interest, and other rightful recoveries from those projects are deposited into the fund for the purpose of funding additional abatement projects. This purpose of this fund was reaffirmed via Budget Ordinance 541 adopted by City Council in November 2011.

Fund 106 Public Art – The sole purpose of this fund is to account for the revenue from the fees charged for the rental of the McGavick center by the City and expenditure of that revenue for approved public art activities.

Fund 180 Narcotics Seizure – The purpose of this fund, together with the imprest accounts, shall be for the purposes of investigation and apprehension of persons involved in the illegal sale, possession, or distribution of drugs or controlled substances, and for the purchase of controlled substances or drugs by law enforcement officers or agents, as well as for such other expenses the City determines to be reasonable. This fund was created via Ordinance 125 approved by Council in May 1997 and was renamed via Budget Ordinance 491 adopted by City Council in May 2009.

Fund 181 Felony Seizure – The purpose of this fund is to account for the revenues and expenditures associated with the Police Department activities where the expenditures are governed by RCW 10.105.101. This fund was established via Budget Ordinance 491 adopted by City Council in May 2009.

Fund 182 Federal Seizure – The purpose of this fund is to account for the revenues and expenditures associated with the Police Department activities where the revenues are derived from federal law enforcement activities. This fund was established via Budget Ordinance 491 adopted by City Council in May 2009.

Fund 190 CDBG (and Other Grants) – The purpose of this fund had been to account for all major grants coming into the City. The fund currently accounts primarily for the Community Development Blocks Grants (CDBG) and a domestic violence grant received by the Legal department (beginning with the 2015/16 Biennial Budget, the fund will only be used to account for CDBG). The fund balance as of December 31, 2013, is \$841,268 of which \$1,211 is for CDBG program income and interest earnings. The remaining balance of \$840,056 will be transferred back to the General Fund (the original source of funds) as all projects have been determined to be complete.

Fund 191 Neighborhood Stabilization Program (NSP) – The purpose of this fund is to account for the revenues and expenditures associated with the Federal Neighborhood Stabilization Program. The NSP was established for the purpose of stabilizing communities that have suffered from foreclosures and abandonment. The NSP1 program provides funds to purchase and redevelop foreclosed and abandoned homes and residential properties. NSP3 program provides a third round of neighborhood stabilization grants to all states and select governments on a formula basis. This fund was established via Budget Ordinance 491 adopted by City Council in May 2009.

Fund 192 Office of Economic Adjustment (OEA) – The purpose of this fund is to account for the revenues and expenditures associated with the Federal Office of Economic Adjustment Grant Program, which provides grants to assist communities with the alleviation of socioeconomic effects that may result from military base closures and realignments.

Fund 193 Police ARRA Grant – The purpose of this fund is to account for the revenues and expenditures related to police department grants received from the Federal Government’s American Recovery and Reinvestment Act of 2009. This fund was established via Budget Ordinance 499 adopted by City Council in August 2009. This fund is currently inactive.

Fund 195 Public Safety Grants – The purpose of this fund is to account for the revenues and expenditures related to police department grants and local revenues received from sources not related to the Federal Government’s American Recovery and Reinvestment Act of 2009. This fund was established via Budget Ordinance 499 adopted by City Council in August 2009.

Fund 201 General Obligation (GO) Bond Debt Service – This fund first appeared in 2005, for the purpose of accounting for the revenues (transfer in from the General Fund) and the debt service for the 59th Street note payable. In 2009 this debt was transferred to the General Fund. The proposed budget adjustment includes a request to move the 59th Street note payable from the General Fund back to Fund 201. .

Fund 202 LID Debt Service – The purpose of this fund is to account for the debt service for the City’s Combined Local Improvement District (CLID 1103) and the Local Improvement District (LID 1108). The fund was created as part of the process in establishing the permanent financing for LIDs 1101, 1102, and 1103. When the City secured permanent financing for the three LIDs, it combined them into one bond offer, entitled CLID 1101-1103. The CLID bonds were a public offering. This fund also accounts for LID 1108, which is a one-property-owner LID. This bond was a private placement with Cashmere Valley Bank because it was much less costly in terms of administrative fees. This fund was established via Ordinance 352 adopted by City Council in April 2004, which established the LIDS 1101, 1102, and 1103 and created the fund.

Fund 203 Police Facility Debt Service – The purpose of this fund was to account for the revenues (transfer in from the General Fund) and the debt service for the police facility. In 2010 this debt was transferred to the General Fund. The proposed budget adjustment includes a request to move the police facility debt service from the General fund to Fund 201. This fund is currently inactive.

Fund 204 Sewer Project Debt Service – The purpose of this fund is to account for the Public Works Trust Fund Loans that the City secured to fund both the sewer main construction (the finished asset has been donated to Pierce County) and the side sewer construction loan program, through which the City made loans to private property owners whose

property abutted the new sewer main, making possible their connection to it. This fund first appeared via Budget Ordinance 429 adopted by City Council in November 2006.

Fund 251 LID Guaranty Debt Service – This fund was created in conjunction with establishing the permanent financing of CLID 1101-1103. The money needed to establish and deposit into the fund was part of the costs of the LID and borne by the property owners included in the District. The source of funding was the LID bonds and underlying that, the assessment payments from property owners. Once the LID bonds are paid off, as long as the City has not started another LID, the balance may be transferred to the General Fund. Neither of the LIDS have had property owners fail to make a yearly payment, so the City has not had to withdraw money from the fund to make the payments. This fund was established via Ordinance 352 adopted by City Council in May 2005, which established the LIDS and created the fund.

Fund 301 General Governmental Capital Project – This fund has been in existence since the City’s inception. In recent history, the only consistent revenues into this fund have been transfers from the General Fund, but those transfers ceased due to the economic downturn. Other revenues include money from Fund 180 Narcotic Seizure fund, which funded part of the Police facility along with bond proceeds. In 2013, the unspent General Fund contribution balance of \$398,392 was returned to the General Fund.

Fund 311 Sewer Capital Project – The purpose of this fund is to account for the construction of a sewer system that was donated to Pierce County. This fund was first appeared in Budget Ordinance 429 adopted by Council in November 2006.

Fund 312 Sanitary Sewer Connection Capital Project – The purpose of this fund is to account for the revenues generated from the sewer availability charges, expenditures and transfers that are legally allowable for sewer availability charge fees and for administrative expenses to maintain and operate the fund. This fund was established via Budget Ordinance 541 as “*Sewer Availability Charge Fund*”, adopted by City Council in November 2011.

Fund 351 LID Capital Project – The purpose of this fund is to account for the local improvement district (LID) capital related projects of streets and sidewalks. The projects are funded by assessments on the benefiting properties. This fund is currently inactive.

Fund 401 Surface Water Management – The purpose of this fund is to administer and account for all receipts and disbursements related to the City’s surface and storm management system. All service charges are deposited into this fund for the purpose of paying the expense of maintaining and operating surface and storm water management facilities.

Fund 501 Vehicle and Equipment Replacement – This fund was established as the *Equipment Rental Fund* to be used as a revolving fund to be expended for the repair, replacement, and purchase of equipment, and for the purchase of equipment, materials and supplies to be used in the administration and operation of the fund. The fund currently accounts for vehicle and equipment replacement reserves and capital purchases funded by accumulated replacement reserves.

Fund 502 City Hall Facility Services and Reserve – The purpose of this fund is to accumulate reserves needed for future major repairs and capital improvements to city-owned facilities.

Fund 634 Municipal Court Trust Account – The purpose of this fund is to account for monies received by the Municipal Court as bond deposits, cash deposits, or other payments which may, depending upon the circumstances be returned to the person making the deposit or payment to the City, or which may, otherwise, be applied to fines, penalties, costs, or expenses involved in cases filed with the Municipal Court. This fund will be closed out and activity will be consolidated in the General Fund beginning with the 2015/16 Biennial Budget.

Fund 635 Section 125 – The purpose of this fund is to account for monies received from the deductions from the salaries of participating employees, and from which fund reimbursements shall be paid for the applicable medical and childcare expenses of said employees, in conformity with the provisions of Section 125 of the IRS Code. This fund will be closed out and activity will be consolidated in the General Fund beginning with the 2015/16 Biennial Budget.

By Fund Summary

The following table provides a summary of each fund's activity as of December 31, 2013.

Fund #/Fund Name	Beginning Fund Balance 1/1/2013	2013 Actuals		Revenue Over/(Under)	Ending Fund Balance 12/31/2013	Cash & Invest Balance 12/31/2013
		Revenues *	Expenditures **	Expenditures		
Total All Funds	\$ 19,691,574	\$ 51,113,464	\$ 51,262,957	\$ (149,493)	\$ 19,542,083	\$ 17,201,692
001 General Fund	\$ 2,615,306	\$ 35,016,175	\$ 35,521,130	\$ (504,955)	\$ 2,110,353	\$ 456,810
1XX Special Revenue Funds	\$ 3,675,267	\$ 9,770,630	\$ 9,374,918	\$ 395,712	\$ 4,070,979	\$ 3,451,729
101 Street Operations & Maintenance	155,892	2,113,854	2,186,777	(72,923)	82,969	112,167
102 Street Capital Projects	663,085	4,787,286	4,609,248	178,038	841,123	213,320
104 Hotel/Motel Lodging Tax	937,817	538,102	540,545	(2,443)	935,374	883,201
105 Property Abatement	254,927	146	16,902	(16,756)	238,171	238,171
106 Public Art	-	12,001	-	12,001	12,001	12,001
180 Narcotics Seizure	407,797	659,935	289,558	370,377	778,174	878,206
181 Felony Seizure	155,569	4,367	58,274	(53,907)	101,662	111,627
182 Federal Seizure	45,871	6,284	11,915	(5,631)	40,240	40,240
190 Grants	849,722	841,815	850,269	(8,454)	841,268	800,232
191 Neighborhood Stabilization Program	169,776	199,774	198,205	1,569	171,345	140,694
192 Office of Economic Adjustment Grant	32,517	219,961	223,826	(3,865)	28,652	21,870
195 Public Safety Grants	2,294	387,105	389,399	(2,294)	-	-
2XX Debt Service Fund	\$ 723,969	\$ 935,234	\$ 758,946	\$ 176,288	\$ 900,257	\$ 848,575
202 Local Improvement District Debt Service	3,995	294,375	298,221	(3,846)	149	149
204 Sewer Project Debt Service	329,191	639,784	460,725	179,059	508,250	456,841
251 Local Improvement District Guaranty	390,783	1,075	-	1,075	391,858	391,585
3XX Capital Project Funds	\$ 769,383	\$ 384,046	\$ 507,134	\$ (123,088)	\$ 646,295	\$ 499,770
301 General Government CIP	398,392	276	398,392	(398,116)	276	276
311 Sewer Project CIP	190,002	153	63,947	(63,794)	126,208	126,650
312 Sanitary Sewer Connection	180,989	383,617	44,795	338,822	519,811	372,844
4XX Enterprise Funds	\$ 6,736,556	\$ 3,958,937	\$ 4,427,884	\$ (468,947)	\$ 6,267,609	\$ 6,360,375
401 Surface Water Management	6,736,556	3,958,937	4,427,884	(468,947)	6,267,609	6,360,375
5XX Replacement Reserve Funds	\$ 5,171,093	\$ 1,048,442	\$ 672,945	\$ 375,497	\$ 5,546,590	\$ 5,518,932
501 Vehicle & Equipment Replacement	4,718,973	1,047,720	672,945	374,775	5,093,748	5,066,376
502 City Hall Facility Services	452,120	722	-	722	452,842	452,556
6XX Agency Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,502
634 Municipal Court	-	-	-	-	-	62,808
635 Section 125	-	-	-	-	-	2,694

* Revenues includes all sources, ongoing and one-time.

* Expenditures includes all uses, ongoing and one-time.

General Fund Operating Revenues & Expenditures

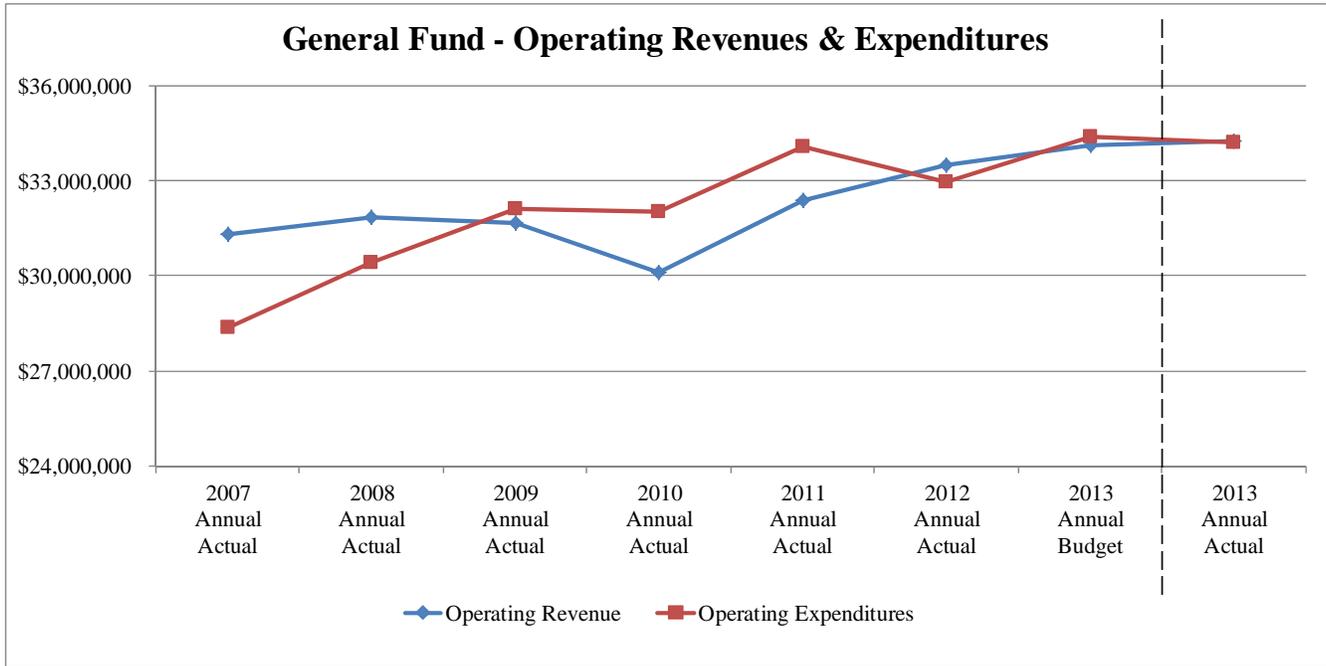
The table and chart below provides a comparison of operating revenues, operating expenditures and the resulting operating income/loss for the years 2007 through 2013.

2013 operating revenues were projected to be below operating expenditures by \$272K or 0.8%, however, actual operating revenues exceeded operating expenditures by \$59K or 0.2%.

2012 actual operating revenues exceed operating expenditures by \$551K or 1.7% due to not transferring \$778K to the Fund 501 Fleet & Equipment Replacement Reserve for the General Fund’s contribution towards replacement reserves. The increase in 2013 operating expenditures compared to 2012 is also attributable to not making the contribution to replacement reserves in 2012.

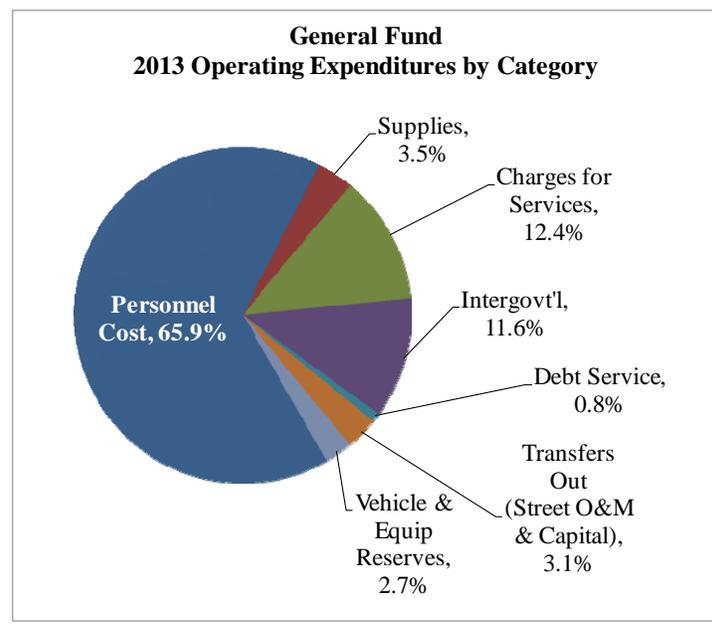
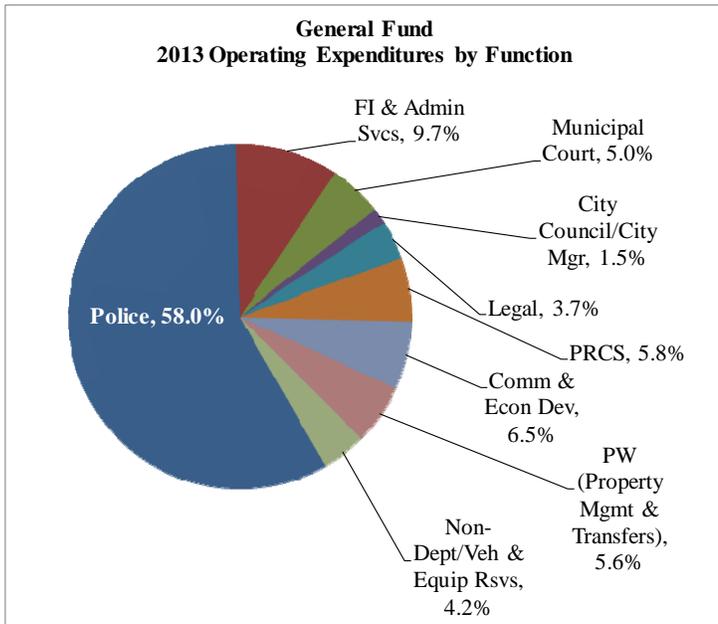
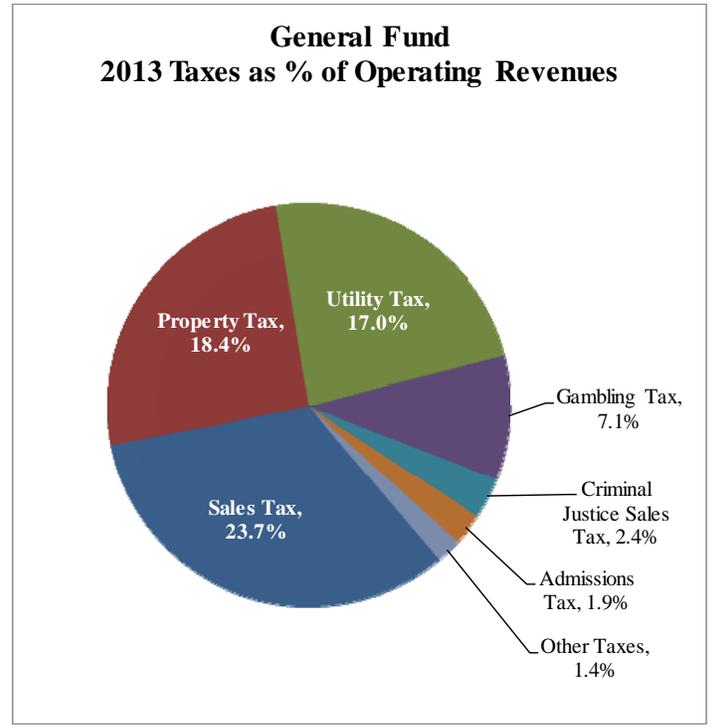
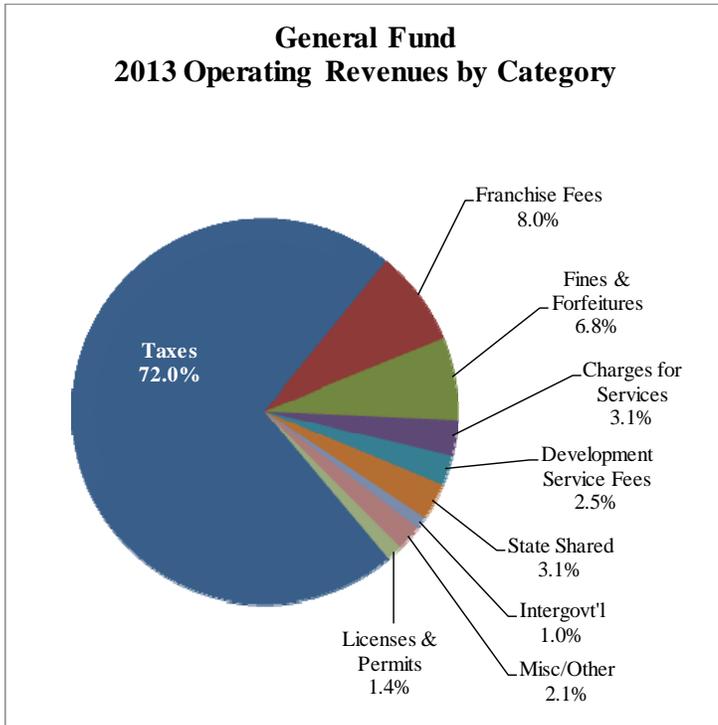
2013 operating expenditures of \$34.22M exceeds 2012 operating expenditures by \$1.27M and is due primarily to contributing \$920K to Fund 501 Vehicle & Equipment Replacement in 2013 compared to \$0 in 2012.

General Fund	2007 Annual Actual	2008 Annual Actual	2009 Annual Actual	2010 Annual Actual	2011 Annual Actual	2012 Annual Actual	2013 Annual Budget	2013 Annual Actual
Operating Revenue	\$31,312,000	\$31,829,000	\$31,682,000	\$30,116,000	\$32,389,000	\$33,498,000	\$34,128,000	\$34,279,000
Operating Expenditures	\$28,387,000	\$30,403,000	\$32,126,000	\$32,036,000	\$34,087,000	\$32,947,000	\$34,400,000	\$34,220,000
Operating Income / (Loss)	\$2,925,000	\$1,426,000	(\$444,000)	(\$1,920,000)	(\$1,698,000)	\$551,000	(\$272,000)	\$59,000



The charts below provides and illustration of the composition of General Fund operating revenues and expenditures.

The General Fund is supported primarily by taxes which account for 72% of operating revenues. Sales tax, property tax and utility tax and sales tax are the major tax sources and account for 59%. From a function perspective, Police accounts for 58% of the General Fund operating expenditures and from a category perspective, personnel costs accounts for 66%.



Ending Fund Balance & Cash Balance – General Fund

The final 2013 **ending fund balance** in the General Fund is \$2.11M. The proposed 2014 Carry Forward Budget Adjustment results in a revised projected 2014 ending fund balance of \$2.54M, which equates to 7.4% of General Fund operating revenues. It is recommended the City apply any excess revenues and expenditure savings toward increasing ending fund balance as discussed below.

In support of the City’s financial integrity, the following fund balance reserves, totaling 12% of General Fund operating revenues of \$4.1M, will be proposed as part of the financial policies discussion scheduled to occur in May/June 2014:

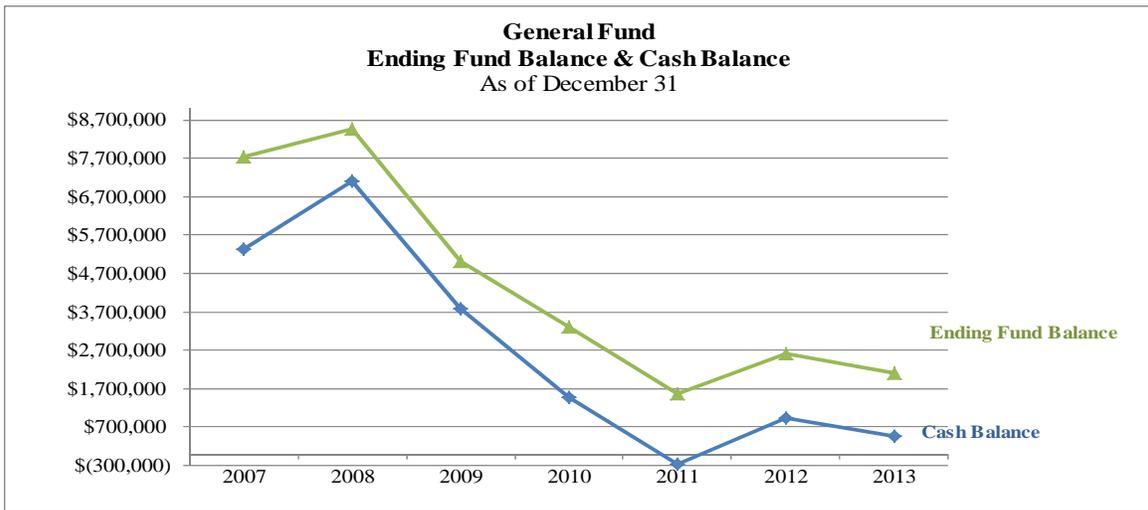
2% General Fund Contingency Reserves: The purpose of this reserve is to accommodate unexpected operational changes, legislative impacts, or other economic events affecting the City’s operations which could not have been reasonably anticipated at the time the original budget was prepared. A 2% reserve fund based on the General Fund operating revenues equates to roughly \$700K.

5% General Fund Ending Fund Balance Reserves: The purpose of this reserve is to provide financial stability, cash flow for operations and the assurance that the City will be able to respond to revenue shortfalls with fiscal strength. A 5% reserve fund based on the General Fund operating revenues equates to roughly \$1.70M.

5% Strategic Reserves: The purpose of this reserve is to provide some fiscal means for the City to respond to potential adversities such as public emergencies, natural disasters or similarly major, unanticipated events. A 5% reserve fund based on the General Fund operating revenues equates to roughly \$1.70M.

The General Fund **ending cash balance** at December 31, 2013, is \$457K. The table and graph below provides a history of the General Fund cash and investment balance since 2007.

Year	Ending Fund Balance	Cash	Investments	Total
2007	\$ 7,743,089	\$ 3,820,301	\$ 1,500,751	\$ 5,321,052
2008	8,449,994	5,539,910	1,563,978	7,103,888
2009	5,015,050	1,253,177	2,540,079	3,793,256
2010	3,297,488	1,486,981	-	1,486,981
2011	1,554,938	(279,337)	-	(279,337)
2012	2,615,308	928,450	-	928,450
2013	2,110,353	456,810	-	456,810



Contributions to the Fleet & Equipment Reserve Fund

The General Fund was budgeted to provide a total of \$920K to the Fleet and Equipment Fund for the purpose of accumulating replacement reserves and actual transfers have been made as of December 31, 2013. An assessment of the appropriate replacement reserves balance is part of the Fleet & Equipment Plan that is scheduled to go to Council in April 2014.

The General Fund contributions to the Fleet & Equipment Fund since 2007 are as follows: \$532K in 2007; \$864K in 2008, \$823K in 2009; \$687K in 2010; \$778K in 2011; and \$0 in 2012.

The financial summary for Fund 501 Vehicle and Equipment Replacement is complete for 2013; however, years 2007 through 2012 are not reconciled and therefore not presented in this report.

Transfers from General Fund to Fund 101 Street Operations & Maintenance and Fund 102 Street Capital

The General Fund provides an annual allocation to the street operations & maintenance and capital. Prior to 2011, the General Fund allocated a portion of the utility tax revenue and Tacoma Power contract to these funds.

The table below illustrates these revenues coming into the street funds:

Fund 101 Street O&M	2007	2008	2009	2010	2011	2012	2013
Utility Tax	\$ 756,189	\$ 736,481	\$ 754,880	\$ 680,143	\$ -	\$ -	\$ -
Tacoma Power	264,939	235,000	246,337	252,545	-	-	-
Transfer In From General Fund	-	-	-	-	1,041,221	1,032,826	1,029,780
Total	\$ 1,021,128	\$ 971,481	\$ 1,001,217	\$ 932,688	\$ 1,041,221	\$ 1,032,826	\$ 1,029,780

Fund 102 Street Capital	2007	2008	2009	2010	2011	2012	2013
Utility Tax	\$ 63,961	\$ 59,000	\$ 61,950	\$ 62,570	\$ -	\$ -	\$ -
Tacoma Power	\$ 186,700	\$ 125,000	\$ 135,237	\$ 139,226	\$ -	\$ -	\$ -
Transfer to General Fund Admin Support	\$ (157,000)	\$ (163,280)	\$ (163,280)	\$ (122,460)	\$ -	\$ -	\$ -
Transfer In From General Fund	-	-	-	-	34,450	36,440	35,000
Total	\$ 93,661	\$ 20,720	\$ 33,907	\$ 79,336	\$ 34,450	\$ 36,440	\$ 35,000

Ending Fund Balance & Cash and Investment Balance – Other Funds

Outside of the General Fund, all other funds ending fund balance are either restricted by law and/or dedicated for a specific purpose.

The ending fund balance for all **special revenue funds** total \$4.07M and cash and investment balances total \$3.45M and is broken down as follows:

- Street O&M: ending fund balance of \$83K, includes cash/invest balance of \$112K
- Street Capital: ending fund balance of \$841K, includes cash/invest balance of \$213K
- Hotel/Motel Lodging Tax: ending fund balance of \$935K, includes cash/invest balance of \$883K
- Property Abatement: ending fund balance of \$238K, includes cash/invest balance of \$238K
- Public Art: ending fund balance of \$12K, includes cash/invest balance of \$12K
- Seizures Funds: ending fund balance of \$920K, includes cash/invest balance of \$1.30M
- Grant Funds: ending fund balance of \$1.04M, includes cash/invest balance of \$963K

The ending fund balance of \$960K in the Narcotics Seizure Fund is less than the cash and investment balance of \$1.01M due to a \$57K liability for custodial account, which are seizures from cases that have not yet been

adjudicated. Once the process is complete, the money will either be returned to the owner or recognized as revenue.

The ending fund balance for all **debt service funds** total \$900K, which includes cash/investment balance of \$846K.

The ending fund balance for all **capital project funds** total \$646K, which includes cash/investment balance of \$500K.

The ending fund balance for the **enterprise fund** (Surface Water Management) totals \$6.27M, which includes cash/invest balance of \$6.36M.

The ending fund balance for the **replacement reserve funds** total \$5.46M, which includes cash/investment balance of \$5.52M.

The ending fund balance for the **agency funds** total \$0, with cash/invest balance of \$63K. These agency funds account for municipal court trust and bail funds and Discovery Benefits flexible spending accounts and represent balances as of the end of year 2013.

Property Tax

Private property and businesses in the City limits are levied a property tax which is collected in two installments, in April and October of each year. The total 2013 property tax rate is \$15.302 per \$1,000 of assessed value, of which \$1.44 is the City’s rate.

Property tax collections in 2013 totaled \$6.3M which exceeds 2012 collections by \$68K or 1.1%, and also exceeds the annual budget of \$6.24M by \$52K or 0.8%. Property tax revenue provides 18% of the General Fund’s total operating revenues.

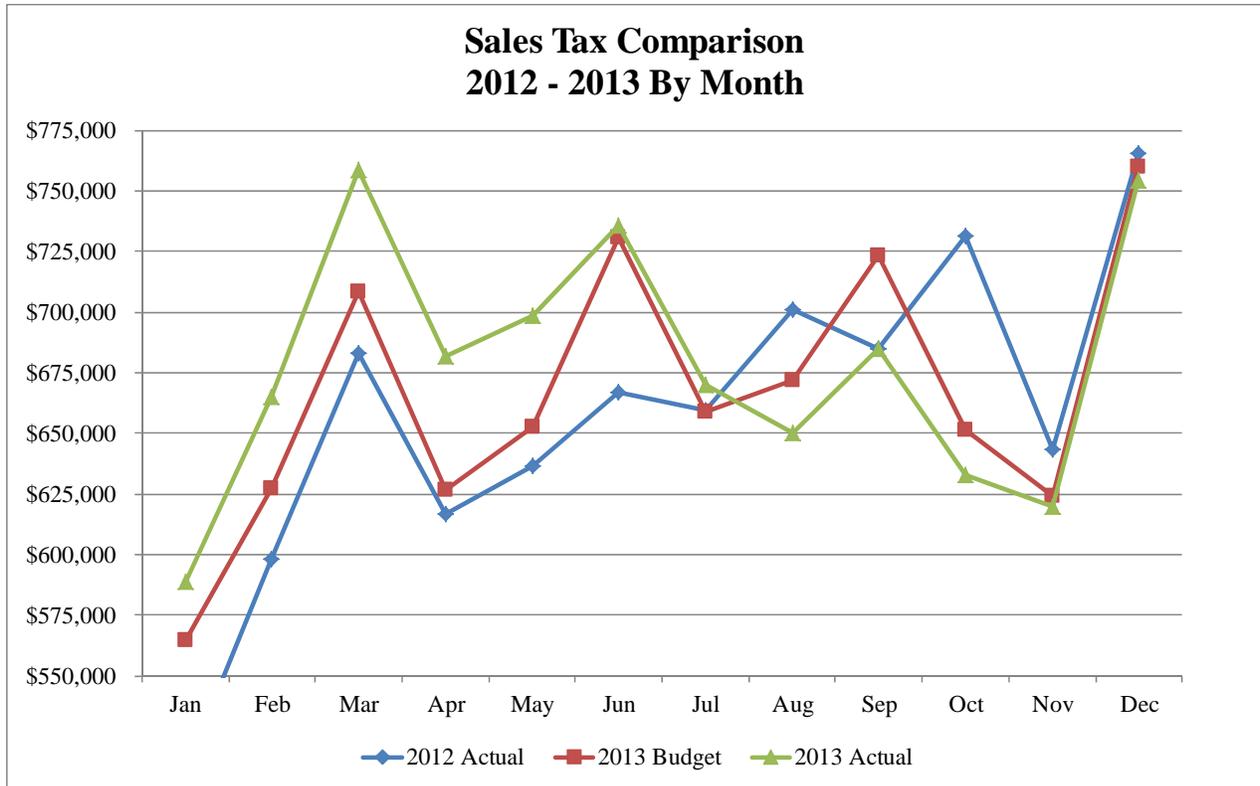
Property Tax												
Month	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013		Favorable/(Unfavorable)			
							Budget	Actual	Change from 2012		2013 Actual vs Budget	
									\$	%	\$	%
Jan	\$ -	\$ 72,766	\$ 54,037	\$ 79,257	\$ 88,406	\$ 103,966	\$ 82,901	\$ 102,245	\$ (1,721)	-1.7%	\$ 19,344	23.3%
Feb	256,126	215,848	209,468	239,678	249,100	243,194	240,794	433,439	190,245	78.2%	192,645	80.0%
Mar	1,806,373	1,955,426	2,059,518	2,210,772	2,075,622	2,300,914	2,205,985	1,945,434	(355,479)	-15.4%	(260,550)	-11.8%
Apr	797,935	770,176	699,190	584,342	801,205	662,261	731,810	896,437	234,175	35.4%	164,627	22.5%
May	76,710	26,852	32,101	40,603	29,529	15,583	30,101	16,703	1,120	7.2%	(13,398)	-44.5%
Jun	27,502	25,807	20,955	16,269	38,523	32,760	27,946	28,818	(3,941)	-12.0%	872	3.1%
Jul	27,918	18,786	32,542	24,941	32,762	33,746	29,707	43,108	9,362	27.7%	13,401	45.1%
Aug	91,466	158,175	176,087	145,479	124,866	99,923	146,590	217,489	117,566	117.7%	70,899	48.4%
Sep	1,770,803	1,881,271	1,915,637	1,950,653	2,023,542	2,138,392	2,061,844	1,869,723	(268,669)	-12.6%	(192,121)	-9.3%
Oct	643,104	542,961	638,163	639,126	574,675	531,252	608,843	702,704	171,452	32.3%	93,862	15.4%
Nov	37,173	31,213	25,296	44,996	54,778	37,646	40,350	9,048	(28,598)	-76.0%	(31,303)	-77.6%
Dec	24,484	23,017	32,613	71,207	23,325	28,289	37,130	30,671	2,383	8.4%	(6,459)	-17.4%
Annual Total	\$5,559,593	\$5,722,298	\$5,895,608	\$6,047,325	\$6,116,332	\$6,227,924	\$6,244,000	\$6,295,819	\$ 67,895	1.1%	\$51,819	0.8%
Change over Prior Year:												
	\$	\$162,705	\$173,310	\$151,717	\$69,008	\$111,592						
	%	2.9%	3.0%	2.6%	1.1%	1.8%						

Sales & Use Tax

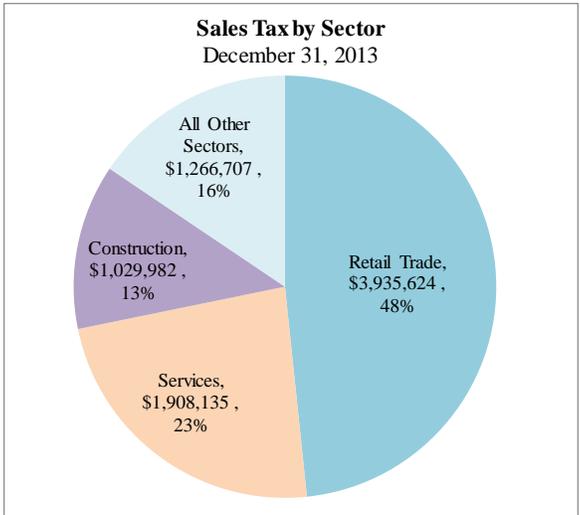
Sales tax accounts for 24% of the City’s General Fund operating revenues. Collections in 2013 total \$8.14M which is \$243K or 3.1% above 2012 and \$140K or 1.8% above budget. 2013 collections is the highest revenue year since 2007.

Sales & Use Tax by Month												
Month	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013		Favorable/(Unfavorable)			
							Budget	Actual	Chg from 2012		2013 Actual vs Budget	
									\$	%	\$	%
Jan	\$ 532,677	\$ 584,887	\$ 566,433	\$ 515,221	\$ 519,108	\$ 511,330	\$ 564,715	\$ 588,783	\$ 77,453	15.1%	\$ 24,068	4.3%
Feb	546,489	606,421	590,478	622,338	578,315	597,866	627,205	665,316	67,450	11.3%	38,111	6.1%
Mar	703,404	700,619	660,941	661,170	676,519	682,989	708,200	758,783	75,794	11.1%	50,583	7.1%
Apr	578,903	611,833	581,188	573,046	609,120	616,598	626,444	681,641	65,044	10.5%	55,197	8.8%
May	628,955	711,880	590,443	562,624	615,938	636,637	652,772	698,333	61,697	9.7%	45,561	7.0%
Jun	777,246	750,172	656,218	728,078	688,839	666,914	730,811	735,824	68,910	10.3%	5,014	0.7%
Jul	667,082	654,005	601,863	625,192	605,742	659,484	658,795	669,832	10,348	1.6%	11,037	1.7%
Aug	703,563	651,083	594,285	627,315	634,793	700,833	671,782	650,171	(50,662)	-7.2%	(21,611)	-3.2%
Sep	710,237	722,011	668,145	743,539	637,194	684,741	723,568	685,216	475	0.1%	(38,352)	-5.3%
Oct	662,405	610,720	583,929	604,417	581,942	731,153	651,649	632,657	(98,497)	-13.5%	(18,993)	-2.9%
Nov	593,824	598,031	542,850	612,226	584,734	643,445	624,246	619,860	(23,585)	-3.7%	(4,386)	-0.7%
Dec	770,097	725,069	738,004	687,168	713,112	765,367	759,811	754,032	(11,335)	-1.5%	(5,779)	-0.8%
Annual Total	\$7,874,881	\$7,926,731	\$7,374,777	\$7,562,334	\$7,445,356	\$7,897,357	\$8,000,000	\$ 8,140,450	\$ 243,092	3.1%	\$140,450	1.8%

Note: The sales tax revenue in the table above for years 2007 and 2008 includes \$77K that was received in Fund 201 59th Street Debt Service for the purpose of making debt service payments. Beginning in 2009, this debt service has been paid from the General Fund.



Sales & Use Tax by Sector				
Sector	Annual Totals		Favorable/(Unfavorable) Change from 2012	
	2012	2013	\$	%
	Retail Trade	\$ 4,013,776	\$ 3,935,624	\$ (78,152)
Services	1,799,335	1,908,135	108,800	6.0%
Construction	902,879	1,029,982	127,103	14.1%
Wholesale Trade	317,347	342,379	25,032	7.9%
Information	364,101	387,481	23,380	6.4%
Finance, Insurance & Real Estate	238,922	277,711	38,789	16.2%
Manufacturing	132,205	135,541	3,336	2.5%
Government	88,318	76,393	(11,925)	-13.5%
Other	38,498	45,877	7,379	19.2%
Transportation/Utilities	1,976	1,325	(651)	-32.9%
Total	\$ 7,897,357	\$ 8,140,450	\$ 243,092	3.1%



Retail trade, the largest economic sector, accounts for 48% of collections, followed by services and construction which account for 23% and 13%, respectively. All other sectors which includes wholesale trade, information, finance, insurance and real estate, manufacturing, government, transportation and utilities, and other accounts for the remaining 16%.

Retail Trade: Compared to 2012, the retail trade sector is down \$78K or 1.9%. General merchandise stores, motor vehicle and parts dealer, and sporting good, hobby, book stores account for the decreases. However, clothing and accessories, food and beverage stores, gasoline stations and miscellaneous store retailers experienced an increase.

Services: Compared to 2012, the services sector is up \$109K or 6.0%. The increase is due to increases in administrative and support services, food services and drinking places, hospitals, professional, scientific and technology, and repairs and maintenance.

Construction: Compared to 2012, the construction sector is up \$127K or 14.1%. The majority of the increase is in construction of buildings. Heavy and civil construction and specialty trade contractors experienced increases as well, but at a much lower level.

All Other Sectors: Compared to 2012, all other sectors increased by \$85K or 7.2%.

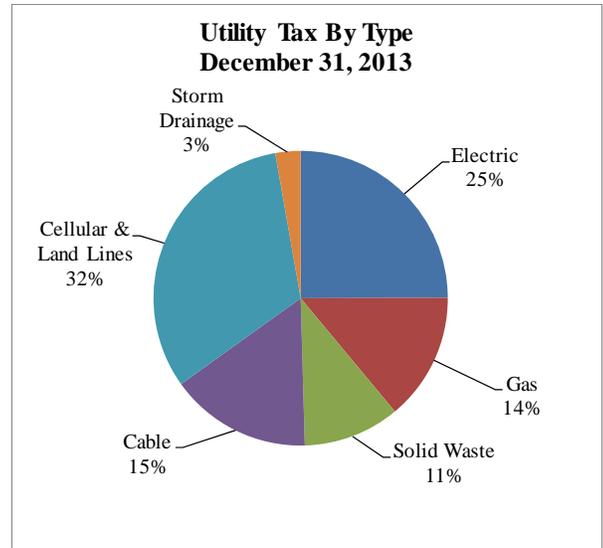
- *Finance, Insurance and Real Estate* increased by \$39K or 16.2% primarily due to an increase in rental and leasing services and credit intermediation.
- *Information* increased by \$23K or 6.4% due to increases in all subsectors including telecommunications, publishing industries, internet service providers, motion picture and sound recording.
- *Manufacturing* increased by \$3K or 2.5% primarily due to increases in computer and electronic production, apparel manufacturing, non-metallic mineral products, furniture and related products, printing and related support offset by decreases in fabricated metal products, machinery & manufacturing, textile product mills and plastic and rubber products.
- *Wholesale Trade* increased by \$25K or 7.9% primarily due to increases in durable and non-durable goods offset by minor decreases in electronic markets.
- *Other* increased by \$7K or 19.2% primarily due to an increase in transit and ground passengers.
- *Government* decreased by \$12K or 13.5% primarily due to decreases in executive and legislative, environmental quality programs and non-classifiable establishments.

Utility Tax

The City levies a tax on utilities provided within the city. The tax is currently 5% for electric and gas services and 6% for solid waste, cable, cellular phone, land lines and storm drainage.

Utility tax collections in 2013 totaled \$5.83M which exceeds 2012 collections by \$215K or 3.8% and is below the annual budget of \$6.13M by \$292K or 4.8%.

The increase compared to 2012 is due to increases in electricity of \$200K or 14.3%, solid waste of \$144K or 24.2% and cable of \$68K or 7.7% offset by decreases in natural gas of \$25K or 3.2%, phone/cellular of \$117K or 6.5%, and storm drainage of \$55K or 35.4%.



Utility Tax												
Month	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013		Favorable/(Unfavorable)			
							Budget	Actual	Change from 2012		2013 Actual vs Budget	
									\$	%	\$	%
Jan	\$ 556,406	\$ 636,335	\$ 507,500	\$ 509,958	\$ 509,958	\$ 553,009	\$ 583,062	\$ 536,622	\$ (16,387)	-3.0%	\$ (46,440)	-8.0%
Feb	589,142	518,722	546,857	349,390	537,576	483,333	522,780	478,022	(5,310)	-1.1%	(44,758)	-8.6%
Mar	601,832	700,948	691,510	652,339	665,963	551,621	700,161	525,479	(26,143)	-4.7%	(174,683)	-24.9%
Apr	467,972	444,570	195,167	486,255	410,471	265,908	386,819	629,278	363,370	136.7%	242,459	62.7%
May	505,203	370,654	729,032	206,955	438,787	668,470	518,063	542,264	(126,206)	-18.9%	24,201	4.7%
Jun	668,914	527,402	559,635	679,332	518,640	553,649	609,223	482,544	(71,105)	-12.8%	(126,680)	-20.8%
Jul	368,244	268,380	303,616	148,241	476,339	490,254	362,022	351,102	(139,153)	-28.4%	(10,920)	-3.0%
Aug	429,755	559,553	420,511	553,389	445,611	349,832	499,820	506,145	156,313	44.7%	6,325	1.3%
Sep	411,205	336,598	397,597	346,311	339,543	340,918	377,933	461,243	120,325	35.3%	83,310	22.0%
Oct	300,447	797,174	446,134	500,425	338,167	450,146	543,419	294,459	(155,687)	-34.6%	(248,961)	-45.8%
Nov	412,316	186,124	220,839	340,723	545,996	449,000	374,009	461,243	12,243	2.7%	87,234	23.3%
Dec	445,934	588,424	746,189	417,603	819,974	466,199	652,089	568,814	102,616	22.0%	(83,275)	-12.8%
Annual Total	\$5,757,369	\$5,934,884	\$5,764,587	\$5,190,922	\$6,047,025	\$ 5,622,338	\$6,129,400	\$ 5,837,214	\$ 214,875	3.8%	\$ (292,186)	-4.8%
Change over Prior Year:												
	\$	\$177,515	(\$170,297)	(\$573,665)	\$856,103	(\$424,687)						
	%	3.1%	-2.9%	-10.0%	16.5%	-7.0%						

Utility Tax by Type												
Type	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013		Favorable/(Unfavorable)			
							Budget	Actual	Change from 2012		2013 Actual vs Budget	
									\$	%	\$	%
Electricity	\$ 991,411	\$ 980,053	\$ 1,052,137	\$ 1,021,194	\$ 1,360,252	\$ 1,402,152	\$ 1,385,600	\$ 1,602,288	\$ 200,136	14.3%	\$216,688	15.6%
Natural Gas	1,183,495	1,116,081	902,621	783,284	864,155	787,425	1,100,000	762,036	(25,389)	-3.2%	(337,964)	-30.7%
Solid Waste	670,149	620,882	626,712	570,798	681,964	596,041	665,000	740,532	144,491	24.2%	75,532	11.4%
Cable	680,407	720,514	736,209	792,990	879,211	874,579	703,800	942,278	67,699	7.7%	238,478	33.9%
Phone/Cellular	1,332,759	1,463,868	1,459,425	1,279,943	1,948,426	1,806,362	2,100,000	1,689,516	(116,846)	-6.5%	(410,484)	-19.5%
Storm Drainage	79,000	238,006	170,653	-	313,016	155,781	175,000	100,564	(55,217)	-35.4%	(74,436)	-42.5%
Annual Total	\$4,937,221	\$5,139,404	\$4,947,757	\$4,448,209	\$6,047,024	\$5,622,340	\$6,129,400	\$5,837,214	\$ 214,874	3.8%	\$(292,186)	-4.8%

Gambling Tax

The City levies a gambling tax on gross receipts derived by operators of gambling activities, including punch boards, pull tabs, bingo, raffles, amusement games, and social card rooms. Fund raising activities and charitable and non-profit organizations that involve game of chance are subject to the tax. The gambling tax rates by activity are as follows: card rooms (11%), punch boards (3%), pull tabs (5%), bingo (5% off gross receipts less amounts paid as prizes), raffles (5% of gross receipts less amount paid as prizes); amusement games (2% of gross receipts less amount paid as prizes).

Gambling tax collections in 2013 totaled \$2,434K which exceeds 2012 collections by \$9K or 0.4% and is below the annual budget of \$2,720K by \$286K or 10.5%. The composition of gambling tax revenues is: card rooms 91%, punch board and pull tabs 7%, and amusement games 2%.

Gambling Tax												
Month	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013		Favorable/(Unfavorable)			
							Budget	Actual	Change from 2012		2013 Actual vs Budget	
									\$	%	\$	%
Jan	\$ 286,167	\$ 255,723	\$ 254,184	\$ 203,160	\$ 211,554	\$ 222,706	\$ 236,404	\$ 224,136	\$ 1,430	0.6%	\$ (12,267)	-5.2%
Feb	321,492	268,132	260,472	227,458	231,294	262,436	257,516	234,642	(27,794)	-10.6%	(22,874)	-8.9%
Mar	269,155	256,606	251,190	196,091	238,922	208,500	237,224	198,324	(10,175)	-4.9%	(38,899)	-16.4%
Apr	254,720	281,984	237,565	190,165	227,588	195,743	233,461	202,922	7,179	3.7%	(30,538)	-13.1%
May	214,009	231,781	228,831	178,723	180,852	171,175	204,267	207,948	36,773	21.5%	3,681	1.8%
Jun	228,456	240,056	217,445	210,664	255,575	166,992	224,742	189,331	22,339	13.4%	(35,411)	-15.8%
Jul	208,932	243,436	209,043	188,432	226,707	193,117	218,561	209,906	16,789	8.7%	(8,655)	-4.0%
Aug	202,930	236,149	199,515	200,813	235,434	182,104	217,177	192,726	10,622	5.8%	(24,451)	-11.3%
Sep	362,591	243,758	232,599	217,658	226,415	208,091	232,528	211,389	3,298	1.6%	(21,139)	-9.1%
Oct	247,672	238,128	185,912	201,684	192,272	191,594	208,023	189,421	(2,173)	-1.1%	(18,602)	-8.9%
Nov	245,442	234,853	213,723	203,127	203,534	223,728	222,318	179,572	(44,156)	-19.7%	(42,746)	-19.2%
Dec	249,477	237,969	268,818	397,486	2,254	198,947	227,780	193,734	(5,213)	-2.6%	(34,046)	-14.9%
Annual Total	\$3,091,044	\$2,968,574	\$2,759,297	\$2,615,460	\$2,432,400	\$2,425,133	\$2,720,000	\$2,434,051	\$ 8,918	0.4%	\$(285,949)	-10.5%
Change over Prior Year:												
\$		(\$122,470)	(\$209,277)	(\$143,837)	(\$183,061)	(\$7,266)						
%		-4.0%	-7.0%	-5.2%	-7.0%	-0.3%						



Admissions Tax

The City levies an admission tax of 5% on activities such as movie and play tickets, entrance fees and over charges to clubs. The tax is levied on the person or organization collecting the admission fee.

Admissions tax collections in 2013 totaled \$641K which exceeds 2012 collections by \$49K or 8.4% and also exceeds the annual budget of \$473K by \$169K or 35.7%.

Admissions Tax												
Month	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013		Favorable/(Unfavorable)			
							Budget	Actual	Change from 2012		2013 Actual vs Budget	
									\$	%	\$	%
Jan	\$ 42,966	\$ 43,398	\$ 45,938	\$ 37,781	\$ 36,406	\$ 52,043	\$ 39,316	\$ 43,295	\$ (8,748)	-16.8%	\$ 3,979	10.1%
Feb	47,064	35,609	39,535	41,694	36,928	55,758	38,213	45,678	(10,081)	-18.1%	7,464	19.5%
Mar	39,603	33,962	31,346	37,897	38,771	45,958	34,276	48,920	2,962	6.4%	14,644	42.7%
Apr	38,573	38,366	42,562	32,783	42,006	58,667	39,100	55,687	(2,980)	-5.1%	16,587	42.4%
May	56,991	65,473	57,843	55,491	68,550	58,696	55,819	76,194	17,498	29.8%	20,375	36.5%
Jun	56,347	52,382	47,054	49,063	54,489	56,784	47,378	73,038	16,254	28.6%	25,660	54.2%
Jul	56,833	56,511	43,955	48,045	49,286	48,680	44,953	65,646	16,966	34.9%	20,693	46.0%
Aug	24,406	22,559	27,280	26,121	33,877	27,441	25,037	30,319	2,878	10.5%	5,282	21.1%
Sep	33,391	35,737	13,657	32,324	31,394	38,258	27,607	35,343	(2,914)	-7.6%	7,736	28.0%
Oct	39,922	42,526	48,194	41,484	45,764	60,889	43,564	40,180	(20,710)	-34.0%	(3,384)	-7.8%
Nov	48,963	44,737	51,694	42,162	51,419	48,456	43,493	58,282	9,825	20.3%	14,789	34.0%
Dec	35,047	40,471	36,252	39,763	28,460	40,074	33,745	68,571	28,497	71.1%	34,827	103.2%
Annual Total	\$ 520,106	\$ 511,731	\$ 485,308	\$ 484,607	\$ 517,350	\$ 591,704	\$ 472,500	\$ 641,151	\$ 49,447	8.4%	\$168,651	35.7%
Change over Prior Year:												
	\$	(\$8,375)	(\$26,422)	(\$701)	\$32,743	\$74,354						
	%	-1.6%	-5.2%	-0.1%	6.8%	14.4%						

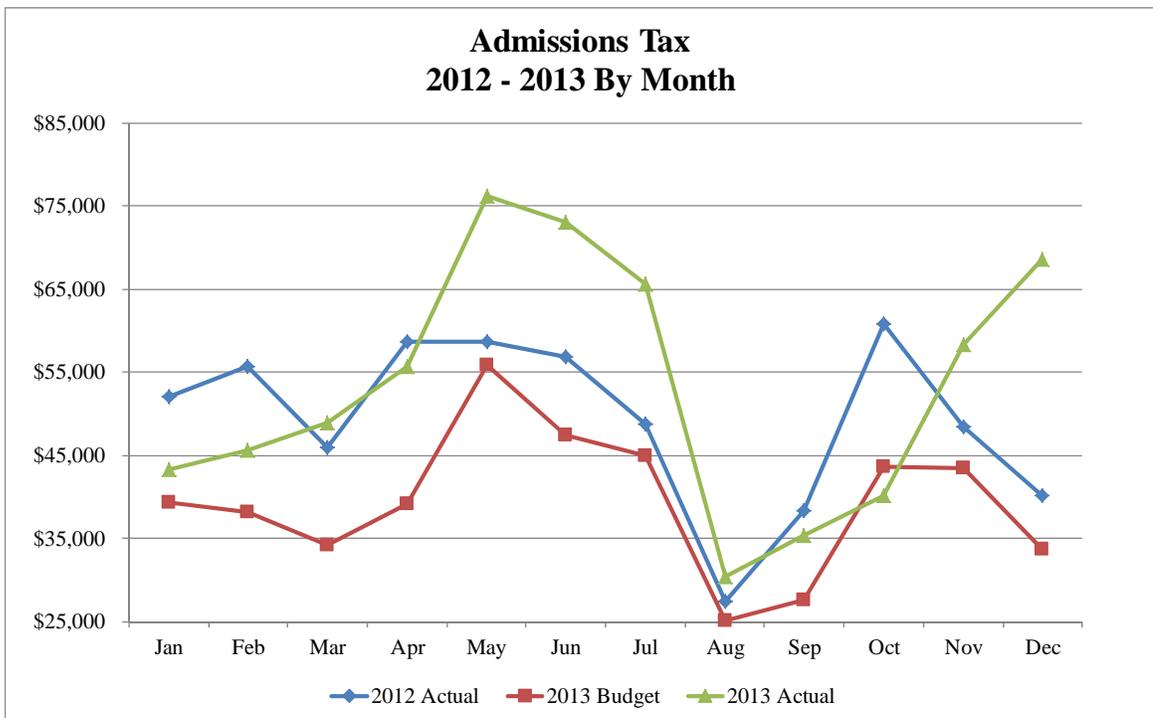


Photo Infraction – Red Light/School Zone Enforcement

The City currently has eight cameras operating at five locations.

The monthly red light photo vendor payments are \$3,904 for each of the four red light photo cameras at Bridgeport Blvd SW & San Francisco Ave SW and Steilacoom Blvd SW & Phillips Road SW and \$4,118 for the two red light photo cameras at South Tacoma Way & SR 512.

The monthly school zone photo vendor payments are based on the number of citations issued at the 5405 Steilacoom Blvd and 9904 Gravelly Lake Drive and are \$4,870 (up to 100 issued citations), \$5,870 (101 – 160 issued citations), and \$6,870 (161+ issued citations).

The estimated annual vendor payment budget of \$450K was added during the mid-biennium budget adjustment. Actual vendor payments totaled \$446K in 2013. Gross revenue was also adjusted during the mid-biennium budget adjustment, from \$1.0M down to \$820K annual budget while actuals came in at \$793K.

Photo Infraction - Red light/School Zone Enforcement								
Month	Year 2012			Year 2013			Favorable/(Unfavorable)	
	Gross Revenue	Vendor Payment	Net Revenue	Gross Revenue	Vendor Payment	Net Revenue	Net Revenue Change from 2012	
							\$	%
Jan	\$ 65,056	\$ 37,593	\$ 27,463	\$ 58,410	\$ 37,593	\$ 20,817	\$ (6,646)	-24.2%
Feb	54,258	36,593	17,665	66,685	37,593	29,093	11,427	64.7%
Mar	65,637	37,593	28,045	70,575	37,593	32,982	4,938	17.6%
Apr	68,501	34,593	33,908	67,061	37,593	29,468	(4,440)	-13.1%
May	58,866	36,593	22,274	63,441	37,593	25,848	3,574	16.0%
Jun	68,881	36,593	32,288	76,071	37,593	38,479	6,190	19.2%
Jul	57,221	35,593	21,629	69,939	36,593	33,346	11,717	54.2%
Aug	62,663	33,593	29,071	49,938	34,593	15,345	(13,725)	-47.2%
Sep	62,602	37,593	25,009	72,071	37,593	34,479	9,470	37.9%
Oct	52,911	37,593	15,318	53,443	37,593	15,850	532	3.5%
Nov	95,230	37,593	57,637	79,956	37,593	42,363	(15,274)	-26.5%
Dec	77,712	37,593	40,119	65,515	36,593	28,922	(11,197)	-27.9%
Annual Total	\$ 789,539	\$ 439,113	\$ 350,426	\$ 793,105	\$ 446,114	\$ 346,991	\$ (3,435)	-1.0%

Jail Services

Total payments made in 2013 for jail services total \$884K and includes \$98K for 2012 service periods. Compared to the annual budget of \$982K, expenditures of \$884K is below by \$98K or 10%. Compared to 2012 actuals of \$1.0M, jail expenditures are below by \$124K or 12%.

Service Period	Wapato Police Dept	Nisqually Police Dept	Pierce County	City of Puyallup	City of Fife	Medical *	Total by Month
Jan	\$ 24,465	\$ -	\$ 51,033	\$ 5,276	\$ 85	\$ 515	\$ 81,374
Feb	24,380	435	44,965	3,640	340	-	73,760
Mar	25,186	14,980	20,252	390	-	-	60,808
Apr	25,849	24,239	19,628	469	-	306	70,491
May	27,276	23,417	17,704	455	-	-	68,852
Jun	35,100	21,774	15,687	325	-	-	72,886
Jul	947	23,051	13,497	-	-	-	37,496
Aug	18,206	30,305	20,622	65	-	491	69,689
Sep	19,567	27,833	25,045	130	-	-	72,575
Oct	19,546	22,804	20,140	715	-	-	63,205
Nov	18,585	14,683	14,297	715	-	863	49,143
Dec	18,943	20,403	19,710	130	-	6,140	65,327
Subtotal	\$ 258,050	\$ 223,925	\$ 282,580	\$ 12,310	\$ 425	\$ 8,315	\$ 785,605
2012 **	98,050	-	-	-	-	-	98,050
Total	\$ 356,100	\$ 223,925	\$ 282,580	\$ 12,310	\$ 425	\$ 8,315	\$ 883,655

* Medical include St. Clare Hospital, NW Emergency Physicians Inc, and Olympic Ambulance Services Inc.

** Difference between amount due and actual paid reconciled and paid out in June 2013.

Fines & Forfeitures

Municipal court revenue collections of \$1.5M and is above the budget of \$1.5MK by \$1K or 0.1%. Civil infraction penalties, civil parking infractions, criminal traffic misdemeanor fines, criminal non-traffic fines, and court recoupment costs are below budget while administrative related fee, detention and correction fees, civil penalties and interest/other/miscellaneous exceed budget.

Compared to 2012, revenue collections are below by \$82K or 5.1%. The unfavorable variance is due primarily to the decrease in civil infraction penalties.

Fines & Forfeitures													
Category	2007	2008	2009	2010	2011	2012	2013		Favorable / (Unfavorable)				
							Budget	Actual	Change from 2012		Actual vs Budget		
									Budget	Actual	Budget	Actual	
Admin, Filing, Copy, Forms & Legal Fees	\$ 26,147	\$ 24,506	\$ 25,844	\$ 28,620	\$ 38,561	\$ 57,658	\$ 31,350	\$ 57,388	\$ (269)	-0.5%	\$ 26,038	83.1%	
Detention & Correction Services	239,001	274,142	372,404	260,956	381,860	426,925	414,916	431,381	4,455	1.0%	16,465	4.0%	
Civil Penalties	3,481	4,866	5,194	5,764	11,438	16,865	-	12,206	(4,659)	-27.6%	12,206	n/a	
Civil Infraction Penalties	417,949	526,877	939,510	506,960	661,161	932,084	906,300	839,061	(93,024)	-10.0%	(67,239)	-7.4%	
Civil Parking Infractions	1,124,868	25,535	22,230	21,062	13,364	12,148	39,200	12,307	159	1.3%	(26,893)	-68.6%	
Criminal Traffic Misdemeanor Fines	44,770	46,426	49,868	36,394	34,985	49,393	51,500	40,853	(8,540)	-17.3%	(10,647)	-20.7%	
Criminal Non-Traffic Fines	25,428	24,376	20,789	8,939	13,102	13,285	26,700	13,874	588	4.4%	(12,826)	-48.0%	
Court Cost Recoupment	32,271	41,101	38,758	27,767	28,690	32,920	42,210	30,969	(1,951)	-5.9%	(11,241)	-26.6%	
Interest/Other/Misc	(518)	2,439	25,982	29,796	48,316	55,021	1,350	76,589	21,568	39.2%	75,239	5573.3%	
Total	\$1,913,396	\$970,268	\$1,500,580	\$926,257	\$1,231,477	\$1,596,299	\$1,513,526	\$1,514,628	\$(81,672)	-5.1%	\$ 1,102	0.1%	
Change over Prior Year:													
	\$	\$ (943,127)	\$530,311	(\$574,322)	\$305,220	\$364,822							
	%	-49.3%	54.7%	-38.3%	33.0%	29.6%							

Parks, Recreation & Community Services

The table below provides historical and budgeted versus actual subsidy and recovery ratio by program, excluding human services.

Direct program expenditures in 2013 total \$1.42M and revenues total \$285K, resulting in a General Fund subsidy of \$1.14M or recovery ratio of 20%.

Including indirect administration costs of \$197K, expenditures total \$1.62M and parks sales tax revenue of \$458K, the General Fund subsidy is reduced to \$879K or recovery ratio of 46%.

Parks, Recreation & Cultural Services								
Program	2007	2008	2009	2010	2011	2012	2013	
							Budget	Actual
Recreation:								
Revenues	\$ 62,755	\$ 63,994	\$ 63,790	\$ 45,397	\$ 51,476	\$ 62,999	\$ 49,600	\$ 63,427
Expenditures	\$ 306,690	\$ 308,288	\$ 316,887	\$ 316,386	\$ 355,653	\$ 381,941	\$ 312,800	\$ 346,398
General Fund Subsidy	\$ 243,935	\$ 244,294	\$ 253,097	\$ 270,989	\$ 304,178	\$ 318,943	\$ 263,200	\$ 282,971
Recovery Ratio	20%	21%	20%	14%	14%	16%	16%	18%
Senior Services:								
Revenues	\$ 84,178	\$ 76,972	\$ 67,214	\$ 71,195	\$ 73,288	\$ 70,467	\$ 75,000	\$ 60,813
Expenditures	\$ 177,434	\$ 181,190	\$ 207,277	\$ 201,264	\$ 226,560	\$ 189,836	\$ 206,320	\$ 200,651
General Fund Subsidy	\$ 93,256	\$ 104,217	\$ 140,063	\$ 130,069	\$ 153,272	\$ 119,370	\$ 131,320	\$ 139,837
Recovery Ratio	47%	42%	32%	35%	32%	37%	36%	30%
Parks Facilities:								
Revenues	\$ 25,233	\$ 6,155	\$ 43,719	\$ 43,721	\$ 40,087	\$ 54,048	\$ 30,000	\$ 55,075
Expenditures	\$ 464,847	\$ 491,785	\$ 464,275	\$ 439,314	\$ 457,365	\$ 489,109	\$ 411,970	\$ 459,913
General Fund Subsidy	\$ 439,614	\$ 485,630	\$ 420,556	\$ 395,593	\$ 417,278	\$ 435,061	\$ 381,970	\$ 404,838
Recovery Ratio	5%	1%	9%	10%	9%	11%	7%	12%
Fort Steilacoom:								
Revenues	\$ 239,859	\$ 238,960	\$ 269,463	\$ 263,757	\$ 201,561	\$ 99,690	\$ 80,000	\$ 105,233
Expenditures	\$ 386,026	\$ 393,307	\$ 374,876	\$ 391,342	\$ 410,815	\$ 449,884	\$ 427,690	\$ 417,950
General Fund Subsidy	\$ 146,167	\$ 154,347	\$ 105,413	\$ 127,585	\$ 209,254	\$ 350,194	\$ 347,690	\$ 312,717
Recovery Ratio	62%	61%	72%	67%	49%	22%	19%	25%
Subtotal Direct Cost:								
Revenues	\$ 412,025	\$ 386,081	\$ 444,187	\$ 424,071	\$ 366,412	\$ 287,203	\$ 234,600	\$ 284,548
Expenditures	\$ 1,334,997	\$ 1,374,570	\$ 1,363,316	\$ 1,348,306	\$ 1,450,394	\$ 1,510,770	\$ 1,358,780	\$ 1,424,912
General Fund Investment	\$ 922,972	\$ 988,488	\$ 919,129	\$ 924,236	\$ 1,083,982	\$ 1,223,568	\$ 1,124,180	\$ 1,140,364
Recovery Ratio	31%	28%	33%	31%	25%	19%	17%	20%
Administration (Indirect Cost):								
Revenues (Parks Sales Tax)	\$ 493,360	\$ 461,411	\$ 363,218	\$ 437,146	\$ 403,822	\$ 412,204	\$ 400,000	\$ 458,373
Expenditures	\$ 169,836	\$ 195,999	\$ 206,632	\$ 205,359	\$ 204,221	\$ 209,047	\$ 193,160	\$ 196,770
General Fund Subsidy	\$ (323,524)	\$ (265,412)	\$ (156,586)	\$ (231,787)	\$ (199,601)	\$ (203,157)	\$ (206,840)	\$ (261,603)
Recovery Ratio	290%	235%	176%	213%	198%	197%	207%	233%
Total Direct & Indirect Cost:								
Revenues	\$ 905,385	\$ 847,492	\$ 807,405	\$ 861,217	\$ 770,234	\$ 699,407	\$ 634,600	\$ 742,921
Expenditures	\$ 1,504,833	\$ 1,570,569	\$ 1,569,948	\$ 1,553,665	\$ 1,654,615	\$ 1,719,818	\$ 1,551,940	\$ 1,621,682
General Fund Investment	\$ 599,448	\$ 723,076	\$ 762,543	\$ 692,449	\$ 884,381	\$ 1,020,411	\$ 917,340	\$ 878,761
Recovery Ratio	60%	54%	51%	55%	47%	41%	41%	46%

Community and Economic Development

The table below provides historical and budgeted versus actual subsidy and recovery ratio by program, excluding economic development.

2013 operating expenditures of \$1.81M while operating revenues total \$1.14M, resulting in a recovery ratio of 63%.

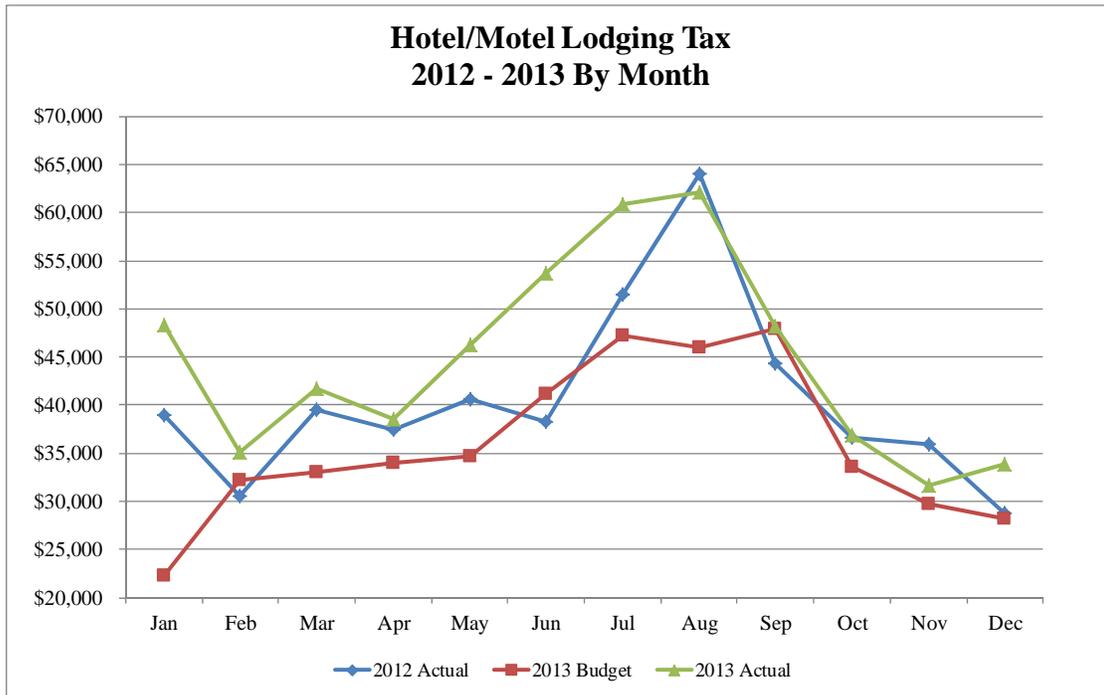
Community & Economic Development - Licenses & Permits								2013	
	2007	2008	2009	2010	2011	2012		Budget	Actual
Operating Revenues:									
Business Licenses	\$ 315,329	\$ 254,495	\$ 251,020	\$ 253,803	\$ 279,507	\$ 174,708		\$ 337,000	\$ 279,070
Building Permits	471,921	640,677	470,691	338,983	499,942	476,429		700,000	379,184
Other Building Permit Fees	148,972	121,074	108,161	84,175	88,780	89,525		122,180	118,595
Plan Review/Plan Check Fees	547,445	567,860	371,467	343,557	330,472	409,876		459,245	317,008
Other Zoning/Development Fees	129,464	90,497	52,436	47,613	41,949	50,512		130,645	48,682
Total Operating Revenue	\$1,613,131	\$1,674,603	\$1,253,775	\$1,068,131	\$1,240,650	\$1,201,050		\$ 1,749,070	\$1,142,539
Operating Expenditures:									
Code Enforcement	155,781	189,709	170,905	239,550	255,437	276,269		286,100	282,706
Planning	847,438	978,445	806,750	747,322	793,082	822,696		695,010	680,926
Building	1,101,772	688,142	1,176,515	888,501	808,503	535,815		823,400	848,485
Total Operating Expenditures	\$2,104,991	\$1,856,296	\$2,154,170	\$1,875,373	\$1,857,022	\$1,634,780		\$ 1,804,510	\$1,812,117
Recovery Ratio	77%	90%	58%	57%	67%	73%		97%	63%

Hotel/Motel Lodging Tax

There is an excise tax of 7% on the sale of or charge made for the furnishing of lodging by a hotel, rooming house, tourist court, motel, trailer camp and the granting of similar license to use real property. The hotel/motel taxes generated from the rental of rooms are restricted to be used for the promotion of tourism in the City.

Hotel/motel lodging tax collections in 2013 totaled \$537K which exceeds 2012 collections by \$50K or 10.3% and also exceeds the annual budget of \$430K by \$107K or 24.9%.

Hotel/Motel Lodging Tax												
Month	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013		Favorable/(Unfavorable)			
							Budget	Actual	Change from 2012		2013 Actual vs Budget	
									\$	%	\$	%
Jan	\$ 18,621	\$ 3,672	\$ 31,569	\$ 31,367	\$ 31,572	\$ 38,981	\$ 22,325	\$ 48,326	\$ 9,345	24.0%	\$ 26,002	116.5%
Feb	18,940	48,724	39,526	40,405	38,386	30,569	32,164	35,165	4,597	15.0%	3,002	9.3%
Mar	21,088	36,307	50,257	34,951	42,089	39,557	33,067	41,686	2,128	5.4%	8,618	26.1%
Apr	22,048	44,643	39,866	40,075	46,498	37,484	33,947	38,482	999	2.7%	4,535	13.4%
May	21,997	43,921	42,920	36,555	49,311	40,668	34,729	46,329	5,662	13.9%	11,600	33.4%
Jun	26,112	52,160	47,646	42,500	72,187	38,310	41,147	53,637	15,327	40.0%	12,490	30.4%
Jul	51,976	58,350	62,226	55,333	62,899	51,477	47,247	60,837	9,361	18.2%	13,590	28.8%
Aug	43,827	60,751	47,227	61,799	48,344	64,056	45,928	62,050	(2,006)	-3.1%	16,122	35.1%
Sep	44,951	60,382	41,276	101,228	47,081	44,355	47,905	48,131	3,776	8.5%	227	0.5%
Oct	39,502	56,716	28,500	47,924	36,553	36,579	33,573	36,863	283	0.8%	3,289	9.8%
Nov	24,110	56,719	24,588	40,666	24,848	35,866	29,735	31,695	(4,171)	-11.6%	1,960	6.6%
Dec	48,815	65,589	26,059	27,538	25,472	28,807	28,234	33,808	5,002	17.4%	5,574	19.7%
Annual Total	\$381,988	\$587,934	\$481,661	\$560,341	\$525,239	\$486,708	\$430,000	\$537,010	\$ 50,301	10.3%	\$ 107,010	24.9%
Change over Prior Year:												
	\$	\$205,946	(\$106,272)	\$78,680	(\$35,103)	(\$38,530)						
	%	53.9%	-18.1%	16.3%	-6.3%	-7.3%						



The City's Lodging Tax Advisory Committee makes recommendations to the City Council in regards to how the taxes are to be used. The following table provides details of the hotel/motel lodging tax allocations for 2013.

Hotel/Motel Lodging Tax Expenditures by Program	2013 Actuals
Advertise Grant Application Open Periods/LTAC Meetings/Investment Fees	\$ 381
Lakewood Economic Dept - Program & Personnel	33,978
Subtotal - Program Administration	34,359
Daffodil Festival dba Daffodilians	4,000
Historic Fort Steilacoom Assoc.	8,000
Lakewood Gardens	44,195
Lakewood Chamber of Commerce	80,000
Lakewood Economic Dept - International District Cultural Banners + Road Signs	12,931
Lakewood Historical Society & Museum	39,500
Lakewood Landmarks & Heritage Advisory Board Historical Driving Tour Brochure	9,968
Lakewood Parks & Rec Dept - Lakewood Farmers Market	9,957
Lakewood Parks & Rec Dept - SummerFEST	17,000
Lakewood Playhouse, Marketing	25,000
Lakewood Sister Cities Assn (LSCA) - Internat'l Festival (2012 grant extended to 2013)	6,000
South Sound User's Guide - Tourism Guides	200
Tacoma Regional Convention + Visitor Bureau	45,000
Tacoma South Sound Sports Commission	50,000
Subtotal - Tourism	351,751
Lakewood Economic Dept - Promotion & Outreach (FRAUSE, Media Consultant)	24,000
Subtotal - Promotion	24,000
Clover Park Technical College McGavbick Center (2013 is #7 of 20 Payments)	101,850
Lakewood Playhouse, Building Updates	28,582
Subtotal - Capital	130,432
Total Expenditures	\$ 540,542

Real Estate Excise Tax

All sales of real estate are taxed at 1.78%, of which 1.28% goes towards state funding of K-12 education and public works assistance and the City receives 0.5% for capital purposes. The Pierce County Treasurer collects the real estate excise tax and remits to the City on a monthly basis. The tax is the obligation of the seller and due and payable immediately at the time of the sale. Real estate excise tax revenue is accounted for in City's Street Capital Fund.

Real Estate Excise Tax												
Month	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013		Favorable/(Unfavorable)			
							Budget	Actual	Change from 2012		2013 Actual vs Budget	
									\$	%	\$	%
Jan	\$ 114,149	\$ 79,016	\$ 61,818	\$ 49,063	\$ 33,397	\$ 30,756	\$ 39,966	\$ 45,863	\$ 15,107	49.1%	\$ 5,897	14.8%
Feb	330,347	66,724	79,207	31,290	34,859	28,669	37,873	45,991	17,323	60.4%	8,118	21.4%
Mar	123,612	60,967	47,649	32,953	36,876	30,524	32,874	87,136	56,612	185.5%	54,262	165.1%
Apr	239,177	82,871	33,099	40,541	34,560	27,691	34,415	108,131	80,440	290.5%	73,717	214.2%
May	195,535	87,795	58,629	66,050	64,212	102,884	59,712	65,367	(37,517)	-36.5%	5,655	9.5%
Jun	134,878	92,488	145,398	57,446	68,084	39,011	63,308	51,837	12,825	32.9%	(11,471)	-18.1%
Jul	144,270	122,888	66,266	73,321	58,957	60,895	60,146	201,276	140,382	230.5%	141,131	234.6%
Aug	118,702	75,393	149,448	86,531	43,583	66,136	66,244	87,380	21,244	32.1%	21,136	31.9%
Sep	138,556	75,107	65,364	57,498	39,782	48,286	44,998	44,527	(3,759)	-7.8%	(471)	-1.0%
Oct	138,556	103,609	60,209	42,881	27,425	52,828	45,142	66,908	14,081	26.7%	21,766	48.2%
Nov	83,832	71,478	167,667	43,404	63,943	46,605	61,840	300,388	253,783	544.5%	238,548	385.8%
Dec	55,209	82,923	62,890	50,640	55,979	87,537	53,482	46,492	(41,044)	-46.9%	(6,990)	-13.1%
Annual Total	\$1,816,821	\$1,001,260	\$997,645	\$631,619	\$561,659	\$621,821	\$ 600,000	\$1,151,297	\$ 529,476	85.1%	\$ 551,297	91.9%
Change over Prior Year:												
	\$	(\$815,561)	(\$3,615)	(\$366,026)	(\$69,961)	\$60,163						
	%	-44.9%	-0.4%	-36.7%	-11.1%	10.7%						

The following table summarizes by month, the number taxable and exempt real estate transactions, and lists major transactions (sales price of \$1M and greater).

Month	Transaction Type			Major Transactions		
	Exempt	Taxable	Total	Description	Sales Price	Net Tax
Jan	76	41	117	n/a	n/a	n/a
Feb	62	48	110	n/a	n/a	n/a
Mar	93	49	142	Lexington Apartment Complex	\$8,176,000	\$40,471
Apr	98	74	172	Multi-Family Complex located on Union Ave SW Single Family Residence Lakewood Colonial Center North	\$860,000 \$1,903,000 \$8,500,000	\$4,257 \$9,420 \$42,075
May	89	66	155	n/a	n/a	n/a
Jun	65	52	117			
Jul	86	79	165	Commercial Property, Lakewood Towne Center Stoney Creek Apartment Complex	\$3,931,132 \$21,430,700	\$19,459 \$106,082
Aug	71	62	133	Multi-Family Complex located on 98th Ave Ct SW Mobile/Manufactured Home Park located on 96th St	\$1,400,000 \$4,795,000	\$6,930 \$23,735
Sep	73	44	117	n/a	n/a	n/a
Oct	71	61	132	Single Family Residence	\$1,435,000	\$7,103
Nov	60	62	122	Heritage Bank Single Family Residence Village at Seeley Lake	\$1,075,000 \$1,350,000 \$45,593,400	\$5,321 \$6,683 \$225,687
Dec	83	36	119	Three Parcel Subdivision on Country Club Drive	\$1,600,000	\$7,920
Total	927	674	1,601		\$50,995,832	\$252,429

0.50%

Debt Service

Under RCW 39.36.020(2), the public may vote to approve bond issues for general government in an amount not to exceed 2.5% of the value of all taxable property within the City. Within the 2.5% limit, the City Council may approve bond issues not to exceed 1.5% of the City’s assessed valuation. Prior to the passage of new legislation in 1994, the statutory limit on councilmanic (non-voted) debt for general government purposes was 0.75% of assessed valuation. Another 0.75% of councilmanic debt was available only for lease-purchase contracts (RCW 35.43.200). Now, these two components have been combined and can be used for any municipal purpose, including using the entire 1.5% for bonds. Therefore the City’s remaining debt capacity without voter approval is \$63.4M and an additional \$44.2M can be accessed with voter approval. The voter approved capacity is generally referred to as unlimited tax general obligation debt, which requires 60% voter approval and the election must have a voter turnout of at least 40% of those who voted in the last State general election. With this vote, the voter approves additional property tax be levied above and beyond the constitutional and statutory caps on property tax.

In addition to these general purpose debt capacity, RCW 39.36.030(4) also allow voter to approve park facilities and utility bond issues, each limited to 2.5% of the City’s assessed valuation. Therefore legally the City can issue up to a total of 7.5% of the City’s assessed valuation in bonds for \$328.7M. The tables below show the available debt capacity and outstanding debt for the City of Lakewood at December 31, 2013.

Computation of Limitation of Indebtedness					
Description	General Purpose		Excess Levy Open Space & (voted)	Excess Levy Utility Purposes (voted)	Total Debt Capacity
	Councilmanic (Limited GO)	Excess Levy (with a vote)			
AV = \$4,420,933,057 (A)					
1.50%	\$ 66,313,996	\$ (66,313,996)			\$ -
2.50%		\$ 110,523,326	\$ 110,523,326	\$ 110,523,326	\$ 331,569,979
Add: Cash on Hand for Redemption (B)	\$ -				\$ -
Less: Bonds Outstanding	\$ (2,904,129)	\$ -	\$ -	\$ -	\$ (2,904,129)
Remaining Debt Capacity	\$63,409,867	\$44,209,331	\$110,523,326	\$110,523,326	\$328,665,850
General Capacity (C)	\$107,619,197				
(A) Final 2012 Assessed Valuation					
(B) Debt Service Prefunding (the City currently does not prefund debt service)					
(C) Combined Total for Councilmanic and Excess Levy Capacities					

Summary of Outstanding Debt As of December 31, 2013									
Description	Purpose	Issue Date	Final Maturity	Interest Rate %	Net Interest Cost (NIC)	Amount Issued	O/S Debt @ 12/31/2013	Average Annual Payment	Funding Source
Limited Tax GO Bonds 2009 LTGO	Police Facility	3/31/2009	12/1/2028	3.0-5.0%	\$ 1,399,553	\$ 2,719,507	\$ 2,220,000	\$ 208,000	General Fund
59th Avenue Promissory Note	Right-of-Way / Roadway in Lakewood Towne Center	4/30/2005	4/30/2024	3.74%	\$ 469,000	\$ 1,071,000	\$ 684,129	\$ 77,000	General Fund
Total GO Bonds						\$ 3,790,507	\$ 2,904,129	\$ 285,000	
Public Works Trust Fund Loan 04-691-PRE-132	American Lake Gardens/ Tillicum Sewer	7/7/2005	7/7/2024	1.00%	\$ 61,942	\$ 593,864	\$ 326,867	\$ 32,000	Assessments on all Lakewood Sewer Accounts
Public Works Trust Fund Loan 06-962-022	American Lake Gardens/ Tillicum Sewer	9/18/2006	9/18/2026	0.50%	\$ 226,941	\$ 5,000,000	\$ 3,828,267	\$ 305,000	Assessments on all Lakewood Sewer Accounts
Public Works Trust Fund Loan 08-951-025	American Lake Gardens/ Tillicum Sewer	3/1/2008	7/1/2028	0.50%	\$ 82,681	\$ 1,840,000	\$ 1,560,392	\$ 108,000	Assessments on all Lakewood Sewer Accounts
Total Public Works Trust Fund Loan						\$ 7,433,864	\$ 5,715,526	\$ 445,000	
Combined Local Improvement District (CLID) 1101/1103	Street Improvements	12/1/2006	12/1/2026	3.75-4.65%	\$ 1,170,020	\$ 2,824,704	\$ 1,260,000	\$ 156,000	Assessment on Eight Property Owners
Local Improvement District (LID) 1108	Street Improvements	1/1/2008	12/1/2027	4.22-5.3%	\$ 418,195	\$ 880,000	\$ 513,938	\$ 57,000	Assessment on Single Business
Total Local Improvement District						\$ 3,704,704	\$ 1,773,938	\$ 213,000	
					Grand Total	\$14,929,075	\$10,393,593	\$ 943,000	\$ -

Public Works Operations & Maintenance and Capital Projects

A reconciliation and full accounting of street and surface water capital projects is currently in progress and will be presented in future reports. Additionally, a reconciliation of street capital and street operations & maintenance will occur in order to determine the true operations & maintenance cost versus capital so that the accounting and budgeting between the two funds is accurately reflects the two different functions.

The attached financial summary for Fund 101 Street Operations & Maintenance includes higher operating expenditures in years 2007 of \$2.2M and \$1.8M in 2009 compared to roughly \$1.2M budgeted in 2013. The higher expenditures in years 2007 and 2009 are due to charging overlay to the operating fund as opposed to the capital fund. The actual dollar amounts were not available at the time of this report but will be revised once the information becomes available.

Also, similar to the reporting on the General Fund, the following will be included in future reports for Fund 101 Street Operations & Maintenance: an analysis of current year versus prior year activity; analysis of current year budget versus current year actual activity; and average of change over a six year period.

The financial summary for Fund 401 Surface Water Management is complete for 2013; however, years 2007 through 2012 are not reconciled and therefore not presented in this report.

General Fund Expenditure Variance Analysis

City Council: 2013 expenditures total \$86K which is \$12K or 12.1% below the annual budget of \$97K. The savings is attributable to benefits, supplies, professional services, travel & training, membership dues and special events. In comparison to 2012's activity of \$98K, 2013's expenditure is \$12K or 12.7% below and is attributable to savings in salaries and benefits, special events and the Sister City program.

City Manager: 2013 expenditures total \$422K which is \$59K or 12.3% below the annual budget of \$481K. The savings is attributable to primarily to salaries and benefits from the vacant City Manager (filled in September) and Communications Manager (filled in October) positions. In comparison to 2012's activity of \$410K, 2013's expenditure is \$12K or 2.9% above and is attributable to increases in salary and benefits, supplies, and professional services offset by decreases in travel & training and membership dues.

Municipal Court: 2013 expenditures total \$1.72M which is \$28K or 1.7% above the annual budget of \$1.69M. The increase is attributable primarily to court security overtime offset by savings in public defender services and interpreter fees. In comparison to 2012's activity of \$1.68M, 2013's expenditure is \$42K or 2.4% above and is attributable to an increase in court overtime security, supplies offset by a decrease in public defender services and interpreter fees.

Finance & Administrative Services: 2013 expenditures total \$3.32M which is \$311K or 10.3% above the annual budget of \$3.01M. The increase is attributable to primarily to insurance premiums. In comparison to 2012's activity of \$3.35M, 2013's expenditure is \$31K or 0.9% below and is due primarily to the elimination of the information technology manager and a GIS position, and decreased computer maintenance offset by an increase in insurance premiums.

Legal: 2013 expenditures total \$1.25M which is \$178K or 12.5% below the annual budget of \$1.43M. The savings is attributable to the vacant office technician position, the City Attorney's personnel cost charged to City Manager's budget while serving as the interim City Manager and contracted legal services. In comparison to 2012's activity of \$1.41M, 2013's expenditure is \$158K or 12.6% below and is attributable to vacant office technician position, the City Attorney's personnel cost charged to City Manager's budget while serving as the interim City Manager and intergovernmental charges for elections.

Community and Economic Development: 2013 expenditures total \$2.22M which is \$8K or 0.4% above the annual budget of \$2.21M. The increase is attributable to increases in building division personnel costs, code enforcement

telecommunications and Fire Marshall's contract offset by decreases in code enforcement, planning and building division supplies, professional services, travel & training, repairs & maintenance and membership dues.

Parks, Recreation and Community Services: 2013 expenditures total \$2.00M which is \$55K or 2.9% above the annual budget of \$1.94M. Roughly half of the increase is due to the farmers market program offset by related vendor fees and sponsorship and street landscape supplies and maintenance performed by parks maintenance without additional funding. In comparison to 2012's activity of \$2.17M, 2013's expenditure is \$168K or 8.4% below and is attributable to decreases in human services personnel costs and grant allocation; recreation programs such as trips and tours, supplies and professional services at the senior activity center, youth baseball, specialty summer camp programs, annual fishing event, and summer concert series and elimination of sani-cans and reduced supplies and vandalism repairs at all the parks.

Police: 2013 expenditures total \$19.85M which is \$254K or 1.3% below the annual budget of \$20.10M. The savings is attributable primarily to salaries & benefits from position vacancies and jail offset by increases in extra duty contracts (offset by extra duty contract revenue) and dispatch services. Actual payments to South Sound 911 for dispatch services totaled \$2.36M which is based on contract, however, payments of \$81K to the City of Tacoma 900 MHz radio network services but was not budgeted. In comparison to 2012's activity of \$19.30M, 2013's expenditure is \$547K above and is attributable primarily to salaries & benefits as the department chose not to fill various vacant positions in 2012 due to the uncertainty of the economy. The increase in salaries and benefits in 2013 is partially offset by jail savings.

Property Management: 2013 expenditures total \$863K which is \$83K or 8.8% below the annual budget of \$946K. The savings is attributable primarily to the delay in the City taking over the operations and maintenance of the Pierce County Lakewood Station parking facility. In comparison to 2012's activity of \$844K, 2013's expenditure is \$19K or 2.1% above and is attributable to increases in custodial services and electricity

Non-Departmental: 2013 expenditures total \$510K which is \$5K or 0.9% above the annual budget of \$505K. The non-departmental budget line items are not itemized, therefore it is difficult to determine what is accounted for in the specific budget. The non-departmental expenditures have been categorized with the departments where possible. Moving forward, beginning with the 2015/2016 Biennial Budget, all costs will be accounted for in their respective departments.

Interfund Transfers (ongoing transfers): 2013 expenditures total \$1.06M which is equal to the annual budget. In comparison to 2012's activity of \$1.07M, 2013's expenditure is \$4K or 0.4% below. These ongoing transfers are to Fund 101 Street O&M of roughly \$1.03M and to Fund 102 Street Capital of roughly \$35K.

Contribution to Reserve Funds: 2013 expenditures total \$920K which is equal to the annual budget. In 2012, the budgeted contribution of \$778K was transferred from the General Fund to Fund 501 Vehicle and Equipment Replacement Fund.

Capital and Other 1-Time: 2013 expenditures total \$1.29M which is \$34K or 2.7% above the annual budget of \$1.26M and is attributable to Municipal Court and Parks, Recreation & Community Services vehicle and equipment purchases, expenditures related to City Manager recruitment, professional services for Point Defiance Bypass, and various consultant services offset by savings in information technology equipment (pending strategic plan).

Interfund Transfers (other financing uses): 2013 expenditures total \$8K which is \$48K below the annual budget of \$56K and is attributable to not transferring \$50K for the City's partnership contribution to 2014 SSMCP in 2013. This transfer will be made in 2014.

	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	Year 2013		2013 Actual vs 2012 Actual		2013 Actual vs 2013 Budget		Average Change 2007-2013
							Budget	Actual	Favorable / (Unfavorable)		Favorable / (Unfavorable)		
									\$ Chg	% Chg	\$ Chg	% Chg	
(001) GENERAL FUND													
<i>REVENUES:</i>													
Taxes	23,301,078	23,475,670	22,545,805	22,360,272	23,749,292	23,956,616	24,891,900	24,669,207	712,592	3.0%	(222,693)	-0.9%	0.8%
Property Tax	5,559,593	5,722,298	5,895,610	6,047,325	6,116,332	6,227,924	6,244,000	6,295,819	67,895	1.1%	51,819	0.8%	1.9%
Local Sales & Use Tax	7,797,870	7,849,804	7,374,776	7,562,339	7,445,356	7,897,357	8,000,000	8,140,449	243,092	3.1%	140,449	1.8%	0.6%
Sales/Parks	493,360	461,411	363,218	437,146	403,822	412,204	400,000	458,373	46,169	11.2%	58,373	14.6%	-1.0%
Natural Gas Use Tax	-	-	-	-	38,585	11,296	125,000	30,120	18,824	166.6%	(94,880)	-75.9%	n/a
Criminal Justice Sales Tax	898,811	818,610	715,292	743,835	732,065	756,800	800,000	824,003	67,203	8.9%	24,003	3.0%	-1.2%
Admissions Tax	520,106	511,731	485,308	484,607	517,350	591,704	472,500	641,151	49,447	8.4%	168,651	35.7%	3.3%
Utility Tax	4,937,220	5,139,403	4,947,757	4,448,209	6,047,025	5,622,338	6,129,400	5,837,214	214,875	3.8%	(292,186)	-4.8%	2.6%
Leasehold Tax	3,073	3,839	4,545	21,350	16,357	11,858	1,000	8,027	(3,831)	-32.3%	7,027	702.7%	23.0%
Gambling Tax	3,091,044	2,968,574	2,759,297	2,615,460	2,432,400	2,425,133	2,720,000	2,434,051	8,918	0.4%	(285,949)	-10.5%	-3.0%
Franchise Fees	1,623,196	1,809,421	1,756,058	1,779,565	2,319,292	2,957,590	2,165,000	2,749,943	(207,647)	-7.0%	584,943	27.0%	9.9%
Cable, Water, Sewer, Solid Waste	1,184,870	1,393,540	1,383,428	1,395,706	1,558,420	2,169,251	1,535,000	2,342,256	173,006	8.0%	807,256	52.6%	14.0%
Tacoma Power	438,327	415,881	372,629	383,859	760,872	788,340	630,000	407,687	(380,653)	-48.3%	(222,313)	-35.3%	-1.0%
Development Service Fees	1,297,802	1,420,108	1,002,755	814,328	961,142	1,026,342	1,412,070	863,469	(162,873)	-15.9%	(548,601)	-38.9%	-4.8%
Building Permits	471,921	640,677	470,691	338,983	499,942	476,429	700,000	379,184	(97,245)	-20.4%	(320,816)	-45.8%	-2.8%
Other Building Permit Fees	148,972	121,074	108,161	84,175	88,780	89,525	122,180	118,595	29,070	32.5%	(3,585)	-2.9%	-2.9%
Plan Review/Plan Check Fees	547,445	567,860	371,467	343,557	330,472	409,876	459,245	317,008	(92,868)	-22.7%	(142,237)	-31.0%	-6.0%
Other Zoning/Development Fees	129,464	90,497	52,436	47,613	41,949	50,512	130,645	48,682	(1,830)	-3.6%	(81,963)	-62.7%	-8.9%
Licenses & Permits	363,907	295,768	379,866	402,881	460,532	372,188	392,500	468,159	95,971	25.8%	75,659	19.3%	4.1%
Business License	315,329	254,495	251,020	253,803	279,507	174,708	337,000	279,070	104,362	59.7%	(57,930)	-17.2%	-1.6%
Alarm Permits & Fees	19,820	16,305	78,233	103,862	133,322	142,276	14,500	157,742	15,466	10.9%	143,242	987.9%	99.4%
Animal Licenses	28,759	24,968	50,614	45,216	47,704	55,203	41,000	31,346	(23,857)	-43.2%	(9,654)	-23.5%	1.3%
State Shared Revenues	967,191	957,284	1,015,338	1,095,155	979,728	1,038,157	1,047,800	1,057,083	18,926	1.8%	9,283	0.9%	1.3%
Sales Tax Mitigation	-	10,842	37,800	62,808	39,782	49,158	48,000	48,029	(1,129)	-2.3%	29	0.1%	n/a
Criminal Justice	115,850	114,627	127,431	121,941	121,470	123,883	122,300	131,854	7,971	6.4%	9,554	7.8%	2.0%
Criminal Justice High Crime	129,322	131,683	139,494	132,507	119,789	125,164	263,000	263,208	138,044	110.3%	208	0.1%	14.8%
Vehicle Registration Fees Pierce County	17,619	15,976	16,774	16,172	10,023	13,695	21,500	12,619	(1,076)	-7.9%	(8,881)	-41.3%	-4.1%
Liquor Excise Tax	272,799	285,730	289,374	291,060	283,260	145,808	143,000	77,675	(68,133)	-46.7%	(65,325)	-45.7%	-10.2%
Liquor Board Profits	431,601	398,426	404,466	470,667	405,405	580,449	450,000	523,698	(56,751)	-9.8%	73,698	16.4%	3.0%
Intergovernmental	440,381	873,390	267,537	290,219	472,709	338,213	357,000	347,944	9,731	2.9%	(9,056)	-2.5%	-3.0%
Public Safety	220,415	671,819	50,012	76,372	322,709	288,213	307,000	297,944	9,731	3.4%	(9,056)	-2.9%	5.0%
Parks & Recreation	219,966	201,571	217,525	213,847	150,000	50,000	50,000	50,000	-	0.0%	-	0.0%	-11.0%

	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	Year 2013		2013 Actual vs 2012 Actual		2013 Actual vs 2013 Budget		Average Change 2007-2013
							Budget	Actual	Favorable / (Unfavorable)		Favorable / (Unfavorable)		
									\$ Chg	% Chg	\$ Chg	% Chg	
(001) GENERAL FUND - continued													
Charges for Services & Fees	362,028	224,398	1,076,081	1,023,270	1,098,341	1,076,914	824,650	1,045,767	(31,147)	-2.9%	221,117	26.8%	27.0%
Parks & Recreation Fees	192,059	184,510	226,661	210,224	216,412	237,203	184,600	234,548	(2,654)	-1.1%	49,948	27.1%	3.2%
Municipal Court	-	-	-	-	8,525	15,290	-	13,915	(1,375)	-9.0%	13,915	n/a	n/a
Police Contracts, including Extra Duty	145,234	21,054	837,003	809,079	864,167	812,769	631,450	791,205	(21,564)	-2.7%	159,755	25.3%	63.5%
Other	24,735	18,835	12,417	3,967	9,237	11,652	8,600	6,098	(5,554)	-47.7%	(2,502)	-29.1%	-10.8%
Fines & Forfeitures	2,074,144	1,984,204	2,895,692	1,722,695	2,038,586	2,419,617	2,360,526	2,342,639	(76,978)	-3.2%	(17,887)	-0.8%	1.8%
Municipal Court	1,913,396	970,268	1,500,580	926,257	1,231,477	1,596,299	1,513,526	1,514,628	(81,672)	-5.1%	1,102	0.1%	-3.0%
Photo Infraction/Red Light/School Zone Enforcement	91,626	973,698	1,332,546	768,908	765,151	789,539	820,000	793,105	3,566	0.5%	(26,895)	-3.3%	109.4%
Penalties & Interest - Taxes	69,123	40,238	62,567	27,530	41,957	33,779	27,000	34,907	1,128	3.3%	7,907	29.3%	-7.1%
Miscellaneous/Interest/Other	465,744	353,867	299,542	183,670	50,145	42,724	378,623	436,546	393,822	921.8%	57,923	15.3%	-0.9%
Interest Earnings	418,322	269,115	49,762	29,479	6,035	3,358	36,000	2,387	(970)	-28.9%	(33,613)	-93.4%	-14.2%
Miscellaneous/Other	47,422	84,752	249,781	154,192	44,110	39,367	342,623	434,159	394,792	1002.9%	91,536	26.7%	116.5%
Interfund Transfers	416,350	434,600	443,500	443,980	259,700	269,700	298,060	298,060	28,360	10.5%	-	0.0%	-4.1%
Transfers In - Fund 101 Street O&M	27,000	28,080	28,080	28,360	-	-	28,360	28,360	28,360	0.0%	-	0.0%	0.7%
Transfers In - Fund 102 Street Capital	157,000	163,280	163,280	163,280	-	-	-	-	-	0.0%	-	n/a	-14.3%
Transfer In - Fund 401 SWM Operations	232,350	243,240	252,140	252,340	259,700	269,700	269,700	269,700	-	0.0%	-	0.0%	2.3%
Subtotal Operating Revenues	31,311,820	31,828,710	31,682,174	30,116,036	32,389,466	33,498,061	34,128,129	34,278,818	\$ 780,757	2.3%	\$ 150,689	0.4%	1.4%
<i>EXPENDITURES:</i>													
City Council	107,864	100,945	91,945	93,597	99,617	97,927	97,340	85,530	12,397	14.5%	11,810	-12.1%	-3.0%
Legislative	101,330	93,815	85,760	89,393	93,467	95,156	92,840	\$ 80,745	14,411	17.8%	12,095	-13.0%	-2.9%
Sister City	6,534	7,130	6,185	4,204	6,150	2,771	4,500	\$ 4,784	(2,013)	-42.1%	(284)	6.3%	-3.8%
City Manager	563,226	555,697	511,061	490,397	482,766	409,921	480,840	421,687	(11,766)	-2.8%	59,153	-12.3%	-3.6%
Executive	340,892	318,258	320,932	327,520	355,725	363,400	335,590	\$ 310,256	53,144	17.1%	25,334	-7.5%	-1.3%
Governmental Relations	222,334	237,439	190,129	162,877	127,040	46,521	145,250	\$ 111,431	(64,910)	-58.3%	33,819	-23.3%	-7.1%
Municipal Court	1,149,981	1,241,631	1,351,946	1,429,939	1,596,425	1,679,120	1,692,970	1,721,223	(42,103)	-2.4%	(28,253)	1.7%	7.1%
Judicial Services	772,949	790,070	897,679	905,101	881,460	962,456	931,740	\$ 1,028,035	(65,579)	-6.4%	(96,295)	10.3%	4.7%
Professional Services	191,303	199,688	228,485	219,935	328,274	350,005	335,500	\$ 292,830	57,175	19.5%	42,670	-12.7%	7.6%
Probation & Detention	185,729	251,873	225,782	304,902	386,691	366,659	425,730	\$ 400,358	(33,698)	-8.4%	25,372	-6.0%	16.5%
Finance & Administrative Services	2,798,570	3,112,029	3,144,327	3,229,080	3,574,503	3,353,185	3,011,474	3,322,082	31,103	0.9%	(310,608)	10.3%	2.7%
Finance	987,086	1,114,604	1,070,180	1,116,076	1,261,533	1,208,779	1,213,144	\$ 1,194,573	14,206	1.2%	18,571	-1.5%	3.0%
Information Technology	968,933	1,211,792	1,063,071	1,073,605	1,155,848	986,962	842,540	\$ 851,501	135,461	15.9%	(8,960)	1.1%	-1.7%
Human Resources & Safety	510,140	487,990	492,250	490,886	477,791	478,017	491,660	490,739	(12,722)	-2.6%	921	-0.2%	-0.5%
Risk Management	332,412	297,643	518,825	548,514	679,331	679,428	464,130	785,270	(105,842)	-13.5%	(321,140)	69.2%	19.5%

	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	Year 2013		2013 Actual vs 2012 Actual		2013 Actual vs 2013 Budget		Average Change 2007-2013
							Budget	Actual	Favorable / (Unfavorable)		Favorable / (Unfavorable)		
									\$ Chg	% Chg	\$ Chg	% Chg	
(001) GENERAL FUND - continued													
Legal	1,388,828	1,502,411	1,424,993	1,404,412	1,511,178	1,407,092	1,427,899	1,249,436	157,656	12.6%	178,463	-12.5%	-1.4%
Legal	999,787	1,056,110	1,016,379	1,098,101	1,218,883	1,186,678	1,176,139	\$ 991,955	194,724	19.6%	184,184	-15.7%	-0.1%
City Clerk	304,615	339,109	297,010	306,311	144,986	133,408	121,760	\$ 124,707	8,701	7.0%	(2,947)	2.4%	-8.4%
Election	84,426	107,192	111,604	-	147,308	87,006	130,000	\$ 132,774	(45,769)	-34.5%	(2,774)	2.1%	8.2%
Community & Economic Development	2,271,928	2,037,050	2,400,933	2,208,234	2,145,108	2,036,213	2,211,450	2,219,754	(183,541)	-8.3%	(8,304)	0.4%	-0.3%
Code Enforcement	155,458	189,709	170,905	239,550	255,437	276,269	286,100	282,706	(6,437)	-2.3%	3,394	-1.2%	11.7%
Planning	847,438	978,445	806,750	747,322	793,082	822,696	695,010	680,926	141,771	20.8%	14,084	-2.0%	-2.8%
Building	1,101,772	688,142	1,176,515	888,501	808,503	535,815	823,400	848,485	(312,671)	-36.9%	(25,085)	3.0%	-3.3%
Economic Development	167,260	180,754	246,764	332,861	288,087	401,433	406,940	\$ 407,637	(6,204)	-1.5%	(697)	0.2%	20.5%
Parks, Recreation & Community Services	1,988,887	2,104,544	2,040,225	2,066,238	2,165,104	2,165,776	1,942,170	1,997,690	168,086	8.4%	(55,520)	2.9%	0.1%
Human Services	484,053	533,975	470,278	512,573	510,489	445,958	390,230	376,008	69,951	18.6%	14,222	-3.6%	-3.2%
Administration	169,836	195,999	206,632	205,359	204,221	209,047	193,160	196,770	12,277	6.2%	(3,610)	1.9%	2.3%
Recreation	306,690	308,288	316,887	316,386	355,653	381,941	312,800	346,398	35,543	10.3%	(33,598)	10.7%	1.8%
Senior Services	177,434	181,190	207,277	201,264	226,560	189,836	206,320	200,651	(10,814)	-5.4%	5,669	-2.7%	1.9%
Parks Facilities	464,847	491,785	464,275	439,314	457,365	489,109	411,970	459,913	29,195	6.3%	(47,943)	11.6%	-0.2%
Fort Steilacoom	386,026	393,307	374,876	391,342	410,815	449,884	427,690	417,950	31,934	7.6%	9,740	-2.3%	1.2%
Police	16,614,861	17,786,315	19,064,039	19,032,395	19,265,013	19,297,759	20,099,063	19,844,706	(546,946)	-2.8%	254,357	-1.3%	2.8%
Command	1,487,939	1,784,945	1,674,804	1,912,891	2,060,187	1,835,726	1,966,590	1,887,065	(51,340)	-2.7%	79,525	-4.0%	3.8%
Jail Service	1,035,193	1,158,126	1,049,715	1,198,375	1,224,888	1,007,157	981,840	883,655	123,502	14.0%	98,185	-10.0%	-2.1%
Dispatch Services/SS911	2,059,920	2,219,340	2,375,705	2,413,447	2,456,743	2,424,764	2,359,074	2,440,224	(15,460)	-0.6%	(81,150)	3.4%	2.6%
Investigations	1,434,731	2,175,696	2,372,211	2,347,695	2,269,674	2,458,584	2,556,300	2,512,500	(53,917)	-2.1%	43,800	-1.7%	10.7%
Patrol	5,936,948	5,786,640	5,991,591	5,897,524	6,327,816	6,586,617	6,909,740	6,553,810	32,807	0.5%	355,930	-5.2%	1.5%
Special Units	966,823	871,709	1,149,469	1,000,568	982,802	970,835	961,790	1,000,039	(29,204)	-2.9%	(38,249)	4.0%	0.5%
SWAT	-	-	60,586	103,957	101,258	102,896	95,830	106,189	(3,293)	-3.1%	(10,359)	10.8%	n/a
Crime Prevention	12,562	1,255,527	1,079,277	897,543	461,566	511,007	976,190	848,470	(337,463)	-39.8%	127,720	-13.1%	950.6%
Contracted Services (Extra Duty, offset by Revenue)	262,490	182,459	563,895	559,088	479,452	479,368	400,000	519,277	(39,910)	-7.7%	(119,277)	29.8%	14.0%
Community Safety Resource Team (CSRT)	-	-	-	314,446	357,680	367,392	366,700	394,263	(26,871)	-6.8%	(27,563)	7.5%	n/a
Training	1,208,003	-	160,885	139,965	192,417	192,524	199,710	179,494	13,029	7.3%	20,216	-10.1%	-12.2%
Traffic Policing	990,120	967,549	1,014,701	947,123	1,085,217	1,076,032	1,228,169	1,183,591	(107,559)	-9.1%	44,578	-3.6%	2.8%
Property Room	24,627	36,000	260,317	252,958	274,835	275,746	281,700	309,188	(33,441)	-10.8%	(27,488)	9.8%	165.1%

	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	Year 2013		2013 Actual vs 2012 Actual		2013 Actual vs 2013 Budget		Average Change 2007-2013
							Budget	Actual	Favorable / (Unfavorable)		Favorable / (Unfavorable)		
									\$ Chg	% Chg	\$ Chg	% Chg	
(001) GENERAL FUND - continued													
Reimbursements	215,870	350,656	293,373	176,259	152,513	159,210	35,000	295,434	(136,224)	-46.1%	(260,434)	744.1%	5.3%
Emergency Management	49,840	73,847	69,048	64,453	52,430	48,505	15,300	4,464	44,041	986.6%	10,836	-70.8%	-13.0%
Animal Control	325,044	358,350	308,906	306,555	276,732	293,566	315,130	280,929	12,637	4.5%	34,201	-10.9%	-1.9%
Road & Street/Camera Enforcement	604,752	565,471	639,554	499,549	508,803	507,831	450,000	446,113	61,718	13.8%	3,887	-0.9%	-3.7%
Property Management	830,360	919,553	880,409	906,932	873,542	844,314	946,100	862,862	(18,547)	-2.1%	83,238	-8.8%	0.6%
Fleet Management	108,830	121,598	139,692	115,728	113,647	29,940	4,500	945	28,995	3067.8%	3,555	-79.0%	-14.2%
Facilities Maintenance	357,223	360,734	347,143	414,122	376,856	399,099	314,780	330,341	68,758	20.8%	(15,561)	4.9%	-1.1%
City Hall Facility	136,420	145,498	146,328	153,456	154,601	137,667	131,910	105,536	32,131	30.4%	26,374	-20.0%	-3.2%
Law Enforcement Facilities	227,886	264,662	183,267	123,627	128,438	120,017	273,480	277,217	(157,201)	-56.7%	(3,737)	1.4%	3.1%
Parking Facilities/Light Rail	-	27,061	63,979	100,000	100,000	157,592	221,430	148,822	8,770	5.9%	72,608	-32.8%	n/a
Non-Dept - To Be Categorized	140,548	179,050	393,735	487,277	520,106	586,421	505,170	509,815	76,606	15.0%	(4,645)	0.9%	37.5%
Commuter Trip Reduction	3,294	4,957	-	1,409	3,824	6,422	10,000	3,681	2,741	74.5%	6,319	-63.2%	1.7%
Other (affects many departments)	101,243	135,462	272,724	155,051	189,203	250,232	177,500	185,893	64,340	34.6%	(8,393)	4.7%	11.9%
Liquor/Pollution Control	36,011	38,631	44,012	41,548	40,808	41,496	34,000	34,334	7,163	20.9%	(334)	1.0%	-0.7%
Debt Service	-	-	77,000	289,270	286,270	288,270	283,670	285,908	2,363	0.8%	(2,238)	0.8%	n/a
Interfund Transfers	-	-	-	-	1,075,671	1,069,266	1,064,780	1,064,780	4,486	0.4%	-	0.0%	n/a
Transfer to Fund 101 Street O&M	-	-	-	-	1,041,221	1,032,826	1,029,780	1,029,780	3,046	0.3%	-	0.0%	n/a
Transfer to Fund 102 Street Capital	-	-	-	-	34,450	36,440	35,000	35,000	1,440	4.1%	-	0.0%	n/a
Contributions to Reserve Funds	532,314	863,792	822,819	687,821	777,820	-	920,300	920,300	(920,300)	-100.0%	-	0.0%	10.4%
Contribution to Fund 501 Vehicle & Equip Reserves	532,314	863,792	822,819	687,821	777,820	-	920,300	920,300	(920,300)	-100.0%	-	0.0%	10.4%
Subtotal Operating Expenditures	28,387,366	30,403,016	32,126,434	32,036,323	34,086,852	32,946,994	34,399,556	34,219,863	(1,272,868)	-3.7%	179,693	-0.5%	2.9%
OPERATING INCOME (LOSS)	2,924,455	1,425,693	\$ (444,260)	\$ (1,920,287)	\$ (1,697,386)	\$ 551,067	\$ (271,427)	\$ 58,955					
<i>OTHER FINANCING SOURCES:</i>													
Contributions/Donations	83,360	43,428	52,673	51,157	61,531	72,034	35,000	39,773	(32,261)	-44.8%	4,773	13.6%	-7.5%
Intergovernmental	-	-	-	-	-	581,260	-	-	(581,260)	-100.0%	-	n/a	n/a
Loan Receipts	-	-	-	-	125,817	-	-	-	-	0.0%	-	n/a	n/a
Proceeds from Sale of Assets/Capital Lease	-	397,930	6,283	-	-	-	-	-	-	0.0%	-	n/a	n/a
Grants	223,922	323,677	220,828	183,412	100,795	177,227	300,000	299,192	121,965	68.8%	(808)	-0.3%	4.8%
Transfer In - Various Grant Funds	-	-	172,827	577,861	24,323	16,025	-	-	(16,025)	-100.0%	-	n/a	n/a
Transfer In - Fund 190 Grant Fund	-	-	(28,741)	-	-	-	-	-	-	0.0%	-	n/a	n/a
Transfer In - Fund 195 Public Safety Grant Fund	-	-	-	-	-	3,000	-	-	(3,000)	-100.0%	-	n/a	n/a
Transfer In - Fund 301 General Governmental CIP	-	-	-	-	-	-	398,392	398,392	398,392	0.0%	-	0.0%	n/a
Transfer in - Fund 311 Sewer CIP	-	-	-	-	2,733	-	-	-	-	0.0%	-	n/a	n/a
Transfer In - Fund 312 Sanitary Sewer Connection CIP	-	-	-	-	-	876	-	-	(876)	-100.0%	-	n/a	n/a
Subtotal Other Financing Sources	\$ 307,282	\$ 765,035	\$ 423,871	\$ 812,431	\$ 315,199	\$ 850,422	\$ 733,392	\$ 737,357	\$ (113,065)	-13.3%	\$ 3,965	0.5%	20.0%

	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	Year 2013		2013 Actual vs 2012 Actual		2013 Actual vs 2013 Budget		Average Change 2007-2013
							Budget	Actual	Favorable / (Unfavorable)		Favorable / (Unfavorable)		
									\$ Chg	% Chg	\$ Chg	% Chg	
(001) GENERAL FUND - continued													
<i>OTHER FINANCING USES:</i>													
Capital & Other 1-Time	959,319	1,152,612	302,020	379,668	195,364	183,291	1,259,086	1,293,088	(1,109,797)	-85.8%	(34,002)	2.7%	5.0%
Municipal Court	3,625	20,000	7,738	-	-	-	-	34,039	(34,039)	-100.0%	(34,039)	n/a	119.9%
Finance & Administrative Services	374,603	834,561	143,660	251,955	152,067	114,355	1,122,311	999,976	(885,621)	-88.6%	122,335	-10.9%	23.8%
Non-Dept - To Be Categorized	-	-	-	-	-	-	-	36,000	(36,000)	-100.0%	(36,000)	n/a	n/a
Legal/Clerk	-	-	-	2,519	-	-	13,000	7,663	(7,663)	-100.0%	5,337	-41.1%	n/a
Community Development	6,888	-	-	-	-	-	100,000	101,673	(101,673)	-100.0%	(1,673)	1.7%	196.6%
Parks, Recreation & Community Services	150,043	115,115	110,410	100,000	7,900	-	-	79,034	(79,034)	-100.0%	(79,034)	n/a	-6.8%
Police	424,159	182,936	40,212	781	26,669	11,736	23,775	34,703	(22,967)	-66.2%	(10,928)	46.0%	-13.1%
Police-Donated Funds	-	-	-	161	8,728	-	-	-	-	n/a	-	n/a	n/a
Public Works/Property Management	-	-	-	24,251	-	57,200	-	-	57,200	n/a	-	n/a	n/a
Interfund Loans	-	-	-	-	-	127,089	-	-	127,089	n/a	-	n/a	n/a
Interfund Loans	-	-	-	-	-	127,089	-	-	127,089	n/a	-	n/a	n/a
Interfund Transfers	968,790	330,000	3,112,235	230,038	165,000	30,739	55,826	8,179	22,560	275.8%	47,647	-85.3%	-14.2%
Transfer Out - Fund 102 Street Capital	-	-	307,000	-	-	-	3,826	3,826	(3,826)	-100.0%	-	0.0%	n/a
Transfer Out - Fund 105 Propert Abatement	250,000	-	-	-	-	-	-	-	-	n/a	-	n/a	-14.3%
Transfer Out - Fund 106 Public Art	-	-	-	-	-	-	2,000	2,000	(2,000)	-100.0%	-	0.0%	n/a
Transfer Out - Fund 180 Narcotics Seizure	5,000	-	-	-	-	-	-	-	-	n/a	-	n/a	-14.3%
Transfer Out - Fund 182 Federal Seizure	-	-	-	80,038	-	-	-	-	-	n/a	-	n/a	n/a
Transfer Out - Fund 190 Grants	138,790	-	-	-	-	-	-	-	-	n/a	-	n/a	-14.3%
Transfer Out - Fund 192 OEA Grant	-	-	-	-	-	-	50,000	-	-	n/a	50,000	-100.0%	n/a
Transfer Out - Fund 195 Police Grants	-	-	-	-	-	-	-	2,353	(2,353)	-100.0%	(2,353)	n/a	n/a
Transfer Out - Fund 203 Police Facility Debt Svc	-	-	141,185	-	-	-	-	-	-	n/a	-	n/a	n/a
Transfer Out - Fund 301 General Govt'l CIP	550,000	125,000	2,550,000	150,000	50,000	-	-	-	-	n/a	-	n/a	-14.3%
Transfer Out - Fund 401 Surface Water Mgmt	-	-	12,049	-	-	22,065	-	-	22,065	n/a	-	n/a	n/a
Transfer Out - Fund 501 Fleet & Equip Reserves	-	-	-	-	-	8,674	-	-	8,674	n/a	-	n/a	n/a
Transfer Out - Fund 502 City Hall Reserves	25,000	205,000	102,000	-	115,000	-	-	-	-	n/a	-	n/a	-14.3%
Contingency	-	-	-	-	-	-	25,000	-	-	n/a	25,000	-100.0%	n/a
Contingency	-	-	-	-	-	-	25,000	\$ -	-	n/a	25,000	-100.0%	n/a
Subtotal Other Financing Uses	\$ 1,928,109	\$ 1,482,612	\$ 3,414,255	\$ 609,706	\$ 360,364	\$ 341,119	\$ 1,339,912	\$ 1,301,267	\$ (960,148)	-73.8%	\$ 38,645	-2.9%	-4.6%
Total Revenues and Other Sources	\$ 31,619,102	\$ 32,593,745	\$ 32,106,045	\$ 30,928,466	\$ 32,704,666	\$ 34,348,483	\$ 34,861,521	\$ 35,016,175	\$ (667,692)	-1.9%	\$ 154,654	0.4%	1.5%
Total Expenditures and other Uses	\$ 30,315,475	\$ 31,885,629	\$ 35,540,688	\$ 32,646,028	\$ 34,447,216	\$ 33,288,113	\$ 35,739,468	\$ 35,521,130	\$ (2,233,016)	-77.5%	\$ 218,338	-0.6%	2.5%
Beginning Fund Balance:	\$ 6,439,462	\$ 7,741,877	\$ 8,449,693	\$ 5,015,050	\$ 3,297,488	\$ 1,554,938	\$ 2,615,308	\$ 2,615,308	\$ 1,060,370	68.2%	\$ -	0.0%	-8.5%
Ending Fund Balance:	\$ 7,743,089	\$ 8,449,994	\$ 5,015,050	\$ 3,297,488	\$ 1,554,938	\$ 2,615,308	\$ 1,737,361	\$ 2,110,353	\$ (504,954)	-19.3%	\$ 372,992	21.5%	-10.4%
Ending Fund Balance as a % of Operating Revenues	24.7%	26.5%	15.8%	10.9%	4.8%	7.8%	5.1%	6.2%					
Reserve - Total Target 12% of Operating Revenues:	\$ 3,757,418	\$ 3,819,445	\$ 3,801,861	\$ 3,613,924	\$ 3,886,736	\$ 4,019,767	\$ 4,095,375	\$ 4,113,458					
2% Contingency Reserves	\$ 626,236	\$ 636,574	\$ 633,643	\$ 602,321	\$ 647,789	\$ 669,961	\$ 682,563	\$ 685,576					
5% General Fund Reserves	\$ 1,565,591	\$ 1,591,435	\$ 1,584,109	\$ 1,505,802	\$ 1,619,473	\$ 1,674,903	\$ 1,706,406	\$ 1,713,941					
5% Strategic Reserves	\$ 1,565,591	\$ 1,591,435	\$ 1,584,109	\$ 1,505,802	\$ 1,619,473	\$ 1,674,903	\$ 1,706,406	\$ 1,713,941					
Unreserved / (12% Target Reserves Shortfall):	\$ 3,985,671	\$ 4,630,549	\$ 1,213,189	\$ (316,437)	\$ (2,331,798)	\$ (1,404,460)	\$ (2,358,014)	\$ (2,003,105)					

	2007	2008	2009	2010	2011	2012	Year 2013	
	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Actual
FUND 101 STREET OPERATIONS & MAINTENANCE								
<i>REVENUES:</i>								
Utility Tax	756,189	736,481	754,880	680,143	-	-	-	-
Tacoma Power	264,939	235,000	246,337	252,545	-	-	-	-
Permits	116,280	41,670	70,486	73,020	48,486	99,092	48,500	60,733
Engineering Review Fees	831	825	1,600	200	850	3,400	1,000	300
Motor Vehicle Fuel Tax	1,033,148	925,801	926,995	894,867	860,093	843,743	790,000	858,750
Interest Earnings	135,942	59,811	7,214	3,152	283	28	100	5
Transfer In From General Fund	-	-	-	-	1,041,221	1,032,826	1,029,780	1,029,780
Subtotal Operating Revenues	\$ 2,307,329	\$ 1,999,588	\$ 2,007,512	\$ 1,903,927	\$ 1,950,933	\$ 1,979,089	\$ 1,869,380	\$ 1,949,568
<i>EXPENDITURES:</i>								
Emergency Services	17,865	-	-	-	-	-	-	-
Street Lighting	448,777	481,657	492,642	451,591	445,851	450,903	454,400	491,047
Traffic Control Devices	453,221	605,919	488,366	492,992	542,803	493,295	458,730	569,775
Snow & Ice Response	73,926	143,329	30,099	66,459	29,896	82,009	15,850	38,209
Road & Street Preservation	2,204,604	1,211,592	1,819,132	924,135	1,049,616	1,110,566	1,248,961	1,059,286
Transfer Out - Fund 001 General Admin Support	27,000	28,080	28,080	28,360	-	-	28,360	28,360
Contribution to Fleet & Equipment Reserves	13,450	16,187	56,522	116,101	100,000	-	100	100
Subtotal Operating Expenditures	\$ 3,238,843	\$ 2,486,763	\$ 2,914,841	\$ 2,079,639	\$ 2,168,166	\$ 2,136,773	\$ 2,206,401	\$ 2,186,777
OPERATING INCOME (LOSS)	\$ (931,514)	\$ (487,176)	\$ (907,328)	\$ (175,711)	\$ (217,233)	\$ (157,684)	\$ (337,021)	\$ (237,209)
<i>OTHER FINANCING SOURCES:</i>								
Grants	12,526	65,377	707,672	-	9,117	30,471	-	-
Donations/Contributions	-	16,450	20,745	-	-	-	-	-
Proceeds from Sale of Assets/Capital Lease	-	26,729	47,369	-	67,057	70,600	25,000	93,944
Judgments, Settlements/Miscellaneous	28,648	15,010	1,728	1,620	10,186	10,924	271,120	14,341
Transfer In - Fund 002 Street Capital	-	-	5,000	-	-	134,552	56,000	56,000
Transfer In - Fund 401 Surface Water Mgmt	12,263	-	47,173	-	11,379	6,325	-	-
Subtotal Other Financing Sources	\$ 53,437	\$ 123,566	\$ 829,687	\$ 1,620	\$ 97,739	\$ 252,872	\$ 352,120	\$ 164,286
<i>OTHER FINANCING USES:</i>								
Grants	12,526	65,377	707,672	-	9,117	30,471	(1)	-
Building, Vehicles, Equipment	37,611	6,174	114,690	35,885	82,767	6,432	100	-
Construction - Traffic Control	-	-	74,080	99,820	18,214	42,779	15,000	-
Subtotal Other Financing Uses	\$ 50,138	\$ 71,551	\$ 896,442	\$ 135,705	\$ 110,098	\$ 79,682	\$ 15,099	\$ -
Total Revenues and Other Sources	\$ 2,360,766	\$ 2,123,154	\$ 2,837,200	\$ 1,905,547	\$ 2,048,672	\$ 2,231,961	\$ 2,221,500	\$ 2,113,854
Total Expenditures and other Uses	\$ 3,288,981	\$ 2,558,314	\$ 3,811,283	\$ 2,215,343	\$ 2,278,264	\$ 2,216,455	\$ 2,221,500	\$ 2,186,777
Beginning Fund Balance:	\$ 3,017,233	\$ 2,089,019	\$ 1,653,858	\$ 679,775	\$ 369,978	\$ 140,386	\$ 155,892	\$ 155,892
Ending Fund Balance:	\$ 2,089,019	\$ 1,653,858	\$ 679,775	\$ 369,978	\$ 140,386	\$ 155,892	\$ 155,892	\$ 82,969

	2007	2008	2009	2010	2011	2012	Year 2013	
	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Actual
FUND 102 STREET CAPITAL								
<i>REVENUES:</i>								
Utility Tax	63,961	59,000	61,950	62,570	-	-	-	-
Real Estate Excise Tax	1,816,821	1,001,260	997,645	631,619	561,659	621,821	600,000	1,151,297
Solid Waste Recycling Licenses & Permits	600	3,400	6,700	2,300	100	-	-	1,600
Tacoma Power	186,700	125,000	135,237	139,226	-	-	-	-
Motor Vehicle Fuel Tax	387,963	389,847	369,502	372,861	351,306	344,627	335,000	350,757
City Assistance	81,059	-	-	-	-	-	-	-
Intergovernmental	184,171	676,851	137,824	679,622	354	-	-	-
Engineering Services	-	-	-	-	-	-	-	9,144
Interest Earnings	184,239	102,499	14,492	9,868	442	83	-	139
Grants	2,759,323	840,246	1,140,951	4,452,055	2,620,519	6,401,471	5,960,800	2,891,751
Donations/Contributions	184,928	32,427	33,662	111,344	31,267	161,446	-	234,253
Proceeds from Sale of Assets/Capital Lease	101,501	750	-	750	-	52,886	-	1,500
Judgments, Settlements/Miscellaneous	4,901	217	3,251	264	-	-	100,000	15
Transfer In From 001 General Fund	-	-	307,000	-	34,450	36,440	35,000	38,826
Transfer In - Fund 190 Grant	-	-	-	-	2,059	-	-	-
Transfer In - Fund 401 Surface Water Mgmt	348,632	481,950	479,669	1,611,330	395,949	704,882	460,000	108,004
Total Revenue	\$ 6,304,800	\$ 3,713,446	\$ 3,687,883	\$ 8,073,808	\$ 3,998,104	\$ 8,323,657	\$ 7,490,800	\$ 4,787,286
<i>EXPENDITURES:</i>								
Capital Projects	5,522,398	5,062,777	4,813,002	8,554,433	3,993,890	8,286,000	7,159,310	4,253,248
Vehicle and Equipment	-	21,906	74,398	66,898	-	-	-	-
Transfer Out - Fund 001 General Admin Support	157,000	163,280	163,280	122,460	-	-	-	-
Transfer Out - Fund 001 General Fund	-	-	-	40,820	-	-	-	-
Transfer Out - Fund 101 Street O&M	-	-	5,000	-	-	134,552	56,000	56,000
Transfer Out - Fund 351 LID Capital	108,103	-	-	-	-	-	-	-
Transfer Out - Fund 401 Surface Water Mgmt	-	-	-	38,500	-	-	300,000	300,000
Total Expenditures	\$ 5,787,501	\$ 5,247,963	\$ 5,055,680	\$ 8,823,112	\$ 3,993,890	\$ 8,420,553	\$ 7,515,310	\$ 4,609,248
Beginning Fund Balance:	\$ 3,890,086	\$ 4,407,385	\$ 2,872,868	\$ 1,505,070	\$ 755,767	\$ 759,981	\$ 663,085	\$ 663,085
Ending Fund Balance:	\$ 4,407,385	\$ 2,872,868	1,505,070	755,767	759,981	663,085	638,575	841,124

	2007	2008	2009	2010	2011	2012	Year 2013	
	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Actual
FUND 104 HOTEL/MOTEL LODGING TAX								
<i>REVENUES:</i>								
Special Hotel/Motel Lodging Tax	298,997	431,145	344,044	400,243	375,170	341,154	315,000	383,578
Transient Rental income Tax	82,990	156,789	137,617	160,098	150,069	145,555	115,000	153,431
Interest Earnings	32,059	18,740	4,796	1,936	2,145	1,074	-	1,093
Total Revenues	\$ 414,047	\$ 606,674	\$ 486,457	\$ 562,277	\$ 527,383	\$ 487,782	\$ 430,000	\$ 538,102
<i>EXPENDITURES:</i>								
Administration	-	-	64,344	33,122	30,381	35,877	33,220	34,359
Lodging Tax Programs	359,770	374,133	441,747	404,674	476,715	476,653	464,500	506,186
Transfer Out - Fund 190 Grant	-	-	149,450	-	-	-	-	-
Total Expenditures	\$ 359,770	\$ 374,133	\$ 655,542	\$ 437,796	\$ 507,096	\$ 512,530	\$ 497,720	\$ 540,545
Beginning Fund Balance:	\$ 700,063	\$ 754,340	\$ 986,881	\$ 817,795	\$ 942,277	\$ 962,564	\$ 937,817	\$ 937,817
Ending Fund Balance:	\$ 754,340	\$ 986,881	\$ 817,795	\$ 942,277	\$ 962,564	\$ 937,817	\$ 870,097	\$ 935,374
FUND 105 PROPERTY ABATEMENT								
<i>REVENUES:</i>								
Abatement Charges	39,598	28,078	25,198	119,774	52,723	95,069	50,000	-
Interest Earnings	2,640	5,482	788	5,949	3,236	1,497	-	146
Transfer In - Fund 001 General	250,000	-	-	-	-	-	-	-
Total Revenues	\$ 292,238	\$ 33,561	\$ 25,985	\$ 125,723	\$ 55,959	\$ 96,566	\$ 50,000	\$ 146
<i>EXPENDITURES:</i>								
Abatement	72,190	76,488	93,282	15,005	68,025	50,114	85,000	16,902
Total Expenditures	\$ 72,190	\$ 76,488	\$ 93,282	\$ 15,005	\$ 68,025	\$ 50,114	\$ 85,000	\$ 16,902
Beginning Fund Balance:	\$ -	\$ 220,048	\$ 177,120	\$ 109,823	\$ 220,541	\$ 208,475	\$ 254,927	\$ 254,927
Ending Fund Balance:	\$ 220,048	\$ 177,120	\$ 109,823	\$ 220,541	\$ 208,475	\$ 254,927	\$ 219,927	\$ 238,171
FUND 106 PUBLIC ART								
<i>REVENUES:</i>								
Interest Earnings	-	-	-	-	-	-	-	1
Facilities Rental	-	-	-	-	-	-	5,000	10,000
Transfer In - Fund 001 General	-	-	-	-	-	-	2,000	2,000
Total Revenues	\$ -	\$ 7,000	\$ 12,001					
<i>EXPENDITURES:</i>								
Public Art	-	-	-	-	-	-	2,000	-
Total Expenditures	\$ -	\$ 2,000	\$ -					
Beginning Fund Balance:	\$ -							
Ending Fund Balance:	\$ -	\$ 5,000	\$ 12,001					

	2007	2008	2009	2010	2011	2012	Year 2013	
	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Actual
FUND 180 NARCOTICS SEIZURE								
<i>REVENUES:</i>								
Share of Forfeited Property	1,441,550	-	-	-	-	21,942	15,000	30,745
John School	4,200	4,200	-	-	-	-	-	-
Restitution/Settlements	(6,811)	49,824	3,645	-	(2,468)	117,419	-	-
Interest Earnings	-	4,365	1,974	845	1,395	858	1,660	844
Interfund Rent	-	-	-	42,000	42,000	42,000	42,000	3,500
Forfeitures	319,447	372,312	293,998	55,686	264,623	110,866	147,000	110,664
Proceeds From Sale of Land	-	-	-	-	-	-	-	514,181
Transfer In - Fund 001 General	5,000	-	-	-	-	-	-	-
Total Revenues	\$ 1,763,386	\$ 430,700	\$ 299,618	\$ 98,531	\$ 305,551	\$ 293,085	\$ 205,660	\$ 659,935
<i>EXPENDITURES:</i>								
Investigations	195,215	752,141	127,785	117,315	128,496	151,650	380,000	165,290
Interfund Loan Interest	-	-	-	-	-	1,070	10,000	-
Capital Purchases	-	14,591	-	-	-	-	-	124,268
Transfer Out - Fund 181 Felony Seizures	-	-	242,913	201,460	-	-	-	-
Transfer Out - Fund 301 General Govt CIP	-	1,000,000	-	-	-	-	-	-
Total Expenditures	\$ 195,215	\$ 1,766,731	\$ 370,698	\$ 318,775	\$ 128,496	\$ 152,720	\$ 390,000	\$ 289,558
Beginning Fund Balance:	\$ 149,561	\$ 1,717,733	\$ 381,702	\$ 310,621	\$ 90,377	\$ 267,432	\$ 407,797	\$ 407,797
Ending Fund Balance:	\$ 1,717,733	\$ 381,702	\$ 310,622	\$ 90,377	\$ 267,432	\$ 407,797	\$ 223,457	\$ 778,174
FUND 181 FELONY SEIZURE								
<i>REVENUES:</i>								
John School	-	-	150	700	-	-	-	-
Interest Earnings	-	-	496	447	290	124	200	117
Forfeitures	-	-	(1,976)	8,380	-	4,419	-	4,250
Transfer In From Fund 180 Narcotics Seizure	-	-	242,913	201,460	-	-	-	-
Total Revenues	\$ -	\$ -	\$ 241,582	\$ 210,988	\$ 290	\$ 4,544	\$ 200	\$ 4,367
<i>EXPENDITURES:</i>								
Investigations	-	-	12,475	7,370	13,186	10,620	58,450	9,166
Capital Purchases	-	-	258,183	-	-	-	-	49,108
Total Expenditures	\$ -	\$ -	\$ 270,659	\$ 7,370	\$ 13,186	\$ 10,620	\$ 58,450	\$ 58,274
Beginning Fund Balance:	\$ -	\$ -	\$ -	\$ (29,076)	\$ 174,541	\$ 161,645	\$ 155,569	\$ 155,569
Ending Fund Balance:	\$ -	\$ -	\$ (29,076)	\$ 174,542	\$ 161,645	\$ 155,569	\$ 97,319	\$ 101,662

	2007	2008	2009	2010	2011	2012	Year 2013	
	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Actual
FUND 182 FEDERAL SEIZURE								
<i>REVENUES:</i>								
Share of Forfeited Property	-	-	-	8,469	76,711	-	-	6,260
Interest Earnings	-	-	-	50	162	82	-	24
Transfer In - Fund 001 General	-	-	-	80,038	-	-	-	-
Total Revenues	\$ -	\$ -	\$ -	\$ 88,557	\$ 76,873	\$ 82	\$ -	\$ 6,284
<i>EXPENDITURES:</i>								
Crime Prevention	-	-	-	-	35,781	23,316	45,871	11,915
Transfer Out - Fund	-	-	-	-	-	33,160	-	-
Transfer Out - Fund	-	-	-	-	-	27,384	-	-
Total Expenditures	\$ -	\$ -	\$ -	\$ -	\$ 35,781	\$ 83,859	\$ 45,871	\$ 11,915
Beginning Fund Balance:	\$ -	\$ -	\$ -	\$ -	\$ 88,557	\$ 129,649	\$ 45,871	\$ 45,871
Ending Fund Balance:	\$ -	\$ -	\$ -	\$ 88,557	\$ 129,649	\$ 45,871	\$ -	\$ 40,240
FUND 190 GRANTS								
<i>REVENUES:</i>								
Grants	1,243,314	1,384,521	1,598,555	1,189,732	1,204,098	955,382	3,408,850	841,130
Home Program	-	301,616	9,595	-	555,432	-	228,910	-
Interest Earnings	11,965	9,097	268	-	2,212	2,401	-	565
Miscellaneous Revenue	2	-	-	-	11	-	-	120
Loan Proceeds-CDBG Major Repair	-	-	-	388	-	-	-	-
Transfer In - Fund 001 General	138,790	13,146	-	-	-	-	-	-
Transfer In - Fund 301 General Govt CIP	-	-	334,308	-	-	-	-	-
Transfer In - Fund 104 Hotel/Motel Tax	-	-	149,450	-	-	-	-	-
Total Revenues	\$ 1,394,071	\$ 1,708,380	\$ 2,092,176	\$ 1,190,120	\$ 1,761,753	\$ 957,783	\$ 3,637,760	\$ 841,815
<i>EXPENDITURES:</i>								
Grants	1,311,778	1,851,078	1,860,985	1,157,300	1,295,972	947,058	1,783,590	850,269
Transfer Out - Fund 001 General	-	-	(28,741)	-	-	-	-	-
Transfer Out - Fund 102 Street Capital	-	-	-	-	2,059	-	-	-
Transfer Out - Fund 311 Sewer Capital	-	-	-	13,477	242,604	-	-	-
Transfer Out - Fund 401 Surface Water Mgmt	-	-	-	12,792	198,671	4,834	-	-
Total Expenditures	\$ 1,311,778	\$ 1,851,078	\$ 1,832,244	\$ 1,183,569	\$ 1,739,306	\$ 951,892	\$ 1,783,590	\$ 850,269
Beginning Fund Balance:	\$ 615,305	\$ 697,599	\$ 554,901	\$ 814,833	\$ 821,384	\$ 843,831	\$ 849,722	\$ 849,722
Ending Fund Balance:	\$ 697,599	\$ 554,901	\$ 814,833	\$ 821,384	\$ 843,831	\$ 849,722	\$ 2,703,892	\$ 841,268

	2007	2008	2009	2010	2011	2012	Year 2013	
	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Actual
FUND 191 NEIGHBORHOOD STABILIZATION PROGRAM								
<i>REVENUES:</i>								
Grant-NSP 1	-	-	-	345,240	293,609	152,542	193,228	34,679
Grant-NSP 3	-	-	-	-	331,234	130,527	176,670	165,095
Abatement Charges	-	-	-	-	-	-	32,718	-
Abatement Interest	-	-	-	-	13,561	855	1,568	-
Total Revenues	\$ -	\$ -	\$ -	\$ 345,240	\$ 638,403	\$ 283,924	\$ 404,184	\$ 199,774
<i>EXPENDITURES:</i>								
Grant-NSP 1	-	-	-	345,239	139,471	149,751	225,946	34,679
Grant-NSP 3	-	-	-	-	331,234	132,096	176,670	163,526
Total Expenditures	\$ -	\$ -	\$ -	\$ 345,239	\$ 470,705	\$ 281,848	\$ 402,616	\$ 198,205
Beginning Fund Balance:	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ 167,699	\$ 169,776	\$ 169,776
Ending Fund Balance:	\$ -	\$ -	\$ -	\$ 1	\$ 167,699	\$ 169,776	\$ 171,344	\$ 171,345
FUND 192 OFFICE OF ECONOMIC ADJUSTMENT								
<i>REVENUES:</i>								
Grants	-	-	303,027	1,219,197	176,249	294,834	189,375	189,961
Partner Participation	-	-	-	-	32,500	32,500	30,000	30,000
Total Revenues	\$ -	\$ -	\$ 303,027	\$ 1,219,197	\$ 208,749	\$ 327,334	\$ 219,375	\$ 219,961
<i>EXPENDITURES:</i>								
Grants	-	-	278,165	1,219,198	193,991	309,574	239,375	223,826
Transfer To Fund 001 General	-	-	24,862	-	-	-	-	-
Total Expenditures	\$ -	\$ -	\$ 303,027	\$ 1,219,198	\$ 193,991	\$ 309,574	\$ 239,375	\$ 223,826
Beginning Fund Balance:	\$ -	\$ -	\$ -	\$ (0)	\$ (1)	\$ 14,757	\$ 32,517	\$ 32,517
Ending Fund Balance:	\$ -	\$ -	\$ (0)	\$ (1)	\$ 14,757	\$ 32,517	\$ 12,517	\$ 28,652
FUND 193 POLICE AMERICAN REINVESTMENT RECOVERY ACT (ARRA) GRANT								
<i>REVENUES:</i>								
Grants	-	-	139,053	540,183	315,778	418,911	8,300	-
Total Revenues	\$ -	\$ -	\$ 139,053	\$ 540,183	\$ 315,778	\$ 418,911	\$ 8,300	\$ -
<i>EXPENDITURES:</i>								
Grants	-	-	39,032	57,303	315,377	402,886	8,000	-
Transfer Out - Fund 001 General	-	-	105,013	478,290	-	16,025	-	0
Total Expenditures	\$ -	\$ -	\$ 144,044	\$ 535,593	\$ 315,377	\$ 418,911	\$ 8,000	\$ 0
Beginning Fund Balance:	\$ -	\$ -	\$ -	\$ (4,991)	\$ (401)	\$ 0	\$ -	\$ 0
Ending Fund Balance:	\$ -	\$ -	\$ (4,991)	\$ (401)	\$ 0	\$ 0	\$ 300	\$ 0

	2007	2008	2009	2010	2011	2012	Year 2013	
	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Actual
FUND 195 PUBLIC SAFETY GRANTS								
<i>REVENUES:</i>								
Grants	-	-	225,368	487,356	522,304	458,874	955,972	384,752
Transfer In - Fund 001 General	-	-	-	-	-	-	-	2,353
Total Revenues	\$ -	\$ -	\$ 225,368	\$ 487,356	\$ 522,304	\$ 458,874	\$ 955,972	\$ 387,105
<i>EXPENDITURES:</i>								
Grants	-	-	178,180	362,449	525,258	455,874	952,332	389,399
Transfer Out - Fund 001 General	-	-	42,952	99,571	24,323	3,000	-	-
Total Expenditures	\$ -	\$ -	\$ 221,132	\$ 462,020	\$ 549,581	\$ 458,874	\$ 952,332	\$ 389,399
Beginning Fund Balance:	\$ -	\$ -	\$ -	\$ 4,235	\$ 29,571	\$ 2,294	\$ 2,294	\$ 2,294
Ending Fund Balance:	\$ -	\$ -	\$ 4,235	\$ 29,571	\$ 2,294	\$ 2,294	\$ 5,934	\$ -
FUND 201 59TH STREET DEBT SERVICE								
<i>REVENUES:</i>								
Local Sales & Use Tax	77,000	77,000	-	-	-	-	-	-
Total Revenues	\$ 77,000	\$ 77,000	\$ -					
<i>EXPENDITURES:</i>								
Principal & Interest	77,000	77,000	-	-	-	-	-	-
Total Expenditures	\$ 77,000	\$ 77,000	\$ -					
Beginning Fund Balance:	\$ -							
Ending Fund Balance:	\$ -							
FUND 202 LOCAL IMPROVEMENT DISTRICT (LID) DEBT SERVICE								
<i>REVENUES:</i>								
Interest	-	-	1,646	278	125	52	-	34
Assessments	332,069	391,575	777,533	322,786	313,304	303,823	298,220	294,341
Transfer In From Fund 351 LID Capital	-	24,758	-	-	-	-	-	-
Total Revenues	\$ 332,069	\$ 416,334	\$ 779,179	\$ 323,064	\$ 313,429	\$ 303,875	\$ 298,220	\$ 294,375
<i>EXPENDITURES:</i>								
Principal & Interest - Combined LID 1101/1103	185,016	266,944	661,163	273,629	225,764	214,459	213,296	213,296
Principal & Interest - LID 1108	146,226	98,785	96,013	93,241	115,019	87,697	84,924	84,925
Total Expenditures	\$ 331,242	\$ 365,729	\$ 757,175	\$ 366,870	\$ 340,783	\$ 302,156	\$ 298,220	\$ 298,221
Beginning Fund Balance:	\$ -	\$ 828	\$ 51,433	\$ 73,436	\$ 29,630	\$ 2,276	\$ 3,995	\$ 3,995
Ending Fund Balance:	\$ 828	\$ 51,433	\$ 73,436	\$ 29,630	\$ 2,276	\$ 3,995	\$ 3,995	\$ 149

	2007	2008	2009	2010	2011	2012	Year 2013	
	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Actual
FUND 203 POLICE FACILITY DEBT SERVICE								
<i>REVENUES:</i>								
Interest Earnings	-	-	279	-	-	-	-	-
Transfer In From Fund 001 General	-	-	141,185	-	-	-	-	-
Total Revenues	\$ -	\$ -	\$ 141,464	\$ -	\$ -	\$ -	\$ -	\$ -
<i>EXPENDITURES:</i>								
Principal & Interest -	-	-	141,464	-	-	-	-	-
Total Expenditures	\$ -	\$ -	\$ 141,464	\$ -	\$ -	\$ -	\$ -	\$ -
Beginning Fund Balance:	\$ -		\$ -					
Ending Fund Balance:	\$ -		\$ -					
FUND 204 SEWER PROJECT DEBT SERVICE								
<i>REVENUES:</i>								
Sewer Charges	349,910	359,307	376,081	435,027	500,489	555,947	540,000	616,257
Interest Earnings	5,588	8,393	2,609	1,751	1,976	2,170	-	4,293
Sanitary Side Sewer Connection Home Loan Repayment	-	-	-	-	-	2,403	-	19,234
Total Revenues	\$ 355,498	\$ 367,700	\$ 378,690	\$ 436,778	\$ 502,465	\$ 560,520	\$ 540,000	\$ 639,784
<i>EXPENDITURES:</i>								
Principal & Interest	50,510	259,952	92,176	248,389	408,902	462,533	460,743	460,725
Transfer To Fund 311 Sewer Capital	-	-	-	-	-	750,000	-	-
Total Expenditures	\$ 50,510	\$ 259,952	\$ 92,176	\$ 248,389	\$ 408,902	\$ 1,212,533	\$ 460,743	\$ 460,725
Beginning Fund Balance:	\$ -	\$ 304,988	\$ 412,736	\$ 699,250	\$ 887,639	\$ 981,203	\$ 329,191	\$ 329,191
Ending Fund Balance:	\$ 304,988	\$ 412,736	\$ 699,250	\$ 887,639	\$ 981,203	\$ 329,191	\$ 408,448	\$ 508,250
FUND 251 LOCAL IMPROVEMENT DISTRICT (LID) GUARANTY DEBT SERVICE								
<i>REVENUES:</i>								
Interest Earnings	9,324	7,215	1,883	915	670	307	-	1,075
Transfer In From Fund 351 LID Capital	-	88,000	-	-	-	-	-	-
Total Revenues	\$ 9,324	\$ 95,215	\$ 1,883	\$ 915	\$ 670	\$ 307	\$ -	\$ 1,075
<i>EXPENDITURES:</i>								
Total Expenditures	\$ -	\$ -	\$ -					
Beginning Fund Balance:	\$ 282,470	\$ 291,794	\$ 387,009	\$ 388,892	\$ 389,807	\$ 390,476	\$ 390,783	\$ 390,783
Ending Fund Balance:	\$ 291,794	\$ 387,009	\$ 388,892	\$ 389,807	\$ 390,476	\$ 390,783	\$ 390,783	\$ 391,858

	2007	2008	2009	2010	2011	2012	Year 2013	
	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Actual
FUND 301 GENERAL GOVERNMENT CAPITAL								
<i>REVENUES:</i>								
Grants	-	543,125	-	-	-	-	-	-
Intergovernmental-Fort Steilacoom Park	21,645	28,355	-	-	-	-	-	-
Interest Earnings	305,326	169,536	(601)	2,794	488	322	-	276
Contributions/Donations	-	-	-	5,000	100,000	-	-	-
GO Bond Proceeds	-	-	2,742,361	-	-	-	-	-
Transfer In From Fund 001 General	550,000	125,000	2,550,000	150,000	50,000	-	-	-
Transfer In From Fund 180 Narcotics Seizure	-	1,000,000	-	-	-	-	-	-
Total Revenues	\$ 876,971	\$ 1,866,016	\$ 5,291,760	\$ 157,794	\$ 150,488	\$ 322	\$ -	\$ 276
<i>EXPENDITURES:</i>								
Capital	923,447	9,058,092	4,172,124	269,094	31,721	-	-	-
Transfer to Fund 001 General Fund	-	-	-	-	-	-	398,392	398,392
Transfer To Fund 190	-	-	334,308	-	-	-	-	-
Transfer To Fund 311	2,049,890	-	-	-	-	-	-	-
Transfer To Fund 502 City Hall Services	-	-	-	115,000	-	-	-	-
Total Expenditures	\$ 2,973,337	\$ 9,058,092	\$ 4,506,432	\$ 384,094	\$ 31,721	\$ -	\$ 398,392	\$ 398,392
Beginning Fund Balance:	\$ 9,008,716	\$ 6,912,351	\$ (279,725)	\$ 505,602	\$ 279,303	\$ 398,070	\$ 398,392	\$ 398,392
Ending Fund Balance:	\$ 6,912,351	\$ (279,725)	\$ 505,602	\$ 279,303	\$ 398,070	\$ 398,392	\$ -	\$ 276
FUND 311 SEWER CAPITAL PROJECT								
<i>REVENUES:</i>								
Grants	-	-	741,551	1,656,811	672,769	-	-	-
Charges for Services & Fees	-	-	58,125	-	-	-	-	-
Interest Earnings	126,012	56,068	8,875	2,574	111	335	-	153
Contributions/Donations	-	-	227,441	12,060	44,160	21,514	-	-
Public Works Trust Fund Loan	-	-	2,500,000	2,078,000	1,262,000	-	235,580	-
Transfer In From Fund 190 Grants	-	-	-	13,477	242,604	-	-	-
Transfer In From Fund 301 General Gov't CIP	2,049,890	-	-	-	-	-	-	-
Transfer In From Fund 401 Surface Water Mgmt	-	-	134,594	-	194,300	-	-	-
Transfer In From Fund 204 Sewer Project Debt	-	-	-	-	-	750,000	-	-
Total Revenues	\$ 2,175,902	\$ 56,068	\$ 3,670,587	\$ 3,762,921	\$ 2,415,945	\$ 771,849	\$ 235,580	\$ 153
<i>EXPENDITURES:</i>								
Capital	161,661	514,449	3,400,812	5,552,073	2,417,988	613,553	234,610	63,947
Transfer To Fund 001 General	-	-	-	-	2,733	-	-	-
Total Expenditures	\$ 161,661	\$ 514,449	\$ 3,400,812	\$ 5,552,073	\$ 2,420,721	\$ 613,553	\$ 234,610	\$ 63,947
Beginning Fund Balance:	\$ -	\$ 2,014,240	\$ 1,555,859	\$ 1,825,634	\$ 36,483	\$ 31,706	\$ 190,002	\$ 190,002
Ending Fund Balance:	\$ 2,014,240	\$ 1,555,859	\$ 1,825,634	\$ 36,483	\$ 31,706	\$ 190,002	\$ 190,972	\$ 126,208

	2007	2008	2009	2010	2011	2012	Year 2013	
	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Actual
FUND 312 SANITARY SEWER CONNECTION CAPITAL								
<i>REVENUES:</i>								
Sewer Availability Charge	-	-	-	-	-	238,686	269,900	378,932
Interest Earnings	-	-	-	-	-	-	-	489
Proceeds From Lien	-	-	-	-	-	-	-	4,196
Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 238,686	\$ 269,900	\$ 383,617
<i>EXPENDITURES:</i>								
Capital	-	-	-	-	-	56,821	89,940	44,795
Transfer To Fund	-	-	-	-	-	876	-	-
Total Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,697	\$ 89,940	\$ 44,795
Beginning Fund Balance:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 180,989	\$ 180,989
Ending Fund Balance:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 180,989	\$ 360,949	\$ 519,811
FUND 351 LOCAL IMPROVEMENT DISTRICT (LID) CAPITAL								
<i>REVENUES:</i>								
Interest Earnings	2	7,792	-	-	-	-	-	-
LID Bond Assessment	-	880,000	-	-	-	-	-	-
Transfer In From Fund 102 Street Capital	108,103	-	-	-	-	-	-	-
Total Revenues	\$ 108,105	\$ 887,792	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>EXPENDITURES:</i>								
Capital	719,384	27,631	-	-	-	-	-	-
Transfer To Fund 202	-	112,758	-	-	-	-	-	-
Total Expenditures	\$ 719,384	\$ 140,389	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Beginning Fund Balance:	\$ (136,123)	\$ (747,403)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance:	\$ (747,403)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

	2007	2008	2009	2010	2011	2012	Year 2013	
	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Actual
FUND 401 SURFACE WATER MANAGEMENT								
WORK IN PROGRESS FOR YEARS 2007 THROUGH 2012								
<i>REVENUES:</i>								
Charges for Services & Fees							2,702,500	2,720,766
Interest Earnings							20,000	24,555
Subtotal Operating Revenues	\$ -	\$ 2,722,500	\$ 2,745,321					
<i>EXPENDITURES:</i>								
Geographical Information Services							-	26,562
Storm Drainage							2,463,110	1,712,252
Transfer to Fund 001 General Admin Support							269,700	269,700
Contribution to Fleet & Equipment Reserves							17,750	17,750
Subtotal Operating Expenditures	\$ -	\$ 2,750,560	\$ 2,026,264					
OPERATING INCOME (LOSS)	\$ -	\$ (28,060)	\$ 719,057					
<i>OTHER FINANCING SOURCES:</i>								
Grants							1,070,000	913,296
Contributions/Donations							-	-
Judgments, Settlements/Miscellaneous							315,000	320
Interfund Loan Interest							-	-
Interfund Loan Repay-Fund 001 General							-	-
Proceeds from Sale of Assets/Capital Lease							-	-
Transfer In From Fund 001 General							-	-
Transfer In From Fund 102 Street Capital							300,000	300,000
Transfer In From Fund 190 Grant							-	-
Subtotal Other Financing Sources	\$ -	\$ 1,685,000	\$ 1,213,617					
<i>OTHER FINANCING USES:</i>								
Interfund Loan							-	-
Capital							3,028,200	2,293,616
Transfer To Fund 101 Street O&M							-	-
Transfer To Fund 102 Street Capital							460,000	108,004
Transfer To Fund 311 Sewer Capital							-	-
Subtotal Other Financing Uses	\$ -	\$ 3,488,200	\$ 2,401,620					
Total Revenues and Other Sources	\$ -	\$ 4,407,500	\$ 3,958,937					
Total Expenditures and other Uses	\$ -	\$ 6,238,760	\$ 4,427,884					
Beginning Fund Balance:							\$ 6,736,556	\$ 6,736,556
Ending Fund Balance:							\$ 4,905,296	\$ 6,267,610

	2007	2008	2009	2010	2011	2012	Year 2013		
	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Actual	
FUND 501 VEHICLE & EQUIPMENT RESERVE							WORK IN PROGRESS FOR YEARS 2007 THROUGH 2012		
<i>REVENUES:</i>									
Replacement Reserves Collections							1,098,970	938,150	
Interest Earnings							-	15,576	
Insurance Recovery							30,000	76,781	
Interfund Loan Payment & Interest							-	-	
Proceeds From Sale of Assets							20,000	17,213	
Transfer In From Fund 001 General							-	-	
Total Revenues	\$ -	\$ -	\$ 1,148,970	\$ 1,047,720					
<i>EXPENDITURES:</i>									
Maintenance & Operations							-	28	
Interfund Loan to General Fund							-	-	
Capital Purchases							675,000	672,917	
Total Expenditures	\$ -	\$ -	\$ 675,000	\$ 672,945					
Beginning Fund Balance:							\$ 4,718,971	\$ 4,718,971	
Ending Fund Balance:							\$ 5,192,941	\$ 5,093,746	
FUND 502 CITY HALL FACILITY SERVICES & RESERVE									
<i>REVENUES:</i>									
Interest Earnings	5,012	749	1,116	1,704	1,070	878	-	722	
Transfer In From Fund 001 General	25,000	205,000	102,000	-	115,000	-	-	-	
Transfer In From Fund 301 General Govt CIP	-	-	-	115,000	-	-	-	-	
Total Revenues	\$ 30,012	\$ 205,749	\$ 103,116	\$ 116,704	\$ 116,070	\$ 878	\$ -	\$ 722	
<i>EXPENDITURES:</i>									
City Facilities Maintenance	-	102,370	-	-	-	-	-	-	
Capital Projects	114,169	16,028	7,305	55	-	-	-	-	
Total Expenditures	\$ 114,169	\$ 118,398	\$ 7,305	\$ 55	\$ -	\$ -	\$ -	\$ -	
Beginning Fund Balance:							\$ 119,518	\$ 35,362	
Ending Fund Balance:							\$ 35,362	\$ 122,713	
							\$ 122,713	\$ 218,523	
							\$ 218,523	\$ 335,173	
							\$ 335,172	\$ 451,242	
							\$ 451,242	\$ 452,120	
							\$ 452,120	\$ 452,842	



To: Mayor and City Councilmembers
From: Tho Kraus, Assistant City Manager/Finance & Administrative Services
Through: John J. Caulfield, City Manager *John J. Caulfield*
Date: April 14, 2014
Subject: 2014 Carry Forward Budget Adjustment

BACKGROUND

The proposed budget adjustment makes the following types of modifications to the current biennium:

- Revise the beginning fund balance by adjusting the estimated amount to reflect the final 2013 ending fund balance;
- Housekeeping adjustments to incorporate items previously approved by Council;
- Appropriate projects funded by grants and contributions;
- Continuation of capital projects;
- Changing operating trends and conditions; and
- New allocations, on an exception basis.

PROPOSED BUDGET ADJUSTMENT SUMMARY

The proposed budget adjustment:

- Increases total beginning fund balance for all funds by \$2.21M, resulting in a total revised beginning fund balance estimate of \$19.54M;
- Increases total revenues for all funds by \$19.53M, resulting in a total revised revenue estimate of \$76.08M;
- Increases total expenditures for all funds by \$19.04M, resulting in a total revised expenditure estimate of \$77.51M; and
- Increases total ending fund balance for all funds by \$7.88M, resulting in a total revised ending fund balance estimate of \$18.12M.

The table below provides a breakout of the proposed 2014 budget adjustment totals by fund group.

Fund Group	Beginning Fund Balance			Revenue			Expenditure			Ending Fund Balance		
	Current Budget	Proposed Adjustment	Proposed Revised Budget	Current Budget	Proposed Adjustment	Proposed Revised Budget	Current Budget	Proposed Adjustment	Proposed Revised Budget	Current Budget	Proposed Adjustment	Proposed Revised Budget
Total Year 2014	\$ 17,330,678	\$ 2,211,405	\$ 19,542,083	\$ 56,558,068	\$ 19,526,637	\$ 76,084,705	\$ 58,470,978	\$ 19,037,345	\$ 77,508,323	\$ 10,240,190	\$ 7,878,275	\$ 18,118,465
General	1,737,359	372,993	2,110,352	34,247,355	1,120,649	35,368,004	34,702,730	233,266	34,935,996	463,030	2,079,330	2,542,360
Special Revenue	5,104,254	(1,033,275)	4,070,980	16,092,583	17,658,028	33,750,611	17,113,453	16,777,010	33,890,463	3,175,530	755,597	3,931,127
Debt Service	803,235	97,022	900,257	828,470	287,758	1,116,228	746,905	287,758	1,034,663	-	981,822	981,822
Capital Projects	551,922	94,373	646,295	558,180	-	558,180	277,120	-	277,120	578,630	348,725	927,355
Enterprise	4,053,266	2,214,343	6,267,610	2,981,640	386,201	3,367,841	4,407,540	1,829,744	6,237,284	2,926,760	471,407	3,398,167
Replace Reserves	5,080,643	465,947	5,546,590	1,849,840	74,000	1,923,840	1,223,230	(90,434)	1,132,796	3,096,240	3,241,394	6,337,634

PROPOSED BUDGET ADJUSTMENT HIGHLIGHTS

The narrative below provides additional information on the various proposed adjustments. A complete listing of all proposed budget adjustments is attached.

Fund 001 – General

Non-Departmental/City-Wide:

- *Ordinance Correction* – Reduce expenditures by \$402,580 to reflect actual expenditure appropriation. The correction is due to the adopted budget combining ending fund balance with expenditures as expenditure appropriation.
- *Computer Replacement for Migration from Windows XP to Windows 7 (Approved by Council on 3/3/2014)* – Appropriate \$327,498 (offset by department expenditure reductions & transfer in of \$100,000 from the seizure funds to partially fund Police Department’s portion) for the replacement of 160 computers that are currently on Windows XP to computers that will use the Windows 7 operating system, replace monitors as needed, and purchase Microsoft Office licenses with software assurance. Included in the computer replacement program are 16 replacement computers for the training room located at City Hall and 12 Senior Center lab computers used for software training program offered to the senior community. The information technology division is continuing discussions with departments to confirm the replacements prior to purchasing. The replacement of the training room computers is still to be determined due to potential change in use. Below is the itemization of the \$327,498:
 - \$1,930 City Council
 - \$2,165 City Manager
 - \$23,704 Community & Economic Development

- \$14,751 Finance & Administrative Services
 - \$4,024 Finance & Administrative Services (Pool Laptops)
 - \$16,240 Finance & Administrative Services (Training Room)
 - \$19,587 Legal
 - \$15,532 Municipal Court
 - \$17,075 Parks, Recreation & Community Services
 - \$12,180 Parks, Recreation & Community Services (Senior Lab)
 - \$189,184 Police
 - \$11,125 Public Works
- *Police Facility Debt Service* – Eliminate expenditures of \$204,670 for the police facility debt service and add transfer out of \$210,758 to Fund 201 General Obligation Bond Debt Service to account for the police facility debt service in a debt service fund.
 - *59th Street Debt Service* – Eliminate expenditures of \$79,000 for the 59th Street debt service and add transfer out of \$77,000 to Fund 201 General Obligation Bond Debt Service to account for the 59th Street debt service in a debt service fund.

City Council:

- *Reduce Expenditures to Fund Computer Replacement* – Reduce professional services and special events line items by a total \$1,930 to fund computer replacement.

City Manager:

- *Reduce Expenditures to Fund Computer Replacement* – Reduce professional services and special events line items by a total of \$2,165 to fund computer replacement.

Finance & Administrative Services:

- *Reduce Expenditures to Fund Computer Replacement for Finance & Administrative Services* – Reduce expenditures by \$14,751 to fund computer replacements for the department by reducing overtime, travel & training, and telecommunications.
- *Reduce Expenditures to Fund Computer Replacement for Pool Laptops for Check Out* – Reduce expenditures by \$4,024 to fund computer replacement by reducing telecommunications.
- *Reduce Expenditures to Fund Computer Replacement for IT Training Room* – The replacement of the training room computers is still to be determined due to potential change in use. If it is determined that the replacement is needed, it will cost \$16,240, funded by expenditure reductions within the General Fund (specific line items to be determined).

Legal:

- *Reduce Expenditures to Fund Computer Replacement* – Reduce salaries & benefits by \$18,600 from vacant office technician position to fund computer replacement.
- *iPad Key boards* – Carry over from 2013 \$1,619 for iPad keyboards as the keyboards did not arrive until 2014.

Community & Economic Development:

- *Transfer to Office of Economic Adjustment Fund for 2014 SSMCP* – Appropriate \$50,000 for the City’s contribution from the General Fund as an Executive Leadership Team member to SSMCP to carry out the Joint Base Lewis McChord Growth Coordination Plan.
- *Eliminate Professional Services Funding for FRAUSE* – Eliminate \$15,000 expenditure line item for FRAUSE as it pertains to economic development and marketing efforts allocated through the General Fund. FRAUSE, however, would maintain their \$24,000 allocation for tourism promotion, advertisement and marketing services funded through the 2014 Hotel/Motel Lodging Tax Fund.
- *Eliminate Professional Services Funding for National Development Council Contract (NDC)* – Eliminate \$60,000 expenditure line item for NDC. NDC provides financial underwriting for the Section 108 loan program, in addition to financial access to other federal loan and tax credit programs. However, if there is a need to use NDC for future development projects, it is the current administrative policy to require the applicant to fund NDC directly rather than using City’s General Fund. In such circumstances, the City acts as a pass-through agent.
- *Eliminate Professional Services Funding for Buxton* – Eliminate \$13,200 expenditure line item for Buxton Contract. Buxton provides analytical solutions that facilitate cost-effective, successful marketing, merchandising and real estate strategies. Other resources are available online or through the public library system free of charge. Note, these resources are not exactly the same as Buxton’s data, but similar.
- *Reduce Expenditures to Fund Computer Replacement* – No line item is identified for the department’s computer replacement as elimination of the professional services for FRAUSE, and National Development Council and Buxton will more than offset the \$20,704 needed.
- *City Visioning (New Allocation)* – Appropriate \$100,000 for City Visioning. This proposal originated with the City Council in the fall of 2013, and is a part of the comprehensive plan update. Visioning is a process in which community members discuss past and present community issues, determine positive qualities and assets, identify future goals, design a plan for the community, carry out a series of actions, and evaluate the outcomes.
- *Fire Marshal Contract Payment* – Appropriate \$205,281 to West Pierce Fire & Rescue for services provided in 2013. With budget adjustment, the 2014 budget will include funding for two payments due to timing delay. Lakewood Fire District 2 provides year-round essential emergency services on American lake to ensure the safety and protection of Lakewood and Pierce County residents and guest who use the lake year-round. Additionally, a boathouse is dedicated for the use by both the City and fire district in order to provide and support the services required by the users of American Lake. The payment is in accordance with the contract and is for Fire Marshal fees in the amount of \$200,000 (personnel costs) and boat house lease and maintenance fees of \$5,281.

Municipal Court:

- *Transfer In From Fund 501 Equipment Replacement* – Appropriate \$34,039 in revenues transferred in from Fund 501 Equipment Replacement for the purchase of a 2013 Ford E350 Van that replaced the 2004 Ford E350 Van used by Court Work Crew. The 2004 Ford E350 had the

reserves to cover the cost of the new purchase. The 2004 Ford E350 was kept by the Court and converted into a Court Transport vehicle. The funds are being transferred as the purchases were not originally budgeted for 2013 in Fund 501 and had to be paid for out of the General Fund.

- *Reduce Expenditures to Fund Computer Replacement* – Reduce salaries and benefits from the vacant court operations supervisor position by \$15,532 to fund Municipal Court’s share of computer replacement.
- *Court Overtime* – Appropriate \$50,322 in expenditures for court overtime funded by elimination of the remaining salaries and benefits from the vacant court operations supervisor position.
- *Public Defender Contract (New Allocation)* – Increase public defender contract by \$100,000. This adjustment increases the public defender (includes \$20,000 for conflict defender) budget from \$245,000 to \$345,000. The increase is due to new laws that determine case load management for public defense services.

Parks, Recreation & Community Services

- *Transfer In From Fund 501 Equipment Replacement* – Appropriate \$40,920 in revenues transferred in from Fund 501 Equipment Replacement for the purchase a 2013 Ford Econoline Truck and an Aeravator. These had reserves in two vehicles that were surplus last year: a 1991 Ford Van and a 1999 Ford Van. The funds are being transferred as the purchases were not originally budgeted for in 2013 in Fund 501 and had to be paid for out of the General Fund.
- *Farmers Market* – Appropriate \$30K in expenditures in 2014 for the Lakewood Farmer’s Market. The allocation is comprised of \$20,000 for market staff, \$1,000 to attend the WSFMA Conference and training, \$6,000 for publicity and promotion, and \$3,000 for entertainment and demonstrations. The Lakewood Farmers Market is expected to generate \$39,100 in revenue. The revenue is comprised of the following sources: \$6,100 from a grant received in December 2013 from the Nisqually Tribe, \$7,500 in sponsorship from St. Clare Hospital, \$2,500 in sponsorship from WSECU, \$500 in sponsorship from LeMay/Waste Connections, \$1,000 in sponsorship from Pierce County, \$500 in sponsorship from the Port of Tacoma, \$10,000 in revenue from the Lodging Tax Grant, and \$11,000 in Vendor Stall Fees.
- *Math Relay* – Appropriate \$6,100 of expenditures for Lakewood in partnership with CPSD to host the Math Relay. The City received a grant from the Nisqually Tribe in December of 2013, and a portion of this grant would be used to fund the Math Relay. The \$6,100 would be used to cover the costs of procuring the event, equipment, holding the event, and ensuring strong participation after a three year absence by offering a transportation stipend to participating school districts.
- *Springbrook Park Demolition (New Allocation)* – Appropriate \$30K in expenditures to demolish the house at Springbrook park and open the site for public use. The \$30K is to cover the costs for abatement, removal, and disposal of the house. Council was informed at the time of purchase of the property that the City’s intent was to demolish the house, remove the fences, and allow the community to utilize the property. The proposed funding source is \$25,000 from General Fund ending fund balance and \$5,000 donation from Partners for Parks.
- *Street Landscaping* – Transfer \$134K in expenditures originally budgeted for 2014 in the Street Operations & Maintenance Fund 101 to the PRCS Department. In December 2013, City

leadership made the decision to move oversight of street landscape services to the PRCS Department since the Parks maintenance personnel have the expertise in grounds maintenance. The \$134,000 was originally budgeted in Fund 101 for personnel, supplies, equipment, dues, debris disposal, work gear, fuel and vehicle/equipment repairs and maintenance.

Police:

- *Transfer from Fund 180 Narcotics Seizure* – Transfer \$14,061 from Fund 180 for partial funding of the police department computer replacement.
- *Transfer from Fund 181 Felony Seizure* – Transfer \$85,939 from Fund 181 for partial funding of the police department computer replacement.
- *Smartphones as Hotspots* –Reduce expenditures for aircards by \$3,000 (estimate 6 months savings). All police officers will be issued a smartphone to increase productivity and communications. The phones will also replace the laptop aircards, using them as hotspots. The City of Tacoma has extensively tested with success and the City’s own police department and information technology division successfully completed one month of testing with total success. The phones are provided by Verizon at no cost to the City and have unlimited voice/data. Once the phones are in place and working as hotspots, the department’s anticipated savings of \$550 per month or \$6,600 annually will be redirected to General Fund.
- *Evidence Vehicle (New Allocation, funded by revenues received in 2013)* – Appropriate \$28,000 for the purchase of a full size cargo van to transport evidence from search warrants, to court, and for destruction. Currently, a small pick-up truck is used for this purpose. When taking firearms, metal items, and narcotics for destruction, the Evidence section borrows the CSO van (small van) and still has to use the small truck and also place items into the back seat of the police escort vehicle in order to transport all the property to Tacoma and Seattle for destruction. The addition of the full size van would ensure all items fit into one vehicle. The full size van would also be beneficial for picking up items at search warrants. The small pick-up is not large enough to transport most property and cannot pull a trailer when needed. The funding source is property room revenues generated from either unclaimed and/or forfeited monies and/or the sale of unclaimed and/or forfeited property.
- *Teamsters Contract Settlement* – Appropriate \$10,490 in expenditures to account for the added costs in salaries and benefits resulting from the settlement of the Teamsters Contract. The contract was settled in 2014, but was retroactive to 01/01/2013. The portion of the allocation relating to fiscal year 2013 is \$7,851, and the portion relating to fiscal year 2014 is \$2,639.
- *Community Service Resource Team (CSRT) Donation* – Appropriate \$1,162 of expenditures in 2014 to account for donations made to CSRT in 2013. The donations will be spent on both education and improving the National Night Out annual event. The unspent balance of the donation at the end of 2013 is being carried over into 2014.
- *FBI Pacific Northwest Innocence Lost Task Force (PNILTF)* – Appropriate \$17,202 in revenues and \$22,576 in expenditures in 2014 to account for the contract payments. The allocation is comprised of \$12,902 in revenue and \$16,932 in expenditures for the period 10/1/2013 through 9/30/2014 and \$4,300 in revenues and \$5,644 in expenditures for the period 10/1/2014 through 9/30/2015. The contract is ongoing for the duration of the City’s participation in the task force and provides reimbursement for wages paid to law enforcement personnel but not related

benefits. The mission of the PNILTF is to identify and target for prosecution organized crime groups responsible for promotion of prostitution, specifically juvenile prostitution, interstate, or through the use of interstate commerce, drug trafficking, money laundering and alien smuggling.

- *FBI Safe Streets Task Force (SSTF)* – Appropriate \$17,202 in revenues and \$6,171 in expenditures in 2014 to account for contract payments. The allocation is comprised of 12,902 in revenue and \$17,530 in expenditures for the period 10/1/2013 through 9/30/2014 and \$4,300 in revenues and \$5,843 in expenditures for the period 10/1/2014 through 9/30/2015. The contract is ongoing for the duration of the City’s participation in the task force and provides reimbursement for wages paid to law enforcement personnel but not related benefits. The mission of the SSTF is to identify and target for prosecution organized crime groups responsible for drug trafficking, money laundering, alien smuggling, crimes of violence (murder), robber (aggravated assault), violent street gangs, as well as an intensified focus on the apprehension of dangerous fugitives.
- *Washington State Patrol (WSP) Missing and Exploited Children* – Appropriate \$7,250 in revenues and \$9,586 in expenditures to account for contract payments for the period of January 1 through January 31, 2014. The contract has been cancelled as of January 31, 2014 and there is no plan to renew.
- *Pierce County Sex Offender Address Verification* – Appropriate \$13,980 in revenues in 2014 to account for grant payments for the period July 1, 2013 through June 30, 2014. The purpose of the grant is to aid in the verification of all registered sex offenders’ places of residence for level I offenders every twelve months, level II offenders every six months, and level III offenders every three months in Pierce County. The related expenditures are already budgeted in the General Fund. The grant balance at the end of 2013 is being carried over into 2014.

Public Works:

- *Reduce Transfer Out to Fund 101 Street O&M* – Reduce transfers to Fund 101 Street Operations & Maintenance by \$20,052 due to the elimination of the public works senior accountant 1.0 FTE (0.34 of FTE charged to Fund 101).

Fund 101 – Street Operations & Maintenance

- *Transfer Street Landscaping to the PRCS Department* – Transfer \$134,400 in expenditures originally budgeted for 2014 in the Street Operations & Maintenance Fund 101 to the PRCS Department. In December 2013, City leadership made the decision to move oversight of street landscape services to the PRCS Department since the Parks maintenance personnel have the expertise in grounds maintenance. The \$134,400 was originally budgeted in Fund 101 Street Operations & Maintenance for personnel, supplies, equipment, dues, debris disposal, work gear, fuel and vehicle/equipment repairs and maintenance.
- *Eliminate Public Works Senior Accountant 1.0 FTE (0.34 of FTE Charged to Fund 101 Street Operations & Maintenance)* – Reduce salary and benefits by \$20,052 due to the elimination of the public works senior accountant position. The financial and accounting work previously performed by this position will be absorbed by the finance division.

Fund 102 - Street Capital

- *Custer/John Dower Road Project* – Appropriate \$180,000 in expenditures for street improvements at the Custer/John Dower Road intersection. This project is funded by a WSDOT grant with a 13.5% City match. The City match will be funded with REET revenue.
- *Lakewood Station Connection* – Appropriate \$20,000 in expenditures for improvements to the Lakewood Station Connection. This project is being funded through a cooperative agreement between the City of Lakewood and Sound Transit. A new agreement is in the process of being finalized.
- *96th Street Roadway Improvements* – Appropriate \$46,647 in expenditures for roadway improvements on 96th Street. This project is being funded through mitigation funds.
- *City-Wide Traffic Signal Management* – Appropriate \$243,032 in expenditures for traffic signal improvements as part of City-Wide Traffic Signal Management. This project is being funded through a WSDOT grant with a 13.5% match. The City match will be funded with REET revenue.
- *Gravelly Lake Drive (100th to Bridgeport Way)*– Appropriate \$267,683 in expenditures for right of way acquisitions to make street improvements on Gravelly Lake Drive between 100th and Bridgeport Way. This project is funded by a WSDOT grant with a 13.5% City match. The City match will be funded with REET revenue and a transfer in from Fund 401 SWM.
- *Bridgeport Way (83rd to 75th)* – Appropriate \$4,270,000 in expenditures for street improvements on Bridgeport Way between 83rd and 75th. This project is funded by a TIB grant, a federal grant, a contribution from the water district, and a transfer from Fund 401 SWM.
- *South Tacoma Way (SR-512 to 96th)* – Reduce the original appropriation for the South Tacoma Way (SR-512 to 96th) project by \$120,000 in expenditures for street improvements on South Tacoma Way between SR-512 and 96th. This project is funded by a TIB grant.
- *Dower Elementary Safe Routes to Schools* – Appropriate \$15,000 in expenditures for street improvements to Dower Elementary. This project is funded by a WSDOT grant.
- *Madigan Access Improvements* – Appropriate \$547,758 in expenditures to improve the Freedom Bridge overpass and nearby intersections. \$5,000,000 was previously budgeted for 2014. This project is funded by a \$5,700,000 grant from OEA.
- *Camp Murray Gate Relocation* – Appropriate \$96,805 in expenditures for the Camp Murray Gate Relocation. This project is being funded through traffic mitigation received.
- *City Wide Safety Improvements* – Appropriate \$189,000 in expenditures for City-wide safety improvements by improving signal phasing and visibility of traffic signal heads. This project is funded by a WSDOT grant.
- *Steilacoom Blvd Safety Improvements* – Appropriate \$1,701,297 in expenditures for right of way acquisitions and street improvements for the Steilacoom Blvd Safety Improvements. This project is funded by a WSDOT grant.

- *South Tacoma Way (Steilacoom Blvd to 88th)* – Appropriate \$1,059,425 in expenditures for street improvements on South Tacoma Way (Steilacoom Blvd to 88th). This project is funded by a TIB grant.
- *Bridgeport Way (JBLM to I-5) (Grant has not been awarded)* – Appropriate \$3,600,000 in expenditures for street improvements on Bridgeport Way between JBLM to I-5. The City is seeking a WSDOT grant to fund this project. The grant would require a 13.5% match which is proposed to be funded by a transfer in of \$492,750 from Fund 401 SWM for storm water portion of the infrastructure improvement.
- *LED Street Lights* – Appropriate \$2,370,000 in expenditures for upgrading City street lights to LED. The City was awarded a \$500,000 grant from the State Department of Commerce as part of the 2013-2015 Energy Efficiency and Solar Grant and \$220,000 in utility rebates. The department anticipates using operations & maintenance savings to finance the remaining \$1,650,000.
- *112th/111th (Bridgeport Way to Kendrick St) (new grant)* – Appropriate \$156,000 in revenues for street improvements on 112th/111th from Bridgeport Way to Kendrick Street. This project is being funded by a federal grant. There is a 60% match for this grant. A majority of the match is being paid for with an agreement with Sound Transit, and the rest of the match is being funded with REET.
- *Transfer to Fund 401 Surface Water Management* – Appropriate \$187,975 in expenditures for street capital portion of the public O&M facility.
- *Minor Capital Program* – Appropriate an additional \$100,000 for miscellaneous projects including patching and pavement markings.
- *Eliminate Public Works Senior Accountant 1.0 FTE (0.33 of FTE Charged to Fund 102 Street Capital)* – Reduce salary and benefits by \$20,052 due to the elimination of the public works senior accountant position. The financial and accounting work previously performed by this position will be absorbed by the finance division.

Fund 106 – Public Art

- *Arts Commission Program* – Appropriate \$2K in expenditures to support public art related programs in the PRCS Department. The Arts commission wants to allocate the funds to the following programs in 2014: \$150 for the Dr. MLK, Jr. Event Essay, \$200 for National Literacy Month, \$100 for MayFest, \$250 for stage, booth, and activities at SummerFEST, \$350 for the community garden artwork and sign, \$200 for banner updates, \$500 for the Asian Film Festival, \$150 for the City Hall rotating art exhibit, and \$100 for miscellaneous printing expenses.

Fund 180 – Narcotics Seizure

- *Eliminate Negative Revenue Estimate* – Eliminate the original negative revenue estimate of \$3,000.
- *Transfer to Fund 001 General* – Transfer \$14,061 to Fund 001 General for partial funding of the Police Department Computer Replacement.

- *Purchase of Vehicle* – Appropriate \$20,481 in expenditures for the purchase of a vehicle that will be used exclusively by the Special Operations unit of the Police Department. There will be no replacement funds accumulated for this vehicle. Once the vehicle reaches the end of its useful life, it will be sold and any salvage received will be deposited in Fund 180.
- *Purchase of Vehicle* – Appropriate \$19,932 in expenditures for the purchase of a vehicle will be used exclusively by the Special Operations unit of the Police Department. There will be no replacement funds accumulated for this vehicle. Once the vehicle reaches the end of its useful life, it will be sold and any salvage received will be deposited in Fund 180.
- *Organized Crime Drug Enforcement Task Force (OCDETF)* – Appropriate \$5,000 in revenues and expenditures to account for grant funding for the period October 1, 2013, through September 30, 2014. The grant provides funding for overtime wages for law enforcement personnel to aid State and Local Law Enforcement Agencies in the investigation and prosecution of major drug trafficking organizations. Officers perform a variety of functions including, but not limited to: interviewing witnesses, conducting surveillance, performing undercover assignments, executing search and arrest warrants, and testifying at trials. The grant balance at the end of 2013 is being carried over into 2014.
- *Organized Crime Drug Enforcement Task Force (OCDETF)* – Appropriate \$4,639 in revenues and expenditures to account for grant funding for the period October 1, 2013, through September 30, 2014. The grant provides funding for overtime wages for law enforcement personnel to aid State and Local Law Enforcement Agencies in the investigation and prosecution of major drug trafficking organizations. Officers perform a variety of functions including, but not limited to: interviewing witnesses, conducting surveillance, performing undercover assignments, executing search and arrest warrants, and testifying at trials. The grant balance at the end of 2013 is being carried over into 2014.
- *Organized Crime Drug Enforcement Task Force (OCDETF)* – Appropriate \$5,289 in revenues and expenditures to account for grant funding for the period October 1, 2013, through September 30, 2014. The grant provides funding for overtime wages for law enforcement personnel to aid State and Local Law Enforcement Agencies in the investigation and prosecution of major drug trafficking organizations. Officers perform a variety of functions including, but not limited to: interviewing witnesses, conducting surveillance, performing undercover assignments, executing search and arrest warrants, and testifying at trials. The grant balance at the end of 2013 is being carried over into 2014.
- *Organized Crime Drug Enforcement Task Force (OCDETF)* – Appropriate \$19,037 in revenues and expenditures to account for grant funding for the period October 1, 2013, through September 30, 2014. The grant provides funding for overtime wages for law enforcement personnel to aid State and Local Law Enforcement Agencies in the investigation and prosecution of major drug trafficking organizations. Officers perform a variety of functions including, but not limited to: interviewing witnesses, conducting surveillance, performing undercover assignments, executing search and arrest warrants, and testifying at trials. The grant balance at the end of 2013 is being carried over into 2014.
- *Organized Crime Drug Enforcement Task Force (OCDETF)* – Appropriate \$5,000 in revenues and expenditures to account for grant funding for the period October 1, 2013, through September 30, 2014. The grant provides funding for overtime wages for law enforcement personnel to aid

State and Local Law Enforcement Agencies in the investigation and prosecution of major drug trafficking organizations. Officers perform a variety of functions including, but not limited to: interviewing witnesses, conducting surveillance, performing undercover assignments, executing search and arrest warrants, and testifying at trials. The grant balance at the end of 2013 is being carried over into 2014.

Fund 181 – Felony Seizure

- *Transfer to Fund 001 General* – Transfer \$85,939 to Fund 001 General for partial funding of the Police Department Computer Replacement.
- *Reduce Expenditures to Reflect 2013 Actual Balances* – Reduce expenditures by \$18,338 to reflect actual balances available due to close out of year 2013.

Fund 190 – CDBG (and Other Grants)

- *Transfer to Fund 001 General Fund* – The remaining balance of \$840,056 will be transferred back to the General Fund (the original source of funds), as all projects have been determined to be complete.
- *Correction to Ordinance* - Reduce expenditures by \$325,000 to correct the adopted budget.
- *STOP Grant* - Eliminate the original grant budget (\$14,000 revenues and \$16,720 expenditures) and replace with actual grant award. The actual award is from the US Department of Justice through the Washington State Department of Commerce. Appropriate \$26,218 in revenue and expenditures for 2014. These funds are provided for a portion of the office assistant position in the legal department to provide support on STOP activities that will enhance prosecution's response to adult or teen victims of domestic violence. The allocation is for \$21,218 for wages and benefits, and \$5,000 for goods and services such as laptops.
- *CDBG – Economic Development* – Add \$24,718 revenue from 2012 loan and program to 2014 current \$5,000 budgeted revenue. Add \$2,052 to reflect interest to be received for program payments. Carry forward program balance for expenditures of \$31,770. Economic Development Loans are low interest business loans for the purpose of creating and/or retaining low-income jobs.
- *CDBG – Section 108* – Carry forward 2013 program revenue allocation of \$503,610 and add \$497,960 in 2014 additional revenue allocation. Add \$503,610 to existing 2014 expenditure allocation of \$507,960. Currently, there is \$10K allocated in 2014 program income revenue. The allocations are to fund the LASA and Curbside Motor projects. The Section 108 guaranteed loan pool is for the funding of projects which will be used for investment in key economic development projects located within the City of Lakewood. The City of Lakewood has received a Loan Guarantee Commitment from the Department of Housing and Urban Development for \$2,888,000. Any amount of this commitment that is not used by September 30, 2017 will be cancelled.
- *CDBG – Entitlement Programs* – 2012 and 2013 grant program revenue carry forward of \$38,400 and \$231,918 respectively. Add additional 2014 program revenue of \$41,690. Carry forward of 2012 and 2013 grant balance expenditure allocations of: Administration \$21,082 reduction; Public Service \$42,457; Physical Improvements \$84,866; Housing Major Rehabilitation \$97,299;

and Housing \$66,778. The entitlement year runs from 7/1 through 6/30. The funding allocation priorities are approved through the City of Lakewood Annual Action Plan process. The City of Lakewood receives an entitlement from the Department of Housing and Urban Development each year.

- *HOME Tacoma/Lakewood Consortium*- Account correction of 2014 - \$210,000 program revenue carry forward. Roll forward 2013 program balance expenditure allocation of \$116,840. In addition to 2014 expenditure allocation of \$432,020, new allocations approved through the Tacoma/Lakewood Consortium Five Year Annual Action Plan include program grant revenue of \$704,760 and \$482,740 in expenditure allocation. This is funding for LASA – Prairie Oaks and other Affordable Housing projects of \$388,440, and administration / staff wages and benefits of \$94,300. The primary objective of the HOME program is to benefit low and moderate income individuals either through the creation of, or accessibility to affordable housing.
- *Nisqually Emergency Assistance for Displaced Residents* – Allocate \$12,056 in revenue received into the General Fund in 2013 and transferred to fund 190. Allocate expenditures in 2014 to be used in conjunction with CDBG funds for providing emergency rental relocation assistance to families and individuals displaced through no fault of their own during building and code enforcement closures, fires, drug activity closures, health department actions, and other incidences that create homelessness.

Fund 191 - Neighborhood Stabilization Program (NSP)

- *NSP 1* – Carry forward of 2011 grant balance allocation of \$158,549 into 2014 - Reflects allocation of revenue and expenditures to be spent by 3/31/2014. The NSP 1 grant provides funds to remove and redevelop blighted structures from abandoned, vacant, or foreclosed properties.
- *NSP 3* – Carry forward of 2011 grant balance allocations of revenue and expenditures of \$13,144, and adds an additional appropriation of \$82,887. The additional award is to supplement contractual acquisition and construction costs of the project. This funding is to be used by 3/8/2014. The NSP 3 grant provides funds to improve the stabilization of a community that has suffered from foreclosures and/or abandonment by acquiring and rehabilitating or building single-family housing units in the Tillicum neighborhood for the purpose of reselling them to low-income families

Fund 192 – Office of Economic Adjustment (OEA)

- *OEA04 Program* – Carry forward of 2013 grant program allocation balance of \$45,774 for revenue and expenditures funded by the Office of Economic Adjustment. This grant was extended from December 31, 2013 until May 31, 2014. The OEA grant totals \$236,000 for the funding period from January 1, 2013 to May 31, 2014. The purpose of the current phase of the effort is to build upon regional communication and coordination successes and deepen relationships between JBLM and the community, conduct ongoing data gathering and analysis in order to monitor trends in the region, update service member and family demographics and needs for off base services, and work with JBLM and entities in the region to continue to meet the challenges outlined in the Growth Coordination Plan.
- *OEA05 Program* – Carry forward grant award of \$426,003 for years 2014 and 2015. Eliminates program estimates of \$660,363 in program expenditures and replaces with actual revenue and expenditures allocations of \$426,003. This award is from the Department of Defense Community

Planning Assistance Funds through the Office of Economic Adjustment. These funds are for a Joint Land Use Study (JLUS) for Joint Base Lewis Mc Chord. These funds pay for program staff costs of \$66,003, and contractual costs of \$360,000.

- *2014 SSMCP* – Carry forward \$129,500 of SSMCP revenue from partnership participation and a \$50,000 transfer in from the General Fund for City of Lakewood 2014 Executive Leadership participation. Eliminate \$660,363 in projected revenue estimation and allocates \$186,624 in expenditures for 2014. SSMCP plans on remaining using fund balance from prior years of partnership dues to offset expenditures. The budget includes expenditures of \$132,874 for staff wages and benefits, as well as \$53,750 for program costs such as supplies, advertising, printing, travel, and professional services. The purpose of the SSMCP is to carry out the Joint Base Lewis McChord Growth Coordination Plan. The partnership will promote mutually beneficial investments and maximize opportunities for joint community and military cooperation. SSMCP provides the local match for the OEA04 and OEA05 grant programs. The 2014 match amount for OEA04 is \$37,058. The OEA05 match amount for 2014 and 2015 is \$50,661.

Fund 195 – Public Safety Grants

- *Emergency Management Preparedness Grant* – Appropriate a total of \$48,177 in revenues and expenditures in 2014 to account for the grant funding for the period June 1, 2013, through August 31, 2014. The grant requires a 50% match which is already budgeted in the General Fund (portion of match from SS911 Information Services and City’s emergency management budget). The grant is for the purpose of paying the salary and benefits of an emergency management coordinator in cooperation with West Pierce Fire & Rescue. The grant balance at the end of 2013 is being carried over into 2014.
- *WA Auto Theft Prevention Authority Grant* – Appropriate a total of \$23,209 in revenues and expenditures in 2014 to account for the City’s share of this grant for the funding period from July 1, 2013, to June 30, 2015. No local match is required. The grant provides funding for the Auto Crimes Enforcement (ACE) Task Force, including salaries and benefits for detectives and deputy assistant prosecutor, rental of vehicle, rental of ACE facility and necessary office contracts, funding for undercover operations, training, public awareness and prosecution of criminals to aid in auto theft prevention. The purpose of these task forces is to reduce the incidence of vehicle theft in Washington State and the Puget Sound Region through pro-active enforcement efforts, apprehension of criminals who steal vehicles, and increasing public awareness of auto theft, thereby improving the quality of life in our communities. The Fife Police Department is taking over as the Lead WATPA Agency in 2014 so the grant balance being carried over into 2014 is the estimated revenues and expenditures prior to the completion of the transition. The transition is expected to be complete by the end of 2014.
- *JAG Metal Theft - Detection and Prevention of Illegal Purchasing of Stolen Metals Grant* – Appropriate a total of \$50,997 in revenues and expenditures in 2014 to account for the grant funding for the funding period from October 1, 2012 to September 30, 2016. No local match is required. The grant provides funds for overtime wages and related benefits for law enforcement personnel to investigate violations at illegal metal recycling businesses and to interrupt the purchase of illegally gained metals at metal recycling shops. The grant also includes funding for four GPS micro-trackers that will be affixed to scrap metal and used to track illegal purchases along with tracking services. The grant balance at the end of 2013 is being carried over into 2014.

- *Therapeutic Justice Problem Gambling Court* – Appropriate a total of \$45,641 in revenues and expenditures in 2014 to account for the grant funding for the funding period from October 1, 2011 to September 30, 2015. No local match is required. The grant provides funds for overtime wages and related benefits for law enforcement personnel to provide computer voice stress analysis for clients participating in gambling addiction treatment in relation to a partnership with the Pierce County Superior Court, the Evergreen Council on Problem Gambling, and Pierce County Alliance, as well as funds for training. The grant balance at the end of 2013 is being carried over into 2014.
- *Bullet Proof Vest Grant* - Appropriate a total of \$3,216 in revenues and expenditures in 2014 to account for the grant funding which expires August 30, 2015. The grant funds the purchase of ballistic vests and requires a 50% match which is already budgeted in the General Fund. The grant balance at the end of 2013 is being carried over into 2014.
- *Nisqually Metal Theft Grant* – Transfer \$12,176 of revenue from the General Fund to the Public Safety Grant Fund for the grant received in 2013. Appropriate \$12,176 of expenditures in 2014 to account for the grant funding. No local match is required. The allocation is comprised of \$1,371 for training and \$10,805 for bait and tracking equipment.
- *Washington Traffic Safety Commission Impaired Driving Emphasis* – Appropriate a total of \$5,015 in revenues and expenditures in 2014 to account for the grant funding for the period October 1, 2012 through September 30, 2014. No local match is required. The grant provides funding for overtime wages and related benefits for law enforcement personnel to participate in scheduled multi-jurisdictional DUI patrols. The grant balance at the end of 2013 is being carried over into 2014.
- *Washington Traffic Safety Commission Seatbelt Emphasis* – Appropriate a total of \$2,000 in revenues and expenditures in 2014 to account for the grant funding for the period October 1, 2012 through September 30, 2014. No local match is required. The grant provides funding for overtime wages and related benefits for law enforcement personnel to participate in scheduled multijurisdictional seatbelt-focused patrols. The grant balance at the end of 2013 is being carried over into 2014.
- *Washington Traffic Safety Commission Target Zero Teams* – Appropriate a total of \$12,091 in revenues and expenditures in 2014 to account for the grant funding for the period October 1, 2012 through September 30, 2014. No local match is required. The grant provides funding for overtime wages and related benefits for law enforcement personnel to participate in DUI patrols deployed at times and locations where data indicates that the most safety benefit can be realized as determined by the Tacoma/Pierce County DUI and Traffic Safety Task Force. The grant balance at the end of 2013 is being carried over into 2014.

Fund 401 – Surface Water Management

- *Transfer Out to Street Capital Fund 102* – Appropriate \$1,527,750 in transfers out to Street Capital Fund 102 for the Storm Water portion of infrastructure improvements. This amount is comprised of: \$20,000 for the Custer/John Dower project, \$15,000 for the Gravelly Lake Drive (100th to Bridgeport Way) project, \$900,000 for the Bridgeport Way (83rd to 75th) project, \$100,000 for the South Tacoma Way (Steilacoom to 88th) project, and \$492,750 for the Bridgeport Way (JBLM to I-5) project.

- *Public Works O&M Facility* – Appropriate \$625K for the shop building. The original scope of the project was to construct a 5,000 square foot shop and that has not been started. The shop is needed for both housing materials & equipment, and use as work bays by the operations and maintenance division. The City continues to pay \$26K annually in rental charges for both storage containers at the Front Street site and enclosed work space at the Lakeview Avenue site. Working out of one site would improve operational efficiency as well as save on rental costs
- *Municipal Stormwater Capacity Grant* – Appropriate the balance of \$14,989 (original grant of \$50,000) in expenditures for the implementation and management of the City’s National Pollutant Discharge Elimination System (NPDES) Municipal Stormwater Permit.
- *Purchase of Wards Lake parcels* – Allocate \$189,430 in expenditures for the purchase of two parcels of the Wards Lake property funded by \$275,000 Pierce County conservations grant (paid directly to escrow) and \$189,430 surface water utility local match. The property will be classified as open space and the City will be responsible for maintenance of the property.
- *Replace 2002 Chevy Express Van* – Appropriate an additional \$1,237 in expenditures for the replacement of the 2002 Chevy Express Van. The 2014 budget already included \$30K for the replacement of this vehicle. The amount in reserves for this vehicle is \$31,237. The funding source is a transfer in of \$31,237 from Fund 501 Vehicle and Equipment Replacement.
- *Drywell Replacement* – Appropriate \$2,000 in expenditures to complete the closeout of this project. This project is funded by a Department of Ecology grant and has a 25% match. The City match is funded from an allocation of SWM fees.
- *Clover Creek Fish Passage* – Appropriate \$125,000 in expenditures for the construction of the Clover Creek Fish Passage. This project was budgeted in 2013, but not constructed due to challenges with obtaining permission from one property owner with access to the creek. It is the goal to build the project in 2014, but it may be pushed off until 2015. The funding for this project is \$85,000 from an allocation of SWM fees and a \$40,000 grant received from the Nisqually Tribe in 2012.
- *Waughop Lake Management Plan Grant (new grant)* – Appropriate \$190,000 in expenditures to prepare a lake management plan for Waughop Lake to determine what efforts are needed to improve the water quality and restore the lake to a more usable condition. The total cost of the project will be \$200,000 (\$150,000 from grants, \$40,000 additional expenditures for grant match, and \$10,000 existing personnel budget). The funding for the project is a \$150K grant from the Department of Ecology and a \$50K City match. The City match will be funded through an allocation of SWM fees.
- *Eliminate Public Works Senior Accountant 1.0 FTE (0.33 of FTE Charged to Fund 401 Surface Water Management)* – Reduce salary and benefits by \$20,052 due to the elimination of the public works senior accountant position. The financial and accounting work previously performed by this position will be absorbed by the finance division.

Fund 501 – Equipment Replacement

- *Replace 1999 Ford F250 with 2008 Ford F250* – Allocate \$24,600 in expenditures to replace the Parks Maintenance 1999 Ford F250 with a 2008 Ford F250. The 1999 Ford was originally part of Parks Maintenance. When it reached the end of its useful life in 2008, Parks Maintenance

replaced the vehicle. It was transferred to the Public Works Department at that time as the Public Works Department was beginning the street maintenance function of the City. Public Works replaced the motor of the engine at some point, but the truck is old and tired with wear and tear. This truck is the primary vehicle for the street landscape program and is used on a daily basis to carry additional equipment and haul debris from work sites. The other vehicle in this program cannot handle the towing capabilities required for use in this program.

- *Transfer Out To Fund 401 Surface Water Management for Replacement of 2002 Chevy Express Van (one-time)* – Allocate \$31,237 for a transfer out to Fund 401 for the replacement of the 2002 Chevy Express Van. The SWM fund has contributed \$31,237 in reserves for the replacement of this vehicle.
- *Transfer Out to Fund 001 General for Parks Vehicle and Equipment Replacement* – Allocate \$40,920 as a transfer out to Fund 001 General to account for the reserves that were spent in 2013 to purchase a 2013 Ford Econoline Truck and an Aeravator. These had reserves in two vehicles that were surplusd last year: a 1991 Ford Van and a 1999 Ford Van.
- *Transfer Out to Fund 001 General for Municipal Court Vehicle Replacement* – Allocate \$34,039 as a transfer out to Fund 001 General to account for the reserves that were spent in 2013 to purchase a 2013 Ford E350 Van that replaced the 2004 Ford E350 Van used by Court Work Crew. The 2004 Ford E350 had the reserves to cover the cost of the new purchase. The 2004 Ford E350 was kept by the Court and converted into a Court Transport vehicle.
- *Replace Totaled Police Vehicle* – Appropriate \$45,000 for the replacement of the 2012 Chevy Tahoe that was totaled. The funding source is insurance proceeds.
- *Eliminate Original Budget Estimate for Police Vehicle Replacement* – Eliminate the original budget estimate of \$675,000 that was not specifically itemized and replace with the itemized vehicle replacement (see \$957,000 itemized request below).
- *Replace Police Vehicles Funded* – Appropriate a total of \$957,000 for the replacement of 29 police vehicles funded by: \$914,025 accumulated replacement reserves; \$29,000 proceeds from the sale of vehicles; and \$13,975 from Fund 501 Vehicle & Equipment Replacement fund balance. The following is the list of vehicles proposed to be replaced and the related funding source.

Police Department Vehicle Replacement Request - Qty 29	Replacement Cost	Accumulated Reserves @ 12/31/2014	Proceeds from Sale of Vehicle	Fund 501 Fund Balance	Total Funding Sources
Veh # 15-22-013 2004 Crown Vic	\$ 40,000	\$ 43,998	\$ 1,000	\$ (4,998)	\$ 40,000
Veh # 15-22-040 2005 Crown Vic	40,000	43,998	1,000	(4,998)	\$ 40,000
Veh # 15-22-041 2005 Crown Vic	40,000	29,332	1,000	9,668	\$ 40,000
Veh # 15-22-043 2005 Crown Vic	40,000	29,332	1,000	9,668	\$ 40,000
Veh # 15-22-060 2005 Crown Vic	40,000	31,332	1,000	7,668	\$ 40,000
Veh # 15-22-061 2005 Crown Vic	40,000	43,998	1,000	(4,998)	\$ 40,000
Veh # 15-22-062 2005 Crown Vic	40,000	29,332	1,000	9,668	\$ 40,000
Veh # 15-22-063 2005 Crown Vic	40,000	29,332	1,000	9,668	\$ 40,000
Veh # 15-22-067 2005 Crown Vic	40,000	29,332	1,000	9,668	\$ 40,000
Veh # 15-22-068 2005 Crown Vic	40,000	29,332	1,000	9,668	\$ 40,000
Veh # 15-22-069 2005 Crown Vic	40,000	43,998	1,000	(4,998)	\$ 40,000
Veh # 15-22-083 2005 Crown Vic	40,000	27,714	1,000	11,286	\$ 40,000
Veh # 15-70-039 2005 Crown Vic	40,000	29,332	1,000	9,668	\$ 40,000
Veh # 15-22-070 2006 Crown Vic	40,000	37,563	1,000	1,437	\$ 40,000
Veh # 15-22-021 2006 Crown Vic	40,000	41,902	1,000	(2,902)	\$ 40,000
Veh # 15-70-015 2006 Chevy Impala	40,000	36,195	1,000	2,805	\$ 40,000
Veh # 15-22-084 2007 Crown Vic	30,000	53,356	1,000	(24,356)	\$ 30,000
Veh # 15-22-085 2007 Crown Vic	30,000	31,332	1,000	(2,332)	\$ 30,000
Veh # 15-22-086 2007 Crown Vic	30,000	54,796	1,000	(25,796)	\$ 30,000
Veh # 15-22-087 2007 Crown Vic	30,000	54,134	1,000	(25,134)	\$ 30,000
Veh # 15-21-003 2004 Fort Taurus	21,000	21,313	1,000	(1,313)	\$ 21,000
Veh # 15-21-004 2004 Fort Taurus	21,000	14,422	1,000	5,578	\$ 21,000
Veh # 15-21-005 2004 Fort Taurus	21,000	21,313	1,000	(1,313)	\$ 21,000
Veh # 15-21-009 2004 Fort Taurus	21,000	19,344	1,000	656	\$ 21,000
Veh # 15-21-027 2004 Fort Taurus	21,000	19,404	1,000	596	\$ 21,000
Veh # 15-22-001 2004 Fort Taurus	21,000	15,899	1,000	4,101	\$ 21,000
Veh # 15-70-012 1999 Fort Taurus	21,000	5,148	1,000	14,852	\$ 21,000
Veh# 15-22-044 2001 Chevy Astro Van	25,000	27,953	1,000	(3,953)	\$ 25,000
Veh# 15-22-024 2002 Chevy Astro Van	25,000	19,589	1,000	4,411	\$ 25,000
Total	\$ 957,000	\$ 914,025	\$ 29,000	\$ 13,975	\$ 957,000

ENDING FUND BALANCE

The proposed budget adjustment results in a revised 2014 ending fund balance of \$2.54M, which equates to 7.4% of General Fund operating revenues.

In support of the City's financial integrity, the following fund balance reserves, totaling 12% of General Fund operating revenues equating to \$4.1M, will be proposed as part of the financial policies discussion scheduled to occur in May/June 2014:

2% General Fund Contingency Reserves: The purpose of this reserve is to accommodate unexpected operational changes, legislative impacts, or other economic events affecting the City's operations which could not have been reasonably anticipated at the time the original budget was prepared. A 2% reserve fund based on the General Fund operating revenues equates to roughly \$700K.

5% General Fund Ending Fund Balance Reserves: The purpose of this reserve is to provide financial stability, cash flow for operations and the assurance that the City will be able to respond to revenue shortfalls with fiscal strength. A 5% reserve fund based on the General Fund operating revenues equates to roughly \$1.70M.

5% Strategic Reserves: The purpose of this reserve is to provide some fiscal means for the City to respond to potential adversities such as public emergencies, natural disasters or similarly major, unanticipated events. A 5% reserve fund based on the General Fund operating revenues equates to roughly \$1.70M.

NEXT STEPS

The following are upcoming financial documents currently under development and will be presented to Council in the near future:

- Fleet and Equipment Plan (Apr 2014)
- Information Technology Strategic Plan (Apr 2014)
- Financial Policies (May/June 2014)
- 6-Year Financial Forecast (May/June 2014)
- 1st Quarter, 2014 Financial Report (June 2014)

ATTACHMENTS

- O&M Facility Summary
- Summary of Proposed Adjustments
- Draft Budget Ordinance & Related Exhibits
 - Exhibit A(1) – Current Revised Budget By Fund- Year 2014
 - Exhibit A(2) – Proposed Revised Budget By Fund- Year 2014

PUBLIC WORKS O&M FACILITY – PROJECT SUMMARY

During the 2011/12 Biennial Budget process, Council approved \$1,050,000 for the purchase of the land. The property was acquired in November 2012 for \$627,744, which is \$422,256 below budget.

During the 2013/14 Biennial Budget process (prior to the City acquiring the property in November 2012) the property acquisition estimate was reduced from \$1,050,000 to \$750,000. Additionally \$750,000 was budgeted for the construction of the O&M facility which included a 2,500 square foot office building, a 5,000 square foot shop building and site development work involving demolition, grading, paving, underground utilities, site lighting and fencing

The total revised project cost totaled \$1,500,000 per the adopted 2013/14 Biennial Budget. On the funding side, it was anticipated that Fund 102 Street Capital would pay for 50% of the project cost equating to \$750,000 to be paid over a three year period as follows: \$300,000 in 2013; \$300,000 in 2014; and \$150,000 in 2015.

During the 2013/14 Mid-Biennium Budget Adjustment, Council approved an additional \$575,950 which covered the anticipated project expenditures thru the end of 2013 and included the correction of a scribblers error in the original 2013/2014 adopted budget which had denoted project expenses at \$550,000 versus the \$750,000.

The increase in project cost is due to:

1. Unanticipated costs related to removing 4,600 yards of unsuitable soil from the site and replacing same with good suitable material necessary to support both building, foundations and paved areas of the site;
2. Unforeseen necessity to use outside contractors due to both a health issue with a city employee and state statute limiting the dollar value of work that could be performed by city staff; and
3. Added cost attributed to the prepping the site for the potential future installation of an onsite emergency power system, a future fueling station, and a shed row for equipment and material storage. No additional funding from Fund 102 Street Capital was identified at the time of the budget adjustment.

The revised life-to-date project budget as of the 2013/14 Mid-Biennium Budget Adjustment is \$1,875,950.

The life-to-date project budget of \$1,875,950 and actual expenditures of \$1,729,288 as of December 31, 2013 is as follows:

O&M Facility	Budget as of 2013/14 Mid-Bien Adj	Life-to-Date Actual 12/31/2013
Property Acquisition	\$ 750,000	\$ 627,744
Office Building	150,000	231,003
Shop Building	200,000	-
Site Development	400,000	870,541
Increase in Project Cost	375,950	-
Total	\$ 1,875,950	\$ 1,729,288

Note – the budgets for the office and shop buildings were purposely low in anticipation that the work would be done in house which proved unworkable.

Contribution towards this project as of December 31, 2013 is as follows: \$300,000 from Fund 102 Street Capital; and \$1,429,288 from Fund 401 Surface Water Management. Street Capital will continue paying for its share in 2014 and 2015.

The proposed 2014 Carry Forward Budget Adjustment includes a request to appropriate \$625,000 for the shop building. The original scope of the project was to construct a 5,000 square foot shop and that has not been started. The shop is needed for both housing materials & equipment, and use as work bays by the O&M division. The City

continues to pay \$26K annually in rental charges for both storage containers at the Front Street site and enclosed work space at the Lakeview Avenue site. Working out of one site would improve operational efficiency as well as save on rental costs.

The additional \$625K expenditure appropriation is proposed to be split between Fund 401 Surface Water Management and Fund 102 Street Capital or \$312,500 from each fund.

The total proposed revised project budget of \$2,354,288 as of the 2014 Carry Forward Budget Adjustment is as follows:

O&M Facility	Budget as of 2014		Life-to-Date Actual	
		Carry Forward Adj		12/31/2013
Property Acquisition	\$	627,744	\$	627,744
Office Building		231,003		231,003
Shop Building		625,000		-
Site Development		870,541		870,541
Total	\$	2,354,288	\$	1,729,288

Also, included in the 2014 Carry Forward Budget Adjustment is additional \$187,975 transfer from Fund 102 Street Capital to Fund 401 Surface Water Management for Street Capital portion of the net \$375,950 appropriated during the 2013/14 Mid-Biennium Budget Adjustment. The existing 2013/2014 adopted already includes a \$300,000 transfer from 102 fund to the 401 fund.

Below is the summary of sources and uses for the total O&M Facility Project Budget, including the 2014 Carry Forward Budget Adjustments:

Surface Water Management Fund	\$1,177,144
Street Capital Fund (*)	<u>\$1,177,144</u>
Total Sources	\$2,354,288

* Street Contributions of \$300,000 in 2013; \$487,975 in 2014; and \$389,169 in 2015

O&M Facility	Budget as of 2011/12 Adopted	Budget as of 2013/14 Adopted	Budget as of 2013/14 Mid-Bien Adj	Budget as of 2014 Carry Forward Adj	Life-to-Date Actual 12/31/2013
Property Acquisition	\$ 1,050,000	\$ 750,000	\$ 750,000	\$ 627,744	\$ 627,744
Office Building	-	150,000	150,000	231,003	231,003
Shop Building	-	200,000	200,000	625,000	-
Site Development	-	400,000	400,000	870,541	870,541
Increase in Project Cost	-	-	375,950	-	-
Total	\$ 1,050,000	\$ 1,500,000	\$ 1,875,950	\$ 2,354,288	\$ 1,729,288

**2014 Carry Forward Budget Adjustment
Summary of Proposed Requests**

	Year 2014	
	Revenue	Expenditure
Grand Total - All Funds	\$ 19,526,635	\$ 19,037,344
Grand Total - Fund 001 General	\$ 1,120,649	\$ 233,266
Ordinance Correction - Adopted Budget Correction, Expenditures Overstated	-	(402,580)
Police Facility Debt Service - Account for in Fund 201 Debt Service - Principal & Interest	-	(79,000)
Police Facility Debt Service - Account for in Fund 201 Debt Service - Transfer Out to Fund 201 Debt Service	-	77,000
59th Street Debt Service - Account for in Fund 201 Debt Service - Principal & Interest	-	(204,670)
59th Street Debt Service - Account for in Fund 201 Debt Service - Transfer Out to Fund 201 Debt Service	-	210,758
Transfer in From Fund 190 Grant - Return Unspent General Fund Source	840,056	-
Subtotal - Non-Departmental/City-Wide	\$ 840,056	\$ (398,492)
Computer Replacement - City Council	-	1,930
Computer Replacement - Reduce Expenditures to Fund Computer Replacement	-	(1,930)
Subtotal - City Council	\$ -	\$ -
Computer Replacement - City Manager	-	2,165
Computer Replacement - Reduce Expenditures to Fund Computer Replacement	-	(2,165)
Subtotal - City Manager	\$ -	\$ -
Computer Replacement - Finance & Administrative Services	-	14,751
Computer Replacement - Pooled Laptops Available for Checkout	-	4,024
Computer Replacement - IT Training Room (Replacement Pending)	-	16,240
Computer Replacement - Reduce Expenditures to Fund Computer Replacement	-	(35,015)
Subtotal - Finance & Administrative Services	\$ -	\$ -
Transfer In from Fund 501 Fleet Reserves for Municipal Court Vehicle Purchased in 2013	34,039	-
Computer Replacement - Municipal Court	-	15,532
Computer Replacement - Reduce Salaries/Benefits from Vacant Court Operations Supervisor Position	-	(15,532)
Court Overtime	-	50,322
Reduce Salaries/Benefits from Vacant Court Operations Supervisor Position	-	(50,322)
Public Defender Contract Increase (New Allocation)	-	100,000
Subtotal - Municipal Court	\$ 34,039	\$ 100,000
Computer Replacement - Legal	-	19,587
Computer Replacement - Reduce Expenditures to Fund Computer Replacement	-	(19,587)
Ipad Keyboards	-	1,619
Subtotal - Legal	\$ -	\$ 1,619
Transfer to Fund 192 for SSMCP Fund for City's Contribution (2014)	-	50,000
Computer Replacement - Community & Economic Development, Funded by Professional Svcs Reductions	-	23,704
City Visioning (New Allocation)	-	100,000
Fire Marshall Contract - 2013 Payment Made in 2014	-	205,281
Reduce Economic Development Professional Services - Eliminate National Development Council Funding	-	(60,000)
Reduce Economic Development Professional Services - Eliminate Buxton Consultant Funding	-	(13,200)
Reduce Economic Development Professional Services - Eliminate Balance of Frause Consultant Funding	-	(15,000)
Subtotal - Community & Economic Development	\$ -	\$ 290,785
Computer Replacement - Parks, Recreation & Community Services	-	17,075
Computer Replacement - Reduce Expenditures to Fund Computer Replacement	-	(17,075)
Computer Replacement - Parks, Recreation & Community Services (Senior Lab, Pending)	-	12,180
Computer Replacement - Reduce Expenditures to Fund Computer Replacement	-	(12,180)
Transfer In from Fund 501 Fleet Reserves for Parks Vehicle & Equipment Purchased in 2013	40,920	-
Farmers Market - Funded by Sponsorships and Vendor Fees	30,000	30,000
Math Relay - Funded by Nisqually Tribe Grant Received in 2013	-	6,100
Springbrook Park Demolition (New Allocation) - Partially Funded by Donation From Partners for Parks	5,000	30,000
Street Landscaping - Function Transferred from Public Works Dept to Parks Dept	-	134,400
Street Landscaping - Reduce General Fund Transfer to Street Fund	-	(134,400)

**2014 Carry Forward Budget Adjustment
Summary of Proposed Requests**

	Year 2014	
	Revenue	Expenditure
Street Landscaping - Function Transferred from Public Works, Funded by Transfer In from SWM	15,000	15,000
Street Landscaping - Facilities - Function Transferred from Public Works Dept to Parks Dept		54,000
Subtotal - Parks	\$ 90,920	\$ 135,100
Computer Replacement - Police	-	189,184
Computer Replacement - Transfer In From Felony (Civil) Seizures to Fund Computer Replacement	85,939	-
Computer Replacement - Transfer In From Narcotics Seizures to Fund Computer Replacement	14,061	-
Computer Replacement - Reduce Expenditure to Fund Computer Replacement	-	(89,184)
Teamsters Contract Settlement	-	10,490
Community Services Resource Team Donation Received in 2013	-	1,162
Overtime - Funded by Pacific Northwest Innocence Lost Grant	17,202	17,202
Overtime - Funded by Safe Streets Task Force Grant	17,202	17,202
Sex Offender Address Verification Funding (Expenditures Already Budgeted in 2014)	13,980	-
Overtime - Funded by WA State Patrol Missing and Exploited Children Grant	7,250	7,250
Evidence Vehicle - Funded by Property Revenue Received in 2013	-	28,000
Smartphones as Hot Spots Replacing Aircards - Expenditures Savings	-	(3,000)
Subtotal - Police	\$ 155,634	\$ 178,306
Computer Replacement - Public Works	-	11,125
Computer Replacement - Reduce General Fund Transfer to Street Fund	-	(11,125)
Street Landscaping - Facilities - Function Transferred from Public Works to Parks, Recreation & Comm Svcs		(54,000)
Reduce Transfer Transfer to Street Fund Due to Elimination of Public Works Senior Accountant		(20,052)
Subtotal - Public Works / Property Management	\$ -	\$ (74,052)
Grand Total - Special Revenue Funds	\$ 17,658,027	\$ 16,777,010
Total - Fund 101 Street Operations & Maintenance	\$ (163,716)	\$ (154,452)
Street Landscaping - Function Transferred from Public Works Dept to Parks Dept	-	(134,400)
Street Landscaping - Reduce General Fund Transfer to Street Fund	(134,400)	-
Eliminate Public Works Senior Accountant - Salaries & Benefits; Reduce Transfer In From General Fund	(20,052)	(20,052)
Computer Replacement - Reduce General Fund Transfer to Street Fund	(965)	-
Computer Replacement - Reduce General Fund Transfer to Street Fund	(8,299)	-
Total - Fund 102 Street Capital	\$ 15,554,220	\$ 14,754,328
Transfer In From Fund 401 SWM for Storm Water Portion of Gravelly Lake Dr - 100th to Bridgeport	15,000	-
Transfer In From Fund 401 SWM for Storm Water Portion of Bridgeport Way - 83rd to 75th	900,000	
Transfer In From Fund 401 SWM for Storm Water Portion of Custer/John Dower	20,000	
Transfer In From Fund 401 SWM for Storm Water Portion of So Tacoma Way - Steilacoom to 88th	100,000	
Transfer In From Fund 401 SWM for Storm Water Portion of Bridgeport Way - JBLM I-5	492,750	
Transfer To Fund 401 SWM for Street Capital Portion of PW O&M Facility	-	187,975
Custer/John Dower Road - Funded by WSDOT Grant	150,000	180,000
Lakewood Station Connections - Funded by Cooperative agreement with Sound Transit	26,800	20,000
96th Roadway Improvements - Funded by Mitigation	46,647	46,647
City-Wide Traffic Signal Management - Funded by WSDOT Grant	233,032	243,032
Gravelly Lake Drive (100th - Bridgeport Way) - Funded by WSDOT Grant	252,683	267,683
Bridgeport Way (83rd to 75th) - Funded by TIB Grant	3,500,000	4,270,000
South Tacoma Way (SR-512 to 96th) - Funded by TIB Grant	13,900	(120,000)
Dower Elementary Safe Routes to Schools - Funded by WSDOT Grant	15,000	15,000
Madigan Access Improvements - Funded by OEA Grant	747,758	547,758
Camp Murray Gate Relocation - Funded by Traffic Mitigation Payments	96,563	96,563
City-Wide Safety Improvements - Funded by WSDOT Grant	180,000	189,000
Steilacoom Blvd Safety Improvements - Funded by WSDOT Grant	1,886,297	1,701,297
South Tacoma Way (Steilacoom Blvd to 88th) - Funded by TIB Grant	1,065,540	1,059,425
Bridgeport Way (JBLM to I-5) - Grant has not been received	3,286,250	3,600,000

**2014 Carry Forward Budget Adjustment
Summary of Proposed Requests**

	Year 2014	
	Revenue	Expenditure
LED Street Lights - Funded by Dept of Commerce (\$500,000) and Remaining Funding to be Determined	2,370,000	2,370,000
112th/11th (Bridgeport to Kendrick) - Funded by WSDOT and Sound Transit	156,000	-
Minor Capital Projects for Miscellaneous Projects including Patching & Pavement Markings	-	100,000
Eliminate Public Works Senior Accountant - Salaries & Benefits	-	(20,052)
Total - Fund 104 Hotel/Motel Lodging Tax	\$ -	\$ (1,150)
Eliminate Original Estimate	-	(497,040)
2014 Allocation	-	495,890
Total - Fund 106 Public Art Fund	\$ -	\$ 2,000
Arts Commission Programs	-	2,000
Total - Fund 180 Narcotics Seizure	\$ 41,965	\$ 93,439
Remove negative revenue budget figure	3,000	-
Transfer to Fund 001 General Fund to Partially Fun Police Laptop Computer Replacement	-	14,061
Purchase of Vehicle - Funded by Fund Balance	-	20,481
Purchase of Vehicle - Funded by Fund Balance	-	19,932
Orgnized Crime Drug Enforcement Task Force - Grant Balance	5,000	5,000
Orgnized Crime Drug Enforcement Task Force - Grant Balance	4,639	4,639
Orgnized Crime Drug Enforcement Task Force - Grant Balance	5,289	5,289
Orgnized Crime Drug Enforcement Task Force - Grant Balance	19,037	19,037
Orgnized Crime Drug Enforcement Task Force - Grant Balance	5,000	5,000
Total - Fund 181 Felony Seizure	\$ (10,000)	\$ 67,601
Transfer to Fund 001 General Fund to Partially Fun Police Laptop Computer Replacement	-	85,939
Eliminate Revenue Estimate	(10,000)	-
Reduce Expenditure Due to Eliminating Revenue Estimate & 2014 Beginning Balance Less Than Projected	-	(18,338)
Total - Fund 182 Federal Seizure	\$ -	\$ -
	-	-
Total - Fund 190 Grants	\$ 2,069,382	\$ 1,825,049
STOP Grant Pierce County - Legal Domestic Violence Program - Eliminate Original Estimate	(14,000)	(16,720)
STOP Grant Pierce County - Legal Domestic Violence Program - 2014 Grant	26,218	26,218
CDBG - Economic Development - 2012 Grant Program - Funded by Grant, Program Income, Fund Balance	26,770	31,770
CDBG - Section 108 - 2013 Program	503,610	503,610
CDBG - Section 108 - 2014 Program	497,960	-
CDBG - 2012 Program (Public Service, Physical Improvements, Major Rehab, Housing)	38,400	38,400
CDBG - 2013 Program (Public Service, Physical Improvements, Major Rehab, Housing)	273,608	231,918
HOME - 2012 & 2013 Program	704,760	482,740
Nisqually Grant - Emergency Assistance Displaced Residence	12,056	12,056
Correction to Ordinance - Reduce Expenditures - Adopted Budget Correction	-	(325,000)
Transfer to Fund 001 General - Return Unspent General Fund Source	-	840,057
Total - Fund 191 Neighborhood Stabilization Program (NSP)	\$ 254,580	\$ 254,580
NSP 1 - 2011 Program	158,549	158,549
NSP 3 - 2011 Program	13,144	13,144
NSP 3 - 2011 Program Amendment - Council Approved on 2/28/2014	82,887	82,887
Total - Fund 192 Office of Economic Adjustment (OEA)	\$ (9,086)	\$ 14,173
OEA 04 - 2013 Program - Difference funded by SSMCP Partnership carry forward	45,774	61,909
OEA 05 - 2014 & 2015 Program - Joint Land Use Study - Office of Economic Adjustment	426,003	426,003
SSMCP - 2014 Partnership Participation	(660,363)	(660,363)
SSMCP - 2014 Partnership Participation	179,500	186,624
Total - Fund 193 Office of Economic Adjustment (OEA)	\$ -	\$ (300)
Eliminate 2014 Budget - Grant Complete	-	(300)
Total - Fund 195 Public Safety Grants	\$ (79,318)	\$ (78,258)

**2014 Carry Forward Budget Adjustment
Summary of Proposed Requests**

	Year 2014	
	Revenue	Expenditure
JAG Metal Theft Grant	50,997	50,997
JAG Therapeutic Justice Grant	45,641	45,641
Nisqually Metal Theft Grant	12,176	12,176
Bulleproof Vest Partnership Grant	3,216	3,216
Emergency Management Planning Grant - Eliminate Original Estimate	-	(5,000)
Emergency Management Planning Grant	48,177	48,177
Washington Traffic Safety Commission Grant - Impaired Driving	5,015	5,015
Washington Traffic Safety Commission Grant - Seatbelts	2,000	2,000
Washington Traffic Safety Commission Grant - Target Zero Teams	12,091	12,091
Washington Auto Theft Prevention Authority Grant	23,209	23,209
Washington Auto Theft Prevention Authority Grant - Eliminate Original Estimate	(281,840)	(267,840)
US Coast Guard Boater Safety - Eliminate Original Estimate - Grant Not Yet Awarded	-	(4,300)
Reduce Expenditures Due (Revenues & Expenditures Not Equal Resulting in Negative Ending Fund Balance)	-	(3,640)
Grand Total - Debt Service Funds	\$ 287,758	\$ 287,758
Total - Fund 201 Debt Service - General Obligation Bonds	\$ 287,758	\$ 287,758
59th Street Debt Service - Principal & Interest - Funded by Transfer in From General Fund	77,000	77,000
Police Facility Debt Service - Principal & Interest - Funded by Transfer in From General Fund	210,758	210,758
Grand Total - Enterprise Funds	\$ 386,201	\$ 1,829,744
Total - Fund 401 Surface Water Management	\$ 386,201	\$ 1,829,744
2012 Drywell Replacement, Funded by Department of Ecology Grant \$1,500 and SWM \$500	2,000	2,000
Clover Creek Fish Passage, Funded by Nisqually Tribe Grant \$40,000 and SWM \$85,000	-	125,000
Transfer To Fund 102 Street Capital for Storm Water Portion of Gravelly Lake Dr - 100th to Bridgeport	-	15,000
Transfer To Fund 102 Street Capital for Storm Water Portion of Bridgeport Way - 83rd to 75th	-	900,000
Transfer To Fund 102 Street Capital for Storm Water Portion of Bridgeport Way - JBLM I-5	-	492,750
Transfer In From Fund 401 SWM for Storm Water Portion of Custer/John Dower	-	20,000
Transfer In From Fund 401 SWM for Storm Water Portion of So Tacoma Way - Steilacoom to 88th	-	100,000
Public Works O&M Facility - Shop Building and Transfer in from Street Capital	187,975	625,000
Municipal Stormwater Capacity Grant	14,989	14,989
Replace 2002 Chevy Express Van - Funded by Transfer In From Fund 501 Fleet Replacement Reserves	31,237	1,237
Street Landscaping - Transfer to Fund 001 General Fund for SWM Portion (Pacific Highway)	-	15,000
Purchase of Wards Lake Property	-	189,430
Waughop Lake Management Plan Grant-Department of Ecology	150,000	190,000
Eliminate Public Works Senior Accountant - Salaries & Benefits	-	(20,052)
Eliminate Depreciation	-	(840,610)
Grand Total - Replacement Funds	\$ 74,000	\$ (90,434)
Total - Fund 501 Equipment Replacement	\$ 74,000	\$ (90,434)
PK- Replace Parks 1999 2WD with Ford F250 - Funded by Replacement Reserves	-	24,600
PW/SWM - Transfer to Fund 401 - Replace 002 Chevy Express G1500 Van - Funded by Replacement	-	31,237
PD - Replace Totaled 2012 Chevy Tahoe - Funded by Insurance Replacement	45,000	45,000
PD - Eliminate Original Non-Itemized Vehicle Replacement Budget	-	(675,000)
PD - Replace 13 Vehicles - Funded by \$914,025 Replacement Reserves, \$29,000 Estimated Proceeds from Sale of Vehicles and \$13,975 Vehicle & Equipment Ending Fund Balance	29,000	957,000
MC - Transfer to General Fund - Replacement Reserves for Municipal Court Vehicle Purchased in 2013	-	34,039
PK - Transfer to General Fund - Replacement Reserves for Parks Vehicle & Equipment Purchased in 2013	-	40,920
Eliminate Depreciation	-	(548,230)

ORDINANCE NO.

AN ORDINANCE of the City Council of the City of Lakewood, Washington, amending the 2013-2014 Budget.

WHEREAS, pursuant to Chapter 35A.34 RCW, the City of Lakewood has created an biennial budget with the most recent budget having commenced on January 1, 2013;

WHEREAS, the City of Lakewood adopted Ordinance 556 on November 26, 2012 implementing the 2013 and 2014 Budget;

WHEREAS, the City of Lakewood adopted Ordinance 559 on March 4, 2013 to amend the original adopted to reflect the receipt of the additional grants and to make adjustments necessary to accurately reflect the revenues and the expenditures for 2013 and 2014 within Fund 102 Street Capital Improvement;

WHEREAS, the City of Lakewood adopted ordinance 575 on December 16, 2013 as the result of the mid-biennial review; and

WHEREAS, the City of Lakewood finds it necessary to revise the 2013-2014 Biennial Budget to adjust the 2014 beginning fund balance from the estimated amount to actual as fiscal year 2013 activities are concluded; continue existing projects by appropriating projects that were budgeted in the prior year, but not yet completed and will continue during the current year; appropriate projects funded by grants and contributions; and on an exception basis, new allocations.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAKEWOOD, WASHINGTON DO ORDAIN as follows:

Section 1. Budget Amendment. The 2013-2014 Budget, as originally set forth in Ordinance 556, Section 2, and as amended by Ordinance 559 and Ordinance 575, is amended to adopt the revised budget for the 2013-2014 biennium in the amounts and for the purposes as shown on the attached Exhibits A(1) and A(2) 2014 Budget By Fund.

Section 2. Severability. If any section, sentence, clause or phrase of this Ordinance shall be held to be invalid or unconstitutional by a court of competent jurisdiction, or its application held inapplicable to any person, property or circumstance, such invalidity or unconstitutionality or inapplicability shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Ordinance or its application to any other person, property or circumstance.

Section 3: Effective Date. This Ordinance shall be in full force and effect for the fiscal year 2014 and five (5) days after publication as required by law.

ADOPTED by the City Council this ___ day of May, 2014.

CITY OF LAKEWOOD

Don Anderson, Mayor

Attest:

Alice M. Bush, MMC, City Clerk

Approved as to Form:

Heidi Ann Wachter, City Attorney

EXHIBIT A(1)
CURRENT REVISED BUDGET BY FUND - YEAR 2014

Fund	Beginning Fund Balance			Revenue			Expenditure			Ending Fund Balance
	Prior Amount	Adjustment	Revised	Prior Amount	Adjustment	Revised	Prior Amount	Adjustment	Revised	
General Fund (001)	\$ 402,580	\$ 1,334,779	\$ 1,737,359	\$ 34,265,355	\$ (18,000)	\$ 34,247,355	\$ 34,204,905	\$ 497,825	\$ 34,702,730	\$ 1,281,984
Special Revenue Funds:										
101 Street Operations & Maintenance	100	155,792	155,892	2,220,930	-	2,220,930	2,220,930	-	2,220,930	155,892
102 Street Capital Projects	457,430	181,145	638,575	11,354,570	-	11,354,570	11,283,880	(46,070)	11,237,810	755,335
103 Transportation Benefit District	-	-	-	2,000,000	(2,000,000)	-	2,000,000	(2,000,000)	-	-
104 Lodging Tax Fund	791,720	78,377	870,097	430,000	-	430,000	499,000	-	499,000	801,097
105 Property Abatement	50,000	169,927	219,927	50,000	-	50,000	100,000	-	100,000	169,927
106 Public Art	5,000	-	5,000	5,000	-	5,000	5,000	-	5,000	5,000
180 Narcotics Seizure	15,660	207,797	223,457	325,000	-	325,000	250,000	-	250,000	298,457
181 Felony Seizure	50,000	47,319	97,319	10,000	-	10,000	20,000	-	20,000	87,319
182 Federal Seizure	30,480	(30,480)	0	69,520	-	69,520	70,000	(480)	69,520	0
190 Grants	2,654,170	49,722	2,703,892	689,000	-	689,000	1,773,390	-	1,773,390	1,619,502
191 Neighborhood Stabilization Program	153,770	17,574	171,344	29,110	(29,110)	-	77,280	(77,280)	-	171,344
192 Office of Economic Adj (OEA) Grant	54,380	(41,863)	12,517	119,380	540,983	660,363	94,910	565,453	660,363	12,517
193 Police ARRA Grant	300	0	300	-	-	-	300	-	300	0
195 Public Safety Grants	3,640	2,294	5,934	278,200	-	278,200	277,140	-	277,140	6,994
Debt Service Funds:										
202 LID Debt Service	-	3,995	3,995	-	288,470	288,470	-	288,470	288,470	3,995
204 Sewer Project Debt	-	408,457	408,457	-	540,000	540,000	-	458,435	458,435	490,021
251 LID Guaranty	-	390,783	390,783	-	-	-	-	-	-	390,783
Capital Project Funds:										
301 General Government CIP	-	0	0	-	-	-	-	-	-	0
311 Sewer Project CIP	970	190,002	190,972	185,650	-	185,650	184,830	-	184,830	191,792
312 Sanitary Sewer Connection	296,600	64,349	360,949	372,530	-	372,530	92,290	-	92,290	641,189
Enterprise Fund:										
401 Surface Water Management	4,302,660	(249,394)	4,053,266	3,031,640	(50,000)	2,981,640	4,407,540	-	4,407,540	2,627,366
Replacement Reserve Funds:										
501 Equipment Replacement	2,469,630	2,158,893	4,628,523	1,849,840	-	1,849,840	1,223,230	-	1,223,230	5,255,133
502 City Hall Service	-	452,120	452,120	-	-	-	-	-	-	452,120
Correction to Ord. 556	-	-	-	422,670	(422,670)	-	422,670	(422,670)	-	-
Total All Funds	\$11,739,090	\$ 5,591,588	\$17,330,678	\$ 57,708,395	\$ (1,150,327)	\$56,558,068	\$ 59,207,295	\$ (736,317)	\$58,470,978	\$ 15,417,768

EXHIBIT A(2)
PROPOSED REVISED BUDGET BY FUND - YEAR 2014

Fund	Beginning Fund Balance			Revenue			Expenditure			Ending Fund Balance
	Prior Amount	Adjustment	Revised	Prior Amount	Adjustment	Revised	Prior Amount	Adjustment	Revised	
General Fund (001)	\$ 1,737,359	372,993	\$ 2,110,352	\$ 34,247,355	\$ 1,120,649	\$ 35,368,004	\$ 34,702,730	\$ 233,266	\$ 34,935,996	\$ 2,542,360
Special Revenue Funds:										
101 Street Operations & Maintenance	155,892	(72,923)	82,969	2,220,930	(163,716)	2,057,214	2,220,930	(154,452)	2,066,478	73,705
102 Street Capital Projects	638,575	202,548	841,124	11,354,570	15,554,220	26,908,790	11,237,810	14,754,328	25,992,138	1,757,776
103 Transportation Benefit District	-	-	-	-	-	-	-	-	-	-
104 Hotel/Motel Lodging Tax	870,097	65,278	935,374	430,000	-	430,000	499,000	(1,150)	497,850	867,524
105 Property Abatement	219,927	18,244	238,171	50,000	-	50,000	100,000	-	100,000	188,171
106 Public Art	5,000	7,001	12,001	5,000	-	5,000	5,000	2,000	7,000	10,001
180 Narcotics Seizure	223,457	554,717	778,173	325,000	41,966	366,966	250,000	93,440	343,440	801,699
181 Felony Seizure	97,319	4,342	101,662	10,000	(10,000)	-	20,000	67,601	87,601	14,061
182 Federal Seizure	0	40,239	40,240	69,520	-	69,520	69,520	-	69,520	40,240
190 CDBG	2,703,892	(1,862,624)	841,268	689,000	2,069,382	2,758,382	1,773,390	1,825,049	3,598,439	1,211
191 Neighborhood Stabilization Program	171,344	1	171,345	-	254,580	254,580	-	254,580	254,580	171,346
192 Office of Economic Adj (OEA) Grant	12,517	16,135	28,652	660,363	(9,086)	651,277	660,363	14,173	674,536	5,393
193 Police ARRA Grant	300	(300)	-	-	-	-	300	(300)	-	-
195 Public Safety Grants	5,934	(5,934)	-	278,200	(79,318)	198,882	277,140	(78,258)	198,882	-
Debt Service Funds:										
201 Debt Service - General Obligation Bond	-	-	-	-	287,758	287,758	-	287,758	287,758	-
202 Debt Service - LID	3,995	(3,846)	149	288,470	-	288,470	288,470	-	288,470	149
204 Debt Service - Sewer Project	408,457	99,793	508,250	540,000	-	540,000	458,435	-	458,435	589,815
251 Debt Service - LID Guaranty	390,783	1,075	391,858	-	-	-	-	-	-	391,858
Capital Project Funds:										
301 General Government CIP	0	276	276	-	-	-	-	-	-	276
311 Sewer Project CIP	190,972	(64,764)	126,208	185,650	-	185,650	184,830	-	184,830	127,028
312 Sanitary Sewer Connection	360,949	158,862	519,811	372,530	-	372,530	92,290	-	92,290	800,051
Enterprise Fund:										
401 Surface Water Management	4,053,266	2,214,343	6,267,610	2,981,640	386,201	3,367,841	4,407,540	1,829,744	6,237,284	3,398,167
Replacement Reserve Funds:										
501 Equipment Replacement	4,628,523	465,225	5,093,748	1,849,840	74,000	1,923,840	1,223,230	(90,434)	1,132,796	5,884,792
502 City Hall Service	452,120	722	452,842	-	-	-	-	-	-	452,842
Total All Funds	\$17,330,678	\$ 2,211,405	\$19,542,083	\$ 56,558,068	\$ 19,526,637	\$76,084,705	\$ 58,470,978	\$ 19,037,345	\$77,508,323	\$ 18,118,465