



LAKWOOD CITY COUNCIL STUDY SESSION AGENDA

Monday, June 9, 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. Joint Lodging Tax Advisory Committee meeting.
- (5) 2. Review of the proposed 2015-2020 Six Year Transportation Improvement Program. - (Memorandum)
- (42) 3. Review of the proposed 2013-2014 biennial budget amendments. - (Memorandum)

BRIEFING BY THE CITY MANAGER

- (75) Review of proposed building permit fees for industrial warehousing. – (Memorandum)

ITEMS TENTATIVELY SCHEDULED FOR THE JUNE 16, 2014 REGULAR CITY COUNCIL MEETING:

- 1. Businesses showcase of H & L Produce and Studio Fitness.
- 2. Sound Transit Long Range Plan update. – *Ms. Chelsea Levy, Government and Community Relations Office, Sound Transit*
- 3. Review of 2014 First Quarter Financial Report.
- 4. This is the date for a public hearing by the City Council on the proposed 2013-2014 biennial budget amendments. – (Public Hearings and Appeals – Regular Agenda)
- 5. Appointing an individual to serve on the Arts Commission. – (Appointments – Regular Agenda)

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.

6. Amending Chapter 1.12 of the Lakewood Municipal Code relative to City holidays. – (Ordinance – Regular Agenda)
7. Pierce County Regional Council transportation improvement project applications update. – (Briefing by the City Manager)

CITY COUNCIL COMMENTS

ADJOURNMENT

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

MEETING SCHEDULE
June 9, 2014 – June 13, 2014

Date	Time	Meeting	Location
June 9	7:00 P.M.	City Council Study Session	Lakewood City Hall Council Chambers
June 10	7:30 A.M.	Redevelopment Advisory Board	Lakewood City Hall 3rd Floor, Conference Room 3A
	7:30 A.M.	Coffee with the Mayor	St. Clare Hospital Resource Center 4908 112 th Street SW
June 11	9:30 A.M.	Lakewood Community Collaboration	Lakewood City Hall Council Chambers
June 12	7:30 A.M.	Lakewood's Promise Advisory Board	Lakewood City Hall 3 rd Floor, Conference Room 3A
	3:30 P.M.	City Talk with the Mayor or another Councilmember. <i>For an appointment call 253-589-2489.</i>	Lakewood City Hall 3 rd Floor, Mayor's Office
	6:00 P.M.	Lakewood Sister Cities Association	Lakewood City Hall 1 st Floor, Conference Room 1E
	7:00 P.M.	Lake City Neighborhood Association	Lake City Fire Station 8517 Washington Blvd. SW
June 13	No Meetings Scheduled		

TENTATIVE MEETING SCHEDULE
June 16, 2014 – June 20, 2014

Date	Time	Meeting	Location
June 16	7:00 P.M.	City Council	Lakewood City Hall Council Chambers
June 17	7:00 P.M.	Northeast Neighborhood Association	Lakewood Fire Department 10928 Pacific Highway SW
June 18	6:30 P.M.	Planning Advisory Board	Lakewood City Hall Council Chambers
June 19	No Meetings Scheduled		
June 20	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.

**Lodging Tax Advisory Committee
2014-2015
City Council Appointed**

Members:

Rebecca Huber
Mario Lee
Michelle Perrenod

Phillip Raschke
Linda K. Smith

Council Liaison:

Mayor Don Anderson, Chair

Meeting Schedule:

Meets on an as needed basis to review lodging tax grant applications for the next year and provide funding recommendations to the Lakewood City Council for their consideration and deliberations.

Work Activity:

- Seeks City Council direction on funding policies and priorities as applicable to the lodging tax funds.
- Reviews lodging tax grant applications and listens to presentations from potential lodging tax grant recipients. Reviews, rates, and makes funding recommendations that are forwarded to the Lakewood Council for their deliberations.
- Meets on an as needed basis to review RCW updates or consider “out of cycle” requests for lodging tax funds related to emergent opportunities that have potential to generate out of area visitors. All recommendations are forwarded to the Lakewood City Council for final funding consideration and deliberations.

Milestones Accomplished on April 7, 2014:

- Lodging Tax Funding Guidelines updated.
- Ordinance No. 580 revised and updated.

LTAC Support Staff:

Economic Development Manager Ellie Chambers-Grady
Administrative Assistant Melody Perrussel



To: Mayor and City Councilmembers
From: Don Wickstrom, Public Works Director
Through: John J. Caulfield, City Manager 
Date: June 2, 2014
Subject: 6-Year Transportation Improvement Program (2015-2020)

Over the past few months, the Public Works Department with assistance from the Citizen Transportation Advisory Committee (CTAC) has developed the attached “Final Draft” of the *6-Year Transportation Improvement Program (TIP) (2015-2020)*. In addition, the CTAC has provided recommendations for prioritizing transportation resources, prioritizing transportation projects, and funding sources to be pursued.

The following is the proposed review and adoption schedule for the 6-Year TIP:

June 9, 2014	Present final draft of 6-Year TIP at Study Session
June 10, 2014	Final Draft of 6-Year TIP distributed to stakeholders and posted on City of Lakewood web site
July 7, 2014	Public Hearing on final draft of 6-Year TIP
July 8, 2014	Citizen Transportation Advisory Committee address comments received from Council and stakeholders
July 21, 2014	Adoption of 6-Year TIP

Staff has been incorporating project priorities that have been provided through the Transportation Benefit District (TBD) process. The presentation of the 6-Year TIP will focus on demonstrating how the 6-Year TIP is consistent with City Council / TBD Board direction.

Please also note that the 6-Year TIP can be modified any time up to and prior to its final adoption tentatively scheduled for July 20, 2014. Further note that we have provided two weeks between the Public Hearing and adoption date so comments received from the Public Hearing can be incorporated as well.

Attachments:

Final Draft 6-Year TIP (2015-2020)

Prioritization of FY2015 Projects / Programs



CITY OF LAKEWOOD

SIX-YEAR COMPREHENSIVE TRANSPORTATION IMPROVEMENT PROGRAM 2015-2020

******* Final Draft – IN PROGRESS 6/4/14 *******

PREFACE

Chapters 35.77.010 of the Revised Code of Washington (RCW) provide that each city shall annually update its Six-Year Comprehensive Transportation Program (Program) and file a copy of the adopted Program with the Secretary of the Washington State Department of Transportation (WSDOT) by July 1 of each year. The Program is necessary to allow cities and counties to obtain State and Federal funding. For a project to obtain funding from the State, it must appear in the agency's current Program. Because the state also disperses federal highway funds, this requirement applies to federally funded projects as well.

RCW 35.77.010 also requires each city to specifically set forth those projects and programs of regional significance for inclusion in the transportation improvement program for that region.

The Program is based upon anticipated revenues versus desirable projects. There are always more projects than available revenues. Therefore, a primary objective of the Program is to integrate the two to produce a comprehensive, realistic program for the orderly development and preservation of our street system.

Several important points must be considered during the review of the proposed Program. The early years of the Program are fairly definite; that is, it can be assumed that those projects will be constructed as scheduled. Projects in the later years are more flexible and may be accelerated, delayed or canceled as funding and conditions change.

It is also important to note that the adoption of the Program does not irreversibly commit the City of Lakewood to construct the projects. A project may be canceled at any time during the course of study or design. The usual reasons for canceling a project are that it is environmentally unacceptable or contrary to the best interests of the community as a whole. The Program may at any time be revised by a majority of the City Council, but only after a public hearing.

CONSISTENCY WITH LAND USE MANAGEMENT PLAN

The State's Growth Management Act (GMA) requires local governments to develop and adopt comprehensive plans covering land use, housing, capital facilities, utilities, and transportation. These comprehensive plans must balance the demands of growth with the provision of public facilities and services and, in particular, transportation facilities and services. The City of Lakewood was required to develop and adopt a comprehensive plan that is in conformance with the requirements of the GMA.

The City of Lakewood has, as part of its Comprehensive Plan, a Transportation Element with a Master Goal to "Ensure that the transportation and circulation system is safe, efficient and serves all segments of the population and reduces reliance on single-occupant vehicles and increase use of other modes of transportation."

Specific goals include the following.

1. To provide a safe, comfortable and reliable transportation system.
2. To reduce consumption of energy through an efficient and convenient transportation system.
3. To enhance options for future improvements to the transportation system by taking advantage of advances in technology and transportation research.
4. To keep travel times for people and goods as low as possible.
5. To emphasize the movement of people and goods, rather than vehicles, in order to obtain the most efficient use of transportation facilities.
6. To establish a minimum level of adequacy for transportation facilities through the use of consistent and uniform standards.
7. To protect the capital investment in the transportation system through adequate maintenance and preservation of facilities.

The projects in the Six-Year Comprehensive Transportation Program are intended to conform to the goals within the City's Comprehensive Plan.

GRANT APPLICATIONS AND LEVERAGING LOCAL DOLLARS

The need to leverage local dollars through grant applications is very important to the City, especially in light of the decrease in funding available for transportation related capital improvements. The intent of this Program is not only to list and program projects for funding, but to establish City Council approval to submit grant applications on those projects contained in the Program.

FUNDING SOURCES

A. Motor Vehicle Fuel Tax Funds

The Motor Vehicle Fuel Tax Funds have been programmed to provide matching funds for federal aid and urban arterial projects and for projects to be implemented with Motor Vehicle Fuel Tax Funds only.

By law, each city receives a proportionate share of the total state motor vehicle fuel tax. Money received is a monthly allocation based on population. The dollars shown in this year's Program reflect the revenues from this source expected to be received by the City of Lakewood. It is anticipated that revenue received from gas tax for the Streets Capital Projects Fund will be: \$300,000 FY 2014.

B. Federal Aid Funding Programs

Each of the Federal aid programs listed below has specific requirements a project must meet to qualify for funding under the individual program. For a project to receive funding from any of these sources it must compete with other public agency projects.

On July 6, 2012, President Obama signed Moving Ahead for Progress in the 21st Century (MAP-21), reauthorizing surface transportation programs through fiscal year 2014. Project prioritization and selection must be done by the Metropolitan Planning Organization (MPO) in areas of greater than 200,000 population. The MPO for this region (in which the City of Lakewood is located) is the Puget Sound Regional Council (PSRC).

There are a number of specific funding programs under MAP-21. These include the following:

1. STP Surface Transportation Program: This is a regionally competitive program.
2. CMAQ Congestion Mitigation and Air Quality: This is a regionally competitive program intended for projects that significantly improve air quality.
3. HSIP Highway Safety Improvement Program: Statewide competition for federal funds targeted at safety improvements at high accident locations.
4. TAP Transportation Alternatives Program: This is a new program that will most likely be a regionally competitive program and will focus on pedestrian and bicycle facilities (on and off road); safe-routes to schools, etc.; and other non-highway focused programs.

C. Washington State Transportation Improvement Board (TIB)

The TIB has a number of statewide competitive programs which use criteria developed by the TIB for prioritization of projects. The three TIB programs in which the City can compete are as follows:

1. UCP Urban Corridor Program. This program is for transportation projects with primary emphasis on public/private cooperation and economic development.

2. UAP Urban Arterial Program. This program is for arterial street construction with primary emphasis on safety and mobility.
3. SP Sidewalk Program. This program is for the improvement of pedestrian safety, and to address pedestrian system continuity and connectivity.

D. Community Development Block Grants (CDBG)

This is a program to provide physical improvements within low-income census tracts or to promote economic development within the City. In 2008, the City was awarded one grant from this funding source for \$10,000 for street lighting within low income residential neighborhoods. In 2009-2010, CDBG funds were awarded to support the sewer extension to Tillicum and Woodbrook neighborhoods. In the near future, funding from this source is anticipated to be sporadic and focused on specific economic development projects that help develop new jobs within the City. Through the years 2015-2020 it is anticipated that a minimum of \$300,000 per year will be made available for pavement preservation, street lighting, and pedestrian improvements in eligible neighborhoods.

E. City Funding Sources

1. Real Estate Excise Tax (REET). This funding source comes from the two ¼% REET's charged by the City on the sale of real estate within the City limits. The City's REET is designated entirely for transportation related capital improvements. Revenue from REET has gone from \$1.8 Million (FY2007) to \$640,000 (FY 2012). The REET is estimated to range from \$800,000 to \$900,000 annually.
2. General Fund Transfer In. This funding source comes from several different sources that make up the General Fund revenue including: property tax, sales tax, and utility tax and fees. The Street Capital Projects Fund is budgeted to receive approximately \$35,000 in 2014.

F. Washington State Department of Transportation

1. Pedestrian and Bicycle Program: This is a statewide competitive program specifically oriented toward the elimination of hazards to the pedestrian and bicyclists. The recent call for projects has expanded the program's scope to emphasize "complete streets" – accommodation of all roadway users from vehicles to bicyclists to pedestrians. The programs focus for "complete streets" is for "main street" urban arterials and corridors. Historically, the city has not received much funding from this program. However, given the change in the grant scope, there may be opportunities from this source in the future.
2. Safe Routes to Schools Program: This is a statewide competitive program specifically oriented toward pedestrian and bicycle safety near schools. This program may be replaced by the Federal Transportation Alternatives Program (TAP).

G. Surface Water Management Program:

The City's Surface Water Management (SWM) Program pays for all drainage facilities constructed in conjunction with street improvements. The revenue from SWM is directly related to the amount of capital improvement projects constructed. SWM participation in roadway projects averages about \$300,000 annually.

PROJECT NUMBERING SYSTEM

Project numbers within most sections of the Program are discontinuous in order to maintain consistency in project numbering from year to year.

Completed projects are removed from subsequent years' programs, thereby eliminating some project numbers.

Projects carried forward from previous year(s) retain the same project numbers from the previous year(s).

BUDGET DOLLARS

Costs shown are planning level estimates and are reflected in each year as FY2015 dollars with no accounting for inflation.

PROJECT COSTS IN THOUSANDS OF DOLLARS									
EXPENDITURE PLAN		<i>NOTE: BOLD and ITALICIZED numbers denote grant is secured</i>							TOTAL FUNDS
SECTION 1			2015	2016	2017	2018	2019	2020	2015-2020
NEW CONSTRUCTION									
ARTERIAL STREET PROJECTS									
1.2 Gravelly Lake Drive @ I-5 Right Turn Lane	Widen GLD from Nyanza to I-5 SB on-ramp to provide dedicated right-turn lane. Traffic signal upgrades; bridge widening; r/w acquisition.	City				50	350		400
Total Estimated Cost \$1,600		Grant				200	1,000		1,200
		Other							
		Total	0	0	0	250	1,350	0	1,600
1.4 Union Avenue - Berkeley to N. Thorne Lane	Widen to add turn lane, shared bike/travel lane, sidewalks, street lighting. Intersection improvements.	City					125	250	375
Total Estimated Cost \$5,000		Grant					375	2,250	2,625
<i>Note: Project 1.24 will complete Union/Berkeley intersection and some improvements from Berkeley to Maple.</i>		Other					75	150	225
		Total	0	0	0	0	575	2,650	3,225
1.18 96th Street - 2-way left turn lane	Widen 96th St. from 500' east of So. Tac. Wy to I-5 underpass to provide 2-way left turn lane. Does not include sidewalks or HMA overlay.	City					100		100
Total Estimated Cost \$500		Grant							0
		Other					400		400
		Total	0	0	0	0	500	0	500
1.20 123rd ST SW - Realignment	Realign 123rd ST SW as it enters Bridgeport	City					300		300
Total Estimated Cost \$400		Grant							0
		Other					100		100
		Total	0	0	0	0	400	0	400
1.21 Murray Road and 150th Street Corridor Capacity	Provide capacity for Woodbrook Industrial development: widening of Murray Road and 150th; bike/pedestrian facilities; structural pavement section improvements	City		100	100	100			300
<i>Notes: Assume multiple phases; multiple years</i>		Grant	0	0	0	0			0
		Other		1,500	1,500	1,500			4,500
		Total	0	1,600	1,600	1,600	0	0	4,800
1.22 Gravelly to Thorne Connector	Two-way connector road between Tillicum and Gravelly Lake Drive. Signalization.	City	1	1	1	1	1	1	6
Total Estimated Cost \$25,000		Grant							0
		Other		1,000	12,000	12,000			25,000
		Total	1	1,001	12,001	12,001	1	1	25,006
1.23 Interstate 5 through Lakewood (WSDOT led project - coordination only)	Planning and design coordination only.	City	1	1	1	1	1	1	6
		Grant							0
		Other							0
		Total	1	1	1	1	1	1	6

PROJECT COSTS IN THOUSANDS OF DOLLARS									
EXPENDITURE PLAN									TOTAL FUNDS
<i>NOTE: BOLD and ITALICIZED numbers denote grant is secured</i>									
SECTION 1 NEW CONSTRUCTION ARTERIAL STREET PROJECTS			2015	2016	2017	2018	2019	2020	2015-2020
1.24 Madigan Access Project <i>Phase 1 improvements completed in 2014.</i>	Provide improved access to Madigan including: Freedom bridge, ramp, & roadway widening; signalization improvements; Union Ave/Berkeley St improvements	City							0
		Grant	4,200						4,200
		Other							0
		Total	4,200	0	0	0	0	0	4,200
1.25 North Gate Access Improvements	Improve access to Lewis North including: intersection improvements (Edgewood / North Gate Road); non-motorized improvements (Edgewood Dr. and North Gate Rd)	City		50	75	225			350
		Grant		150	300	900			1,350
		Other							0
		Total	0	200	375	1,125	0	0	1,700
1.26 Steilacoom Boulevard / So Tacoma Way Intersection	SB right turn lane extension on Steilacoom Blvd. Access control improvements on both roads. Replace/upgrade traffic signals. Curb, gutter, sidewalk, lighting.	City	30	100					130
		Grant	150	1,000					1,150
		Other		100					100
		Total	180	1,200	0	0	0	0	1,380
1.27 Bridgeport Way - I-5 Ramp to Pacific Hwy	Turn lane extension to improve capacity and queuing capability. Road / shoulder widening; sidewalks; walls for widening.	City			10	50	50	100	210
		Grant				100	100	400	600
		Other							0
		Total	0	0	10	150	150	500	810
TOTALS		City	32	252	187	427	927	352	2,177
		Grant	4,350	1,150	300	1,200	1,475	2,650	11,125
		Other	0	2,600	13,500	13,500	575	150	30,325
		Total	4,382	4,002	13,987	15,127	2,977	3,152	43,627

PROJECT COSTS IN THOUSANDS OF DOLLARS									
EXPENDITURE PLAN									TOTAL FUNDS
									NOTE: BOLD and ITALICIZED numbers denote grant is secured
SECTION 2			2015	2016	2017	2018	2019	2020	2015-2020
ROADWAY IMPROVEMENTS									
2.26 Safety Improvements in the Vicinity of Schools	May include sidewalks, crossing improvements, signage, etc. in vicinity of schools.	City		50		50		50	150
		Grant		600		600		600	1,800
		Other		50		50		50	150
		Total	0	700	0	700	0	700	2,100
2.29 Steilacoom Blvd. Custer to 88th Street	Curbs, gutters, sidewalks, street lighting, on both sides. Signal modifications. Signal replacement Custer/Ardmore. Overlay.	City	0	0					0
Total Estimated Cost \$1,975		Grant	150	1,400					1,550
		Other		250					250
		Total	150	1,650	0	0	0	0	1,800
2.41 Steilacoom Blvd - Bridgeport Way to Fairlawn	Curbs, gutters, sidewalks, on both sides. Overlay.	City			10	20	100		130
Total Estimated Cost \$1,400		Grant			20	150	1,000		1,170
<i>Note: Preliminary design completed via previous TIB grant</i>		Other					100		100
		Total	0	0	30	170	1,200	0	1,400
2.49 Bridgeport Way - 83rd to 75th	Curb, gutters, sidewalks, street lighting, widening for 2-way left turn lane, drainage. Overlay.	City	0						0
Total Estimated Cost \$3,756		Grant	2,800						2,800
<i>Notes: Combined project limits of prev. project 2.52</i>		Other	300						300
<i>Project construction started in 2014</i>		Total	3,100	0	0	0	0	0	3,100
2.50 Gravelly Lake Drive - 100th to Bridgeport Way	Curb, gutters, sidewalks, street lighting, drainage. Signal modifications. Signal replacement Mt. Tacoma.	City	30	36					66
<i>Note: grant for design, environ., & r/w FY2011-2014</i>		Grant	100	1,358					1,458
		Other		250					250
		Total	130	1,644	0	0	0	0	1,774
2.54 Minor Pedestrian Safety Improvements	Non-hardscape improvements. Shoulder widening on high-volume roads where less than 2' walkway exists.	City	50	50	50	50	50	50	300
		Grant							0
		Other							0
		Total	50	50	50	50	50	50	300
2.55 High Accident Location Safety Improvements	May include sight distance corrective measures, signal modifications, etc. at one of top 25 accident locations.	City	50	50	50	50	50	50	300
		Grant	100	500					600
		Other							0
		Total	150	550	50	50	50	50	900

PROJECT COSTS IN THOUSANDS OF DOLLARS									
EXPENDITURE PLAN		<i>NOTE: BOLD and ITALICIZED numbers denote grant is secured</i>							TOTAL FUNDS
SECTION 2 ROADWAY IMPROVEMENTS			2015	2016	2017	2018	2019	2020	2015-2020
2.60 South Tacoma Way - SR512 to 96th Street Total Estimated Cost \$3,460 <i>Note: Design starting FY2011</i>	Curb, gutter, sidewalks, street lighting, drainage, overlay.	City	50						50
		Grant	2,826						2,826
		Other	300						300
		Total	3,176	0	0	0	0	0	3,176
2.61 ADA Standards - Sidewalk Upgrades	On-going program to gradually upgrade existing facilities to current ADA standards	City	50	50	50	50	50	50	300
		Grant							0
		Other							0
		Total	50	50	50	50	50	50	300
2.65 Steilacoom Blvd - 87th to 83rd <i>Design through project 2.74</i>	Curb, gutter, sidewalks, street lighting, drainage, overlay.	City			80	200			280
		Grant			200	1,400			1,600
		Other				200			200
		Total	0	0	280	1,800	0	0	2,080
2.66 Steilacoom Blvd - 83rd to Weller Road <i>Design through project 2.74</i>	Curb, gutter, sidewalks, street lighting, drainage, overlay.	City				70	200		270
		Grant				180	2,000		2,180
		Other					200		200
		Total	0	0	0	250	2,400	0	2,650
2.67 Bridgeport Way - I-5 to JBLM Gate Total Estimated Cost \$3,650	Curb, gutters, sidewalks, street lighting, drainage, overlay.	City	50						50
		Grant	2,917						2,917
		Other	683						683
		Total	3,650	0	0	0	0	0	3,650
2.68 Hipkins Rd. 104th to Steilacoom Blvd. Total Estimated Cost \$3,050 <i>TBD priority project</i>	Curb, gutters, sidewalks, street lighting, drainage, overlay.	City							0
		Grant							0
		Other				500	2,550		3,050
		Total	0	0	0	500	2,550	0	3,050
2.69 Gravelly Lake Drive - Bridgeport to Steilacoom Road Diet	Reduce 4 travel lanes to 3. Curb, gutters, sidewalks, bike lanes, street lighting, drainage, overlay.	City							0
		Grant			150	1,500			1,650
		Other				200			200
		Total	0	0	150	1,700	0	0	1,850

PROJECT COSTS IN THOUSANDS OF DOLLARS									
EXPENDITURE PLAN								TOTAL FUNDS	
		<i>NOTE: BOLD and ITALICIZED numbers denote grant is secured</i>							
SECTION 2			2015	2016	2017	2018	2019	2020	2015-2020
ROADWAY IMPROVEMENTS									
2.70 Lakewood Station - Non-Motorized Access Improvements	Curb, gutters, sidewalks, and street lighting improvements per Lakewood NMTP and Sound Transit Access Improvement Study.	City							0
		Grant							0
		Other				500	500	500	1,500
		Total	0	0	0	500	500	500	1,500
2.71 Steilacoom Blvd - Weller Road to Phillips Road <i>Design through project 2.74</i>	Curb, gutter, sidewalks, street lighting, drainage, overlay.	City	20	50	100				170
		Grant	60	300	1,800				2,160
		Other			200				200
		Total	80	350	2,100	0	0	0	2,530
2.72 100th Street & Lakewood Drive <i>Bridgeport Way to 400 feet north of 100th Street</i>	Curb, gutter, sidewalks, sharrows, replace 100th/Lakewood signal, street lighting, drainage, overlay.	City		20	130	200			350
		Grant		80	550	800			1,430
		Other							0
		Total	0	100	680	1,000	0	0	1,780
2.73 112th / 111th - Bridgeport to Kendrick	Curb, gutter, sidewalks, sharrows, street lighting, drainage, overlay.	City	20	20	100				140
		Grant	100	180	940				1,220
		Other	50	70	560				680
		Total	170	270	1,600	0	0	0	2,040
2.74 Steilacoom Blvd Corridor Design - Farwest to Phillips <i>Potential joint project with Town of Steilacoom</i>	Curb, gutter, sidewalks, sharrows, turn lanes, street lighting, drainage, overlay.	City	60	75					135
		Grant	310	325					635
		Other	80	92					172
		Total	450	492	0	0	0	0	942
2.75 South Tacoma Way - 88th to North City Limits	Curb, gutter, sidewalks, bike lanes, street lighting, signal at 84th, drainage, overlay.	City				50	50	200	300
		Grant				150	150	2,300	2,600
		Other					200	200	
		Total	0	0	0	200	200	2,700	3,100
2.76 Phillips Road - Steilacoom to Onyx <i>TBD priority project</i>	Curb, gutter, sidewalks, bike lanes, street lighting, drainage, overlay.	City							0
		Grant							0
		Other				200	200	2,400	2,800
		Total	0	0	0	200	200	2,400	2,800

PROJECT COSTS IN THOUSANDS OF DOLLARS									
EXPENDITURE PLAN									TOTAL FUNDS
									NOTE: BOLD and ITALICIZED numbers denote grant is secured
SECTION 2			2015	2016	2017	2018	2019	2020	2015-2020
ROADWAY IMPROVEMENTS									
2.77 Washington Blvd - Edgewood Ave to Gravelly Lake Drive	Curb, gutter, sidewalks, bike lanes, street lighting, drainage, overlay.	City							0
		Grant							0
		Other		650	4,000				4,650
<i>TBD priority project</i>		Total	0	650	4,000	0	0	0	4,650
									SWM/TBD
2.78 Oakbrook Sidewalks & Street Lighting	Curb, gutter, sidewalks, sharrows, turn lanes, street lighting, drainage, overlay.	City							0
Onyx Dr W (97th to 87th); Onyx Dr E (Garnet to Phillips) (Total Cost \$3,400)		Grant							0
		Other							0
<i>TBD priority project for 2020+</i>		Total	0	0	0	0	0	0	0
2.79 Lake City Business District Sidewalks (American Lake Park to Veterans Dr / Alameda) (Total Cost \$2,100)	Curb, gutter, sidewalks, sharrows, street lighting, drainage, overlay.	City							0
		Grant							0
		Other			300	1800			2,100
<i>TBD priority project</i>		Total	0	0	300	1,800	0	0	2,100
									SWM/TBD
2.80 Interlaaken Drive SW / Mt. Tacoma Drive Non-Motorized Improvements - Short Lane to Whitman Avenue SW (Total Cost \$2,950)	Provide curb and gutter, sidewalk and a shared travel/bike lane on one side of Interlaaken / Mt. Tacoma Dr.	City							0
<i>formerly project 5.7. TBD priority project for 2020+</i>		Grant							0
		Other							0
		Total	0	0	0	0	0	0	0
TOTALS		City	380	401	570	740	500	400	2,991
		Grant	9,363	4,743	3,660	4,780	3,150	2,900	28,596
		Other	1,413	1,362	5,060	3,450	3,550	3,150	17,985
		Total	11,156	6,506	9,290	8,970	7,200	6,450	49,572

PROJECT COSTS IN THOUSANDS OF DOLLARS									
EXPENDITURE PLAN									TOTAL FUNDS
SECTION 3 TRAFFIC SIGNALS			2015	2016	2017	2018	2019	2020	2015-2020
3.1 Steilacoom / Durango Traffic Signal	Intersection meets warrants for traffic signal. Signal needed with new development in area. Special concern with adjacent train crossing becoming active.	City							0
		Grant							0
		Other	5	345					350
		Total	5	345	0	0	0	0	350
3.7 Washington Blvd. and Interlaaken Drive Signal and intersection improvement Total Estimated Cost \$375	Install new signal at intersection.	City			75	300			375
		Grant							0
		Other							0
		Total	0	0	75	300	0	0	375
3.8 Traffic Signal Timing Upgrades on-going technical support incl. turning movement counts	Upgrade traffic signal timing and coordination.	City	10	10	10	10	10	10	60
		Grant							0
		Other							0
		Total	10	10	10	10	10	10	60
3.11 City-Wide Traffic Signal Management System Total Estimated Cost \$2,000	City-hall based Traffic Management Center. Fiber optic interconnect. PTZ major corridors. Active traffic management including web based info.	City	75	50	50	50			225
		Grant	420		300	300			1,020
		Other	5						5
		Total	500	50	350	350	0	0	1,250
3.12 Traffic Signal Replacement Program	Replace aging traffic signals. Priorities based on maintenance history. (one signal every 3rd year)	City		250		250			500
		Grant							
		Other							
		Total	0	250	0	250	0	0	500
3.13 Gravelly Lake Drive / Avondale Traffic Signal	Intersection meets warrants for traffic signal. Increased volumes in and around Towne Center. Increase in accidents.	City					100		100
		Grant							0
		Other					150		150
		Total	0	0	0	0	250	0	250

PROJECT COSTS IN THOUSANDS OF DOLLARS									
EXPENDITURE PLAN									TOTAL FUNDS
SECTION 3 TRAFFIC SIGNALS			2015	2016	2017	2018	2019	2020	2015-2020
3.14 So. Tacoma Way / 92nd Street	New signal required for development in vicinity	City							0
		Grant				35	315		350
		Other							0
		Total	0	0	0	35	315	0	350
3.16 Steilacoom Blvd / Western State Hospital Signal Replacement	Replace existing signal	City							0
		Grant	210						210
		Other							0
		Total	210	0	0	0	0	0	210
3.17 Steilacoom Blvd / Lakeview Ave Signal Replacement	Replace existing signal	City							0
		Grant	65	275					340
		Other							0
		Total	65	275	0	0	0	0	340
3.19 Traffic Signal Asset Management System	Purchase software; develop asset management system	City	40	40	20	5	5	5	115
		Grant							0
		Other							0
		Total	40	40	20	5	5	5	115
TOTALS		City	125	350	155	615	115	15	1,375
		Grant	630	0	335	615	315	0	1,580
		Other	10	345	0	0	150	0	505
		Total	765	695	490	1,230	580	15	3,460

PROJECT COSTS IN THOUSANDS OF DOLLARS									
EXPENDITURE PLAN									TOTAL FUNDS
SECTION 4 TRANSPORTATION PLANNING			2015	2016	2017	2018	2019	2020	2015-2020
4.1 Pavement Management System	Semi-Annual evaluation of pavement condition	City	5	30	5	30	5	30	105
		Grant							0
		Other							0
		Total	5	30	5	30	5	30	105
4.2 Transportation Model	On-going updates of travel demand model.	City	5	5	5	5	5	5	30
		Grant							0
		Other							0
		Total	5	5	5	5	5	5	30
4.7 Comprehensive Plan Update	Update due in 2015.	City	20						20
		Grant							0
		Other							0
		Total	20	0	0	0	0	0	20
4.8 Lakewood City Center Sub-Area Plan	Review access and circulation for vehicles, transit, and non-motorized transportation.	City	10	10					20
		Grant							0
		Other							0
		Total	10	10	0	0	0	0	20
4.9 Non-Motorized Transportation Plan Update	Update NMTP to include relevant policy updates and capital improvement projects. (original plan adopted June 2009)	City		15					15
		Grant							0
		Other							0
		Total	0	15	0	0	0	0	15
4.10 ADA Transition Plan	Develop ADA transition plan to address ADA deficiencies of existing curb ramps; signal access / operations; etc.	City	15						15
		Grant							0
		Other							0
		Total	15	0	0	0	0	0	15
TOTALS		City	55	60	10	35	10	35	205
		Grant	0	0	0	0	0	0	0
		Other	0	0	0	0	0	0	0
		Total	55	60	10	35	10	35	205

PROJECT COSTS IN THOUSANDS OF DOLLARS									
EXPENDITURE PLAN									TOTAL FUNDS
SECTION 5 BIKEWAYS			2015	2016	2017	2018	2019	2020	2015-2020
5.1 Miscellaneous Bikeway Markings / Signage	City		20	20	20	20	20	20	120
	Grant								0
	Other								0
	Total		20	20	20	20	20	20	120
5.4 Miscellaneous Bike Lane Construction	City			50		50		50	150
	Grant								0
	Other								0
	Total		0	50	0	50	0	50	150
5.5 North Thorne Lane to Gravelly Lake Drive Non-Motorized Trail	City	Provide non-motorized path between Tillicum and Gravelly Lake Drive "Gravelly to Thorne Connector" construction.		20	30	350			400
	Grant			100	170	1,650			1,920
	Other				180	2,500			2,680
	Total		0	120	380	4,500	0	0	5,000
5.6 Gravelly Lake Non-Motorized Trail (Total Cost \$7,900,000; length = 2.9 miles) TBD Priority Project 2020+	City	Provide non-motorized path around Gravelly Lake along Gravelly Lake Drive and Nyanza Drive							0
	Grant								0
	Other							200	200
	Total		0	0	0	0	0	200	200
TOTALS	City		20	90	50	420	20	70	670
	Grant		0	100	170	1,650	0	0	1,920
	Other		0	0	180	2,500	0	200	2,880
	Total		20	190	400	4,570	20	270	5,470

SWM/TBD

PROJECT COSTS IN THOUSANDS OF DOLLARS										
EXPENDITURE PLAN									TOTAL FUNDS	
SECTION 6 STREET LIGHTING			2015	2016	2017	2018	2019	2020	2015-2020	
6.2 Arterial Street Lighting	Install street lighting in requested areas based on ranking criteria	City	30	30	30	30	30	30	180	
		Grant							0	
		Other							0	
		Total	30	180						
6.4 Low income area street lighting	Install street lighting in various low income areas	City	30	30	30	30	30	30	180	
		Grant							0	
		Other							0	
		Total	30	180						
6.6 LED Street Lighting Upgrades	Update existing street lighting to LED. Coordinate with purveyors on rebates.	City	160	160	160	160	160	160	960	
		Grant	250	250						500
		Other	100	100						200
		Total	510	510	160	160	160	160	160	1,660
TOTALS		City	220	220	220	220	220	220	1,320	
		Grant	250	250	0	0	0	0	500	
		Other	100	100	0	0	0	0	200	
		Total	570	570	220	220	220	220	220	2,020

CDBG

PROJECT COSTS IN THOUSANDS OF DOLLARS									
EXPENDITURE PLAN									TOTAL FUNDS
SECTION 7 BRIDGES			2015	2016	2017	2018	2019	2020	2015-2020
7.1 Bridge Inspection	On-going biennial bridge inspection.	City	9	0	9	0	9	0	27
		Grant							0
		Other							0
		Total	9	0	9	0	9	0	27
TOTALS		City	9	0	9	0	9	0	27
		Grant	0	0	0	0	0	0	0
		Other	0	0	0	0	0	0	0
		Total	9	0	9	0	9	0	27

PROJECT COSTS IN THOUSANDS OF DOLLARS									
EXPENDITURE PLAN									TOTAL FUNDS
									<i>NOTE: BOLD and ITALICIZED numbers denote grant is secured</i>
SECTION 9 ROADWAY RESTORATION PROJECTS			2015	2016	2017	2018	2019	2020	2015-2020
9.7 Resurfacing Program - Various Locations <i>TBD currently evaluating a \$1.0 Million annual program</i>	Projects in various locations may include pavement preservation contribution to planned utility projects to facilitate full roadway overlays.	City	2,570	3,400	1,600	3,500	3,500	3,500	18,070
Grant									0
		Other							0
		Total	2,570	3,400	1,600	3,500	3,500	3,500	18,070
9.10 Steilacoom Boulevard - 87th to Custer Road Total Estimated Cost \$2.0 Million		City		15	1,900				1,915
		Grant		85					85
		Other							0
		Total	0	100	1,900	0	0	0	2,000
9.12 Bridgeport Way - I-5 to 112th Street		City	210						210
		Grant	200						200
		Other							0
		Total	410		0	0	0	0	410
9.13 Steilacoom Blvd - Lakewood Dr to So. Tacoma Way		City	260						260
		Grant	550						550
		Other							0
		Total	810		0	0	0	0	810
TOTALS		City	3,040	3,415	3,500	3,500	3,500	3,500	20,455
		Grant	750	85	0	0	0	0	835
		Other	0	0	0	0	0	0	0
		Total	3,790	3,500	3,500	3,500	3,500	3,500	21,290

PROJECT COSTS IN THOUSANDS OF DOLLARS									
EXPENDITURE PLAN									TOTAL FUNDS
SECTION 10 NEIGHBORHOOD TRAFFIC MANAGEMENT			2015	2016	2017	2018	2019	2020	2015-2020
10.1 Neighborhood Traffic Management Various Locations	May include speed humps, traffic circles, signage, etc.	City	20	20	20	20	20	20	120
		Grant							
		Other							
		Total	20	20	20	20	20	20	120
TOTALS		City	20	20	20	20	20	20	120
		Grant	0	0	0	0	0	0	0
		Other	0	0	0	0	0	0	0
		Total	20	20	20	20	20	20	120

PROJECT COSTS IN THOUSANDS OF DOLLARS									
EXPENDITURE PLAN									TOTAL FUNDS
SECTION 11 OTHER			2015	2016	2017	2018	2019	2020	2015-2020
11.1 On-call technical assistance	Various professional services including surveying, structural, geotechnical, environmental to support various projects	City	50	50	50	50	50	50	300
		Grant							0
		Other							0
		Total	50	50	50	50	50	50	300
11.2 Public Works Operations & Maintenance Facility	Property acquisition; design and construction of jointly-owned Streets / Surface Water Management O&M Shop.	City	385	200					585
		Grant							0
		Other							0
		Total	385	200	0	0	0	0	585
TOTALS		City	435	250	50	50	50	50	885
		Grant							0
		Other							0
		Total	435	250	50	50	50	50	885

ARTERIAL STREETS

	2015	2016	2017	2018	2019	2020	2015-2020
City	32	252	187	427	927	352	2,177
Grant	4,350	1,150	300	1,200	1,475	2,650	11,125
Other	0	2,600	13,500	13,500	575	150	30,325
Total	4,382	4,002	13,987	15,127	2,977	3,152	43,627

STREETLIGHTS

	2015	2016	2017	2018	2019	2020	2015-2020
City	220	220	220	220	220	220	1,320
Grant	250	250	0	0	0	0	500
Other	100	100	0	0	0	0	200
Total	570	570	220	220	220	220	2,020

ROADWAY IMPROVEMENTS

	2015	2016	2017	2018	2019	2020	2015-2020
City	380	401	570	740	500	400	2,991
Grant	9,363	4,743	3,660	4,780	3,150	2,900	28,596
Other	1,413	1,362	5,060	3,450	3,550	3,150	17,985
Total	11,156	6,506	9,290	8,970	7,200	6,450	49,572

BRIDGES

	2015	2016	2017	2018	2019	2020	2015-2020
City	9	0	9	0	9	0	27
Grant	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Total	9	0	9	0	9	0	27

TRAFFIC SIGNALS

	2015	2016	2017	2018	2019	2020	2015-2020
City	125	350	155	615	115	15	1,375
Grant	630	0	335	615	315	0	1,580
Other	10	345	0	0	150	0	505
Total	765	695	490	1,230	580	15	3,460

BEAUTIFICATION / GATEWAY IMPROVEMENTS

	2015	2016	2017	2018	2019	2020	2015-2020
City	20	20	20	20	20	20	120
Grant	0	0	0	0	0	0	0
Other	120	20	20	20	20	20	120
Total	40	40	40	40	40	40	240

TRANSPORTATION PLANNING

	2015	2016	2017	2018	2019	2020	2015-2020
City	55	60	10	35	10	35	205
Grant	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Total	55	60	10	35	10	35	205

RESTORATION

	2015	2016	2017	2018	2019	2020	2015-2020
City	3,040	3,415	3,500	3,500	3,500	3,500	20,455
Grant	750	85	0	0	0	0	835
Other	0	0	0	0	0	0	0
Total	3,790	3,500	3,500	3,500	3,500	3,500	21,290

BIKEWAYS

	2015	2016	2017	2018	2019	2020	2015-2020
City	20	90	50	420	20	70	670
Grant	0	100	170	1,650	0	0	1,920
Other	0	0	180	2,500	0	200	2,880
Total	20	190	400	4,570	20	270	5,470

OTHER

	2015	2016	2017	2018	2019	2020	2015-2020
City	435	250	50	50	50	50	885
Grant	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Total	435	250	50	50	50	50	885

NEIGHBORHOOD TRAFFIC MANAGEMENT

	2015	2016	2017	2018	2019	2020	2015-2020
City	20	20	20	20	20	20	120
Grant	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Total	20	20	20	20	20	20	120

GRAND TOTAL (2015-2020)

	2015	2016	2017	2018	2019	2020	2015-2020
City	4,356	5,078	4,791	6,047	5,391	4,682	30,345
Grant	15,343	6,328	4,465	8,245	4,940	5,550	44,556
Other	1,643	4,427	18,760	19,470	4,295	3,520	52,015
Total	21,242	15,833	28,016	33,762	14,626	13,752	126,916

Notes:

LID = Property owner participation through a Local Improvement District (LID).
Dev. Contr. = Funds provided through private (developer) contribution
TIB = Transportation Improvement Board grant funding
TEA-21 = Transportation Efficiency Act grant funds.
State = other state grant funding programs
CDBG = Community Development Block Grant funds.
FED = Federal Grant dollars (TEA-21, SAFETEA, Enhancement, etc.)
SWM = Surface Water Management funds
S.T. = Sound Transit
TBD = Transportation Benefit District
MAP-21 = Moving Ahead for Progress in the 21st Century (Federal Transportation Act)



6-Year Transportation Improvement Program

June 9, 2014

Desiree' Winkler, P.E. (Transportation Division Manager)

6-year TIP Development

■ ***Purpose and Need***

- Required for all Cities (RCW 35.77.010)
- Projects must be listed in the TIP in order to be grant eligible
- Annual process
- Subject to stakeholder review, public hearing, and City Council Adoption
- Provides framework for identifying and prioritizing transportation improvements
- Projects must be listed in current TIP or other comprehensive planning document to be eligible for TBD funding.

6-Year TIP Development (cont'd)

■ ***Important Points***

- TIP does NOT include routine maintenance and operation costs
- Listing projects within the TIP does not commit the City to complete the project

6-Year TIP Development (cont'd)

- ***CTAC Reviewed the Following:***
 - Comprehensive Plan – Transportation Vision, Objectives, and Goals
 - Joint meeting results (Council and CTAC)
 - Previous 6-Year TIP
 - Pavement Condition History
 - Accident Data
 - Traffic Volumes (Level of Service)
 - Comprehensive Plan and Requested Projects
 - Existing infrastructure
 - Transportation revenue and expenditure projections

6-Year TIP (2015-2020)

Prioritization Criteria Summary

1. Statutory requirement
2. Implement correctable safety improvements
3. Maintain existing infrastructure
4. Promote corridor flow
5. Maximize grant opportunities
6. Develop other improvement projects such as curb, gutter, sidewalks

6-Year TIP (2015-2020)

Highlights

- 1) Multi-modal approach to transportation (curb, gutter, sidewalk, bike lanes) on key arterials including Bridgeport Way, South Tacoma Way, & Steilacoom Blvd.
- 2) Multi-modal improvements for neighborhood streets.
- 3) LED Street light replacements.
- 4) Improved traffic flow through traffic signal management
- 5) Recognized need for pavement preservation
- 6) I-5 JBLM Vicinity Congestion Relief

6-Year TIP (2015-2020)

Opportunities

- 1) Commitment for sustainable revenue for infrastructure preservation.
- 2) Funding for neighborhood sidewalks and street lights
- 3) Coordination with Lakewood Water District on \$80+ million city-wide water main replacement.
- 4) JBLM Growth – mitigate impacts to increased traffic.

TIP / TBD Alignment

TIP Project	TBD – New Projects
2.77 Washington Blvd – Edgewood to GLD	21. Washington Blvd Sidewalks
2.79 Lake City Business District Sidewalks	22. Lake City Business District Sidewalks
2.65 Steilacoom Blvd (87 th to 83 rd) / (2.74 design)	23. Steilacoom Blvd (87 th to 83 rd)
2.78 Oakbrook Sidewalks & Street Lighting	24. Oakbrook Sidewalks & Street Lighting
2.66 Steilacoom Blvd (83 rd to Weller) / (2.74 design)	25. Steilacoom Blvd (83 rd to Weller)
2.76 Phillips Road (Steilacoom to Onyx)	26. Phillips Road (Steilacoom to Onyx)
2.68 Hipkins Road (104 th to Steilacoom)	27. Hipkins Road (104 th to Steilacoom)
2.80 Interlaaken / Mt. Tacoma Non-Motorized Improvements	28. Interlaaken / Mt. Tacoma Drive Sidewalks
5.6 Gravelly Lake Drive Non-Motorized Trail	29. Gravelly Lake Drive Non-Motorized Trail
2.75 So. Tacoma Way (88 th to N. City Limits)	30. So. Tacoma Way (88 th to N. City Limits)
9.7 Resurfacing Program – Various Locations	x. Pavement Preservation Program

6-Year TIP - Summary

- Important projects prioritized (continued success on grants on major roadways)
- Making progress toward funding of pavement management needs
- Need to further pursue funding alternatives for neighborhood sidewalk improvements.



To: Mayor and City Councilmembers
From: Tho Kraus, Assistant City Manager/Finance & Administrative Services
Through: John J. Caulfield, City Manager *John J. Caulfield*
Date: June 4, 2014
Subject: 2014 Miscellaneous Budget Adjustment

BACKGROUND

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

- Revise the 2014 beginning balance due to additional entries posted in 2013;
- Various housekeeping adjustments;
- Appropriate projects funded by grants/contributions; and
- New allocations.

PROPOSED BUDGET ADJUSTMENT SUMMARY

The proposed budget adjustment:

- Increases total beginning fund balance for all funds by \$408K, resulting in a total revised beginning fund balance estimate of \$19.95M;
- Increases total revenues for all funds by \$436K, resulting in a total revised revenue estimate of \$76.52M;
- Increases total expenditures for all funds by \$1.86M, resulting in a total revised expenditure estimate of \$79.37M; and
- Decreases total ending fund balance for all funds by \$1.02M, resulting in a total revised ending fund balance estimate of \$17.10M.

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	\$ 19,542,083	\$ 407,687	\$ 19,949,770	\$ 76,084,705	\$ 436,130	\$ 76,520,835	\$ 77,508,323	\$ 1,860,506	\$ 79,368,829	\$ 18,118,464	\$ (1,016,688)	\$ 17,101,776
General	2,110,352	470,328	2,580,679	35,368,004	1,000,000	36,368,004	34,935,996	600,206	35,536,202	2,542,360	870,122	3,412,481
Special Revenue	4,070,980	0	4,070,980	33,750,611	137,000	33,887,611	33,890,463	137,000	34,027,463	3,931,127	1	3,931,128
Debt Service	900,257	-	900,257	1,116,228	-	1,116,228	1,034,663	-	1,034,663	981,822	-	981,822
Capital Projects	646,295	0	646,295	558,180	-	558,180	277,120	-	277,120	927,355	0	927,355
Enterprise	6,267,610	(62,641)	6,204,969	3,367,841	-	3,367,841	6,237,284	-	6,237,284	3,398,167	(62,641)	3,335,526
Replace Reserves	5,546,590	-	5,546,590	1,923,840	(700,870)	1,222,970	1,132,796	1,123,300	2,256,096	6,337,634	(1,824,170)	4,513,464

PROPOSED BUDGET ADJUSTMENT HIGHLIGHTS

The narrative below provides detailed information on the proposed adjustments. A summary list is included as an attachment.

Fund 001 – General

Beginning Balance:

- *Increase Beginning Fund Balance \$470,328* – Increase 2014 beginning balance by \$470,328 due to additional entries posted to 2013 revenues, resulting in a higher 2013 ending fund balance than previously reported (rolls over to 2014 beginning fund balance.) The additional revenue posted is \$407,687 in franchise fees and \$62,641 in surface water management utility tax. The additional revenue was discovered as a result of review and change in process for accounting for revenues.

Transfer-In:

- *Transfer In from Fund 501 Fleet & Equipment \$1,000,000* – Return excess General Fund contributions to the fleet & equipment replacement reserves back to the General Fund. The fleet & equipment accumulated replacement reserves balance at the end of 2014 as calculated is \$3.94M. The accumulated replacement reserves balance after the \$1,000,000 transfer to the General Fund is \$4.07M.

City Manager:

- *Personnel Cost Decrease (\$50,579)* – Reduce salaries and benefits due to restructuring of the Community/Governmental Relations Director position to Communications Manager.

- *Consultant Study of Finance & Administrative Services Department \$18,000* – Consultant retained to provide an organizational assessment of the City’s finance, information technology and human resources functions.

Finance & Administrative Services:

- *IT Strategic Plan: Phone System Replacement \$240,000* – The City’s NEC phone system was purchased at the time City Hall was constructed. It is at capacity which has resulted in some remote city sites using direct CenturyLink lines rather than the City’s system. More importantly, the current system is no longer manufactured and the availability of spare replacement parts is questionable. System failure could leave the City without phone service. This is a high priority project that should be completed no later than first quarter of 2015. Further, work should begin now completing a needs analysis, potential feature set review (voicemail features, email compatibility, presence, etc.), and crafting of project specifications and bid documents. Putting the project out for bid during 2014 for installation during the first quarter of 2015 will have the City better prepared should a failure occur. A component of this upgrade should also be the reservation of an additional block of phone numbers for future city use.
- *IT Strategic Plan: Messaging (E-mail) System Refresh \$35,000* – The City’s email system uses Microsoft Exchange 2007 and runs on a server utilizing Microsoft Window Server 2003. This operating system goes end-of-life in May of 2015. The Exchange software is now two versions behind. Due to the potential integration of the email system and phone system, the recommendation is this update project occurs during the third quarter of 2014. This will provide sufficient time to have a current, stable email system prior to upgrading and integrating the City’s replacement phone system.
- *IT Strategic Plan: Fiber Optic Connection to Senior Center & Fort Steilacoom Parks O&M Facility \$30,000* – Two facilities, the Senior Center and Parks, are both located relatively close to existing city fiber optic cabling runs. Both of these facilities suffer from poor internet performance and are not on the City’s phone system. It is recommended that a partnership with public works to install micro-fiber cabling using trenchless technology during 2014 so that both facilities can enjoy the benefits of the new city phone system as well as reducing staff frustration with performance of the recreation reservation system due to slow internet performance. This change may result in less than a two year return on investment based on the cost of phone service and internet service provider cost.
- *IT Strategic Plan: Council Chambers Technology Update/Records Management, Phase I \$10,000* – The technology used in the chambers is over 13 years old and was purchased when City Hall was built. This technology is past end-of-life and does not meet contemporary standards for broadcast or streaming of council meetings. This project has three main elements: Phase 1, broadcast or streaming of; Phase 2, updating of electronic; and Phase 3, implementation of automated council packet/records management systems. The funding requested is for Phase 1, to provide for basic streaming of council meeting using existing cameras. This will help staff know when they are required during a council meeting without having to sit through items not relevant to their business and provide citizens with live viewing of the meetings over the internet. Phase 2 takes place in 2015 and replaces all of the technology in the chambers, excluding the newly installed council work session screen and projector. Cameras will be updated to digital technology and the projector will be replaced with a high resolution digital unit. Dais monitors will be updated as well. Phase 3 implements an automated agenda bill tracking system and an integrated records management application. Both of these applications will positively impact

staff productivity and allow the City to move to electronic records management. The move to electronic records management will ease access to city records, improve compliance with the City's records retention policies, and free the City from increasing paper storage requirements.

- *IT Strategic Plan: City Hall Paging System \$15,000* – A paging system in public corridors was installed during City Hall construction. The system is not tied to the phone system and has never been placed into service. Paging is currently accomplished through the phone system using system handsets. Integrating the system such that phone system handsets can be utilized to access the system will be evaluated as part of the phone system upgrade.
- *IT Strategic Plan: Web Site Update/Redesign \$10,000* - Work on this project has already begun. A partnership between Information technology, Economic Development and the City Manager Departments is underway to update and modernize the City's web site. This effort will involve city staff, constituents, and local business seeking out ways to get information from and give information to the City.
- *IT Strategic Plan: Implement Two Factor Authentication for Police System Access \$20,000* – This project is in response to security requirements imposed by the Criminal Justice Information System (CJIS) standards required by the FBI and audited by the Washington State Patrol increasing security for computers accessing the criminal justice system in unsecured areas. This means having something you know, a password, and something you have, a token as an example. The system is to be installed on the appropriate police computers and supported by South Sound 911. The implementation date requirement is September of 2014 to maintain CJIS compliance.
- *IT Strategic Plan: Disaster Recovery Plan \$10,000* – Disaster planning should be undertaken as a city-wide initiative. Assembling this plan will involve all of the City's business units in determining what systems, programs and data have the highest priority for recovery, secondary sighting of mission critical technology at a stand-by site and the level of investment that is appropriate to support the plan.
- *Information Technology Consultant \$8,890* – Consultant retained to perform an assessment of the information technology function in the City and facilitate the development of a six-year information technology plan.
- *Scanners for Electronic Records Management \$4,000* – Currently, the City does not have dedicated equipment or work area where scanning occurs without interruption. While the proposed two new scanners would be located on the first and second floor for the primary purpose of scanning business licenses, vouchers and other financial documents, departments city-wide will also have access to use the equipment and work area. This request is in line with electronic records management element of the Information Technology Strategic Plan.
- *Fleet Consultant \$6,772* – Consultant retained to evaluate the City's fleet replacement plan, replacement reserve funding, review of fleet maintenance and operations, and potentially consultation on vehicle costing for budget purposes.

Municipal Court:

- *Personnel Cost Increase \$36,856* – Increase in salaries & benefits due to increasing the municipal court judge position from 0.80 FTE to 1.0 FTE.

- *Court Remittance Audit \$32,344* – Amount due to the State as a result of the Administrative Office of the Courts (AOC) initiated audit for years 2007 through 2013. On a monthly basis, the Municipal Court remits the money collected in the Court’s system to the Finance Division for deposit into the City’s accounts. A portion of the money is considered City revenue and retained by the City; however, two other portions are to be remitted to the State or County. Those portions have specific account codes that are utilized to differentiate the money when entered into the City’s financial system. Finance reviews the accounts on a monthly basis to determine the amount of money that should be remitted to the State and County. The problem arose when the State changed the account numbers that were to be utilized and Finance was not aware of the changes. The preliminary audit liability is as follows: \$6,770 for 2013; \$11,506 for 2012; \$2,097 for 2011; and \$11,971 for 2008. Processes have been reviewed and changes have been put into place to ensure that this type of error does not occur in the future.

Legal:

- *Personnel Cost Decrease (\$61,341)* – Reduce salaries & benefits due to vacant office technician position through the remainder of 2014.

Community & Economic Development:

- *Professional Services \$40,000* – Professional services for a comprehensive plan and fiscal analysis as it relates to economic development activities.

Parks, Recreation & Community Services

- *Fort Steilacoom Barn Removal \$30,000* – Remove the debris pile created when the barn blew over as a result of the February 2014 wind storm. The barns are the property of the State and recorded as “buildings of significance” on the National Historic Registry. It has taken some time to determine who would take the lead on what to do with the debris. The State wanted to the City to go through the pile and reclaim and store any salvageable material for future restoration projects on the remaining barns. The public also expressed interest in salvaging old barn boards. The City checked with its insurance carrier (WCIA) and had the building tested for lead and asbestos. The results are that the building is highly contaminated and none of the materials are safe to be salvaged and should be removed and disposed of in accordance with applicable laws and rules for disposal of contaminated material. The material cannot be burned and must be removed by a licensed company and disposed of properly. The recommendation is to phase the scope of the work to require the contractor to stop once they have determined the mass pounds per million (ppm). If the lead mass is 5 ppm or less, the City may dispose the debris as construction waste and reduce the overall cost by utilizing City resources. The City will be contacting the State to find out how they will pay or reimburse the City for removal costs.
- *Bridgeport Gateway Project \$100,000* – Site improvement costs. In February, 2014 a planning team was assembled to look at City gateways and to focus design efforts on the Bridgeport and Pacific Avenue gateway. A community gateway vision was created. The process was transparent and included community participation. After five planning meetings a preferred alternative was selected for various reasons, including the ability to change the scale and be replicated at other city gateways. The estimated cost assumes the City will provide site preparation, installation and construction support with internal services.

Police:

- *Add 3 Months Funding for Police Officer 1.0 FTE \$30,264* – The 2013/2014 Biennial Budget includes 101 sworn positions from an FTE count perspective; however, funding was budgeted for 100. In discussions with the Finance & Administrative Service and Police Departments, it is unclear why the budget did not include ongoing funding for all 101 sworn positions. The position is currently vacant and once hired, the estimated start date would be during the fourth quarter.

Public Works:

- *Transfer Out to Fund 101 Street O&M \$35,000* – General Fund contribution for street striping.

Fund 101 – Street Operations & Maintenance

- *ROW Tree Replacement \$2,000* – Replacement of trees in the public right-of-way adjacent to the former Colonial Motel property on Pacific Highway South due to vehicular hit and run. Funding source is the Oak Tree Mitigation funds.
- *Street Striping \$35,000* – Restripe sections throughout the City where the existing street striping (i.e. center line, lane lines, bike lane lines, edge line, crosswalks, stop bars, etc.) have either worn away entirely or has deteriorated enough to not be readily distinguishable by the travelling public. Revenues associated with the street operations & maintenance has been stagnant or falling over the years resulting in the necessity to cut the funding street striping. This appropriation would enable the O&M Division to address some pressing striping issues.

Fund 102 - Street Capital

- *Pavement Patching \$100,000* – Patch potholes with hot asphalt mix throughout the City, funded by additional real estate excise tax projected as a funding source for the fund as a whole. The annual pavement preservation program budget in the 2013/2014 budget was \$15,000 annually for materials. In 2013, due to the severity and/or extent of some of the potholes which couldn't be ignored an outside contractor had to be hired to do the work. As a result, a total of \$100,000 was spent on patching last year which between some one-time funding and additional monies transferred in from the street capital fund. In 2012, roughly \$100,000 was spent on pavement patching, which was funded by one-time transfer street capital fund. The proposed budget request will ensure that the street O&M fund has the funding to address its street patching needs in order to plan accordingly on how to accomplish same in the most efficient and effective manner to get the most bang for the buck versus hoping and guessing as to whether there will be any money available to do the work.

Fund 401 – Surface Water Management

- *Decrease Beginning Fund Balance (\$62,641)* – Decrease 2014 beginning balance by \$62,641 due to an additional entry posted to 2013 expenditures, resulting in a lower 2013 ending fund balance than previously reported (rolls over to 2014 beginning fund balance.) The additional expenditure posted is for surface water management utility tax. The additional expenditure was discovered as a result of review and change in process for accounting for revenues.

Fund 501 – Equipment Replacement

- *Replace Public Works 5 Yard Dump Truck Bed \$49,000* – The salt for snow and ice fighting as eaten up the bed so much that the salt spreader can no longer be used. Without the ability to spread salt or sand while plowing makes the process a less efficient and effective effort. Funding source is excess replacement reserves accumulated in the Fleet & Equipment Fund.
- *Replace Police Motorcycle \$27,000* – Replace 2007 Honda ST1300 motorcycle that was damaged during training and cost to repair is high. The vehicle was purchased in 2007 and has accumulated enough reserves to replace in 2014. Funding source is replacement reserves.
- *Replace Police Refurbished Vehicle \$41,000* – Replace 2005 Crown Victoria due to aging of vehicle and the rising maintenance cost. The vehicle was purchased at the end of 2004 and has accumulated enough reserves to replace in 2014. Funding source is replacement reserves.
- *Ordinance Correction to Revenues (\$700,870)*: Correct the adopted budget ordinance for revenues which was overstated.
- *Transfer Out to Fund 001 General \$1,000,000* – Return excess General Fund contributions to the fleet & equipment replacement reserves back to the General Fund. The fleet & equipment accumulated replacement reserves balance at the end of 2014 as calculated is \$3.94M. The accumulated replacement reserves balance after the \$1,000,000 transfer to the General Fund is \$4.07M.

Fund 502 – City Hall Services

- *City Hall Space Planning Consultant \$6,300* – Consultant retained to provide two space studies (low impact and higher impact schemes) of City Hall. The consultant will evaluate the City's delivery of service, locations of departments and optimization of building space.

ENDING FUND BALANCE

The proposed budget adjustment results in a revised 2014 General/Street O&M Funds ending fund balance of \$3.49M, which equates to roughly 10.0% of General/Street O&M Funds operating revenues.

In support of the City's financial integrity, the following fund balance reserves, totaling 12% of General/Street O&M Funds operating revenues equating to \$4.2M, will be proposed as part of the financial policies discussion scheduled to occur in July 2014. An additional \$700K or 2.0% in ending fund balance is needed to meet the 12% reserve target. The goal date for meeting this target is no later than 2016, as part of the 2015-2016 Biennial Budget process.

- *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/Street O&M Funds 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/Street O&M Funds operating revenues equates to roughly \$1.74M.

- *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/Street O&M Funds operating revenues equates to roughly \$1.74M.

PENDING ITEMS

The following are pending items that may be presented to Council during the year-end budget adjustment:

- *Fund 502 City Hall Service* – A review of facility maintenance needs is currently in progress to determine the both the near-term and long-term facility maintenance needs of City Hall, Police Station, and Fort Steilacoom Parks O&M Facility. The results of that analysis will be incorporated in the year-end budget adjustment (if impacting 2014) and the 6-year financial forecast (years 2015 – 2020).
- *AFSCME Contract* – Incorporate the financial impacts on four year contract (January 1, 2013 – December 31, 2016) on June 9, 2014 once approved by AFSCME and City Council.

NEXT STEPS

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

- 1st Quarter, 2014 Financial Report (June 2014)
- Financial Policies (July 2014)
- 6-Year Financial Forecast (July 2014)
- Transportation Benefit District Funding Options (July 2014)

ATTACHMENTS

- 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

**2014 Miscellaneous Budget Adjustment
Summary of Proposed Requests**

	Year 2014	
	Revenue	Expenditure
Grand Total - All Funds	\$ 436,130	\$ 1,860,506
Grand Total - Fund 001 General	\$ 1,000,000	\$ 600,206
Transfer In From 501 Fleet & Equipment Excess Reserves	1,000,000	-
Subtotal - Non-Departmental	\$ 1,000,000	\$ -
Personnel Cost Difference - Communications Manager	-	(50,579)
Consultant Study of Finance & Administrative Services Department	-	18,000
Subtotal - City Manager	\$ -	\$ (32,579)
IT Strategic Plan - Phone System	-	240,000
IT Strategic Plan - Messaging (E-mail) System Refresh	-	35,000
IT Strategic Plan - Fiber Optic Connection to Senior Center & Fort Steilacoom Parks O&M Facility	-	30,000
IT Strategic Plan - Council Chambers Technology Update/Records Management	-	10,000
IT Strategic Plan - City Hall Paging System	-	15,000
IT Strategic Plan - Web Site Update/Redesign	-	10,000
IT Strategic Plan - Implement Two Factor Authentication for Police System Access	-	20,000
IT Strategic Plan -Disaster Recovery Plan	-	10,000
Information Technology Consultant (For a Total of \$10,000)	-	8,890
Two (2) Scanner for Electronic Records Management - 1st & 2nd Floor/Shared	-	4,000
Fleet Consultant (For a Total of \$7,500)	-	6,772
Subtotal - Finance & Administrative Services	\$ -	\$ 389,662
Personnel Cost Difference - From Part-Time to Full Time Judge	-	36,856
Court Remittance Audit, Years 2007 through 2012	-	32,344
Subtotal - Municipal Court	\$ -	\$ 69,200
Reduce Personnel Cost due to Vacant Office Technician 1.0 FTE	-	(61,341)
Subtotal - Legal	\$ -	\$ (61,341)
Professional Services - Comprehensive Plan & Fiscal Analysis for Economic Development Opportunities	-	40,000
Subtotal - Community & Economic Development	\$ -	\$ 40,000
Fort Steilacoom Barn Removal	-	30,000
Bridgeport Gateway Project	-	100,000
Subtotal - Parks	\$ -	\$ 130,000
Adopted Budget Correction - Add Funding for Police Officer 1.0 FTE (3 Months Personnel Cost)	-	30,264
Subtotal - Police	\$ -	\$ 30,264
Transfer to Fund 101 Street O&M for Street Striping	-	35,000
Subtotal - Public Works / Property Management	\$ -	\$ 35,000
Grand Total - Special Revenue Funds	\$ 137,000	\$ 137,000
Total - Fund 101 Street Operations & Maintenance	\$ 37,000	\$ 37,000
ROW Tree Replacement - Funded Fund 001 General Oak Tree Mitigation	2,000	2,000
Street Striping - Funded by Transfer In From Fund 001 General	35,000	35,000
Total - Fund 102 Street Capital	\$ 100,000	\$ 100,000
Pavement Patching - Funded by Additional Real Estate Excise Tax	100,000	100,000
Grand Total - Replacement Funds	\$ (700,870)	\$ 1,123,300
Total - Fund 501 Equipment Replacement	\$ (700,870)	\$ 1,117,000
Replace Public Works 5 Yard Dump Truck Bed, Funded by Excess Replacement Reserves	-	49,000
Replace Police 2007 Motorcycle, Funded by Replacement Reserves	-	27,000
Replace Police 2005 Refurbished Vehicle, Funded by Replacement Reserves	-	41,000
Ordinance Correction - Adopted Revenue Budget Overstated	(700,870)	-
Transfer Excess Fleet & Equipment Reserves to General Fund	-	1,000,000
Total - Fund 502 City Hall Services	\$ -	\$ 6,300
City Hall Space Planning Consultant Study	-	6,300

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;

WHEREAS, the City of Lakewood adopted ordinance 582 on May 5, 2014 as the result of the carry forward budget adjustment 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.; and

WHEREAS, the City of Lakewood finds it necessary to revise the 2013-2014 Biennial Budget to adjust the 2014 beginning fund balance due to additional entries posted in 2013; appropriate projects funded by grants/contributions; incorporate housekeeping items; and 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, Ordinance 575, and Ordinance 582 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 July, 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)	\$ 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	-	40,239	40,239	69,520	-	69,520	69,520	-	69,520	40,239
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	-	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	\$19,542,082	\$ 56,558,068	\$ 19,526,637	\$76,084,705	\$ 58,470,978	\$ 19,037,345	\$77,508,323	\$ 18,118,464

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)	\$ 2,110,352	470,328	\$ 2,580,679	\$ 35,368,004	\$ 1,000,000	\$ 36,368,004	\$ 34,935,996	\$ 600,206	\$ 35,536,202	\$ 3,412,481
Special Revenue Funds:										
101 Street Operations & Maintenance	82,969	-	82,969	2,057,214	37,000	2,094,214	2,066,478	37,000	2,103,478	73,705
102 Street Capital Projects	841,124	-	841,124	26,908,790	100,000	27,008,790	25,992,138	100,000	26,092,138	1,757,776
103 Transportation Benefit District	-	-	-	-	-	-	-	-	-	-
104 Hotel/Motel Lodging Tax	935,374	-	935,374	430,000	-	430,000	497,850	-	497,850	867,524
105 Property Abatement	238,171	-	238,171	50,000	-	50,000	100,000	-	100,000	188,171
106 Public Art	12,001	-	12,001	5,000	-	5,000	7,000	-	7,000	10,001
180 Narcotics Seizure	778,173	-	778,173	366,966	-	366,966	343,440	-	343,440	801,699
181 Felony Seizure	101,662	-	101,662	-	-	-	87,601	-	87,601	14,061
182 Federal Seizure	40,240	0	40,240	69,520	-	69,520	69,520	-	69,520	40,240
190 CDBG	841,268	-	841,268	2,758,382	-	2,758,382	3,598,439	-	3,598,439	1,211
191 Neighborhood Stabilization Program	171,345	-	171,345	254,580	-	254,580	254,580	-	254,580	171,346
192 Office of Economic Adj (OEA) Grant	28,652	-	28,652	651,277	-	651,277	674,536	-	674,536	5,393
193 Police ARRA Grant	-	-	-	-	-	-	-	-	-	-
195 Public Safety Grants	-	-	-	198,882	-	198,882	198,882	-	198,882	-
Debt Service Funds:										
201 Debt Service - General Obligation Bond	-	-	-	287,758	-	287,758	287,758	-	287,758	-
202 Debt Service - LID	149	-	149	288,470	-	288,470	288,470	-	288,470	149
204 Debt Service - Sewer Project	508,250	-	508,250	540,000	-	540,000	458,435	-	458,435	589,815
251 Debt Service - LID Guaranty	391,858	-	391,858	-	-	-	-	-	-	391,858
Capital Project Funds:										
301 General Government CIP	276	0	276	-	-	-	-	-	-	276
311 Sewer Project CIP	126,208	-	126,208	185,650	-	185,650	184,830	-	184,830	127,028
312 Sanitary Sewer Connection	519,811	-	519,811	372,530	-	372,530	92,290	-	92,290	800,051
Enterprise Fund:										
401 Surface Water Management	6,267,610	(62,641)	6,204,969	3,367,841	-	3,367,841	6,237,284	-	6,237,284	3,335,526
Replacement Reserve Funds:										
501 Equipment Replacement	5,093,748	-	5,093,748	1,923,840	(700,870)	1,222,970	1,132,796	1,117,000	2,249,796	4,066,922
502 City Hall Service	452,842	-	452,842	-	-	-	-	6,300	6,300	446,542
Total All Funds	\$19,542,083	\$ 407,687	\$19,949,770	\$ 76,084,705	\$ 436,130	\$76,520,835	\$ 77,508,323	\$ 1,860,506	\$79,368,829	\$ 17,101,776

2014 Miscellaneous Budget Adjustment

City Council

June 9, 2014



Council Packet Information

- Staff Memo
- Summary of Proposed Requests
- Ordinance & Exhibits

Purpose of Budget Adjustments

- Update 2014 beginning fund balance
- Various housekeeping adjustments
- Appropriate projects funded by grants and contributions
- New allocations

Total Adjustments for All Funds

- Increase beginning balance by \$408K for a total budget of \$19.95M
- Increase revenues by \$436K for a total budget of \$76.52M
- Increase expenditures by \$1.86M for a total budget of \$79.37M
- Decrease ending balance by \$1.02M for a total budget of \$17.10M

Highlights - Fund 001 General

- Increase Beginning Balance \$470,328
- Transfer In from Fleet & Equipment Excess Reserves \$1,000,000

Highlights - Fund 001 General

- City Manager Department
 - Personnel Cost Decrease (\$50,579)
 - Consultant Study of Finance & Administrative Services Department \$18,000

Highlights - Fund 001 General

- Finance & Administrative Service Department
 - IT Strategic Plan
 - Phone System Replacement \$240,000
 - Messaging (E-Mail) System Refresh \$35,000
 - Fiber Optic Connection to Senior Center & Parks O&M Facility \$30,000
 - Council Chambers Technology Update/Records Management Phase I \$10,000
 - City Hall Paging System \$15,000
 - Web Site Update/Redesign \$10,000
 - Two Factor Authentication for Police System Access \$20,000
 - Disaster Recover Plan \$10,000
 - IT Consultant \$8,890
 - Scanners for Electronic Records Management \$4,000
 - Fleet Consultant \$6,772

Highlights - Fund 001 General

- Municipal Court Department
 - Personnel Cost Increase \$36,856
 - Court Remittance Audit \$32,344
- Legal Department
 - Personnel Cost Decrease (\$61,341)
- Community & Economic Development
 - Professional Services \$40,000

Highlights - Fund 001 General

- Parks, Recreation & Community Services Department
 - Fort Steilacoom Barn Removal \$30,000
 - Bridgeport Gateway Project \$100,000
- Police Department
 - Police Officer, 3 Months Funding \$30,264
- Public Works Department
 - General Fund Contribution for Street Striping \$35,000

Highlights - Fund 101 Street O&M

- ROW Tree Replacement \$2,000
- Street Striping \$35,0000

Highlights - Fund 102 Street Capital

- Pavement Patching \$100,000

Highlights - Fund 401 Surface Water Management

- Decrease Beginning Fund Balance (\$62,641)

Highlights - Fund 501 Equipment Replacement

- Replace PW 5 Yard Dump Truck Bed \$49,000
- Replace Police Motorcycle \$27,000
- Replace Police Refurbished Vehicle \$41,000
- Ordinance Correction to Revenues (\$700,870)
- Transfer Out to Fund 001 General \$1,000,000

Highlights - Fund 502 City Hall Services

- Space Planning Consultant \$6,300

Ending Fund Balance

- General Fund Ending Fund Balance
 - Estimated ending fund balance is \$2.54M
 - Equates to 7.4% of operating revenues of \$34.2M
- Goal – 12% of General Fund operating revenue
 - 2% Contingency Reserves
 - 5% General Fund Reserves
 - 5% Strategic Reserves
- Need \$2.0M to meet goal at end of 2013

Reserve Funds – Goal 12%

2% Contingency Reserves = \$700K

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.

5% General Fund Reserves = \$1.74M

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.

5% Strategic Reserves = \$1.74M

To provide some fiscal means for the City to respond to potential adversities such as public emergencies, natural disasters or similarly major, unanticipated events.

Reserve Funds – Where We Are

If proposed budget adjustment is adopted:

- Combined General & Street Fund Ending Fund Balance = \$3.49M or 10%
- Short by \$700K or 2.0%
- Goal date for meeting target is no later than 2016

Pending Items

- Fund 502 City Hall Services
- AFSCME Contract

Budget Adjustment Schedule

- City Council Study Session on June 9, 2014
- Public Hearing on June 16, 2014
- Adoption of Ordinance scheduled for July 7, 2014

Next Steps – Information to Council

- Fleet & Equipment Plan (June 2014)
- 6-Year Financial Forecast (July 2014)
- Financial Policies (July 2014)
- Transportation Benefit District Funding Options (July 2014)



TO: John J. Caulfield, City Manager

FROM: David Bugher, Assistant City Manager/Community Development Director

DATE: June 4, 2014

SUBJECT: Building Permit Fees for Industrial Warehousing

Background: The community development department has received comments from the architect representing the Lakewood Industrial Park (Northwest Building, LLC) that its building permit fees are significantly higher than surrounding communities. These comments came up as the result of the park wanting to make an expansion. The expansion required the issuance of a conditional use permit; the proposal was to demolish two existing buildings onsite and construct two new warehouse buildings totaling 404,600 square feet.

The City's fees were calculated at \$78.43 per square foot (PSF). The determination of valuation and corresponding fee is outlined in the City's Master Fee Schedule, and in the 2012 International Building Code (IBC), Sections 109.2 and 109.3.

Property owner representatives indicated the fees were too high and that it was jeopardizing the project. There were several meetings between department staff, the architect, and an exchange in telephone calls between me and property owner's representatives. Construction cost estimates were submitted and reviewed by the plans examiner and building official. Building staff concluded the estimates had been significantly underestimated. The architect stated that Lakewood's fees were higher than surrounding communities. Staff did a quick check and it was found that was not to the case. The architect then asserted that Lakewood may have miscalculated because surrounding cities based permit fees on industrial shell buildings.

Further Review: At that point, I directed the building division staff to examine in detail how other communities calculate permit fees for tilt-up concrete, industrial warehouse buildings. The industrial park wanted to move forward with construction while the City was reviewing fees. I agreed to charge a lesser fee using a "U" occupancy rating for the warehouse buildings (\$58.01 PSF) with the understanding that upon completion of the fee study, higher or lesser fees would be charged. This decision allowed the architect to submit building permits and initiate the plan review process so as to not slow the construction process.

The fee study has been completed.

Building division staff contacted surrounding cities that regularly permit industrial development. Those cities were Auburn, Kent, Puyallup, Sumner, Tacoma, Tukwila, and Pierce County. Staff received comments from every agency except Auburn. The table below lists fees for tilt-up warehousing (S-1 {Storage/Warehouse} Occupancy Group and IIIB construction type {concrete tilt-up}).

The table shows that agencies can charge a base fee amount, or that they can provide for a 20% discount for shell buildings. This discount originates from a footnote in the Building Valuation Data Table published by the International Code Council (ICC) contained in the nationally published and distributed *Building Safety Journal*.

Table 1 Building Permit Fee Comparisons		
Public Agency	Does Agency Provide 20% Discount for Shell Buildings?	Permit Fee Charge (per square foot or PSF)
Kent	No	\$71.95 PSF
Puyallup	No	\$71.95 PSF plus regional modifier
Sumner	Yes	\$59.95 PSF
Tacoma	Yes, but then adds 50% from the base per square foot charge for the first tenant improvement	\$59.95 PSF
Pierce County	No	\$71.95 PSF plus regional modifier
Lakewood	Yes, but then adds 20% from the base per square foot charge for the first tenant improvement	\$62.75 PSF includes regional & local modifiers

In contacting the cities and Pierce County, each of the building department’s representatives mentioned that their respective staff always receives complaints from industrial providers that the permit fees for warehousing are too high. The complaints seem to be addressed in three different ways.

- The fees are adopted using a standard valuation table, based on construction costs which every other agency uses, end of discussion.
- Puyallup’s approach provides reasonable options. They offer the applicant the choice of providing the city with the full contractor’s bid price, or using the Pierce County Assessor’s valuation process, or the \$71.95 plus regional/local modifier per square foot. Ray Cockerham, Building Official with Puyallup, explained that in more than 90% of the contract bids he had reviewed, the cost always came in higher than the table value of \$71.95. Those few times it came in lower, it was still within a few dollars of the table value. He has never had anyone take him up on the offer of using the Pierce County Assessor’s valuation.
- Provide for a discount but pick up the difference on subsequent tenant improvements.

Tacoma allows the applicant to submit an application and pay the \$71.95 PSF charge. Or, if they desire to pursue a shell building, Tacoma provides a 20% discount; however, the next time there is proposed tenant improvement in that structure, Tacoma charges \$35.97 PSF which is calculated at 50% of \$71.95. This fee is referred to as the Initial Tenant Fee. That brings the total fee to \$95.92 PSF for the proposed tenant improvement

Lakewood's approach is similar to Tacoma's. Lakewood allows the applicant to submit an application and pay the \$78.43 PSF charge. Or, if they desire to pursue a shell building, Lakewood will provide a 20% discount; however, the first time there is proposed tenant improvement in that structure, Lakewood charges \$15.68 PSF which is calculated at 20% of \$78.43. That brings the total fee to \$78.43 PSF proposed tenant improvement.

Agencies are moving away from incorporating the 20% discount into their fee schedules. The reason being is that the tenant improvements that come in at a later date never make-up for the difference in the earlier discount.

Recommendation: Make no changes to the Master Fee Schedule for industrial warehouse projects.