CITY OFFICIALS

DON ANDERSON
Mayor

JASON WHALEN
Deputy Mayor

MARY MOSS
Councilmember

MARIE BARTH
Councilmember

PAUL BOCCHI
Councilmember

JOHN SIMPSON
Councilmember

MICHAEL D. BRANDSTETTER
Councilmember

<table>
<thead>
<tr>
<th>Position #</th>
<th>Council Member</th>
<th>Term Expires</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Position # 1</td>
<td>Mary Moss</td>
<td>12/31/2017</td>
<td><a href="mailto:MMoss@cityoflakewood.us">MMoss@cityoflakewood.us</a></td>
</tr>
<tr>
<td>Position # 2</td>
<td>Michael D. Brandstetter</td>
<td>12/31/2017</td>
<td><a href="mailto:MBrandstetter@cityoflakewood.us">MBrandstetter@cityoflakewood.us</a></td>
</tr>
<tr>
<td>Position # 3</td>
<td>Jason Whalen</td>
<td>12/31/2017</td>
<td><a href="mailto:JWhalen@cityoflakewood.us">JWhalen@cityoflakewood.us</a></td>
</tr>
<tr>
<td>Position # 4</td>
<td>Don Anderson</td>
<td>12/31/2015</td>
<td><a href="mailto:DAnderson@cityoflakewood.us">DAnderson@cityoflakewood.us</a></td>
</tr>
<tr>
<td>Position # 5</td>
<td>John Simpson</td>
<td>12/31/2017</td>
<td><a href="mailto:JSimpson@cityoflakewood.us">JSimpson@cityoflakewood.us</a></td>
</tr>
<tr>
<td>Position # 6</td>
<td>Marie Barth</td>
<td>12/31/2015</td>
<td><a href="mailto:MBarth@cityoflakewood.us">MBarth@cityoflakewood.us</a></td>
</tr>
<tr>
<td>Position # 7</td>
<td>Paul Bocchi</td>
<td>12/31/2015</td>
<td><a href="mailto:PBocchi@cityoflakewood.us">PBocchi@cityoflakewood.us</a></td>
</tr>
</tbody>
</table>

The Council may be contacted as a whole at council@cityoflakewood.us or by phone at (253) 589-2489.
EXECUTIVE LEADERSHIP

John J. Caulfield
City Manager

Appointed September 3, 2013
JCAulfield@cityoflakewood.us
(253) 983-7703

<table>
<thead>
<tr>
<th>Position</th>
<th>Employee</th>
<th>Appointment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assistant City Manager, Administrative Services</td>
<td>Tho Kraus</td>
<td>October 7, 2013</td>
</tr>
<tr>
<td>Assistant City Manager, Community &amp; Economic Development</td>
<td>M. David Bugher</td>
<td>February 5, 1996</td>
</tr>
<tr>
<td>City Attorney</td>
<td>Heidi Wachter</td>
<td>February 19, 2002</td>
</tr>
<tr>
<td>Police Chief</td>
<td>Bret Farrar</td>
<td>August 23, 2004</td>
</tr>
<tr>
<td>Municipal Court Judge</td>
<td>Grant Blinn</td>
<td>January 1, 2014</td>
</tr>
<tr>
<td>Public Works Director</td>
<td>Don Wickstrom</td>
<td>December 1, 2004</td>
</tr>
<tr>
<td>Parks, Recreation &amp; Community Services Director</td>
<td>Mary Dodsworth</td>
<td>July 9, 2001</td>
</tr>
<tr>
<td>Human Resources Director</td>
<td>Debra Young</td>
<td>February 16, 1996</td>
</tr>
<tr>
<td>City Clerk</td>
<td>Alice Bush</td>
<td>November 20, 1995</td>
</tr>
</tbody>
</table>
The City Council sets the vision for our City and adopts goals to reflect that vision and guide decision-making at all levels of City government. The goal setting process also builds consensus on policies and projects that impact City residents, businesses and the community as a whole.

These goals will direct our community toward positive change and will serve as the policy direction for City government as well as the policy guide for developing and implementing the City's 2015-2016 biennial budget. Each adopted goal also includes specific action strategies and a work plan outlining priority projects be identified to implement each goal. These latter items and projects are not inclusive of all activities and services provided or undertaken by city departments, though they represent the leading priorities.

The City Manager uses the City Council vision and goals to set priorities, direct work activities, and allocate personnel and financial resources.

The Lakewood City Council held a retreat on Saturday, May 10, 2014 as a continuation of a December 14, 2013 retreat to develop goals and priorities for the next three-year period (2014-2016) and beyond. An additional review occurred as part of City Council’s June 23, 2014 study session with adoption occurring as part of City Council’s July 7, 2014 regular meeting.

The following goals emerged:

- Infrastructure Improvements
- Fiscal Responsibility
- Focus on “Low Hanging Fruit” (i.e., promote positive image and attributes of Lakewood, continue to move forward with current infrastructure improvements and develop implementation strategy for unfunded infrastructure improvements, CSRT, economic development opportunities, gateway improvements, etc.)
- Public Safety Cost/Benefit Analysis
**Goal 1: Our City is Fiscally Responsible**

**Policy Objectives & Action Strategies**

a) Support a stronger, more prosperous community by making smart investments that accomplish lasting, tangible returns

b) Adjust to changes in the service requirements of the community, maximizing resources and creating meaningful performance measures for programs and services

c) Focus on total financial picture of the City rather than single-issue areas and promote long-term financial forecasting in support of day-to-day operations

d) Continuously evaluate city revenues and expenditures with a view of maintaining a strong fiscal position while providing quality municipal services

e) Perform organizational structure review for economic efficiencies and effectiveness, including contract services and vendors

f) Do not balance the operating budget with one-time monies and/or reserves; one-time monies should be used for one-time projects, not ongoing or reoccurring programs

g) Use performance measures and benchmark key community characteristics (e.g., Comparing Lakewood)

**Work Plan items, Tasks, and Priority Projects**

- Review 2013-2014 Revised Budget
- Prepare 2015-2016 Biennial Budget, to include performance measures
- Prepare annual Comprehensive Annual Financial Report (CAFR)

- Develop Quarterly Finance Report
  - Review and update internal finance controls (i.e., review of claims and vouchers, cash management, purchasing, fund structure, banking services agreement, grant accounting, records management, fixed assets, credit cards, etc.)
  - Financial Analyses (i.e., fleet & equipment, historical revenue and expenditure trends, revenue and program fees & charges vs. program expenditures, position inventory, debt schedules, interfund transfers, interfund loans, overtime, travel & training, memberships & dues, contracts, use and priorities of seizure funds, lodging tax balances, impacts of Affordable Care Act, fire services contract, fleet & equipment, etc.)
  - Taxes and Fees in Lakewood to include context of other applicable taxes and fees as compared to neighboring communities, as relates to service levels

- Develop Six Year Financial Forecast 2015 to 2020
  - Develop and implement comprehensive financial policies (i.e., financial reporting, six-year financial report, revenue & expenditure assumptions, fund balance/working capital, reserves, cost recovery for fee supported activities, investments with a focus on safety, liquidity and yield, capital investment, use of debt, creation of internal service funds and replacement reserves in support of risk management, IT, fleet & equipment and facilities, etc.)
  - Capital Improvement Program (CIP) and Transportation Improvement Program (TIP)
  - Funding options for streets and sidewalks to include pay-as-you-go financing options for capital investment opportunities (i.e., Transportation Benefit District, grants, etc.)
  - Funding options for parks to include pay-as-you-go financing options for capital investment opportunities
  - Develop and implement a Six Year Information Technology Plan 2015 to 2020
  - City Finances 101 Presentation (i.e., legal mandates, restricted versus unrestricted revenues, discretionary services, etc.)
  - Continue proactive approach to seek and obtain grants across all city disciplines
  - Develop organizational chart
  - Develop comparison of various economic, social and demographic indicators between Lakewood, surrounding cities and similar sized cities (e.g., benchmarking analysis)
  - Ensure community has adequate resources to ensure health, welfare, and safety of our community (i.e., parks and recreation, public safety, community & economic development, public works, community outreach, capital infrastructure to include streets, sidewalks and parks, etc.)

- Implement Risk Management Program to include Worker's Compensation and Safety Program
Goal 2: Our City Provides First-Rate Public Safety Services

Policy Objectives & Action Strategies
a) The City of Lakewood is safe

b) Residents and visitors will experience a sense of safety in all neighborhoods and in all activities in the City of Lakewood

c) The City of Lakewood will be one of the safest cities based on approved metrics; bring benchmark metrics back to City Council for approval and tracking

d) Ensure adequate resources are available to maintain and ensure health, welfare, and safety of community

e) Enhance community safety through expanded public awareness and educational programs

Work Plan items, Tasks, and Priority Projects
- Public safety cost/benefit analysis
- Proactive and regular public safety reporting
- CSRT program (e.g., visual survey to identify code enforcement violations, initiate a “gateway” enforcement program, initiate a Lakeview/100th St enhancement program)
- Impact of homelessness and mental illness to include options and alternatives (local versus regional options/approach)
- Emergency Preparedness and Disaster Recovery
  - Emergency Management Training/Incident Command System (ICS) (e.g., Comprehensive Emergency Management Plan, Emergency Coordination Center Plan)
  - Emergency Management Program/Plan/Training/Exercises (e.g., neighborhood and business outreach, Community Emergency Response Team [CERT] training, PC Alert)
  - Emergency Coordination Center (ECC) location(s)
- Public Defender contract options
- Streamline municipal court operations to include shared efficiencies with primary stakeholders such as police, legal, public defender and jails (e.g., video arraignment, paperless system)
- Additional municipal court partnerships

Goal 3: Our City Promotes Economic Development

Policy Objectives & Action Strategies
a) Lakewood will support a dynamic and robust local economy with balanced and sustainable growth by implementing an economic development strategy that will create jobs and improve the tax base in the community with a particular focus on the community’s commercial corridors

b) Provide leadership and strategic guidance concerning economic development, including coordination with various stakeholders

c) Create collaborative and effective working partnerships with the business community, and other key organizations to effectively manage the City’s regulatory environment while accomplishing economic development goals

d) Update and implement the Comprehensive Plan, Community Vision and key development regulations and other policies such as housing and capital facilities plan (CFP) in partnership with residents, neighborhoods and businesses

e) Attract new housing development to accommodate military and all segments of population

f) Explore ways the City can effectively stimulate economic development with our economic partners to address community-wide economic development issues (e.g., assistance to existing businesses, business recognition, business retention and expansion strategies, business attraction strategies, community marketing)
g) Promote an attractive Lakewood image to include a positive message about doing business in the City and leverage existing competitive advantages such as location, access, military, lakes, parks, golf courses, civic and community involvement, transit options, and wide variety of retail, restaurant and cultural activities.

h) Promote better access (e.g., I-5, Bridgeport, Gravelly Lake Dr, 100th, 108th) and increase visibility to Towne Center and other commercial centers to take advantage of proximity to I-5 and six freeway exits

i) If feasible, pursue annexation of selected areas within the City’s Urban Growth Area (UGA)

Work Plan items, Tasks, and Priority Projects

- Community Visioning process to solicit input from citizens regarding the policy direction of the city
- Foster redevelopment and revitalization opportunities for:
  - Central Business District (CBD) to include Towne Center
  - Springbrook Neighborhood
  - Pacific Highway corridor to include WSDOT property and adjoining parcels
  - South Tacoma Way/International District corridor
  - Woodbrook Business Park
  - Tillicum Neighborhood
- Towne Center Green, private-public partnership to create a park/plaza complex that connects Towne Center with City Hall (evaluate use of lodging tax funds and other city resources)
- Develop community-marketing materials to promote and attract investment opportunities
- Marketing “phrase or slogan” to establish community identity/image (e.g., #IamLakewood)
- Demographic snapshot/profile of Lakewood community and economic development incentives offered by the City
- Leverage available economic development and financing options (i.e., capital improvement program, EB5, Section 108, lodging tax, urban renewal areas, etc.)
- Builder and developer forum (e.g., commercial development opportunities and housing development opportunities in Lakewood)
- Coordinate with Pierce County Library District to evaluate a new Lakewood Library
- Review city codes and regulations to identify updates and efficiencies as well as updates to encourage and support development and redevelopment and improve quality of life
  - Comprehensive Plan
  - Shoreline Master Plan (SMP)
  - Communal housing regulations
  - Subdivision code amendments
  - LTAC Guidelines
  - Title 9 change; move LID Chapter
  - Nuisance Chapter 8.16 code update
  - Rental licensing inspection Chapter 5.60 update
  - Utility tax refund code Chapter 3.52 code amendments
  - Hearings Examiner code amendments
  - Joint Land Use Study (JLUS)
  - Marijuana Sales, Processing and Production Update
  - Way finding/informational signs/Gateway/City entrance signage
  - Feather Signage
  - Shopping cart ordinance
  - Underground utilities policy for new construction
- Review and update franchise agreements (e.g., TPU-Water, TPU-Electric, TPU-Click! Network, Comcast, Waste Connections, Lakewood Water District, Pierce County Sewer, Puget Sound Energy, Lakeview Light & Power, Integra)
- Identify and prioritize CDBG program and infrastructure opportunities (e.g., street lights, sidewalks)
- Annexation opportunities
  - Arrowhead & Partridge Glen
  - American Lake VA Hospital and Golf Course
  - Camp Murray and American Lake access
- Continue to streamline development services (permitting) process
Goal 4: Our City is Dedicated to Maintaining and Improving Public Infrastructure and Facilities

Policy Objectives & Action Strategies

a) Implement a capital improvement program that provides a safe, clean, and well-maintained community for the enjoyment of all residents and to provide preventive maintenance to avoid greater replacement costs

b) Identify, review and prioritize capital infrastructure projects

c) Explore, identify and develop long-term funding strategies to maintain the City’s infrastructure assets (i.e., Transportation Benefit District, voter-approved initiative, grants, etc.)

d) Enhance curb appeal with ramp beautification, well maintained properties on major thoroughfares, right of way maintenance, and beautification plan for all entry points to the City

e) Develop and implement a vision for parks and public spaces to improve quality of life and attract residents

Work Plan items, Tasks, and Priority Projects

- Develop and implement a multi-modal transportation plan including streets, sidewalks, bike paths, signal improvements, and other system improvements resulting in a funding priority list (from CIP/TIP and Non-motorized Transportation Plan)
  - Street and sidewalk improvements (street reconstruction, sidewalk improvements, overlays, chip seal, pavement restoration, crack sealing, pot holes)
  - Street Preventative Maintenance Plan/Pavement Restoration Plan
  - Street Lights

- Develop and implement six year Capital Improvement Plan (2015-2020)
- Evaluate existing revenue streams to maximize capital investment through pay-as-you-go and debt financing opportunities and reflect those financial options as part of city budgets and longer term financial strategies
- Explore feasibility of a voter-approved referendum now or in future years
- Continue to pursue local, state and federal grant opportunities
- I-5/JBLM Corridor Improvements
- Park Projects
  - Wards Lake property purchase and evaluation of three residential units (single family and duplex unit)
  - Fort Steilacoom Park
    - Lease update with state and evaluate property transfer from state
    - Amphitheater proposal (Rotary Club of Lakewood financial contribution, state & federal grants, and evaluate use of lodging tax funds)
    - Waughop Lake Trail (Partnership for Parks financial contribution, state & federal grants, and evaluate use of lodging tax funds)
    - Water (fire hydrants) & sewer lines extensions into park
  - Springbrook Park house demolition and other park improvements
  - Restrooms in parks
  - 2015 US Championship Open (parking at Fort Steilacoom Park, community volunteer opportunities)
  - Options for additional waterfront access and fishing areas to include prioritization of street ends (14)
  - ADA access to all parks and areas
  - Gateway Improvements

- Storm Water & Sewer Services
  - Sewer Availability Analysis to include cost/benefit analysis and environmental impacts
  - Pierce County Sewer Grant in support of sewer extensions in Woodbrook neighborhood
  - Flood Control Zone – Identify local eligible projects in Flood Control Zone

- City Facilities
  - Public Works O&M Shop
  - Sound Transit Light Rail Station - contract for services
  - Public right-of-way (ROW) maintenance of WSDOT Interchanges and entrances to City
  - Public right-of-way (ROW) beautification
  - Public right-of-way (ROW) striping to include crosswalks
  - Public right-of-way (ROW) sign inventory
  - Energy Efficiency Audits -- (e.g., upgrade street lights to LEDs)
  - Replacement reserves in support of city facilities
Goal 5: Our City is Committed to Honest, Open, and Transparent Government

Policy Objectives & Action Strategies

a) Enhance and promote the community’s image – “#IamLakewood”

b) Develop and implement a coordinated communication and engagement plan that will better allow the City to share information about the good work the City is doing, as well as obtain feedback from those the City serves about community priorities and public services

c) Engage the community in City government to include providing timely and accurate information about City services and openly share information about City actions and decisions

d) Ensure transparency between the City as an organization and the community to encourage and promote citizen and civic engagement

e) Actively participate in local and regional issues that impact the Lakewood community to include coordination and partnerships with military partners and educational institutions

f) Committed to developing and maintaining a professional, highly qualified, well-trained, and service-oriented City workforce that utilizes sound business practices rooted in accountability, ethical behavior, efficiency, technology, effectiveness, and responsiveness in the delivery of city services.

g) Promote the interests and needs of Lakewood in local, state, and national affairs

h) Support human services for the benefit of residents of all ages

i) Continue to promote and partner with various volunteer groups

Work Plan items, Tasks, and Priority Projects

- **Organizational**
  - Bring in City Council early
  - Calendar and list of Lakewood Community & Special Events
  - City Council assignments - permanent or rotating
  - I-Pads for City Council email, calendar, packets
  - Review roles and responsibilities of City Council appointed Boards & Commissions to optimize their effectiveness to include development of work plans
  - Talking Points for City Councilmembers

- **Enhance engagement with the public**
  - Celebrate successes
  - Community beautification -- recognition of well-maintained properties and banners
  - Foster community and support neighborhood vitality to include support opportunities for citizens to participate and to know each other within their neighborhoods and across the city (e.g., neighborhood associations)
  - Promotion of economic development initiatives
  - Improve public access to City information
  - Outreach to faith-based organizations
  - Promote "Lakes"
  - Promote and market positive community image
  - Promote community identity
  - Volunteer appreciation

- **Community Outreach**
  - Communications Plan
  - City Talk
  - City website (redesign)
  - Coffee with the Mayor
  - Community Connections newsletter to include sharing of partners successes (i.e., CPFD, Pierce College, CPTC, economic development, military, community partners,
  - Neighborhood meetings, Lake Steilacoom Improvement Club, etc.)
  - Community education (e.g., municipal finances, transportation needs)
  - Conduct a statistically valid survey to measure quality of life, community perception, and service level in Lakewood
  - JBLM community connector
- E-government
- Public hearings
- Email communications
- Media, business and community outreach
- Meetings and presentations
- News releases
- Park Appreciation Day/Park Cleanup Day(s)
- Proactive media relations
- Public information brochures
- Quarterly reports (e.g., public safety, finance, economic development, development services)
- #IamLakewood social media campaign
- Social Media to include newer applications
- Weekly InfoBullets
- Weekly Police Department Report
- You Tube, public education videos

- Community Partnerships
  - AARP
  - Alaska Gardens
  - American Lake Veterans Hospital
  - Association of Washington Cities
  - Boy and Girl Scouts of America
  - Bridgeport Place
  - Caring for Kids
  - Catholic Community Services
  - Centerforce
  - Christ Lutheran Church
  - City of Tacoma
  - City of University Place
  - Clover Park School District
  - Clover Park Technical College
  - Coffee with the Mayor
  - Communities in Schools of Lakewood
  - Diabetes Association of Pierce County
  - Emergency Food Network (EFN)
  - Federal Legislators (10th Congressional District)
  - First Baptist Church of Lakewood
  - FISH Food Bank
  - Grave Concerns
  - Habitat for Humanity
  - HeartWarming Care
  - Integrity Hearing
  - Joint Base Lewis-McChord (JBLM)
  - Keep Lakewood Beautiful
  - Kiwanis Club of Clover Park
  - Korean Women’s Association
  - Lake City Neighborhood
  - Lake Steilacoom Improvement Club
  - Lakewold Gardens (MayFest)
  - Lakewood Baseball Club
  - Lakewood Boys and Girls Club
  - Lakewood Chamber of Commerce
  - Lakewood Community Foundation
  - Lakewood First Lions
  - Lakewood Historical Society
  - Lakewood Industrial Park
  - Lakewood Playhouse
  - Lakewood Soccer Club
  - Lakewood Towne Center
  - Lakewood United
  - Lakewood Water District
  - Lakewood YMCA
  - Little Church on the Prairie
  - Living Access Support Alliance
  - MultiCare Health System
  - Narrows Glen
  - Nisqually Tribe
  - North East Neighborhood
  - Pacific Lutheran University
  - Pacific Neighborhood
  - Partners for Parks
  - Pierce College
  - Pierce County
  - Pierce County Cities & Towns
  - Pierce County Housing Authority
  - Pierce County Library District
  - Pierce County Regional Council (PCRC)
  - Pierce Transit
  - Point Defiance Village
  - Protect Our Pets
  - Puget Sound Energy (PSE)
  - Puget Sound Regional Council (PSRC)
  - Rebuilding South Sound Together
  - Regional Access Mobility Partnership (RAMP)
  - Rotary Club of Clover Park
  - Rotary Club of Lakewood
  - Senior Footcare
  - Senior Housing Assistance Group – Lakewood Meadows
  - Statewide Health Insurance Benefits Advisors
  - Sound Transit
  - Soundview Medical
  - South Sound Military Communities Partnership (SSMCP)
  - South Sound Outreach Services
  - South Sound Sports Commission
  - St. Clare Hospital – Franciscan Health System
  - Tacoma Area Coalition of Individuals with Disabilities (TACID)
  - Tacoma Housing Authority
  - Tacoma-Pierce County Economic Development Board
  - Tacoma-Pierce County Health Department
  - Tacoma-Pierce County Chamber of Commerce
  - Tacoma-Pierce County Association of Realtors
  - The Church of Jesus Christ of Latter-day Saints
  - The Footwear Place
  - The Weatherly Inn
  - Tillicum/Woodbrook Neighborhood
  - Trinity Baptist Church
- Town of Steilacoom
- United Way
- Visiting Angels
- Walmart
- Washington Recreation and Park Association
- Washington State Association of Senior Centers
- Washington State Department of Transportation (WSDOT)
- Washington State Legislators (28th & 29th Districts)
- Washington State SAIL Task Force
- West Pierce Fire and Rescue
- Western State Hospital
- World Vision
- WSDOT
- YWCA

- Community Events
  - Christmas Tree Lighting
  - City Incorporation 20 Year Anniversary (2016)
  - Farmer’s Market
  - Jingle Bell Rock 5K Run
  - National Night Out
  - Nisqually Grant application (healthy start after school programs)
  - Parks Appreciation Day
  - Police Department 10 year Anniversary (2014)
  - Summer FEST & Triathlon

- Military Partnerships
  - 2-2 Stryker “Lancer” Brigade
  - Camp Murray
  - Continued collaboration with JBLM
  - South Sound Military and Communities Partnership (SSMCP)
  - Joint land Use Study (JLUS)

- Local, Regional & National Participation
  - Association of Washington Cities (AWC)
  - Local and regional business organizations (e.g., Chamber, EDB)
  - Monthly Mayor’s Meeting
  - Pierce County Cities & Towns
  - Pierce County Regional Council (PCRC)
  - Pierce Transit
  - Puget Sound Regional Council (PSRC)
  - Regional Access Mobility Partnership (RAMP)
  - Sound Transit
  - State Legislative Agenda
    - Transportation Funding: I-5 JBLM Corridor Improvements
    - Public Safety Improvements: Point Defiance Bypass
    - Capital Funding Request: Towne Green
    - Maintain Funding for Western State Hospital Community Policing Program
    - Transfer of Fort Steilacoom Park ownership from State to City (future)

  - Federal Legislative Agenda
    - Transportation Funding: I-5 JBLM Corridor Improvements
    - Public Safety Improvements: Point Defiance Bypass
    - Lakewood Amtrak Station
    - EB5 Program
    - CDBG Program
    - JBLM Air Corridor
GUIDING PRINCIPLES

Service
Teamwork
Integrity
Respect
CITY COUNCIL COMMITTEES, BOARDS AND COMMISSION

Arts Commission

The Arts Commission assesses needs, establishes priorities and makes recommendations for the enrichment of the community and promotion of cultural vitality through the arts. The Lakewood Arts Commission does the following:

- Promotes the visual, performing and literary arts;
- Encourage the creative contribution of local artists;
- Make recommendations for Public Art to the City Council;
- Support community-building events; and
- Foster the City’s cultural heritage.

Roster: City Council liaison is Deputy Mayor Jason Whalen; Sandra Calvillo, Susan Coulter, Jean Witte, Retha Hayward, Jeff Greenwell, Marquita Hunt, Barbara Vest, Phillip Raschke, Kathy Flores, Jan Giroux, Robert Lawrence, Werner Dillenburger

Meetings are held on the first Monday of the month at 4:30 p.m. at City Hall.

Human Services & CDBG Funding Advisory Board

The Human Services & CDBG Funding Advisory Board advises the City Council on matters related to Human Services, the Community Development Block Grant (CDBG) and HOME Investment Partnership Act (HOME) programs which may include:

- Facilitate cooperation and coordination with the City on CDBG and HOME funding issues.
- Recommend to the City Council programs for funding out of CDBG funds, recommend CDBG and HOME funding allocations, including development of housing strategies.
- Hold public hearings to receive public comments to identify community and housing needs and development of proposed activities.
- Develop recommendations for the Consolidated Plan, Action Plan and other related documents.
- Perform other CDBG and HOME related duties and functions as assigned by the City Council.
- Conduct public hearings regarding allocations of human services funds and programs and making recommendations for funding;
- Ensure the most fair distribution and most effective use of human services resources consistent with adopted priorities and criteria;
- Encourage partnerships in the funding and provision of human services;
- Request periodic strengths and needs assessments and program outcome evaluations to determine the direction of human services most beneficial to the City; and
- Integrate human services policy into overall City policy development.

Roster: TBD

Meetings at City Hall are TBD.
Human Services Collaboration

The Human Services Collaboration mission is that the City shall build a healthy, safe community for all people of Lakewood, through a collaborative group of community organizations, school district, human services agencies, businesses and individuals who share common goals and a unity of purpose. The goals include:

- Improve the awareness and coordination of efforts, delivery of outcomes of human services efforts in Lakewood
- Encourage the provision of neighborhood-based collaborations using collective resources to foster health, functional families in Lakewood
- Give all citizens, including youth, a voice in decision making and a role in building a safe and better community
- In partnership with Clover Park School District and other schools, reduce barriers to learning, so that students come to school ready to learn and graduate from school as lifelong learners, ready to work
- Create conditions that enable all people of Lakewood to access resources and take responsibility for their own success
- Create conditions that assure safe and healthy communities
- Keep Lakewood’s Promise to our youth
- Strengthen the communication system to inform community of activities of the Human Services Collaboration

Meetings are held on the second Wednesday of the month, excluding July, August, and December at City Hall

Lakewood’s Promise Advisory Board

The Lakewood's Promise Advisory Board is created to assist the City Council in the following areas:

- Advise the City Council and city staff regarding the availability and delivery of the five promises within the City.
- Look for ways to develop ongoing relationships among Lakewood citizens and businesses to better deliver Promise activities to youth.
- Advise the City Council in connection with Lakewood's Promise issues as may be referred to the Lakewood's Promise Advisory Board by the City Council which may include, but is not limited to, the following:
- Facilitate cooperation and coordination with City staff, citizens’ groups and other entities, agencies and organizations on Lakewood's Promise issues;
- Recommend to the City Council strategies to enhance awareness of, and interest in, Lakewood's Promise which may be in cooperation with any appropriate private, civic or public agency of the City, county, state or of the federal government;
- Recommend ways and means of obtaining private, local, county, state or federal funds for the promotion of Lakewood's Promise programs and projects within the City, and
- Represent the community and the City of Lakewood as requested by the City Council to address Lakewood's Promise related issues.

Roster: City Council liaison is Councilmember Mary Moss; Kathy Bressler, Clayton DeNault, Judi Weldy, Elvin Bucu, Claudia Thomas, Ellie Wilson, Debbie LeBeau, Michele Johnson, Dr. Lonnie Howard, Keila Pritchard

Meetings are held on every second Thursday at 7:30 a.m. at Lakewood City Hall.
Landmarks and Heritage Advisory Board

The Landmarks and Heritage Advisory Board advises the City Council, the City Manager and City staff in connection with protection and preservation of historical landmarks in Lakewood and establishing procedures for designation and preservation of landmarks. This includes:

- Holding public hearings on nominations for designation and applications for certificates of appropriateness.
- Authorizing, subject to the availability of funds budgeted for that purpose and approval of the expenditure by the City Council, to expend monies to compensate experts to provide technical assistance to property owners in connection with requests for certificates of appropriateness.
- Approving, denying, amending or terminating the designation of a historic resource as a landmark or community landmark after a public hearing.

Roster: Robert Jones, Bill Harrison, Cyrus Happy, Joan Cooley, Glen Spieth, Dennis Dixon, Stephanie Walsh, Walter Neary, Bethene Campbell

Meetings are held fourth Thursday of every other month at 6 p.m. at City Hall.

Lodging Tax Advisory Committee

The Lodging Tax Advisory Committee submits proposals for review and comment, proposals for imposition of any new tax under RCW 67.28 (hotel/motel tax), or for increases in the rate of a tax imposed, or for the repeal of an exemption from a tax imposed, or for a change in the use of revenue received under Chapter 67.28 RCW. The Advisory Committee submits comments on the proposal in a timely manner and shall include an analysis of the extent to which the proposal will accommodate activities for tourists or increase tourism and the extent to which the proposal will affect the long-term stability of the fund created under Section 67.28 of the RCW (Section 4 of Chapter 452, Laws of 1997).

Roster: City Council liaison is Mayor Don Anderson; Rebecca Huber, Linda Smith, Mario Lee, Michelle Perrenod, Phillip Edward Raschke

Meetings are held as needed at City Hall as needed.
The Parks and Recreation Advisory Board provides policy recommendations to the City Council and staff on a variety of park and recreation related issues. The role of the Parks and Recreation Advisory Board is to:

- Advise the City Council and City staff or officials administering parks, regarding the general operation and development of all parks and recreation facilities and programs of Lakewood including long range park planning, needs assessment, program evaluation, acquisition, construction, development, concessions or privileges in parks and/or playgrounds, sports fields, recreation grounds, and/or other municipally owned recreation facilities, including community buildings and improvements to the same. The Parks and Recreation Advisory Board shall also work with neighborhood groups and ad-hoc committees to formulate recommendations to the City Council.

- The Parks and Recreation Advisory Board shall recommend rules and regulations for the government, management, operation, supervision and control of city parks and recreational facilities and programs.

- The Parks and Recreation Advisory Board shall advise the City Council in connection with parks and recreation issues as may be referred to the Parks and Recreation Advisory Board by the City Council which may include, but is not limited to, the following:
  - Facilitate cooperation and coordination with City staff, citizens' groups and other entities, agencies and organizations on parks and recreation issues;
  - Recommend to the City Council strategies to enhance awareness of, and interest in, parks and recreation facilities and programs of the City, which may be in cooperation with any appropriate private, civic or public agency of the City, county, state or of the federal government;
  - Recommend ways and means of obtaining private, local, county, state or federal funds for the promotion of parks and recreation programs and projects within the City; and
  - Advise the City Council on acquisition of parks and recreation facilities and properties; and
  - Represent the community and the City of Lakewood as requested by the City Council to address parks and recreation related issues.

Roster: City Council liaison is Mayor Don Anderson; J. Alan Billingsley, Jason Gerwen, Sylvia Allen, Vito Iacobazzi, James Montgomerie, Tanja Scott

Meetings are held on the fourth Tuesday of the month at 5:30 p.m. at City Hall.
Planning Commission

Planning Issues:

- Assists City personnel in preparing a comprehensive plan for the City in accordance with state law to be submitted to the City Council for consideration of adoption.
- Recommends to the City Council such changes, amendments or additions to the comprehensive plan as may be deemed desirable.
- Recommends land use and zoning regulations and other development regulations as deemed necessary and/or appropriate. Act as the research and fact finding agency of the City in regard to land uses, housing, capital facilities, utilities, transportation, and in regard to classification of lands as agriculture, forest, mineral lands, critical areas, wetlands and geologically hazardous areas. Undertakes surveys, analyses, research and reports as may be generally authorized or requested by the City Council.
- Cooperates with planning agencies of other cities and counties, to include regional planning agencies, in furtherance of such research and planning; and
- Annually provides to the City Council a report on progress made in implementing the goals and requirements of State law and on the status of land use policies and procedures within the city.

Redevelopment Issues:

- Facilitate cooperation and coordination between various business groups and impacted neighborhoods on business issues;
- Facilitate the formation of specific neighborhood commercial business groups to assist in the enhancement of various existing commercial areas, aid in stabilizing and retaining commercial enterprises within these areas to maintain viability as a commercial area, and help in identifying specific needs of businesses within various commercial areas.
- Make recommendations to the City Council and to City staff for programs in which the City could or should participate to enhance commercial development opportunities in the City, which programs may be in cooperation with any appropriate private, public, civic or community agency, group or association of or in the City, county, state or federal government;
- Recommend ways and means of obtaining private, local, county, state or federal funds and other participation for the promotion of business development projects within the City, especially those of an incubator type;
- Work with City of Lakewood staff, City Council, task forces and other City/community based groups, as directed by the City Council, on relevant issues and projects; and
- Assist in data base development for the creation and maintenance of a community profile.

Transportation Issues:

- Facilitate cooperation and coordination with the Public Works Department of the City on street, public works and transportation and infrastructure related projects and plans,
- Identify, evaluate and recommend to the City Council, City Manager and/or City staff policies and projects for the City, annual update of its Six-Year Transportation Plan, and for other transportation and infrastructure planning purpose of the City,
- Recommend ways and means of obtaining private, local county, state or federal funds for promotion of transportation and infrastructure facilities of the City, and
- Advise the City Council on acquisition, replacement and maintenance of transportation and infrastructure facilities of the City
- Advise the City as to the manner that public information on street related projects can best be disseminated, given the nature and/or scope of the projects.
- Advise the City Council regarding transportation related facilities, needs and programs of the City, as may be referred by the City Council.

Roster: TBD

Meetings are held on the first and third Wednesdays of the month at 6:30 p.m. at City Hall.
Public Safety Advisory Board

The role of the Public Safety Advisory Committee is to provide citizen input and advice to the City Council in developing and monitoring public safety policies. The Committee reports to the City Council and will also assist the City Council in assessing that department resources allow for compliance with City and department policies. The committee annually provides to the City Council a report on progress made in carrying out the Committee's responsibilities. Additional reports may be deemed appropriate by the Public Safety Advisory Committee and/or the City Council.

Roster: City Council liaison is Councilmember Marie Barth; Sheri Badger, Carrol “Ray” Dotson, Julio Perez-Tanahashi, Dr. Alan Hart, Aaron Young, Sam Ross, Bryan Thomas, Lonnie Lai, Renee Hanna

Meetings are held on the first Wednesday of the month at the Lakewood Police Station.

Sister Cities

The general duties and responsibilities of the Lakewood Sister Cities Association shall be as follows:

- The powers and duties of the Lakewood Sister Cities Association generally shall be to recommend to the City Council the policies and objectives for the overall sister cities program
- Develop and recommend to the City Council criteria, objectives and guidelines for the selection of sister cities
- Plan, develop, promote, and coordinate sister city program activities, including but not limited to visits of individuals and exchanges of delegations; educational and informational exchanges and events with sister city communities, their nations and their cultures
- Review proposals from individual associations or other institutions for joint programs and assist in effective coordination of such activities, when applicable
- Conduct fund raising for sister city activities and programs

Roster: City Council liaisons are Mayor Don Anderson (Ex-Officio) and Councilmember Mike Brandstetter; Connie Coleman-Lacadie, Rick Hogan, Lois Stokes, David Bartley, Ron Chow, James Kim, Michael Lacadie, Cindy ManKersie, Herb Stumpf

Meetings are held on the second Thursday of the month at City Hall.
Youth Council

The Council’s duties are as follows:

- Designated Youth Council, of at least two members, shall attend at least one City Council meeting per month and give a report.
- Communicate with other youth in the City and solicit input regarding youth interests and issues and report that information to the City Council.
- The proposed Youth Council will provide information to the City Council about youth concerns, activities and interests, which are relevant to the proposed City Council actions.
- Participate in City events as needed, such as; assisting during the City's Holiday celebration and tree lighting ceremony, designing the City's Daffodil Parade float and planning and attending various parks and recreation events.
- Plan activities in the community to help youth. Serve as a youth leader in the community.
- Represent the youth of Lakewood to other jurisdictions.
- Serve as representatives to other governing entities.
- Youth Council activities are to be directed and approved by the City Council's designee.
- The approved activities are to be facilitated by the City Manager or his designee.


Meetings are held on the first and or third Monday of the month at City Hall and Clover Park School District Student Services Center.
COMMUNITY PARTNERSHIPS

Community Partners
AARP
Alaska Gardens
American Lake Veterans Hospital
Association of Washington Cities
Boy and Girl Scouts of America
Bridgeport Place
Caring for Kids
Catholic Community Services
Centerforce
Christ Lutheran Church
City of Tacoma
City of University Place
Clover Park Kiwanis
Clover Park Rotary
Clover Park School District
Clover Park Technical College
Coffee with the Mayor
Communities in Schools of Lakewood
Diabetes Association of Pierce County
Emergency Food Network
Federal Legislators (Senator Maria Cantwell, Senator Patty Murray, Congressman Denny Heck)
First Baptist Church of Lakewood
FISH Food Bank
Grave Concerns
Habitat for Humanity
HeartWarming Care
Integrity Hearing
Joint Base Lewis-McChord (JBLM)
Keep Lakewood Beautiful
Kiwanis Club of Clover Park
Korean Women’s Association
Lake City Neighborhood
Lake Steilacoom Improvement Club
Lakewold Gardens (MayFest)
Lakewood Baseball Club
Lakewood Boys and Girls Club
Lakewood Chamber of Commerce
Lakewood Community Foundation
Lakewood First Lions
Lakewood Historical Society
Lakewood Industrial Park
Lakewood Playhouse
Lakewood Soccer Club
Lakewood Towne Center
Lakewood United
Lakewood Water District
Lakewood YMCA
Little Church on the Prairie
Living Access Support Alliance
MultiCare Health System
Narrows Glen
Nisqually Tribe
North East Neighborhood
Pacific Lutheran University

Pacific Neighborhood
Partners for Parks
Pierce College
Pierce County
Pierce County Cities & Towns
Pierce County Housing Authority
Pierce County Library District
Pierce County Regional Council (PCRC)
Pierce Transit
Point Defiance Village
Protect Our Pets
Puget Sound Energy (PSE)
Puget Sound Regional Council (PSRC)
Rebuilding South Sound Together
Regional Access Mobility Partnership (RAMP)
Rotary Club of Lakewood
Senior Footcare
Senior Housing Assistance Group – Lakewood Meadows
Statewide Health Insurance Benefits Advisors
Sound Transit
Soundview Medical
South Sound Military Communities Partnership (SSMCP)
South Sound Outreach Services
South Sound Sports Commission
St. Clare Hospital – Francisca Health System
Tacoma Area Coalition of Individuals with Disabilities (TACID)
Tacoma Housing Authority
Tacoma Pierce County Association of Realtors
Tacoma-Pierce County Economic Development Board
Tacoma-Pierce County Health Department
Tacoma-Pierce County Chamber of Commerce
The Church of Jesus Christ of Latter-day Saints
The Footwear Place
The Weatherly Inn
Tillicum/Woodbrook Neighborhood
Trinity Baptist Church
Town of Steilacoom
United Way
Visiting Angels
Walmart
Washington Recreation and Park Association
Washington State Association of Senior Centers
Washington State Department of Transportation (WSDOT)
Washington State Legislators (Senator Steve Conway, Senator Steve O’Ban, Representative Tami Green, Representative Steve Kirby, Representative Dick Muri, Representative David Sawyer)
Washington State SAIL Task Force
West Pierce Fire and Rescue
Western State Hospital
World Vision
WSDOT
YWCA
### BUDGET PROCESS

**Procedures for Adopting the Original Budget** - The City’s budget process and the time limits under which the biennial budget must be prepared are defined by the Revised Code of Washington (RCW) 35A.34. These elements, with which the City continues to comply, resulted in the following general work plan and calendar for 2014:

<table>
<thead>
<tr>
<th>Process Description</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
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<td>Council sets 2015/2016 budget priorities</td>
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<td>Leadership Team Develops Budget Strategies</td>
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<td>City Manager gives budget Directions</td>
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<td>Chief Financial Officer distributes budget instructions consistent with City Manager direction</td>
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<td>Departments prepare revenue and expenditure estimates and new program requests</td>
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<td>Finance updates revenue estimates and compiles department submittals</td>
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<td>City Manager meets with Department Directors to review their budget proposals</td>
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<td>City Manager makes specified adjustments to department submittals/establishes preliminary budget</td>
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<td>Preliminary budget document prepared, printed and filed with City Clerk and presented to the City Council (at least 60 days prior to the ensuing fiscal year)</td>
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<td>City Clerk publishes notice of the filing of preliminary budget and notice of public hearing to be held during preliminary budget deliberations</td>
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<td>City Council conducts workshops and public hearings on the preliminary budget recommended by City Manager</td>
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<td>City Council instructs City Manager to make modifications to the budget</td>
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<td>City Council adopts an ordinance to establish the amount of property taxes to be levied in the ensuing year</td>
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<td>Final budget, as adopted, is published and distributed within the first three months of the following year</td>
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**Mid-Biennium Review and Modification** - The biennial budget statute referenced above requires jurisdictions electing a biennium budget to perform a mid-biennium review and modification of the adopted budget per RCW 35.34.130. The review and modification shall occur no sooner than eight months after the start nor later than conclusion of the first year of the fiscal biennium.

**Amending the Budget** - When the City Council determines that it is in the best interest of the City to increase or decrease the appropriation for a particular fund, it may do so by ordinance approved by a simple majority. The City Manager is authorized to transfer budgeted amounts between departments within any fund. The Department Directors are authorized to transfer budgeted amounts between accounts within a department.

*Indicates specific dates
FINANCIAL POLICIES

OPERATING BUDGET

The objective of the operating budget policy is to ensure the appropriate levels of City services at reasonable costs.

Biennial Budget Document. The budget should be a performance, financing and spending plan agreed to by the City Council, City Manager and Department Directors. It should contain information and data regarding expected revenues, expected expenditures and expected performance. The budget should be developed using a performance based, results oriented approach that incorporates line items, zero-based, programs, and priorities of governments.

- As a comprehensive business plan, the budget should provide the following critical elements recommended by the Government Finance Officers Association: public policies, financial plan, operations guide, and communications device.

- The City's budget presentation should display the City's service delivery/performance plan in a City Council/constituent-friendly format. Therefore, the City will use a program budgeting format to convey the policies for and purposes of City operations. The City will also prepare the line-item format materials for those who wish to review that information.

Goals to Guide Preparation. The City will prepare and annually refine written policies and goals to guide the preparation of performance, financing and spending plans for the City budget. Adopted budgets will comply with the adopted budget policies and City Council priorities.

Long Range Forecast. With each budget, the City will update expenditure and revenue projections for the next six years. Projections will include estimated operating costs for capital improvements that are included in the capital budget. This budget data will be presented to the City Council in a form that will facilitate budget decisions, based on a multi-year perspective. This forecast is intended to be an internal planning tool and shall be included in the biennial budget document and updated at least annually as part of the adopted budget process in the even years and the mid-biennial review in the odd years.

Capital Projects. Decision making for capital improvements will be coordinated with the operating budget to make effective use of the City's limited resources for operating and maintaining facilities.

Balanced Budget. The City will adopt a balanced budget for all funds. Balanced budget for operating funds means ongoing operating program costs do not exceed the amount of ongoing revenues to finance those costs. The ongoing revenue will be identified along with new program costs including impact from new capital projects. Any available carryover balance will only be used to offset one-time or non-recurring costs. Balanced budget for non-operating funds means total resources equal to or exceed total uses.

Excess Cash Balances. Cash balances in excess of the amount required to maintain General and Street Operations & Maintenance Fund reserves may be used to fund one-time or non-recurring costs.

Department Director Responsibility. All Department Directors will participate in the responsibility of meeting policy goals and ensuring long-term financial health. Under the City Manager’s direction, Department Directors have primary responsibility for: formulating budget proposals in line with City Council priority and direction; and implementing those proposals once they are approved.

Citizen Involvement. Citizen involvement shall be encouraged in the budget decision making process through public hearings and study sessions.

Nonprofit Organizations. Funding decisions regarding nonprofit organizations shall be based on policy guidelines and priorities determined by the City Council and availability of funds.

Budgetary Controls. Legal budgetary control is established at the fund level, i.e., expenditures for a fund may not exceed the total appropriation amount. Any unexpended appropriation balances for annually budgeted funds lapse
at the end of the year. Appropriations for other special purpose funds that are non-operating in nature are adopted on a "project-length" basis and, therefore, are carried forward from year to year without re-appropriation until authorized amounts are fully expended or the designated purpose of the fund has been accomplished.

**Quarterly Financial Reports.** The budget will be produced so that it can be directly compared to the actual results of the fiscal year and presented in a timely quarterly report. All budget amendments, both revenues and expenditures, will be noted in the quarterly financial report.

**FUND BALANCE**

The objective of the fund balance policy is to provide adequate working capital for cash flow and contingency purposes.

**General Fund.** The General Fund ending fund balance reserves shall be 12% of the combined General and Street Operations & Maintenance Funds operating revenues. These reserves are as follows:

- **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. The City Council will determine how the Contingency Reserves are spent.

- **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.

- **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.

**Enterprise Funds.** The City shall maintain a minimum cash balance in its enterprise funds equal to 17% of operating expenses (equivalent to two months of operating expenses). This balance shall be maintained to ensure adequate maintenance reserves and cash flow. Balances in excess of 17% may be utilized for capital projects.

**Internal Service Funds.** The City shall maintain a balance equivalent to the accumulated replacement reserves at year-end for those internal service funds that collect replacement reserves. Replacement reserves based on estimated replacement value will be established for fleet and equipment when the need will continue beyond the estimated useful life, regardless of whether the vehicle or equipment is acquired via lease, gift, grant or purchase. An equal amount will be included in the service charges paid by the user department to the Fleet and Equipment Fund during the expected life of the asset.

The City shall maintain separate internal service funds to account for the activities of Fleet and Equipment, Property Management, Information Technology, and Risk Management. The City shall establish replacement reserves for information technology related equipment and property management related to facilities no later than year 2020.

**All Other Funds.** The appropriate balances shall be the amount needed to maintain positive cash balances throughout the year.

**Use of Fund Balances.** Fund balance is the cumulative years’ excess or deficit of all revenues and expense. Available fund balances shall not be used for ongoing operating expenditures, unless a determination has been made that available balances are in excess of required guidelines and plans have been established to address any future operating budget shortfalls. Emphasis shall be place on one-time uses that achieve future operating cost reductions and/or service level efficiencies.

**Timeline.** The timeline to achieve the target reserves is no later than December 31, 2016.

**Replenishing General Fund Balance.** The fund balance shall be replenished within one to two years depending on the reserve fund. The 2% General Fund Contingency Reserves and 5% General Fund Ending Fund Balance Reserves shall be replenished within one year while the 5% Strategic Reserves shall be replenished within 2 years.
The sources for replenishment shall be via expenditure control, expenditure savings, one-time revenues and/or excess revenues.

**REVENUE**

The objective of the revenues policy is to ensure that funding is derived from fair, equitable, defensible, and adequate resource base, while minimizing tax burdens.

**Revenue Estimates.** Revenues shall be estimated conservatively so as not to introduce regular shortfalls in individual revenue accounts. Revenue estimates shall not assume excess growth rates. Real growth that occurs will be recognized through budgetary adjustments only after it takes place. This practice imposes short term constraint on the level of public goods or services. However, in the event that revenues are less than expected, it minimizes the likelihood of severe cutback actions which may be profoundly disruptive to the goal of providing a consistent level of quality services.

**Revenue Diversification.** The City shall maintain a stable and diverse revenue system to shelter programs and services from short-term fluctuations in any single source of revenue. Services that have a city-wide benefit shall be financed by revenue sources generated from a broad source such as property tax, utility tax and sales tax. Services where the customer determines the use shall be financed by a combination of broad-based revenues as well as user fees and charges.

**Fees.** Fees shall be phased toward covering 100% of the cost of service delivery, unless such amount prevents an individual from obtaining an essential service. Fees or service charges should not be established to generate money in excess of the cost of providing service. Fees may be less than 100% if other factors (e.g. market forces, competitive position, etc.) need to be recognized.

**User Charges.** User charges for enterprise services such as the Surface Water management Fund shall be set at rates sufficient to finance all direct and indirect operating, capital, reserve/working capital, and debt service. Overhead expenses and general government services provided to the enterprise activities shall be included as indirect costs. Rates shall be set such that the enterprise fund maintains a positive cash position throughout the year and provide for sufficient reserves as determined by the fund balance policy.

**Use of One-Time/Unpredictable Revenues.** The City shall not utilize one-time revenues for recurring operating expenditures. One-time revenues include, but are not limited to: proceeds from the sale of land or surplus equipment, legal settlements, or revenue windfalls.

**Investment Income.** Investment income earned through the City's investment pool shall be budgeted based upon the allocation methodology, i.e. the projected average monthly balance of each participating fund.

**Grants.** Grant applications to fund new services/programs will be reviewed by the City as they become available, with due consideration being given to whether locally generated revenues will be required to support these programs when outside funding is no longer available.

**EXPENDITURES**

The objective of the expenditure policy is to prioritize services, establish appropriate levels of service, and administer the resources to ensure that fiscal stability is attained and that services are delivered in an effective and efficient manner.

**Operating Funding Basis.** Operating expenditures shall be budgeted and controlled to not exceed operating revenues.

**Operating Deficits.** Immediate corrective action should be taken if at any time during a fiscal year expenditures are projected to be greater than projected revenues at year-end. Corrective actions could include, but are not limited to expenditure reductions, fee increases, or new revenues.

**Capital Asset.** Capitalization of assets shall occur with assets that have a useful life of at least two years following the date of acquisition with a historical or market value at time of acquisition equal to or greater than $5,000. The
threshold is applied is applied to individual items rather than to groups of similar items unless the effect of doing so would eliminate a significant portion of total capital assets.

**INTERFUND LOANS**

The objective of the interfund loans policy is to provide guidelines regarding the establishment, management and repayment of interfund loans.

**Definition.** Interfund loans are loans from one City fund to another City fund for a specific purpose with a requirement for repayment.

**Purpose.** Interfund loans should be considered temporary or short-term borrowing of cash and may be made for the following reasons: to offset timing differences in cash flow; to offset timing differences between expenditures and reimbursements, typically associated with grant fund. The use of interfund loans for other purposes should be carefully evaluated. Interfund loans should not be used to solve ongoing structural budget problems.

**Term.** The term of the interfund loan may continue over a period of more than one year, but must be “temporary” in the sense that no permanent diversion of the lending fund results from the failure to repay by the borrowing fund. Additionally, interfund loans should not hinder the accomplishment of any function or project for which the lending fund was established.

**DEBT MANAGEMENT**

The objective of the debt management policy is to articulate the guiding principles for City debt issuance and management before consideration of specific actions. This policy set forth certain equally important objectives for the City and establishes overall parameters for responsibly issuing and administering the City’s debt.

- Minimize debt service and issuance costs
- Maintain access to cost-effective borrowing
- Achieve and maintain highest practical credit rating
- Full and timely repayment of debt
- Maintain full and complete financial disclosure and reporting
- Ensure compliance with state and federal laws and regulations

**Debt Capacity.** A long-term debt capacity will be completed on an annual basis as a means for ensuring that the City does not exceed the debt limits within the limits of applicable laws and regulations.

**Bond Rating.** The City will seek to maintain, and if possible, improve its current bond rating(s) in order to minimize borrowing cost and preserve access to credit.

**Minimize Debt.** Whenever possible, the City shall identify alternative sources of funding and shall examine the availability of those sources in order to minimize the level of debt.

**New Issues and Refinancing.** New issues, and refinancing of existing debt, must be analyzed for compatibility within the City’s overall financial planning. The review shall include, but not limited to: cash flow analysis; potential for unexpected revenue changes; and the maintenance of the City’s bond ratings. Annual debt service shall not produce an inordinate impact upon future operations.

- **Long-term Debt.** Long-term debt may be used to finance the acquisition or improvement of land, infrastructure, facilities, or equipment for which it is appropriate to spread costs over more than one budget year. Long-term debt may also be used to fund capitalized interest, cost of issuance, required reserves, any other financing-related costs that may be legally capitalized. Long-term debt shall not be used to fund City operating cost.

- **Short-term Debt.** Short-term debt will be considered as an interim source of funding in anticipation of long-term debt. Short-term debt may be issued for any purpose for which long-term debt may be issued, including capitalized interest and other financing-related costs. Short-term debt is also appropriate to address legitimate short-term cash flow requirements during a given fiscal year to fund operating costs of...
the City to provide necessary public services. The City will not engage in short-term borrowing solely for the purpose of generating investment returns.

- **Refunding.** Periodic reviews of outstanding debt will be undertaken to identify refunding opportunities. Refunding will be considered (within federal tax law constraints) when there is a net economic benefit of the refunding. Noneconomic refundings may be undertaken to achieve City objectives relating to changes in covenants, call provisions, operational flexibility, tax status, issuer, or the debt service profile, etc. When contemplating a refunding, the City shall have a minimum of 3.0% economic savings, as expressed on a net present value basis, as a benchmark to proceed with a refunding. The City may purchase its bonds in the open market for the purpose of retiring the obligation when the purchase is cost effective.

**Financing Period.** The City shall structure its debt issues so that the maturity of the debt service does not exceed the economic or useful life of the capital project to be financed.

**Method of Sale.** The City may use either a competitive bidding or negotiated process in the sale of debt due to market timing requirements, or a unique pledge of debt or debt structure.

**Bond Counsel.** The City will use the services of a legally certified and credible bond counsel in the preparation of all bond representations.

**Underwriter(s).** An underwriter(s) will be used for all debt issued in a negotiated or private placement sale method. The underwriter(s) is responsible for purchasing negotiated or private placement debt and reselling the debt to investors.

**Fiscal Agent.** A fiscal agent will be used to provide accurate and timely securities processing and timely payment to bondholders.

**Debt Administration.** The Assistant City Manager/ Finance & Administrative Services shall maintain written procedures outlining required actions to ensure compliance with local, state, and federal regulations. Such procedures shall include: continuing disclosure, arbitrage rebate, and other requirements.

**CAPITAL IMPROVEMENT**

The objective of the capital improvement policy is to forecast and match projected revenues and capital needs. Long range capital planning is an important management tool that strengthens the linkages between infrastructure needs and the financial capacity of the City.

**Capital Project Proposals.** Capital project proposals should include as complete, reliable, and attainable cost estimates as possible. Project cost estimates for the Capital Budget should be based upon a thorough analysis of the project and are expected to be as reliable as the level of detail known about the project. Project cost estimates for the 6-Year City Capital Improvement Plan will vary in reliability depending on whether they are to be undertaken in the first, second or 3rd biennium years of the plan.

- **Resource Plan.** Capital proposals should include a comprehensive resource plan. This plan should include the amount and type of resources required, and the funding and financing strategies to be employed. The specific fund and timing should be outlined. The plan should indicate resources needed to complete any given phase of a project in addition to the total project.

- **Expenditure Plan.** All proposals for the expenditure of capital funds shall be formulated and presented to the City Council within the framework of a general capital budget and, except in exceptional circumstances of an emergency nature, no consideration will be given to the commitment of any capital funds, including reserve funds, in isolation from a general review of all capital budget requirements.

- **Changes in Project Estimates.** Changes in project estimates for the comprehensive resource plan should be fully reported to the City Council for review and approval.

- **M&O Impact.** Project proposals should indicate the project's impact on the operating budget, including, but not limited to, long-term maintenance costs necessary to support the improvement.
Biennial Budget. The biennial capital budget shall include only those projects which can reasonably be accomplished in the time frame indicated. The detail sheet for each budgeted capital project should include a projected schedule.

Carry Over. Capital projects which are not encumbered or completed during the fiscal year will be re-budgeted or carried over to the next fiscal year except as reported to and subsequently approved by the City Council. All re-budgeted capital projects should be so noted in the adopted capital budget. Similarly, multi-year projects with unencumbered or unexpended funds will be carried over to the subsequent year(s).

Revenue Expectation. Capital projects will not be budgeted unless there are reasonable expectations that revenues will be available to pay for them.

Negative Impact from Project. If a proposed project will cause a direct negative impact on other publicly-owned facilities, improvements to the other facilities will be required as part of the new project and become a part of the new project's comprehensive costs.

Capital Improvement Plan

The purpose of the Capital Improvement Plan is to forecast and match projected revenues and capital needs over a 6-Year period. Long range capital planning is an important management tool that strengthens the linkages between infrastructure needs and the financial capacity of the City. The City’s Capital Improvement Plan includes transportation, parks, storm water and sewer improvement projects.

Citizen Participation and City Council Review. Citizen participation in the Capital Improvement Program is a priority for the City. Among the activities which shall be conducted to address this need are the following:

Timing. The 6-Year Capital Improvement Plan shall be provided to the City Council in a timely manner to allow time for the City Council members to review the proposal with constituents before it is considered for adoption.

Public Meeting Notice. The City Council study sessions on the Capital Improvement Plan shall be open to the public and advertised sufficiently in advance of the meetings to allow for the attendance of interested citizens.

Public Hearing. Prior to the adoption of the Capital Improvement Plan, the City Council shall hold noticed public hearings to provide opportunities for citizens to express their opinions on the proposed plan.

Committee, Boards and Commission Review. The appropriate committee, board and/or commission shall review the proposed Capital Improvement Plan and provide its comments on the Plan's contents before the City Council considers the Plan for adoption.

Capital Improvement Plan in Relation to the Comprehensive Plan. All projects included in the Capital Improvement Plan shall be consistent with the City's Comprehensive Plan. The goals and policies for services, facilities, and transportation should be followed in the development of the City Improvement Plan. The Comprehensive Plan service level goals should be called out in the Capital Improvement Plan.

Financing. Capital projects shall be financed to the greatest extent possible through user fees and benefit districts when direct benefit to users results from construction of the project. Refer to Debt Management policy for further detail.

Intergovernmental Cooperation. Projects that involve intergovernmental cooperation in planning and funding should be established by an agreement that sets forth the basic responsibilities of the parties involved.

Project Criteria Factors. The City Council will annually review and establish criteria against which capital proposals should be measured. Included among the factors which will be considered for priority-ranking are the following:
- Projects which have a positive impact on the operating budget (reduced expenditures, increased revenues);
- Projects which are programmed in the 6-Year Operating Budget Forecast;
- Projects which can be completed or significantly advanced during the 6-Year Capital Improvement Plan;
- Projects which can be realistically accomplished during the year they are scheduled;
- Projects which implement previous City Council-adopted reports and strategies.

**CASH MANAGEMENT AND INVESTMENTS**

The objective of a cash management and investment policy is to help balance the day-to-day need for revenues while achieving the highest rate of interest that is reasonable and within the City’s acceptable level of investment risk.

Funds will be invested in only those investments permitted by Federal and State law as it relates to public funds. All of the City’s funds will be invested with the following objectives (listed in order of priority):

- **Safety.** Investments will be undertaken in a manner that seeks to ensure the preservation of capital in the portfolio. Specifically, the City will: (a) seek to avoid realizing any loss through the sale or disposal of an investment; and (b) seek to mitigate the risk of unrealized losses due to a decline in value of investments held in the portfolio.

- **Liquidity.** The investment portfolio will remain sufficiently liquid to meet all cash requirements that may be reasonably anticipated. This will be accomplished by structuring the portfolio in the following manner: (a) the City will purchase investments scheduled to mature in accordance with its anticipated cash needs, in order to minimize the need to sell investments prior to maturity; (b) a portion of City funds will be maintained in cash equivalents, including money market fund, investment pools and overnight securities, which may be easily liquidated without a loss of principal should an unexpected need for cash arise; and (c) the portfolio will consist largely of investments with active secondary markets.

- **Yield.** The City’s investments will be designed with the objective of maximizing a fair rate of return consistent with the safety and liquidity noted above.

**FINANCIAL REPORTING**

**Reporting Frequency.** Departments will be provided monthly budget and actual reports and comprehensive quarterly reports will be presented to the City Council.

**Reporting Improvements.** The City will strive to continue to make improvements in its financial reporting scheme so that information is available to the City Council, City Manager, departments and public is the best available for sound financial decisions.

**Comprehensive Annual Financial Report (CAFR).** The City will produce the CAFR within 150 days and submit to the GFOA’s award program for Excellence in Financial Reporting.

**Transparency.** All financial reports will be posted to the City’s website in a timely manner.
BASIS OF ACCOUNTING AND BUDGETING

Accounting records for the City are maintained in accordance with methods prescribed by the State Auditor under the authority of Washington State law, Chapter 43.09 R.C.W., and in compliance with generally accepted accounting principles as set forth by the Governmental Accounting Standards Board.

Basis of Presentation - Fund Accounting

The accounts of the City are organized on the basis of funds and account groups. Each fund is a separate accounting entity with a self-balancing group of accounts. There are three broad fund categories, seven generic fund types within those categories and two account groups. A purpose and description of the fund is provided on the fund pages in the Budget by Fund section of this budget document.

Basis of Accounting

Basis of accounting refers to when revenues, expenditures, expenses, transfers and the related assets and liabilities are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accrual basis of accounting is used by proprietary fund types. Under this method, revenues are recognized when earned, and expenses are recognized when incurred.

The modified accrual basis of accounting is used by governmental, expendable trust and agency funds. Revenues and other financial resources are recognized when they become susceptible to accrual, i.e., when the related funds become both measurable and available to finance expenditures of the current period. To be considered "available", revenue must be collected during the current period or soon enough thereafter to pay current liabilities.

Basis of Budgeting

The City uses the same revenue and expenditure recognition principles for budgeting as for accounting with the exception of depreciation or amortization expenses in proprietary funds are not budgeted.

Balanced Budget

The state law prescribes a balanced budget where total expenditures and other uses not to exceed total resources (current revenue plus beginning fund balance). The city’s budget policy further requires that “on-going expenditures” not to exceed “on-going revenues”. Therefore, a balanced budget for Federal Way must meet both conditions.

Budgetary Fund Balances

Budgetary fund balance is the difference between current liability and current assets of a fund. This is the amount available for appropriations during the budget period. It is different than the fund equity or the net assets reported in the entity-wide financial statements as it does not include capital assets or long-term liabilities that are not available or due within current budget period.
Scope of Budget and Fund Descriptions

Budgets are adopted for the general, special revenue, and debt service funds on the modified accrual basis of accounting. Certain special revenue and capital project funds, however, are budgeted on a project-length basis. For governmental funds, there are no differences between the budgetary basis and generally accepted accounting principles. Budgets for project/grant related special revenue funds and capital project funds are adopted at the level of the individual project and for fiscal periods that correspond to the lives of projects.

Legal budgetary control is established at the fund level; i.e., expenditures for a fund may not exceed the total appropriation amount. The Mayor may authorize transfers of appropriations within a fund, but the City Council must approve by ordinance any increase in total fund appropriations. Any unexpended appropriations for budgeted funds lapse at the end of the year. Appropriations for other special purpose funds that are non-operating in nature, such as capital projects, are adopted on a "project-length" basis and, therefore, are carried forward from year to year without reappropriation until authorized amounts are fully expended or the designated purpose of the fund has been accomplished.

The individual funds within each fund type which are included in the City's budget are listed below.

**General Fund** - This fund is used to account for all financial resources except those required to be accounted for in another Fund.

**Special Revenue Funds** - These funds are established to account for proceeds of specific revenue sources that are either designated by policy or are legally restricted to expenditure for specified purposes.

- Street Operations & Maintenance Fund
- Street Capital Fund
- Transportation Benefit District
- Hotel/Motel Lodging Tax Fund
- Property Abatement Fund
- Public Art Fund
- Narcotics Seizure Fund
- Felony Seizure Fund
- Federal Seizure Fund
- Community Development Block Grant Fund
- Neighborhood Stabilization Program Fund
- Office of Economic Adjustment Grant Fund
- Public Safety Grant Fund

**Debt Service Fund** - This Fund is to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

- General Obligation Bond Debt Service Fund
- Local Improvement District Debt Service Fund
- Sewer Project Debt Service Fund
- Local Improvement Guaranty Debt Service Fund

**Capital Project Funds** - These funds account for financial resources to be used for the acquisition or construction of major capital facilities.

- Parks Capital Fund
- Sewer Project Capital Fund
- Sanitary Sewer Connection Capital Fund

**Enterprise Fund** - This Fund is to account for operations that are normally financed and operated in a manner similar to a private business enterprise where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

- Surface Water Management Fund

**Internal Service Funds** - These Funds are established to account for the financing of goods and services provided by one department of the governmental unit to other units on a cost reimbursement basis.

- Fleet & Equipment Fund
- Property Management
- Information Technology Fund
- Risk Management Fund