

# INTRODUCTORY

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## 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

Position #	Council Member	Term Expires	Email
Position # 1	Mary Moss	12/31/2017	MMoss@cityoflakewood.us
Position # 2	Michael D. Brandstetter	12/31/2017	MBrandstetter@cityoflakewood.us
Position # 3	Jason Whalen (Deputy Mayor)	12/31/2017	JWhalen@cityoflakewood.us
Position # 4	Don Anderson (Mayor)	12/31/2019	DAnderson@cityoflakewood.us
Position # 5	John Simpson	12/31/2017	JSimpson@cityoflakewood.us
Position # 6	Marie Barth	12/31/2019	MBarth@cityoflakewood.us
Position # 7	Paul Bocchi	12/31/2019	PBocchi@cityoflakewood.us

The Council may be contacted as a whole at [council@cityoflakewood.us](mailto: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

Position	Employee	Appointment
Assistant City Manager, Administrative Services	Tho Kraus	October 7, 2013
Assistant City Manager, Community & Economic Development	M. David Bugher	February 5, 1996
City Attorney	Heidi Wachter	February 19, 2002
Police Chief	Mike Zaro	October 16, 2015
Municipal Court Judge	Grant Blinn	January 1, 2014
Public Works Director	Don Wickstrom	December 1, 2004
Parks, Recreation & Community Services Director	Mary Dodsworth	February 16, 1996
Human Resources Director	Mary McDougal	February 29, 2016
City Clerk	Alice Bush	November 20, 1995

# City of Lakewood

## City Council Goals

**L**akewood is a thriving, urban, South Puget Sound City, possessing the core values of family, community, education and economic prosperity. We will advance these values by recognizing our past, taking action in the present, and pursuing a dynamic future.

*The City Council's vision for Lakewood at its 30 Year Anniversary is a community:*

- *Inspired by its own sense of history and progress;*
- *Known for its safe and attractive neighborhoods, vibrant downtown, active arts and cultural communities;*
- *Sustained by robust economic growth and job creation;*
- *Recognized for the excellence of its public and private schools, and its community and technical colleges;*
- *Characterized by the beauty of its lakes, parks and natural environment;*
- *Acknowledged for excellence in the delivery of municipal services;*
- *Leveraging and embracing of our diversity; and*
- *Supportive of Joint Base Lewis McChord (JBLM), Camp Murray, service members and their families.*

**The purpose of the City Council Goals** is to direct our community toward positive change and serve as the policy direction for City government as well as the policy guide for developing and implementing the City's 2017-2018 biennial budget. Council goals guide the allocation of resources through the budget and capital improvement program to assure that organizational work plans and projects are developed that incrementally move the community toward the stated goals.

**In addition** to the Council goal statements, there are operational values that guide how the City organization works toward goal achievement:

- **Regional Partnerships** – Lakewood encourages and participates in regional approaches to service delivery to the extent that a regional model produces efficiencies and cost savings, and ultimately improves service to our citizens.
- **Efficiency** – Lakewood is committed to providing public services in the most efficient manner possible and maximizing the public's return on their investment.
- **Accountability** – The City of Lakewood is accountable to the community for the achievement of goals. To that end, meaningful performance measures will be developed for each goal area to track our progress toward the stated goals.
- **Proactive Focus** – Lakewood proactively focuses on the total condition of the City and promotes long-term financial and strategic forecasting and planning.

## FISCAL RESPONSIBILITY

*The City of Lakewood maintains a strong fiscal position while providing quality municipal services.*

### **Policy Objectives & Action Strategies:**

- **Support a stronger, more prosperous community by making smart investments that accomplish lasting, tangible returns**
- **Adjust to changes in the service requirements of the community, maximizing resources and creating meaningful performance measures for programs and services**
- **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**
- **Continuously evaluate city revenues and expenditures with a view of maintaining a strong fiscal position while providing quality municipal services**
- **Continuously perform organizational structure review for economic efficiencies and effectiveness, including contract services and vendors**
- **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**
- **Use performance measures and benchmark key community characteristics**

## PUBLIC SAFETY

*The City of Lakewood is one of the safest cities in Washington State.*

### **Policy Objectives & Action Strategies:**

- **The City of Lakewood is safe**
- **Residents and visitors will experience a sense of safety in all neighborhoods and in all activities in the City of Lakewood**
- **Ensure adequate resources are available to maintain and ensure health, welfare, and safety of community**
- **Enhance community safety through expanded public awareness and educational programs**

## ECONOMIC DEVELOPMENT

*The City of Lakewood supports a dynamic and robust local economy through implementation of an effective economic development strategy.*

### **Policy Objectives & Action Strategies:**

- **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**
- **Provide leadership and strategic guidance concerning economic development, including coordination with various stakeholders**
- **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**
- **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**
- **Attract new housing development to accommodate military and all segments of population**
- **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)**
- **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.**
- **Promote better access (e.g., I-5, Bridgeport, Gravelly Lake Dr, 100<sup>th</sup>, 108<sup>th</sup>) and increase visibility to Towne Center and other commercial centers to take advantage of proximity to I-5 and six freeway exits**
- **If feasible, pursue annexation of selected areas within the City's Urban Growth Area (UGA)**

## DEPENDABLE INFRASTRUCTURE

*The City of Lakewood provides a safe, clean, and well-maintained community and provides preventative maintenance to avoid greater replacement costs.*

### **Policy Objectives & Action Strategies:**

- **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**
- **Identify, review and prioritize capital infrastructure projects for transportation and parks**
- **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.)**
- **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**
- **Develop and implement a vision for parks and public spaces to improve quality of life, ensure a healthy environment and attract residents**

## TRANSPARENCY

*The City of Lakewood engages the community in City government to include providing timely and accurate information about City services as well as information about City actions and decisions.*

### **Policy Objectives & Action Strategy:**

- **Enhance and promote the community’s image – “#IamLakewood”**
- **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**
- **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**
- **Ensure transparency between the City as an organization and the community to encourage and promote citizen and civic engagement**
- **Actively participate in local and regional issues that impact the Lakewood community to include coordination and partnerships with military partners and educational institutions**
- **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.**
- **Promote the interests and needs of Lakewood in local, state, and national affairs**
- **Support human services for the benefit of residents of all ages**
- **Continue to promote and partner with various volunteer group**



## CITY OF LAKEWOOD **VISION STATEMENT**

Our **VISION** for Lakewood is a thriving, urban, South Puget Sound City, possessing the core values of family, community, education, and economic prosperity. We will advance these values by recognizing our past, taking action in the present, and pursuing a dynamic future.

The City Council's **VISION** for Lakewood at its **30** Year Anniversary is a community:

- Inspired by its own sense of history and progress;
- Known for its safe and attractive neighborhoods, vibrant downtown, active arts and cultural communities;
- Sustained by robust economic growth and job creation;
- Recognized for the excellence of its public and private schools, and its community and technical colleges;
- Characterized by the beauty of its lakes, parks and natural environment;
- Acknowledged for excellence in the delivery of municipal services;
- Leveraging and embracing of our diversity; and,
- Supportive of Joint Base Lewis McChord (JBLM), Camp Murray, service members and their families.

*Adopted by the Lakewood City Council on October 19, 2015*



# **GUIDING PRINCIPLES**



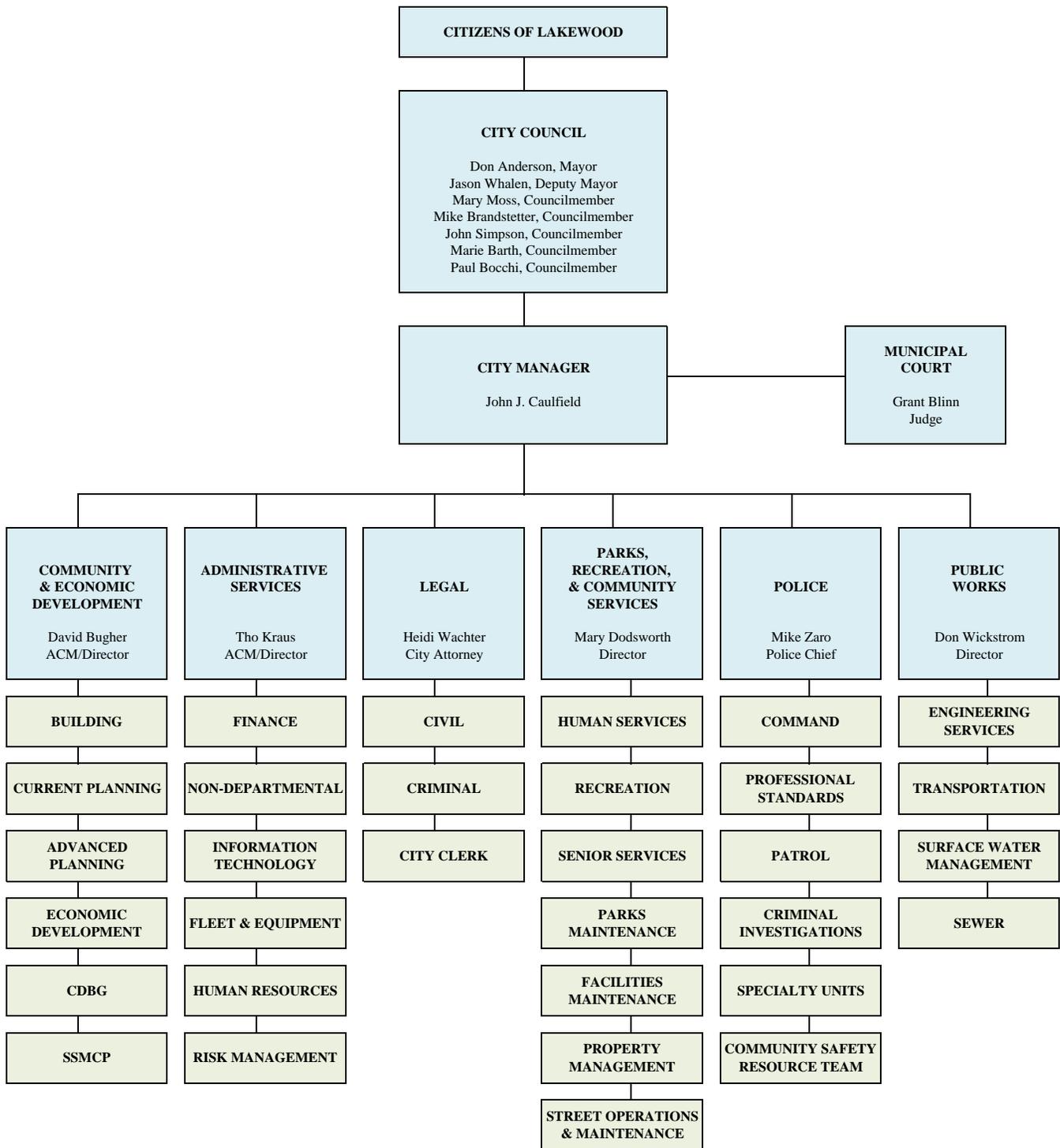
**SERVICE**

**TEAMWORK**

**INTEGRITY**

**RESPECT**

## CITY-WIDE ORGANIZATION CHART



## 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 Councilmember Marie Barth; Kurtiss Erickson – Chair, Susan Coulter – Vice-Chair, Sandra Calvillo, Jean Witte, Retha Hayward, Jeff Greenwell, Marquita Hunt, Barbara Vest, Phillip Raschke, Kathy Flores, Robert Lawrence

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

### Community Services Advisory Board

The Community Services 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: City Council liaison is Councilmember Marie Barth; Susan Coulter, Kurtiss Erickson, Kathy Flores, Robert Fox, Retha Hayward, Ed Kane, Tony Lamb, Robert Lawrence, Peggy Leach, John Munn, Constance Perra, Phillip Raschke, Barbara Vest, Jean Witte

Meetings at City Hall are TBD.

## CITY COUNCIL COMMITTEES, BOARDS AND COMMISSION (continued)

### Civil Service Commission

The role of the Civil Service Commission is to perform the duties established by State law as set forth in Chapter 41.12 of the Revised Code of Washington (RCW) in connection with the selection, appointment, promotion, demotion and employment of police officers commissioned pursuant to RCW 43.101.200, unless exempt pursuant to RCW 41.60.070. The Commission shall also make and adopt rules and regulations as are necessary to effectuate RCW 41.12 and Chapter 2.10 (Ordinance 328) of the Lakewood Municipal Code.

Current Members: David Boyd, Dennis Roden, Bryan Thomas

### Community Services Advisory Board

The Community Services 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 human services, CDBG, and HOME funding issues.
- Recommend to the City Council programs for funding out of City's general funds, CDBG and HOME funds, and other funding appropriations.
- Hold public hearings to receive public comments to identify community and housing needs, development of proposed activities, and recommendations for funding.
- Develop recommendations for the Consolidated Plan, Action Plan, and other related documents.
- Review and approve annual performance reports of CDBG and HOME activities for submittal to HUD.
- Develop and recommend citywide policies for funding allocations.
- Encourage partnerships and collaboration in the funding and provision community and human services.
- Review needs assessments, gap analyses, and other data to determine citywide needs which will help develop strategic action plans.
- Perform other community services related duties and functions as assigned by the City Council.

Current Members: Paul Calta, DeAnn Harris, Michael Lacadie, Kathleen Lind, Laurie Maus, Numbi Ngari-Turner, Edith Owen-Wallace, Sharon Taylor, Ric Torgerson

Council Liaison: Councilmember Marie Barth

Meeting Dates: As needed.

### Lakewood Arts Commission

The role of the Lakewood Arts commission is to assess needs, establish priorities and make recommendations for enrichment of the community and promotion of its cultural vitality through the arts. The Lakewood Arts Commission will do the following:

- Promote 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.

Current Members: Susan Coulter, Kurtiss Erickson, Kathy Flores, Robert Fox, Retha Hayward, Ed Kane, Tony Lamb, Robert Lawrence, Peggy Leach, John Munn, Constance Perra, Phillip Raschke, Barbara Vest, Jean Witte

Council Liaison: Councilmember Marie Barth

Meeting Dates: First Monday at 4:30 pm, City Hall

## CITY COUNCIL COMMITTEES, BOARDS AND COMMISSION (continued)

### Lakewood's Promise Advisory Board

The role and responsibilities of the Lakewood's Promise Advisory Board is to assist the City Council in the following areas:

- The Lakewood's Promise Advisory Board shall advise the Mayor, the City Council and city staff regarding the availability and delivery of the five promises within the City.
- The Lakewood's Promise Advisory Board shall look for ways to develop ongoing relationships among Lakewood citizens and businesses to better deliver Promise activities to youth.
- The Lakewood's Promise Advisory Board shall 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.

Current Members: Echo Curry, Deborah Gist, Michele Johnson, Carolina Robles, Elvin Bucu, Debbie LeBeau, Clayton DeNault, Mary Dodsworth, Judi Weldy, Dr. Lonnie Howard, Elli Wilson

Council Liaison: Councilmember Mary Moss

Meetings are held on every second Thursday at 7:30 a.m. at Lakewood City Hall.

## CITY COUNCIL COMMITTEES, BOARDS AND COMMISSION (continued)

### 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.

Current Members: Bethene Campbell, Joan Cooley, Cyrus Happy, Bill Harrison, Robert Jones, Walter Neary, Glen Speith, Stephanie Walsh

Council Liaison: Councilmember John Simpson

Meeting Dates: Every 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).

Members: Mayor Don Anderson; Brandie Hesson-Bullard, Rebecca Huber, Jackeline Juy, Asuka Ludden, Phillip Raschke, Linda Smith

City Council Liaison: Mayor Don Anderson

Meeting Dates: As needed.

## CITY COUNCIL COMMITTEES, BOARDS AND COMMISSION (continued)

### Parks and Recreation Advisory Board

The Parks and Recreation Board provides policy recommendations to the 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.

Current Members: Sylvia Allen, J. Allan Billingsley, Susan Dellinger, Jason Gerwen, Heinz Haskins, Vito Lacobazzi, Anessa McClendon

Council Liaison: Mayor Don Anderson

Meetings Dates: Fourth Tuesday of the month at 5:30 p.m. at City Hall.

## CITY COUNCIL COMMITTEES, BOARDS AND COMMISSION (continued)

### Planning Commission

The role of the Planning Commission is to assist the City Council in the following areas:

- 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

## **CITY COUNCIL COMMITTEES, BOARDS AND COMMISSION (continued)**

### Planning Commission (continued)

- 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.

Current Members: Don Daniels, Connie Coleman-Lacadie, Robert Estrada, James Guerrero, Robert Pourpasand, John Paul Wagemann, Christopher Webber

Council Liaison: Councilmember Paul Bocchi

Meetings Dates: First and third Wednesdays of the month at 6:30 p.m. at City Hall, or more frequently as needed.

### **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.

Current Members: Charles Ames, Joseph Boyle, Alan Hart, James Hairston, Michael Lacadie, Robert Saul, Johnny Williams, Ken Witkoe

Council Liaison: Councilmember Marie Barth

Meeting Dates: First Wednesday of the month at the Lakewood Police Station.

### **Independent Salary Commission**

The duties of the Salary Commission are:

- The salary commission shall convene and determine the salaries paid to the Mayor and the City Council within 45 days of confirmation by the City Council. The 45-day review and determination time may be extended upon request of the salary commission and approval by the city council.
- All meetings of the salary commission shall be subject to the Open Meetings Act and shall be open to the public. The meetings shall be held in the same location as City Council regular meetings. The salary commission shall provide an opportunity for citizens of the City to comment on the salaries of the Mayor and City Council prior to taking a final vote on such salaries.
- After determining the salaries of the Mayor and the City Council, the salary commission shall file a statement of the salaries with the City Clerk. A salary increase shall be effective on the next payday for City employees. A salary decrease shall be effective at the commencement of the next subsequent term of office.
- Any increase or decrease in salary shall become effective without further action of the City Council, and shall supersede any salary set forth in a City ordinance related to the budget or the salaries of the Mayor and City Councilmembers.

Current Members: Connie Coleman-Lacadie, Fae Crabill, Ermine Fullter Jr., Stephen Mazoff, Helen McGovern-Pilant

Meeting Dates: As needed.

## CITY COUNCIL COMMITTEES, BOARDS AND COMMISSION (continued)

### Youth Council

The Youth Council 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
- 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

Current Members: Albert James, Alex Wright, Ayana Rice, Brittany Higgins, Carlos Alvarez, Carolina Robles, Cassandra Daniels, Cassidy Barnes, Chelsea Caranto, Claudia Penney, Damita Gomez, Dante Ost, Diana Carney, Erika Savedra, Hella Mannering, Jack Gonzalez, Jodelein Garcia, Lindon Coulter-Peterson, Nicole Van Guilder, Peyton Gomez, Siobhan Wells, Therese Pacio, Tiana Arzuaga

Youth Council Advisory Board Representatives:

- Lakewood's Promise Advisory Board – Carolina Robles
- Arts Commission – Diana Carvey
- Community Services Advisory Board – Claudia Penney
- Landmarks and Heritage Advisory Board – Cassie Daniels
- Parks and Recreation Advisory Board – Tiana Arzuaga
- Planning Commission – Carlos Alvarez
- Public Safety Advisory Committee – Ayana Rice

Council Liaison: Councilmember Michael Brandstetter

Meetings Dates: First and third Monday of the month at City Hall and Clover Park School District Student Services Center, respectively.

## COMMUNITY PARTNERSHIPS

<p>2<sup>nd</sup> Stryker Brigade Combat Team (JBLM Community Connector)  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 DuPont  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</p>	<p>Pacific Lutheran University  Pacific Neighborhood  Partners for Parks  Pierce College  Pierce County  Pierce County Cities &amp; Towns  Pierce County Housing Authority  Pierce County Library System  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 – Franciscan 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 Christine Kilduff, 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</p>
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## 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 2016:

Process Description	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Council sets 2015/2016 budget priorities												
Leadership Team Develops Budget Strategies												
City Manager gives budget Directions												
Chief Financial Officer distributes budget instructions consistent with City Manager direction						*						
Departments prepare revenue and expenditure estimates and new program requests												
Finance updates revenue estimates and compiles department submittals												
City Manager meets with Department Directors to review their budget proposals												
City Manager makes specified adjustments to department submittals/establishes preliminary budget												
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)												
City Clerk publishes notice of the filing of preliminary budget and notice of public hearing to be held during preliminary budget deliberations									*			
City Council conducts workshops and public hearings on the preliminary budget recommended by City Manager												
City Council instructs City Manager to make modifications to the budget												
City Council adopts an ordinance to establish the amount of property taxes to be levied in the ensuing year												*
Final budget, as adopted, is published and distributed within the first three months of the following year												

**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

*Originally Adopted by the City Council on September 15, 2014*

*Revised on May 2, 2016*

### 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 fund balance in its enterprise funds equal to 17% of operating revenues (equivalent to two months of operating revenues). 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 placed 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 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
- Repay debt timely and in full
- 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 set by 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 is 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 costs.
- *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/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 3<sup>rd</sup> 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.

## **COST RECOVERY**

The objective of the cost recovery policy is to provide guidelines for setting fees given the cost of service and establishes provisions for ongoing review, process for establishing cost recovery levels and target cost recovery levels for development review and parks programs/services.

*Ongoing Review.* Fees will be periodically reviewed in order to keep pace with changes in the cost of living and methods or levels of service delivery. In order to facilitate a fact-based approach to this review, a comprehensive analysis of the City's costs and fees should be made at least every five years. In the interim, fees may be adjusted annually on January 1, based on the Seattle-Tacoma-Bremerton Consumer Price Index for all Urban Consumers (first half year change of the prior year), contract changes, market rates and other economic conditions.

*Factors to be Considered.* The following factors will be considered when setting cost recovery levels for user fees:

- *Community-wide Versus Special Benefit.* The use of general purpose revenue is appropriate for community-wide services while user fees are appropriate for services that are of special benefit to easily identifiable individuals or groups. Full cost recovery is not always appropriate.
- *Development of a "Value Added" Strategy in Future Cost Recovery Modeling.* Public Value is created in two different ways, directed at two different audiences. Public value is created when governmental agencies use the money and authority given to them to produce things that benefit individuals. Public value is also created when government agencies meet the expectations of citizens and elected officials, that these agencies be accountable for the way they operate; that is, that they be efficient, fair, open, and accountable.
- *Elasticity of Demand.* Pricing of services can significantly impact demand. At full cost recovery, this has the specific advantage of ensuring that the City is providing services for which there is a genuine market, and that it is not over-stimulated by artificially low prices. Conversely, high levels of cost recovery may negatively impact the delivery of services to lower income groups. This negative feature can work against public policy, especially if the services are specifically targeted to low income groups.
- *Feasibility of Collection.* Although it may be determined that a high level of cost recovery may be appropriate for specific services, it may be impractical or too costly to establish a system to identify and charge the user. The method of assessing and collecting fees should be as simple as possible in order to reduce the administrative cost of collection.

*General Concepts.* Revenues should not exceed the reasonable cost of providing services. Cost recovery goals should be based on the total cost of delivery the service as calculated using the fully burdened hourly rates, including direct costs, departmental administration costs and organization-wide support costs such as accounting, personnel, information technology, legal services, fleet maintenance and insurance. The method of assessing and collecting fees should be as simple as possible in order to reduce administrative cost of collection. Rate structures should be sensitive to the "market" for similar services

as well as to smaller, infrequent users of the service. A unified approach should be used in determining cost recovery levels for various programs based on factors discussed above.

*Target Cost Recovery Level for Development Review Services.* The cost recovery policy applies to the following development programs/services: planning (long and short plats, privately initiated re-zonings and comprehensive plan amendments, variances, use permits); building and safety (building permits, structural plan checks, inspections); engineering (public improvement plan checks, inspections, subdivision requirements, encroachments, right-of-way permits); and fire plan check. Cost recovery for these services should generally be very high. In most instances, the City's cost recovery ratio goal should be 85%. The timeline to achieve the cost recovery is no later than year 2021. In setting cost recovery levels, the City shall clearly establish and articulate performance measurements to ensure that there is "value for cost."

*Target Cost Recovery Level for Parks Programs/Services.* The cost recovery policy applies to the following parks and recreation programs/services: recreation services; special events and community gathering; senior services; and all parks. The following should be considered when determining pricing levels: The higher the community benefit, the higher the General Fund subsidy level and the higher the individual benefit, the lower the General Fund subsidy level. The overall cost recovery goal for all parks programs and services should be 45%.

## **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 Fund
- Real Estate Excise Tax Fund
- Transportation Benefit District Fund
- Hotel/Motel Lodging Tax Fund
- Property Abatement & Rental Housing Safety Program Fund
- Public Art Fund
- Narcotics Seizure Fund
- Felony Seizure Fund
- Federal Seizure Fund
- Community Development Block Grant Fund
- Neighborhood Stabilization Program
- Office of Economic Adjustment/South Sound Military Partnership Fund
- Public Safety Grants

**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      Sewer Project Debt Service Fund
- Local Improvement District 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
- Transportation 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      Information Technology Fund
- Property Management      Risk Management Fund

## CITY HISTORY

In May of 1883, the Hudson Bay Company set up a fur trading operation on the Nisqually Prairie. This was the halfway point between the City of Vancouver, B.C., and the Columbia River. With the steady arrival of new American settlers, the pressure on the Indian population increased and inevitably hostilities resulted. In 1849, a group of Indians attacked Fort Nisqually in an engagement in which one white man and two Indians were killed. This incident led to the moving in of the U.S. military and the establishment of Fort Steilacoom nearby. The town of Steilacoom is being hailed as the “Newport of the Northwest”. Despite claims to the land, the ground was rented from Hudson’s Bay Company at \$50 per month by the U.S. government.

In 1917 Camp Lewis was built on land donated to the government by Pierce County citizens. McChord AFB, then known as McChord Field, was developed from the old Tacoma Air Field in 1938.

Meanwhile, beautiful homes were being built on estates around the shorelines of the lakes in the area. The lakes district refers to the three major lakes - American Lake (The native Indians called this lake “Spootsylth”), Gravelly Lake (called by the native Indians “Quoi-Quoi-ahtehee”) and Steilacoom Lake (called by the native Indians “Wyaatchee”). The most spectacular home built was Thornewood, built on American Lake between 1909 and 1911. (The Thorne Mansion is just off of Thorne Lake in the Tillicum area). A national magazine called it one of the most beautiful estates and gardens in the nation; illustrious people of the time, among them diplomats, opera stars and a U.S. President, were guests there.

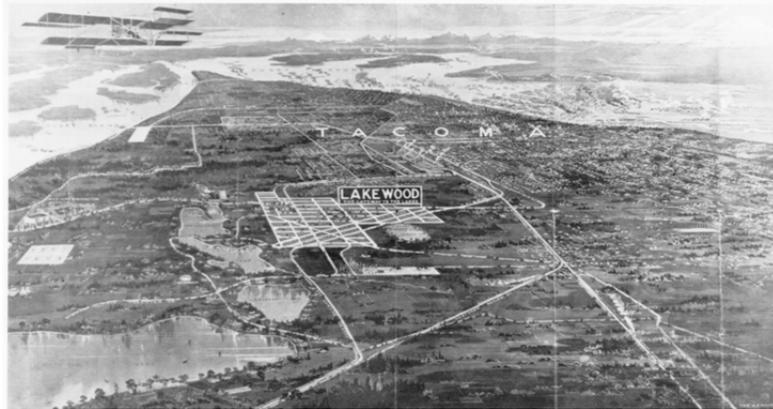
The Tacoma Country and Golf Club was established in 1894 - the first golf club west of the Mississippi. Trolley cars carried passengers from Tacoma to the prairie playground.

In the early 1900’s the famed Tacoma Speedway was built where the industrial park next to Clover Park Technical College is today. Thousands cheered as racing greats like



Barney Oldfield, Louis Chevrolet and Eddie Richenbacker competed on the wooden track. Lakewood racing (1914 - 1924) was the largest this side of the Mississippi. The speedway was on the same circuit as the Indianapolis. The cover page of the 1997 budget document featured the historic picture of this famous race track. Being made of wood, the track was susceptible to fire. The grandstand was destroyed by fire and was never rebuilt.

In 1910, Lakewood, the “**Gateway to the Lakes**”, was being promoted as a new proposed land development by the Lakes. On the next page, the grid of streets under the sign was pure speculation on where Lakewood would be located. The long enhanced lines mark the Northern Pacific Railroad and street car tracks. **Note:** The Wright pusher biplane (*upper left hand corner*).



Lakewood as a district community began to evolve in the 1930s and early 1940s. The Great Depression was finally lifting and business development came quickly. In 1937 Norton Clapp built the first part of the Lakewood Colonial Shopping Center, one of the first suburban shopping centers in the country.



The Lakewood Center held Gene Roses’ Lakewood Pharmacy, the Terrace Restaurant, and the Theater with a community room in the basement. Charlie Mann’s Lakewood Log Newspaper was added in the 1940’s.

The Oaks resort at the north end of Steilacoom Lake included this popular dance hall. Big bands played here. In the late 1930’s, Norton Clapp purchased the resort and turned the resort into an ice skating rink. The curling club met there also. Several of our young skaters-including Dean Gillette and Margaret Clarke turned professional.



In 1958, the Villa Plaza Shopping Center was built on the site of Visitation Villa, a Catholic Girls' School and Retreat. Villa Plaza was later renovated to become the Lakewood Mall and has now been further expanded and upgraded to the current Lakewood Towne Center. In 1960, the Thunderbird Center, now the Oakbrook Shopping Center, was built on the site of another small airstrip.



In March of 1995 the citizens of Lakewood voted to incorporate as a city. The vote passed with 60% of the citizens voting yes. In September, seven City Council Members were elected to form the City's first government. William Harrison was elected by the City Council as Lakewood's first mayor; and Claudia Thomas, the Deputy Mayor. Other original City Council members were – Ann Kirk Davis, Colleen Henry, Jose Palmas, Douglas Richardson and Sherri Thomas. Lakewood officially became a city on February 28<sup>th</sup>, 1996. The City Council is responsible for enacting ordinances and resolutions, establishing short and long term goals on behalf of the city guided. The City Council also establishes regulations that govern the City, appointing members to the various advisory boards and appointment of the City

Manager. The City Manager is responsible for enforcement of laws and ordinances and appoints and supervises the Department Directors within the City organization.

The area's maritime climate has a moderating influence both in the winter and in the summer. Temperatures recorded at the Sea-Tac Airport vary in the summer between the 60s - 80s degrees Fahrenheit and 20-50 degrees Fahrenheit in the winter with an average in the 40s. Precipitation ranges from 32 - 36 inches annually with approximately 75% falling between October and March with December being the wettest. Snowfall is variable and generally melts within a week, except in the Cascade Mountains where excellent skiing conditions prevail.



Mount Rainier, at 14,411 feet is the fifth highest peak in the contiguous United States. Rising in a commanding fashion above the surrounding ridges and peaks, Mount Rainier's great mass is visually enhanced by its close proximity to Tacoma-Seattle metropolitan area. The mountain was named by Captain George Vancouver when he saw it as he sailed through the Strait of Juan de Fuca honoring his friend Admiral Peter Rainier.

The City of Lakewood, with outstanding views of Mount Rainier from various vantage points throughout the city, has incorporated the Mount as part of its official logo as several other governmental entities have in the Puget Sound Area.

