



To: Mayor and City Councilmembers

From: Tho Kraus, Assistant City Manager/Administrative Services

Through: John J. Caulfield, City Manager

A handwritten signature in black ink, appearing to read "John J. Caulfield".

Date: April 13, 2015

Subject: 2015 Carry Forward Budget Adjustment

BACKGROUND

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

- Revise the beginning fund balance by adjusting the estimated amount to reflect the final 2014 ending fund balance;
- Housekeeping adjustments to incorporate items previously approved by the City Council;
- Appropriate projects funded by grants and contributions;
- Continuation of capital projects; and
- New allocations, on an exception basis.

PROPOSED BUDGET ADJUSTMENT SUMMARY

Below is a summary of the proposed carryforward budget adjustment and the impact to beginning balance, revenues, expenditures and ending fund balance.

The bottom line is the proposed carry forward budget adjustment maintains the ending fund balance reserves in accordance with the financial policies.

Year 2015:

- Increases total beginning fund balance for all funds by \$3.83M, resulting in a total revised beginning fund balance estimate of \$21.06M;
- Increases total revenues for all funds by \$21.50M, resulting in a total revised revenue estimate of \$87.60M;

- Increases total expenditures for all funds by \$25.41M, resulting in a total revised expenditure estimate of \$91.19M; and
- Decreases total ending fund balance for all funds by \$74K, resulting in a total revised ending fund balance estimate of \$17.47M.

Year 2016:

- Decreases total beginning fund balance for all funds by \$74K, resulting in a total revised beginning fund balance estimate of \$17.47M;
- Decreases total revenues for all funds by \$5.10M, resulting in a total revised revenue estimate of \$52.02M;
- Decreases total expenditures for all funds by \$5.53M, resulting in a total revised expenditure estimate of \$52.28M; and
- Increases total ending fund balance for all funds by \$366K, resulting in a total revised ending fund balance estimate of \$17.21M.

The table below provides a breakdown of the proposed 2015 carry forward budget adjustment by year and fund group.

Fund Group	Beginning Fund Balance			Revenue			Expenditure			Ending Fund Balance		
	Current Budget	Proposed Adjustment	Proposed Revised Budget	Current Budget	Proposed Adjustment	Proposed Revised Budget	Current Budget	Proposed Adjustment	Proposed Revised Budget	Current Budget	Proposed Adjustment	Proposed Revised Budget
Total Year 2015	\$ 17,220,629	\$ 3,839,328	\$ 21,059,957	\$ 66,093,235	\$ 21,503,942	\$ 87,597,177	\$ 65,772,115	\$ 25,417,669	\$ 91,189,784	\$ 17,541,749	\$ (74,400)	\$ 17,467,349
General	4,034,368	498,327	4,532,695	35,107,433	80,301	35,187,734	34,966,947	763,032	35,729,979	4,174,854	(184,404)	3,990,450
Special Revenue	3,831,579	(558,639)	3,272,940	4,750,160	2,042,449	6,792,609	6,707,916	1,592,869	8,300,785	1,873,823	(109,059)	1,764,764
Debt Service	1,058,078	(14,378)	1,043,700	1,168,502	51,476	1,219,978	1,294,648	51,476	1,346,124	931,932	(14,378)	917,554
Capital Projects	649,318	150,931	800,249	17,293,487	18,720,782	36,014,269	15,352,500	19,197,190	34,549,690	2,590,305	(325,477)	2,264,828
Enterprise	3,317,526	3,550,716	6,868,242	3,091,669	229,876	3,321,545	3,158,640	2,744,937	5,903,577	3,250,555	1,035,655	4,286,210
Internal Service	4,329,760	212,370	4,542,130	4,681,984	379,058	5,061,042	4,291,464	1,068,165	5,359,629	4,720,280	(476,737)	4,243,543
Total Year 2016	\$ 17,541,749	\$ (74,400)	\$ 17,467,349	\$ 57,114,532	\$ (5,095,954)	\$ 52,018,578	\$ 57,813,186	\$ (5,536,453)	\$ 52,276,733	\$ 16,843,095	\$ 366,099	\$ 17,209,194
General	4,174,854	(184,404)	3,990,450	35,709,391	(14,000)	35,695,391	35,546,448	(198,404)	35,348,044	4,337,797	-	4,337,797
Special Revenue	1,873,823	(109,059)	1,764,764	4,767,750	(16,290)	4,751,460	5,080,500	(17,790)	5,062,710	1,561,073	(107,559)	1,453,514
Debt Service	931,932	(14,378)	917,554	1,160,421	154,650	1,315,071	1,328,278	154,650	1,482,928	764,075	(14,378)	749,697
Capital Projects	2,590,305	(325,477)	2,264,828	8,218,500	(5,273,000)	2,945,500	8,457,950	(4,992,500)	3,465,450	2,350,855	(605,977)	1,744,878
Enterprise	3,250,555	1,035,655	4,286,210	2,702,500	-	2,702,500	3,539,060	(417,095)	3,121,965	2,413,995	1,452,750	3,866,745
Internal Service	4,720,280	(476,737)	4,243,543	4,555,970	52,686	4,608,656	3,860,950	(65,314)	3,795,636	5,415,300	(358,737)	5,056,563

FUND 001 – GENERAL FUND ADJUSTMENTS

Transfer In From Fleet & Equipment Fund, 1-Time – Transfer in \$40,802 from estimated proceeds from the sale of surplus police vehicles (\$9575) and excess proceeds from surplus assets (\$31,227). The General Fund is the original source of funds for the purchase of these vehicles; therefore, may be used for general purposes.

Internal Service Charges for Information Technology, 1-Time – Appropriate a total of \$114,322 in 2015 for continuation of project previously approved in 2014: \$35,000 for exchange server refresh; \$30,000 for fiber optic connection parks; \$10,000 for broadcast/stream City Council meetings; \$10,000 for website update/redesign; \$10,000 for disaster recovery plan; and \$19,322 for phone system replacement. Specific project details are provided under Fund 503 Information Technology section.

Internal Service Charges for Risk Management Multi-Care Settlement, 1-Time – Add \$85,000 in 2015 for internal services charges related to the MultiCare Settlement. Details are provided under Fund 504 Risk Management section.

Reduce Fire Marshall Contract / Increase Share of Administrative Assistant Cost, Ongoing – Reduce the budget for Fire Marshall Contract by \$53,000 annually resulting in a revised annual budget of \$202,000 which reflects actual payments. The savings is used to fund the department’s cost of the shared PW & CED administrative assistant position of \$39,945 in 2015 and \$42,736 in 2016.

Community Visioning Plan, 1-Time – Carry forward \$33,075 for city visioning. The proposal originated with the City Council in the fall of 2013, and is part of the comprehensive plan update. Visioning is a process in which community members discuss past and present community issues, determine positive qualities and assets, identify future goals, design a plan for the community, carry out a series of actions, and evaluate outcomes.

Analysis of Lakewood Towne Center Development, including a Potential Linear Park, 1-Time – Appropriate \$10,000 in 2015 for contracted services. McCament & Rogers was engaged by the City of Lakewood to offer observations and suggestions to improve the City’s economic development efforts concerning the Lakewood Towne Center in four general areas: 1) housing opportunities that could be incorporated into Towne Center; 2) provide suggested resources to identify and recruit a restaurant similar in quality to the former Lakewood Terrace; 3) add a hotel and an event center; and 4) provide suggestions for a park or park-like amenity that could be incorporated into Towne Center. \$10,000 is requested to support landscape architectural design, economic impact analysis, and covenant review.

Pacific Highway Redevelopment Market Analysis - Appropriate \$20,000 in 2015 for contracted services. The City engaged Berk Consulting to evaluate the fiscal benefits of redeveloping properties on Pacific Highway. The potential project site is on the southeast side of Pacific Highway along I-5, just South of 108th Street and includes the current WSDOT property. The purpose of the project is to realize highest and best uses for the property that provide long-term fiscal benefits to the City. The project includes a new retail center and possibly a new auto dealer. The analysis revealed substantial benefit to the community which could support enhanced services for citizens, bring in new revenues and patrons, and clean up the area making it more inviting for everyone. Market analysis and land assembly review is recommended to fully understand the probability of success. \$20,000 is requested to be appropriated for these services.

Motor Avenue Complete Streets, 1-Time – Appropriate \$48,000 in 2015 for the development of a “complete streets” design concept for Motor Avenue SW. “Complete streets” uses a shared space approach, which reduces separations between vehicle traffic and pedestrians. Motor Avenue SW is an

existing public right-of-way which bisects an existing block between Gravelly Lake Drive SW and Whitman Avenue SW. The street is used for cut-through traffic, and as a long, continuous driveway for adjoining private parking lots. This item was presented to the City Council at the March 9, 2015 Study Session.

Elections, Ongoing & 1-Time – Decrease the original estimate by \$16,000 (\$14,000 ongoing increase and \$30,000 1-time decrease) in 2015 and \$40,000 in 2016. The proposed adjustment results in an ongoing budget of \$144,000 (\$42,000 primary election, \$21,000 general election, \$81,000 voter registration) in 2015 and \$90,000 (voter registration) in 2016. The original 2015/2016 budget included \$30,000 for Transportation Benefit District special election in 2015.

STOP Grant, 1-Time - Add grant award for FFY 2014. The award is from the US Department of Justice through the Washington State Department of Commerce. Appropriate \$30,271 in revenue and expenditures for 2015. These funds are provided for a part-time office assistant position to provide support on STOP activities that will enhance prosecution's response to adult or teen victims of domestic violence.

Court Transport Reimbursement, Ongoing – Eliminate the revenue estimates of \$14,000 annually for court transport reimbursement from the City of University Place. Court transport is included in the current contract.

Public Defender, (New Allocation), Ongoing – Increase public defender contract by \$40,000 annually. This adjustment increases the public defender (includes \$20,000 for conflict defender) budget from \$345,000 to \$385,000. This increase is due to new laws that determine case load management for public defense services.

Fort Steilacoom Barn Removal, 1-Time – Carry forward \$28,000 as a transfer from the Fund 001 General to Parks CIP for the removal of the debris pile created when the barn blew over as a result of the February 2014 wind storm. A new request in the amount of \$72,000 is made in Fund 102 Real Estate Excise Tax to provide for a total of \$100,000 for this project.

Springbrook Demolition, 1-Time – Carry forward \$30,000 project funds as a transfer to Fund 301 Parks CIP in 2015 to be combined with the Springbrook capital projects. The funds will be used to demolish the house at Springbrook park and open the site for public use. The expenditure allocation is to cover the costs for abatement, removal, and disposal of the house. The City Council was informed at the time of purchase of the property that the City's intent was to demolish the house, remove the fences, and allow the community to utilize the property. The funding source is \$25,000 from General Fund and \$5,000 donation from Partners for Parks received in 2014.

Bridgeport Gateway, 1-Time – Carry forward \$88,729 project funds as a transfer to Fund 301 Parks CIP in 2015 for the gateway project. An additional \$10,000 from the 2015 Nisqually grant and \$10,000 from the 2015 hotel/motel lodging tax allocation is included in Fund 301 Parks CIP for a total 2015 project budget of \$112,044.

Nisqually Grant for Ray Evans Memorial Fishing Event, 1-Time – Appropriate \$5,000 revenues and expenditures in 2015 to account for the Nisqually grant received for the parks recreation Ray Evans memorial fishing event.

United States Coast Guards (USCG) Vessel Registration Fee Entitlement – Appropriate \$8,852 in expenditures for Marine Patrol, offset by vessel registration fee entitlement revenue for the funding period

October 1, 2014 through September 30, 2015. The purpose of the funds is to provide marine patrol and safety training.

Sex Offender Address Verification Grant – Reduce the original 2015 revenue estimate by \$15,624 to reflect the actual grant award of \$12,376 for the funding period July 1, 2014 through June 30, 2015. The purpose of the grant is to aid in the verification of all registered sex offenders' place of residence for level I offenders every twelve month, level II offenders every six months, and level III offenders every three months in Pierce County.

Nisqually Grant for Police Mental Health Coordinator – Appropriate \$25,000 in revenues and expenditures in 2015 to account for the 2015 Nisqually grant received for funding the Police Department Mental Health Coordinator.

DUI Reimbursement for DUI Emphasis Overtime, 1-Time – In accordance with Ordinance 449, allocate 85% or \$24,927 to DUI emphasis and 15% or \$4,399 to traffic safety for a total appropriation of \$29,326 in 2015. The funding source is revenues of \$9,080 received 4th quarter 2013 and \$20,246 received for all of 2014. January through September 2013 allocation was completed as part of the 2013/2014 mid-biennium budget adjustment and the intent was to capture future allocations as part of the annual carry forward budget adjustment.

General Fund Transfers to Fund 302 Transportation, 1-Time – The 2015/2016 adopted budget provides for a \$500,000 annual contribution to transportation capital. The proposed budget adjustment increases the transfer in 2015 by \$189,500 offset by a decrease in 2016 for a net impact of \$0.

General/Street O&M Fund Subsidy for Shared PW/CED Administrative Assistant Position, Ongoing – Decrease the General Fund subsidy to Street O&M by \$7,988 in 2015 and \$8,546 in 2016 due to the elimination of Street O&M's cost of the shared administrative assistant position. The administrative assistant position is charged 50% to CED, 25% to transportation capital and 25% to SWM.

General/Street O&M Fund Subsidy for LED Streetlight Retrofit, Ongoing – Decrease the General Fund subsidy to Street O&M Fund by \$51,476 in 2015 and \$144,744 in 2016 due to energy and repairs and maintenance savings associated with the LED streetlight retrofit program. The expenditure savings is used to fund the annual LOCAL financing debt services payments.

General/Street O&M Fund Subsidy for One School Sign at Gravelly Lake Drive/Park Lodge Elementary, 1-Time – Increase the General Fund subsidy to Street O&M by \$15,000 in 2015 for a single school sign related to school zone speed.

FUND 101 – STREET O&M FUND

Reallocation of PW/CED Administrative Assistant Position, Ongoing – Decrease expenditures by \$7,988 in 2015 and \$8,546 in 2016 due to the elimination of Street O&M's cost of the shared administrative assistant position. The administrative assistant position is charged 50% to CED, 25% to transportation capital and 25% to SWM. The reduction in costs also reduces the General Fund subsidy to Street O&M Fund by an equal amount.

One School Sign at Gravelly Lake Drive/Park Lodge Elementary, 1-Time – Appropriate \$15,000 in 2015 for a single school sign related to school zone speed.

LED Streetlight Retrofit Energy and Repairs & Maintenance Savings, Ongoing – Reduce energy costs of \$32,091 in 2015 and \$93,744 in 2016 and repairs and maintenance of \$19,385 in 2015 and \$51,000 in

2016 due to savings as a result of the LED streetlight retrofit project. The expenditure savings is used to fund the annual LOCAL financing debt service payments.

FUND 104 – HOTEL/MOTEL LODGING TAX

2015 Hotel/Motel Lodging Tax Allocation, 1-Time – Eliminate original estimate of \$500,000 in 2015 and replace with actual expenditure appropriation of \$451,850. This item was approved by the City Council on November 17, 2014.

FUND 105 – PROPERTY ABATEMENT

Accounting Change, Ongoing – Account for abatement program funded by transfer in from General Fund of \$35,000 in the Property Abatement Fund rather than CDBG Fund. This change adds the associated revenue and expenditure allocation for personnel costs.

Eliminate Original Budget Estimate and Replace with Updated Estimate, 1-Time - Remove original budget expenditure allocation for \$100,000 and increase 2015 expenditure allocations to \$175,000. Add 2015 abatement revenue of \$13,700 in 2015.

The Property Abatement Fund accounts for projects that the City has identified and processed through the abatement program. All revenues from the rightful recovery of those project expenses, along with all revenues from fees, fines, and interest, and other rightful recoveries from those projects are deposited into the fund for the purpose of funding additional abatement.

FUND 180 – NARCOTICS SEIZURE

OCDETF PA-WAW-0289, 1-Time – Appropriate \$2,460 in revenue and expenditures in 2015 to account for the Drug Enforcement Authority’s funding of OCDETF program. This program provides funding for overtime wages for law enforcement personnel to aid State and Local Law Enforcement Agencies in the investigation and prosecution of major drug trafficking organizations. Officers perform a variety of functions including, but not limited to: interviewing witnesses, conducting surveillance, performing undercover assignments, executing search and arrest warrants, and testifying at trials.

Tacoma Regional Task Force, 1-Time – Appropriate \$11,923 in revenue and expenditures in 2015 to account for the Drug Enforcement Authority’s funding of the Police Officer’s overtime wages for working on DEA Task Force cases. The current Police Officer works on many of the OCDETF cases but time is reimbursed irrespective of any OCDETF agreements currently in place.

FUND 190 - CDBG

Accounting Change, Ongoing – Account for abatement program funded by transfer in from General Fund of \$35,000 in the Property Abatement Fund rather than CDBG Fund. This change eliminates the associated revenue and expenditure budget.

Eliminate Original Budget Estimate and Replace with Updated Estimates, 1-Time - Remove the original CDBG grant budget amounts of \$500,000 in revenue and \$500,000 in expenditures.

CDBG Entitlement Programs, 1-Time - The CDBG entitlement year runs from 7/1 through 6/30. The funding allocation priorities are approved through the City of Lakewood Annual Action Plan process. The City of Lakewood receives an entitlement from the Department of Housing and Urban Development.

- *CDBG 2013-2014 Entitlement Programs, 1-Time* – Carry forward grant program revenue allocation of \$216,941 to provide: \$15,821 for administration; \$6,187 public service programs; \$81,234 LASA program; \$113,699 for housing programs.
- *CDBG 2014-2015 Entitlement Programs, 1-Time* – Add grant program revenue allocation of \$457,525 to provide: \$52,359 for administration; \$53,260 for public service; \$158,812 for physical improvements; and \$193,094 for housing programs.

CDBG Revolving Loans Major/Program Income, 1-Time – Add \$30,634 program income to provide for related contractual services.

CDBG Revolving Loans Down Payment Assistance (DPA) Program Income, 1-Time – Add \$420 program income to provide for related contractual services.

CDBG Economic Development, 1-Time – Add \$5,997 in revolving revenue allocations for loan principal payments and \$1,245 for revolving loan interest. Add \$5,794 in revolving expenditure allocations for Economic Development Micro Enterprise Loan related expenditures, and add \$1,448 in revolving expenditure allocations for administration costs. Economic Development Loans are low interest business loans for the purpose of creating and/or retaining low-income jobs.

CDBG Section 108, 1-Time – Carry Forward program revenue allocation of \$441,500 to provide for 108th Street – Main Street to Bridgeport Way Project Expenditures of \$441,500.

HOME, 1-Time – Add \$1,020,035 in grant revenue allocation to provide: \$69,500 for administration; \$69,512 for housing rehabilitation; and \$881,022 for affordable housing and down payment assistance.

Nisqually Grant for Emergency Assistance for Displaced Residents (EADR) & Minor Home Repairs, 1-Time - Carry forward revenue of \$10,844 received in 2012 for (EADR) and allocate \$10,000 contribution for Minor Home Repairs received in 2015. Carry forward grant program balance expenditure allocations for \$10,844 and allocate \$10,000 for 2015 contribution. Nisqually funds are to be used in conjunction with CDBG funds. Nisqually (EADR) funds provide emergency rental relocation assistance to families and individuals displaced through no fault of their own during building and code enforcement closures, fires, drug activity closures, health department actions, and other incidences that create homelessness. The Nisqually Minor Home Repair funds will be used for home minor repair needs in the community.

FUND 191 – NEIGHBORHOOD STABILIZATION PROGRAM

NSP 1, 1-Time – Add \$80,000 in program expenditures allocations for 2015. This program provides funding to remove and redevelop blighted structures from abandoned, vacant, or foreclosed properties. Revolving funds are used to pay for program costs.

FUND 192 – OFFICE OF ECONOMIC ADJ & SOUTH SOUND MILITARY COMMUNITIES PARTNERSHIP

OEA05 Joint Land Use Study (JLUS) Grant, 1-Time - Carry forward grant program revenue budget allocation of \$190,096 and carry forward program grant expenditure allocations of \$190,096. This is a two year award for 2014 and 2015. These are Planning Assistance Funds through the Office of Economic Adjustment. These funds are for a Joint Land Use Study for Joint Base Lewis Mc Chord. These funds for 2015 will pay for program staff costs of \$45,736 and contractual costs of \$144,360.

South Sound Military Communities Partnership (SSMCP), 1-Time – Eliminate \$179,500 in original projected revenue and \$179,500 in original expenditure allocations. Add \$199,500 of program revenue for

partnership participation including a \$50,000 transfer in from the General Fund for the City of Lakewood 2015 Executive Leadership participation. Add \$210,113 in program expenditure allocations. The purpose of the SSMCP is to carry out the Joint Base Lewis McChord Growth Coordination Plan. The partnership will promote mutually beneficial investments and maximize opportunities for joint community and military cooperation. SSMCP provides local match for the OEA05 grant program. The 2015 match amount is \$35,113.

FUND 195 – PUBLIC SAFETY GRANTS

Eliminate Original Budget Estimate and Replace with Updated Estimates, 1-Time – Remove original budget revenue and expenditure allocation of \$149,810 in 2015.

Nisqually Grant for Metal Theft, 1-Time – Allocate \$216 for Metal Theft funded by the 2014 Nisqually Grant, offset by use of 2014 ending fund balance.

JAG Mental Health Grant, 1-Time – Allocate \$53,861 of revenue and expenditures in 2015 to account for funding of the City's contract with Greater Lakes Mental Health for a Mental Health Professional to be available to the Lakewood Police Department as a resource to assess persons in crisis, provide in-place treatments and methods of stabilization other than jail or unnecessary hospital visits for individuals experiencing mental health related issues. The process includes an assessment, engagement with the individual, de-escalation of the situation, and discussion of housing options if applicable.

JAG Metal Theft Grant – Detection and Prevention of Illegal Purchasing of Stolen Metals Grant, 1-Time – Appropriate a total of \$35,888 in revenues and expenditures in 2015 to account for the grant funding period October 1, 2012 to September 30, 2016. No local match is required. The balance of the grant has been reallocated to provide funding of \$5,000 for the purchase of five bulletproof vests and \$30,888 to fund the City's contract with Greater Lakes Mental Health for a Mental Health Professional to be available to the Lakewood Police Department as a resource to assess persons in crisis, provide in-place treatments and methods of stabilization other than jail or unnecessary hospital visits for individuals experiencing mental health related issues.

Emergency Management Planning Grant FY2014/2015, 1-Time – Appropriate a total of \$55,856 in revenues and expenditures in 2015 to account for the grant funding period June 1, 2014 through August 31, 2015. The grant requires a 50% match which is already budgeted in the General Fund (portion of match from South Sound 911 Information Services and the City's emergency management budget). The grant is for the purpose of paying the salary and benefits of an emergency management coordinator in cooperation with West Pierce Fire & Rescue. The grant balance at the end of 2014 is being carried over into 2015.

JAG Therapeutic Justice Grant, 1-Time – Appropriate a total of \$18,853 in revenues and expenditures in 2015 to account for the grant funding period from October 1, 2011 to September 30, 2015. No local match is required. The grant provides funds for overtime wages and related benefits for law enforcement personnel to provide computer voice stress analysis for clients participating in gambling addiction treatment in relation to a partnership with the Pierce County Superior Court, the Evergreen Council on Problem Gambling, and Pierce County Alliance, as well as funds for training. The grant balance at the end of 2014 is being carried over into 2015.

WTSC Target Zero Teams Grant, 1-Time - Appropriate a total of \$5,676 in revenues and expenditures in 2015 to account for the grant funding for the period October 1, 2014 through September 30, 2016. No local match is required. The grant provides funding for overtime wages and related benefits for law enforcement personnel to participate in DUI patrols deployed at times and locations where data indicates

that the most safety benefit can be realized as determined by the Tacoma/Pierce County DUI and Traffic Safety Task Force. The grant balance at the end of 2014 is being carried over into 2015.

WTSC Impaired Driving Emphasis Grant, 1-Time – Appropriate a total of \$6,000 in revenues and expenditures in 2015 to account for the grant funding for the period October 1, 2014 through September 30, 2016. No local match is required. The grant provides funding for overtime wages and related benefits for law enforcement personnel to participate in scheduled multi-jurisdictional DUI patrols. The grant balance at the end of 2014 is being carried over into 2015.

WTSC Seatbelt Emphasis Grant, 1-Time - Appropriate a total of \$933 in revenues and expenditures in 2015 to account for the grant funding for the period October 1, 2014 through September 30, 2016. No local match is required. The grant provides funding for overtime wages and related benefits for law enforcement personnel to participate in scheduled multijurisdictional seatbelt-focused patrols. The grant balance at the end of 2014 is being carried over into 2015.

FUND 201 – GENERAL OBLIGATION BONDS DEBT SERVICE

LED Streetlight Retrofit Project – LOCAL Debt Service, Ongoing through June 1, 2027 – Appropriate \$51,476 (interest only) in 2015 and \$154,650 (principal & interest) in 2016 for annual debt service payments. The source of funds is energy and repairs and maintenance savings of \$51,476 in 2015 and \$144,744 in 2015. The remaining balance of \$9,906 is provided by the General Fund. Total financing provided to the City is \$1,655,000 over a 12 year period at 2.328% interest rate. The average annual debt service over the 12 year period is \$160,485. Overall, the savings to the City over the 20 year period is expected to more than offset the increased in debt service payments. The City Council approved this item on December 15, 2014.

FUND 301 – PARKS CAPITAL PROJECTS

Springbrook Demolition, 1-Time – Appropriate \$30,000 to account for the demolition of the house at Springbrook park. The source of funds is a transfer in from Fund 001 General.

Bridgeport Gateway Project, 1-Time – Appropriate \$108,729 for the Bridgeport Gateway project. The funding source is \$88,729 carry over from the General Fund, \$10,000 from the 2015 hotel/motel lodging tax allocation and \$10,000 from the Nisqually grant. The estimated cost assumes the City will provide site preparation, installation and construction support with internal services.

Fort Steilacoom Park Barn Removal, 1-Time – Appropriate \$100,000 in 2015 for the debris pile created when the barn blew over as a result of the February 2014 wind storm. The barns are the property of the State and recorded as “buildings of significance” on the National Historic Registry. The building is highly contaminated and none of the materials are safe to be salvaged and needs to be removed and disposed of in accordance with applicable laws and rules for disposal of contaminated material. The funding source is \$28,000 carry forward of project balance from the General Fund and \$72,000 from Fund 102 REET.

FUND 302 – TRANSPORTATION CAPITAL PROJECTS

Unallocated CIP – Eliminate Original Estimate and Replace with Updated Estimate – Eliminate the original \$1,258,037 estimate for transfers in from Fund 102 REET and replace with updated estimates as reflected in the individual transportation capital projects.

Personnel, Engineering & Professional Services - Reduce transfer in from General Fund by \$15,000 and decrease transfer in from Fund 102 REET by \$20,500. In total, there is no impact to the amount of General Fund contributions to the Transportation CIP fund as a whole.

Chip Seal Program – Increase motor vehicle excise tax revenues by \$35,000 annually and decrease transfer in from General Fund by \$24,500 in 2015 and \$15,000 in 2016. In total, there is no impact to the amount of General Fund contributions to the Transportation CIP fund as a whole.

96th Street Two Way Left Turn & Signal Update Project – Appropriate revenues of \$46,647 in 2015 to account for mitigation fees received in 2014 in Fund 102 REET (a transfer of \$46,647 is made from Fund 102 REET to the project).

Bridgeport Way 83rd to 75th Project – Appropriate \$3,734,747 of expenditures in 2015 funded by \$2,635,483 grants, \$249,264 contribution from Lakewood Water and \$900,000 transfer in from Fund 401 Surface Water Management for its share of SWM related project costs.

Gravelly Lake Drive 100th to Bridgeport Way Project – Increase expenditures by \$1,743,969 in 2015 for street improvements funded by \$1,436,464 grants, \$56,060 transfer in from Fund 001 General Fund, \$1,445 transfer in from Fund 102 REET and \$250,000 transfer in from Fund 401 Surface Water Management for its share of SWM related projects costs. The adjustment also eliminates revenues and expenditures of \$1,643,500 in 2016.

South Tacoma Way SR 512 to 96th Project – Increase expenditures by \$1,500,000 in 2015 for street improvements funded by \$210,060 grants, \$69,031 mitigation fees received in 2014 Fund 102 REET (a transfer of \$69,031 is made from Fund 102 REET to the project), \$950,000 contribution from Lakewood Water, \$15,909 transfer in from Fund 102 REET and \$255,000 transfer in from Fund 401 Surface Water Management for its share of SWM related project costs. The adjustment also adds \$200,000 of expenditures in 2015, funded by \$200,000 transfer in from Fund 102 REET.

Madigan Access Improvements Project – Increase expenditures by \$4,415,351 in 2015 to improve the Freedom Bridge overpass and nearby intersections. Source of funds is \$4,415,351 grants. An additional revenue allocation of \$118,050 is added to 2015 and is for mitigation fees received in 2014 in Fund 102 (a transfer of \$118,050 is made from Fund 102 REET to the project).

Traffic Signal Upgrade Phase IV Project – Appropriate \$703,000 of expenditures in 2015 for traffic signal upgrades funded by \$502,582 grants, \$60,000 contribution from CenturyLink and \$140,418 transfer in from Fund 102 REET.

Steilacoom Boulevard Corridor Safety Project – Increase expenditures by \$1,601,667 in 2015 for safety improvements funded by grants. The adjustment also removes \$1,550,000 of revenues and expenditures in 2016. This project includes the Steilacoom Boulevard – 88th to Custer project that was

Steilacoom Boulevard – 88th to Custer Project – Eliminate \$1,300,000 in expenditures and revenues in 2015 as this project is included in the Steilacoom Boulevard Corridor Safety Project.

Bridgeport Way JBLM to I5 Project – Increase expenditures by \$197,500 in 2015 funded by \$101,171 grants, \$116,329 transfer in from Fund 401 Surface Water Management for its share of SWM related project costs, offset by a reduction of \$20,000 transfer in from Fund 102 REET.

South Tacoma Way – Steilacoom Boulevard to 88th Project – Increase expenditures by \$1,420,000 in 2015 funded by \$1,259,273 grants, \$60,727 transfer in from Fund 102 REET and \$100,000 transfer in

from Fund 401 Surface Water Management for its share of SWM related project costs. The adjustment also removes \$1,265,000 of revenues and expenditures in 2016.

112th/11th Bridgeport to Kendrick Project – Increase expenditures by \$158,001 in 2015 funded by \$104,561 grants, \$55,000 increase in contribution from Sound Transit, \$3,440 transfer in from Fund 001 General, offset by a reduction of \$5,000 transfer in from Fund 401 Surface Water Management for its reduced share of SWM related project costs.

108th Street – Main Street to Bridgeport Way Project – Increase expenditures by \$50,000 and increase revenues by \$425,000 in 2015 (transfer in from Fund 190 CDBG). The adjustment also reduces transfer in from Fund 190 CDBG by \$300,000 in 2016.

Lakewood Traffic Signal Upgrade ITS Phase V Project – Increase revenues grants revenues of \$20,000 and increase transfer in from Fund 102 REET by \$5,000.

Steilacoom Boulevard – Farwest to Phillips Project – Increase expenditures by \$762,000 in 2015 funded by \$530,000 grants, \$59,000 intergovernmental contributions from the Town of Steilacoom, \$50,000 transfer in from Fund 001 General, \$123,000 transfer in from Fund 102 REET. In total, there is no impact to the amount of General Fund contributions to the Transportation CIP fund as a whole. The adjustment also removes \$291,000 of revenues and expenditures in 2016. In total, there is no impact to the amount of General Fund contributions to the Transportation CIP fund as a whole.

Safety Project - Military Road/112th – Increase expenditures by \$505,000 in 2015 funded by \$488,500 grants, \$15,000 transfer in from Fund 001 General and \$1,500 transfer in from Fund 102 REET. In total, there is no impact to the amount of General Fund contributions to the Transportation CIP fund as a whole.

Safety Project - Roadway Safety @ 96th and 40th – Appropriate \$842,500 of expenditures in 2015 funded by \$823,350 grants and \$19,150 transfer in from Fund 102 REET.

Safe Routes to Schools, Pedestrian/Bicycle Safety – Eliminate the original revenue and expenditure estimate of \$158,000 in 2016 as these were placeholders until the City receives the grant.

Paths & Trails Project – Add revenue allocation of 5,045 for 2014 portion of motor vehicle excise tax required by state statute to be set aside for paths and trails and estimated \$5,000 annual revenue for 2015 and 2016. Setting up a separate project provides for better accountability of funds.

San Francisco – Bridgeport to Addison CDBG Project – Appropriate \$158,812 of expenditures in 2015 funded by transfer in from Fund 190 CDBG (CDBG grant funded project).

Custer/John Dower Road Project – Appropriate \$95,636 of expenditures in 2015 funded by \$3,000 grant and \$92,636 transfer in from Fund 102 REET.

Camp Murray Gate Relocation Project – Add revenue allocation of \$96,653 to account for mitigation fees received in 2014 in Fund 102 REET (a transfer of \$96,653 is made from Fund 102 REET to the project).

City-wide Safety Improvements Project – Appropriate \$8,190 of expenditures in 2015 funded by \$5,000 grant and \$3,190 transfer in from Fund 102 REET.

100th and Lakewood Drive Project – Appropriate \$20,000 of expenditures in 2015 funded by \$69,824 in mitigation fees received in 2014 in Fund 102 REET (a transfer of \$69,824 is made from Fund 102 REET to the project).

LED Streetlight Retrofit Project – Appropriate \$2,375,000 in expenditures for upgrading city street lights to LED. The City was awarded a \$500,000 grant from the State Department of Commerce as part of the 2013-2015 Energy Efficiency and Solar Grant and \$217,640 in utility rebates. The remaining \$1,654,448 is financed by Local Option Capital Asset Lending Program (LOCAL). The debt service is financed primarily by energy and repairs & maintenance savings and a relatively small contribution from the General Fund.

FUND 401 – SURFACE WATER MANAGEMENT

Administrative Assistant, Ongoing – Decrease the General Fund subsidy to Street O&M by \$15,980 in 2015 and \$17,095 in 2016 due to a reduction of SWM's cost of the shared administrative assistant position. The administrative assistant position is charged 50% to CED, 25% to transportation capital and 25% to SWM (was 45%).

Transfers to Fund 302 Transportation CIP, 1-Time – Increase transfers out to Fund 302 Transportation by \$1,566,329 in 2015 and decrease by \$400,000 in 2016. The adjustment reflects SWM's proportionate share of surface water related capital cost. 2015 net increase is comprised of: \$900,000 for Bridgeport Way – 83rd to 87th; \$250,000 for Gravelly Lake Drive – 100th to Bridgeport Way; \$255,000 for South Tacoma Way SR 512 to 96th; \$116,329 for Bridgeport Way – JBLM to I5; \$100,000 for South Tacoma Way – Steilacoom Boulevard to 88th; decrease of \$5,000 for 112th/111th Bridgeport to Kendrick; and \$50,000 decrease for Steilacoom Boulevard – 88th to Custer. 2016 decrease is comprised of: \$250,000 for Gravelly Lake Drive – 100th to Bridgeport Way; \$100,000 for South Tacoma Way – Steilacoom Boulevard to 88th; \$50,000 decrease for Steilacoom Boulevard Corridor Safety Project.

Outfall Water Quality Retrofits Project, 1-Time – Appropriate \$191,738 in 2015 for the retrofitting of 13 stormwater outfalls. The outfalls currently discharge untreated stormwater into Lake Steilacoom and Clover Creek. The stormwater systems will be retrofitted upstream of the outfalls to improve the water quality before it discharges to the water bodies. The balance of the project is \$191,738 funded by \$143,803 grants and \$47,935 SWM fees.

Lower Clover Creek Fish Passage Project, 1-Time – Appropriate \$113,638 in 2015 for the construction of the Clover Creek Fish Passage. This project was originally budgeted in 2013, but not constructed due to challenges with obtaining permission from one property owner with access to the creek. The goal was to build the project in 2014 but needs to be pushed into 2015. The balance of the project is \$113,638 funded by \$28,638 Nisqually grant and \$85,000 SWM fees.

Waughop Lake Management Plan Project, 1-Time – Appropriate \$114,764 in 2015 to continue preparation of a lake management plan for Waughop Lake to determine what efforts are needed to improve the water quality and restore the lake to a more usable condition. The balance of the project is \$114,764 funded by \$86,073 grants and \$28,691 SWM fees.

Permanent O&M Facility Project, 1-Time – Appropriate \$526,948 for the shop building which is the project balance. The shop is needed for both housing materials and equipment, and use as work bays by the operations and maintenance division. The City continues to pay \$26K annually in rental charges for both storage containers at the Front Street site and enclosed work space at the Lakeview Avenue site. Working out of one site will improve operational efficiency as well as save on rental costs.

Mountain View Outfall Water Quality Project, 1-Time – Appropriate \$240,000 in 2015 for the construction of a stormwater treatment vault. The vault will be built in the vicinity of Mountain View Cemetery. The vault will treat stormwater that drains from Steilacoom Blvd. and ends up in Flett Creek. The balance of the project is \$240,000 and is funded by SWM fees.

KIP Printer Replacement, 1-Time – Appropriate \$7,500 in 2015 for SWM's contribution to the replacement of the large format copier/scanner. The capital expenditure is accounted for in the Information Technology internal service fund.

FUND 501 – FLEET & EQUIPMENT FUND

Police Vehicle Surplus and Replacement, 1-Time – Surplus 4 vehicles that are no longer needed due to change in vehicle type (from motorcycle to patrol cars) and elimination of positions (accumulated reserves to be used towards the purchase 5 new patrol cars). Also, retain 5 vehicles as secondary pool cars and use accumulated reserves towards the purchase of 5 new patrol cars. The secondary pool cars will not continue accumulating reserves as they would be rotated out for newer cars when vehicles are replaced. The proposed requests makes some adjustments to the current 2015/2016 adopted budget (delay vehicle replacement and eliminate replacement request). And finally, the request includes a transfer of proceeds from sale of assets and excess accumulated reserves to the General Fund, the original source of funds.

- Estimated proceeds from sale of asset in the amount of \$4,000 in 2015 from the surplus of vehicle# 15-70-109 2005 Honda ST1300 Motorcycle (Use \$38,571 accumulated reserves for purchase of new patrol cars)
- Estimated proceeds from sale of asset in the amount of \$1,875 in 2015 from the surplus of vehicle# 15-70-017 / 2006 Chevy Impala (Use \$35,000 Accumulated Reserves for Purchase of New Patrol Cars). This is the CSRT Lieutenant vehicle that was vacated as part of the 2015/2016 Adopted Budget.
- Estimated proceeds from sale of asset in the amount of \$1,200 in 2015 from the surplus of vehicle# 15-22-044 / 2004 Chevy Astro (Use \$28,125 Accumulated Reserves for Purchase of New Patrol Cars) This is a CSRT Vehicle that is not needed due to CSO and CSO positions vacated as part of the 2015/2016 Adopted Budget.
- Estimated proceeds from sale of asset in the amount of \$2,500 in 2015 from the surplus of vehicle# 12-65-001 / 2006 Chevy Silverado (Use \$27,000 Accumulated Reserves for Purchase of New Patrol Cars). This is the Fleet Coordinator vehicle that was vacated during the 2011/2012 Budget.
- Retain as vehicle# 15-22-416 / 2008 Crown Vic as Secondary Use Pool Car (Use \$40,000 Accumulated Reserves for Purchase of New Patrol Cars). No reserves would accumulate on secondary vehicles as they would cycle pool cars through vehicle replacement.
- Retain as vehicle# 15-22-095 / 2008 Crown Vic as Secondary Use Pool Car (Use \$46,667 Accumulated Reserves for Purchase of New Patrol Cars). No reserves would accumulate on secondary vehicles as they would cycle pool cars through vehicle replacement.

- Retain as vehicle# 15-22-093 / 2008 Crown Vic as Secondary Use Pool Car (Use \$46,667 Accumulated Reserves for Purchase of New Patrol Cars). No reserves would accumulate on secondary vehicles as they would cycle pool cars through vehicle replacement.
- Retain vehicle# 15-22-426 / 2010 Crown Vic as Secondary Use Pool Car (Use \$33,333 Accumulated Reserves for Purchase of New Patrol Cars). No reserves would accumulate on secondary vehicles as they would cycle pool cars through vehicle replacement.
- Eliminate Replacement of vehicle# 15-22-426 / 2010 Crown Vic. Impact is an expenditure reduction of \$44,000 in 2016. (Proposed to be Retained as Secondary Use Vehicle, and Use \$33,333 Accumulated Reserves for Purchase of New Vehicle)
- Purchase of 5 new patrol cars – Appropriate \$230K in 2015 for the purchase of 5 new patrol cars. Source of funding is accumulated reserves on vehicles proposed to be surplus. The department rotates pool cars out of the line-up, which requires moving vehicles into the pool. The vehicles going into the pool will either be currently unassigned cars or cars that are currently assigned to an officer that will result in officers needing cars. The department also has several new officers either in the academy or going to be hired and they will need vehicles. Additionally, a certain number of marked pool vehicles needs to be maintained for times when an officer has to move out to his/her assigned vehicle due to it being down for maintenance or other repairs.
- Eliminate replacement of vehicle# 15-70-112 2007 Honda ST1300 Motorcycle (based on currently having only 2 certified motor officers). Impact is an expenditure reduction of \$30,000 in 2016.
- Delay replacement of vehicle# 15-70-111 2007 Honda ST1300 Motorcycle until 2017/2018 (based on further evaluation, replacement is not needed in 2015/2016). Impact is an expenditure reduction of \$30,000 in 2015.
- Delay replacement of vehicle# 15-70-112 2007 Honda ST1300 Motorcycle until 2017/2018 (based on further evaluation, replacement is not needed in 2015/2016). Impact is an expenditure reduction of \$30,000 in 2015.
- Delay replacement of vehicle# 15-70-020 2001 GMC Sonoma until 2017 (based on further evaluation, replacement is not needed in 2015/2016)
- Delay replacement of vehicle# 15-22-427 2010 Ford Crown Vic until 2017 (based on further evaluation, replacement is not needed in 2015/2016)
- Transfer to General Fund \$40,802 in 2015- Source is proceeds from Sale of Police Vehicles of \$9,575 and excess reserves from surplus assets of \$31,227.

PRCS, PW, and CED Vehicle Surplus and Replacement, 1-Time – Based on an evaluation of the functions and needs of the Parks, Recreation & Community Services, Public Works, and Community & Economic Development departments, the proposed budget request includes the surplus of vehicles/equipment and using the proceeds from the sale of assets, accumulated reserves and \$31,450 of excess reserves from surplus of police vehicles to purchase new vehicles/equipment as follows:

- Estimated proceeds from sale of asset in the amount of \$2,000 in 2015 from the surplus of PW/ST vehicle# 21-21-002 2003 Ford E250 Cargo Van (use proceeds and \$29,714 accumulated reserves for purchase of new vehicles/equipment).
- Estimated proceeds from sale of asset in the amount of \$1,000 in 2015 from the surplus of PW/ST vehicle# 21-21-302 1995 Nissan Flatbed (use proceeds and \$26,400 accumulated reserves for purchase of new vehicles/equipment).
- Estimated proceeds from sale of asset in the amount of \$700 in 2015 from the surplus of PW/ST vehicle# 21-21-504 2003 Bulldog Trailer (use proceeds and \$22,000 accumulated reserves for purchase of new vehicles/equipment).
- Estimated proceeds from sale of asset in the amount of \$2,000 in 2015 from the surplus of PW/SWM vehicle# 41-30-003 2002 Chevy Express Cargo Van
- Estimated proceeds from sale of asset in the amount of \$900 in 2015 from the surplus of PW/PRCS vehicle 11-10-009 1996 Chevy S10 Pickup (use proceeds and \$24,750 accumulated reserves for purchase of new vehicle/equipment).
- Estimated proceeds from sale of asset in the amount of \$8,000 in 2015 from the surplus of PRCS vehicle# 11-10-008 2001 Ford F350 Bucket Truck (use proceeds and \$57,143 accumulated reserves for purchase of new vehicle/equipment).
- Estimated proceeds from sale of asset in the amount of \$1,500 in 2015 from the surplus of PW/ST vehicle #21-21-007 1999 Ford 250 (use proceeds and \$4,857 accumulated reserves for purchase of new vehicle/equipment)
- Estimated proceeds from sale of asset in the amount of \$1,200 in 2015 from the surplus of PW/ST vehicle# 21-21-011 2004 Ford Taurus (use proceeds and \$20,571 accumulated reserves for purchase of new vehicle/equipment).
- Estimated proceeds from sale of asset in the amount of \$3,500 in 2015 from the surplus of CED vehicle# 07-12-003 2005 Chevy 1500 (use proceeds and \$27,000 accumulated reserves for purchase of new vehicle/equipment).
- Estimated proceeds from sale of asset in the amount of \$1,000 in 2015 from the surplus of CED vehicle #07-60-003 1999 Ford Taurus (use \$20,571 accumulated reserves for purchase of new vehicle/equipment).
- Estimated proceeds from sale of asset in the amount of \$3,500 in 2015 from the surplus of CED vehicle# 70-60-005 2005 Chevy 1500 (use \$27,000 accumulated reserves for purchase of new vehicle/equipment).
- Purchase of New 50- Bucket Truck, 1-Time – Appropriate \$178,000 in 2015, funded by proceeds and accumulated reserves from surplus vehicles/equipment, including \$31,450 of excess reserves from surplus of police vehicles. The current truck has a working height of 43’ and does not reach all of the street lights that the City is now responsible for maintaining. There are also safety concerns with some traffic signals and the side reach of the current truck. The new truck will have a working height of 54’ and will safely reach all street and traffic lights.

- Purchase of New Service Body Truck w/Crane, 1-Time – Appropriate \$60,000 in 2015, funded by proceeds and accumulated reserves from surplus vehicles/equipment. Currently the signal crew has to hand load and unload signal cabinets that weigh hundreds of pounds into a pickup truck that is borrowed from the street crew. A service truck with a crane would allow them to safely load/unload and place cabinets. It also keeps all tools and materials they need to perform service with them at all times making operations more efficient.
- Purchase of New ¾ Ton Truck for Sign Program, 1-Time – Appropriate \$33,000 in 2015, funded by proceeds and accumulated reserves from surplus vehicles/equipment. The City took over all sign maintenance as part of the 2015/2016 budget but does not have a dedicated vehicle to perform the task. Due to the nature of the work, the truck needs to be set up with tools and materials to safely respond to a variety of situations and locations.
- Purchase of New Utility Trailer Capable of Roller, 1-Time – Appropriate \$6,000 in 2015, funded by proceeds and accumulated reserves from surplus vehicles/equipment. The current trailer has a rotten wood deck and fatigued metal that no longer supports the load of the roller. A new tilt trailer with a metal deck would not only support the roller, it would be versatile for other equipment hauling as well as used during the hay rides that go along with Truck and Tractor day.
- Replace PRCS Vehicle # 21-21-003 2001 Chevy Silverado with ¾ Ton Truck w/Trailer Hitch, funded by proceeds and accumulated reserves from surplus of vehicle. The truck is undersized and does not have towing capabilities which limits its use in the street landscape work program.
- Replace Dump Truck, 1-Time – As part of the July 2014 Budget Adjustment, the City Council approved the replacement of a 5 yard dump truck bed for \$49,000 funded by accumulated reserves. The original intent was to mount the new bed onto an old truck chassis and have the equipment ready for the 2014/15 winter season. The current truck/chassis is over 15 years old, was originally surplus from Pierce County, has had ongoing maintenance issues and doesn't fully operate properly. Upon further research and review staff is recommending that we purchase a new chassis to support the bed. A new system would provide more effective and efficient service during a storm incident and would also support ongoing City operations. Cost for a new chassis kit is not to exceed \$123,000 funded by accumulated replacement reserves. This item was approved by the City Council on December 15, 2014.
- Replace Brush Bandit Chipper, 1-Time – Appropriate \$42,000 in 2015 to replace the brush bandit chipper used by the PRCS Department for seasonal projects and storm clean up. The department purchased the equipment in 2007 but with routine maintenance it served the needs for the past eight years. With the recent merging of the PW and PRCS maintenance divisions, and the raised expectations for vegetation management on the public right-of-ways, the chipper was put into regular service for parks, street maintenance and street landscaping. The chipper equipment is now being used on a weekly basis and has helped the crews be more efficient and effective in their work and increased the amount of material that the crew can remove each day. Also, a byproduct of this work/equipment is wood chips. Instead of sending the vegetation to the landfill, the wood chips are being recycled and used along trails and in city landscaping areas.

FUND 502 – PROPERTY MANAGEMENT FUND

Police Station Gate Repair, 1-Time – Appropriate \$5,780 in 2015 for the gate repair at the Police Station. The back (east) gate malfunctioned and needed to be repaired. If not repaired, it would be unusable leaving the front gate as the only means of access into the back lot. Should the front gate fail, it would

either be stuck open or shut. If it is stuck shut, police vehicles would not be unable to leave the back lot. If it is stuck open, the lot would be unsecure. Ensuring police have access and security necessitates the repair of the back gate sooner rather than later. Fence Specialists estimated the cost to complete the repair with parts and labor is \$5,780 including tax. This comes with a two year guarantee on the work and a five year guarantee on the rollers. Fence Specialists performed extensive work on the Police Station front gate that greatly reduced the amount of malfunctions, therefore the City would like to utilize their services for the back gate as well. The funding source is reserves in the Property Management Fund.

FUND 503 – INFORMATION TECHNOLOGY FUND

Centralize Information Technology Function, Ongoing – Appropriate \$24,886 in 2015 and \$22,686 in 2015 to account for IT related expenditures that are currently in the Police budget. This includes Leads Online, FileOnQ, Casecraker, and Dish Network. The funding source is Police Department budget.

Email Exchange Server Refresh, 1-Time – Carry forward \$35,000 expenditures to 2015. The City's email system uses Microsoft Exchange 2007 and runs on a server utilizing Microsoft Windows Server 2003. This operating system goes end-of-life in July 14, 2015 while Exchange Server 2007 has already passed its end of life date of April 10, 2012. Upgrading the Operating System will require a complete install of Windows Server 2008/2012 64 bit along with migration(s) of all current mailboxes, public folders and associated systems. As support has already ended bug fixes have stopped; vulnerabilities are no longer addressed and server 2003 is a massive security risk for the City. The project is scheduled to take place during the second quarter.

Fiber Optic Connection to Senior Center & Fort Steilacoom Parks O&M Facility, 1-Time – Carry forward \$30,000 expenditures to 2015. Steilacoom Park O&M Facility is currently not connected to the City of Lakewood's high speed network for both data and voice operations. Two potential options to bring high speed data to Ft. Steilacoom park O&M Facility: (1) A partnership with public works be established to install micro-fiber cabling using trenchless technology directly to the O&M facility or (2) install micro-fiber cabling to the edge of the park near the baseball fields then utilize wireless solution(s) to beam a signal to the O&M facility and outlying areas of the park. Either option would provide high speed access so that the O&M Facility can enjoy the benefits of the new city phone system as well as reducing staff frustration with performance of various systems.

Broadcast/Stream City Council Meetings, 1-Time – Carry forward \$10,000 expenditures to 2015. The funding would provide for basic streaming of council meeting using existing cameras. This will help staff know when they are required during a council meeting without having to sit through items not relevant to their business and provide citizens with live viewing of the meetings over the internet.

Web Site Update/Redesign, 1-Time – Carry forward \$10,000 expenditures to 2015. As the city continues to enhance its internal operations and services it's imperative that the external Website be maintained in such a way as to provide rich content, enhanced services and functional systems to the public. Website Content Management System and Website Technology continues to change resulting in the need to continuously support, upgrade and enhance the City of Lakewood's website. It's imperative that the Website Design is kept current and mobile friendly with both today's and future mobile devices. It is recommended that the City continue to develop a professional-looking site as many residents, business owners and consumers now search for information online prior to coming to city hall to pay / purchase services thus the city website may be the first chance at making a good impression for the City. These funds provides for the initial development and rollout of the new website.

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Disaster Recovery Plan, 1-Time – Carry forward \$10,000 expenditures to 2015. Disaster planning should be undertaken as a city-wide initiative. Assembling this plan will involve all of the City's business

units in determining what systems, programs and data have the highest priority for recovery, secondary sighting of mission critical technology at a stand-by site and the level of investment that is appropriate to support the plan.

Phone System Replacement, 1-Time – Carry over \$19,322 expenditures to 2015 to pay for the final outstanding bill.

KIP Printer Replacement, 1-Time – Appropriate \$15,000 of expenditures in 2015 for the replacement of the large format scanner/copier primarily used by Public Works Street O&M and Surface Water, the two departments that will fund the capital purchase. The model being replaced is over 8 years old and was purchased second hand in 2009. Departments have had to go to Kinko's to have the work completed in the interim as the current GIS plotter does not have all the functionality that is needed.

FUND 504 – RISK MANAGEMENT FUND

Adopted Budget Ordinance Correction, 1-Time – Increase the revenue and expenditure budgets by \$79,736 in 2015 and \$30,000 in 2016. The correction is for budget ordinances purposes only and has not dollar impact.

MultiCare Settlement, 1-Time – Appropriate \$85,000 in 2015 for the settlement with MultiCare to resolve claims arising from medical care attributable to an arrestee. In July 2014, MultiCare served a tort claim upon Lakewood seeking payment of approximately \$280,000.00 in health care expenses for the care of an individual arrested by the Lakewood Police Department. In lieu of litigation, the City Manager directed the City Attorney to commence negotiations to resolve this claim. A settlement has been reached in the amount of \$85,000.00 inclusive. The City Council approved this item on February 2, 2015.

AWC Retro Program Professional Services, 1-Time – Add \$20,239 in 2015 for AWC Retro Program Fee. \$6,685 of the increase is due to the City's share of 2015 fees. The remaining \$13,554 is due to an assessment from Labor & Industries on claims from 2010 and a partial reimbursement from member cities that caused the assessment is now due. The City's portion reflects the maximum amount of the liability (15% of our standard premium). The expenditure increase is offset by stay at work reimbursements.

ENDING FUND BALANCE

The proposed budget adjustment results in a revised 2014 General/Street O&M Funds ending fund balance of \$4.34M, which equates to roughly 12% of General/Street O&M Funds operating revenues.

In support of the City's financial integrity, the City Council adopted on September 15, 2014, a set of financial policies including fund balance reserves totaling 12% of General/Street O&M Funds operating revenues. The goal date for meeting this target is no later than 2016 and is met with the 2015/016 Adopted Biennial Budget and continues to be met with this budget adjustment.

- *2% General Fund Contingency Reserves:* The purpose of this reserve is to accommodate unexpected operational changes, legislative impacts, or other economic events affecting the City's operations which could not have been reasonably anticipated at the time the original budget was prepared. A 2% reserve fund based on the General/Street O&M Funds operating revenues equates to roughly \$723K.
- *5% General Fund Ending Fund Balance Reserves:* The purpose of this reserve is to provide financial stability, cash flow for operations and the assurance that the City will be able to respond

to revenue shortfalls with fiscal strength. A 5% reserve fund based on the General/Street O&M Funds operating revenues equates to roughly \$1.81M.

- *5% Strategic Reserves:* The purpose of this reserve is to provide some fiscal means for the City to respond to potential adversities such as public emergencies, natural disasters or similarly major, unanticipated events. A 5% reserve fund based on the General/Street O&M Funds operating revenues equates to roughly \$1.81M.

NEXT STEPS AND UPCOMING ITEMS

The public hearing on the 2015 Carry Forward Budget Adjustment is schedule for April 20, 2015 Regular City Council Meeting followed by adoption of the ordinance on May 4th.

An evaluation of information technology needs and potential funding sources will be included as part of the 6-year strategic analysis and is expected to occur sooner than later, and prior to the official mid-biennial review.

The review of the updated 6-Year Long Range Financial Forecast and Municipal Finances 101 will be presented to the City Council in the next few months.

The City has three labor contracts that expire at the end of 2015 and one that will expire at the end of 2016. The City anticipates the process to begin in May, 2015.

<u>Labor Group</u>	<u>Current Contract Period</u>
AFSCME	01/01/2013 through 12/31/2016
LPIG	01/01/2013 through 12/31/2015
LPMG	02/01/2013 through 12/31/2015
Teamsters	01/01/2013 through 12/31/2015

ATTACHMENTS

- Summary of Proposed Adjustments
- Draft Budget Ordinance & Related Exhibits
 - Exhibit A(1) 2015-2016 Original Adopted Budget by Fund
 - Exhibit A(2) Proposed Revised Budget – Year 2015
 - Exhibit A(3) Proposed Revised Budget – Year 2016

**2015 Carry Forward Budget Adjustment
Summary of Proposed Requests**

	Year 2015		Year 2016			
	Revenue	Expenditure	Revenue	Expenditure		
Grand Total - All Funds	\$ 21,503,942	\$ 25,417,670	\$ (5,095,954)	\$ (5,536,453)		
Total - Fund 001 General	\$ 80,301	\$ 763,032	\$ (14,000)	\$ (198,404)		
Transfer In From Fleet & Equipment Fund - Proceeds from Sale of Police Vehicles	New	1-Time	40,802	-	-	-
Subtotal - City-Wide/Non-Departmental	\$ 40,802	\$ -	\$ -	\$ -	\$ -	\$ -
Information Technology Internal Service Charge for Exchange Server Refresh	2014	1-Time	-	35,000	-	-
Information Technology Internal Service Charge for Fiber Optic Connection to Parks	2014	1-Time	-	30,000	-	-
Information Technology Internal Service Charge for Broadcast/Stream City Council Meetings	2014	1-Time	-	10,000	-	-
Information Technology Internal Service Charge for Website Update/Redesign	2014	1-Time	-	10,000	-	-
Information Technology Internal Service Charge for Disaster Recovery Plan	2014	1-Time	-	10,000	-	-
Information Technology Internal Service Charge for Phone System	2014	1-Time	-	19,322	-	-
Risk Management Internal Service Charge for Multi-Care Settlement	New	1-Time	-	85,000	-	-
Subtotal - Administrative Services	\$ -	\$ 199,322	\$ -	\$ -	\$ -	\$ -
CED/BL - Reduce Fire Marshall Contract - To Reflect Actual Contract Cost & Redirect Funds for Department's Portion of Shared PW/CED Admin Assistant	New	Ongoing	-	(53,000)	-	(53,000)
CED/All - Portion of Shared PW/CED Admin Assistant	New	Ongoing	-	39,945	-	42,736
Community Visioning Plan	2014	1-Time	-	33,075	-	-
CED/ED - Analysis of Lakewood Towne Center Development Including a Potential Linear Park	New	1-Time	-	10,000	-	-
CED/ED - Pacific Highway Redevelopment Market Analysis	New	1-Time	-	20,000	-	-
Motor Avenue Complete Street - Contracted Services	New	1-Time	-	48,000	-	-
Subtotal - Community & Economic Development	\$ -	\$ 98,020	\$ -	\$ -	\$ -	\$ (10,264)

**2015 Carry Forward Budget Adjustment
Summary of Proposed Requests**

			Year 2015		Year 2016	
			Revenue	Expenditure	Revenue	Expenditure
Elections (the original 2015/2016 budget included \$30,000 for TBD special election)	New	1-Time	-	(16,000)	-	(40,000)
STOP Grant	Grant	1-Time	30,271	30,271	-	-
Subtotal - Legal			\$ 30,271	\$ 14,271	\$ -	\$ (40,000)
Eliminate University Place Court Transport Reimbursement	New	Ongoing	(14,000)	-	(14,000)	-
New Allocation - Increase Public Defender Contract	New	Ongoing	-	40,000	-	40,000
Subtotal - Municipal Court			\$ (14,000)	\$ 40,000	\$ (14,000)	\$ 40,000
Fort Steilacoom Barn Removal - Transfer to Fund 301 Parks CIP (an additional \$72,000 is proposed to be funded REET for a total project budget of \$100,000 in 2015).	2014	1-Time	-	28,000	-	-
Springbrook Demolition - Transfer to Fund 301 Parks CIP	2014	1-Time	-	30,000	-	-
Bridgeport Gateway - Transfer to Fund 301 Parks CIP	2014	1-Time	-	88,729	-	-
Nisqually Grant - Ray Evans Memorial Fishing Event	Grant	1-Time	5,000	5,000	-	-
Total - Parks, Recreation & Community Services			\$ 5,000	\$ 151,729	\$ -	\$ -
			-	-	-	-
Vessel Registration	Grant	1-Time	8,852	8,852	-	-
Sex Offender Address Verification Grant - Adjustment to Reflect Actual Grant Award	Grant	1-Time	(15,624)	-	-	-
Nisqually Grant - Police Mental Health Counselor	Grant	1-Time	25,000	25,000	-	-
Use Of DUI Reimbursement Revenue Received Oct - Dec 2013 and Jan - Dec 2014 for DUI Emphasis Per Ordinance 449 (85% DUI Emphasis Overtime / 15% Traffic Safety Requirements)	New	1-Time	-	29,326	-	-
Subtotal - Police			\$ 18,228	\$ 63,178	\$ -	\$ -
Transfer to Fund 302 Transportation - Timing of Transfers	Realign CIP	1-Time	-	189,500	-	(189,500)
Reduce General/Street O&M Fund Subsidy Due to Reallocation of Admin Assistant Position	New	Ongoing	-	(7,988)	-	(8,546)
Reduce General/Street O&M Fund Subsidy for LED Streetlight Retrofit Debt Service Funded by Energy & Maintenance Savings	City Council Approved 12/15/14	Ongoing	-	(51,476)	-	(144,744)
Transfer to Fund 201 GO Bond Debt Service - LED Streetlight Retrofit LOCAL Financing Debt Service	City Council Approved 12/15/14	Ongoing	-	51,476	-	154,650
Increase General/Street O&M Subsidy for One School Sign at Gravelly Lake/Park Lodge Elementary	New	1-Time	-	15,000	-	-
Subtotal - Public Works			\$ -	\$ 196,512	\$ -	\$ (188,140)

**2015 Carry Forward Budget Adjustment
Summary of Proposed Requests**

	Year 2015		Year 2016			
	Revenue	Expenditure	Revenue	Expenditure		
Total - Special Revenue Funds	\$ 2,042,449	\$ 1,592,870	\$ (16,290)	\$ (17,790)		
Total - Fund 101 Street Operations & Maintenance	\$ (44,464)	\$ (44,464)	\$ (153,290)	\$ (153,290)		
Reduce Street O&M share of PW/CED Admin Assistant Based on Actual Usage of Position	New	Ongoing	(7,988)	(7,988)	(8,546)	(8,546)
One School Sign at Gravelly Lake/Park Lodge Elementary School	New	1-Time	15,000	15,000	-	-
LED Streetlight Retrofit - Savings from Street Lighting Charges	City Council Approved 12/15/14	Ongoing	(32,091)	(32,091)	(93,744)	(93,744)
LED Streetlight Retrofit - Savings from Repairs & Maintenance	City Council Approved 12/15/14	Ongoing	(19,385)	(19,385)	(51,000)	(51,000)
Total - Fund 102 Real Estate Excise Tax	\$ 137,000	\$ (392,402)	\$ 137,000	\$ 135,500		
Increase REET Estimate	New	1-Time	137,000	-	137,000	-
Eliminate Original Estimate for Transfer to Fund 302 Transportation	Realign CIP	1-Time	-	(1,258,037)	-	-
Transfer to 302.0001 REET - Personnel, Engineering, Professional Services	Realign CIP	1-Time	-	823,635	-	105,500
LED New Streetlights - Move Out Portion of REET Funding to 2016	New	1-Time	-	(30,000)	-	30,000
Fort Steilacoom Barn Removal - Transfer to Fund 301 Parks CIP	New	1-Time	-	72,000	-	-
Total - Fund 104 Hotel/Motel Lodging Tax	\$ -	\$ (48,150)	\$ -	\$ -		
Eliminate Original Budget Estimate	Housekeeping	1-Time	-	(500,000)	-	-
2015 Actual Hotel/Motel Lodging Tax Allocation	City Council Approved 11/17/14	1-Time	-	451,850	-	-
			-	-	-	-
Total - Fund 105 Property Abatement	\$ 48,700	\$ 75,000	\$ 35,000	\$ 35,000		
Accounting Change - Account for General Fund Contrib to Abatement in Fund 105 instead of Fund 190 CDBG	Accounting Change	Ongoing	35,000	35,000	35,000	35,000
Property Abatement - Boat Street & Lakeview	New	1-Time	13,700	-	-	-
Eliminate Original Abatement Estimate	New	1-Time	-	(100,000)	-	-
Property Abatement - New Estimate	New	1-Time	-	140,000	-	-
Total - Fund 180 Narcotics Seizure	\$ 14,563	\$ 14,563	\$ -	\$ -		
DEA - Tacoma Regional Task Force Grant	Grant	1-Time	11,923	11,923	-	-
OCDETF - Joint Law Enforcement Operation KK	Grant	1-Time	2,640	2,640	-	-
Total - Fund 190 CDBG	\$ 1,649,297	\$ 1,660,141	\$ (35,000)	\$ (35,000)		
Accounting Change - Account for General Fund Contribution to Abatement in Fund 105 Property Abatement	Accounting Change	1-Time	(35,000)	(35,000)	(35,000)	(35,000)

**2015 Carry Forward Budget Adjustment
Summary of Proposed Requests**

			Year 2015		Year 2016	
			Revenue	Expenditure	Revenue	Expenditure
Eliminate Original Adopted Budget Estimate - CDBG Allocation	Realign Grants	1-Time	(500,000)	(500,000)	-	-
CDBG Entitlement 2013-2014	2014	1-Time	216,941	216,941	-	-
CDBG Entitlement 2014-2015	2014	1-Time	457,525	457,525	-	-
CDBG Revolving Loans Major/Program Income	2014	1-Time	30,634	30,634	-	-
CDBG Revolving Loans DPA/Program Income	2014	1-Time	420	420	-	-
CDBG Economic Development Revolving Loan Principal & Interest	2014	1-Time	7,242	7,242	-	-
HOME Program	2014	1-Time	1,020,035	1,020,035	-	-
Nisqually Grant - Minor Repair Loans 2015	Grant	1-Time	10,000	10,000	-	-
Nisqually Grant - Minor Repair Loans 2014	2014	1-Time	-	10,844	-	-
CDBG Section 108 - Transfer Transportation CIP 108th - Main Street to Bridgeport Way Project	Realign Grants	1-Time	441,500	441,500	-	-
Total - Fund 191 Neighborhood Stabilization Program (NSP)			\$ -	\$ 80,000	\$ -	\$ -
NSP1	2014		-	80,000	-	-
Total - Fund 192 Office of Economic Adjustment (OEA)			\$ 210,096	\$ 220,709	\$ -	\$ -
Office of Economic Adjustment 2014 Grant Balance	2014	1-Time	190,096	190,096	-	-
Eliminate SSMCP Original Budget Estimate	Realign Program	1-Time	(179,500)	(179,500)	-	-
2015 Partnership Contributions	Realign Program	1-Time	199,500	-	-	-
2015 SSMCP Program - Funded by SSMCP 2015 Partnership Contributions	Realign Program	1-Time	-	125,394	-	-
2015 SSMCP Program - Funded by SSMCP 2014 Partnership Balance	2014	1-Time	-	56,068	-	-
2015 SSMCP Program - Funded by OEA 2013 JBLM Plan Partnership Balance	2014	1-Time	-	28,651	-	-
Total - Fund 195 Public Safety Grants			\$ 27,257	\$ 27,473	\$ -	\$ -
Eliminate Original Adopted Budget Estimate	Grant	1-Time	(149,810)	(149,810)	-	-
Nisqually Contribution - Metal Theft, Use of Ending Fund Balance	Grant	1-Time	-	216	-	-
JAG Mental Health Grant	Grant	1-Time	53,861	53,861	-	-
JAG Metal Theft Grant	Grant	1-Time	35,888	35,888	-	-
Emergency Management Planning Grant (FY2014/2015)	Grant	1-Time	55,856	55,856	-	-
JAG Therapeutic Justice Grant	Grant	1-Time	18,853	18,853	-	-
WTSC Grant - Target Zero Teams	Grant	1-Time	5,676	5,676	-	-
WTSC Grant - Impaired Driving Emphasis	Grant	1-Time	6,000	6,000	-	-
WTSC Grant - Seatbelt Emphasis	Grant	1-Time	933	933	-	-
Grand Total - Debt Service Funds			\$ 51,476	\$ 51,476	\$ 154,650	\$ 154,650
Total - Fund 201 General Obligation Bond Debt Service			\$ 51,476	\$ 51,476	\$ 154,650	\$ 154,650
LED Streetlight Retrofit - LOCAL Debt Service	City Council Approved 12/15/14		51,476	51,476	154,650	154,650

**2015 Carry Forward Budget Adjustment
Summary of Proposed Requests**

	Year 2015		Year 2016			
	Revenue	Expenditure	Revenue	Expenditure		
Total - Capital Improvement Project Funds	\$ 18,720,782	\$ 19,197,190	\$ (5,273,000)	\$ (4,992,500)		
Total - Fund 301 Parks CIP	\$ 238,729	\$ 238,729	\$ -	\$ -		
Springbrook Demolition - 2014 Balance - Source is General Fund	2014	1-Time	30,000	30,000	-	-
Bridgeport Gateway - Source is 2014 General Fund \$88,729, Nisqually Grant \$10,000, Hotel/Motel Lodging Tax \$10,000	2014/Grant/ City Council Approved 11/17/14	1-Time	108,729	108,729	-	-
Fort Steilacoom Barn Removal - Source is General Fund	2014	1-Time	28,000	28,000	-	-
Fort Steilacoom Barn Removal - Source is Transfer in From Fund 102 REET (an additional \$28,000 is proposed to be funded by General Fund carry forward for a total project budget of \$100,000 in 2015).	2014 & New	1-Time	72,000	72,000	-	-
Total - Fund 302 General Government CIP	\$ 18,482,053	\$ 18,958,461	\$ (5,273,000)	\$ (4,992,500)		
Unallocated - Eliminate Original Estimate - Transfer In Fund 102 REET, Close Out CIP	Realign CIP	1-Time	(1,258,037)	-	-	-
Personnel, Engineering & Professional Services	Realign CIP	1-Time	-	-	(5,500)	-
LED New Streetlights - Move Out Portion of REET Funding to 2016	Realign CIP		(30,000)	(30,000)	30,000	30,000
Chip Seal Program - Increase MVET estimate offset by reallocation of General Fund Source	Realign CIP	1-Time	10,500	-	20,000	-
96th Street - 2 Way Left Turn & Signal Upgrade - Mitigation Fees	Realign CIP	1-Time	46,647	-	-	-
Bridgeport Way - 83rd to 75th	Realign CIP	1-Time	3,784,747	3,734,747	-	-
Gravelly Lake Dr-100th to Bridgeport Way	Realign CIP	1-Time	1,743,969	1,743,969	(1,643,500)	(1,643,500)
South Tacoma Way SR 512 to 96th	Realign CIP	1-Time	1,500,000	1,500,000	200,000	200,000
Madigan Access Improvements	Realign CIP	1-Time	4,533,401	4,415,351	-	-
Traffic Signal Upgrade Phase IV	Realign CIP	1-Time	703,000	703,000	-	-
Steilacoom Blvd Corridor Safety Project	Realign CIP	1-Time	1,601,667	1,601,667	(1,550,000)	(1,550,000)
Steilacoom Blvd - 88th to Custer, Combine w/Steilacoom Blvd Corridor Safety Project	Realign CIP	1-Time	(1,300,000)	(1,300,000)	-	-
Bridgeport Way - JBLM to I5	Realign CIP	1-Time	197,500	197,500	-	-
South Tacoma Way-Steilacoom Blvd to 88th	Realign CIP	1-Time	1,420,000	1,420,000	(1,265,000)	(1,265,000)
112th/111th Bridgeport to Kendrick	Realign CIP	1-Time	158,001	158,001	-	-
108th St - Main St to Bridgeport Way	Realign CIP	1-Time	425,000	50,000	(300,000)	-
Lakewood Traffic Signal Upgrade ITS Phase V	Realign CIP	1-Time	25,000	-	-	-
Steilacoom Blvd - Farwest to Phillips	Realign CIP	1-Time	762,000	762,000	(291,000)	(291,000)
Safety Projects - Military Road/112th	Realign CIP	1-Time	505,000	505,000	(315,000)	(315,000)
Safety Projects - Roadway Safety @ 96th & 40th	Realign CIP	1-Time	842,500	842,500	-	-
Safe Routes to Schools, Pedestrian/Bicycle Safety	Realign CIP	1-Time	-	-	(158,000)	(158,000)

**2015 Carry Forward Budget Adjustment
Summary of Proposed Requests**

			Year 2015		Year 2016	
			Revenue	Expenditure	Revenue	Expenditure
Paths & Trails - Required MVET Set Aside for Paths & Trails	Realign CIP	1-Time	10,045	-	5,000	-
San Francisco - Bridgeport to Addison (CDBG Project)	Realign CIP	1-Time	158,812	158,812	-	-
Custer/John Dower	Realign CIP	1-Time	95,636	95,636	-	-
Camp Murray Gate Relocation - Mitigation Fees	Realign CIP	1-Time	96,563	-	-	-
City-wide Safety Improvements	Realign CIP	1-Time	8,190	8,190		
100th & Lakewood Drive	Realign CIP	1-Time	69,824	20,000	-	-
LED Streetlight Retrofit (Grant, Utility Rebate, LOCAL Financing)	Realign CIP	1-Time	2,372,088	2,372,088	-	-
Total - Enterprise Funds			\$ 229,876	\$ 2,744,937	\$ -	\$ (417,095)
Total - Fund 401 Surface Water Management			\$ 229,876	\$ 2,744,937	\$ -	\$ (417,095)
Reduce SWM's share of PW/CED Admin Assistant - Based on Actual Usage	New	Ongoing	-	(15,980)	-	(17,095)
Transfer to Fund 302 Transportation CIP - Bridgeport Way - 83rd to 87th	Realign CIP	1-Time	-	900,000	-	-
Transfer to Fund 302 Transportation CIP - Gravelly Lake Dr - 100th to Bridgeport Way	Realign CIP	1-Time	-	250,000	-	(250,000)
Transfer to Fund 302 Transportation CIP - South Tacoma Way SR 512 to 96th	Realign CIP	1-Time	-	255,000	-	-
Transfer to Fund 302 Transportation CIP - Bridgeport Way - JBLM to 15	Realign CIP	1-Time	-	116,329	-	-
Transfer to Fund 302 Transportation CIP - South Tacoma Way -Steilacoom Blvd to 88th	Realign CIP	1-Time	-	100,000	-	(100,000)
Transfer to Fund 302 Transportation CIP - 112th/111th Bridgeport Way to Kendrick	Realign CIP	1-Time	-	(5,000)	-	-
Transfer to Fund 302 Transportation CIP - Steilacoom Blvd Custer	Realign CIP	1-Time	-	(50,000)	-	-
Transfer to Fund 302 Transportation CIP - Steilacoom Blvd Corridor Safety Project	Realign CIP	1-Time	-	-	-	(50,000)
Outfall Water Quality Retrofits	2014	1-Time	143,803	191,738	-	-
Lower Clover Creek Fish Passage	2014	1-Time	-	113,638	-	-
Wauhop Lake Management Plan	2014	1-Time	86,073	114,764	-	-
Permanent O&M Facility - 2014 Balance	2014	1-Time	-	526,948	-	-
Mountain View Outfall Water Quality	2014	1-Time	-	240,000	-	-
Information Technology Internal Service Charge for Large Format KIP Printer Replacement	New	1-Time	-	7,500	-	-

**2015 Carry Forward Budget Adjustment
Summary of Proposed Requests**

	Year 2015		Year 2016			
	Revenue	Expenditure	Revenue	Expenditure		
Total - Internal Service Funds	\$ 379,058	\$ 1,068,165	\$ 52,686	\$ (65,314)		
Total - Fund 501 Fleet & Equipment	\$ 39,875	\$ 723,202	\$ -	\$ (118,000)		
Proceeds from Sale of Asset - PW/ST Veh # 21-21-002 / 2003 Ford E250 Cargo Van (Use \$29,714 Accumulated Reserves for Purchase of New Vehicle/Equipment)	New	1-Time	2,000	-	-	-
Proceeds from Sale of Asset - PW/ST - Veh# 21-21-302 / 1995 Nissan Flatbed (Use \$26,400 Accumulated Reserves for Purchase of New Vehicle/Equipment)	New	1-Time	1,000	-	-	-
Proceeds from Sale of Asset - PW/ST - Veh# 21-21-504 / 2003 Bulldog Trailer (Use \$22,000 Accumulated Reserves for Purchase of New Vehicle/Equipment)	New	1-Time	700	-	-	-
Proceeds from Sale of Asset - PW/SWM - Veh# 41-30-003 / 2002 Chevy Express Cargo Van	New	1-Time	2,000	-	-	-
Proceeds from Sale of Asset - PW/PRCS - Veh# 11-10-009 / 1996 Chevy S10 Pick Up (Use \$24,750 Accumulated Reserves for Purchase of New Vehicle/Equipment)	New	1-Time	900	-	-	-
Proceeds from Sale of Asset - PRCS - Veh# 11-10-008 / 2001 Ford F350 Bucket Truck (Use \$57,143 Accumulated Reserves for Purchase of New Vehicle/Equipment)	New	1-Time	8,000	-	-	-
Proceeds from Sale of Asset - PW/ST - Veh# 21-21-007 / 1999 Ford 250 (Use \$4,857 Accumulated Reserves for Purchase of New Vehicle/Equipment)	New	1-Time	1,500	-	-	-
Proceeds from Sale of Asset - PW/ST - Veh # 21-21-011 / 2004 Ford Taurus - Surplus (Use \$20,571 Accumulated Reserves for Purchase of New Vehicle/Equipment)	New	1-Time	1,200	-	-	-
Proceeds from Sale of Asset - CED - Veh# 07-12-003 / 2005 Chevy 1500 (Use \$27,000 Accumulated Reserves for Purchase of New Vehicle/Equipment)	New	1-Time	3,500	-	-	-
Proceeds from Sale of Asset - CED Veh# 07-60-003 / 1999 Ford Taurus (Use \$20,571 Accumulated Reserves for Purchase of New Vehicle/Equipment)	New	1-Time	1,000	-	-	-
Proceeds from Sale of Asset - CED Veh# 07-60-005 / 2005 Chevy 1500 (Use \$27,000 Accumulated Reserves for Purchase of New Vehicle/Equipment)	New	1-Time	3,500	-	-	-
Replace PRCS Veh# 21-21-013 / 2001 Chevy Silverado 1500 with 3/4 Ton Truck w/Trailer Hitch. Funding Source is Proceeds from Sale of Asset and Accumulated reserves.	New	1-Time	2,000	29,000	-	-

**2015 Carry Forward Budget Adjustment
Summary of Proposed Requests**

			Year 2015		Year 2016	
			Revenue	Expenditure	Revenue	Expenditure
Replace PRCS Veh#11-10-011 / 2008 Ford F-450. Funding Source is Accumulated Reserves. Retain vehicle for PRCS/PW operations (need for future replacement reserves to be determined).	New	1-Time	-	58,000	-	-
Replace PRCS Veh # 11-10-509 Hot Pressure Washer Trailer. Funding Source is Accumulated Reserves. Retain for use by CSRT Operations (need for future replacement reserves to be determined).	New	1-Time	-	8,400	-	-
Purchase of New Vehicle/Equipment - PRCS - Street O&M - New 50' Bucket Truck (Funded by Accumulated Reserves from Surplused Vehicle & Excess Reserves from Police Vehicle Surplus of \$31,450)	New	1-Time	-	178,000	-	-
Purchase of New Vehicle/Equipment - PRCS - Purchase New Service Body Truck w/Crane (Funded by Accumulated Reserves from Surplused Vehicles)	New	1-Time	-	60,000	-	-
Purchase of New Vehicle/Equipment - PRCS - 3/4 Ton Truck for Sign Program (Funded by Accumulated Reserves from Surplused Vehicles)	New	1-Time	-	33,000	-	-
Purchase of New Vehicle/Equipment - PRCS - New Utility Trailer Capable of the Roller (Funded by Accumulated Reserves from Surplused Vehicles)	New	1-Time	-	6,000	-	-
PRCS - Replace Dump Truck (Funded by Accumulated Reserves)	City Council Approved 12/15/14	1-Time	-	123,000	-	-
PRCS - Replace 1992 Brush Bandit Wood Chipper (Funded by Proceeds from Sale of Asset and Accumulated Reserves)	New	1-Time	3,000	42,000	-	-
Proceeds from Sale of Asset - PD - Veh# 15-70-109 2005 Honda ST1300 Motorcycle (Use \$38,571 Accumulated Reserves for Purchase of New Patrol Cars)	New	1-Time	4,000	-	-	-
Proceeds from Sale of Asset - PD - Surplus Veh# 15-70-017 / 2006 Chevy Impala (Use \$35,000 Accumulated Reserves for Purchase of New Patrol Cars). This is the CSRT Lieutenant vehicle that was vacated as part of the 2015/2016 Adopted Budget.	New	1-Time	1,875	-	-	-
Proceeds from Sale of Asset - PD Veh# 15-22-044 / 2004 Chevy Astro (Use \$28,125 Accumulated Reserves for Purchase of New Patrol Cars) This is a CSRT Vehicle that is not needed due to CSO and CSO positions vacated as part of the 2015/2016 Adopted Budget.	New	1-Time	1,200	-	-	-

**2015 Carry Forward Budget Adjustment
Summary of Proposed Requests**

			Year 2015		Year 2016	
			Revenue	Expenditure	Revenue	Expenditure
Proceeds from Sale of Asset- PD Veh#12-65-001 / 2006 Chevy Silverado (Use \$27,000 Accumulated Reserves for Purchase of New Patrol Cars). This is the Fleet Coordinator vehicle that was vacated during the 2011/2012 Budget.	New	1-Time	2,500	-	-	-
Retain as PD Veh# 15-22-094 / 2008 Crown Vic as Secondary Use Pool Car (Use \$46,667 Accumulated Reserves for Purchase of New Patrol Cars) No reserves would accumulate on secondary vehicles as they would cycle pool cars through vehicle replacement.	New	1-Time	-	-	-	-
Retain as PD Veh# 15-22-416 / 2008 Crown Vic as Secondary Use Pool Car (Use \$40,000 Accumulated Reserves for Purchase of New Patrol Cars) No reserves would accumulate on secondary vehicles as they would cycle pool cars through vehicle replacement.	New	1-Time	-	-	-	-
Retain as PD Veh# 15-22-095 / 2008 Crown Vic as Secondary Use Pool Car (Use \$46,667 Accumulated Reserves for Purchase of New Patrol Cars) No reserves would accumulate on secondary vehicles as they would cycle pool cars through vehicle replacement.	New	1-Time	-	-	-	-
Retain as PD Veh# 15-22-093 / 2008 Crown Vic as Secondary Use Pool Car (Use \$46,667 Accumulated Reserves for Purchase of New Patrol Cars) No reserves would accumulate on secondary vehicles as they would cycle pool cars through vehicle replacement.	New	1-Time	-	-	-	-
Retain as PD Veh# 15-22-426 / 2010 Crown Vic as Secondary Use Pool Car (Use \$33,333 Accumulated Reserves for Purchase of New Patrol Cars) No reserves would accumulate on secondary vehicles as they would cycle pool cars through vehicle replacement.	New	1-Time	-	-	-	-
Eliminate Replacement of PD Veh# 15-22-426 / 2010 Crown Vic (Proposed to be Retained as Secondary Use Vehicle, and Use \$33,333 Accumulated Reserves for Purchase of New Vehicle)	New	1-Time	-	-	-	(44,000)
PD - Eliminate 15-70-112 2007 Honda ST1300 Motorcycle Replacement (based on currently having only 2 certified motor officers)	New	1-Time	-	-	-	(30,000)
PD - Delay Veh# 15-70-111 2007 Honda ST1300 Motorcycle Replacement until 2017/2018 (based on further evaluation, replacement is not needed in 2015/2016)	New	1-Time	-	(30,000)	-	-

**2015 Carry Forward Budget Adjustment
Summary of Proposed Requests**

			Year 2015		Year 2016	
			Revenue	Expenditure	Revenue	Expenditure
PD - Delay Veh# 15-70-112 2007 Honda ST1300 Motorcycle Replacement until 2017/2018 (based on further evaluation, replacement is not needed in 2015/2016)	New	1-Time	-	(30,000)	-	-
PD - Delay Veh#15-70-020 2001 GMC Sonoma Replacement Until 2017 (based on further evaluation, replacement is not needed in 2015/2016)	New	1-Time	-	(25,000)	-	-
PD - Delay Veh #15-22-427 2010 Ford Crown Vic Replacement Until 2017 (based on further evaluation, replacement is not needed in 2015/2016)	New	1-Time	-	-	-	(44,000)
Purchase of New Patrol Car (Funded by Accumulated Reserves from Surplus Vehicles)	New	1-Time	-	46,000	-	-
Purchase of New Patrol Car (Funded by Accumulated Reserves from Surplus Vehicles)	New	1-Time	-	46,000	-	-
Purchase of New Patrol Car (Funded by Accumulated Reserves from Surplus Vehicles)	New	1-Time	-	46,000	-	-
Purchase of New Patrol Car (Funded by Accumulated Reserves from Surplus Vehicles)	New	1-Time	-	46,000	-	-
Purchase of New Patrol Car (Funded by Accumulated Reserves from Surplus Vehicles)	New	1-Time	-	46,000	-	-
Purchase of New Patrol Car (Funded by Accumulated Reserves from Surplus Vehicles)	New	1-Time	-	46,000	-	-
Transfer to General Fund - Proceeds from Sale of Police Vehicles (not needed for purchase of 5 new patrol cars) & Excess Reserves from Surplus Assets	New	1-Time	-	40,802	-	-
Total - Fund 502 Property Management			\$ -	\$ 5,780	\$ -	\$ -
Pd - Gate Repair, Funded by Reserves	New	1-Time	-	5,780	-	-
Total - Fund 503 Information Technology			\$ 154,208	\$ 154,208	\$ 22,686	\$ 22,686
PD - Leads Online - Move from Police Budget to IT Budget	Accounting Change	Ongoing	6,188	6,188	6,188	6,188
PD - FileOnQ - Move from Police Budget to IT Budget - Ongoing	Accounting Change	Ongoing	7,342	7,342	7,342	7,342
PD - Casecracker - Move from Police Budget to IT Budget	Accounting Change	Ongoing	8,200	8,200	6,000	6,000
PD - Dish Network - Move from Police Budget to IT Budget	Accounting Change	Ongoing	3,156	3,156	3,156	3,156
CW - Exchange Server Refresh	2014	1-Time	35,000	35,000	-	-
PRCS - Fiber Optic Connection to Parks	2014	1-Time	30,000	30,000	-	-

**2015 Carry Forward Budget Adjustment
Summary of Proposed Requests**

			Year 2015		Year 2016	
			Revenue	Expenditure	Revenue	Expenditure
CW - Broadcast/Streaming City Council Meetings	2014	1-Time	10,000	10,000	-	-
CW - Website Update/Redesign	2014	1-Time	10,000	10,000	-	-
CW - Disaster Recovery	2014	1-Time	10,000	10,000	-	-
CW - Phone System Replacement	2014	1-Time	19,322	19,322	-	-
PW/ST & PW/SWM - KIP Printer Replacement	New	1-Time	15,000	15,000	-	-
Total - Fund 504 Risk Management			\$ 184,975	\$ 184,975	\$ 30,000	\$ 30,000
Adopted Budget Ordinance Correction - Ordinance Purposes Only, No \$ Impact	Housekeeping	n/a	79,736	79,736	30,000	30,000
Multi-Care Settlement (Source is General Fund)	City Council Approved 2/2/15	1-Time	85,000	85,000	-	-
AWC Retro Program - Professional Services (Source is Stay at Work Program Revenue)	New	1-Time	20,239	20,239	-	-

ORDINANCE NO.

AN ORDINANCE of the City Council of the City of Lakewood, Washington, amending the 2015-2016 Biennial Budget.

WHEREAS, the tax estimates and budget for the City of Lakewood, Washington, for the 2015-2016 fiscal biennium have been prepared and filed on October 1, 2014 as provided by Titles 35A.34 and 84.55 of the Revised Code of Washington; and

WHEREAS, the budget was printed for distribution and notice published in the official paper of the City of Lakewood setting the time and place for hearing on the budget and said notice stating copies of the budget can be obtained on-line and at the Office of the City Clerk; and

WHEREAS, the City Council of the City of Lakewood having held a public hearing on November 3, 2014, and having considered the public testimony presented; and

WHEREAS, per RCW 35.34.130, the City is required to adopt by ordinance a mid-biennial review and modification of the biennial budget. The review and modification shall occur no sooner than September 1, 2015 and no later than December 31, 2015. A review and evaluation of the Community Safety Resource Team (CSRT) Program shall occur as part of this process; and

WHEREAS, the City Council of the City of Lakewood adopted Ordinance 597 on November 17, 2014 implementing the 2015 and 2016 Biennial Budget; and

WHEREAS, the City Council of the City of Lakewood finds it necessary to revise the 2015-2016 Biennial Budget to adjust the 2015 beginning fund balance from the estimated amount to actual as fiscal year 2014 activities are concluded; continue existing projects by appropriating projects that were budgeted in the prior year, but not yet completed and will continue during the current year; appropriate projects funded by grants and contributions; and on an exception basis, new allocations.

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

Section 1. Budget Amendment. The 2015-2016 Biennial Budget, as originally set forth in Ordinance 597, Section 1, is amended to adopt the revised budget for the 2015-2016 biennium in the amounts and for the purposes as shown on Exhibits A(2) Revised Budget by Fund – Year 2015 and A(3) Revised Budget by Fund – Year 2016.

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

Section 3. Copies of the Budget to Be Filed. A complete copy of the final budget as adopted herein shall be transmitted to the Office of the State Auditor, the Association of Washington Cities and to the Municipal Research and Services Center of Washington. Copies of the final budget as adopted herein shall be filed with the City Clerk and shall be made available for use by the public.

Section 4. Effective Date. This Ordinance shall be in full force and effect for the fiscal years 2015 and 2016 and five (5) days after publication as required by law.

ADOPTED by the City Council this 4th day of May, 2015.

CITY OF LAKEWOOD

Don Anderson, Mayor

Attest:

Alice M. Bush, MMC, City Clerk

Approved as to Form:

Heidi Ann Wachter, City Attorney

EXHIBIT A(1)
2015-2016 ORIGINAL ADOPTED BUDGET BY FUND
Per Ordinance 597 Adopted November 17, 2014

Fund	2015				2016			
	Beginning Fund Balance	Revenue	Expenditure	Ending Fund Balance	Beginning Fund Balance	Revenue	Expenditure	Ending Fund Balance
General Fund (001)	\$ 4,034,368	\$ 35,107,433	\$ 34,966,947	\$ 4,174,854	\$ 4,174,854	\$ 35,709,391	\$ 35,546,448	\$ 4,337,797
Special Revenue Funds:								
101 Street Operations & Maintenance	-	1,893,850	1,893,850	-	-	1,948,250	1,948,250	-
102 Real Estate Excise Tax	1,647,206	800,000	2,447,206	-	-	800,000	800,000	-
103 Transportation Benefit District	-	572,000	572,000	-	-	685,000	685,000	-
104 Hotel/Motel Lodging Tax Fund	937,524	500,000	500,000	937,524	937,524	500,000	500,000	937,524
105 Property Abatement	200,000	-	100,000	100,000	100,000	-	100,000	-
106 Public Art	15,000	10,000	2,000	23,000	23,000	10,000	33,000	-
180 Narcotics Seizure	801,701	110,000	318,550	593,151	593,151	110,000	289,750	413,401
181 Felony Seizure	11,958	-	-	11,958	11,958	-	-	11,958
182 Federal Seizure	40,240	-	10,000	30,240	30,240	-	10,000	20,240
190 Grants	1,212	535,000	535,000	1,212	1,212	535,000	535,000	1,212
191 Neighborhood Stabilization Program	171,345	-	-	171,345	171,345	-	-	171,345
192 OEA Grant	5,393	179,500	179,500	5,393	5,393	179,500	179,500	5,393
195 Public Safety Grants	-	149,810	149,810	-	-	-	-	-
Debt Service Funds:								
201 GO Bond Debt Service	-	289,183	289,183	-	-	290,158	290,158	-
202 LID Debt Service	149	279,319	279,319	149	149	270,263	270,263	149
204 Sewer Project Debt	666,071	600,000	726,146	539,925	539,925	600,000	497,857	642,068
251 LID Guaranty	391,858	-	-	391,858	391,858	-	270,000	121,858
Capital Project Funds:								
301 Parks CIP	10,276	856,450	60,000	806,726	806,726	375,000	1,181,450	276
302 Transportation CIP	-	14,620,037	13,772,500	847,537	847,537	7,541,500	7,276,500	1,112,537
311 Sewer Project CIP	76,208	1,520,000	1,520,000	76,208	76,208	-	-	76,208
312 Sanitary Sewer Connection	562,834	297,000	-	859,834	859,834	302,000	-	1,161,834
Enterprise Fund:								
401 Surface Water Management	3,317,526	3,091,669	3,158,640	3,250,555	3,250,555	2,702,500	3,539,060	2,413,995
Internal Service Funds								
501 Fleet & Equipment	3,936,339	1,987,240	1,429,720	4,493,859	4,493,859	1,987,240	1,242,220	5,238,879
502 Property Management	393,421	742,080	909,080	226,421	226,421	749,800	799,800	176,421
503 Information Technology	-	1,178,650	1,178,650	-	-	1,069,950	1,069,950	-
504 Risk Management	-	774,014	774,014	-	-	748,980	748,980	-
Grand Total All Funds	\$ 17,220,629	\$ 66,093,235	\$ 65,772,115	\$ 17,541,749	\$ 17,541,749	\$ 57,114,532	\$ 57,813,186	\$ 16,843,095

EXHIBIT A(2)
PROPOSED REVISED BUDGET BY FUND - YEAR 2015

Fund	Beginning Fund Balance			Revenue			Expenditure			Ending Fund Balance
	Prior Amount	Adjustment	Revised	Prior Amount	Adjustment	Revised	Prior Amount	Adjustment	Revised	
General Fund (001)	\$ 4,034,368	\$ 498,327	\$ 4,532,695	\$ 35,107,433	\$ 80,301	\$ 35,187,734	\$ 34,966,947	\$ 763,032	\$ 35,729,979	\$ 3,990,450
Special Revenue Funds:										
101 Street Operations & Maintenance	-	-	-	1,893,850	(44,464)	1,849,386	1,893,850	(44,464)	1,849,386	-
102 Real Estate Excise Tax	1,647,206	(528,677)	1,118,529	800,000	137,000	937,000	2,447,206	(392,402)	2,054,804	725
103 Transportation Benefit District	-	-	-	572,000	-	572,000	572,000	-	572,000	-
104 Hotel/Motel Lodging Tax Fund	937,524	91,033	1,028,557	500,000	-	500,000	500,000	(48,150)	451,850	1,076,707
105 Property Abatement	200,000	61,771	261,771	-	48,700	48,700	100,000	75,000	175,000	135,471
106 Public Art	15,000	10,389	25,389	10,000	-	10,000	2,000	-	2,000	33,389
180 Narcotics Seizure	801,701	(318,430)	483,271	110,000	14,563	124,563	318,550	14,563	333,113	274,721
181 Felony Seizure	11,958	(6,915)	5,043	-	-	-	-	-	-	5,043
182 Federal Seizure	40,240	31,547	71,787	-	-	-	10,000	-	10,000	61,787
190 Grants	1,212	21,168	22,380	535,000	1,649,297	2,184,297	535,000	1,660,140	2,195,140	11,537
191 Neighborhood Stabilization Progra	171,345	(68)	171,277	-	-	-	-	80,000	80,000	91,277
192 OEA Grant	5,393	79,326	84,719	179,500	210,096	389,596	179,500	220,709	400,209	74,106
195 Public Safety Grants	-	216	216	149,810	27,257	177,067	149,810	27,473	177,283	0
Debt Service Funds:										
201 GO Bond Debt Service	-	-	-	289,183	51,476	340,659	289,183	51,476	340,659	0
202 LID Debt Service	149	902	1,051	279,319	-	279,319	279,319	-	279,319	1,051
204 Sewer Project Debt	666,071	(15,217)	650,854	600,000	-	600,000	726,146	-	726,146	524,708
251 LID Guaranty	391,858	(63)	391,795	-	-	-	-	-	-	391,795
Capital Project Funds:										
301 Parks CIP	10,276	0	10,276	856,450	238,729	1,095,179	60,000	238,729	298,729	806,726
302 Transportation CIP	-	-	-	14,620,037	18,482,053	33,102,090	13,772,500	18,958,461	32,730,961	371,129
311 Sewer Project CIP	76,208	29,862	106,070	1,520,000	-	1,520,000	1,520,000	-	1,520,000	106,070
312 Sanitary Sewer Connection	562,834	121,069	683,903	297,000	-	297,000	-	-	-	980,903
Enterprise Fund:										
401 Surface Water Management	3,317,526	3,550,716	6,868,242	3,091,669	229,876	3,321,545	3,158,640	2,744,937	5,903,577	4,286,210
Replacement Reserve Funds:										
501 Fleet & Equipment	3,936,339	159,636	4,095,975	1,987,240	39,875	2,027,115	1,429,720	723,202	2,152,922	3,970,168
502 Property Management	393,421	52,734	446,155	742,080	-	742,080	909,080	5,780	914,860	273,375
503 Information Technology	-	-	-	1,178,650	154,208	1,332,858	1,178,650	154,208	1,332,858	-
504 Risk Management	-	-	-	774,014	184,975	958,989	774,014	184,975	958,989	-
Total All Funds	\$17,220,629	\$ 3,839,328	\$21,059,957	\$ 66,093,235	\$ 21,503,942	\$87,597,177	\$ 65,772,115	\$ 25,417,669	\$91,189,784	\$ 17,467,349

EXHIBIT A(3)
PROPOSED REVISED BUDGET BY FUND - YEAR 2016

Fund	Beginning Fund Balance			Revenue			Expenditure			Ending
	Prior Amount	Adjustment	Revised	Prior Amount	Adjustment	Revised	Prior Amount	Adjustment	Revised	Fund Balance
General Fund (001)	\$ 4,174,854	\$ (184,404)	\$ 3,990,450	\$ 35,709,391	\$ (14,000)	\$ 35,695,391	\$ 35,546,448	\$ (198,404)	\$ 35,348,044	\$ 4,337,797
Special Revenue Funds:										
101 Street Operations & Maintenance	-	-	-	1,948,250	(153,290)	1,794,960	1,948,250	(153,290)	1,794,960	-
102 Real Estate Excise Tax	-	725	725	800,000	137,000	937,000	800,000	135,500	935,500	2,225
103 Transportation Benefit District	-	-	-	685,000	-	685,000	685,000	-	685,000	-
104 Hotel/Motel Lodging Tax Fund	937,524	139,183	1,076,707	500,000	-	500,000	500,000	-	500,000	1,076,707
105 Property Abatement	100,000	35,471	135,471	-	35,000	35,000	100,000	35,000	135,000	35,471
106 Public Art	23,000	10,389	33,389	10,000	-	10,000	33,000	-	33,000	10,389
180 Narcotics Seizure	593,151	(318,430)	274,721	110,000	-	110,000	289,750	-	289,750	94,971
181 Felony Seizure	11,958	(6,915)	5,043	-	-	-	-	-	-	5,043
182 Federal Seizure	30,240	31,547	61,787	-	-	-	10,000	-	10,000	51,787
190 Grants	1,212	10,325	11,537	535,000	(35,000)	500,000	535,000	(35,000)	500,000	11,537
191 Neighborhood Stabilization Progra	171,345	(80,068)	91,277	-	-	-	-	-	-	91,277
192 OEA Grant	5,393	68,713	74,106	179,500	-	179,500	179,500	-	179,500	74,106
195 Public Safety Grants	-	0	0	-	-	-	-	-	-	0
Debt Service Funds:										
201 GO Bond Debt Service	-	0	0	290,158	154,650	444,808	290,158	154,650	444,808	0
202 LID Debt Service	149	902	1,051	270,263	-	270,263	270,263	-	270,263	1,051
204 Sewer Project Debt	539,925	(15,217)	524,708	600,000	-	600,000	497,857	-	497,857	626,851
251 LID Guaranty	391,858	(63)	391,795	-	-	-	270,000	-	270,000	121,795
Capital Project Funds:										
301 Parks CIP	806,726	0	806,726	375,000	-	375,000	1,181,450	-	1,181,450	276
302 Transportation CIP	847,537	(476,408)	371,129	7,541,500	(5,273,000)	2,268,500	7,276,500	(4,992,500)	2,284,000	355,629
311 Sewer Project CIP	76,208	29,862	106,070	-	-	-	-	-	-	106,070
312 Sanitary Sewer Connection	859,834	121,069	980,903	302,000	-	302,000	-	-	-	1,282,903
Enterprise Fund:										
401 Surface Water Management	3,250,555	1,035,655	4,286,210	2,702,500	-	2,702,500	3,539,060	(417,095)	3,121,965	3,866,745
Replacement Reserve Funds:										
501 Fleet & Equipment	4,493,859	(523,691)	3,970,168	1,987,240	-	1,987,240	1,242,220	(118,000)	1,124,220	4,833,188
502 Property Management	226,421	46,954	273,375	749,800	-	749,800	799,800	-	799,800	223,375
503 Information Technology	-	-	-	1,069,950	22,686	1,092,636	1,069,950	22,686	1,092,636	-
504 Risk Management	-	-	-	748,980	30,000	778,980	748,980	30,000	778,980	-
Total All Funds	\$17,541,749	\$ (74,400)	\$17,467,349	\$ 57,114,532	\$ (5,095,954)	\$52,018,578	\$ 57,813,186	\$ (5,536,453)	\$52,276,733	\$ 17,209,194

2015 Carry Forward Budget Adjustment

City Council

April 20, 2015



Council Packet Information

- Memo
- Summary of Proposed Requests
- Ordinance & Exhibits

Purpose of Budget Adjustments

- Update 2014 beginning fund balance
- Incorporate items previously approved by Council
- Appropriate projects funded by grants and contributions
- Continuation of capital projects
- New allocations, on an exception basis

Most items are from 2014 or have been briefed at previous City Council meetings.

Total Adjustments for All Funds

Year 2015

- Increases beginning balance by \$3.83M for a total budget of \$21.06M
- Increases revenues by \$21.50M for a total budget of \$87.60M
- Increases expenditures by \$25.41M for a total budget of \$91.19M
- Decreases ending balance by \$74K for a total budget of \$17.47M

Year 2016

- Decreases beginning balance by \$74K for a total budget of \$17.47M
- Decreases revenues by \$5.10M for a total budget of \$52.02M
- Decreases expenditures by \$5.53M for a total budget of \$52.28M
- Increases ending balance by \$366K for a total budget of \$17.21M

Ending Fund Balance

- Proposed carry forward budget adjustment maintains the ending fund balance reserves in accordance with the financial policies.
- 12% equates to \$4.34M ending fund balance at the end of 2016

Highlights – General and Street O&M

- \$114K internal service charges for information technology (email exchange server refresh, fiber optic connections to parks, broadcast/stream City Council meetings, website update/redesign, disaster recovery plan, phone system)
- \$85K internal service charge for MultiCare settlement
- \$53K annual reduction in fire marshall contract, used to offset costs due to reallocation of CED/PW administrative assistant position (net savings \$20K annually)
- \$33K community visioning plan
- \$10K Lakewood Towne Center development
- \$20K Pacific Highway redevelopment market analysis
- \$48K Motor Ave complete streets contracted services

Highlights – General and Street O&M

- \$56K total reduction in election costs (original budget included \$30K for special election)
- \$30K STOP grant for domestic violence
- \$14K annual elimination of UP court transport reimbursement
- \$40K annual increase in public defender contract
- \$28K transfer to Parks CIP for Fort Steilacoom Barn Removal (additional new funding of \$72 from REET)
- \$30K transfer to Parks CIP for Springbrook demolition
- \$89K transfer to Parks CIP for Bridgeport Gateway
- \$5K Nisqually grant for recreation program (Ray Evans fishing memorial)

Highlights – General and Street O&M

- \$51K reduction in 2015 and \$145K reduction in 2016 in energy and repairs and maintenance due to LED streetlight retrofit. Savings plus an additional \$10K from General Fund applied to annual debt service requirements.
- \$15K for one school sign at Gravelly Lake/Park Lodge Elementary
- \$9K for police marine patrol offset by vessel registration entitlement fee
- \$16K decrease to reflect actual sex offender address verification grant award
- \$25K increase for police mental health counselor funded by Nisqually grant
- \$29K increase for DUI emphasis overtime and traffic safety requirements funded by prior year revenue

Highlights – Real Estate Excise Tax Fund

- \$137K increase in REET estimate
- \$329K decrease in transfers to transportation CIP (realignment of projects and project carry forward)
- \$72K transfer to parks CIP for Fort Steilacoom Barn Removal (plus an additional \$28K from general fund)

Highlights – Hotel/Motel Lodging Tax Fund

- \$500K elimination of original 2015 allocation estimate
- Add \$482K actual lodging tax allocation

Highlights – Property Abatement Fund

- \$35K increase due to accounting change of General Fund contribution to abatement
- \$14K revenue increase for property abatement proceeds
- \$40K increase due to eliminating original estimate and replacing with updated estimate.

Highlights – Narcotics Seizure Fund

- \$12K for police Tacoma Regional Task Force grant
- \$3K for OCDETF Joint Law Enforcement Operations grant

Highlights – CDBG Fund

- \$35K reduction due to accounting change of General Fund contribution to abatement
- \$21K increase for minor home loans funded by Nisqually grants
- \$43K decrease to reflect actual 2015 CDBG grant award
- \$255K increase for balance of 2014 CDBG grant award
- \$1.02M increase for HOME program balance
- \$442K increase for CDBG Section 108 loan for transportation CIP

Highlights – NSP Fund

- \$80K increase for balance of Neighborhood Stabilization Program 1

Highlights – Office of Economic Adj/SSCMP

- \$190K increase for OEA 2014 grant balance
- \$54K decrease to reflect actual 2015 funded by 2015 partnership contributions
- \$56K increase funded by 2014 partnership contributions
- \$29K increase funded by OEA 2013 grant

Highlights – Public Safety Grants

- \$150K elimination of estimated grants (replace with actual award allocation)
- \$54K for JAG Mental Health grant
- \$36K for JAG metal theft grant
- \$56K for Emergency Management Planning grant
- \$19K for JAG Therapeutic Justice grant
- \$6K for WTSC Target Zero Teams grant
- \$6K for WTSC Impaired Driving Emphasis grant
- \$1k for WTSC Seatbelt Emphasis grant

Highlights – GO Bond Debt Service Fund

- \$51K for LED Streetlight LOCAL financing debt service in 2015 and \$155K in 2016

Highlights – Parks CIP

- \$30K for Springbrook demolition
- \$109K for Bridgeport Gateway
- \$100K for Fort Steilacoom Barn Removal (includes \$72K new funding from REET)
- CIP project worksheets in progress to reflect carry forward budget adjustments

Highlights – Transportation CIP

- Realignment of projects to include grant funding and carry forward of projects
- CIP project worksheets in progress to reflect carry forward budget adjustments
- Overall, improved accounting of capital project fund as a whole, as well as individual projects
- Comprehensive list on pages 108 - 109 of carry forward budget adjustment packet (narrative details on pages 93 – 96)

Highlights – Fund 401 Surface Water Management

- \$16K reduction in 2015 and \$17K reduction in 2016 due to reallocation of CED/PW administrative assistant position
- \$1.17M net increase in transfer to Transportation CIP Fund to reflect SWM's share of surface water related capital costs
- \$1.88M total increase for carry forward of various capital projects
 - \$192K for Outfall Water Quality Retrofits
 - \$114K for Lower Clover Creek Fish Passage
 - \$115K for Waughop Lake Management Plan
 - \$527K for permanent PW O&M Facility
 - \$240 for Mountain View Outfall Water Quality
- \$8K internal service charge for SWM's share of large format KIP printer replacement

Highlights – Fleet & Equipment Fund

Evaluation of fleet and equipment needs due to reorganization of functions that occurred as part of the 2015/2016 budget

PRCS, PW and CED

- Surplus 11 vehicles from PRCS, PW and CED that are no longer needed
- Replace 5 vehicle/equipment, funded by accumulated reserves, reserves from surplus and/or sale proceeds
- Retain 2 vehicle/equipment for secondary use
- Purchase 4 new vehicle/equipment, funded by accumulated reserves from surplus vehicle/equipment and sale proceeds
 - \$178K for new 50' bucket truck for street lights and traffic signals
 - \$60K for new service body truck w/crane for signal crew
 - \$33K for ¾ ton truck for sign program
 - \$6K for new utility trailer parks maintenance

Highlights – Fleet & Equipment Fund

Evaluation of fleet and equipment needs due to reorganization of functions that occurred as part of the 2015/2016 budget

Police

- Surplus 4 vehicles that are no longer needed
- Retain 5 vehicles as secondary pool cars
- Purchase 5 new patrol vehicles (use accumulated reserves from 5 retained vehicles above)
- Delay replacement of 2 motorcycles until 2017/2018
- Eliminate replacement of 1 motorcycle due to only having 2 officers certified
- Delay replacement of 2 vehicles due to further evaluation, not currently needed
- Transfer \$41K of excess proceeds from sale of vehicles and surplus reserves to General Fund

Highlights – Information Technology Fund

- \$114K internal service charges for information technology (email exchange server refresh, fiber optic connections to parks, broadcast/stream City Council meetings, website update/redesign, disaster recovery plan, phone system)
- \$15K for large format printer Replacement funded by Street O&M savings and SWM

Highlights – Risk Management

- Ordinance correction – no impact to budget \$
- \$85K for MultiCare settlement
- \$20K for AWC Retro Program professional services, funded by Stay-At-Work reimbursements

Ending Fund Balance

- \$4.34M ending fund balance requirement maintained at end of 2016
- Goal – 12% of General Fund operating revenue
 - 2% Contingency Reserves \$723K
 - 5% General Fund Reserves \$1.81M
 - 5% Strategic Reserves \$1.81M

Next Steps & Upcoming Items

- Public Hearing on April 20, 2015
- Adoption of Ordinance scheduled for May 4, 2015
- Evaluation of information technology needs and potential funding sources
- Review of 6-year financial forecast and Municipal Finances 101
- Labor contracts – 3 expiring end of 2015 and 1 expiring end of 2016
- Review of development services fees
- Review of parks and recreation fees

End of Presentation