

REQUEST FOR COUNCIL ACTION

DATE ACTION IS REQUESTED: May 5, 2014 REVIEW: April 14, 2014 April 21, 2014	TITLE: An Ordinance amending the 2013-2014 Biennial Budget ATTACHMENTS: <ul style="list-style-type: none"> • Ordinance & Exhibits 	TYPE OF ACTION: ORDINANCE NO. 582 RESOLUTION NO. MOTION OTHER
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SUBMITTED BY: Tho Kraus, Assistant City Manager/Finance & Administrative Services


RECOMMENDATION: It is recommended that the City Council adopt this Ordinance amending the City's 2013-2014 Biennial Budget.

DISCUSSION: The Revised Code of Washington (RCW) Chapter 35A.34 stipulates that a public hearing be held in connection with the modification process. Following the RCW guidelines, the City is holding a public hearing on the 2014 Carry Forward Budget Adjustment ordinance on April 21, 2014. The proposed budget adjustment makes the following types of modifications to fiscal year 2014: revise the beginning balance by adjusting the estimated amount to reflect the final 2013 ending fund balance; incorporate items previously approved by Council; appropriate projects funded by grants and contributions; continuation of capital projects; changing operating trends and conditions; and new allocations on an exception basis.

ALTERNATIVE(S): The City Council may approve the budget ordinance with modifications.

FISCAL IMPACT: The proposed budget adjustment for all funds:

- increases beginning fund balance by \$2,211,405 in 2014;
- increases revenues by \$19,526,637 in 2014;
- increases expenditures by \$19,037,345 in 2014; and
- increases ending fund balance by \$2,700,697 in 2014.

_____ Prepared by _____ Department Director	 _____ City Manager Review
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ORDINANCE NO.

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

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

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

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

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

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

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

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

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

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

ADOPTED by the City Council this ___day of May, 2014.

CITY OF LAKEWOOD

Don Anderson, Mayor

Attest:

Alice M. Bush, MMC, City Clerk

Approved as to Form:

Heidi Ann Wachter, City Attorney

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

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

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

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



To: Mayor and City Councilmembers
From: Tho Kraus, Assistant City Manager/Finance & Administrative Services
Through: John J. Caulfield, City Manager *John J. Caulfield*
Date: April 21, 2014
Subject: 2014 Carry Forward Budget Adjustment

BACKGROUND

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

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

PROPOSED BUDGET ADJUSTMENT SUMMARY

The proposed budget adjustment:

- Increases total beginning fund balance for all funds by \$2.21M, resulting in a total revised beginning fund balance estimate of \$19.54M;
- Increases total revenues for all funds by \$19.53M, resulting in a total revised revenue estimate of \$76.08M;
- Increases total expenditures for all funds by \$19.04M, resulting in a total revised expenditure estimate of \$77.51M; and
- Increases total ending fund balance for all funds by \$2.70M, resulting in a total revised ending fund balance estimate of \$18.12M.

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

Fund Group	Beginning Fund Balance			Revenue			Expenditure			Ending Fund Balance		
	Current Budget	Proposed Adjustment	Proposed Revised Budget	Current Budget	Proposed Adjustment	Proposed Revised Budget	Current Budget	Proposed Adjustment	Proposed Revised Budget	Current Budget	Proposed Adjustment	Proposed Revised Budget
Total Year 2014	\$ 17,330,678	\$ 2,211,405	\$ 19,542,083	\$ 56,558,068	\$ 19,526,637	\$ 76,084,705	\$ 58,470,978	\$ 19,037,345	\$ 77,508,323	\$ 15,417,768	\$ 2,700,697	\$ 18,118,465
General	1,737,359	372,993	2,110,352	34,247,355	1,120,649	35,368,004	34,702,730	233,266	34,935,996	1,281,984	1,260,376	2,542,360
Special Revenue	5,104,254	(1,033,275)	4,070,980	16,092,583	17,658,028	33,750,611	17,113,453	16,777,010	33,890,463	4,083,384	(152,257)	3,931,127
Debt Service	803,235	97,022	900,257	828,470	287,758	1,116,228	746,905	287,758	1,034,663	884,800	97,022	981,822
Capital Projects	551,922	94,373	646,295	558,180	-	558,180	277,120	-	277,120	832,982	94,373	927,355
Enterprise	4,053,266	2,214,343	6,267,610	2,981,640	386,201	3,367,841	4,407,540	1,829,744	6,237,284	2,627,366	770,800	3,398,167
Replace Reserves	5,080,643	465,947	5,546,590	1,849,840	74,000	1,923,840	1,223,230	(90,434)	1,132,796	5,707,253	630,381	6,337,634

PROPOSED BUDGET ADJUSTMENT HIGHLIGHTS

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

Fund 001 – General

Non-Departmental/City-Wide:

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

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

City Council:

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

City Manager:

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

Finance & Administrative Services:

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

Legal:

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

Community & Economic Development:

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

Municipal Court:

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

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

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

Parks, Recreation & Community Services

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

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

Police:

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

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

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

Public Works:

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

Fund 101 – Street Operations & Maintenance

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

Fund 102 - Street Capital

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

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

Fund 106 – Public Art

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

Fund 180 – Narcotics Seizure

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

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

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

Fund 181 – Felony Seizure

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

Fund 190 – CDBG (and Other Grants)

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

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

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

Fund 191 - Neighborhood Stabilization Program (NSP)

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

Fund 192 – Office of Economic Adjustment (OEA)

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

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

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

Fund 195 – Public Safety Grants

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

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

Fund 401 – Surface Water Management

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

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

Fund 501 – Equipment Replacement

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

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

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

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

ENDING FUND BALANCE

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

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

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

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

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

NEXT STEPS

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

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

ATTACHMENTS

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

PUBLIC WORKS O&M FACILITY – PROJECT SUMMARY

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

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

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

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

The increase in project cost is due to:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	Year 2014	
	Revenue	Expenditure
Street Landscaping - Function Transferred from Public Works, Funded by Transfer In from SWM	15,000	15,000
Street Landscaping - Facilities - Function Transferred from Public Works Dept to Parks Dept		54,000
Subtotal - Parks	\$ 90,920	\$ 135,100
Computer Replacement - Police	-	189,184
Computer Replacement - Transfer In From Felony (Civil) Seizures to Fund Computer Replacement	85,939	-
Computer Replacement - Transfer In From Narcotics Seizures to Fund Computer Replacement	14,061	-
Computer Replacement - Reduce Expenditure to Fund Computer Replacement	-	(89,184)
Teamsters Contract Settlement	-	10,490
Community Services Resource Team Donation Received in 2013	-	1,162
Overtime - Funded by Pacific Northwest Innocence Lost Grant	17,202	17,202
Overtime - Funded by Safe Streets Task Force Grant	17,202	17,202
Sex Offender Address Verification Funding (Expenditures Already Budgeted in 2014)	13,980	-
Overtime - Funded by WA State Patrol Missing and Exploited Children Grant	7,250	7,250
Evidence Vehicle - Funded by Property Revenue Received in 2013	-	28,000
Smartphones as Hot Spots Replacing Aircards - Expenditures Savings	-	(3,000)
Subtotal - Police	\$ 155,634	\$ 178,306
Computer Replacement - Public Works	-	11,125
Computer Replacement - Reduce General Fund Transfer to Street Fund	-	(11,125)
Street Landscaping - Facilities - Function Transferred from Public Works to Parks, Recreation & Comm Svcs		(54,000)
Reduce Transfer Transfer to Street Fund Due to Elimination of Public Works Senior Accountant		(20,052)
Subtotal - Public Works / Property Management	\$ -	\$ (74,052)
Grand Total - Special Revenue Funds	\$ 17,658,027	\$ 16,777,010
Total - Fund 101 Street Operations & Maintenance	\$ (163,716)	\$ (154,452)
Street Landscaping - Function Transferred from Public Works Dept to Parks Dept	-	(134,400)
Street Landscaping - Reduce General Fund Transfer to Street Fund	(134,400)	-
Eliminate Public Works Senior Accountant - Salaries & Benefits; Reduce Transfer In From General Fund	(20,052)	(20,052)
Computer Replacement - Reduce General Fund Transfer to Street Fund	(965)	-
Computer Replacement - Reduce General Fund Transfer to Street Fund	(8,299)	-
Total - Fund 102 Street Capital	\$ 15,554,220	\$ 14,754,328
Transfer In From Fund 401 SWM for Storm Water Portion of Gravelly Lake Dr - 100th to Bridgeport	15,000	-
Transfer In From Fund 401 SWM for Storm Water Portion of Bridgeport Way - 83rd to 75th	900,000	
Transfer In From Fund 401 SWM for Storm Water Portion of Custer/John Dower	20,000	
Transfer In From Fund 401 SWM for Storm Water Portion of So Tacoma Way - Steilacoom to 88th	100,000	
Transfer In From Fund 401 SWM for Storm Water Portion of Bridgeport Way - JBLM I-5	492,750	
Transfer To Fund 401 SWM for Street Capital Portion of PW O&M Facility	-	187,975
Custer/John Dower Road - Funded by WSDOT Grant	150,000	180,000
Lakewood Station Connections - Funded by Cooperative agreement with Sound Transit	26,800	20,000
96th Roadway Improvements - Funded by Mitigation	46,647	46,647
City-Wide Traffic Signal Management - Funded by WSDOT Grant	233,032	243,032
Gravelly Lake Drive (100th - Bridgeport Way) - Funded by WSDOT Grant	252,683	267,683
Bridgeport Way (83rd to 75th) - Funded by TIB Grant	3,500,000	4,270,000
South Tacoma Way (SR-512 to 96th) - Funded by TIB Grant	13,900	(120,000)
Dower Elementary Safe Routes to Schools - Funded by WSDOT Grant	15,000	15,000
Madigan Access Improvements - Funded by OEA Grant	747,758	547,758
Camp Murray Gate Relocation - Funded by Traffic Mitigation Payments	96,563	96,563
City-Wide Safety Improvements - Funded by WSDOT Grant	180,000	189,000
Steilacoom Blvd Safety Improvements - Funded by WSDOT Grant	1,886,297	1,701,297
South Tacoma Way (Steilacoom Blvd to 88th) - Funded by TIB Grant	1,065,540	1,059,425
Bridgeport Way (JBLM to I-5) - Grant has not been received	3,286,250	3,699,000

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

	Year 2014	
	Revenue	Expenditure
LED Street Lights - Funded by Dept of Commerce (\$500,000) and Remaining Funding to be Determined	2,370,000	2,370,000
112th/111th (Bridgeport to Kendrick) - Funded by WSDOT and Sound Transit	156,000	-
Minor Capital Projects for Miscellaneous Projects including Patching & Pavement Markings	-	100,000
Eliminate Public Works Senior Accountant - Salaries & Benefits	-	(20,052)
Total - Fund 104 Hotel/Motel Lodging Tax	\$ -	\$ (1,150)
Eliminate Original Estimate	-	(497,040)
2014 Allocation	-	495,890
Total - Fund 106 Public Art Fund	\$ -	\$ 2,000
Arts Commission Programs	-	2,000
Total - Fund 180 Narcotics Seizure	\$ 41,965	\$ 93,439
Remove negative revenue budget figure	3,000	-
Transfer to Fund 001 General Fund to Partially Fun Police Laptop Computer Replacement	-	14,061
Purchase of Vehicle - Funded by Fund Balance	-	20,481
Purchase of Vehicle - Funded by Fund Balance	-	19,932
Orgnized Crime Drug Enforcement Task Force - Grant Balance	5,000	5,000
Orgnized Crime Drug Enforcement Task Force - Grant Balance	4,639	4,639
Orgnized Crime Drug Enforcement Task Force - Grant Balance	5,289	5,289
Orgnized Crime Drug Enforcement Task Force - Grant Balance	19,037	19,037
Orgnized Crime Drug Enforcement Task Force - Grant Balance	5,000	5,000
Total - Fund 181 Felony Seizure	\$ (10,000)	\$ 67,601
Transfer to Fund 001 General Fund to Partially Fun Police Laptop Computer Replacement	-	85,939
Eliminate Revenue Estimate	(10,000)	-
Reduce Expenditure Due to Eliminating Revenue Estimate & 2014 Beginning Balance Less Than Projected	-	(18,338)
Total - Fund 182 Federal Seizure	\$ -	\$ -
	-	-
Total - Fund 190 Grants	\$ 2,069,382	\$ 1,825,049
STOP Grant Pierce County - Legal Domestic Violence Program - Eliminate Original Estimate	(14,000)	(16,720)
STOP Grant Pierce County - Legal Domestic Violence Program - 2014 Grant	26,218	26,218
CDBG - Economic Development - 2012 Grant Program - Funded by Grant, Program Income, Fund Balance	26,770	31,770
CDBG - Section 108 - 2013 Program	503,610	503,610
CDBG - Section 108 - 2014 Program	497,960	-
CDBG - 2012 Program (Public Service, Physical Improvements, Major Rehab, Housing)	38,400	38,400
CDBG - 2013 Program (Public Service, Physical Improvements, Major Rehab, Housing)	273,608	231,918
HOME - 2012 & 2013 Program	704,760	482,740
Nisqually Grant - Emergency Assistance Displaced Residence	12,056	12,056
Correction to Ordinance - Reduce Expenditures - Adopted Budget Correction	-	(325,000)
Transfer to Fund 001 General - Return Unspent General Fund Source	-	840,057
Total - Fund 191 Neighborhood Stabilization Program (NSP)	\$ 254,580	\$ 254,580
NSP 1 - 2011 Program	158,549	158,549
NSP 3 - 2011 Program	13,144	13,144
NSP 3 - 2011 Program Amendment - Council Approved on 2/28/2014	82,887	82,887
Total - Fund 192 Office of Economic Adjustment (OEA)	\$ (9,086)	\$ 14,173
OEA 04 - 2013 Program - Difference funded by SSMCP Partnership carry forward	45,774	61,909
OEA 05 - 2014 & 2015 Program - Joint Land Use Study - Office of Economic Adjustment	426,003	426,003
SSMCP - 2014 Partnership Participation	(660,363)	(660,363)
SSMCP - 2014 Partnership Participation	179,500	186,624
Total - Fund 193 Office of Economic Adjustment (OEA)	\$ -	\$ (300)
Eliminate 2014 Budget - Grant Complete	-	(300)
Total - Fund 195 Public Safety Grants	\$ (79,318)	\$ 678,258)

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

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

ORDINANCE NO.

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

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

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

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

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

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

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

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

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

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

ADOPTED by the City Council this ___day of May, 2014.

CITY OF LAKEWOOD

Don Anderson, Mayor

Attest:

Alice M. Bush, MMC, City Clerk

Approved as to Form:

Heidi Ann Wachter, City Attorney

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

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

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

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

2014 Carry Forward Budget Adjustment

City Council

April 21, 2014



Council Packet Information

- Staff Memo
- Public Works O&M Facility Summary
- 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
- Changing operating trends and conditions
- New allocations, on an exception basis

Total Adjustments for All Funds

- Increase beginning balance by \$2.21M for a total budget of \$19.54M
- Increase revenues by \$19.53M for a total budget of \$76.08M
- Increase expenditures by \$19.04M for a total budget of \$77.51M
- Increase ending balance by \$2.7M for a total budget of \$18.12M

Highlights - Fund 001 General

- Adopted budget ordinance correction
- Computer replacement funded by seizure funds & existing department budgets
- Move debt service payments to debt service fund
- Transfer in unspent general fund source from grant fund
- Transfer in reserves for vehicle & equipment replacement

Transfer In Unspent General Fund Source from Grant Fund

Fund 190 CDBG (& Other Grants)				
Year	Ending		Transfers In From General Fund	
	Fund Balance		By Year	Running Total
1996	\$	-	\$	-
1997		23,409	39,135	39,135
1998		(6,032)	41,900	81,035
1999		93,332	46,880	127,915
2000		85,659	306,140	434,055
2001		8	-	434,055
2002		500,192	327,220	761,275
2003		624,246	156,220	917,495
2004		600,770	198,220	1,115,715
2005		658,587	139,920	1,255,635
2006		615,305	134,540	1,390,175
2007		697,559	138,790	1,528,965
2008		554,900	13,146	1,542,111
2009		814,833	-	1,542,111
2010		821,384	-	1,542,111
2011		843,831	-	1,542,111
2012		849,722	-	1,542,111
2013	\$	841,268	\$	1,542,111

Transfer In Unspent General Fund Source from Grant Fund

Fund 190 CDBG (& Other Grants)									
Year	Revenues Over / (Under) Expenditures								
	CDBG	Running Total	PD/Legal/Court	Running Total	Other Grants	Running Total	General Fund	Running Total	Running Total - All
1996	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1997	-	-	-	-	(15,726)	(15,726)	39,135	39,135	23,409
1998	-	-	1,512	1,512	(72,853)	(88,579)	41,900	81,035	(6,032)
1999	(44,587)	(44,587)	6,755	8,267	90,317	1,738	46,880	127,915	93,333
2000	46,224	1,637	2,831	11,098	(362,868)	(361,130)	306,140	434,055	85,660
2001	-	1,637	-	11,098	(85,650)	(446,780)	-	434,055	10
2002	-	1,637	(2,002)	9,096	174,966	(271,814)	327,220	761,275	500,194
2003	-	1,637	(8,611)	485	(23,556)	(295,370)	156,220	917,495	624,247
2004	2,167	3,804	(24,654)	(24,169)	(199,208)	(494,578)	198,220	1,115,715	600,772
2005	999	4,803	(63,882)	(88,051)	(19,220)	(513,798)	139,920	1,255,635	658,589
2006	23,547	28,350	(81,700)	(169,751)	(119,669)	(633,467)	134,540	1,390,175	615,307
2007	(15,420)	12,930	(71,281)	(241,032)	30,205	(603,262)	138,790	1,528,965	697,601
2008	19,909	32,839	(47,704)	(288,736)	(128,049)	(731,311)	13,146	1,542,111	554,903
2009	(26,026)	6,813	70,469	(218,267)	215,490	(515,821)	-	1,542,111	814,836
2010	5,389	12,202	(174)	(218,441)	1,336	(514,485)	-	1,542,111	821,387
2011	25,337	37,538	-	(218,441)	(2,890)	(517,375)	-	1,542,111	843,833
2012	5,891	43,428	-	(218,441)	-	(517,375)	-	1,542,111	849,723
2013	\$ (8,454)	\$ 34,973	\$ -	\$ (218,441)	\$ -	\$ (517,375)	\$ -	\$ 1,542,111	\$ 841,268

Other grants include: Park projects, human services, DSHS, CTED, GMA, records management, airport aid, etc.

Highlights - Fund 001 General

- Add court overtime, funded by vacant court operations supervisor position
- Ipad keyboards
- Transfer to SSMCP for city's partnership contribution
- City visioning (new allocation)
- Fire Marshal contract
- Eliminate funding for National Development Council, FRAUSE, & Buxton
- Farmers Market
- Math Relay
- Springbrook Demolition (new allocation)
- Street landscape maintenance function from public works to parks maintenance

Highlights - Fund 001 General

- Teamsters contract settlement
- CSRT donation
- Police overtime funded by various grants
- Evidence vehicle funded by property room proceeds (new allocation)
- Smartphones as hotspots, expenditure savings

- Eliminate public works senior accountant position

Pending Items - Fund 001 General

- Professional services - comprehensive plan & fiscal analysis for economic development opportunities
- Information technology strategic plan
- Fleet & equipment plan
- Other miscellaneous

Highlights - Fund 101 Street O&M

- Street landscape maintenance function from public works to parks maintenance
- Eliminate public works senior accountant position
- Computer replacement

Highlights – Fund 102 Street Capital

- Continuation of capital projects
- Grant funded projects
- O&M facility
- Eliminate public works senior accountant

Highlights – Fund 106 Public Art

- Arts Commission funding

Highlights – Fund 180 Narcotics Seizure

- Correct revenue estimate
- Funding for police computer replacement
- Purchase 2 vehicles for special operations unit
- Organized Crime Drug Enforcement Task Force grants

Highlights – Fund 181 Felony Seizure

- Funding for police computer replacement
- Eliminate revenue estimate
- Reduce expenditures to reflect actual funding available

Highlights – Fund 190 CDBG (& Other Grants)

- Fund previously used to account for city-wide grants
- Fund currently used to account for CDBG grants (& a domestic violence grant)
- Return unspent general fund source back to the General Fund, projects complete
 - Minimal ending fund balance for CDBG program income
- Appropriate revenues and expenditures, reimbursement basis
- Correct original adopted ordinance, expenditures overstated

Highlights – Fund 190 CDBG (& Other Grants)

Net Ending Balance by Project	2014 Current Adopted Budget	Proposed Adjustments	2014 Proposed Revised Budget
STOP Domestic Violence Grant:	\$ (2,720)	\$ 2,720	\$ -
Revenue	14,000	12,218	26,218
Expenditures	16,720	9,498	26,218
CDBG Home Program:	\$ (222,020)	\$ 222,020	\$ -
Revenue	210,000	704,760	914,760
Expenditures	432,020	482,740	914,760
CDBG Major Repairs Assistance Revolving Loans:	\$ (41,690)	\$ 41,690	\$ -
Revenue	450,000	312,008	762,008
Expenditures	491,690	270,318	762,008
CDBG Economic Development Business Loans:	\$ 5,000	\$ (5,000)	\$ -
Revenue	5,000	26,770	31,770
Expenditures	-	31,770	31,770
CDBG Section 108:	\$ (497,960)	\$ 497,960	\$ -
Revenue	10,000	1,001,570	1,011,570
Expenditures	507,960	503,610	1,011,570
Nisqually Grant:	\$ -	\$ -	\$ -
Revenue	-	12,056	12,056
Expenditures	-	12,056	12,056

Highlights – Fund 191 Neighborhood Stabilization Program

- NSP 1 – 1st round of funds
- NSP 3 – 3rd round (City did not receive 2nd round of allocations)
- Ending fund balance represents NSP1 program income (liens from abatement)

Highlights – Fund 192 Office of Economic Adjustment

- Office of Economic Adjustment grants
- 2014 SSMCP program
- Ending fund balance represents 2014 SSMCP general membership revenues

Highlights – Fund 193 Police ARRA Grants

- Eliminate expenditure budget, grant is complete

Highlights – Fund 195 Public Safety Grants

- Various police department grants

Highlights – Fund 201 GO Bond Debt Service

- 59th street and police facility debt service

Highlights – Fund 401 Surface Water Management

- Continuation of capital projects
- Grant funded projects
- O&M facility
- Eliminate public works senior accountant
- Eliminate depreciation budget

Highlights – Fund 401 Surface Water Management

- 5,000 square foot shop – house materials & equipment, use as work bays
 - Currently paying rental charges for storage containers and enclosed work space
- 50% usage and cost split between SWM and street capital

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

Highlights – Fund 501 Vehicle & Equipment Replacement

- Transfer to General Fund for court and parks vehicle & equipment, reserves
- Transfer to SWM Fund for vehicle purchase, reserves
- Replace parks maintenance vehicle, reserves
- Replace totaled police vehicle, insurance proceeds
- Eliminate original police vehicle replacement budget, non-itemized
- Replace police vehicles, reserves, some surplus proceeds & ending fund balance
- Eliminate depreciation budget

Ending Fund Balance

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

Reserve Funds - Goal

2% Contingency Reserves = \$700K

To accommodate unexpected operational changes, legislative impacts, or other economic events affecting the City's operations which could not have been reasonably anticipated at the time the original budget was prepared.

5% General Fund Reserves = \$1.7M

To provide financial stability, cash flow for operations and the assurance that the City will be able to respond to revenue shortfalls with fiscal strength.

5% Strategic Reserves = \$1.7M

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

Next Steps

- Adoption of Ordinance scheduled for May 5, 2014

Next Steps – Information to Council

- Fleet & Equipment Plan (April 2014)
- Information Technology Plan (April 2014)
- 6-Year Financial Forecast (June 2014)
- Financial Policies (June 2014)
- 1st Quarter, 2014 Financial Report (June 2014)