




To: Mayor and City Councilmembers  
From: Tho Kraus, Assistant City Manager/Administrative Services  
Through: John J. Caulfield, City Manager   
Date: November 6, 2017  
Subject: 2017-2018 Mid-Biennium Budget Adjustment – Public Hearing

---

**BACKGROUND:**

Washington state law requires cities that are on a biennial budget cycle perform a mid-biennial review and modification of the biennial budget. The review is to occur no sooner than eight months after the start nor later than the conclusion of the first year of the biennium.

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

- Housekeeping adjustments to incorporate items previously approved by Council;
- Reflect projects funded by grants and contributions;
- Changing operating trends and conditions; and
- New allocations.

**NEW ITEMS ADDED / ITEMS REMOVED:**

Since the proposed mid-biennium budget adjustment was presented to the City Council on September 25, 2017, the following items have been added / removed:

- 1) Add \$27,791 in 2017 for major public art contract, funded by REET.  
*Details of this adjustment is listed under Fund 106 Public Art Fund.*
- 2) Add \$39,000 in 2017 to replace Police Vehicle #40420, funded by replacement reserves.
- 3) Add \$35,000 in 2017 to replace Police Vehicle #40570, funded by replacement reserves.  
*Details of these adjustments are listed under Fund 501 Fleet & Equipment Fund.*
- 4) Remove \$458,800 in 2018 for Fort Steilacoom Park Pavilion (remove grants anticipated and corresponding expenditures).

**PROPOSED BUDGET AMENDMENTS – SUMMARY:**

Year 2017:

- No change in beginning fund balance;
- Increases total revenues for all funds by \$4.89M, resulting in a total revised revenue estimate of \$84.90M;
- Increases total expenditures for all funds by \$6.32M, resulting in a total revised expenditure estimate of \$95.66M; and
- Decreases total ending fund balance for all funds by \$1.43M, resulting in a total revised ending fund balance estimate of \$15.99M.

Year 2018:

- Decreases total beginning fund balance for all funds by \$1.43M, resulting in a total revised beginning fund balance estimate of \$15.99M;
- Increases total revenues for all funds by \$4.58M, resulting in a total revised revenue estimate of \$79.15M;
- Increases total expenditures for all funds by \$4.81M, resulting in a total revised expenditure estimate of \$80.48M; and
- Decreases total ending fund balance for all funds by \$1.66M, resulting in a total revised ending fund balance estimate of \$14.66M.

The table below provides a breakdown of the proposed 2017 and 2018 mid-biennium budget adjustment by year and fund group.

Fund Group	Beginning Fund Balance			Revenue			Expenditure			Ending Fund Balance		
	Current Budget	Proposed Adjustment	Proposed Revised Budget	Current Budget	Proposed Adjustment	Proposed Revised Budget	Current Budget	Proposed Adjustment	Proposed Revised Budget	Current Budget	Proposed Adjustment	Proposed Revised Budget
<b>Total Year 2017</b>	\$26,744,644	\$ -	\$26,744,644	\$80,019,522	\$ 4,887,683	\$84,907,205	\$89,345,202	\$ 6,319,224	\$95,664,426	\$17,418,964	\$ (1,431,542)	\$15,987,423
General	7,909,378	-	7,909,378	36,827,238	853,098	37,680,336	38,299,876	1,048,091	39,347,967	6,436,740	(194,993)	6,241,747
Special Revenue	3,613,303	-	3,613,303	8,089,129	1,220,227	9,309,356	10,635,067	619,771	11,254,838	1,067,365	600,456	1,667,821
Debt Service	1,094,081	-	1,094,081	1,366,737	-	1,366,737	1,512,614	110,000	1,622,614	948,204	(110,000)	838,204
Capital Projects	3,755,203	-	3,755,203	24,683,815	2,564,432	27,248,247	27,097,093	2,613,358	29,710,451	1,341,925	(48,927)	1,292,998
Enterprise	5,447,023	-	5,447,023	2,871,363	30,000	2,901,363	5,477,696	568,078	6,045,774	2,840,690	(538,078)	2,302,612
Internal Service	4,925,656	-	4,925,656	6,181,240	219,926	6,401,166	6,322,856	1,359,926	7,682,782	4,784,040	(1,140,000)	3,644,040
<b>Total Year 2018</b>	\$17,418,964	\$ (1,431,541)	\$15,987,424	\$74,573,889	\$ 4,577,664	\$79,151,553	\$75,667,421	\$ 4,808,384	\$80,475,805	\$16,325,432	\$ (1,662,262)	\$14,663,171
General	6,436,740	(194,993)	6,241,747	37,140,236	425,090	37,565,326	37,623,578	1,569,949	39,193,527	5,953,398	(1,339,852)	4,613,546
Special Revenue	1,067,365	600,456	1,667,821	5,912,551	663,558	6,576,109	6,017,368	968,257	6,985,625	962,548	295,757	1,258,305
Debt Service	948,204	(110,000)	838,204	1,354,745	-	1,354,745	1,208,707	-	1,208,707	1,094,242	(110,000)	984,242
Capital Projects	1,341,925	(48,926)	1,292,999	22,063,901	2,051,435	24,115,336	21,723,600	1,808,525	23,532,125	1,682,226	193,983	1,876,209
Enterprise	2,840,690	(538,078)	2,302,612	2,758,000	250,000	3,008,000	4,399,538	352,572	4,752,110	1,199,152	(640,650)	558,502
Internal Service	4,784,040	(1,140,000)	3,644,040	5,344,456	1,187,581	6,532,037	4,694,630	109,081	4,803,711	5,433,866	(61,500)	5,372,366

## **GENERAL FUND ENDING FUND BALANCE**

The 2018 estimated General/Street O&M Funds ending fund balance of \$4.61M equates to 12.0% of General/Street O&M Funds operating revenues.

In support of the City's financial integrity, the City Council originally adopted on September 15, 2014 (and revised on May 2, 2016 to incorporate cost recovery for development services and parks), a set of financial policies including fund balance reserves totaling 12% of General/Street O&M Funds operating revenues. The goal date for meeting this target is no later than 2016 and is met with the 2017/2018 Adopted Biennial Budget and continues to be met through 2018 with the proposed mid-biennium budget adjustment.

- *2% General Fund Contingency Reserves:* The purpose of this reserve is to accommodate unexpected operational changes, legislative impacts, or other economic events affecting the City's operations which could not have been reasonably anticipated at the time the original budget was prepared. A 2% reserve fund based on 2018 General/Street O&M Funds operating revenues equates to roughly \$769K.
- *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 2018 General/Street O&M Funds operating revenues equates to roughly \$1.92M.
- *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 2018 General/Street O&M Funds operating revenues equates to roughly \$1.92M.

## **PROPOSED BUDGET AMENDMENTS – DETAILS:**

The narrative below provides detailed information on the proposed budget adjustments. A summarized list is included as an attachment to this memo.

### **Fund 001 General**

*Revenue Adjustments* – Adjust revenues to reflect current economic conditions and trends:

- *Sales & Use Tax* – Increase by \$535,000 in 2017 and \$155,000 in 2018, resulting in a revised budget estimate of \$9,460,000 in 2017 and \$9,357,800 in 2018. The increase in 2017 is based on sales tax activity through June 2017. The increase in 2018 is based on estimated remote sales tax revenue anticipated as part of the Marketplace Fairness Act that takes effect January 1, 2018. Sales tax revenue estimates in 2018 remain conservative consistent with financial policies.
- *Parks Sales & Use Tax* – Increase by \$24,700 in 2017 and \$8,900 in 2018, resulting in a revised budget estimate of \$550,000 and \$550,000, respectively.
- *Gambling Tax* – Increase by \$75,000 in 2017 and \$48,800 in 2018 resulting in a revised budget estimate of \$2,700,000 per year.
- *Criminal Justice State Shared Revenue* – Decrease by \$2,752 in 2017 and \$2,800 in 2018 resulting in a revised budget estimate of \$152,000 per year.

- ***Liquor Excise Tax State Shared Revenue*** – Increase by \$12,904 in 2017 and \$17,100 in 2018 resulting in a revised budget estimate of \$287,500 and \$291,700, respectively.
- ***Liquor Board Profits State Shared Revenue*** – Decrease by \$1,860 in 2017 and \$5,500 in 2018, resulting in a revised budget estimate of \$495,000 and \$491,400, respectively.
- ***Sales Tax Mitigation State Shared Revenue*** – Decrease by \$12,000 in 2017 and \$50,000 in 2018, resulting in a revised budget estimate of \$38,000 and \$0, respectively. The elimination in 2018 is due also due to the Marketplace Fairness Act that takes effect on January 1, 2018.
- ***Court Contract Revenues*** – Increase by \$143,826 in 2017, resulting in a revised budget estimate of \$568,092 in 2017 and \$407,726 in 2018. The increase is due to true up of 2016 Municipal Court revenues and expenditures. The increases and the final 2017 revenues by contract city are as follows:
  - University Place: \$80,769 Increase / \$275,407 Total 2017 Contract
  - Town of Steilacoom: \$17,779 / \$111,246 Total 2017 Contract
  - City of DuPont: \$45,278 / \$181,439 Total 2017 Contract
- ***Municipal Court Fines & Forfeitures*** – Decrease fines and forfeitures by \$400,019 in each year of 2017 and 2018, resulting in a revised budget estimate of \$882,200 per year. The City has experienced decreased revenues in recent years, primarily in the areas of detention & correction services and civil infraction penalties.
- ***Development Services Permits & Fees*** – Increase by \$97,486 in 2017 and \$35,609 in 2018, resulting in a revised budget estimate of \$1,401,700 in 2017 and \$1,392,000 in 2008. The increase is due to economic development efforts and other major projects anticipated in 2016 that have come to fruition.
- ***Alarm Permits & Fees*** – Decrease by \$30,000 in each year of 2017 and 2018 resulting in a revised budget estimate of \$106,000 per year.
- ***Business Licenses*** – Decrease by \$23,500 in 2017 and \$23,500 in 2018, resulting in a revised budget estimate of \$280,000 in 2017 and \$280,000 in 2018. The downward adjustment is due to not generating the additional revenues anticipated from temporary business licenses.
- ***Franchise Fees*** – Increase by \$200,000 in 2018 resulting in a revised budget estimate of \$3,634,900 in 2017 (no change) and \$3,973,900 in 2018. This additional revenue is the result of a new franchise agreement with City of Tacoma/TPU Light to provide electrical light and power services from 2017-2037. This new franchise agreement returns 1.5% utility earnings tax revenue to the City. As background information, in 2015 Tacoma residents approved a Proposition 3, which among other items, created a new utility company earning tax rate of 1.5% on TPU customers to fund street improvements in the City of Tacoma for 10 years (2016-2026). Because Proposition 3 would apply to Lakewood residents served by TPU, the Lakewood City Council approved Resolution 2015-28 opposing the measure on October 5, 2015. New text in the franchise renewal enables funds from Proposition 3 tax or other “Utility Tax[es] for retail electrical service” in the future to be returned to the City of Lakewood. The City of Lakewood’s proposed mid-biennium budget adjustment redirects these funds to the Transportation Capital Improvement Fund.

***Implement AFSCME Local #1938 CBA, Ongoing*** – Add \$246,099 in 2017 and \$353,404 in 2018 to implement the American Federation of State, County and Municipal Employees (AFSCME) Local #1938 Collective Bargaining Agreement (CBA) approved by the City Council on June 19, 2017. The CBA coverage period is from

January 1, 2017 through December 31, 2019. AFSCME represents approximately 85 City employees working in a variety of positions and locations.

The major provisions include:

- Term of Agreement: 3 years (01/01/2017 – 01/01/2019).
- 11 step salary schedule with 2% between steps implemented in 2017; 2% increase in 2017; 3% increase in 2018; 3% increase in 2019.
- Reduce step increase eligibility from 4-6% in 2016, to 2-4% in 2017 to 2% in 2018 and 2019.
- Classification mergers of 11 to 5 classifications; market adjustments for 5 classifications.
- Move to Healthfirst 250 and Group Health \$20 co-pay plans effective 01/01/2018.
- Annual Health Savings Account (HSA) contributions increases ranging from \$175 to \$375 in 2018, and an additional \$175 to \$375 in 2019.
- Increase of Paid Time Off (PTO) payout upon termination from 57.5% to 65%.
- Increase annual boot allowance by \$25 or \$50 based on classification.
- Combined standby lists for maintenance and traffic signal callouts; reduces employees on evening and weekend standby from 2 to 1.
- Elimination of 24 classifications, a reduction from 60 in 2013-2016 collective bargaining agreement to 36 in the tentative agreement (addressed in separate Memorandum of Understanding).

Note: The above cost represents the impact to General & Street Funds. The total impact to all funds is \$268,450 in 2017 and \$389,050 in 2018.

***Citywide - Mandatory Medical Exams, Ongoing*** – Beginning in 2017, centralize \$15,000 budget related to mandatory medical exams within Human Resources Division budget, funded by reallocation from Police Department budget identified specifically for this purpose. Net impact is \$0. Examples of mandatory medical exams include mandatory physical exams, Department of Transportation (DOT) exams, hearing exams, respiratory fit exams, fit for duty assessments, worker injury treatment. Net impact is \$0.

***Citywide – Survey Monkey, Ongoing*** – Beginning in 2017, centralize \$300 budget related to Survey Monkey to Non-Departmental, funded by reallocation from Human Resources specifically for this purpose. Net impact is \$0.

***Citywide - Association of Washington Cities (AWC) Membership Dues, Ongoing*** – Increase membership dues by \$1,275 in 2018. AWC provides the City of advocacy, education and services. The fee rate increase reflects an increase of 2.29%, equal to the rate of increase in the state and local government component of the Implicit Price Deflator (IPD). Consistent with longstanding AWC Board policy, the IPD is the index used for the computation of rate adjustments. The rate, coupled with the City's population (according to the most recent OFM data), results in a 2018 membership fee of \$42,305.

***Citywide – Washington Cities Insurance Authority (WCIA) 2018 Liability Assessment, Ongoing*** – Add \$108,236 for WCIA 2018 liability assessment. Note: This cost represents the impact to the General & Street Funds. The total impact to all funds is \$111,926. (See Fund 504 Risk Management for additional information.)

***Legal - James White Settlement, 1-Time*** – Add \$50,000 risk management internal service charge in 2018 to settle the James White vs. City of Lakewood case related to public records.

***Legal – Public Records Workflow System, Ongoing*** – Add \$10,000 information technology internal service charge in each year of 2017 and 2018 for public records work flow and tracking system.

***Legal – Adult Family Home/Enhanced Services Facility (ESF) Development Regulations, 1-Time*** – Add \$50,000 in 2017 for development regulations related to adult family home and enhanced services facility.

***City Manager - Graduate Intern Program, Ongoing*** – Add \$10,200 in each year of 2017 and 2018 for a skilled intern position to assist the City Manager Department with policy projects. The intern will learn about the functions and services of local government, as well as gain experience in the roles of various departments within a public agency. This position will focus on projects that are intended to provide exposure to the operations and daily tasks of City government.

***CD/Economic Development - Lakewood Retail Market Analysis Addendum, 1-Time*** – Add \$8,000 in 2017 for the existing contract with Berk Consulting, to provide consulting services in regard to current and future market conditions and how they will shape redevelopment opportunities; the interests of major property and business owners and strategic opportunities for investments in public spaces and for private investment prior to development of the Sub-Area Plan.

***CD/Economic Development - Cascade Right of Way Proposed Library Sites, 1-Time*** – Appropriate \$14,450 for negotiation services of library sites. The consultant will contact property owners, advise them of the process, assemble the negotiation package, and schedule appointments. The consultant will transfer and manage documents, obtain signatures, and submit them to the City for approval along with coordinating the closing through escrow.

***CD - Technology Fee, 1-Time*** – Add \$8,820 in 2018 to earmark technology fee revenues received in 2016 for technology purposes. Future adjustments will be incorporated in carry forward budget adjustments.

***CD – Backflow Prevention Inspection, Ongoing*** – Add \$18,500 in 2017 and \$19,000 in 2018 for payment to Lakewood Water District to continue administering the in-premise portion of the backflow prevention on behalf of the City. The annual cost to the City is \$18,500 for the period 2017-2022 and the City's contribution to the program would subject to an annual increase equal to the local CPI of the previous year. The current MOU includes \$18,500 allocation for 2017 which covers the cost the Water District has incurred to perform inspections over the previous year.

***Police - Vessel Registration, Ongoing*** – Decrease vessel registration revenues by \$800 in 2017 resulting in a revised estimate of \$12,100 for patrol overtime and benefits. Vessel Registration fees are received from the state through the county from marine vessel registrations to use in eligible boating safety/education and law enforcement programs.

***Police - South Sound 911, Ongoing*** – Increase contract revenue by \$5,000 in each year of 2017 and 2018, resulting in a revised budget estimate of \$10,000 per year. The purpose of this contract is to provide services by Lakewood Police Investigators in criminal background investigations for potential 911 dispatchers for South Sound 911. The city of Lakewood is paid \$85.00 per hour for providing this service.

***Police - Pierce County Sex Offender Residency Verification, Ongoing*** – Remove original revenue for 2017 appropriation of \$10,776 and add \$9,863 for the contract that runs from 7/1/2017 through 12/31/17. The purpose of this contract 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

***Police - Organized Crime Drug Enforcement Task Force (OCDETF), Drug Enforcement Agency, 1-Time*** - Add revenue allocation of \$2,500. These funds are to be used to reimburse over-time wages for police officers who assist with OCDETF investigations, strategic initiatives and prosecutions.



***Police - Organized Crime Drug Enforcement Task Force (OCDETF), US Marshalls, 1-Time*** - Add revenue allocation of \$3,000. These funds are to be used to reimburse over-time wages for police officers who assist with OCDETF investigations, strategic initiatives and prosecutions.

***Police – Western State Community Policing Program, 1-Time*** – Add \$39,750 in 2017 and \$79,500 in 2018 to account for additional funds passed by the state legislature. This contract is for patrol and emergency police services and emergency police protection (911), evidence preservation and incident investigation services at Western State Hospital and adjacent areas. The current contract period is from 7/1/2017 – 6/30/2019.

***Police – Code Enforcement Officer Overhire, 1-Time*** – Add \$40,000 in 2018 for a temporary code enforcement officer for six months to provide additional resources to address a pending retirement and allow for transition of the position.

***Police – Community Safety Resource Team, 1-Time*** – Add \$10,000 in 2017 for contracted services to address homelessness garbage issues. Contractor would provide all services, including clean-up, transport and dumping of garbage.

***Police – Extra Duty Contracts, Ongoing*** – Add \$375,000 in each year of 2017 and 2018, resulting in a revised revenue and expenditure budget of \$775,000 in 2017 and \$775,000 in 2018 to reflect the current activity.

Note: The State’s newly-passed operating budget included a shift in pension contributions when the employer contracts with a non-LEOFF 2 employer for services. In these cases, the employer will be responsible for both the employer and state LEFF 2 contributions. The reporting changes scheduled to occur in early October is retroactive to July 1, 2017, the effective date of the provision. These costs will be recovered from extra duty contracts following an evaluation of current contracts and process for adjusting rates. Note: The City currently has 30 extra duty contracts in place. These contracts are charged \$75 per hour plus a \$10 processing fee per invoice. Contracts with exceptions to the \$75 per hour rate include: Clover Park School District, which is currently \$61.60 for after school and \$50.56 for day; Denny’s, which is currently \$62.50; Pierce Transit, which is currently \$66.63 for regular rate and \$99.95 for holiday rate; and Regal Cinema, which is currently \$48.

***Police – South Sound 911 Dispatch Services, Ongoing*** – Decrease 2018 budget by \$83,220 based on the final 2018 allocation provided by SS911. The final assessment increases communications by \$38,480, decreases records core technology by \$153,700 and increase in full/warrant services by \$32,000 resulting in a total 2018 assessment of \$2,001,550.

***Police – City of Tacoma Radio User Fees, Ongoing*** – Add \$7,260 in each year of 2017 and 2018, resulting in a revised budget of \$117,560 per year. Cost is based on 311 radios at \$31.50 per radio, per month.

***Transfer to Property Abatement, 1-Time*** – Add \$125,000 transfer to Property Abatement in 2018 to further support the City’s mission on property abatement.

***Transfer to Rental Housing Safety Program, 1-Time*** – Add \$50,000 transfer to Rental Housing Safety Program in 2017 to cover net cost during implementation year.

***Transfer to Parks CIP, 1-Time*** – Add \$7,125 in 2017 and \$50,000 in 2018 as follows:  
(See Fund 301 Parks CIP for additional information on the specific projects.)

- \$7,125 in 2017 to Unallocated CIP to cover legal costs associated with the sale of Lakeland property
- \$50,000 in 2018 for Street Banners and Brackets Phase II

***Transfer to Transportation CIP, 1-Time*** – Add \$62,060 in 2017 and \$325,000 in 2018 as follows:  
(See Fund 302 Transportation CIP for additional information on the specific projects.)

- \$35,000 in 2017 to P# 3 Safety: Blank-out School Zone Speed Limit Signs – Steilacoom Blvd & Lakewood Dr SW
- \$37,100 Reduction in 2017 to P# 24 Streets: Steilacoom Blvd – Farwest to Phillips Road (Design Only)
- \$57,035 in 2017 to P# 42 Safety: SRTS - John Dower (Custer to Steilacoom) Sidewalks & Bike Lanes.
- \$250,000 in 2018 to P# 63 Colonial Center Revitalization
- \$75,000 in 2018 to P# 99 Sidewalks: Steilacoom Boulevard and 88th - Phillips Road to Custer Road (Survey Only)

***General/Street Fund Subsidy, Ongoing*** – Add \$71,396 in 2017 and \$103,659 in 2018 as follows:  
(See Fund 101 Street O&M for additional information on the specific projects.)

- \$2,701 in 2017 to cover the earmark of technology fees collected in 2016 for technology purposes
- \$7,601 in 2018 to cover reduced MVET state shared revenue
- \$68,695 in 2017 and \$87,364 in 2018 to cover AFSCME CBA implementation
- \$125,000 in 2017 (1-Time only) and \$12,500 in 2018 for pavement patching equipment
- \$8,694 in 2018 to cover 2018 WCIA liability assessment

### **Fund 101 Street Operations & Maintenance**

***Earmark Technology Fees, 1-Time*** – Add \$2,701 in 2018 to earmark technology fee revenues received in 2016 for technology purposes. Future adjustments will be incorporated in carry forward budget adjustments.

***Allocation of Internal Service Charges, Ongoing*** – Add \$8,694 in 2018 for Risk Management internal service charges related to the increase in WCIA 2018 liability assessment. Funding source is General Fund subsidy.

***Implement AFSCME CBA, Ongoing*** – Add \$68,695 in 2017 and \$87,364 in 2018 to implement the AFSCME collective bargaining agreement. Funding source is General Fund subsidy.

***Pavement Patching Equipment, 1-Time/Ongoing*** – Add \$125,000 fleet & equipment internal service charge for the purchase of pavement patching equipment (1-Time) and \$12,500 in 2018 for the accumulation of replacement reserves (ongoing).

### **Fund 102 Real Estate Excise Tax**

***Real Estate Excise Tax Revenue*** – Increase by \$800,000 in 2017 and \$200,000 in 2018 resulting in a revised budget estimate of \$2,100,000 and \$1,500,000, respectively.

***Transfers to Fund 106 Public Art, 1-Time:***  
(See Fund 106 Public Art for additional information on the specific projects.)

- \$27,791 in 2017 for major public art

***Transfers to Fund 301 Parks CIP Projects, 1-Time:***  
(See Fund 301 Parks CIP for additional information on the specific projects.)

- \$185,705 in 2017 to Fort Steilacoom Park Sports Field
- \$98,525 in 2018 to Harry Todd Park Waterfront Improvements Phase I



***Transfers to Fund 302 Transportation CIP Projects, 1-Time:***

*(See Fund 302 Transportation CIP for additional information on the specific projects.)*

- \$300,000 in 2017 to P# 9 Streets: South Tacoma Way – SR512 to 96th Street
- \$500,000 in 2018 to P# 12 Sidewalks & Traffic Signal: Steilacoom Blvd Safety – Custer to 88th Street

**Fund 103 Transportation Benefit District**

***\$20 Vehicle Licensing Fee, Ongoing*** – Increase by \$125,000 in each year of 2017 and 2018, resulting in a revised revenue estimate of \$814,000 per year. The increase in revenues results in increased ending fund balance earmarked for TBD projects identified in the TBD ordinance and will be allocated as part of the 2019/2020 biennial budget.

***Eliminate TBD WCIA Assessment, Ongoing*** – Eliminate annual WCIA assessments of \$2,500 in 2017 and 2018 and add \$2,500 state audit in 2017 only. On July 1, 2015 the Washington State Legislature enacted Senate Engrossed Substitute Bill 5987 (SESSB 5987), which authorizes the City to assume the rights, powers, functions, and obligations of the existing City of Lakewood TBD. The City Council conducted the public hearing on December 5, 2016. On December 12, 2016, the City Council adopted the ordinance to assume the TBD. Since the TBD has been absorbed by the City, WCIA will not assess the TBD separately. The \$2,500 state audit cost is due to City absorbing the TBD in 2016, thus requiring a final audit of the TBD as a separate entity.

The absorption of the TBD by the City does not change the current transparent financial reporting and accounting of TBD funds. The City continues to account for the TBD in a separate special revenue fund and will continue to provide annual updates on TBD activity in April of each year.

**Fund 104 Hotel/Motel Lodging Tax**

***Hotel/Motel Lodging Tax Revenue, Ongoing*** – Increase by \$100,000 in each year of 2017 and 2018, resulting in a revised revenue estimate of \$700,000 per year.

***Lodging Tax Allocations, Ongoing*** – Increase expenditures by \$100,000 in 2018, resulting in a revised expenditure estimate of \$700,000. Note – this budget adjustment is only to reflect 2017 revenues are available for 2018 grant awards, and does not include allocation of ending balances. Adjustments to reflect actual 2018 grant allocations will occur during the 2018 carry forward budget adjustment, and would only be valid if the City Council approves the LTAC recommendation, which is separate from the mid-biennium budget adjustment process.

**Fund 105 Property Abatement/Rental Housing Safety Program**

***Abatement Program, 1-Time*** – Increase expenditures by \$125,000 in 2018 funded by a transfer in from the General Fund to further support the City's mission on property abatement, resulting in a revised expenditure estimate of \$ \$265,789 in 2017 (no change) and \$250,000 in 2018. Some potential abatements not factored in the budget are:

- 9616 Gravelly Lake Dr (Mayberry)- could be \$100K - \$120K depending upon asbestos.
- 9704 S Tacoma Way (Chung)- potential cost overrun depending on what we run into... unknown since we have not tested for asbestos.
- 3 or 4 projects that owners are getting permits to fix (if they do not, the City will have to abate them and that could be \$20K to \$80K).

***Rental Housing Safety Program, 1-Time*** – Adjust 2017 revenues and expenditures downward to reflect to later implementation than anticipated, and compensate the fund through a \$50,000 transfer in from General Fund to cover net costs during implementation year. Decrease inspection revenues by \$160,000 resulting in a revised estimate of \$30,000 and decrease expenditures by \$105,111.

#### **Fund 106 Public Art**

***McGavick Center Rental Revenue, Ongoing/1-Time*** – Increase McGavick Center rental revenues by \$5,000 (ongoing) in each year of 2017 and 2018, resulting in a revised revenue estimate of \$15,000 per year. The revenue estimate is based on 15 days at \$1,000. Also, on a one-time basis, increase expenditures budget availability for major art project by \$49,000 in 2017 (\$21,209 public art revenue sources and \$27,791 REET) and \$13,000 in 2018.

#### **Fund 180 Narcotic Seizures**

***Narcotics Seizure Expenditures, 1-Time*** – Increase expenditures by \$40,865 in 2017, funded by asset forfeitures.

#### **Fund 182 Federal Seizures**

***PredPol, Ongoing*** – Increase payment to South Sound 911 for PrePol (Predictive Policing Software) by \$1,000 for a total cost of \$10,900 and reduce general federal seizure expenditure budget to accommodate increased cost.

***PIT Vehicle, 1-Time*** – Add \$10,470 in 2017 for the purchase of a 2013 Ford Police Interceptor SUV from the City of Mountlake Terrace to be converted and used as a Pursuit Intervention Technique (PIT) training vehicle. The two PIT training vehicles the department currently has are the older Ford Crown Victoria Sedan platform which are being phased out of the patrol fleet. The purchase of this SUV will enable the department to train its officers in PIT (pursuit intervention technique, the intentional contact/pushing of a fleeing vehicle to spin it out) with a vehicle platform (SUV) that the growing majority of the City’s police officers drive. This vehicle will be added to the City’s “authorized” vehicles as a secondary vehicle, for which no replacement reserves will be collected for future replacement. Reduce general federal seizure expenditure budget to accommodate increased cost.

#### **Fund 192 Office of Economic Adjustment/South Sound Military Communities Partnership**

***Implement AFSCME CBA, Ongoing*** – Add \$2,797 in 2017 and \$3,974 in 2018 to implement the AFSCME collective bargaining agreement.

#### **Fund 195 Public Safety Grants**

***Washington Traffic and Safety Commission – School Zone Safety, 1-Time***, - Add \$12,474 in revenue and expenditures for 2017. This funding is to provide for equipment to enhance safety in school zones. These funds were used to purchase four counting units and antenna.

***STOP Grant, 1-Time*** - Add grant award for FY 2017. The award is from the US Department of Justice through the Pierce County Sheriff’s Office. Appropriate \$3,621 in revenue and \$2,701 in expenditures for 2017. These funds are provided for officer training in handling domestic violence situations.

#### **Fund 204 Sewer Debt Service**

***Transfer to Fund 311 Sewer Project CIP, 1-Time*** – Add \$110,000 transfer to 150<sup>th</sup> Street Sewer Extension project in 2017.

## **Fund 301 Parks Capital**

***Street Banners & Brackets Phase II, 1-Time*** – Add \$50,000 in 2018 for Phase II of the street banners and brackets program. The City’s current project specifications do not contain anything related to adding the necessary hardware as part of any city capital projects. Also, the hardware is an add on to the pole regardless of when it gets done, it is not build into the pole as an integral part of the pole.

- The 2017/2018 adopted budget includes \$10K (now referred to as Phase I) to update and replace the banners the City already has throughout the community. Many of the brackets are broken are in need of replacement as well as old banners. The current \$10,000 budget in Phase I does not include the time and equipment to prepare and hang banners. That part of the cost will be built into the City’s maintenance and operations fall work program. As part of Phase I, 34 permanent banners will be created: 10 honoring the military; 10 branding a healthy, vibrant community; and 14 for the International District.
- The \$50,000 request for Phase II funds is to install banners and brackets in other areas of the City. The banner hanging hardware is estimated to cost between \$100 to \$175 per pole depending on the size of the banners that are to be hung and whether or not there will be one or two banners allowed per pole. This new program of identifying corridors to install banners would be one the City would as part of 2018’s work plan.

***Harry Todd Park Waterfront Improvements Phase I, 1-Time*** - Add revenues and expenditures of \$857,925 in 2017 and \$98,525 in 2018. Funding source is proceeds from sale of Lakeland property \$207,925 / WWRP Grant \$600,000 / SWM \$50,000 / REET \$98,525. Total project cost is \$1,150,000 funded by proceeds from sale of Lakeland property \$401,475 / WWRP Grant \$600,000 / SWM \$50,000 / REET \$98,525.

***Fort Steilacoom Park Sports Field, 1-Time*** – Add revenues and expenditures of \$287,855 in 2017 funded by transfers in from General Fund \$85,705, REET \$100,000 and SWM \$102,150. Total project cost of \$787,855 is funded by RCO Grant \$250,000 / LTAC \$250,000 / REET \$185,705 / SWM \$102,150.

***Waughop Lake Trail, Deck, Dock & Parking Lot, 1-Time*** – Add revenues and expenditures of \$249,943 in 2017 funded by Department of Commerce Grant \$249,240, SWM \$142,500, reduction in donations/contributions \$49,950 and reduction in REET \$92,847. Total project cost of \$1,163,340 is funded by RCO Grant \$250,000 / LTAC \$125,000 / Grant \$249,240 / Donations & Contributions \$132,050 / Town of Steilacoom \$25,000 / SWM \$142,500 / REET \$239,550.

***Fort Steilacoom Park Pavilion, 1-Time*** – Reduce revenues and expenditures by \$350,000 (eliminate grants anticipated \$300,000 and reduce donations & contributions \$50,000) in 2017. Total project cost of \$750,000 is funded by donations/contributions \$300,000 / 2017 lodging tax grant \$450,000.

## **Fund 302 Transportation Capital**

***P# 0: Unallocated CIP, Ongoing:*** – Add \$200,000 transfer in from General Fund in 2018. Source is additional 1.5% franchise fees from Tacoma Power.

***P# 3: Safety: Blank-out School Zone Speed Limit Signs – Steilacoom Blvd & Lakewood Dr SW, 1-Time*** – Add \$35,000 in revenues and expenditures in 2017 for a total project cost of \$35,000 funded by General Fund. This project will add 4 new school zone speed limit signs at the intersection of Steilacoom Blvd and Lakewood Drive. These signs will only operate during the time when the school speed zone is in effect. The signs will remind drivers travelling through this major intersection that they are still in a school speed zone and enhance the safety of the school zone.

***P# 9 Streets: South Tacoma Way – SR512 to 96<sup>th</sup> Street , 1-Time***– Add \$300,000 in revenues and expenditures in 2017 funded by REET. Total project cost of \$5,151,860 is funded by REET \$495,724 / TIB Grant \$2,627,559 / WSDOT Grant \$370,000 / SWM \$250,000 / Mitigation, Developer Contributions, Public Utilities \$899,410 / 2014 & Prior Years Various Sources \$449,167 / Unallocated CIP \$60,000. This project provides for street improvements along South Tacoma Way beginning at SR-512 and ending at 96<sup>th</sup> Street South, with additional channelization work between 96<sup>th</sup> Street South and Steilacoom Boulevard along South Tacoma Way. Improvements consist of road widening, signal installation and modification, installation of storm water conveyance and treatment systems, water main, construction of curb, gutter, sidewalks, bike lanes, street lighting, and a 2-inch hot mix overlay.

***P# 12 Sidewalks & Traffic Signal: Steilacoom Blvd Safety – Custer to 88<sup>th</sup> Street, 1-Time*** – Add \$500,000 in revenues and expenditures in 2018, funded by REET. Total project cost of \$2,790,152 funded by WSDOT Grant \$2,405,000 / General Fund \$15,000 / REET \$220,152 / SWM \$150,000. This project provides various upgrades throughout corridor including: 3 new (replacement) mast arm signal systems; existing signals - new cabinets, upsize lamps, install head back plates, modify signal heads to flashing-yellow-arrow operation, install video detection, and audible pedestrian push buttons and count down heads; infill between 88th ST and Ardmore DR with curb, gutter and sidewalk; add street lighting; overlay pavement. The Steilacoom Blvd. Safety project constructs signals and roadway improvements along Steilacoom Blvd. at Western State Hospital, from 88<sup>th</sup> St. to Ardmore, and at Lakeview. This project realized a significant delay from funding to construction. The City had to go through the condemnation process to purchase rights-of-way. Typically, construction costs can be expected to increase up to 10% per year, even a one year delay on a large project can be costly. In addition, certain construction elements have seen greater than typical increases in costs.

***P# 24 Streets: Steilacoom Boulevard – Farwest to Phillips Road (Design Only), 1-Time*** - Add \$226,000 in revenues and expenditures in 2017 funded by increase in grant funds of \$205,100, increase in Town of Steilacoom contribution of \$58,000 and reduction in General Fund contribution of \$37,100. Total project cost of \$942,000 is funded by SWM \$40,000 / REET \$20,100 / General Fund \$147,900 / WSDOT Grant \$630,000 / Town of Steilacoom \$104,000. This project is a joint project between the Town of Steilacoom and Lakewood with Lakewood being the lead agency for the overall project. Provides for the design only of curb, gutter, sidewalks, street lighting, pavement overlay, associated storm drainage.

***P# 42 Safety: SRTS - John Dower (Custer to Steilacoom) Sidewalks & Bike Lanes, 1-Time*** – Add \$115,635 in revenues and expenditures in 2017 funded by SWM \$58,600 and General Fund \$57,035. Total project cost of \$915,635 is funded by REET \$110,000 / SWM \$198,600 / WSDOT SRTS Grant \$550,000 / General Fund \$57,035. This project is for the design and construction for installation of curb, gutter & sidewalks on one side of John Dower Rd from Custer to Steilacoom Boulevard as part of the Safe Routes to School (SRTS) grant program. Since SRTS grants typically do not cover roadway paving, the City is funding the paving from the patch area for curb and gutter to the centerline of the roadway in the northbound direction.

***P# 45 Sidewalks: Gravelly Lake Drive Phase I (59<sup>th</sup> Street – Steilacoom Boulevard), 1-Time*** – Move \$630,000 of revenues and expenditures to new P# 65 Sidewalks: Gravelly Lake Drive Phase II (Bridgeport Way to 59th) in 2018. The purpose of creating this new project #65 is to provide clear accounting of the grant for phase II. The total project cost of P# 45 Sidewalks: Gravelly Lake Drive Phase I (59<sup>th</sup> Street – Steilacoom Boulevard) is \$470,000 funded by TIB Grant \$470,000 / REET \$35,000 / SWM \$115,000.

***P# 62 Safety: Neighborhood Traffic Safety/Traffic Calming –Dekoven Compact Roundabout, 1-Time*** – Reduce revenues and expenditures by \$238,000 in 2017. The original budget for Safety Projects was \$450,000 for 2 projects. The mid-biennium budget adjustment will reduce the project down to one, resulting in a decrease in projects and grant funding source by \$238,000. The total project cost for P#62 Safety: Neighborhood Traffic Safety/Traffic Calming –Dekoven Compact Roundabout is \$212,000 funded by WSDOT Innovative Safety

Program Grant which requires no grant match if obligated by September 30, 2017. This project provides for intersection and corridor improvements to help meet State Target Zero goals of zero serious/fatal accidents. Safety improvements reducing vehicle speeding and collisions include installation of compact roundabouts on Dekoven Drive at Meadow Road and 100<sup>th</sup> Street and traffic signage and striping on Dekoven Drive between roundabouts, including horizontal roadway curvature near Blossom Lane.

***P# 63 Colonial Center Revitalization, 1-Time*** – Add \$250,000 transfer in from General Fund and eliminate the original adopted budget estimate of \$250,000 in grants anticipated for design. The total project cost is \$2,176,000 of which \$1,926,000 is unfunded. As a means of addressing the priority of urban design and community character, the Motor Avenue project is a new street corridor plan for Motor Avenue SW between Whitman Avenue SW, and the intersection of Gravelly Lake Drive SW and Bridgeport Way SW. The project includes the development of a "complete street" plan incorporating urban design concepts to create a vibrant and welcoming public space within the City's central business district. This is a community revitalization project and is also expected to be a catalyst for Economic Development. The design concept for Motor Avenue includes a pavilion and market structure, which will serve as a focal point for future City and public events. ‘

***P# 64 Streets: 146<sup>th</sup>, 150<sup>th</sup>, and Spring Street Local Improvement District (LID), 1-Time*** – Add \$1,020,000 revenues and expenditures in 2017 and 2018 for a total project cost of \$1,020,000. Funding source in 2017 is interim financing from Fleet & Equipment replacement reserves for construction. Funding source in 2018 is LID financing and expenditure is repayment of interim financing to the Fleet & Equipment Fund. This project makes improvements along portions of 146<sup>th</sup> Street SW, Spring Street SW, and 150<sup>th</sup> Street SW in the Woodbrook neighborhood. Improvements consists of: road widening, installation of storm water infiltration systems, construction of curb, gutter, sidewalks and paving.

***P# 65 Sidewalks: Gravelly Lake Drive Phase II (Bridgeport Way to 59<sup>th</sup>), 1-Time*** – Add \$695,000 in revenues and expenditures in 2018, of which \$630,000 was previously budgeted in P# 45 Sidewalks: Gravelly Lake Drive Phase I (59<sup>th</sup> Street – Steilacoom Boulevard) plus an additional \$65,000 from SWM for the project's share of storm drainage related costs. Total project cost of \$695,000 is funded by SWM \$155,000 and grants \$540,000. This is a road diet, which shrinks this section down from 4 lanes to 3 lanes with bike lanes along with installing concrete curb & gutter and concrete sidewalks.

***P# 99 Sidewalks: Steilacoom Boulevard and 88<sup>th</sup> - Phillips Road to Custer Road (Survey Only), 1-Time*** – Add \$75,000 in revenues and expenditures in 2018 for a total project cost of \$75,000. Funding source is General Fund. This project is for survey work only in 2018.

### **Fund 311 Sewer Project CIP**

***P# 311.0003 150<sup>th</sup> Street Sewer Extension, 1-Time*** – Add \$110,000 in revenues and expenditures in 2017, funded by transfer in from Fund 204 Sewer Debt Service, resulting in a total project cost of \$350,000. The detailed cost estimate is higher than the planning level estimated used for the original budget and bids were higher yet.

### **Fund 401 Surface Water Management**

#### ***Transfers to Fund 301 Parks CIP Projects, 1-Time:***

*(See Fund 301 Parks CIP for additional information on the specific projects.)*

- \$50,000 in 2017 to Harry Todd Waterfront Improvements Phase I
- \$102,150 in 2017 to Fort Steilacoom Park Sports Field
- \$142,500 in 2017 to Waughop Trail, Deck, Dock and Parking Lot



***Transfers to Fund 302 Transportation CIP Projects, 1-Time:***

*(See Fund 301 Parks CIP for additional information on the specific projects.)*

- \$58,600 in 2017 to P# 42 Safety: SRTS - John Dower (Custer to Steilacoom) Sidewalks & Bike Lanes
- \$65,000 in 2018 to P# 65 Sidewalks: Gravelly Lake Drive Phase II (Bridgeport Wy to Steilacoom Blvd)

***Implement AFSCME CBA, Ongoing*** – Add \$19,553 in 2017 and \$31,672 in 2018 to implement the AFSCME collective bargaining agreement.

***Washington Cities Insurance Authority (WCIA) 2018 Liability Assessment, Ongoing*** – Add \$5,900 in 2018 for WCIA 2018 liability assessment. Note: This cost represents the impact to the General & Street Funds. The total impact to all funds is \$111,926. (See Fund 504 Risk Management for additional information.)

***American Lake Integrated Aquatic Vegetation, 1-Time*** – Add \$40,000 expenditures in 2017 funded by Department of Ecology Grant \$30,000 and SWM funds \$10,000. These funds will allow the City to prepare an aquatic vegetation management plan for American Lake.

***2016 Storm Pipe Repair, 1-Time*** – Add \$150,000 expenditures in 2017 due to higher than anticipated bids. Total project cost is \$4000,000 funded by SWM.

***Steele Street Pond Tree Trimming, 1-Time*** – Add \$5,275 expenditures in 2017 for tree trimming at Steele Street Pond, funded by SWM.

***Waughop Lake Alum Treatment, 1-Time*** – Add \$250,000 expenditures in 2018 for Waughop Lake Treatment, funded by Pierce County Flood Control Zone District Opportunity Fund. Ten percent of the Flood District's levy proceeds are set aside in an Opportunity Fund available to local jurisdictions for available projects. Based on its total assessed valuation, approximately 6% of these Opportunity Funds are allocated to the City of Lakewood. Funds may be used for:

- Maintenance and operation of flood control and storm water control improvements that were constructed or acquired by the jurisdiction.
- Studies and plans for flood control or storm water control improvements that will be constructed or acquired by the jurisdiction.
- Flood control or storm water control improvements.
- Flood control or storm water control improvements that will be constructed or acquired by the jurisdiction.
- Watershed management projects, studies, plans and activities that are for water supply, water quality and water resource and habitat protection and management.
- Major equipment used for storm water control or water quality protection.

The District will announce the availability of the Opportunity Fund each April for the subsequent fiscal year. Jurisdictions will submit a Notice of Intent to Request Funds that indicates if they will expend or bank their allocation. If a jurisdiction chooses to expend their allocation, they will submit details of the specific project(s) that will be funded by attaching Project Scope of Work form(s). Upon timely submittal of a Notice of Intent to Request Funds, it will be reviewed for completeness and for meeting the eligibility criteria by the District Administrator. Eligible projects will be presented to the Board of Supervisors for approval at a public meeting.



#### Opportunity Fund Annual Schedule:

- April - The District provides notice to jurisdictions on their allocation and availability of the Opportunity Fund.
- June - Jurisdictions submit a Notice of Intent to Request Funds form indicating how they plan to use their annual allocation.
- August - The District reviews Notice of Intent to Request Funds for completeness and compliance with project eligibility criteria. The District Administrator will approve or deny the application and send a written decision to the jurisdiction.

There will be some up front work needed to prepare to treat Waughop Lake (water analysis, permits, etc.). Since it is recommended that alum treatment occur in either the winter or the spring of the year, in order to be able to treat the Lake in the winter of 2018, the city will fund the upfront preparation work from the SWM Fund. If we do not proceed in this manner, treatment of Waughop Lake will need to wait until the Spring of 2019.

#### **Fund 501 Fleet & Equipment**

***Replace Police Vehicle 40520, 1-Time*** – This vehicle was scheduled and budgeted for replacement in 2018. However, this vehicle was totaled and needs to be replaced in 2017. The budget request is to add expenditures of \$50,395 in 2017, funded by replacement reserves of \$46,000 and insurance proceeds of \$4,395 and eliminate \$46,000 expenditure budget from 2018.

***Replace Police Vehicle 40420, 1-Time*** – In 2015 when this vehicle was evaluated for fleet replacement this vehicle had low miles, had shown mechanical reliability and was in a non-conforming use placed in criminal investigations where it was expected to last another budget cycle. As this vehicle was a former traffic unit vehicle, it was not ideal for use in CIU as it was equipped with a cage, push bar and some limited patrol equipment. The vehicle was nonetheless put to use in CIU. Unexpectedly, this vehicle has developed very significant mechanical problems that are going to be very expensive to fix. Coupled with some routine maintenance, the head gasket repair will total \$4,000. A review of the existing fleet in CIU was completed and with the recent addition of an investigator, there are no vehicles to re-purpose. The \$4,000 repair is more than the car is worth and does not make efficient use of city money when a replacement vehicle is an option. Mileage on the vehicle is over 94,000 and Kelly Blue Book trade in value is \$2,600. Cost to replace is \$39,000, funded by replacement reserves.

***Replace Police Vehicle 40570, 1-Time*** – In 2015 when this vehicle was evaluated for fleet replacement this vehicle had low miles, had shown mechanical reliability and was assigned in criminal investigations where it was expected to last another budget cycle. In the last 12 months this vehicle has developed mechanical issues that have cost the city \$1,800 to repair, only to have the problems persist. This vehicle is having persistent electrical issues that cause brake light failure, tire pressure sensor failure and traction control failure. The latter is most concerning as this could be a safety issue in an emergency braking situation. The department was informed by Systems for Public Safety that the front differential is leaking fluid which is a dealer required fix that will eventually cost at least \$600 in labor to access the housing with no estimate on any parts that might need replacement. The declining value of the vehicle and the rising cost of repair and maintenance just does not make good financial sense. There is no other vehicle in the department fleet that can be reassigned that will fit the needs of the major crimes unit sergeant that operates this vehicle. Mileage on the vehicle is over 102,500 and Kelly Blue Book trade in value is \$3,400. Cost to replace is \$34,000 funded by replacement reserves.

***Pavement Patching Equipment, 1-Time*** – Add \$125,000 in 2017 for purchase of pavement patching equipment (1 skid steer with grinder/planning implements and 1 skid steer with bucket used to remove debris) and \$12,500 for annual replacement reserves collection beginning in 2018. Estimate useful life for replacement reserves collection is 10 years. Funding source for capital purchase is General Fund. The equipment purchase allows the City to implement a more permanent, efficient and year-round system of patching and repairing roads, which is the core of the City's operations & maintenance function. The size and function allows mobility and reduced lane closures while working in the roadways. Other City equipment will be used to complete operations.

***Interfund Loan to Transportation CIP, 1-Time*** – Transfer \$1,020,000 (source is replacement reserves) to P# 64 Streets: 146<sup>th</sup>, 150<sup>th</sup>, and Spring Street Local Improvement District (LID) in 2017 to provide interim LID financing. The City may provide interim internal financing to LID projects. The owner (Pannatoni) may pay the City all or any portion of the costs without interest within 30 days after publication of the assessment roll (referred to as the prepayment period). If not paid during the prepayment period, the City sells bonds following a process which includes the City Council passing a bond ordinance. The Fleet & Equipment Fund will be made whole in 2018 through either prepayment by Pannatoni or LID bond proceeds.

### **Fund 502 Property Management**

***Implement AFSCME CBA, Ongoing*** – Add \$6,739 in 2017 and \$10,277 in 2018 to implement the AFSCME collective bargaining agreement. Funding source is internal service charges from operating departments.

***Legal – Public Records Workflow System, Ongoing*** – Add \$10,000 in each year of 2017 and 2018 for public records workflow and tracking system.

### **Fund 503 Information Technology**

***Implement AFSCME CBA, Ongoing*** – Add \$13,297 in 2017 and \$22,878 in 2018 to implement the AFSCME collective bargaining agreement. Funding source is internal service charges from operating departments.

### **Fund 504 Risk Management**

***Guardrail Repair, 1-Time*** – Add \$6,100 in 2017 for guardrail repair, funded by insurance proceeds. The two guardrail repair locations are near Nyanza and Gravelly Lake Drive and Interlaken Bridge.

***Legal - James White Settlement, 1-Time*** – Add \$50,000 in 2018 to settle the James White vs. City of Lakewood case related to public records. Funding source is General Fund via allocation of internal service charge.

***Transfer to Fleet & Equipment Fund, 1-Time*** – Add \$4,395 in 2017 for transfer of insurance proceeds from police vehicle 40520.

***WCIA 2018 Liability Assessment, Ongoing*** – Add \$111,926 in 2018 for WCIA 2018 liability assessment for a total liability assessment of \$1,022,458 (compared to total assessment for all areas of \$1,183,718).

The liability assessment formula is based on two factors: worker hours multiplied by the assessment rate. The City's assessment rate is determined by an actuary based on both the City's group and individual loss history for the previous five years. While the actuary's recommended overall rate increase of 1.3% may have little or no increase, changes in worker hours affect the overall assessment. Property, auto physical damage, boiler and machinery, and crime/fidelity rates will remain the same for 2018.

WCIA services include risk management consultation, loss control field services, claims, pre-defense and litigation administration, and loss analyses. WCIA contracts for the claims investigation consultants for personnel

issues and land use issues, insurance brokerage and lobbyist services. Additionally, WCIA provides generous services to its members such as risk management education and comprehensive risk field services.

Coverage	2014	2015	2016	2017	2018 Est
Auto Physical Damage	\$ 31,160	\$ 31,567	\$ 36,008	\$ 34,871	\$ 39,610
Boiler & Machinery	3,455	3,261	3,147	3,217	3,460
Crime/Fidelity	1,584	1,522	1,453	1,417	1,600
Liability	572,075	695,034	796,227	910,532	1,022,458
Property	93,532	102,480	104,550	104,298	115,010
Storage Tank Liability	1,237	1,336	1,438	1,544	1,580
<b>Total</b>	<b>\$ 703,043</b>	<b>\$ 835,200</b>	<b>\$ 942,823</b>	<b>\$ 1,055,879</b>	<b>\$ 1,183,718</b>

The amount the City pays for liability is based on an assessment formula comprised of two factors -- worker hours and loss rate.

Worker Hours: There is a two year lag in worker hours (2016 worker hours for 2018 assessment) which includes extra duty contract hours and does not include volunteer hours. Total worker hours in 2016 decreased by 0.18% or 758 hours compared to 2015. City worker hours decreased by 5,403 or 1.31% while extra duty worker hours increased by 4,645 or 61.74%, resulting in a net decrease of 758 hours or 0.18%.

Worker Hours for Assessment Year =>	2012 2014	2013 2015	2014 2016	2015 2017	2016 2018	Worker Hours 2016 vs 2015	
						Increase/(Decrease)	
						#	%
0803 All Operations	100,628	105,974	113,596	99,695	100,567	872	0.87%
5305 Admin/Clerical	158,000	152,336	145,034	128,584	122,719	(5,865)	-4.56%
6905 Law Enforcement	203,136	195,963	188,878	184,633	184,033	(600)	-0.32%
6906 Reserve Officers	-	1,780	271	87	277	190	218.39%
<b>Total Worker Hours - Before Extra Duty</b>	<b>461,764</b>	<b>456,053</b>	<b>447,779</b>	<b>412,999</b>	<b>407,596</b>	<b>(5,403)</b>	<b>-1.31%</b>
6905 Law Enforcement - Extra Duty	3,502	9,649	8,209	7,524	12,169	4,645	61.74%
<b>Total Worker Hours - After Extra Duty</b>	<b>465,266</b>	<b>465,702</b>	<b>455,988</b>	<b>420,523</b>	<b>419,765</b>	<b>(758)</b>	<b>-0.18%</b>
<b>Change From Prior Year - Before Extra Duty:</b>							
# of Hours	n/a	(5,711)	(8,274)	(34,780)	(5,403)		
% Change	n/a	-1.24%	-1.81%	-7.77%	-1.31%		
<b>Change From Prior Year - Extra Duty Only</b>							
# of Hours	n/a	6,147	(1,440)	(685)	4,645		
% Change	n/a	175.53%	-14.92%	-8.34%	61.74%		
<b>Change From Prior Year - After Extra Duty:</b>							
# of Hours	n/a	436	(9,714)	(35,465)	(758)		
% Change	n/a	0.09%	-2.09%	-7.78%	-0.18%		

The following table provides a comparison of worker hours for year-to-date August 2016 and 2017.

Worker Hours	2016 YTD 8/31	2017 YTD 8/31	Change	
			Increase/(Decrease)	
			#	%
0803 All Operations	68,547	74,170	5,623	8.20%
5305 Admin/Clerical	83,489	79,580	(3,909)	-4.68%
6905 Law Enforcement	122,971	126,460	3,489	2.84%
6906 Reserve Officers	253	74	(179)	-70.75%
<b>Total Worker Hours - Before Extra Duty</b>	<b>275,260</b>	<b>280,284</b>	<b>5,024</b>	<b>1.83%</b>
6905 Law Enforcement - Extra Duty	8,101	8,184	83	1.02%
<b>Total Worker Hours - After Extra Duty</b>	<b>283,361</b>	<b>288,468</b>	<b>5,107</b>	<b>1.80%</b>

Loss Rate: The loss rate is determined by an actuarial review of the last five years loss history (January 1, 2012 – December 31, 2016 for 2018 assessment). The actuary limits the loss to \$100,000 per loss so if the City is hit with a huge loss, it does not affect the City for 5 years. The following table provides a summary of the actuary’s report on the City’s losses for the years 2012 – 2016. There is a 3-year window for claims to be filed (for example, 2014 claim period ends in 12/31/2017).

Loss Runs Impacting 2018 WCIA Assessment						
Incurring by Year	2012	2013	2014	2015	2016	Total
Administration	\$ -	\$ 225,172	\$ 375,000	\$ -	\$ 2,484	\$ 602,656
Development Review	-	-	-	-	71,000	71,000
Parks & Rec Maintenance	-	-	-	-	3,500	3,500
Police	748,967	1,272,787	158,664	241,960	257,775	2,680,153
PW Engineering	916	41,164	72,000	28,748	31,000	173,828
PW Sewer/Storm	169,303	-	46,960	10,000	50,475	276,738
PW Street Maint	-	-	35,000	2,898	-	37,898
<b>Total</b>	<b>\$ 919,186</b>	<b>\$ 1,539,123</b>	<b>\$ 687,624</b>	<b>\$ 283,606</b>	<b>\$ 416,234</b>	<b>\$ 3,845,773</b>

Loss runs include indemnity reserves.

**NEXT STEPS:**

- **Consolidation of Sewer Capital Funds** – An evaluation of Fund 311 Sewer Capital Project and Fund 312 Sanitary Sewer Connection CIP to determine the feasibility of consolidating the funds as part of the 2019/2020 biennial budget development.
- **Opportunity Fund** – Create a special revenue fund titled Opportunity Fund for the purpose of accumulating funds for capital, economic development, and other special projects. Excess/surplus 1-time funds from various sources such as but not limited to, real estate excise tax and general fund, would be transferred to this new special revenue fund and then allocated to 1-time projects as determined by the City Council.
- **Budget Schedule:**
  - November 13, 2017 Regular Meeting
    - Review of 2018 Lodging Tax Funding Recommendations
    - Review of 2018 Human Services Funding Recommendations
    - Review of 2018 Fee Resolution/Schedule
  - November 20, 2017 Regular Meeting
    - Adopt 2018 Property Tax Levy
    - Adopt 2017/2018 Mid-Biennium Budget Adjustments
    - Adopt 2018 Fee Resolution/Schedule
    - Adopt 2018 Lodging Tax Funding Recommendations
    - Adopt of 2018 Human Services Funding Recommendations

**ATTACHMENTS:**

- Summary of Proposed Adjustments
- Exhibit A(1) – Proposed Revised Budget By Fund- Year 2017
- Exhibit A(2) – Proposed Revised Budget By Fund- Year 2018
- Exhibit B(1) – Current Revised Budget By Fund- Year 2017 Per Ord. 668 Adopted on May 1, 2017
- Exhibit B(2) – Current Revised Budget By Fund- Year 2018 Per Ord. 668 Adopted on May 1, 2017
- All Funds– Revenues, Expenditures and Ending Fund Balance with Proposed Adjustments (Excluded from 11/20 Adoption document)

**2017/2018 Mid-Biennium Budget Adjustment  
Summary of Proposed Requests**

	Adjustment Type	Ongoing/ 1-Time	Year 2017		Year 2018	
			Revenue	Expenditure	Revenue	Expenditure
<b>Grand Total - All Funds</b>			<b>\$ 4,887,683</b>	<b>\$ 6,319,223</b>	<b>\$ 4,577,664</b>	<b>\$ 4,808,385</b>
<b>Total - Fund 001 General</b>			<b>\$ 853,098</b>	<b>\$ 1,048,090</b>	<b>\$ 425,090</b>	<b>\$ 1,569,950</b>
Revenue - Sales Tax	Housekeeping	Ongoing	535,000	-	165,000	-
Revenue - Park Sales Tax	Housekeeping	Ongoing	24,700	-	8,900	-
Revenue - Gambling Tax	Housekeeping	Ongoing	75,000	-	48,800	-
Revenue - Criminal Justice	Housekeeping	Ongoing	(2,752)	-	(2,800)	-
Revenue - Liquor Excise Tax	Housekeeping	Ongoing	12,904	-	17,100	-
Revenue - Liquor Board Profits	Housekeeping	Ongoing	(1,860)	-	(5,500)	-
Revenue - Sales Tax Mitigation	Housekeeping	Ongoing	(12,000)	-	(50,000)	-
Revenue - Court Contracts (2016 Court Cost True Up)	Housekeeping	Ongoing	143,826	-	-	-
Revenue - Municipal Court Fines & Forfeitures	Housekeeping	Ongoing	(400,019)	-	(400,019)	-
Revenue - Development Service Fees	Housekeeping	Ongoing	97,486	-	37,609	-
Revenue - Alarm Permits	Housekeeping	Ongoing	(30,000)	-	(30,000)	-
Revenue - Business License	Housekeeping	Ongoing	(23,500)	-	(23,500)	-
Revenue - Tacoma Power Franchise Fees (Transfer to Transportation CIP)	Housekeeping	Ongoing	-	-	200,000	200,000
CW - Implement AFSCME CBA	Housekeeping	Ongoing	-	177,404	-	266,040
CW - Mandatory Medical Exams (Centralize Existing Citywide \$15K Budget to Human Resources)	Accounting Change	Ongoing	-	-	-	-
CW - Survey Monkey (Centralize Existing Citywide \$300 Budget to Non-Department)	Accounting Change	Ongoing	-	-	-	-
CW - AWC Membership Cost Increase	Housekeeping	Ongoing	-	-	-	1,275
RM - WCIA 2018 Liability Assessment Internal Service Charge	Housekeeping	Ongoing	-	-	-	108,236
LG - James White Settlement Internal Service Charge	Housekeeping	1-Time	-	50,000	-	-
LG - Adult Family Home/Enhanced Services Facility (ESF) Development Regulations	New	1-Time	-	50,000	-	-
LG - Public Records Work Flow System Internal Service Charge	New	Ongoing	-	10,000	-	10,000
CM - Graduate Intern Program	Housekeeping	Ongoing	-	10,200	-	10,200
CD/ED Berk Consulting - Retail Market Analysis Addendum	Housekeeping	1-Time	-	8,000	-	-
CD/ED Cascade Right of Way - Proposed Library Sites	Housekeeping	1-Time	-	14,450	-	-
CD - Technology Fee 2016 Revenue Earmark for Future Technology Projects	Housekeeping	1-Time	-	8,820	-	-
CD/BL - Backflow Inspection Fee to Lakewood Water District	Housekeeping	Ongoing	-	18,500	-	19,000

**2017/2018 Mid-Biennium Budget Adjustment  
Summary of Proposed Requests**

	Adjustment Type	Ongoing/ 1-Time	Year 2017		Year 2018	
			Revenue	Expenditure	Revenue	Expenditure
PD - Marine Vessel Registration Fees Revenue Distribution	Housekeeping	Ongoing	(800)	-	-	-
PD - South Sound 911 Background Examinations	Housekeeping	Ongoing	5,000	-	5,000	-
PD - Pierce County Sex Offender Residency Verification, Funded by Ongoing Grant	Housekeeping	Ongoing	9,863	-	-	-
PD - Organized Crime Drug Enforcement Task Force (OCDEF) DEA Contract	Housekeeping	Ongoing	2,500	-	-	-
PD - Organized Crime Drug Enforcement Task Force (OCDEF) US Marshals Contract	Housekeeping	Ongoing	3,000	-	-	-
PD - Western State Hospital Community Policing Program	Housekeeping	Ongoing	39,750	-	79,500	-
PD - Additional Code Enforcement Officer Overhire	New	1-Time	-	-	-	40,000
PD - Community Safety Resource Team - Contracted Services Address Homelessness Garbage Issues	New	1-Time	-	10,000	-	-
PD - Extra Duty Contract	Housekeeping	Ongoing	375,000	375,000	375,000	375,000
PD - South Sound 911 Dispatch Services Decrease Budget Based on Final 2018 Allocation	Housekeeping	Ongoing	-	-	-	(83,220)
PD - City of Tacoma Radio Users Fee Increase Budget Based Actual Charges	Housekeeping	Ongoing	-	7,260	-	7,260
Transfer to Abatement Program	New	1-Time	-	-	-	125,000
Transfer to Rental Housing Safety Program Cover Costs During Implementation Year	Realign Program	1-Time	-	50,000	-	-
Transfer to Park CIP: For Legal Fees Related to Parks CIP	Capital	1-Time	-	7,125	-	-
Transfer to Parks CIP Project: Street Banners and Brackets Phase II	Capital	1-Time	-	-	-	50,000
Transfer to Transportation CIP Project: P# 63 Colonial Center Revitalization Design	Capital	1-Time	-	-	-	250,000
Transfer to Transportation CIP Project: P# 3 Safety: Blank-out School Zone Speed Limit Signs – Steilacoom Blvd & Lakewood Dr SW	Capital	1-Time	-	35,000	-	-
Reduce Transfer to Transportation CIP Project: P# 24 Streets: Steilacoom Boulevard – Farwest to Phillips Road (Design Only)	Capital	1-Time	-	(37,100)	-	-
Transfer to Transportation CIP Project: P# 42 Safety: SRTS - John Dower (Custer to Steilacoom) Sidewalks & Bike Lanes	Capital	1-Time	-	57,035	-	-
Transfer to Transportation CIP Project: P# 99 Sidewalks: Steilacoom Boulevard and 88th - Phillips Road to Custer Road (Survey Only)	Capital	1-Time	-	-	-	75,000



**2017/2018 Mid-Biennium Budget Adjustment  
Summary of Proposed Requests**

	Adjustment Type	Ongoing/ 1-Time	Year 2017		Year 2018	
			Revenue	Expenditure	Revenue	Expenditure
PW-General/Street Fund Subsidy Earmark 2016 Technology Fee Revenue for Technology	Housekeeping	1-Time	-	2,701	-	-
PW-General/Street Fund Subsidy Cover Reduced MVET	Housekeeping	Ongoing	-	-	-	7,601
PW-General/Street Fund Subsidy Implement AFSCME CBA	Housekeeping	Ongoing	-	68,695	-	87,364
PW-General/Street Fund Subsidy Pavement Patching Equipment Internal Service Charge - \$125,000 1-Time in 2017 / \$12,500 Ongoing in 2018	Housekeeping	1-Time/ Ongoing	-	125,000	-	12,500
PW-General/Street Fund Subsidy 2018 WCIA Liability Assessment	Housekeeping	Ongoing	-	-	-	8,694
<b>Total - Special Revenue Funds</b>			\$ 1,220,227	\$ 619,771	\$ 663,558	\$ 968,257
<b>Total - Fund 101 Street O&amp;M</b>			\$ 196,396	\$ 196,396	\$ 108,558	\$ 108,558
PW-Technology Fee 2016 Revenue - Earmark for Future Technology Projects	Housekeeping	1-Time	2,701	2,701	-	-
Reduce MVET Estimate by \$7,601 Increase General Fund Subsidy \$7,601	Housekeeping	Ongoing	-	-	-	-
WCIA 2018 Liability Assessment	Housekeeping	Ongoing	-	-	8,694	8,694
Implement AFSCME CBA	Housekeeping	Ongoing	68,695	68,695	87,364	87,364
Pavement Patching Equipment Internal Service Charges (Source is General Fund) Capital Purchase in 2017 Replacement Reserves Collection in Beginning in 2018	New	1-Time/ Ongoing	125,000	125,000	12,500	12,500
<b>Total - Fund 102 Real Estate Excise Tax</b>			\$ 820,000	\$ 420,649	\$ 200,000	\$ 598,525
Increase REET Revenue Estimate	Capital	1-Time	820,000	-	200,000	-
Transfer to Public Art Fund - Major Public Art	Capital	1-Time	-	27,791	-	-
Transfer to Parks CIP Project: Fort Steilacoom Park Sports Field	Capital	1-Time	-	185,705	-	-
Transfer to Parks CIP Project: Harry Todd Park Waterfront Improvements Phase I	Capital	1-Time	-	-	-	98,525
Transfer to Parks CIP Project (Reduction): Waughop Trail, Deck, Dock & ParkingLot	Capital	1-Time	-	(92,847)	-	-
Transfer to Transportation CIP Project: P# 9 Streets: South Tacoma Way – SR512 to 96th Street	Capital	1-Time	-	300,000	-	-
Transfer to Transportation CIP Project: P# 12 Sidewalks & Traffic Signal: Steilacoom Blvd Safety – Custer to 88th Street	Capital	1-Time	-	-	-	500,000
<b>Total - Fund 103 Transportation Benefit District</b>			\$ 125,000	\$ -	\$ 125,000	\$ (2,500)
TBD \$20 Vehicle Licensing Fee - Increase Revenue Estimate	Capital	Ongoing	125,000	-	125,000	-
Eliminate TBD Separate WCIA Assessment - Eliminate 2017 & 2018 WCIA Assessment - Add Audit to 2017, Net Impact \$0 in 2017	Capital	Ongoing	-	-	-	(2,500)

**2017/2018 Mid-Biennium Budget Adjustment  
Summary of Proposed Requests**

	Adjustment Type	Ongoing/ 1-Time	Year 2017		Year 2018	
			Revenue	Expenditure	Revenue	Expenditure
<b>Total - Fund 104 Hotel/Motel Lodging Tax</b>			\$ 100,000	\$ -	\$ 100,000	\$ 100,000
Lodging Tax - Increase Revenue Estimate	Housekeeping	Ongoing	100,000	-	100,000	-
Lodging Tax - Increase Annual Amount Available for Allocation	Housekeeping	Ongoing	-	-	-	100,000
<b>Total - Fund 105 Property Abatement</b>			\$ (110,000)	\$ (105,111)	\$ 125,000	\$ 146,700
Abatement Program - Additional Funds (Source is General Fund)	Realign Program	1-Time	-	-	125,000	125,000
Rental Housing Safety Program Revenue and Expenditures (due to later than anticipated start)	Realign Program	1-Time	(160,000)	(105,111)	-	-
Rental housing Safety Program - Transfer In From General Fund (cover net costs during implementation year)	Realign Program	1-Time	50,000	-	-	-
Increase IT Replacement Reserves Cost for RHSP Program	Realign Program	1-Time	-	-	-	21,700
<b>Total - Fund 106 Public Art</b>			\$ 32,791	\$ 49,000	\$ 5,000	\$ 13,000
Increase Revenues from McGavick Center Rentals	Housekeeping	Ongoing	5,000	-	5,000	-
Transfer In From REET Fund	Housekeeping	1-Time	27,791	-	-	-
Increase Expenditures Available for Major Art Program	Housekeeping	1-Time	-	49,000	-	13,000
<b>Total - Fund 180 Narcotics Seizure</b>			\$ 40,865	\$ 40,865	\$ -	\$ -
Narcotics Seizure Expenditures, Funded by Asset Forfeitures	Housekeeping	1-Time	40,865	40,865	-	-
<b>Total - Fund 182 Federal Seizure</b>			\$ -	\$ -	\$ -	\$ -
Increase South Sound 911 Payment for PredPol	Housekeeping	Ongoing	-	-	-	1,000
Purchase of Pursuit Intervention Technique (PIT) Vehicle (Secondary Vehicle / No Accumulation of Reserves)	Housekeeping	Ongoing	-	10,470	-	-
Reduce Existing Budget to Accommodated Above Adjustments	Housekeeping	Ongoing	-	(10,470)	-	(1,000)
<b>Total - Fund 192 Office Econ Adj/South Sound Military Communities Partnership</b>			\$ -	\$ 2,797	\$ -	\$ 3,974
Implement AFSCME CBA	Housekeeping	Ongoing	-	2,797	-	3,974
<b>Total - Fund 195 Public Safety Grants</b>			\$ 15,175	\$ 15,175	\$ -	\$ -
PD-Washington Traffic Safety Commission School Safety Zone Grant	Housekeeping	1-Time	12,474	12,474	-	-
PD-Stop Violence Against Women Act Grant For Training	Housekeeping	1-Time	2,701	2,701	-	-
<b>Grand Total - Debt Service Funds</b>			\$ -	\$ 110,000	\$ -	\$ -
<b>Total - Fund 204 Sewer Project Debt Service</b>			\$ -	\$ 110,000	\$ -	\$ -
Transfer to Fund 311 Sewer Capital Project: 150th Street Sewer Extension	Capital	1-Time	-	110,000	-	-

**2017/2018 Mid-Biennium Budget Adjustment  
Summary of Proposed Requests**

	Adjustment Type	Ongoing/ 1-Time	Year 2017		Year 2018	
			Revenue	Expenditure	Revenue	Expenditure
<b>Total - Capital Improvement Project Funds</b>			\$ 2,564,432	\$ 2,613,358	\$ 2,051,435	\$ 1,808,525
<b>Total - Fund 301 Parks CIP</b>			\$ 1,044,723	\$ 1,044,723	\$ 148,525	\$ 148,525
Street Banners and Brackets Phase II (Source is General Fund)	Capital	1-Time	-	-	50,000	50,000
Harry Todd Park Waterfront Improvements Phase I (Source is Sale of Lakeland Property \$207,925 / Grant \$600,000 / SWM \$50,000 / REET \$98,525)	Capital	1-Time	857,925	857,925	98,525	98,525
Fort Steilacoom Park Sports Field (Source is SWM \$102,150 / REET \$185,705)	Capital	1-Time	287,855	287,855	-	-
Waughop Lake Trail, Dock, Deck and Parking Lot (Source is Dept of Commerce Grant \$249,240 / SWM \$142,500 / Reduced Donations \$49,950 / Reduced REET \$92,847)	Capital	1-Time	248,943	248,943	-	-
Fort Steilacoom Park Pavilion - Eliminate Grants Anticipated in 2017 \$300,000 - Reduce Donations/Contributions by \$50,000	Capital	1-Time	(350,000)	(350,000)	-	-
Parks CIP Legal Exp Related to Capital Projects) (Source is General Fund \$7,125 / Previously Lakeland Proceeds)	Capital	1-Time	-	-	-	-
<b>Total - Fund 302 Transportation CIP</b>			\$ 1,409,709	\$ 1,458,635	\$ 1,902,910	\$ 1,660,000
Transfer In From General Fund (Tacoma Power Franchise Fees)	Capital	Ongoing	-	-	200,000	-
P# 3 Safety: Blank-out School Zone Speed Limit Signs – Steilacoom Blvd & Lakewood Dr SW (Source is Transfer In From General Fund)	Capital	1-Time	35,000	35,000	-	-
P# 9 Streets: South Tacoma Way – SR512 to 96th Street (Source is REET)	Capital	1-Time	300,000	300,000	-	-
P# 12 Sidewalks & Traffic Signal: Steilacoom Blvd Safety – Custer to 88th Street (Source is REET)	Capital	1-Time	-	-	500,000	500,000
P# 24 Streets: Steilacoom Boulevard – Farwest to Phillips Road (Design Only) (Source is Grant \$205,100 / Town of Steilacoom \$58,000 / Reduce General Fund Transfer In \$37,100)	Capital	1-Time	226,000	226,000	-	-
P# 42 Safety: SRTS - John Dower (Custer to Steilacoom) Sidewalks & Bike Lanes (Source is General Fund \$57,035 / SWM Fund \$58,600)	Capital	1-Time	115,635	115,635	-	-
P# 62 Safety: Neighborhood Traffic Safety/Traffic Calming – Reduce from 2 to 1 Project (Eliminate Grants Anticipated Source)	Capital	1-Time	(238,000)	(238,000)	-	-

**2017/2018 Mid-Biennium Budget Adjustment  
Summary of Proposed Requests**

	Adjustment Type	Ongoing/ 1-Time	Year 2017		Year 2018	
			Revenue	Expenditure	Revenue	Expenditure
P# 63 Colonial Center Revitalization Design Add Transfer In From General Fund \$250,000 / Eliminate Grants Anticipated \$250,000	Capital	1-Time	-	-	-	-
P# 65 Sidewalks: Gravelly Lake Drive Phase II (Bridgeport Way to Steilacoom Blvd) (Source is SWM)	Capital	1-Time	-	-	65,000	65,000
P# 99 Sidewalks: Steilacoom Boulevard and 88th - Phillips Road to Custer Road (Survey Only) (Source is General Fund)	Capital	1-Time	-	-	75,000	75,000
P# 64 Streets: 146th, 150th, and Spring Street Local Improvement District (LID)	Capital	1-Time	1,020,000	1,020,000	1,020,000	1,020,000
MVET Estimate	Capital	Ongoing	(48,926)	-	(51,849)	-
Multi-Modal Estimate	Capital	Ongoing	-	-	21,845	-
Gas Tax Estimate	Capital	Ongoing	-	-	72,914	-
<b>Total - Fund 311 Sewer Project CIP</b>			<b>\$ 110,000</b>	<b>\$ 110,000</b>	<b>\$ -</b>	<b>\$ -</b>
150th Street Sewer Extension (Source is Sewer Debt Service Sewer Surcharge)	Capital	1-Time	110,000	110,000	-	-
<b>Total - Enterprise Funds</b>			<b>\$ 30,000</b>	<b>\$ 568,078</b>	<b>\$ 250,000</b>	<b>\$ 352,572</b>
<b>Total - Fund 401 Surface Water Management</b>			<b>\$ 30,000</b>	<b>\$ 568,078</b>	<b>\$ 250,000</b>	<b>\$ 352,572</b>
Transfer to Parks CIP Project: Harry Todd Park Waterfront Improvements Phase I	Capital	1-Time	-	50,000	-	-
Transfer to Parks CIP Project: Fort Steilacoom Park Sports Field	Capital	1-Time	-	102,150	-	-
Transfer to Parks CIP Project: Waughop Trail, Deck, Dock & ParkingLot	Capital	1-Time	-	142,500	-	-
Transfer to Transportation CIP Project: P# 42 Safety: SRTS - John Dower (Custer to Steilacoom) Sidewalks & Bike Lanes	Capital	1-Time	-	58,600	-	-
Transfer to Transportation CIP Project: P# 65 Sidewalks: Gravelly Lake Drive Phase II (Bridgeport Way to Steilacoom Blvd)	Capital	1-Time	-	-	-	65,000
Implement AFSCME CBA	Housekeeping	Ongoing	-	19,553	-	31,672
WCIA 2018 Liability Assessment	Housekeeping	Ongoing	-	-	-	5,900
American Lake Integrated Aquatic Vegetation-New Grant (Source is Grant \$30,000 / SWM \$10,000)	Housekeeping	1-Time	30,000	40,000	-	-
2016 Storm Pipe Repair - Increased Costs (Source is SWM)	Housekeeping	1-Time	-	150,000	-	-

**2017/2018 Mid-Biennium Budget Adjustment  
Summary of Proposed Requests**

	Adjustment Type	Ongoing/ 1-Time	Year 2017		Year 2018	
			Revenue	Expenditure	Revenue	Expenditure
Steel Street Pond Tree Trimming (Source is SWM)	Housekeeping	1-Time	-	5,275	-	-
Waghop Lake Treatment (Source is Flood Zone Control Funds)	New	1-Time	-	-	250,000	250,000
<b>Total - Internal Service Funds</b>			<b>\$ 219,926</b>	<b>\$ 1,359,926</b>	<b>\$ 1,187,581</b>	<b>\$ 109,081</b>
<b>Total - Fund 501 Fleet &amp; Equipment</b>			<b>\$ 129,395</b>	<b>\$ 1,269,395</b>	<b>\$ 1,032,500</b>	<b>\$ (46,000)</b>
Replace Totaled Police Vehicle 40520, Move Replacement Year From 2018 (Source is Replacement Reserves \$46,000 / Insurance Proceeds \$4,395)	Housekeeping	1-Time	4,395	50,395	-	(46,000)
Replace Police Vehicle 40420 Souce is Replacement Reserves	New	1-Time	-	39,000	-	-
Replace Police Vehicle 40570 Souce is Replacement Reserves	New	1-Time	-	35,000	-	-
Purchase of Pavement Patching Equipment Equipment Purchase in 2017 Replacement Reserves Accumulation Beginning in 2018 (Source is General Fund)	New	1-Time	125,000	125,000	12,500	-
Transfer to Transportation CIP - LID Project, Use of Fleet Reserves for Interim Financing	Housekeeping	1-Time	-	1,020,000	1,020,000	-
<b>Total - Fund 502 Property Management</b>			<b>\$ 6,739</b>	<b>\$ 6,739</b>	<b>\$ 10,277</b>	<b>\$ 10,277</b>
Implement AFSCME CBA (Source is Internal Service Charges)	Housekeeping	Ongoing	6,739	6,739	10,277	10,277
<b>Total - Fund 503 Information Technology</b>			<b>\$ 23,297</b>	<b>\$ 23,297</b>	<b>\$ 32,878</b>	<b>\$ 32,878</b>
Implement AFSCME CBA (Source is Internal Service Charges)	Housekeeping	Ongoing	13,297	13,297	22,878	22,878
LG - Public Records Work Flow System (Source is Internal Service Charges)	New	Ongoing	10,000	10,000	10,000	10,000
<b>Total - Fund 504 Risk Management</b>			<b>\$ 60,495</b>	<b>\$ 60,495</b>	<b>\$ 111,926</b>	<b>\$ 111,926</b>
PW-Guard Rail Replacement (Source is Insurance Proceeds)	Housekeeping	1-Time	6,100	6,100	-	-
LG - James White Settlement (Source is Internal Service Charges)	Housekeeping	1-Time	50,000	50,000	-	-
Transfer to Fleet & Equipment Fund for Partial Funding of Replacement Totaled Vehicle 40520 (Source is Insurance Proceeds)	Housekeeping	1-Time	4,395	4,395	-	-
CW-2018 WCIA Liability Assessment (Source is Internal Service Charges)	Housekeeping	1-Time	-	-	111,926	111,926