

# REQUEST FOR COUNCIL ACTION

<p><b>DATE ACTION IS REQUESTED:</b> November 18, 2019</p> <p><b>REVIEW:</b> October 21, 2019 November 4, 2019</p>	<p><b>TITLE:</b> An Ordinance amending the 2019-2020 Biennial Budget</p> <p><b>ATTACHMENTS:</b></p> <ul style="list-style-type: none"> <li>• Ordinance &amp; Exhibits</li> <li>• Memo</li> </ul>	<p><b>TYPE OF ACTION:</b></p> <p>ORDINANCE NO.</p> <p>RESOLUTION NO.</p> <p>MOTION</p> <p>OTHER</p>
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**SUBMITTED BY:** Tho Kraus, Assistant City Manager/Administrative Services

**RECOMMENDATION:** It is recommended that the City Council adopt this Ordinance amending the City’s 2019-2020 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 held a public hearing on the 2019-2020 Mid-Biennium Budget Adjustment ordinance on November 4, 2019. The proposed budget adjustment makes the following types of modifications to fiscal years 2019 and 2020: revise the beginning balance by adjusting the estimated amount to reflect the final 2018 ending fund balance (affects CDBG Fund only); adjustments to reflect economic conditions; incorporate items previously approved by Council; appropriate projects funded by grants and contributions; and new allocations.

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

**FISCAL IMPACT:** The proposed budget adjustment for all funds:

Year 2019:

- Increases beginning fund balance by \$1.34M, resulting in a revised estimate of \$28.37M;
- Increases revenues by \$14.38M, resulting in a revised estimate of \$97.03M;
- Increases expenditures by \$14.25M, resulting in a revised estimate of \$103.77M; and
- Increases ending fund balance by \$3.71M, resulting in a revised estimate of \$21.63M.

Year 2020:

- Increases beginning fund balance by \$1.47M, resulting in a revised estimate of \$21.63M;
- Decreases revenues by \$2.41M, resulting in a revised estimate of \$71.81M;
- Decreases expenditures by \$1.79M, resulting in a revised estimate of \$76.86M; and
- Increases ending fund balance by \$2.94M, resulting in a revised estimate of \$16.58M.

<p>_____</p> <p>Department Director</p>	<p>_____</p> <p>City Manager Review</p>
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ORDINANCE NO.

AN ORDINANCE of the City Council of the City of Lakewood, Washington, adopting the 2019/2020 Biennial Budget.

WHEREAS, the tax estimates and budget for the City of Lakewood, Washington, for the 2019/2020 fiscal biennium have been prepared and filed on October 1, 2018 as provided by Titles 35A.34 and 84.55 of the Revised Code of Washington; and

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

WHEREAS, the City Council of the City of Lakewood having held a public hearing on November 5, 2018, and having considered the public testimony presented; and

WHEREAS, the City Council of the City of Lakewood adopted Ordinance 700 on November 19, 2018 implementing the 2019/2020 Biennial Budget; and

WHEREAS, the City Council of the City of Lakewood adopted Ordinance 707 on May 6, 2019 implementing the 2019 Carry Forward Budget Adjustment;

WHEREAS, the City Council of the City of Lakewood finds it necessary to revise the 2019/2020 Biennial Budget as a result of the mid-biennial review; and

WHEREAS, the City Council of the City of Lakewood having held a public hearing on the 2019/2020 Mid-Biennium Budget Adjustment on November 4, 2019.

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

Section 1. Budget Amendment. The 2019/2020 Biennial Budget, as set forth in Ordinance 707, Section 1 and as shown in Exhibits A1 (Current Adopted Budget by Fund – Year 2019) and B1 (Current Adopted Budget by Fund – Year 2020), is amended to adopt the revised budget for the 2019/2020 biennium in the amounts and for the purposes as shown on Exhibits A2 (Revised Budget by Fund – Year 2019) and B2 (Revised Budget by Fund – Year 2020).

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

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

Section 4. Effective Date. This Ordinance shall be in full force and effect for the fiscal years 2019 and 2020 and five (5) days after publication as required by law.

ADOPTED by the City Council this 18<sup>th</sup> day of November, 2019.

CITY OF LAKEWOOD

\_\_\_\_\_  
Don Anderson, Mayor

Attest:

\_\_\_\_\_  
Briana Schumacher, MMC, City Clerk

Approved as to Form:

\_\_\_\_\_  
Heidi Ann Wachter, City Attorney

DRAFT

**EXHIBIT A1**  
**CURRENT ADOPTED BUDGET BY FUND - YEAR 2019**  
Per ordinance 707 Adopted May 6, 2019

Fund	Beginning Fund Balance			Revenue			Expenditure			Ending Fund Balance
	Prior Amount	Adjustment	Revised	Prior Amount	Adjustment	Revised	Prior Amount	Adjustment	Revised	
<b>General Government Funds:</b>	<b>\$ 8,049,087</b>	<b>\$ 4,993,686</b>	<b>\$ 13,042,773</b>	<b>\$ 48,054,532</b>	<b>\$ 3,837,599</b>	<b>\$ 51,892,131</b>	<b>\$ 49,629,692</b>	<b>\$ 7,344,754</b>	<b>\$ 56,974,446</b>	<b>\$ 7,960,458</b>
001 General	\$ 5,798,575	\$ 3,048,961	\$ 8,847,536	\$ 39,325,950	\$ 409,719	\$ 39,735,669	\$ 39,868,497	\$ 2,550,849	\$ 42,419,346	\$ 6,163,859
101 Street	-	-	-	2,439,541	123,752	2,563,293	2,439,541	123,752	2,563,293	-
102 Real Estate Excise Tax	83,000	626,417	709,417	1,700,000	-	1,700,000	1,783,000	200,000	1,983,000	426,417
103 Transportation Benefit District	-	141,325	141,325	814,000	-	814,000	814,000	109,000	923,000	32,325
104 Hotel/Motel Lodging Tax Fund	1,049,220	115,984	1,165,204	800,000	-	800,000	1,049,220	-	1,049,220	915,984
105 Property Abatement/RHSP	-	468,879	468,879	338,600	40,000	378,600	338,600	508,879	847,479	-
106 Public Art	-	24,886	24,886	15,000	100,000	115,000	15,000	124,886	139,886	-
180 Narcotics Seizure	-	316,361	316,361	60,500	27,343	87,843	60,500	343,704	404,204	-
181 Felony Seizure	-	15,045	15,045	-	-	-	-	15,045	15,045	-
182 Federal Seizure	-	-	-	9,600	-	9,600	9,600	-	9,600	-
190 CDBG	-	53,916	53,916	565,000	1,822,863	2,387,863	565,000	1,876,779	2,441,779	-
191 Neighborhood Stabilization Prog	-	88,632	88,632	8,500	66,500	75,000	8,500	155,132	163,632	-
192 OEA Grant/SSMCP	-	73,702	73,702	277,100	905,598	1,182,698	277,100	934,186	1,211,286	45,114
195 Public Safety Grants	-	-	-	105,306	165,173	270,479	105,306	165,173	270,479	-
201 GO Bond Debt Service	-	-	-	626,206	200,000	826,206	626,206	200,000	826,206	-
202 LID Debt Service	-	67,726	67,726	197,600	(23,349)	174,251	197,600	37,369	234,969	7,008
204 Sewer Project Debt	991,245	(50,788)	940,457	771,629	-	771,629	1,472,022	-	1,472,022	240,064
251 LID Guaranty	127,047	2,640	129,687	-	-	-	-	-	-	129,687
<b>Capital Project Funds:</b>	<b>\$ 1,040,629</b>	<b>\$ 4,929,027</b>	<b>\$ 5,969,656</b>	<b>\$ 13,297,960</b>	<b>\$ 5,702,253</b>	<b>\$ 19,000,213</b>	<b>\$ 10,266,390</b>	<b>\$ 10,111,293</b>	<b>\$ 20,377,683</b>	<b>\$ 4,592,186</b>
301 Parks CIP	-	1,492,523	1,492,523	2,605,000	1,230,901	3,835,901	1,725,000	2,926,871	4,651,871	676,553
302 Transportation CIP	300,000	3,243,423	3,543,423	8,848,570	3,843,258	12,691,828	6,655,000	6,993,052	13,648,052	2,587,199
311 Sewer Project CIP	28,239	89,987	118,226	1,844,390	628,094	2,472,484	1,174,000	88,276	1,262,276	1,328,434
312 Sanitary Sewer Connection	712,390	103,094	815,484	-	-	-	712,390	103,094	815,484	-
<b>Enterprise Fund:</b>	<b>\$ 2,155,074</b>	<b>\$ 1,445,097</b>	<b>\$ 3,600,171</b>	<b>\$ 3,777,800</b>	<b>\$ 330,000</b>	<b>\$ 4,107,800</b>	<b>\$ 3,853,997</b>	<b>\$ 1,336,362</b>	<b>\$ 5,190,359</b>	<b>\$ 2,517,612</b>
401 Surface Water Management	2,155,074	1,445,097	3,600,171	3,777,800	330,000	4,107,800	3,853,997	1,336,362	5,190,359	2,517,612
<b>Internal Service Funds:</b>	<b>\$ 5,168,715</b>	<b>\$ (749,799)</b>	<b>\$ 4,418,916</b>	<b>\$ 6,033,097</b>	<b>\$ 1,617,868</b>	<b>\$ 7,650,965</b>	<b>\$ 5,906,452</b>	<b>\$ 1,068,354</b>	<b>\$ 6,974,806</b>	<b>\$ 5,095,075</b>
501 Fleet & Equipment	4,787,279	(951,501)	3,835,778	1,688,521	905,204	2,593,725	1,660,720	182,779	1,843,499	4,586,004
502 Property Management	316,436	176,702	493,138	777,111	-	777,111	745,111	172,911	918,022	352,227
503 Information Technology	65,000	25,000	90,000	1,982,806	682,664	2,665,470	1,915,962	682,664	2,598,626	156,844
504 Risk Management	-	-	-	1,584,659	30,000	1,614,659	1,584,659	30,000	1,614,659	-
<b>Total All Funds</b>	<b>\$ 16,413,505</b>	<b>\$ 10,618,011</b>	<b>\$ 27,031,516</b>	<b>\$ 71,163,389</b>	<b>\$ 11,487,720</b>	<b>\$ 82,651,109</b>	<b>\$ 69,656,531</b>	<b>\$ 19,860,763</b>	<b>\$ 89,517,294</b>	<b>\$ 20,165,331</b>

**EXHIBIT A2**  
**REVISED BUDGET BY FUND - YEAR 2019**  
**Per Proposed Mid-Biennium Adjustment**

Fund	Beginning Fund Balance			Revenue			Expenditure			Ending Fund Balance
	Prior Amount	Adjustment	Revised	Prior Amount	Adjustment	Revised	Prior Amount	Adjustment	Revised	
<b>General Government Funds:</b>	<b>\$ 13,042,773</b>	<b>\$ 1,339,865</b>	<b>\$ 14,382,638</b>	<b>\$ 51,892,131</b>	<b>\$ 7,967,038</b>	<b>\$ 59,859,169</b>	<b>\$ 56,974,446</b>	<b>\$ 8,994,460</b>	<b>\$ 65,968,906</b>	<b>\$ 8,272,901</b>
001 General	\$ 8,847,536	\$ (0)	\$ 8,847,536	\$ 39,735,669	\$ 514,144	\$ 40,249,813	\$ 42,419,346	\$ 1,256,397	\$ 43,675,743	\$ 5,421,606
101 Street	-	-	-	2,563,293	265,767	2,829,060	2,563,293	265,767	2,829,060	-
102 Real Estate Excise Tax	709,417	-	709,417	1,700,000	550,000	2,250,000	1,983,000	928,161	2,911,161	48,256
103 Transportation Benefit District	141,325	-	141,325	814,000	-	814,000	923,000	-	923,000	32,325
104 Hotel/Motel Lodging Tax Fund	1,165,204	-	1,165,204	800,000	100,000	900,000	1,049,220	-	1,049,220	1,015,984
105 Property Abatement/RHSP	468,879	-	468,879	378,600	-	378,600	847,479	-	847,479	-
106 Public Art	24,886	-	24,886	115,000	-	115,000	139,886	-	139,886	-
180 Narcotics Seizure	316,361	-	316,361	87,843	-	87,843	404,204	-	404,204	-
181 Felony Seizure	15,045	-	15,045	-	6,035	6,035	15,045	6,035	21,080	-
182 Federal Seizure	-	-	-	9,600	-	9,600	9,600	-	9,600	-
190 CDBG	53,916	1,339,865	1,393,781	2,387,863	-	2,387,863	2,441,779	-	2,441,779	1,339,865
191 Neighborhood Stabilization Prog	88,632	-	88,632	75,000	-	75,000	163,632	-	163,632	-
192 OEA Grant/SSMCP	73,702	-	73,702	1,182,698	6,689,027	7,871,725	1,211,286	6,689,027	7,900,313	45,114
195 Public Safety Grants	-	-	-	270,479	62,065	332,544	270,479	62,065	332,544	-
201 GO Bond Debt Service	-	-	-	826,206	(220,000)	606,206	826,206	(220,000)	606,206	-
202 LID Debt Service	67,726	(0)	67,726	174,251	-	174,251	234,969	7,008	241,977	-
204 Sewer Project Debt	940,457	-	940,457	771,629	-	771,629	1,472,022	-	1,472,022	240,064
251 LID Guaranty	129,687	-	129,687	-	-	-	-	-	-	129,687
<b>Capital Project Funds:</b>	<b>\$ 5,969,656</b>	<b>\$ -</b>	<b>\$ 5,969,656</b>	<b>\$ 19,000,213</b>	<b>\$ 5,529,260</b>	<b>\$ 24,529,473</b>	<b>\$ 20,377,683</b>	<b>\$ 4,412,830</b>	<b>\$ 24,790,513</b>	<b>\$ 5,708,616</b>
301 Parks CIP	1,492,523	-	1,492,523	3,835,901	2,444,000	6,279,901	4,651,871	2,444,000	7,095,871	676,553
302 Transportation CIP	3,543,423	-	3,543,423	12,691,828	3,085,260	15,777,088	13,648,052	1,968,830	15,616,882	3,703,629
311 Sewer Project CIP	118,226	-	118,226	2,472,484	-	2,472,484	1,262,276	-	1,262,276	1,328,434
312 Sanitary Sewer Connection	815,484	-	815,484	-	-	-	815,484	-	815,484	-
<b>Enterprise Fund:</b>	<b>\$ 3,600,171</b>	<b>\$ -</b>	<b>\$ 3,600,171</b>	<b>\$ 4,107,800</b>	<b>\$ 217,084</b>	<b>\$ 4,324,884</b>	<b>\$ 5,190,359</b>	<b>\$ 216,395</b>	<b>\$ 5,406,754</b>	<b>\$ 2,518,301</b>
401 Surface Water Management	3,600,171	-	3,600,171	4,107,800	217,084	4,324,884	5,190,359	216,395	5,406,754	2,518,301
<b>Internal Service Funds:</b>	<b>\$ 4,418,916</b>	<b>\$ -</b>	<b>\$ 4,418,916</b>	<b>\$ 7,650,965</b>	<b>\$ 665,065</b>	<b>\$ 8,316,030</b>	<b>\$ 6,974,806</b>	<b>\$ 627,881</b>	<b>\$ 7,602,687</b>	<b>\$ 5,132,259</b>
501 Fleet & Equipment	3,835,778	-	3,835,778	2,593,725	56,184	2,649,909	1,843,499	19,000	1,862,499	4,623,188
502 Property Management	493,138	-	493,138	777,111	36,500	813,611	918,022	36,500	954,522	352,227
503 Information Technology	90,000	-	90,000	2,665,470	216,197	2,881,667	2,598,626	216,197	2,814,823	156,844
504 Risk Management	-	-	-	1,614,659	356,184	1,970,843	1,614,659	356,184	1,970,843	-
<b>Total All Funds</b>	<b>27,031,516</b>	<b>\$ 1,339,865</b>	<b>\$28,371,381</b>	<b>\$ 82,651,109</b>	<b>\$ 14,378,447</b>	<b>\$97,029,556</b>	<b>\$ 89,517,294</b>	<b>\$ 14,251,566</b>	<b>\$103,768,860</b>	<b>\$ 21,632,077</b>

**EXHIBIT A2**  
**REVISED BUDGET BY FUND - YEAR 2019**  
**Per Proposed Mid-Biennium Adjustment**

Fund	Beginning Fund Balance			Revenue			Expenditure			Ending Fund Balance
	Prior Amount	Adjustment	Revised	Prior Amount	Adjustment	Revised	Prior Amount	Adjustment	Revised	
<b>General Government Funds:</b>	<b>\$ 13,042,773</b>	<b>\$ 1,339,865</b>	<b>\$ 14,382,638</b>	<b>\$ 51,892,131</b>	<b>\$ 8,069,038</b>	<b>\$ 59,961,169</b>	<b>\$ 56,974,446</b>	<b>\$ 9,096,460</b>	<b>\$ 66,070,906</b>	<b>\$ 8,272,901</b>
001 General	\$ 8,847,536	\$ (0)	\$ 8,847,536	\$ 39,735,669	\$ 514,144	\$ 40,249,813	\$ 42,419,346	\$ 1,256,397	\$ 43,675,743	\$ 5,421,606
101 Street	-	-	-	2,563,293	265,767	2,829,060	2,563,293	265,767	2,829,060	-
102 Real Estate Excise Tax	709,417	-	709,417	1,700,000	550,000	2,250,000	1,983,000	928,161	2,911,161	48,256
103 Transportation Benefit District	141,325	-	141,325	814,000	-	814,000	923,000	-	923,000	32,325
104 Hotel/Motel Lodging Tax Fund	1,165,204	-	1,165,204	800,000	100,000	900,000	1,049,220	-	1,049,220	1,015,984
105 Property Abatement/RHSP	468,879	-	468,879	378,600	-	378,600	847,479	-	847,479	-
106 Public Art	24,886	-	24,886	115,000	-	115,000	139,886	-	139,886	-
180 Narcotics Seizure	316,361	-	316,361	87,843	-	87,843	404,204	-	404,204	-
181 Felony Seizure	15,045	-	15,045	-	6,035	6,035	15,045	6,035	21,080	-
182 Federal Seizure	-	-	-	9,600	-	9,600	9,600	-	9,600	-
190 CDBG	53,916	1,339,865	1,393,781	2,387,863	-	2,387,863	2,441,779	-	2,441,779	1,339,865
191 Neighborhood Stabilization Prog	88,632	-	88,632	75,000	-	75,000	163,632	-	163,632	-
192 OEA Grant/SSMCP	73,702	-	73,702	1,182,698	6,689,027	7,871,725	1,211,286	6,689,027	7,900,313	45,114
195 Public Safety Grants	-	-	-	270,479	164,065	434,544	270,479	164,065	434,544	-
201 GO Bond Debt Service	-	-	-	826,206	(220,000)	606,206	826,206	(220,000)	606,206	-
202 LID Debt Service	67,726	(0)	67,726	174,251	-	174,251	234,969	7,008	241,977	-
204 Sewer Project Debt	940,457	-	940,457	771,629	-	771,629	1,472,022	-	1,472,022	240,064
251 LID Guaranty	129,687	-	129,687	-	-	-	-	-	-	129,687
<b>Capital Project Funds:</b>	<b>\$ 5,969,656</b>	<b>\$ -</b>	<b>\$ 5,969,656</b>	<b>\$ 19,000,213</b>	<b>\$ 5,529,260</b>	<b>\$ 24,529,473</b>	<b>\$ 20,377,683</b>	<b>\$ 4,412,830</b>	<b>\$ 24,790,513</b>	<b>\$ 5,708,616</b>
301 Parks CIP	1,492,523	-	1,492,523	3,835,901	2,444,000	6,279,901	4,651,871	2,444,000	7,095,871	676,553
302 Transportation CIP	3,543,423	-	3,543,423	12,691,828	3,085,260	15,777,088	13,648,052	1,968,830	15,616,882	3,703,629
311 Sewer Project CIP	118,226	-	118,226	2,472,484	-	2,472,484	1,262,276	-	1,262,276	1,328,434
312 Sanitary Sewer Connection	815,484	-	815,484	-	-	-	815,484	-	815,484	-
<b>Enterprise Fund:</b>	<b>\$ 3,600,171</b>	<b>\$ -</b>	<b>\$ 3,600,171</b>	<b>\$ 4,107,800</b>	<b>\$ 217,084</b>	<b>\$ 4,324,884</b>	<b>\$ 5,190,359</b>	<b>\$ 216,395</b>	<b>\$ 5,406,754</b>	<b>\$ 2,518,301</b>
401 Surface Water Management	3,600,171	-	3,600,171	4,107,800	217,084	4,324,884	5,190,359	216,395	5,406,754	2,518,301
<b>Internal Service Funds:</b>	<b>\$ 4,418,916</b>	<b>\$ -</b>	<b>\$ 4,418,916</b>	<b>\$ 7,650,965</b>	<b>\$ 665,065</b>	<b>\$ 8,316,030</b>	<b>\$ 6,974,806</b>	<b>\$ 627,881</b>	<b>\$ 7,602,687</b>	<b>\$ 5,132,259</b>
501 Fleet & Equipment	3,835,778	-	3,835,778	2,593,725	56,184	2,649,909	1,843,499	19,000	1,862,499	4,623,188
502 Property Management	493,138	-	493,138	777,111	36,500	813,611	918,022	36,500	954,522	352,227
503 Information Technology	90,000	-	90,000	2,665,470	216,197	2,881,667	2,598,626	216,197	2,814,823	156,844
504 Risk Management	-	-	-	1,614,659	356,184	1,970,843	1,614,659	356,184	1,970,843	-
<b>Total All Funds</b>	<b>27,031,516</b>	<b>\$ 1,339,865</b>	<b>\$28,371,381</b>	<b>\$ 82,651,109</b>	<b>\$ 14,480,447</b>	<b>\$97,131,556</b>	<b>\$ 89,517,294</b>	<b>\$ 14,353,566</b>	<b>\$103,870,860</b>	<b>\$ 21,632,077</b>

The City Council approved the motion to amend the 2019/2020 mid-biennium budget adjustment to add \$102,000 in 1-time revenues and expenditures in 2019 for Fund 195 Public Safety Grants to capture the WAPTA (Washington Auto Theft Prevention Authority) grant. This adjustment is reflected on this revised exhibit.

**EXHIBIT B1**  
**CURRENT ADOPTED BUDGET BY FUND - YEAR 2020**  
Per ordinance 707 Adopted May 6, 2019

Fund	Beginning Fund Balance			Revenue			Expenditure			Ending Fund Balance
	Prior Amount	Adjustment	Revised	Prior Amount	Adjustment	Revised	Prior Amount	Adjustment	Revised	
<b>General Government Funds:</b>	<b>\$ 6,473,927</b>	<b>\$ 1,486,531</b>	<b>\$ 7,960,458</b>	<b>\$ 49,183,405</b>	<b>\$ 409,531</b>	<b>\$ 49,592,936</b>	<b>\$ 49,321,340</b>	<b>\$ 868,978</b>	<b>\$ 50,190,318</b>	<b>\$ 7,363,076</b>
001 General	5,256,028	907,831	6,163,859	39,725,600	137,510	39,863,110	40,114,458	359,206	40,473,664	5,553,305
101 Street	-	-	-	2,455,935	-	2,455,935	2,455,935	-	2,455,935	-
102 Real Estate Excise Tax	-	426,417	426,417	1,700,000	-	1,700,000	1,700,000	238,000	1,938,000	188,417
103 Transportation Benefit District	-	32,325	32,325	814,000	-	814,000	814,000	-	814,000	32,325
104 Hotel/Motel Lodging Tax Fund	800,000	115,984	915,984	800,000	-	800,000	800,000	-	800,000	915,984
105 Property Abatement/RHSP	-	-	-	328,800	-	328,800	328,800	-	328,800	-
106 Public Art	-	-	-	15,000	-	15,000	15,000	-	15,000	-
180 Narcotics Seizure	-	-	-	70,000	-	70,000	70,000	-	70,000	-
181 Felony Seizure	-	-	-	-	-	-	-	-	-	-
182 Federal Seizure	-	-	-	39,600	-	39,600	39,600	-	39,600	-
190 CDBG	-	-	-	560,000	-	560,000	560,000	-	560,000	-
191 Neighborhood Stabilization Prog	-	-	-	24,700	-	24,700	24,700	-	24,700	-
192 OEA Grant/SSMCP	-	45,114	45,114	277,100	-	277,100	277,100	-	277,100	45,114
195 Public Safety Grants	-	-	-	130,037	-	130,037	130,037	-	130,037	-
201 GO Bond Debt Service	-	-	-	1,250,656	300,000	1,550,656	1,250,656	300,000	1,550,656	-
202 LID Debt Service	-	7,008	7,008	203,500	(27,979)	175,521	203,500	(28,228)	175,272	7,257
204 Sewer Project Debt	290,852	(50,788)	240,064	788,477	-	788,477	537,554	-	537,554	490,987
251 LID Guaranty	127,047	2,640	129,687	-	-	-	-	-	-	129,687
<b>Capital Project Funds:</b>	<b>\$ 4,072,199</b>	<b>\$ 519,987</b>	<b>\$ 4,592,186</b>	<b>\$ 15,878,700</b>	<b>\$ (367,000)</b>	<b>\$ 15,511,700</b>	<b>\$ 18,303,000</b>	<b>\$ (617,000)</b>	<b>\$ 17,686,000</b>	<b>\$ 2,417,886</b>
301 Parks CIP	880,000	(203,447)	676,553	2,980,000	-	2,980,000	3,860,000	(250,000)	3,610,000	46,553
302 Transportation CIP	2,493,570	93,629	2,587,199	12,703,700	(367,000)	12,336,700	14,320,000	(367,000)	13,953,000	970,899
311 Sewer Project CIP	698,629	629,805	1,328,434	195,000	-	195,000	123,000	-	123,000	1,400,434
312 Sanitary Sewer Connection	-	-	-	-	-	-	-	-	-	-
<b>Enterprise Fund:</b>	<b>\$ 2,078,878</b>	<b>\$ 438,735</b>	<b>\$ 2,517,613</b>	<b>\$ 3,954,900</b>	<b>\$ -</b>	<b>\$ 3,954,900</b>	<b>\$ 5,143,366</b>	<b>\$ -</b>	<b>\$ 5,143,366</b>	<b>\$ 1,329,147</b>
401 Surface Water Management	2,078,878	438,735	2,517,613	3,954,900	-	3,954,900	5,143,366	-	5,143,366	1,329,147
<b>Internal Service Funds:</b>	<b>\$ 5,295,360</b>	<b>\$ (200,285)</b>	<b>\$ 5,095,075</b>	<b>\$ 5,034,796</b>	<b>\$ 131,000</b>	<b>\$ 5,165,796</b>	<b>\$ 5,559,252</b>	<b>\$ 76,100</b>	<b>\$ 5,635,352</b>	<b>\$ 4,625,519</b>
501 Fleet & Equipment	4,815,080	(229,076)	4,586,004	755,720	-	755,720	1,352,020	(54,900)	1,297,120	4,044,604
502 Property Management	348,436	3,791	352,227	778,684	-	778,684	773,684	-	773,684	357,227
503 Information Technology	131,844	25,000	156,844	1,915,733	126,000	2,041,733	1,848,889	126,000	1,974,889	223,688
504 Risk Management	-	-	-	1,584,659	5,000	1,589,659	1,584,659	5,000	1,589,659	-
<b>Total All Funds</b>	<b>17,920,364</b>	<b>\$ 2,244,968</b>	<b>\$20,165,332</b>	<b>\$ 74,051,801</b>	<b>\$ 173,531</b>	<b>\$74,225,332</b>	<b>\$ 78,326,958</b>	<b>\$ 328,078</b>	<b>\$78,655,036</b>	<b>\$ 15,735,628</b>

**EXHIBIT B2**  
**REVISED BUDGET BY FUND - YEAR 2020**  
**Per Proposed Mid-Biennium Adjustment**

Fund	Beginning Fund Balance			Revenue			Expenditure			Ending Fund Balance
	Prior Amount	Adjustment	Revised	Prior Amount	Adjustment	Revised	Prior Amount	Adjustment	Revised	
<b>General Government Funds:</b>	<b>\$ 7,960,458</b>	<b>\$ 312,443</b>	<b>\$ 8,272,901</b>	<b>\$ 49,592,936</b>	<b>\$ 695,689</b>	<b>\$ 50,288,625</b>	<b>\$ 50,190,318</b>	<b>\$ 389,598</b>	<b>\$ 50,579,916</b>	<b>\$ 7,981,610</b>
001 General	6,163,859	(742,253)	5,421,606	39,863,110	696,761	40,559,871	40,473,664	568,129	41,041,793	4,939,684
101 Street	-	-	-	2,455,935	(1,903)	2,454,032	2,455,935	(1,903)	2,454,032	-
102 Real Estate Excise Tax	426,417	(378,161)	48,256	1,700,000	-	1,700,000	1,938,000	(189,958)	1,748,042	214
103 Transportation Benefit District	32,325	-	32,325	814,000	-	814,000	814,000	-	814,000	32,325
104 Hotel/Motel Lodging Tax Fund	915,984	100,000	1,015,984	800,000	-	800,000	800,000	12,250	812,250	1,003,734
105 Property Abatement/RHSP	-	-	-	328,800	-	328,800	328,800	-	328,800	-
106 Public Art	-	-	-	15,000	-	15,000	15,000	-	15,000	-
180 Narcotics Seizure	-	-	-	70,000	-	70,000	70,000	-	70,000	-
181 Felony Seizure	-	-	-	-	-	-	-	-	-	-
182 Federal Seizure	-	-	-	39,600	-	39,600	39,600	-	39,600	-
190 CDBG	-	1,339,865	1,339,865	560,000	-	560,000	560,000	-	560,000	1,339,865
191 Neighborhood Stabilization Program	-	-	-	24,700	-	24,700	24,700	-	24,700	-
192 OEA Grant/SSMCP	45,114	-	45,114	277,100	-	277,100	277,100	-	277,100	45,114
195 Public Safety Grants	-	-	-	130,037	-	130,037	130,037	-	130,037	-
201 GO Bond Debt Service	-	-	-	1,550,656	831	1,551,487	1,550,656	831	1,551,487	-
202 LID Debt Service	7,008	(7,008)	-	175,521	-	175,521	175,272	249	175,521	-
204 Sewer Project Debt	240,064	-	240,064	788,477	-	788,477	537,554	-	537,554	490,987
251 LID Guaranty	129,687	-	129,687	-	-	-	-	-	-	129,687
<b>Capital Project Funds:</b>	<b>\$ 4,592,186</b>	<b>\$ 1,116,430</b>	<b>\$ 5,708,616</b>	<b>\$ 15,511,700</b>	<b>\$ (3,626,282)</b>	<b>\$ 11,885,418</b>	<b>\$ 17,686,000</b>	<b>\$ (2,610,282)</b>	<b>\$ 15,075,718</b>	<b>\$ 2,518,316</b>
301 Parks CIP	676,553	-	676,553	2,980,000	(935,282)	2,044,718	3,610,000	(935,282)	2,674,718	46,553
302 Transportation CIP	2,587,199	1,116,430	3,703,629	12,336,700	(2,691,000)	9,645,700	13,953,000	(1,675,000)	12,278,000	1,071,329
311 Sewer Project CIP	1,328,434	-	1,328,434	195,000	-	195,000	123,000	-	123,000	1,400,434
312 Sanitary Sewer Connection	-	-	-	-	-	-	-	-	-	-
<b>Enterprise Fund:</b>	<b>\$ 2,517,613</b>	<b>\$ 688</b>	<b>\$ 2,518,301</b>	<b>\$ 3,954,900</b>	<b>\$ 148,474</b>	<b>\$ 4,103,374</b>	<b>\$ 5,143,366</b>	<b>\$ 39,146</b>	<b>\$ 5,182,512</b>	<b>\$ 1,439,163</b>
401 Surface Water Management	2,517,613	688	2,518,301	3,954,900	148,474	4,103,374	5,143,366	39,146	5,182,512	1,439,163
<b>Internal Service Funds:</b>	<b>\$ 5,095,075</b>	<b>\$ 37,184</b>	<b>\$ 5,132,259</b>	<b>\$ 5,165,796</b>	<b>\$ 369,200</b>	<b>\$ 5,534,996</b>	<b>\$ 5,635,352</b>	<b>\$ 389,400</b>	<b>\$ 6,024,752</b>	<b>\$ 4,642,503</b>
501 Fleet & Equipment	4,586,004	37,184	4,623,188	755,720	66,800	822,520	1,297,120	87,000	1,384,120	4,061,588
502 Property Management	352,227	-	352,227	778,684	49,000	827,684	773,684	49,000	822,684	357,227
503 Information Technology	156,844	-	156,844	2,041,733	86,600	2,128,333	1,974,889	86,600	2,061,489	223,688
504 Risk Management	-	-	-	1,589,659	166,800	1,756,459	1,589,659	166,800	1,756,459	-
<b>Total All Funds</b>	<b>20,165,332</b>	<b>\$ 1,466,745</b>	<b>\$21,632,077</b>	<b>\$ 74,225,332</b>	<b>\$ (2,412,919)</b>	<b>\$71,812,413</b>	<b>\$ 78,655,036</b>	<b>\$ (1,792,138)</b>	<b>\$76,862,898</b>	<b>\$ 16,581,592</b>





To: Mayor and City Councilmembers  
From: Tho Kraus, Assistant City Manager/Administrative Services  
Through: John J. Caulfield, City Manager  
Date: November 18, 2019  
Subject: 2019/2020 Mid-Biennium Budget Adjustment

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## **BACKGROUND**

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

- Revise the beginning fund balance by adjusting the estimated amount to reflect the final 2018 ending fund balance (impacts CDBG Fund only);
- Adjustments to incorporate items previously approved by the City Council;
- Appropriate projects funded by grants and contributions;
- Adjustments to reflect economic conditions; and
- New allocations.

## **POTENTIAL ITEMS & OTHER CONSIDERATIONS NOT INCLUDED IN PROPOSED ADJUSTMENT**

The following potential items and other considerations are not included in the proposed budget adjustment:

- Abatement Funds. In the event the City moves forward with demolition of the QFC building additional abatement funds would be necessary. Estimated cost for the demolition including asbestos removal is \$1,000,000. This figure is an estimate, but has been confirmed by an external source.
- I-976. If passed in the upcoming election (becomes effective December 5, 2019) this initiative would repeal the City's authority for transportation benefit districts to impose vehicle license fees. Under the City's current \$20 vehicle license (VLF) and annual budget, the impact to the City's transportation improvement funding is \$814,000 annually. The \$20 VLF generated revenues of \$822,762 in 2017 and \$835,711 in 2018. Additionally, if passed, it is expected there would be reductions in many of the state accounts associated with transportation funding, including the Multimodal Transportation Account, the Motor Vehicle Account, State Patrol Highway Account, and the Transportation Partnership Account. The City receives multimodal funding and motor vehicle excise tax of approximately \$82,000/year and \$1,285,000/year, respectively, which could be impacted if reductions occur at the state level. Additionally, state grants and local programs funded by these sources could be impacted as well (particularly multimodal funds).
- Transportation Mitigation Fees. Life-to-date June 2019 traffic mitigation fees received total \$58,000 and is expected to grow to \$200,000 in the near future according to the City's Assistant City Manager for Development Services. Plan for the use of these moneys is to first to construct a new traffic signal at Avondale and Gravelly Lake Drive to include signal coordination along the Gravelly Lake Drive Corridor. The estimated cost for a new traffic signal in 2020 dollars is roughly \$700,000 and is anticipated to be covered 50% by traffic mitigation funds matched by 50% City funds.

- Replacement Maintenance Costs for Colonial Plaza. The total 20-year cost for catenary lighting replacement, street lamp replacement, street furniture replacement, and resand pavers total \$250,000 over the next 25 years. These costs will be evaluated as part of the 2021/2022 biennial budget process.
- SHB 1406. In the 2019 regular sessions, the Washington State Legislature approved, and the Governor signed Substitute House Bill 1406 authorizing cities and counties to impose a local sales and use tax for acquisition, construction or rehabilitation of affordable housing or facilities providing supportive housing, and for the operations and maintenance costs of affordable or supportive housing for cities of 100,000 or less, or if eligible for providing rental assistance to tenants. The tax will be credited against state sales taxes collected within the City of Lakewood and will not result in higher sales and use taxes within the City of Lakewood and will represent an additional source of funding to address housing needs in the City. The tax must be used to assist persons whose income is at or below 65% of the City of Lakewood's median income. In order for a city or county impose the tax, within six months of the effective date of SHB 1406, or January 28, 2020, the governing body must adopt a resolution of intent to authorize the maximum capacity of the tax, and within twelve months of the effective date of SHB 1406, or July 28, 2020, must adopt legislation to authorize the maximum capacity of the tax. On September 3, 2019 the Lakewood City Council adopted resolution 2019-19 declaring its intent to adopt legislation to authorize the maximum capacity of the sales and use tax authorized by SHB 1406 within one year of the effective date of SHB 1406, or by July 28, 2020. The program provides up to 0.0146% in local sales and use tax credited against the state sales tax for housing investments. The tax credit is available in increments of 0.0073%, depending on the imposition of other local taxes and whether Pierce County also takes advantage of the credit. The estimated maximum distribution to the City are as follows: 0.0073% annual cap is \$94,174 (\$1,888,473 over 20 years) or 0.0146% annual cap is \$188,347 (\$3,766,946 over 20 years).
- JBLM North Clear Zone. On September 23, 2019 the City Council authorized the City Manager to execute a Cooperative Agreement with U.S. Army Environmental Command to purchase lands in the JBLM North Clear Zone (NCZ). The Cooperative Agreement's primary purpose is to support and sustain the military mission and help facilitate future testing and training requirements at JBLM through prevention, reduction, or elimination of incompatible land uses on properties adjacent to and/or in the vicinity of the NCZ and its mission activities. This is achieved by encumbering private property with permanent easements, acquiring by fee simple means, or similar permanent land restrictions. The Army commits up to \$50M in the first 10-year period and up to a total of \$80M if extensions are needed out to 50-years. There is a 20% local cost share.

## **STRATEGY**

In past years, the City has drawn down restricted funds first in order to preserve General Fund resources which provides for operational flexibility. The direction for this budget adjustment is to preserve real estate excise tax with the goal of creating an opportunity fund and setting aside excess real estate excise tax for future capital projects. The proposed budget adjustment does not provide for excess general or real estate excise tax funds.

**PROPOSED BUDGET AMENDMENTS – SUMMARY**

Year 2019 for All Funds:

- Increases beginning fund balance by \$1.34M, resulting in a revised estimate of \$28.37M;
- Increases revenues by \$14.38M, resulting in a revised estimate of \$97.03M;
- Increases expenditures by \$14.25M, resulting in a revised estimate of \$103.77M; and
- Increases ending fund balance by \$3.71M, resulting in a revised estimate of \$21.63M.

Year 2020 for All Funds:

- Increases beginning fund balance by \$1.47M, resulting in a revised estimate of \$21.63M;
- Decreases revenues by \$2.41M, resulting in a revised estimate of \$71.81M;
- Decreases expenditures by \$1.79M, resulting in a revised estimate of \$76.86M; and
- Increases ending fund balance by \$2.94M, resulting in a revised estimate of \$16.58M.

The table below provides a breakdown of the proposed 2019 and 2020 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 2019</b>	\$27,031,516	\$ 1,339,865	\$28,371,381	\$82,651,109	\$14,378,447	\$97,029,556	\$89,517,294	\$14,251,566	\$ 103,768,860	\$17,920,364	\$ 3,711,713	\$ 21,632,077
General	8,847,536	(0)	8,847,536	39,735,669	514,144	40,249,813	42,419,346	1,256,397	43,675,743	5,256,028	165,578	5,421,606
Special Revenue	3,057,367	1,339,865	4,397,232	10,384,376	7,672,894	18,057,270	12,021,903	7,951,055	19,972,958	800,000	1,681,544	2,481,544
Debt Service	1,137,870	(0)	1,137,870	1,772,086	(220,000)	1,552,086	2,533,197	(212,992)	2,320,205	417,899	(48,148)	369,751
Capital Projects	5,969,656	-	5,969,656	19,000,213	5,529,260	24,529,473	20,377,683	4,412,830	24,790,513	4,072,199	1,636,417	5,708,616
Enterprise	3,600,171	-	3,600,171	4,107,800	217,084	4,324,884	5,190,359	216,395	5,406,754	2,078,878	439,423	2,518,301
Internal Service	4,418,916	-	4,418,916	7,650,965	665,065	8,316,030	6,974,806	627,881	7,602,687	5,295,360	(163,101)	5,132,259
<b>Total Year 2020</b>	\$20,165,332	\$ 1,466,745	\$21,632,077	\$74,225,332	\$(2,412,919)	\$71,812,413	\$78,655,036	\$(1,792,138)	\$ 76,862,898	\$13,645,207	\$ 2,936,385	\$ 16,581,592
General	6,163,859	(742,253)	5,421,606	39,863,110	696,761	40,559,871	40,473,664	568,129	41,041,793	4,867,170	72,514	4,939,684
Special Revenue	1,419,840	1,061,704	2,481,544	7,215,172	(1,903)	7,213,269	7,453,172	(179,611)	7,273,561	800,000	1,621,252	2,421,252
Debt Service	376,759	(7,008)	369,751	2,514,654	831	2,515,485	2,263,482	1,080	2,264,562	668,822	(48,148)	620,674
Capital Projects	4,592,186	1,116,430	5,708,616	15,511,700	(3,626,282)	11,885,418	17,686,000	(2,610,282)	15,075,718	1,647,899	870,417	2,518,316
Enterprise	2,517,613	688	2,518,301	3,954,900	148,474	4,103,374	5,143,366	39,146	5,182,512	890,412	548,751	1,439,163
Internal Service	5,095,075	37,184	5,132,259	5,165,796	369,200	5,534,996	5,635,352	389,400	6,024,752	4,770,904	(128,401)	4,642,503

## **GENERAL FUND ENDING FUND BALANCE**

In support of the City's financial integrity, the City Council originally adopted on September 15, 2014, a set of financial policies including fund balance reserves totaling 12% of General/Street O&M Funds operating revenues. With the proposed mid-biennium budget adjustment, the 2020 estimated General/Street O&M Funds ending fund balance of \$4.94M equates to 12% of General/Street O&M Funds operating revenues and is in alignment with the City's financial policies below.

- *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 2020 General/Street O&M Funds operating revenues equates to \$823K.
- *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 \$2.06M.
- *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 \$2.06M.

## 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*

- Property Tax. Increase revenue estimate by \$50,000 in 2019 and \$197,600 in 2020 based on the preliminary levy calculation commensurate with 1% levy increase as authorized by State law. The revised revenue estimate is \$7,160,000 for 2019 and \$7,400,000 for 2020.
- Sales Tax. Increase revenue estimate by \$950,000 in 2019 and \$678,900 in 2020. The revised revenue estimate is \$10,802,600 for 2019 and \$10,630,000 for 2020. Year-to-date June revenues total roughly \$5,848,488 and is \$661,853 or 12.8% above the same period in 2018.
- Park Sales Tax. Increase revenue estimate by \$30,000 each year resulting in revised revenue estimates of \$638,700 in 2019 and \$650,900 in 2020. Through year-to-date June, revenues increased by \$16,253 or 5.3 % above the same period in 2018.
- Criminal Justice Sales Tax. Increase revenue estimates by \$55,000 each year resulting in revised revenue estimates of \$1,144,400 in 2019 and \$1,166,200 in 2020. Through year-to-date June, revenues increased by \$22,830 or 5.2% above the same period in 2018.
- Brokered Natural Gas. Increase revenue estimates by \$10,000 each year resulting in revised revenue estimates of \$40,000 annually. Through year-to-date June, revenues have reached the \$30,000 annual revenue estimate.
- Leasehold Tax. Decrease revenue estimates by \$7,000 each year resulting in revised revenue estimates of \$5,000 annually.
- Utility Tax. Decrease revenue estimates by \$330,000 each year resulting in revised revenue estimates of \$5,405,000 in 2019 and \$5,415,800 in 2020. Through year-to-date June, revenues decreased by \$35,767 or 1.2 % below the same period in 2018.
- Franchise Fees. Increase revenue estimates by \$103,600 each year resulting in revised revenue estimates of \$4,212,400 in 2019 and \$4,335,700 in 2020. Through year-to-date June, revenues increased by \$84,531 or 4.4% above the same period in 2018.
- High Crime Funding. Reduce high crime funding by \$77,000 annually resulting in a revised annual revenue estimates of \$241,800. The reduction is due to the City's decrease in crime (must have crime rate in excess of 125% of statewide average).
- Municipal Court Contracts. Reduce court contract revenues by \$87,198 annually to reflect actual revenues in 2019 and similar revenues in 2020. The final 2020 figure will be determined in early 2020. 2019 contract revenues total \$430,102 (Town of Steilacoom \$155,276 / City of University Place \$153,321 / City of DuPont \$121,505).
- Development Services Permits & Fees. Decrease 2019 revenue estimates by \$432,600. There are many pending projects; however, it is uncertain when these projects will materialize and result in actual permit revenue. Although permit activity generating revenues is down, the department experienced a substantial increase in residential remodels/additions and commercial tenant improvements which do not generate the same level of revenue as larger projects.

- **Business License.** Decrease 2019 revenue estimates by \$54,000. In June 2018 the City partnered with the State Department of Revenue Business License Services (BLS) to process all general business licenses in Lakewood through a common licensing system, as required by state law. The revenue decrease is likely due to BLS's policy to pro-rate business license fees based on the renewal date of a business's State license in order to have all licenses on the same renewal schedule, as well as the closure of the Starlite Swap Meet. The City does not expect to see the full revenue generated under the BLS partnership until the end of 2019. The revised estimate is \$260,000 in 2019 and \$314,000 in 2020.
- **Alarm Permits & Fees.** Increase alarm permits and fees by \$75,000 per year. The City had budgeted a lower revenue not knowing the exact reason for the declining revenues during most of 2018. Towards the end of 2018, after the budget was adopted, we learned the decrease in revenues is due to timing of billings by PMAM, the City's 3<sup>rd</sup> party contractor. PMAM acquired ATB in 2011; however, transition of data from ATB to the new PMAM platform did not occur until January 2018. There were inconsistencies in the data transition and PMAM's IT Team had been working on reconciling and completed it in July 2018. PMAM issued renewals notices to alarm companies in August 2018 and the City received the large revenue distribution in late 2018. The revised estimate is \$105,000 annually.
- **Animal Services Contract.** Increase revenue estimates in accordance with contracts for Town of Steilacoom (revised estimate is \$16,144 in 2019 and \$16,368 in 2020) and City of DuPont (revised estimate is \$33,252 in 2019 and \$33,877 in 2020).
- **South Sound 911 Background Investigation.** Increase 2019 revenue estimate by \$15,000 for a revised annual estimate of \$19,000. Revenues collected through June totals \$13,600.
- **Municipal Court Fines and Forfeitures.** Reduce revenue estimate by \$74,300 in 2019 and \$77,500 in 2020. The revised revenue estimate is \$786,600 for 2019 and \$783,400 for 2020. The court is experiencing increases from infractions and citations as a result of the City's motorcycle patrol and rental housing safety programs. The number of hearings have also increased. While this impacts court activity, it does not necessarily generate additional fines and forfeitures.
- **Camera Enforcement Fines.** Increase 2019 revenue estimate by \$100,000 for a revised 2019 estimate of \$800,000. Gross revenues through June totals \$453,172.

***CC – Independent Salary Commission Decision, New / Ongoing***

Add \$5,345 in 2019 (begins with pay period ending 9/15/2019) and \$18,220 in 2020 to implement the Independent Salary Commission Decision, which is to increase all positions by \$200/month. The resulting salary schedule is \$1,400/month for Councilmembers, \$1,500/month for Deputy Mayor, and \$1,600/month for Mayor.

***CM – Connections Magazine, New / 1-Time***

Add \$8,000 for fall edition of Connections magazine. Estimated cost of production before advertisement sales is \$17,000. The new sales representative anticipates advertisements sales between \$8,700 and \$11,700.

***CM – Temporary Help, New / 1-Time***

Add \$12,000 for temporary help for City Manager Department.

***CM – Executive Leadership Team Building, New / 1-Time***

Add \$25,000 for third party facilitator for Executive Leadership Team Building.

***CM – City Manager Personnel Cost, New / 1-Time***

Add \$5,000 annually for City Manager personnel cost increase based on performance evaluation. The \$5,000 is in the form of additional contribution to deferred compensation.

***AD – GFOA 2019 Leadership Academy, New / 1-Time***

Add \$3,440 for the Government Finance Officers Association (GFOA) leadership academy. Attendees for this academy are chosen through a competitive application process.

***AD – Volunteer and Employee Recognition Event, New / Ongoing***

Add back \$3,000 annually for venue rental and catering costs for 4<sup>th</sup> quarter employee recognition and volunteer recognition events.

***AD – Support Equity Team, New / 1-Time***

Support the City's Equity Team program by providing \$3,600 for professional services provided by Pacific Northwest Learning Cohort and \$1,000 each year for Government Alliance on Race and Equity (GARE) membership. The Government Alliance on Race and Equity (GARE) is a national network of governments working to achieve racial equity and advance opportunities for all. GARE membership provides access to tools and resources, events and training, and other information to the City's Equity Team, increase our awareness of issues and opportunities as we work to achieve the City's Equity Goals. GARE membership also provides the City with access to the Pacific Northwest Learning Cohort. The City is sending 3 Equity Team members to participate in training and development, and create peer support networks over the course of a year for a group of Race and Equity workers in government agencies in the area.

***AD – Leadership Academy, New / Ongoing***

During the 2019/2020 adopted budget process, leadership academy in-class sessions for the expanded executive leadership team (includes directors, managers and supervisors) was reduced by \$5,500 annually. The request is to restore funding on an ongoing basis beginning in 2020 in the amount of \$4,000 annually.

***CD – Limited Term Office Assistant, New / Ongoing***

Add \$35,000 in 2019 and \$80,000 in 2020 for a limited term office assistant with end date of December 31, 2020 (to be re-evaluated as part of the 2021/2022 biennial budget process). The position will work as a receptionist on the second floor front counter which includes planning, building, public works, business licensing and rental housing safety program, complete other assignments (archiving, filing, keeping handouts and applications readily available for customers, provide permit status updates to customers, respond to/forward voicemails, update the department's website and schedule inspections).

***CD – Training, New / 1-Time***

Add \$2,000 for permit counter training, specifically for the two permit technicians to obtain their International Code Council (ICC) certifications. The ICC is an organization that develops codes and standards for the building and construction industries. Also, add \$255 for ATC-20 training for two building inspectors and one apprentice. ATC-20 training refers to a process used to evaluate structures following a post-earthquake event.

***CD – PALS Permit System, New / 1-Time & Ongoing***

Add internal service charges for new PALS Permit System. 1-time costs are estimated at \$80,000 as it is partially funded by accumulated technology fees of \$59,403. Ongoing costs are estimated at \$50,000 annually and is partially offset by current permitting system m&o costs of \$8,400 annually.

***CED – Image Campaign, New / 1-Time***

Add \$76,493 in 2019 and \$103,500 in 2020 for City image campaign.

***CED – Western State Hospital Impacts Analysis, New / 1-Time***

Add \$14,960 for consultant analysis of the impacts of different potential futures for Western State Hospital.

***PK – Fiscal Agent for Lakewood's CHOICE, New / 1-Time***

The City of Lakewood was approached by the Washington State Health Care Authority (HCA) to become the fiscal agent for Lakewood's CHOICE (CHOICE), a substance abuse prevention coalition that has been successfully operating in the City for four years. CHOICE's work aligns with the Legacy Plan mission of creating a healthy and vibrant community as well as the goals and strategies of the Human Services division. As a fiscal agent the City would submit monthly reports prepared by CHOICE staff, pay bills and submit grant reimbursement requests. One of the reasons that the City was considered is our sound accounting and financial practices. The contract is for \$110,000 each year for two years. The City would receive an 8% contract administration fee (approximately \$8,906/year) for service. The grant funding period is July 1, 2019 through June 30, 2021.

***PK – Colonial Plaza Dedication, New / 1-Time***

Add \$4,000 for Colonial Plaza opening celebration, including logistics, rentals, performance, etc.

***PK - Colonial Plaza O&M, New / 1-Time & Ongoing***

Add \$36,636 beginning in 2020 for Colonial Plaza operations and maintenance (refuse pickup, landscape tree and debris pickup, irrigation, landscape plants, pressure wash pavers and sidewalks, special event/rental support, street furniture repair and bollard repair).

***PK – Street Landscape 0.75 FTE, New / Ongoing***

Add 0.75 FTE for a limited term maintenance assistant with end date of December 31, 2020 to replace 6 month seasonal position to support growing street landscape maintenance needs. The net cost is \$21,450 (cost \$41,200 offset by existing budget of \$19,750).

***PK – Overtime for Special Events, New / Ongoing***

Add \$5,000 annually in support of storm events and the City’s growing special events. The department does an excellent job growing and adding events that require logistical and staff support from both parks and operations & maintenance teams. SummerFest, Truck and Tractor Day, and the Christmas parade/tree lighting are the three that require additional staff time. During storm response, the department uses all hands on deck so the additional budget request reflects that additional work.

***PK – Water Utility Usage, New / Ongoing***

Add \$15,000 annually to account for 6 new connections and water usage at Fort Steilacoom Park.

***PK – Sewer Utility Charge, New / Ongoing***

Add \$1,500 annually for sewer connections at Fort Steilacoom Park.

***PK – SummerFest, New / 1-Time***

This adjustment is to true up SummerFest revenues and expenditures. Increase program expenditures by \$44,300 to reflect estimated cost. The adopted budget included expenditures of \$17,450 while total estimated costs net of \$50,000 from LTAC totals \$61,750. Reduce donations/sponsorships by \$48,100. The adopted budget included \$109,000 in donations/sponsorships while estimated revenues total \$60,900. Revised SummerFest sources total \$110,938 and uses total \$111,767. These amounts reflect lodging tax contributions but exclude in-kind contributions of \$36,800.

***PD – Evidence Section, New / 1-Time***

Add \$15,546 in 2019 and \$9,264 in 2020 for training and supplies related to the Evidence section, funded by property room proceeds. Training includes LEIRA conferences and IAI forensic courses totaling \$10,000 and supplies include storage, lockers/locks and impound storage shed totaling \$13,720.

***PD – South Sound 911 Assessment, New / Ongoing***

Reduce assessment by \$19,560 for a revised budget of \$1,931,370 in 2020.

***PD – Jail Services, New / Ongoing***

Add \$250,000 annually for jail costs resulting in revised annual expenditures estimates of \$950,000.

***Transfers to CIP – See Capital Projects Funds for Additional Information***

Parks Capital:

- \$107,129 to 301.0003 Harry Todd Phase II Waterfront Improvements
- \$350,000 to 301.0014 FSP/South angle Lane Parking & Trail Improvements
- \$20,000 to 301.0014 FSP/South angle Lane Parking & Trail Improvements (Oak Tree Mitigation Funds)
- \$9,000 to 301.0016 Playground Resurfacing
- \$15,300 to 301.0031 FSP/Artificial Turf Infields



Transportation Capital:

- \$100,000 to 302.0002 New LED Street Lights
- \$80,214 to 302.0053 123<sup>rd</sup> St SW – Bridgeport Way to 47<sup>th</sup> Ave SW Street
- \$72,000 to 302.0065 SRTS Gravelly Lake Drive (Bridgeport to Steilacoom)
- Reduce funding for Colonial Plaza by \$744,870 (project savings)

***Transfer to GO Bond Debt Service, Housekeeping / 1-Time***

Increase transfer by \$831 in 2019 to align with scheduled debt service payments for the 2016 LED Streetlights LOCAL financing.

***Internal Service Charges – See Internal Service Funds for Additional Information***

Property Management:

- Total \$52,176 for City Hall LED Lighting Conversion
- Total \$15,500 for Police Station Battery Backup Repair/Upgrade & Service Agreement
- Total \$10,000 for Police Station Generator Plug In

Information Technology:

- Total \$6,400 for Professional Services for Position Renumbering
- Total \$8,520 for KnowBe4 Cybersecurity Training
- Total \$117,395 for Additional Cybersecurity Program

**Fund 101 Street**

***PK - Colonial Plaza O&M, New / 1-Time & Ongoing***

Add \$8,992 beginning in 2020 for Colonial Plaza operations and maintenance (catenary lighting power, catenary lighting replacement, street/lamp festival power, paver failure due to root upheaval, and concrete sidewalk failure from root upheaval).

***PK – Overtime, New / Ongoing***

Add \$1,500 annually in support of storm events and the City’s growing special events. The department does an excellent job growing and adding events that require logistical and staff support from both parks and operations & maintenance teams. SummerFest, Truck and Tractor Day, and the Christmas parade/tree lighting are the three that require additional staff time. During storm response, the department uses all hands on deck so the additional budget request reflects that additional work.

***PK – New Street Signs, New / Ongoing***

Add \$7,500 annually for new street signs that are requested to be installed by Public Works Engineering (PWE). Streets O&M division constantly get requests from PWE to add new signs, usually at the request of the Police Department, businesses, or the general public. These are new signs, posts, and concrete. The signs vary from regulatory (speed limit, no parking, etc.) to informational (service club, church, etc.) signs. This is on top of the signs O&M has to replace as part of regular maintenance.

***PK – Street Lighting, New / Ongoing***

Add \$10,000 annually for street light electricity costs for about 45 upgraded lights on TPU poles and 15 new street lights on 123<sup>rd</sup> Street project.

***PK – Snow & Ice Maintenance, New / Ongoing***

Add \$15,000 to purchase salt for snow and ice maintenance in advance of winter season.

***PW - Non-Motorized Plan, Housekeeping / 1-Time***

Shift budgeted expenditures from 2020 to 2019.

***PW – Consulting Services for Build Grant, Housekeeping / 1-Time***

Add \$50,000 for consultant contract to assist the City in developing materials for the BUILD (Better Utilizing Investments to Leverage Development) Transportation Discretionary Grant Program. The BUILD program provides a unique opportunity for the USDOT to invest in road, rail, transit and port projects that promise to achieve national objectives. Previously known as TIGER (Transportation Investment Generating Economic Recovery) Discretionary Grants, Congress has dedicated nearly \$7.1 billion for 10 rounds of National Infrastructure Investments to fund projects that have a significant local or regional impact. As this program can fund projects up to \$25 million, development of the materials for a grant this size requires assistance and expertise beyond the norm to prepare a competitive grant application.

***Internal Service Charges – See Internal Service Funds for Additional Information***

Property Management:

- Total \$3,162 for City Hall LED Lighting Conversion

Information Technology:

- Total \$761 for KnowBe4 Cybersecurity Training
- Total \$10,490 for Additional Cybersecurity Program
- Total \$30,000 for Fiber Repair

Risk Management:

- Total \$100,000 for Potential Risk Management Claims

**Fund 102 Real Estate Excise Tax**

***REET Revenue***

Increase REET revenue estimate by \$550,000 in 2019 for a total revised estimate of \$2,250,000. The proposed budget adjustment does not include changes to the 2020 budget. Consistent with the current strategy of preserving real estate excise tax with the goal of creating an opportunity fund and setting aside excess real estate tax for future capital projects, 2020 revenues collected in excess of the current \$1,700,000 budget will be dedicated for this purpose.

***Transfers to Debt Service, Housekeeping / 1-Time***

Reduce debt service on 2019 LTGO bond issue by \$220,000 in accordance with debt service schedule and fiscal agent and other debt service related fees.

***Transfers to Capital Projects – See Capital Projects for Additional Information***

Parks Capital:

- Total \$519,589 to 301.0003 Harry Todd Phase II Waterfront Improvements

Transportation Capital:

- Total \$49,786 to 302.0051 Lakewood Drive – Flett Creek to 74<sup>th</sup> Overlay
- Total \$269,786 to 302.0053 123<sup>rd</sup> St SW – Bridgeport Way to 47<sup>th</sup> Ave SW Street
- Total \$309,000 to 302.0060 100<sup>th</sup> St SW & Lakewood Drive SW Traffic Signal Replacement
- Reduce total transfers by \$189,958 to 302.0063 Colonial Plaza Project (project savings)

**Fund 104 Hotel/Motel Lodging Tax**

***Hotel/Motel Lodging Tax Revenue***

Increase revenue estimate by \$100,000 in 2019 for a revised estimate of \$900,000.

**Fund 181 Felony Seizures**

***Felony Seizure, New / 1-Time***

Appropriate 2019 funds received of \$6,035 through year-to-date July for eligible felony seizure related activity.

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

### ***OEA JLUS JBLM CU Implementation 3, Grant / 1-Time***

The grant funds provide for a written report detailing alternatives to alleviate traffic congestion on local transportation networks in the vicinity of JBLM; document policy and procedure recommendations and develop a coordination plan for accessible and affordable housing for active duty military members in the area; and written report offering mitigation strategies to protect endangered species habitat in Thurston County while lifting restrictions on military training. The grant funding period is September 1, 2019 through August 31, 2020. Federal funds total \$506,027 and non-federal match total \$56,890 and is funded within the existing SSMCP budget.

### ***JBLM North Clear Zone – Purchase of Tactical Tailor Building, Grant / 1-Time***

Add \$6,183,000 for the purchase of the Tactical Tailor Building. Secured funding sources include: USAF (Air Force) \$3,600,000; REPI (Readiness and Environmental Protection Integration) \$953,000; and 2019/2021 State Capital Budget \$500,000. Funding sources anticipated include: REPI \$500,000; and Pierce County \$630,000 (current budget \$130,000 / proposed budget \$500,000). These funds, along with the \$760,000 from the State Capital budget (2017/2018) that is already budgeted, provides \$6,943,000 to move Tactical Tailor and acquire their property.

## **Fund 195 Public Safety Grants**

### ***PD - Emergency Management Performance, Grant / 1-Time***

The \$33,075 in grant funds provide for partial reimbursement of the Emergency Management Coordinator's position shared with West Pierce Fire and Rescue. The grant funding period is June 1, 2019 through August 31, 2020.

### ***PD – Washington State Parks Boater Safety, Grant / 1-Time***

The grant increase of \$1,131 provides additional funds for instructor support, for a total of \$17,281 in grant funds with a required local match of \$6,320 that is included within the existing budget. The grant funds are intended to compensate the City for actively supporting recreational boating safety in Washington State. The grant funding period is March 1, 2019 through September 30, 2019.

### ***PD – Pierce County Sheriff's STOP VAWA (Violence Against Women Act) – Grant / 1-Time***

The grant increase of \$1,661 provides additional training funds for two police officers, for a total of \$3,836 in grant funds. Pierce County awards funds after they have received billing for training attendance and adjusts the grant award accordingly. The grant funding period is January 1, 2019 through June 30, 2019.

### ***PD – Pierce County Sheriff's Phlebotomy, Grant / 1-Time***

The \$435 in grant funds provide for reimbursement of Washington State Phlebotomist re-certifications for three police officers. The grant funding period is October 1, 2018 through June 30, 2019.

### ***PD – Washington State Patrol Phlebotomy, Grant / 1-Time***

The \$15,000 in grant funds provide for phlebotomy services to the Washington State Patrol's Mobile Impaired Driving Unit processing facilities, police officer overtime and municipal court on-call pay. The grant funding period is October 1, 2018 through September 30, 2019.

### ***PD – Office of Justice Programs Bulletproof Vest Partnership, Grant / 1-Time***

Add 2019 grant award of \$10,763 for armored vests that meet the National Institute of Justice applicable ballistic and stab resistant standards for police officers. There is a 50% local match required which is already budgeted in the General Fund. This grant funding is for April 1, 2019 through August 31, 2021.

## **Fund 201 GO Bond Debt Service**

### ***2019 LTGO Bonds, Housekeeping / 1-Time***

Reduce debt service on 2019 LTGO bond issue by \$220,000 in accordance with debt service schedule and fiscal agent and other debt service related fees. The funding source for these bonds is real estate excise tax.

## **Fund 202 LID Debt Service**

### ***LID Debt Service, Housekeeping / 1-Time***

Earmark estimated funds totaling \$7,257 for early redemption of bonds and fiscal agent fees.

## **Fund 301 Parks Capital**

### ***301.0003 Harry Todd Park Phase I ADA, Dock, Bulkhead, Shoreline, Open Space, Grant / 1-Time***

Add \$1,080,000 in project expenditures funded by WWRP Water Access grant of \$580,000 and Aquatic Lands Enhancement Account (ALEA) Grant of \$500,000.

### ***301.0003 Harry Todd Park Phase II Waterfront, New / 1-Time***

The project was developed as part of the two RCO grant applications that were structured in a way that they were providing the bulk of the required local match. Unfortunately the City was not awarded the WWRP Water Access grant in the amount of \$626,718. If the City were unable to replace this source of revenue then the City would not be able to accept the \$500,000 ALEA grant and would forego replacement of the fishing and boating piers and restroom building. The proposed budget adjustment replaces \$600,000 in funds anticipated with \$107,129 from General Fund and \$519,589 from REET. Phase II project costs with these adjustments is \$1,326,718.

### ***301.0013 Fort Steilacoom Park/North Angle Lane Improvements, Housekeeping / 1-Time***

Eliminate duplicate Town of Steilacoom contribution. This \$25,000 was redirected to 301.0014 Fort Steilacoom Park/South Angle Lane Parking and Trail for new restrooms in the previous budget adjustment.

### ***301.0014 Fort Steilacoom Park/South Angle Lane Parking and Trail, New / 1-Time***

The original cost estimate was created as part of the RCO grant application and was purposely optimistic in order to maximize the grant request while trying to minimize the local match requirement. Unfortunately, after submitting the grant application, the City received new costs estimates for the restroom construction that greatly exceeded the original estimate. The additional funding of \$370,000 from the General Fund (\$20,000 of this amount is funded by Oak Tree Mitigation Funds) will allow for the full development of the intended scope and preserve the full amount of the grant award. Project costs with these adjustments is \$1,500,000.

### ***301.0017 Playground Resurfacing, New / 1-Time***

Add \$9,000 for playground resurfacing. \$10,000 is budgeted annually for playground resurfacing. Earlier this year \$4,300 was used for the new playgrounds in Oakbrook and American Lake parks. The remaining funds from the existing budget is set aside for Fort Steilacoom Park (under review). The additional funds are needed to replace Kiwanis park playground. The Kiwanis Club is purchasing and installing a \$70,000 structure (to include swings) in late September. The City will need to provide all new surfacing in this park, estimated at \$9,000. Source is General Fund.

### ***301.0031 Fort Steilacoom Park/Artificial Turf Infields, New / 1-Time***

In the City's "Capital Funding Request" to the State Legislature a preliminary project cost estimate was developed that established a total project cost of \$1,260,000. The City requested \$1M from the State and the City would provide a local match of \$260K. The final State award, after administrative fees is \$994,700. The City Council allocated \$250,000 of REET funds in the 2019/2020 biennial budget leaving a \$15,300 shortfall which is proposed to be covered by General Fund.

### ***301.0032 Springbrook Park Expansion, Grant / 1-Time***

Increase project costs for Springbrook Clover Creek Restoration from \$750,000 to \$788,000 funded by an increase in State Legislative allocation. Funds will be used for restoration efforts to improve the biodiversity of native and aquatic plants and improve water quality within this important salmon bearing riparian area. Additionally, this project will improve the quality of life for some of Lakewood's most vulnerable, underserved and diverse residents by improving their access to open space areas. Park proximity has been shown to play an integral part in promoting higher levels of park use and physical health, especially for youth.

## **Fund 302 Transportation Capital**

### ***302.0002 New LED Street Lights, New / 1-Time***

Increase project costs by \$100,000 to complete 2019 street lights and (includes \$14,000 to cover any unknowns that pop up in the remainder of 2019), funded by General Fund. Costs include staff utilization to administer and inspect the large street light efforts in 2018. The contractor required more time to accomplish the work and more interaction in part due to the different utilities we coordinated work with during design and different staff they used during construction. It also includes change orders to the citywide electrical contract to re-pour sidewalk panels, connect school zone lights to permanent metered power, and upgrade transformers for the new metered services. This was unanticipated work and was previously authorized by Council action. Other costs include additional poles from PSE to complete a neighborhood that was missed during design and vendor oversight of prior year billings.

### ***302.0051 Lakewood Drive – Flett Creek to 74<sup>th</sup> Overlay, New / 1-Time***

Increase project costs by \$111,187 to finalize the project funded by REET \$49,786 and SWM \$61,401. This need is driven in part by an agreement to allow the contractor to conduct a portion of the work at night with full closure to speed up the work and complete it early. The charge to SWM is just a recognition that the full amount expected was not transferred and we are requesting this amount from the original funding requested be transferred.

### ***302.0053 123<sup>rd</sup> St SW – Bridgeport Way to 47<sup>th</sup> Ave SW Street Project, New / 1-Time***

Increase project costs by \$350,000 funded by General Fund \$80,214 and REET \$269,786. Improvements include curb, gutter, sidewalks, and extends 123<sup>rd</sup> Street between Bridgeport Way and 47<sup>th</sup> Avenue, relocation of the intersection of 123<sup>rd</sup> and Bridgeport to south to move it away from the I-5 ramp terminal intersection, and add a new left turn lane for southbound Bridgeport Way to 123<sup>rd</sup> Street,

### ***302.0060 100<sup>th</sup> St SW & Lakewood Drive SW Traffic Signal Replacement, New / 1-Time***

Increase project costs by \$403,000 for a total project cost of \$1,025,733. The additional funds from REET of \$309,000 and SWM of \$94,000 (for related storm drainage element) allows the City to complete the sidewalks on both sides of the street from Bridgeport Way east to the existing sidewalks east of Lakewood drive.

### ***302.0063 Colonial Plaza, Housekeeping & New / 1-Time***

Reduce projects sources by \$641,927 and project costs by \$742,357. The revised estimated project cost is \$2,151,643 and includes: design \$100,000; construction admin costs \$90,000; Lakeview Light & Power power relocation \$30,157; construction \$1,906,486; and security cameras \$25,000 (new). Sources include: grants \$785,000; Lakewood Water District \$69,720; motor vehicle excise tax \$58,000; increased gas tax \$47,300; multi-modal \$82,400; General Fund \$245,000; REET \$638,042; and SWM \$226,181.

### ***302.0065 SRTS Gravelly Lake Drive (Bridgeport Way to Steilacoom), New / 1-Time***

Add \$72,000 to cover the intersection tie-in work at both ends of the project and the installation of new video detection cameras.

### ***302.0134 Veterans Drive – Gravelly Lake to American Lake Park Sidewalks, New / 1-Time***

Move WSDOT \$1,675,000 grant revenues and expenditures from 2020 to 2019. Grants secured total \$2,000,000. Project scope includes curb, gutter, sidewalks, street lighting, associated drainage and pavement along a portion of Veterans Drive and Vernon Ave connecting American Lake Park and the Lake City Business District.

## **Fund 401 Surface Water Management**

### ***Revenue Adjustments***

- Storm Drainage Fees. Increase revenue estimates by \$100,000 annually resulting in revised revenue estimates of \$3,826,200 in 2019 and \$4,004,100 in 2020. Revenues collected year-to-date through June totals \$2,288,361 with the other half due in October.
- Site Development Permit Fee. Increase revenue estimate by \$13,000 in 2019 resulting in a revised revenue estimate of \$43,000. Revenues collected year-to-date through June totals \$31,578.

***American Lake Management District, New / 1-Time & Ongoing***

Add \$152,558 in revenues and 160,320 in expenditures related to the American Lake Management District. This includes 1-time sources of \$75,000 from Department of Ecology Grant, \$30,026 from JBLM/VA contribution, and \$47,532 from lake management district assessments. The program is funded by \$19,447 from SWM which is scheduled to be repaid over the 10-year life of the lake management district.

***Colonial Plaza O&M, New / 1-Time & Ongoing***

Add \$4,346 beginning in 2020 for Colonial Plaza operations and maintenance (biopod inspection, biopod maintenance and street sweeping).

***Transfers to Capital Projects – See Capital Projects for Additional Information***

Transportation Capital:

- \$61,401 to 302.0051 Lakewood Drive – Flett Creek to 74<sup>th</sup> Overlay in 2019
- \$94,000 to 302.0060 100<sup>th</sup> St SW & Lakewood Drive SW Traffic Signal Replacement in 2019
- Reduce funding by \$76,819 for 302.0063 Colonial Plaza (project savings)

***Internal Service Charges – See Internal Service Funds for Additional Information***

Property Management:

- Total \$4,662 for City Hall LED Lighting Conversion

Information Technology:

- Total \$516 for KnowBe4 Cybersecurity Training
- Total \$7,115 for Additional Cybersecurity Program

**Fund 501 Fleet & Equipment**

***PD Totaled Vehicle #40371, New / 1-Time***

This vehicle was involved in a collision and has been declared a total loss by WCIA. The budget request is to add expenditures of \$57,000 in 2019, funded by replacement reserves of \$816 and insurance proceeds of \$56,184.

***PD Totaled Vehicle #40241, New / 1-Time***

This vehicle was involved in a collision and has been declared a total loss by WCIA. The budget request is to add expenditures of \$57,000 in 2019, funded by insurance proceeds.

***PD Damaged Vehicle #40800, New / 1-Time***

This vehicle was involved in a collision and has significant damages as a result. The budget request is to add expenditures of \$30,000 in 2019, funded by replacement reserves of \$20,800 and insurance proceeds of \$9,800.

***PD – Eliminate Original Adopted Budget Request, Housekeeping / 1-Time***

Passenger van #42160 was approved to be surplused and trailer #42130 was approved to be replaced using proceeds from van #42160, at a net cost of \$38,000. Since then the passenger van has been repurposed as a backup for Courts and the trailer has been determined to be in working condition and will no longer need to be replaced.

**Fund 502 Property Management**

***CH – City Hall LED Lighting Conversion, New / 1-Time***

Add \$60,000 for City Hall conversion to LED lighting. This conversion does not include changing out the emergency exit lights or the emergency lighting with battery backup (this is only a few lights) as they are a bit more complicated and costs would exceed the benefits.

***PD – Police Station Battery Backup System, New / 1-Time & Ongoing***

Add \$6,500 for server room battery backup system upgrade/repair (1-time) and \$9,000 for service agreement to maintain the new battery backup system (ongoing),



***PD – Police Station Generator Plug In, New / 1-Time***

Add \$10,000 for a generator plug to plug in external generator if backup generator fails as it did this past winter.

**Fund 503 Information Technology**

***AD/HR - Position Renumbering, New / 1-Time***

Add \$6,400 for use of Tyler Technology professional services to renumber the City's positions in a logical format while preserving data integrity and history.

***CED – PALS Permit System, New / 1-Time & Ongoing***

Add internal service charges for new PALS Permit System. 1-time costs are estimated at \$80,000 as is partially funded by accumulated technology fees of \$59,403. Ongoing costs are estimated at \$50,000 annually and is partially offset by current permitting system m&o costs of \$8,400 annually.

***PK – Fiber Repair, New / 1-Time***

Add \$30,000 for fiber repair. The City's Information Technology team began work over the summer to install new fiber to the O&M shop at Front Street, which would connect them directly to City Hall and the Police Station. Based on initial conversations with the City's Operations Superintendent, IT was informed that conduit had been placed in the ground during previous projects to facilitate the future installation of fiber directly to the O&M shop. This saved thousands of dollars by having it installed previously versus having to dig up the road and install new. During the project it was determined that the conduit which was thought to be usable was damaged due to a previous transportation improvement project to widen the street near South Tacoma Way and the new warehouses that were recently constructed on 96<sup>th</sup>. Unfortunately this had a negative impact on the fiber project as IT was unable to complete the pull of new cable due to the damaged conduit. IT is requesting \$30,000 to hire a contractor to repair the road and complete the fiber installation. Upon completion, the O&M shop at Front Street will be directly connected to the City network via fiber, eliminating the need for the Comcast small business circuit, enabling all cameras at the facility for security purposes and provide access to city resources over fiber versus the slower Comcast connection.

***CW - KnowBe4 Cybersecurity Training, New / 1-Time***

Add \$12,297 for city-wide cybersecurity training, offset by WCIA reimbursement of \$2,500 for a net cost of \$9,797. KnowBe4 provides security awareness training to help manage the IT security problems of social engineering, spear phishing and ransomware attacks.

***CW - Additional Cybersecurity - New / 1-Time & Ongoing***

Add funds to implement additional software and hardware solutions that protect the city's infrastructure from increased potential cyber-attacks both internal and external. The city must implement a solution that not only is robust but also includes hands off automation. Any solution must also leverage a consistent approach across AWS (Amazon Web Services), Azure (Cloud) and VMWare virtualized data centers. It must also adapt to the business needs of the city to ensure the complete protection of any future applications or systems regardless of if they are cloud based or hosted on premises. Complete monitoring of all devices and users across the enterprise is also required to ensure protection not only against external threats but internal.

- ShieldX®. This is a subscription solution with an initial 1-time cost \$45,000 with estimated ongoing costs of \$30,000 each per year.
- Fortinac®. Initial 1-time cost of \$25,000 with ongoing yearly renewal costs of approximately \$15,000.
- Training. \$20,000 in 1-time funds for enhanced security training for information technology staff.

## **Fund 504 Risk Management**

### ***Claims – New / 1-Time***

Add \$300,000 in 2019 and \$100,000 in 2020 to account for potential claims anticipated to be covered by insurance recoveries of \$200,000 in 2019 and \$100,000 in 2020. The 2019 budget adjustment includes approximately \$200,000 for repair of 2 damaged traffic signal poles and 18 damaged street lights at various locations in the City. Damage occurred as a result of motor vehicle collisions(s) or theft(s) at 9 locations.

### ***Transfer to Fleet & Equipment Fund, New / 1-Time***

Add \$56,184 in 2019 for transfer of insurance proceeds from totaled police vehicle #40371, funded by insurance proceeds.

### ***Transfer to Fleet & Equipment Fund, New / 1-Time***

Add \$57,000 in 2019 for transfer of insurance proceeds from totaled police vehicle #40241, funded by insurance proceeds.

### ***Transfer to Fleet & Equipment Fund, New / 1-Time***

Add \$9,800 in 2019 for transfer of insurance proceeds from police vehicle #40800, funded by insurance proceeds.



**2019/2020 Mid-Biennium Budget Adjustment  
Summary of Proposed Requests**

	Adjustment Type	Ongoing/ 1-Time	Year 2019		Year 2020	
			Revenue	Expenditure	Revenue	Expenditure
<b>Grand Total - All Funds</b>			<b>\$14,378,447</b>	<b>\$14,251,566</b>	<b>\$(2,412,919)</b>	<b>\$(1,792,138)</b>
<b>Total - Fund 001 General</b>			<b>\$ 514,144</b>	<b>\$ 1,256,397</b>	<b>\$ 696,761</b>	<b>\$ 568,129</b>
Increase Property Tax Revenue Estimate	Revenue	Ongoing	50,000	-	197,600	-
Increase Sales Tax Revenue Estimate	Revenue	Ongoing	950,000	-	678,900	-
Increase Parks Sales Tax Revenue Estimate	Revenue	Ongoing	30,000	-	30,000	-
Increase Criminal Justice Sales Tax Revenue Estimate	Revenue	Ongoing	55,000	-	55,000	-
Increase Brokered Natural Gas Revenue Estimate	Revenue	Ongoing	10,000	-	10,000	-
Reduce Leasehold Tax	Revenue	Ongoing	(7,000)	-	(7,000)	-
Reduce Utility Tax Revenue Estimate	Revenue	Ongoing	(330,000)	-	(330,000)	-
Increase Franchise Fees Revenue Estimate	Revenue	Ongoing	103,600	-	103,600	-
Decrease High Crime Revenue Estimate	Revenue	Ongoing	(77,000)	-	(77,000)	-
Increase Municipal Court Contract Revenue	Revenue	Ongoing	(87,198)	-	(87,198)	-
Reduce Development Services Revenue Estimate	Revenue	Ongoing	(432,600)	-	-	-
Reduce Business License Revenue Estimate	Revenue	Ongoing	(54,000)	-	-	-
Increase Alarm Permits & Fees Revenue Estimate	Revenue	Ongoing	75,000	-	75,000	-
Increase Animal Services Contracts Revenue Estimate	Revenue	Ongoing	6,196	-	6,095	-
Increase South Sound 911 Background Investigation Revenue Estimate	Revenue	Ongoing	15,000	-	-	-
Reduce Municipal Court Fines and Forfeitures Revenue Estimate	Revenue	Ongoing	(74,300)	-	(77,500)	-
Increase Camera Enforcement Revenue Estimate	Revenue	Ongoing	100,000	-	-	-
Increase Interest Earnings & Penalties and Interest on Taxes	Revenue	Ongoing	105,000	-	-	-
CC - Implement Independent Salary Commission Decision	New	Ongoing	-	5,345	-	18,220
CM - Connections Magazine Fall Edition	New	1-Time	-	8,000	-	-
CM - Temporary Help	New	1-Time	-	12,000	-	-
CM - Executive Leadership Team Building	New	1-Time	-	25,000	-	-
CM - City Manager Personnel Cost Increase per Performance Evaluation	New	Ongoing	-	5,000	-	5,000
AD - Government Finance Officers Association 2019 Leadership Academy	New	1-Time	-	3,440	-	-
AD - Volunteer & Employee Recognition Event Venue and Catering	New	Ongoing	-	3,000	-	3,000
AD - Support Equity Team Professional Services Provided by Pacific Northwest Learning and Government Alliance on Race and Equity (GARE) Membership	New	1-Time	-	4,600	-	1,000
AD - Leadership Academy Program Restore portion of funds eliminated during the 2019/2020 Adopted Budget	New	Ongoing	-	-	-	4,000
CD - Office Assistant Limited Term Position with End Date 12/31/2020	New	1-Time	-	33,500	-	80,000
CD - Training for Permit Counter, Building Inspectors and Apprentice	New	1-Time	-	2,255	-	-
CD - PALS Permit System 1-Time = \$80,000 (Partially funded by Accumulated Technology Fees \$59,404) Ongoing = \$50,000/year (Partially Offset by Current System M&O Cost of \$8,400/year)	New	1-Time & Ongoing	-	37,518	-	41,600
CD - Image Campaign	New	1-Time	-	76,493	-	103,500
CD - Western State Hospital Impacts Analysis	New	1-Time	-	14,960	-	-

**2019/2020 Mid-Biennium Budget Adjustment  
Summary of Proposed Requests**

	Adjustment Type	Ongoing/ 1-Time	Year 2019		Year 2020	
			Revenue	Expenditure	Revenue	Expenditure
PK - Fiscal Agent for Lakewood's CHOICE Program	New	1-Time	110,000	110,000	110,000	110,000
PK - Colonial Plaza Dedication	New	1-Time	-	4,000	-	-
PK - Colonial Plaza O&M	New	Ongoing	-	-	-	36,636
PK - Add Street Landscape 0.75 FTE (Net Cost) Limited Term Position with End Date 12/31/2020	New	Ongoing	-	-	-	21,450
PK - Overtime in Support of Storm and Special Events	New	Ongoing	-	5,000	-	5,000
PK - Increase Water Utility at Fort Steilacoom Park	New	Ongoing	-	15,000	-	15,000
PK - Sewer Utility Charge for Sewer Connections at Fort Steilacoom Park	New	Ongoing	-	1,500	-	1,500
PK - SummerFest Adjustment for Donations/Sponsorships and Program Costs	New	1-Time	(48,100)	44,300	-	-
PD - Evidence Section Training \$10,000 / Supplies \$13,710 Source is Evidence Room Revenue	New	1-Time	14,546	14,546	9,264	9,264
PD - South Sound 911 Assessment	New	Ongoing	-	-	-	(19,560)
PD - Jail Services	New	Ongoing	-	250,000	-	250,000
PK - Transfer to Parks CIP 301.0003 Harry Todd Park Phase II Waterfront Improvements	New	1-Time	-	-	-	107,129
PK - Transfer to Parks CIP 301.0014 FSP/South Angle Lane Parking and Trail Improvements	New	1-Time	-	350,000	-	-
PK - Transfer to Parks CIP 301.0014 FSP/South Angle Lane Parking and Trail Improvements Source is Oak Tree Mitigation Funds \$20,000 (Reduce Available Oak Tree \$)	New	1-Time	-	-	-	-
PK - Transfer to Parks CIP 301.0016 Playground Resurfacing	New	1-Time	-	9,000	-	-
PK - Transfer to Parks CIP 301.0031 FSP/Artificial Turf Infields	New	1-Time	-	15,300	-	-
PK - Transfer to Transportation CIP 302.0002 New LED Street Lights	New	1-Time	-	100,000	-	-
PW - Transfer to Transportation CIP 302.0053 123rd St SW - Bridgeport Way to 47th Ave SW Street Project	New	1-Time	-	80,214	-	-
PW - Reduce Transfer to Transportation CIP 302.0063 Colonial Plaza Project Savings	New	1-Time	-	(438,417)	-	(306,453)
PW - Transfer to Transportation CIP 302.0065 SRTS Gravelly Lake Drive (Bridgeport to Steilacoom)	New	1-Time	-	72,000	-	-
PW - Transfer to GO Bond Debt Service LED Streetlight LOCAL Debt Service	Housekeeping	1-Time	-	-	-	831
AD - Internal Service Charge Professional Services for Position Renumbering	New	1-Time	-	6,400	-	-
CW - Internal Service Charge KnowBe4 City-Wide Cybersecurity Training	New	1-Time	-	8,520	-	-

**2019/2020 Mid-Biennium Budget Adjustment  
Summary of Proposed Requests**

	Adjustment Type	Ongoing/ 1-Time	Year 2019		Year 2020	
			Revenue	Expenditure	Revenue	Expenditure
CW - Internal Service Charge Additional Cybersecurity	New	1-Time & Ongoing	-	78,264	-	39,131
CH - Internal Service Charge LED Lighting Conversion	New	1-Time	-	17,392	-	34,784
PD - Internal Service Charge Police Station Battery Backup Repair/Upgrade & Service Agreement	New	1-Time & Ongoing	-	6,500	-	9,000
PD - Internal Service Charge Police Station Generator Plug In	New	1-Time	-	10,000	-	-
General/Street Fund Subsidy			-	265,767	-	(1,903)
<b>Total - Special Revenue Funds</b>			<b>\$ 7,672,894</b>	<b>\$ 7,951,055</b>	<b>\$ (1,903)</b>	<b>\$ (179,611)</b>
<b>Total - Fund 101 Street O&amp;M</b>			<b>\$ 265,767</b>	<b>\$ 265,767</b>	<b>\$ (1,903)</b>	<b>\$ (1,903)</b>
PK - Colonial Plaza Maintenance	New	Ongoing	-	-	8,992	8,992
PK - Overtime in Support of Storm and Special Events	New	Ongoing	1,000	1,000	1,000	1,000
PK - New Street Signs	New	Ongoing	7,500	7,500	7,500	7,500
PK - Increase Street Lighting for New Street Lights	New	Ongoing	10,000	10,000	10,000	10,000
PK - Salt for Snow & Ice Maintenance	New	Ongoing	15,000	15,000	15,000	15,000
PW - Use of Technology Fees for PALS Permit System	New	1-Time	(6,541)	(6,541)	-	-
PW - Non-Motorized Plan (Shift from 2020 to 2019)	Housekeeping	1-Time	50,000	50,000	(50,000)	(50,000)
PW - Consultant Contract to Assist with BUILD Grant Application	New	1-Time	50,000	50,000	-	-
PK - Internal Service Charge Fiber Repair	New	1-Time	30,000	30,000	-	-
PK - Internal Service Charge Potential Risk Management Claims (Includes Citywide Electrical Repair Project for Damaged Traffic Signals and Street Lights)	New	1-Time	100,000	100,000	-	-
CH - Internal Service Charge LED Lighting Conversion	New	1-Time	1,054	1,054	2,108	2,108
CW - Internal Service Charge KnowBe4 City-Wide Cybersecurity Training	New	1-Time	761	761	-	-
CW - Internal Service Charge Additional Cybersecurity	New	1-Time & Ongoing	6,993	6,993	3,497	3,497
<b>Total - Fund 102 Real Estate Excise Tax</b>			<b>\$ 550,000</b>	<b>\$ 928,161</b>	<b>\$ -</b>	<b>\$ (189,958)</b>
Increase REET Revenue Estimate	Revenue	1-Time	550,000	-	-	-
Reduce Transfer to Debt Service Fund For Transportation 2019 LTGO Bond	Housekeeping	1-Time	-	(220,000)	-	-
Transfer to Transportation CIP 302.0051 Lakewood Drive - Flett Creek to 74th Overlay	New	1-Time	-	49,786	-	-
Transfer to Transportation CIP 302.0053 123rd St SW - Bridgeport Way to 47th Ave SW Street Project	New	1-Time	-	269,786	-	-
Transfer to Transportation CIP 302.0060 100th St SW & Lakewood Drive SW Traffic Signal Replacement	New	1-Time	-	309,000	-	-

**2019/2020 Mid-Biennium Budget Adjustment  
Summary of Proposed Requests**

	Adjustment Type	Ongoing/ 1-Time	Year 2019		Year 2020	
			Revenue	Expenditure	Revenue	Expenditure
Reduce Transfer to Transportation CIP 302.0063 Colonial Plaza Project Savings Increase REET in 2019 \$519,589 / Reduce REET in 2020 \$519,589	New	1-Time	-	519,589	-	(709,547)
Transfer to Parks CIP 301.0003 Harry Todd Park Phase II Waterfront Improvements	New	1-Time	-	-	-	519,589
<b>Total - Fund 104 Hotel/Motel Lodging Tax</b>			<b>\$ 100,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,250</b>
Increase Hotel/Motel Lodging Tax Revenue Estimate	Revenue	1-Time	100,000	-	-	-
LTAC Grant Allocation	New	1-Time	-	-	-	12,250
<b>Total - Fund 181 Felony Seizure</b>			<b>\$ 6,035</b>	<b>\$ 6,035</b>	<b>\$ -</b>	<b>\$ -</b>
Eligible Felony Seizures Related Funds	New	1-Time	6,035	6,035	-	-
<b>Total - Fund 192 Office of Economic Adjustment (OEA)</b>			<b>\$ 6,689,027</b>	<b>\$ 6,689,027</b>	<b>\$ -</b>	<b>\$ -</b>
OEA - JBLM CU Implementation	Grant	1-Time	506,027	506,027	-	-
North Clear Zone - Purchase of Tactical Tailor Building Funded by: USAF \$3,600,000 / REPI \$953,000 / State Capital Budget 2017/2018 \$760,000 / State Capital Budget 2019/2021 \$500,000 / Funds Anticipated from Pierce County \$630,000 / Additional Funds Anticipated REPI \$500,000. The current budget already includes \$760,000 from State Capital Budget.	Grant	1-Time	6,183,000	6,183,000	-	-
<b>Total - Fund 195 Public Safety Grants</b>			<b>\$ 62,065</b>	<b>\$ 62,065</b>	<b>\$ -</b>	<b>\$ -</b>
Emergency Management Planning Grant	Grant	1-Time	33,075	33,075		
Washington State Boaters Safety Grant	Grant	1-Time	1,131	1,131	-	-
Pierce County STOP VAWA (Violence Against Women Act) Training Grant	Grant	1-Time	1,661	1,661	-	-
Pierce County Phlebotomy Grant	Grant	1-Time	435	435	-	-
Washington State Patrol Phlebotomy Grant	Grant	1-Time	15,000	15,000	-	-
Office of Justice Programs Bulletproof Vest Partnership	Grant	1-Time	10,763	10,763	-	-
<b>Grand Total - Debt Service Funds</b>			<b>\$ (220,000)</b>	<b>\$ (212,992)</b>	<b>\$ 831</b>	<b>\$ 1,080</b>
<b>Total - Fund 201 General Obligation Bond Debt Service</b>			<b>\$ (220,000)</b>	<b>\$ (220,000)</b>	<b>\$ 831</b>	<b>\$ 831</b>
Reduce 2019 LTGO Bond Debt Service	Housekeeping	1-Time	(220,000)	(220,000)	-	-
Increase LED Street Light LOCAL Debt Service	Housekeeping	1-Time	-	-	831	831
<b>Total - Fund 202 LID Debt Service</b>			<b>\$ -</b>	<b>\$ 7,008</b>	<b>\$ -</b>	<b>\$ 249</b>
Earmark for Early Redemption & Fiscal Agent Fees	Housekeeping	1-Time	-	7,008	-	249
<b>Total - Capital Improvement Project Funds</b>			<b>\$ 5,529,260</b>	<b>\$ 4,412,830</b>	<b>\$ (3,626,282)</b>	<b>\$ (2,610,282)</b>
<b>Total - Fund 301 Parks CIP</b>			<b>\$ 2,444,000</b>	<b>\$ 2,444,000</b>	<b>\$ (935,282)</b>	<b>\$ (935,282)</b>
301.0003 Harry Todd Park Phase I Improvements (ADA, Dock, Bulkhead, Shoreline, Open Space ) Funded by WWRP Grant \$580,000 and ALEA Grant \$500,000	Grant	1-Time	1,080,000	1,080,000	-	-
301.0003 Harry Todd Park Phase II Improvements (Waterfront) Remove grants funds anticipated \$600,000 Add transfer in from General Fund \$107,129 Add transfer in From REET Fund \$519,589	New	1-Time	-	-	26,718	26,718
301.0013 FSP & North Angle Lane Improvements Remove Duplicate Town of Steilacoom Contribution	Housekeeping	1-Time	(25,000)	(25,000)	-	-

**2019/2020 Mid-Biennium Budget Adjustment  
Summary of Proposed Requests**

	Adjustment Type	Ongoing/ 1-Time	Year 2019		Year 2020	
			Revenue	Expenditure	Revenue	Expenditure
301.0014 FSP/South Angle Lane Parking & Trail Improvements Funded by Transfer In From General Fund \$370,000 (includes \$20,000 from Oak Tree Mitigation Funds)	New	1-Time	370,000	370,000	-	-
301.0017 Playground Resurfacing Source is General Fund	New	1-Time	9,000	9,000	-	-
301.0031 FSP/Artificial Turf Infields Reduce funds anticipated by \$5,300 (the amount of State grant admin fees) Increase costs by \$10,000 Source is General Fund of \$15,300	New	1-Time	1,010,000	1,010,000	(1,000,000)	(1,000,000)
301.0032 Springbrook Park Expansion Source is Increase in State Legislative Funds	Grant	1-Time	-	-	38,000	38,000
<b>Total - Fund 302 Transportation CIP</b>			<b>\$ 3,085,260</b>	<b>\$ 1,968,830</b>	<b>\$(2,691,000)</b>	<b>\$ (1,675,000)</b>
302.0002 New LED Street Lights Source is General Fund	New	1-Time	100,000	100,000	-	-
302.0051 Lakewood Drive - Flett Creek to 74th Overlay Source is REET \$49,786 and SWM \$61,401	New	1-Time	111,187	111,187	-	-
302.0053 123rd St SW - Bridgeport Way to 47th Ave SW Street Project Source is General Fund \$80,214 / REET \$269,786	New	1-Time	350,000	350,000	-	-
302.0060 100th St SW & Lakewood Dr SW Traffic Signal Replacement Source is REET \$309,000 and SWM \$94,000	New	1-Time	403,000	403,000	-	-
302.0063 Colonial Center Plaza Reduce Project Costs \$742,357 (net of \$25,000 for new security cameras) Add TIB Grant \$300,000 Add Lakewood Water District Contribution \$69,720 Reduce SWM Contribution \$76,819 Reduce General Fund Contribution \$744,870 Reduce REET \$189,958	Housekeeping & New	1-Time	374,073	(742,357)	(1,016,000)	-
302.0065 SRTS Gravelly Lake Drive (Bridgeport to Steilacoom) Source is General Fund	New	1-Time	72,000	72,000	-	-
302.0134 Veterans Dr - Gravelly Lake Dr to American Lake Park Sidewalks Funded by WSDOT Grant Move Project from 2020 to 2019	Grant	1-Time	1,675,000	1,675,000	(1,675,000)	(1,675,000)
<b>Total - Enterprise Funds</b>			<b>\$ 217,084</b>	<b>\$ 216,395</b>	<b>\$ 148,474</b>	<b>\$ 39,146</b>
<b>Total - Fund 401 Surface Water Management</b>			<b>\$ 217,084</b>	<b>\$ 216,395</b>	<b>\$ 148,474</b>	<b>\$ 39,146</b>
Increase Storm Drainage Fees Revenue Estimate	Revenue	Ongoing	100,000	-	100,000	-
Increase Site Development Permit Fees Revenue Estimate	Revenue	Ongoing	13,000	-	-	-
American Lake Management District Source is DOE Grant \$75,000 / JBLM \$30,026 / Assessments \$23,766/year	New	1-Time & Ongoing	104,084	131,000	48,474	29,320
Colonial Plaza O&M	New	Ongoing	-	-	-	4,346
Transfer to Transportation CIP 302.0051 Lakewood Drive - Flett Creek to 74th Overlay	New	1-Time	-	61,401	-	-
Transfer to Transportation CIP 302.0060 100th St SW & Lakewood Drive SW Traffic Signal Replacement	New	1-Time	-	94,000	-	-

**2019/2020 Mid-Biennium Budget Adjustment  
Summary of Proposed Requests**

	Adjustment Type	Ongoing/ 1-Time	Year 2019		Year 2020	
			Revenue	Expenditure	Revenue	Expenditure
Transfer to Transportation CIP 302.0063 Colonial Plaza	New	1-Time	-	(76,819)	-	-
CH - Internal Service Charge LED Lighting Conversion	New	1-Time	-	1,554	-	3,108
CW - Internal Service Charge KnowBe4 City-Wide Cybersecurity Training	New	1-Time	-	516	-	-
CW - Internal Service Charge Additional Cybersecurity	New	1-Time & Ongoing	-	4,743	-	2,372
<b>Total - Internal Service Funds</b>			<b>\$ 665,065</b>	<b>\$ 627,881</b>	<b>\$ 369,200</b>	<b>\$ 389,400</b>
<b>Total - Fund 501 Fleet &amp; Equipment</b>			<b>\$ 56,184</b>	<b>\$ 19,000</b>	<b>\$ 66,800</b>	<b>\$ 87,000</b>
PD - Replace Totaled Vehicle #40371 Funded by Reserves \$816 / Insurance Proceeds \$56,184	New	1-Time	56,184	57,000	-	-
PD - Replace Totaled Vehicle #40241 Funded by Insurance Proceeds \$57,000	New	1-Time	-	-	57,000	57,000
PD - Replace Vehicle # 40800 Due to Significant Damage from Collision Funded by Insurance Proceeds \$9,800 / Replacement Reserves \$20,200	New	1-Time	-	-	9,800	30,000
PD - Eliminate Adopted Budget Request Retain Passenger Van #42160 instead of surplus. Retain Trailer #42130 instead of replacing. Net cost savings is \$38,000.	Housekeeping	1-Time	-	(38,000)	-	-
<b>Total - Fund 502 Property Management</b>			<b>\$ 36,500</b>	<b>\$ 36,500</b>	<b>\$ 49,000</b>	<b>\$ 49,000</b>
CH - LED Lighting Conversion	New	1-Time	20,000	20,000	40,000	40,000
PD - Police Station Battery Backup Repair/Upgrade & Service Agreement 1-Time in 2019 / Ongoing in 2020	New	1-Time	6,500	6,500	9,000	9,000
PD - Police Station Generator Plug In	New	1-Time	10,000	10,000	-	-
<b>Total - Fund 503 Information Technology</b>			<b>\$ 216,197</b>	<b>\$ 216,197</b>	<b>\$ 86,600</b>	<b>\$ 86,600</b>
AD - Professional Services for Position Renumbering System	New	1-Time	6,400	6,400	-	-
CD - PALS Permitting System	New	1-Time & Ongoing	80,000	80,000	41,600	41,600
PK - Fiber Repair	New	1-Time	30,000	30,000	-	-
CW - KnowBe4 City-Wide Cybersecurity Training	New	1-Time	9,797	9,797	-	-
CW - Additional Cybersecurity 1-Time \$90,000 in 2019 / Ongoing \$45,000 in 2020	New	1-Time & Ongoing	90,000	90,000	45,000	45,000
<b>Total - Fund 504 Risk Management</b>			<b>\$ 356,184</b>	<b>\$ 356,184</b>	<b>\$ 166,800</b>	<b>\$ 166,800</b>
Claims Expense Offset by Insurance Recoveries	New	1-Time	300,000	300,000	100,000	100,000
Transfer to Fleet & Equipment Fund For Partial Funding of Replacement Totaled Police Vehicle #40371 Source is Insurance Proceeds	New	1-Time	56,184	56,184	-	-
Transfer to Fleet & Equipment Fund For Funding of Replacement Totaled Police Vehicle #40241 Source is Insurance Proceeds	New	1-Time	-	-	57,000	57,000
Transfer to Fleet & Equipment Fund For Partial Funding of Replacement Totaled Police Vehicle #40800 Source is Insurance Proceeds	New	1-Time	-	-	9,800	9,800