



## **LAKEWOOD CITY COUNCIL STUDY SESSION AGENDA**

Monday, October 24, 2022

7:00 P.M.

City of Lakewood

Council Chambers

6000 Main Street SW

Lakewood, WA 98499

Residents can virtually attend City Council meetings by watching them live on the city's YouTube channel:

<https://www.youtube.com/user/cityoflakewoodwa>

Those who do not have access to YouTube can call in to listen by telephone via Zoom: Dial +1(253) 215-8782 and enter meeting ID: 868 7263 2373

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Page No.

### **CALL TO ORDER**

#### **ITEMS FOR DISCUSSION:**

- (3) 1. Review of 3<sup>rd</sup> Quarter (2022) Police Report. – (Memorandum)
- (17) 2. Review of 2023 Property Tax Levy. – (Memorandum)
- (26) 3. Review of Year-End (2022) Budget Adjustment. – (Memorandum)
- (38) 4. Review of Six-Year (2022-2028) Financial Forecast. – (Memorandum)
- (87) 5. Review Ordinance related to the Protection and Preservation of Public Spaces. – (Memorandum)
- (96) 6. Review naming of Motor Avenue Plaza to CommUNITY Plaza. – (Memorandum)

#### **ITEMS TENTATIVELY SCHEDULED FOR THE NOVEMBER 7, 2022 REGULAR CITY COUNCIL MEETING:**

- 1. Proclamation recognizing November 11, 2022 as Veterans Day and the month of November 2022 as Veterans Appreciation month.
- 2. Proclamation recognizing the Korean Women's Association 50 year anniversary.

*Persons requesting special accommodations or language interpreters should contact the City Clerk, 253-983-7705, as soon as possible in advance of the Council meeting so that an attempt to provide the special accommodations can be made.*

3. Youth Council Report.
4. Clover Park School District Report
5. Approving the 2023-2024 State Legislative Agenda and Policy Manual, the Federal Legislative Priorities and the Pierce County Policy Manual.  
– (Motion – Consent Agenda)
6. Authorizing the execution of an agreement with Gordon Thomas Honeywell Governmental Affairs for state governmental relation services.  
– (Motion – Consent Agenda)
7. Authorizing the execution of an agreement with Johnston Group for federal governmental relations services. – (Motion – Consent Agenda)
8. Authorizing the execution of an agreement for the 2022 Electrical Services Project. – (Motion – Consent Agenda)
9. This is the date set for a public hearing on the 2023 Property Tax Levy.  
– (Public Hearings and Appeals – Regular Agenda)
10. This is the date set for a public hearing on the Year-End (2022) Budget Adjustment. – (Public Hearings and Appeals – Regular Agenda)
11. This is the date set for a public hearing on the 2023-2024 Proposed Biennial Budget. – (Public Hearings and Appeals – Regular Agenda)
12. Amending the Critical Areas Ordinance, Title 14, and Chapters 2.48, 18A.70.300-350, 18A.80.060, 18B.600, 18C.600, 18A.60.110, 18B.200.230, 18C.200.230, 18B.700.720, 18C.700.720, 18A.70.140, 18A.60.030-070, related to the Tree Preservation Code.  
– (Ordinance – Regular Agenda)
13. Adopting and designating the Oregon White Oak (Garry Oak) as the Official Tree of the City of Lakewood. – (Resolution – Regular Agenda)
14. Review of 2023 Comprehensive Plan Amendment Docket. – (Reports by the City Manager)

## **REPORTS BY THE CITY MANAGER**

## **CITY COUNCIL COMMENTS**

## **ADJOURNMENT**

*Persons requesting special accommodations or language interpreters should contact the City Clerk, 253-983-7705, as soon as possible in advance of the Council meeting so that an attempt to provide the special accommodations can be made.*

# Lakewood Police Department Quarterly Crime Report




**3rd Quarter 2022**



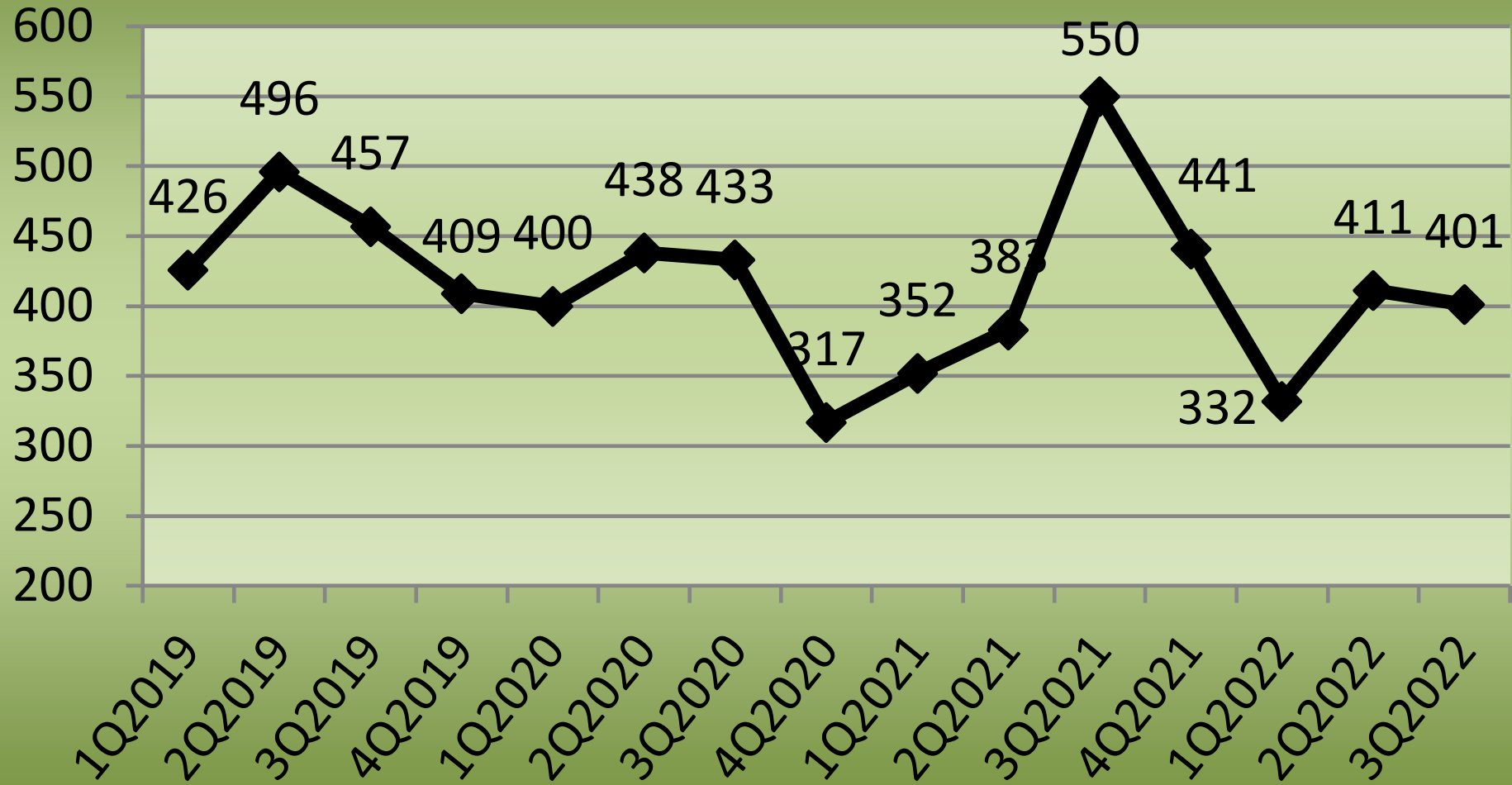
## Call For Service Study by Quarter by Year 3Q2018 - 3Q2022



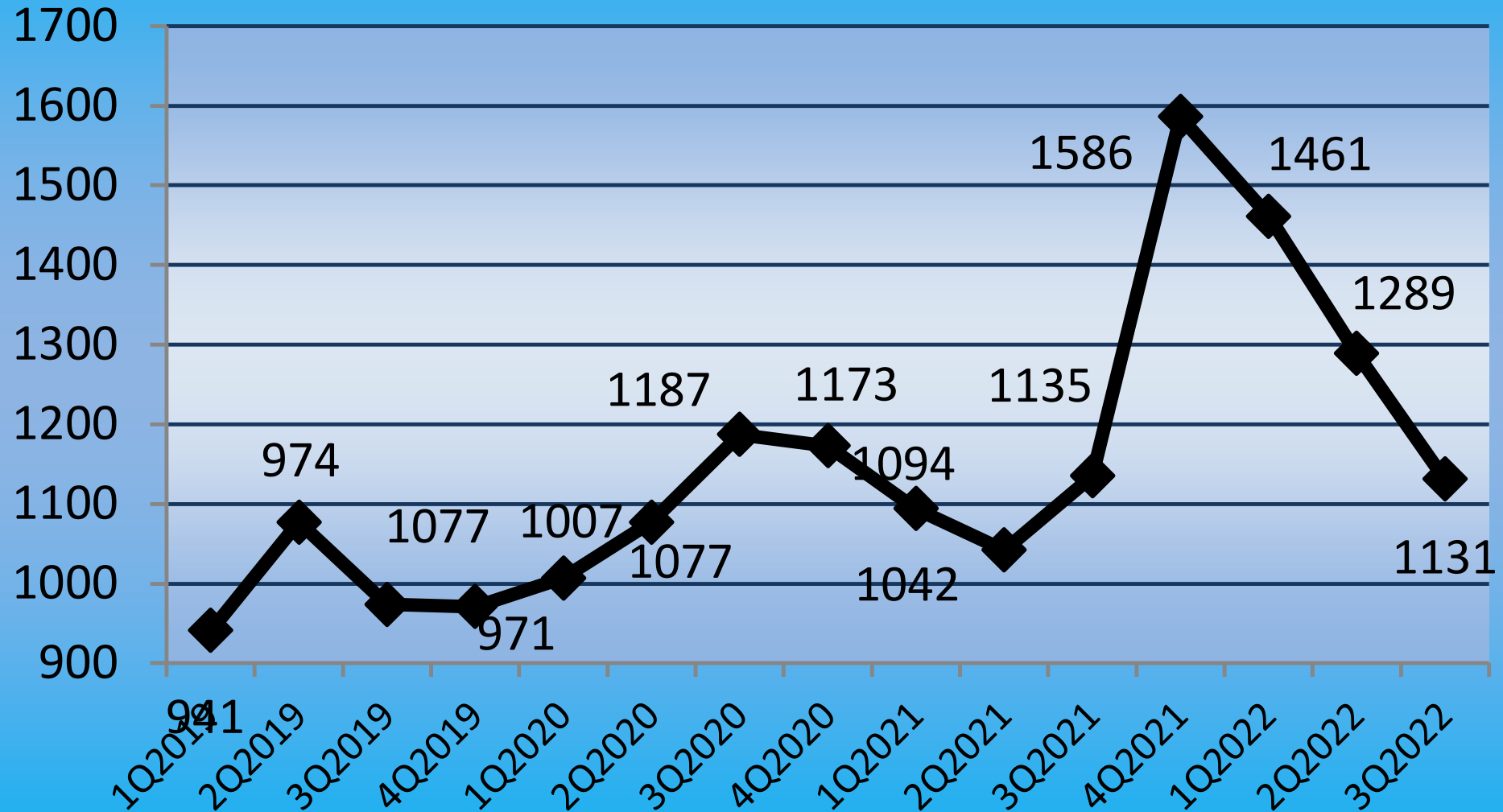
# City of Lakewood Incident Report 3Q 2022

												
	3rd Quarter 2022 By District						2Q22-3Q22 City		Quarterly Percent Change	YTD City		YTD Percent Change
	LD01	LD02	LD03	LD04	LD05	LD06	2Q2022	3Q2022	2Q22-3Q22	YTD2021	YTD2022	3Q2021-2022
<b>Person Crimes</b>												
Aggravated Assault	12	25	22	25	7	28	118	119	0.85%	287	338	17.77%
Simple Assault	35	56	20	55	22	62	269	250	-7.06%	898	722	-19.60%
Homicide	0	1	0	0	0	0	1	1	0.00%	6	3	-50.00%
Kidnapping	0	3	1	2	0	2	2	8	300.00%	19	14	-26.32%
Sex (Forcible)	0	3	1	1	0	1	10	6	-40.00%	23	23	0.00%
Sex (NonForcible)	1	3	1	6	3	3	11	17	54.55%	52	44	-15.38%
<b>Totals and Averages</b>	<b>48</b>	<b>91</b>	<b>45</b>	<b>89</b>	<b>32</b>	<b>96</b>	<b>411</b>	<b>401</b>	<b>-2.43%</b>	<b>1285</b>	<b>1144</b>	<b>-10.97%</b>
<b>Property Crimes</b>												
Arson	0	2	1	1	0	2	5	6	20.00%	20	14	-30.00%
Bribery	0	0	0	0	0	0	0	0	0.00%	0	0	0.00%
Burglary	11	28	25	23	11	20	130	118	-9.23%	309	421	36.25%
Counterfeiting	2	0	2	4	2	4	15	14	-6.67%	28	42	50.00%
Vandalism	26	46	37	72	37	68	316	286	-9.49%	877	948	8.10%
Embezzlement	0	0	0	0	0	0	0	0	0.00%	0	1	NA
Extortion	0	0	0	0	1	0	2	1	-50.00%	7	5	-28.57%
Fraud	2	3	4	15	7	11	51	42	-17.65%	120	135	12.50%
Larceny	28	62	38	156	47	86	485	417	-14.02%	1368	1382	1.02%
Motor Vehicle Theft	22	40	37	35	23	27	224	184	-17.86%	397	715	80.10%
Robbery	4	4	5	8	2	1	21	24	14.29%	75	74	-1.33%
Stolen Property	2	8	12	11	2	4	40	39	-2.50%	71	156	119.72%
<b>Totals and Averages</b>	<b>97</b>	<b>193</b>	<b>161</b>	<b>325</b>	<b>132</b>	<b>223</b>	<b>1289</b>	<b>1131</b>	<b>-12.26%</b>	<b>3272</b>	<b>3893</b>	<b>18.98%</b>
<b>Society Crimes</b>												
Drug	0	5	6	4	0	0	13	15	15.38%	75	37	-50.67%
Pornography	0	1	0	0	0	0	0	1	NA	1	2	100.00%
Prostitution	0	0	0	0	0	0	2	0	-100.00%	7	6	-14.29%
Weapon Law Violations	3	5	9	5	4	4	31	30	-3.23%	85	91	7.06%
<b>Totals and Averages</b>	<b>3</b>	<b>11</b>	<b>15</b>	<b>9</b>	<b>4</b>	<b>4</b>	<b>46</b>	<b>46</b>	<b>0.00%</b>	<b>168</b>	<b>136</b>	<b>-19.05%</b>
<b>Grand Totals and Averages</b>	<b>148</b>	<b>295</b>	<b>221</b>	<b>423</b>	<b>168</b>	<b>323</b>	<b>1746</b>	<b>1578</b>	<b>-9.62%</b>	<b>4725</b>	<b>5173</b>	<b>9.48%</b>

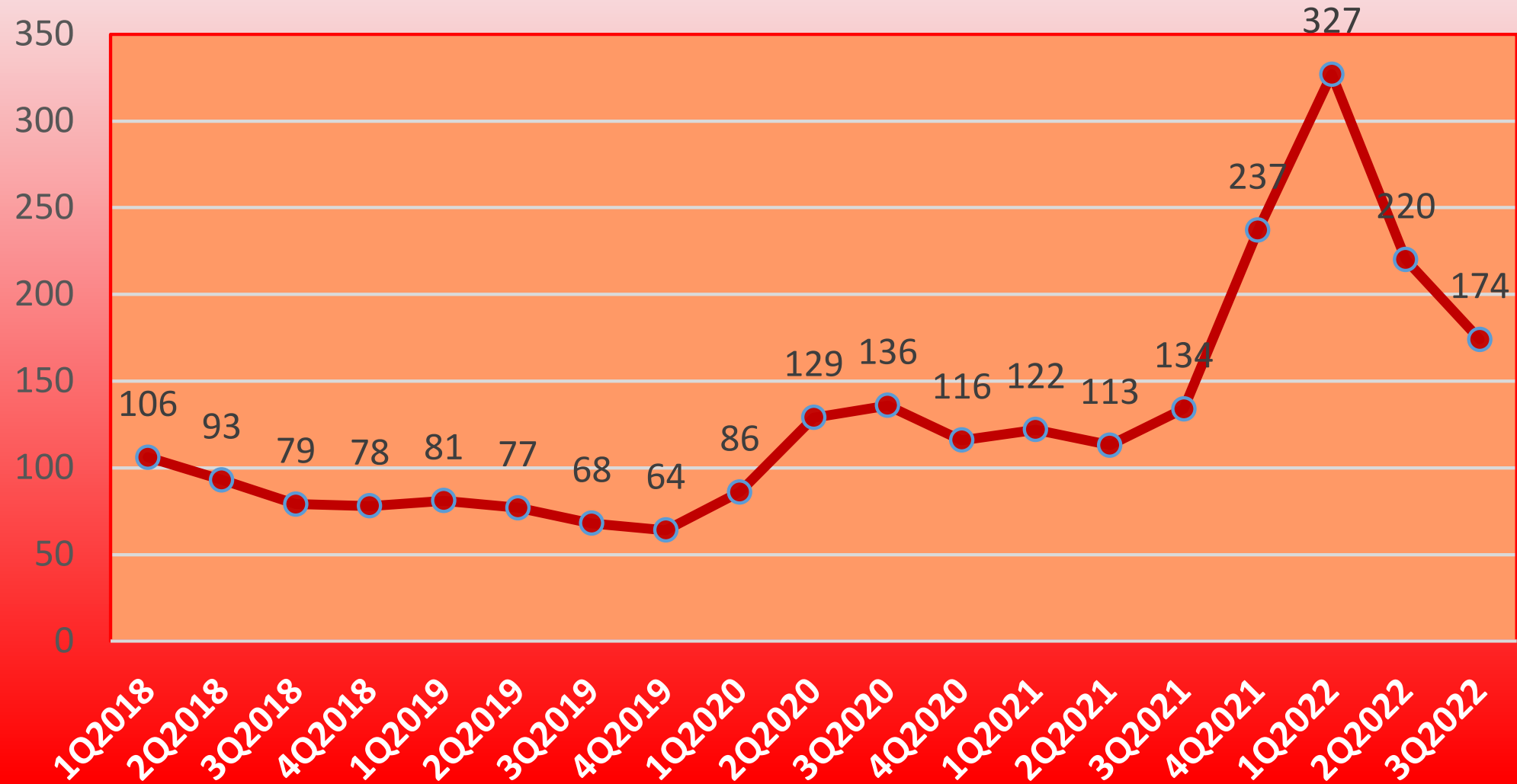
## NIBRS Person Crime By Quarter 2019-2022



# NIBRS Property Crime By Quarter 2019-2022

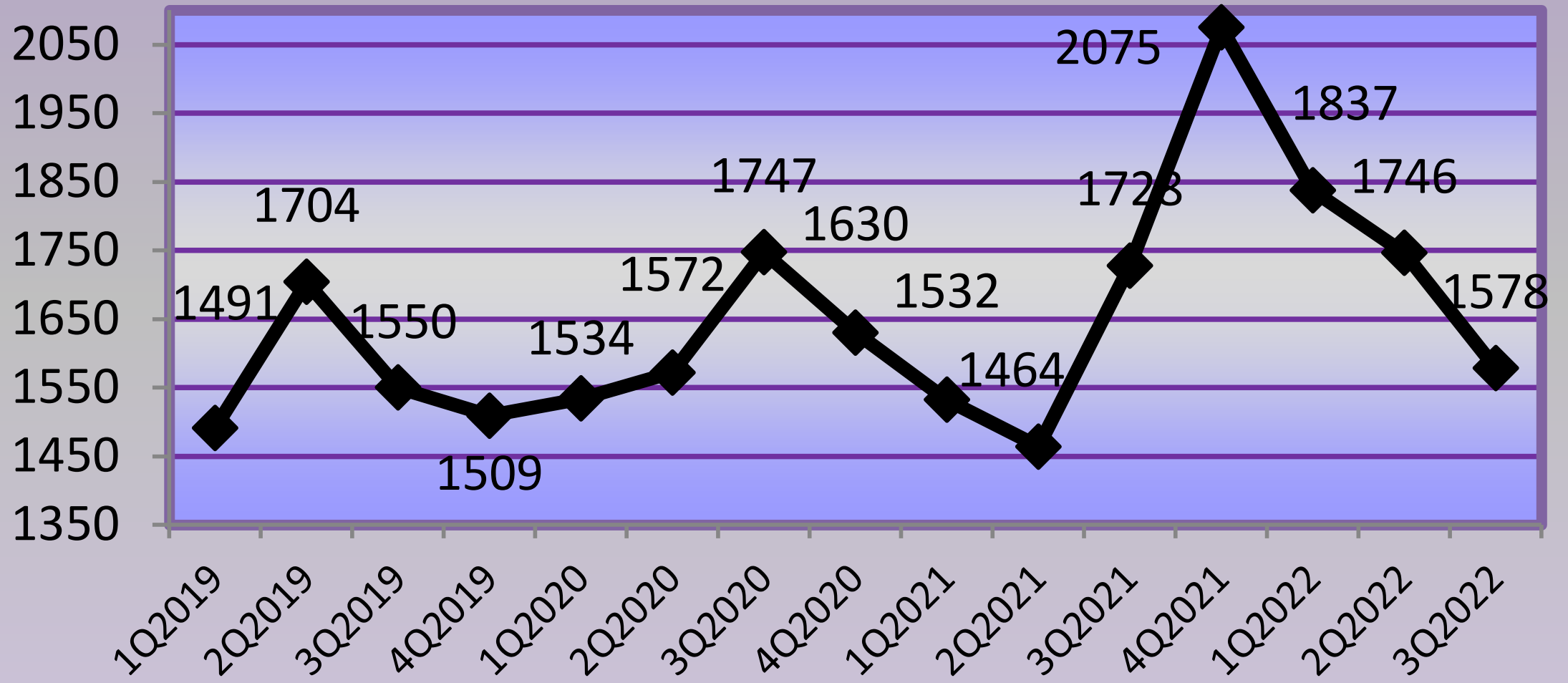


## Motor Vehicle Theft 1Q2018-3Q2022

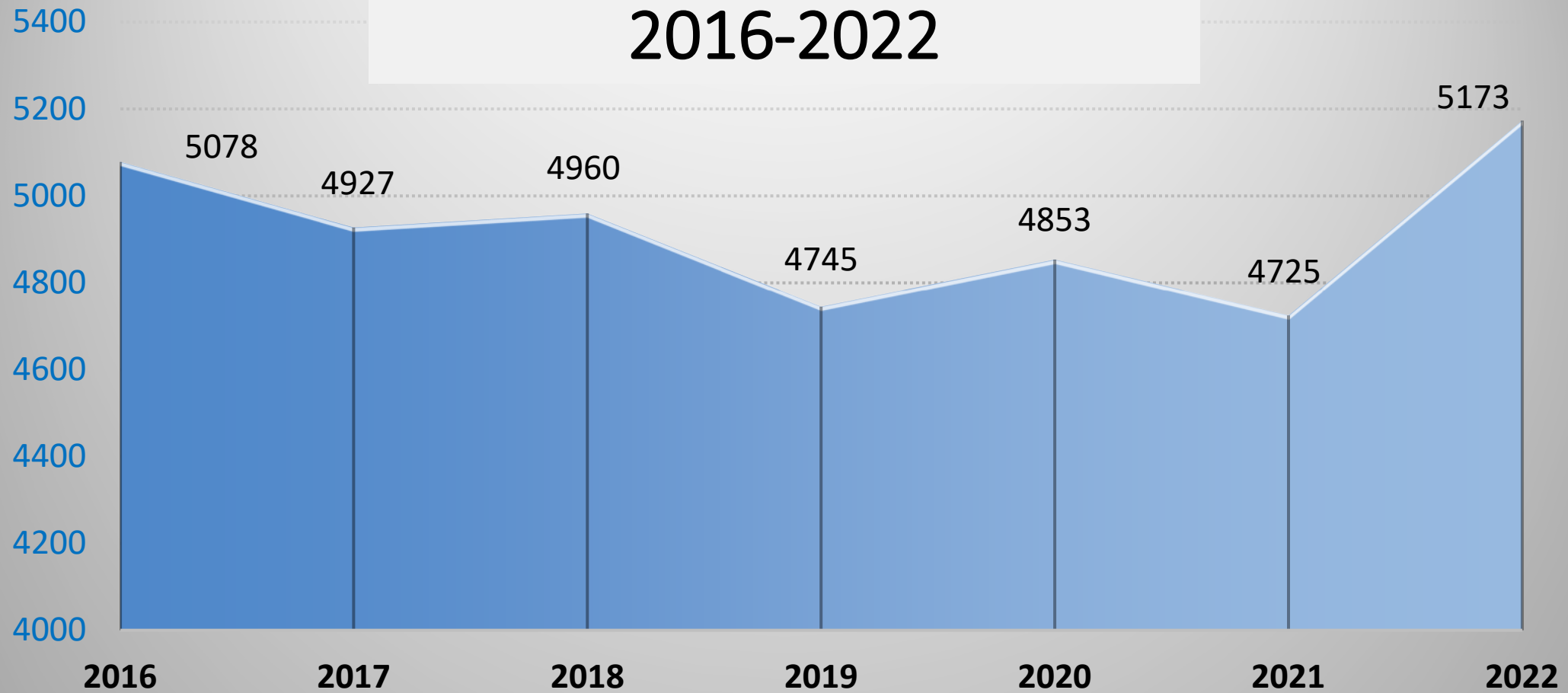




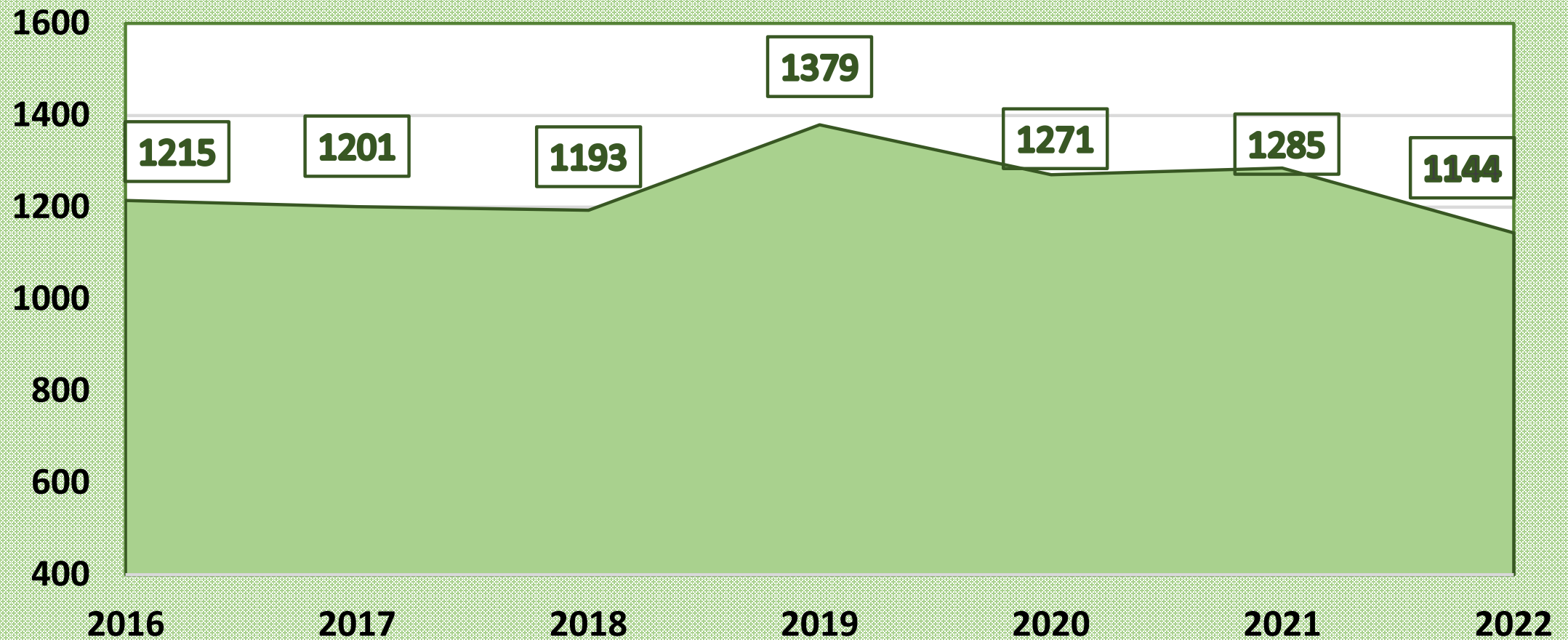
# NIBRS Total Crime By Quarter 2019-2022



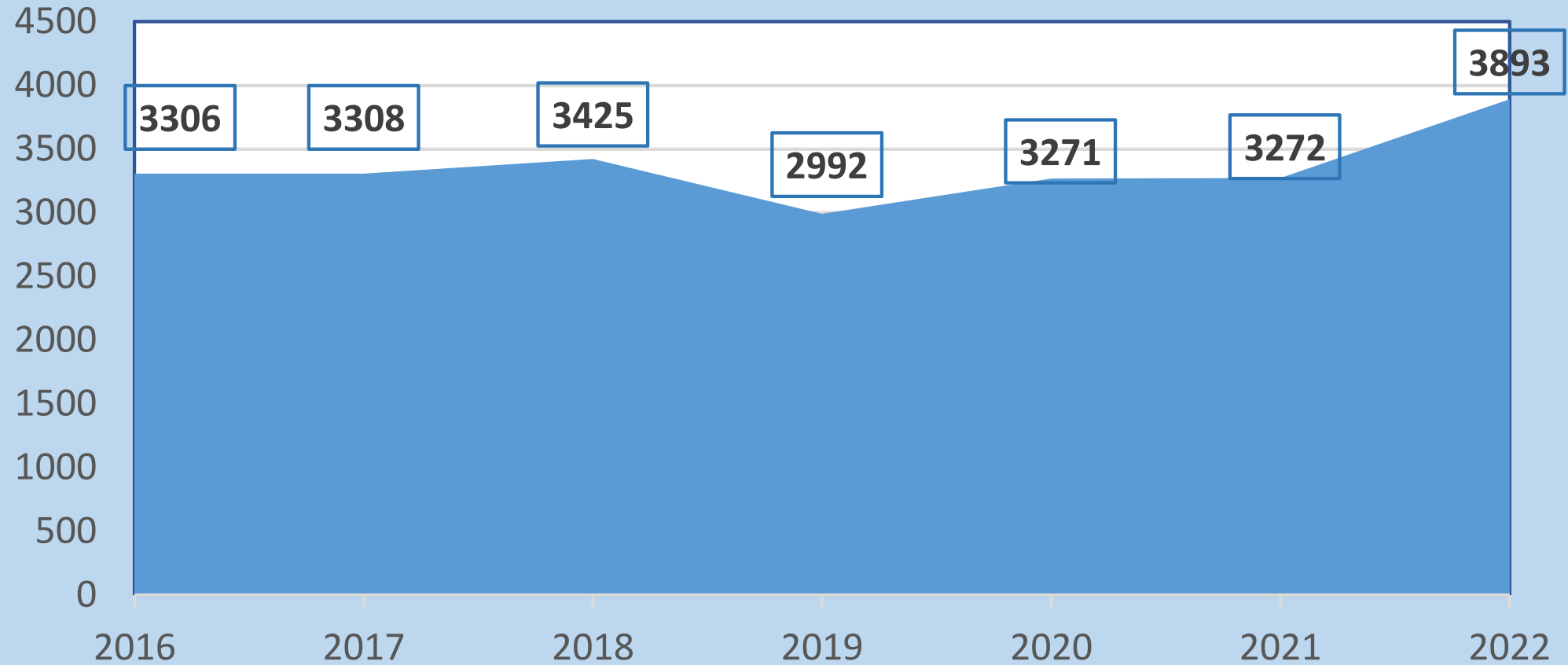
# Total Crime 3rd Quarter YTD 2016-2022



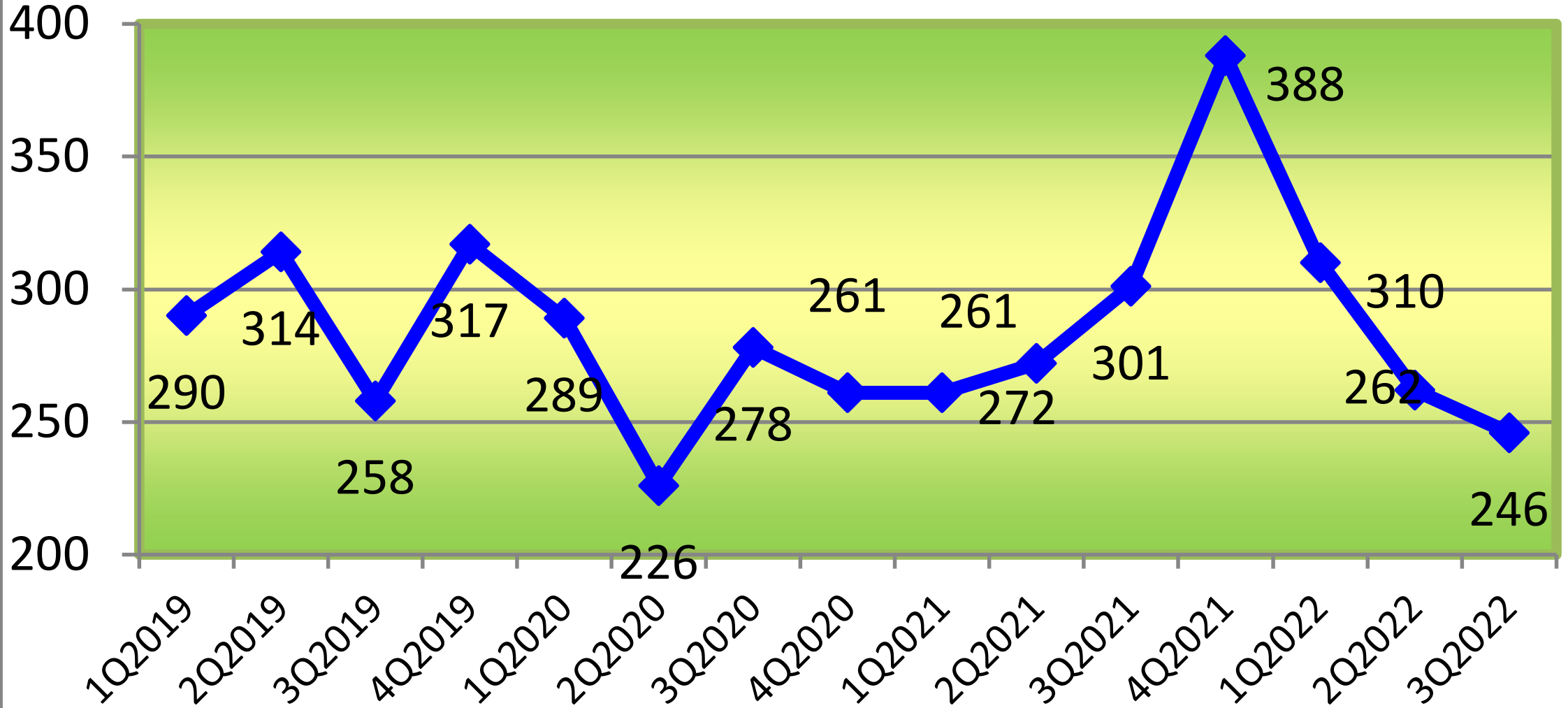
## Crimes Against Persons 3rd Quarter YTD 2016-2022



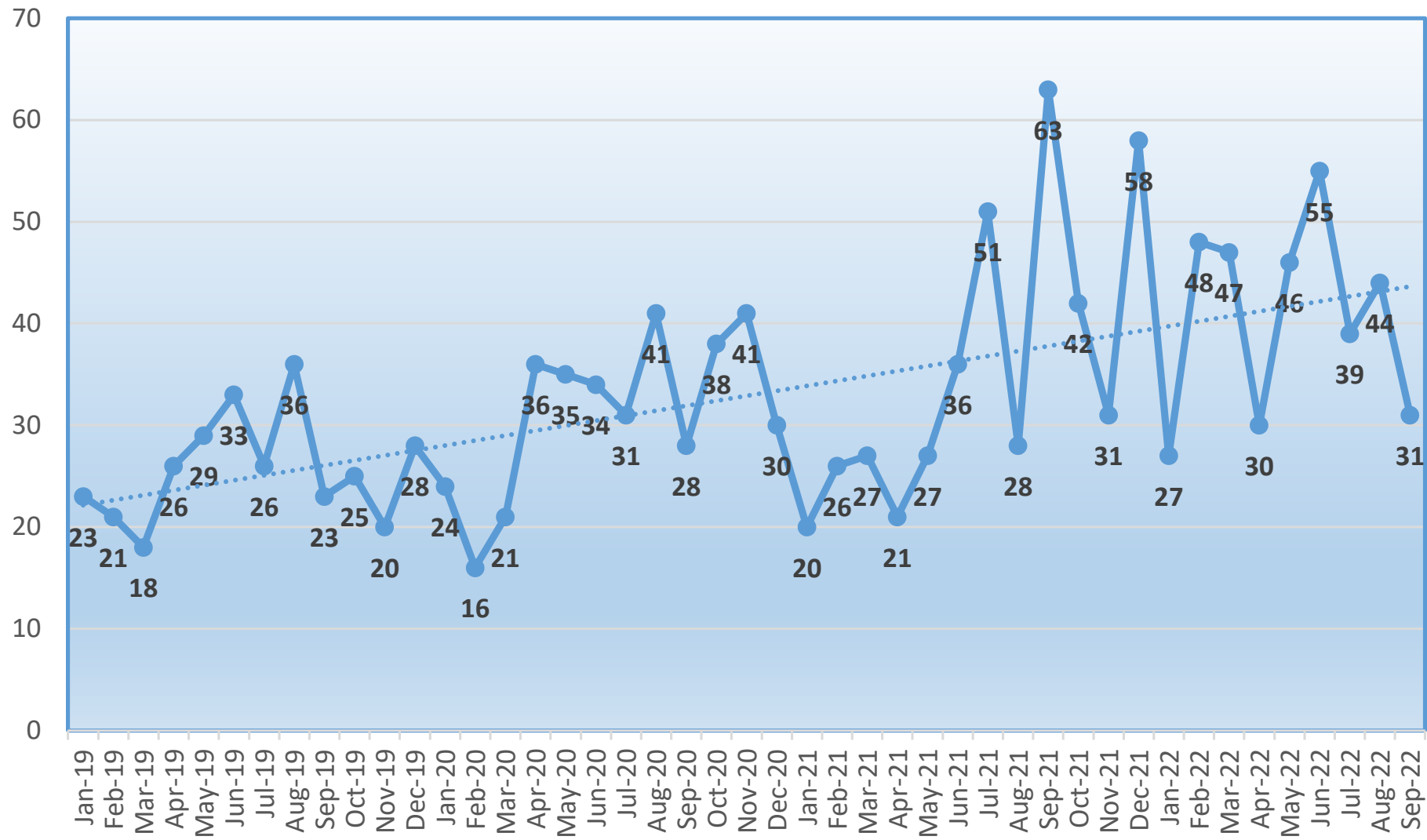
# Crimes Against Property 3rd Quarter YTD 2016-2022



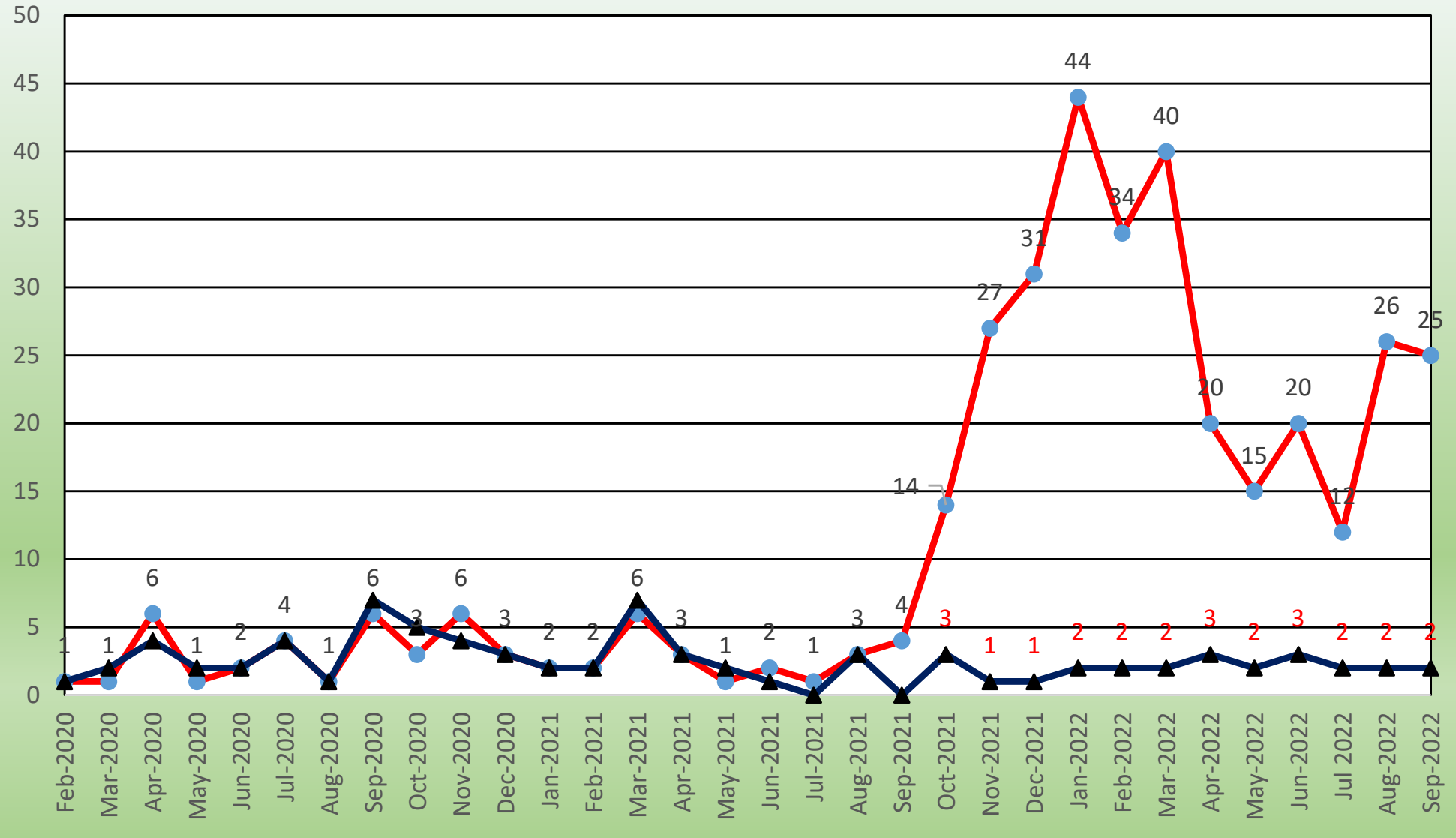
## Total Accidents By Quarter (Reports) 2019-2022



# CAD Shots/Shootings 2019-2022



## Eluding/Pursuit 2020-2022



# Highlights

- 17% reduction in motor vehicle theft and 14% reduction in theft from 2<sup>nd</sup> quarter
- 2.4% reduction in all persons crimes from 2<sup>nd</sup> quarter
- 11% reduction in YTD persons crimes from YTD 2021
- WASPC Re-accreditation
  - Four year review of policies and procedures
  - Received re-accreditation through 2026
  - Accreditation award will be presented at the fall WASPC conference in November
- Hiring
  - Joe Walker
    - Entry level officer, former firefighter, currently in the academy
  - Kayla Dragt
    - Entry level officer, former Nisqually corrections officer, currently in the academy
  - Pat Lavers
    - Lateral officer from Kirkland PD, completed training and is currently working patrol



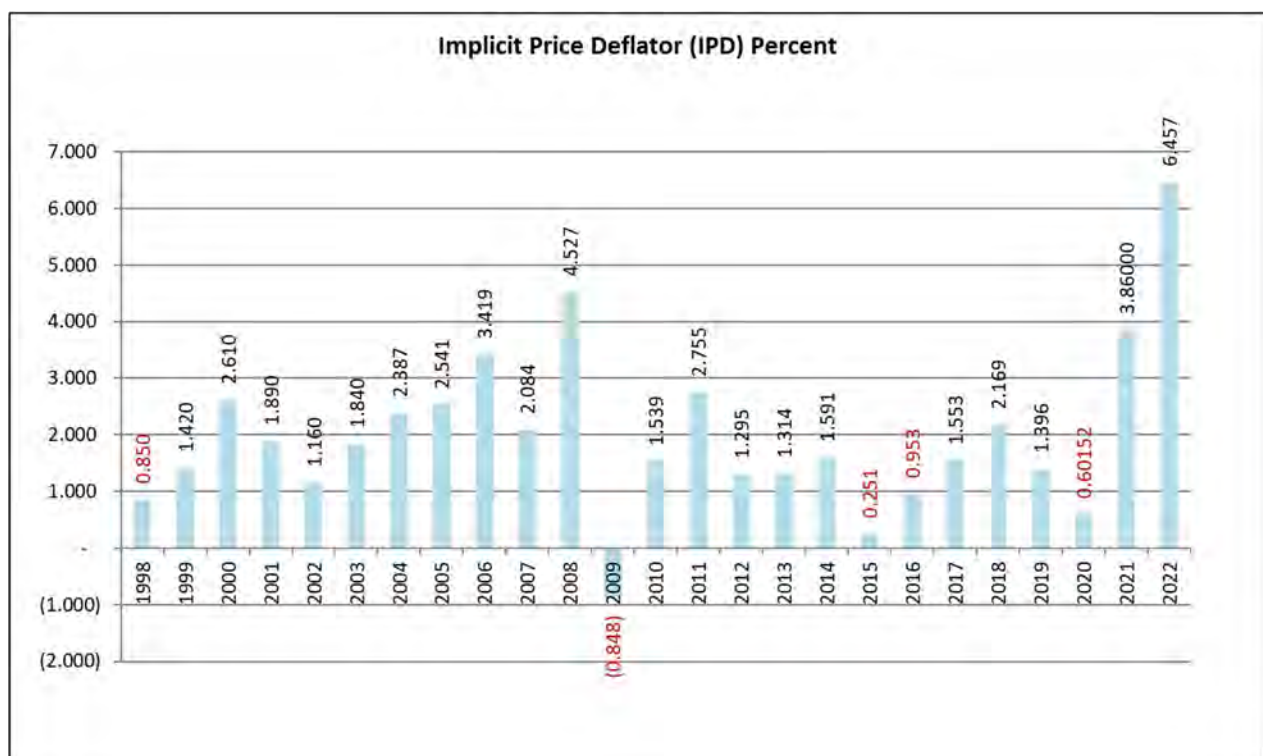


To: Mayor and City Councilmembers  
From: Tho Kraus, Deputy City Manager  
Through: John J. Caulfield, City Manager  
Date: October 24, 2022  
Subject: 2023 Property Tax Levy

## BACKGROUND

Washington state law requires cities to hold a public hearing on possible increases in the property tax revenues to be held prior to the time the city levies the taxes. The hearing must be held in November in order to provide the County with the preliminary certification by November 30. The City will have the opportunity to modify its levy certification in December once final information is provided by Pierce County. A public hearing has been scheduled for November 7 for this purpose. Adoption of the property tax levy ordinance is also scheduled for November 21.

Per state statute, the City is authorized to increase its property tax annually up the lesser of Implicit Price Deflator (IPD) or one percent (1%). The IPD inflation rate as of September 25, 2022 is 6.457% which means the City can take the full 1% levy increase in 2023 without the City Council adopting a declaration of substantial need. The September 25 data release is the final release on or before the September 25 statutory deadline in RCW 84.55.005



## ANALYSIS

According to the Pierce County Assessor-Treasurer's office, the City's total assessed value for 2023 property tax collection is estimated to be \$11.0B, which represents a 16.8% or \$1.6B increase from the City's total assessed value for 2022 property tax collection of \$9.4B.

	2022	2023 Estimate 1% Increase	Change	
			\$	%
Assessed Value	\$9,388,375,496	\$10,968,596,101	\$1,580,220,605	16.8%
City Levy Rate	\$0.8108	\$0.7099	-\$0.1010	-12.5%
City Property Tax Levy *	\$7,612,342	\$7,786,285	\$173,943	2.3%

\* The City Property Tax Levy increase of 2.3% includes the 1% increase plus new construction, administrative refunds and increase in state-assessed property. The increase in state-assessed property for 2023 is estimated based on 2022's actual, which is \$8,372.

The 2022 average home value of \$445K increased to \$524K in 2023, which is an increase of \$79K or 18%. The estimated 2023 city portion of property tax impact to the average homeowner compared to 2022 under the two scenarios are:

- Scenario 1 – No Increase: Annual property tax is \$368.39, an increase of \$7.22 or 2.0%.
- Scenario 2 – 1% Increase: Annual property tax is \$372.02, an increase of \$10.85 or 3.0%.

The additional annual property tax paid by the average homeowner with the 1% increase compared to no increase is \$3.63.

	2022	2023 Est	Change from 2022		2023 Est	Change from 2022	
	1% Increase	No Increase	\$	%	1% Increase	\$	%
AV Average Home	\$445,433	\$524,069	\$78,636	17.7%	\$524,069	\$78,636	17.7%
City Levy Rate	\$0.8108	\$0.7029	-\$0.1079	-13.3%	\$0.7099	-\$0.1010	-12.5%
City Property Tax Paid	\$361.17	\$368.39	\$7.22	2.0%	\$372.02	\$10.85	3.0%
Additional property tax paid by average homeowner with 1% increase compared to No increase =							\$3.63

Factors	2022	2023 - Option 1	RECOMMENDED
	Max Per Statute 1%	No Increase 0%	2023 - Option 2 Max Per Statute 1%
Base Levy Amount (Highest Lawful Regular Tax)	\$7,404,752	\$7,604,186	\$7,604,186
Increase	\$74,048	\$0	\$76,042
New Construction Estimate	\$117,015	\$89,418	\$89,418
Administrative Refunds	\$8,156	\$8,268	\$8,268
Additional Revenue from Increase in State-Assessed Property (2023 estimate is based on 2022 actual)	\$8,372	\$8,372	\$8,372
Total Property Tax Levy	\$7,612,342	\$7,710,243	\$7,786,285
Total Property Tax Levy % Increase from Base Levy Amount	2.80%	1.39%	2.39%
Assessed Value	\$9,388,375,496	\$10,968,596,101	\$10,968,596,101
Levy Rate Per \$1,000 AV	\$0.8108	\$0.7029	\$0.7099
City Tax Paid by Average Home Owner			
Average Home Value for 2022 Property Tax = \$445,433			
Average Home Value for 2023 Property Tax = \$524,069	\$361.17	\$368.39	\$372.02
City Tax Paid by Average Home Owner, Change from 2022 - \$	n/a	\$7.22	\$10.85
City Tax Paid by Average Home Owner, Change from 2022 - %	n/a	2.0%	3.0%

## **OPTIONS & CONSIDERATIONS**

The options the City Council may take regarding the 2023 property tax levy are:

- Option 1: Levy the property taxes without any increase.
- Option 2: Increase the property tax levy by 1%. - **RECOMMENDED**

Since 2006, the City has enacted the 1% increase. The cumulative impact of not taking the 1% increase in 2023 over the 6-year period (2023-2028) is approximately \$468,000.

## **NEXT STEPS**

- Public Hearing on November 7, 2022
- Adoption on November 21, 2022

## **ATTACHMENTS**

- Additional Information – Administrative Refunds
- Additional Information – State Assessed Property
- Taxable Values – Commercial & Residential Taxable Values and Levy Rates
- New Construction & Added Improvements
- Pierce County Assessor-Treasurer Preliminary 2022 Assessed Values
- Pierce County Assessor-Treasurer Preliminary Highest Lawful Levy Limit 2022 for 2023

## **ADDITIONAL INFORMATION – ADMINISTRATIVE REFUNDS**

Administrative refunds are taxes that had been levied in previous years on properties that have had their taxes abated or cancelled. The following is an outline defining administrative refunds and what they consist of – there are 16 of them:

1. Paid more than once.
2. Paid as a result of manifest error in description.
3. Paid as a result of a clerical error in extending the tax rolls.
4. Paid as a result of other clerical errors in listing property.
5. Paid with respect to improvements which did not exist on assessment date.
6. Paid under levies or statutes adjudicated to be illegal or unconstitutional.
7. Paid as a result of mistake, inadvertence, or lack of knowledge by any person exempted or partially exempted from paying real property taxes.
8. Paid or overpaid as a result of mistake, inadvertence, or lack of knowledge by either a public official or employee or by any person paying the same with respect to real property in which the person paying the same has no legal interest.
9. Paid on the basis of an assessed valuation which was appealed to the county board of equalization and ordered reduced by the board.
10. Paid on the basis of an assessed valuation which was appealed to the state board of tax appeals and ordered reduced by the board. PROVIDED, That the amount refunded under subsections (9) and (10) shall only be for the difference between the tax paid on the basis of the appealed valuation and the tax payable on the valuation adjusted in accordance with the board's order.
11. Paid as a state property tax levied upon property, the assessed value of which has been established by the state board of tax appeals for the year of such levy: PROVIDED, HOWEVER, That the amount refunded shall only be for the difference between the state property tax paid and the amount of state property tax that would, when added to all other property taxes within the 1 percent limitation of the state constitution equal 1 percent of the assessed value established by the board.
12. Paid on the basis of an assessed valuation which was adjudicated to be unlawful or excessive: PROVIDED, that the amount refunded shall be for the difference between the amount of tax payable on the basis of the assessed valuation determined as a result of the preceding.
13. Paid on property acquired under a tax lien. (RCW 84.69.020)
14. Paid on the basis of an assessed valuation that was reduced under RCW 84.48.065.
15. Paid on the basis of an assessed valuation that was reduced under RCW 84.40.039.
16. Abated under RCW 84.70.010

## **ADDITIONAL INFORMATION – STATE ASSESSED PROPERTY**

Utility and transportation companies that are defined in RCW 84.12 whose operations are in more than one county or state are assessed by the Department of Revenues' (DOR) Property Tax Division. These companies include airlines, railroads, electric companies who produce or distribute electricity on the retail or wholesale market, gas pipeline companies who distribute or sell gas on the retail or wholesale market, and telecommunications companies including landline local and long distance phone and wireless companies. Telecommunications also includes cable companies who have assets in Washington that are used for providing telephone service in more than one county or state. In addition to these companies, DOR also assessed private railcars. These private railcars are most often owned by companies who are not a railroad that pay the railroad companies to transport their cars from place to place, including chemical companies, grain import and export companies, and several companies who are in the business to lease railcars to railroads and others.

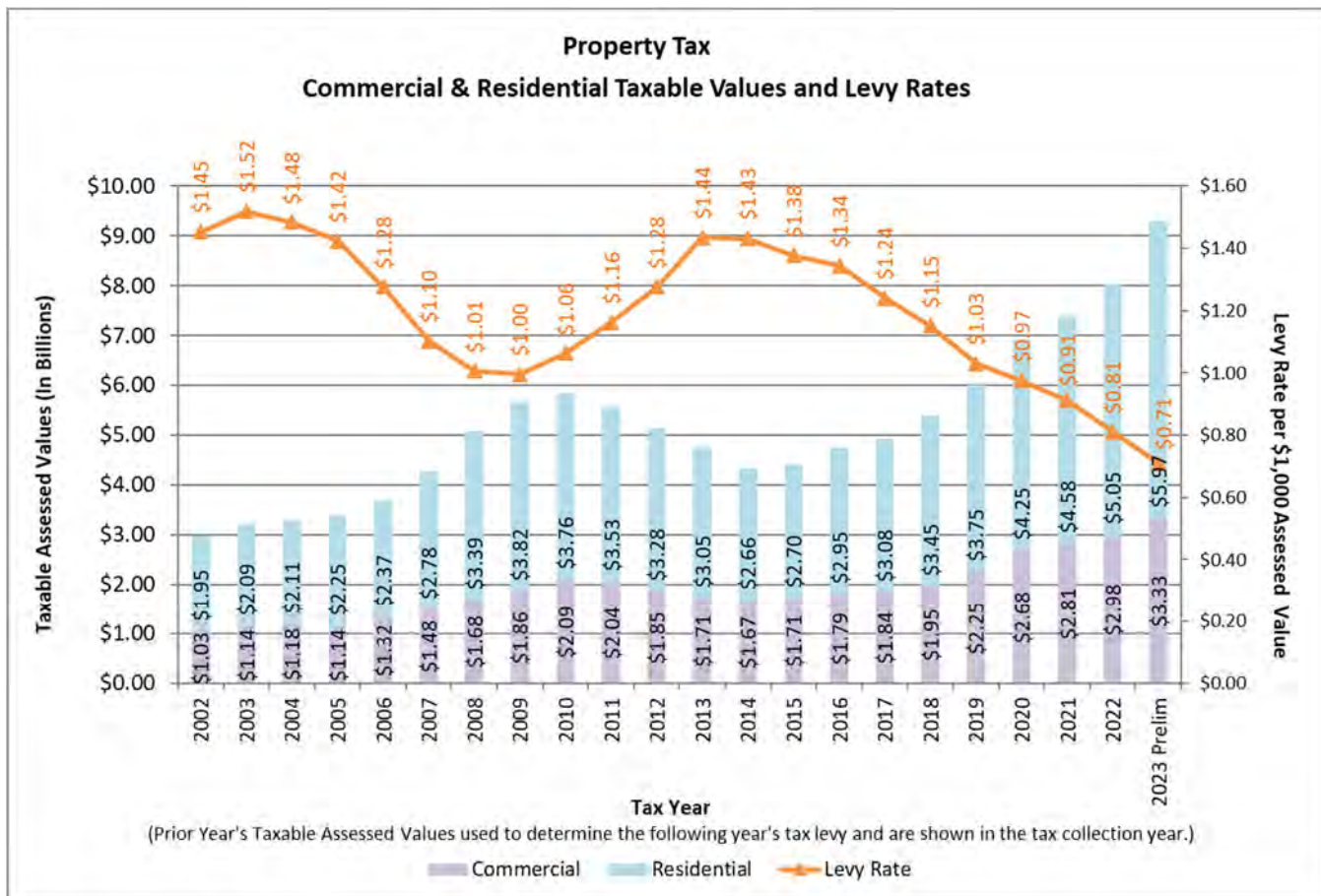
The appraised value of state assessed property is, by law, valued at 100% of market value. State, and in part, federal law require state assessed utilities be valued at the same level of assessment as other property in the same taxing jurisdiction. As a result, it is an equalized value of state assessed utilities that is allocated (apportioned) to all the taxing districts in the state; this includes real and personal property. The real and personal property ratio of each county is applied to the respective real and personal property appraised value of each company that is state assessed, and those values are apportioned to each county by tax code area (TCA).

Utility property appraisal is based on the unit method, property is valued as one thing. As a result, there is no specific value determined for any specific asset that makes up the operating unit. Hence, apportioned value does not directly relate to the value of assets in the TCA to which the assets value has been set. Apportionment is a process of assigning value based on certain metrics which generally consist of historical or original cost, length and size of pipes, miles of rail, etc., tied to the actual location of company assets. If one percent of a company's historical cost, length of pipe, or miles of main railroad track, then 1% is apportioned to all the TCAs in which the company has assets.

## TAXABLE VALUES – COMMERCIAL & RESIDENTIAL TAXABLE VALUES AND LEVY RATES

Year	Taxable Values (In Billions)										
	Commercial		Residential		Total	Change From Prior Year					
						Commercial		Residential		Total	
						\$	%	\$	%	\$	%
2002	\$1.03	35%	\$1.95	65%	\$2.98	\$0.06	5.6%	\$0.14	7.5%	\$0.19	6.8%
2003	\$1.14	35%	\$2.09	65%	\$3.23	\$0.10	10.1%	\$0.14	7.1%	\$0.24	8.2%
2004	\$1.18	36%	\$2.11	64%	\$3.28	\$0.04	3.3%	\$0.02	0.9%	\$0.06	1.7%
2005	\$1.14	34%	\$2.25	66%	\$3.38	(\$0.04)	-3.1%	\$0.14	6.5%	\$0.10	3.1%
2006	\$1.32	36%	\$2.37	64%	\$3.69	\$0.18	15.6%	\$0.13	5.6%	\$0.30	9.0%
2007	\$1.48	35%	\$2.78	65%	\$4.27	\$0.17	12.8%	\$0.41	17.3%	\$0.58	15.7%
2008	\$1.68	33%	\$3.39	67%	\$5.07	\$0.19	12.9%	\$0.61	21.9%	\$0.80	18.8%
2009	\$1.86	33%	\$3.82	67%	\$5.67	\$0.18	10.7%	\$0.42	12.5%	\$0.60	11.9%
2010	\$2.09	36%	\$3.76	64%	\$5.85	\$0.23	12.5%	(\$0.06)	-1.5%	\$0.18	3.1%
2011	\$2.04	37%	\$3.53	63%	\$5.57	(\$0.05)	-2.2%	(\$0.23)	-6.2%	(\$0.28)	-4.8%
2012	\$1.85	36%	\$3.28	64%	\$5.13	(\$0.19)	-9.3%	(\$0.25)	-7.1%	(\$0.44)	-7.9%
2013	\$1.71	36%	\$3.05	64%	\$4.77	(\$0.14)	-7.5%	(\$0.22)	-6.8%	(\$0.36)	-7.1%
2014	\$1.67	39%	\$2.66	61%	\$4.33	(\$0.05)	-2.7%	(\$0.39)	-12.8%	(\$0.44)	-9.2%
2015	\$1.71	39%	\$2.70	61%	\$4.41	\$0.04	2.7%	\$0.03	1.2%	\$0.08	1.8%
2016	\$1.79	38%	\$2.95	62%	\$4.74	\$0.08	4.8%	\$0.25	9.4%	\$0.33	7.6%
2017	\$1.84	37%	\$3.08	63%	\$4.93	\$0.05	2.7%	\$0.14	4.6%	\$0.18	3.9%
2018	\$1.95	36%	\$3.45	64%	\$5.40	\$0.11	5.8%	\$0.36	11.8%	\$0.47	9.5%
2019	\$2.25	37%	\$3.75	63%	\$6.00	\$0.30	15.4%	\$0.31	8.9%	\$0.61	11.2%
2020	\$2.68	39%	\$4.25	61%	\$6.93	\$0.43	19.1%	\$0.50	13.3%	\$0.93	15.4%
2021	\$2.81	38%	\$4.58	62%	\$7.39	\$0.13	4.9%	\$0.33	7.7%	\$0.46	6.6%
2022	\$2.98	37%	\$5.05	63%	\$8.03	\$0.17	6.1%	\$0.47	10.3%	\$0.64	8.7%
2023 Prelim	\$3.33	36%	\$5.97	64%	\$9.31	\$0.35	11.8%	\$0.92	18.3%	\$1.27	15.9%

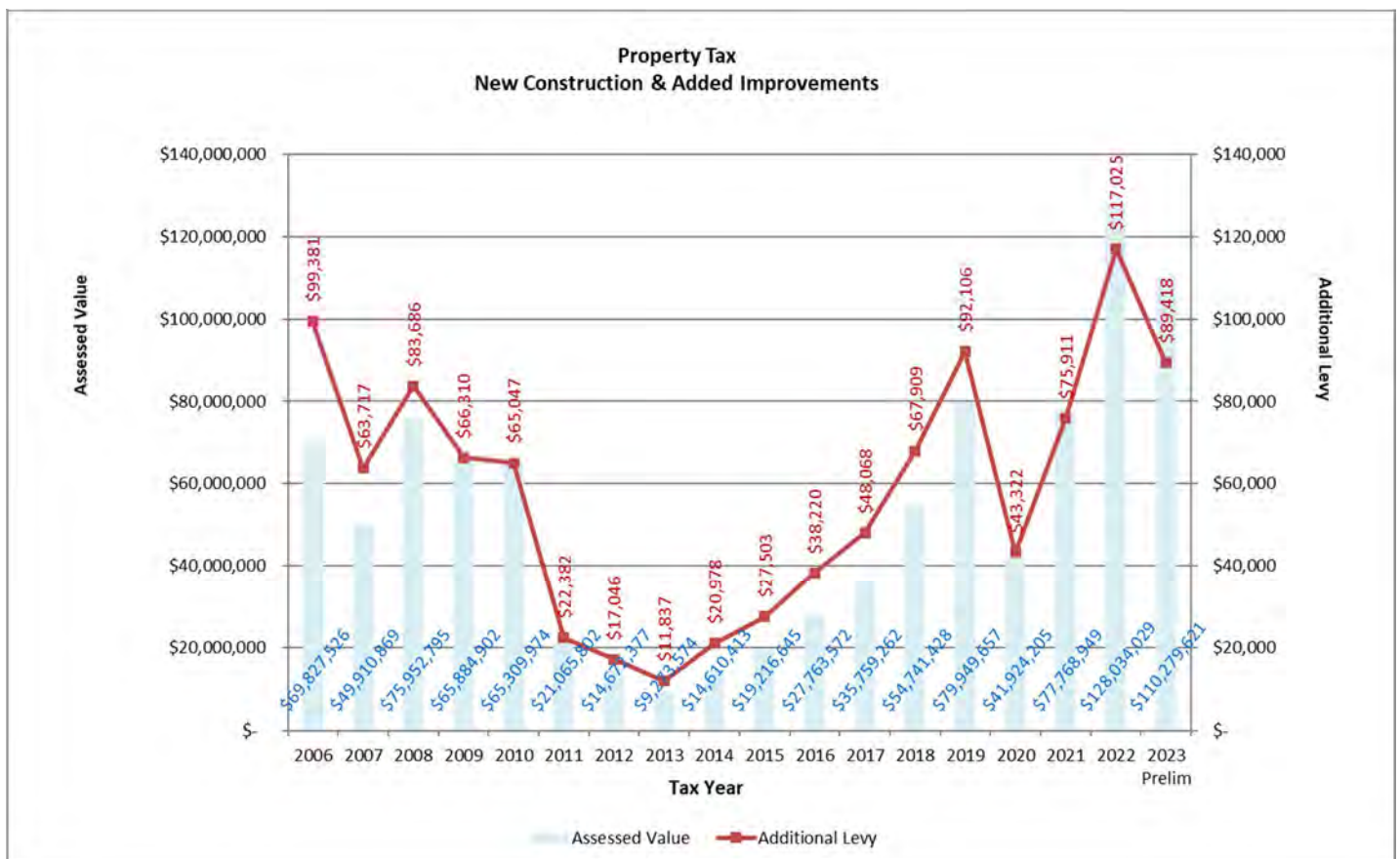
Taxable values are from the prior year which are used to determine the following year's levy rate and are shown in the applicable tax collection year. Values listed above continue to be adjusted after the certification of value due to exemptions, board of equalization actions, destroyed property, etc.



## NEW CONSTRUCTION & ADDED IMPROVEMENTS

New Construction & Added Improvement						
Tax Year	Taxable Value*	Additional Levy	Change From Prior Year			
			Assessed Value		Additional Levy	
			\$	%	\$	%
2006	\$ 69,827,526	\$ 99,381	n/a	n/a	n/a	n/a
2007	\$ 49,910,869	\$ 63,717	\$ (19,916,657)	-28.5%	\$ (35,664)	-35.9%
2008	\$ 75,952,795	\$ 83,686	\$ 26,041,926	52.2%	\$ 19,969	31.3%
2009	\$ 65,884,902	\$ 66,310	\$ (10,067,893)	-13.3%	\$ (17,377)	-20.8%
2010	\$ 65,309,974	\$ 65,047	\$ (574,928)	-0.9%	\$ (1,263)	-1.9%
2011	\$ 21,065,802	\$ 22,382	\$ (44,244,172)	-67.7%	\$ (42,665)	-65.6%
2012	\$ 14,672,377	\$ 17,046	\$ (6,393,425)	-30.3%	\$ (5,335)	-23.8%
2013	\$ 9,273,574	\$ 11,837	\$ (5,398,803)	-36.8%	\$ (5,209)	-30.6%
2014	\$ 14,610,413	\$ 20,978	\$ 5,336,839	57.5%	\$ 9,141	77.2%
2015	\$ 19,216,645	\$ 27,503	\$ 4,606,232	31.5%	\$ 6,526	31.1%
2016	\$ 27,763,572	\$ 38,220	\$ 8,546,927	44.5%	\$ 10,717	39.0%
2017	\$ 35,759,262	\$ 48,068	\$ 7,995,690	28.8%	\$ 9,848	25.8%
2018	\$ 54,741,428	\$ 67,909	\$ 18,982,166	53.1%	\$ 19,841	41.3%
2019	\$ 79,949,657	\$ 92,106	\$ 25,208,229	46.0%	\$ 24,197	35.6%
2020	\$ 41,924,205	\$ 43,322	\$ (38,025,452)	-47.6%	\$ (48,784)	-53.0%
2021	\$ 77,768,949	\$ 75,911	\$ 35,844,744	85.5%	\$ 32,589	75.2%
2022	\$ 128,034,029	\$ 117,025	\$ 50,265,080	64.6%	\$ 41,114	54.2%
2023 Prelim	\$ 110,279,621	\$ 89,418	\$ (17,754,408)	-13.9%	\$ (27,607)	-23.6%

\* County assessors are authorized to place any property that increased in value due to new construction on the assessment rolls up to August 31<sup>st</sup> of each year at the true and fair value as of July 31<sup>st</sup> of that year.







## **Pierce County**

### **Mike Lonergan, Assessor-Treasurer**

2401 South 35th Street  
Tacoma, WA 98409-7498  
(253) 798-6111 FAX (253) 798-3142  
ATLAS (253) 798-3333  
[www.piercecountywa.org/atr](http://www.piercecountywa.org/atr)

September 9, 2022

OFFICIAL NOTIFICATION TO: LAKEWOOD

RE: 2022 PRELIMINARY ASSESSED VALUES

#### FOR REGULAR LEVY

Total Taxable Regular Value	10,968,596,101
Highest lawful regular levy amount since 1985	7,604,185.53
Last year's actual levy amount (including refunds)	7,612,341.72
Additional revenue from current year's NC&I	89,417.62
Additional revenue from annexations (RCW 84.55)	0.00
Additional revenue from administrative refunds (RCW 84.69)	8,268.41
<i>No additional revenue from administrative refunds will be allowed if you are limited by your statutory rate limit.</i>	
Last year's additional revenue from increase in state-assessed property	8,371.58

#### FOR EXCESS LEVY

Taxable Value	10,813,078,540
Timber Assessed Value	-
Total Taxable Excess Value	10,813,078,540

New Construction and Improvement Value	110,279,621
--	-------------

*If you need assistance or have any questions regarding this information, please contact Kim Alflen  
253.798.7114 [kim.alflen@piercecountywa.gov](mailto:kim.alflen@piercecountywa.gov)*



**Pierce County****Mike Lonergan, Assessor-Treasurer**

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**HIGHEST LAWFUL LEVY LIMIT 2022 FOR 2023**

**LAKEWOOD**  
**> 10,000**

**REGULAR TAX LEVY LIMIT:**

	<b>2021</b>
A. <u>Highest regular tax which could have been lawfully levied beginning with the 1985 levy</u> [refund levy not included] times limit factor (as defined in RCW 84.55.005).	7,604,185.53 <b>1.0100000</b> 7,680,227.39
B. Current year's assessed value of new construction, improvements and wind turbines in original districts before annexation occurred times last year's levy rate (if an error occurred or an error correction was made in the previous year, use the rate that would have been levied had no error occurred).	110,279,621 0.810826295054 89,417.62
C. <b>Last year's state assessed property</b> value in original district if annexed less last year's state assessed property value. The remainder to be multiplied by last year's regular levy rate (or the rate that should have been levied).	76,305,348 76,305,348 0.00 0.810826295054 <b>8,371.58</b>
D. <b>REGULAR PROPERTY TAX LIMIT (A + B + C)</b>	<b>7,778,016.59</b>

**ADDITIONAL LEVY LIMIT DUE TO ANNEXATIONS:**

E. To find rate to be used in F, take the levy limit as shown in Line D above and divide it by the current assessed value of the district, excluding the annexed area.	7,778,016.59 10,968,596,101 0.709116874975
F. Annexed area's current assessed value including new construction and improvements times rate found in E above.	0.00 0.709116874975 0.00
G. <b>NEW LEVY LIMIT FOR ANNEXATION (D + F)</b>	<b>7,778,016.59</b>
<b>LEVY FOR REFUNDS:</b>	
H. RCW 84.55.070 provides that the levy limit will not apply to the levy for taxes refunded or to be refunded pursuant to Chapters 84.68 or 84.69 RCW. (D or G + refund if any)	7,778,016.59 8,268.41 7,786,285.00
I. <b>TOTAL ALLOWABLE LEVY AS CONTROLLED BY THE LEVY LIMIT (D,G,or H)</b>	<b>7,786,285.00</b>
J. Amount of levy under statutory rate limitation.	10,968,596,101 3.375000000000 <b>37,019,011.84</b>
K. <b>LESSER OF I OR J</b>	<b>7,786,285.00</b>

2023 PRELIMINARY.xlsx, highest lawful



To: Mayor and City Councilmembers  
 From: Tho Kraus, Deputy City Manager  
 Through: John J. Caulfield, City Manager  
 Date: October 24, 2022  
 Subject: 2022 YND Budget Adjustment

## BACKGROUND

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

- Adjustments to incorporate items previously approved by the City Council;
- Appropriate projects funded by grants and contributions; and
- New allocations on an exception basis.

## PROPOSED BUDGET ADJUSTMENT SUMMARY

### Year 2022:

- No change to beginning fund balance, revised estimate remains at \$58.93M;
- Increases revenues by \$7.72M, resulting in a revised estimate of \$133.73M;
- Increases expenditures by \$7.77M, resulting in a revised estimate of \$158.99M; and
- Decreases ending fund balance by \$0.55M, resulting in a revised estimate of \$33.67M.

The table below provides a breakdown of the proposed budget adjustment (\$ in millions):

Fund Group	Beginning Fund Balance			Revenue			Expenditure			Ending Fund Balance		
	Current Budget	Proposed Adj	Proposed Revised Budget	Current Budget	Proposed Adj	Proposed Revised Budget	Current Budget	Proposed Adj	Proposed Revised Budget	Current Budget	Proposed Adj	Proposed Revised Budget
<b>Total</b>	\$ 58.93	\$ -	\$ 58.93	\$ 126.01	\$ 7.72	\$ 133.73	\$ 151.22	\$ 7.77	\$ 158.99	\$ 33.72	\$ (0.05)	\$ 33.67
General	17.75	-	17.75	43.21	0.23	43.43	47.07	0.28	47.34	13.89	(0.05)	13.84
Special Revenue	6.85	-	6.85	24.54	7.35	31.90	28.89	7.35	36.24	2.51	-	2.51
Debt Service	0.99	-	0.99	2.77	-	2.77	2.58	-	2.58	1.17	-	1.17
Capital Projects	16.98	-	16.98	43.40	-	43.40	54.24	-	54.24	6.14	-	6.14
Enterprise	10.98	-	10.98	4.62	-	4.62	11.20	-	11.20	4.39	-	4.39
Internal Service	5.38	-	5.38	7.48	0.14	7.62	7.24	0.14	7.38	5.62	-	5.62

## GENERAL FUND ENDING FUND BALANCE

In support of the City's financial integrity, the City Council adopted on September 15, 2014, a set of financial policies including fund balance reserves totaling 12% of General/Street O&M Funds operating revenues.

- **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.
- **5% General Fund Ending Fund Balance Reserves:** The purpose of this reserve is to provide financial stability, cash flow for operations and the assurance that the City will be able to respond to revenue shortfalls with fiscal strength.
- **5% Strategic Reserves:** The purpose of this reserve is to provide some fiscal means for the City to respond to potential adversities such as public emergencies, natural disasters or similarly major unanticipated events.

Additionally, on November 15, 2021 the City Council via Ordinance 764 established an Economic Development Opportunity Fund within the General Fund ending fund balance for the purpose of accumulating excess funds from the General Fund and other funds that are eligible to provide funding for economic development opportunity related expenditures. The set aside amount as approved in the 2021/2022 mid-biennium budget adjustment is \$1,000,000 in each year of 2021 and 2022 for a total of \$2,000,000. The City shall appropriate and use the funds as approved by the City Council.

With this proposed budget adjustment, 2022 estimated General/Street O&M Funds ending fund balance of \$13.84M equates to 32% of General/Street O&M Funds operating revenues. The proposed revised operating revenues & expenditures and ending fund balance reserves is in alignment with the City's adopted financial policies.

## **PROPOSED BUDGET ADJUSTMENT 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**

#### **CD – Department of Commerce 2024 Comprehensive Plan, Grant/1-Time**

Add \$175,000 in grant revenue and expenditures for the preparation of the 2024 Periodic Comprehensive Plan update in two disbursements: July 2022 and July 2023. The remaining available balance at year-end will be carried over into 2023.

#### **CD - Department of Commerce – Early Implementation Climate Planning, Grant/1-Time**

Add \$50,000 in grant revenue and expenditures for the purpose of incorporating climate action elements in the city's periodic update. This funding is valid beginning July 1, 2022 and must be completed by June 2023. The remaining available balance at year-end will be carried over into 2023.

#### **Transfer to SSMCP, New/1-Time**

Transfer \$30,000 to SSMCP for City's share of due diligence costs for future North Clear Zone property purchases. See Fund 192 SSMCP for additional information.

#### **Transfer to Street M&O, New/1-Time**

Transfer \$20,000 to Street M&O Fund for the purchase of cones and delineators. See Fund 101 Street M&O for additional information.

### **Fund 101 Streets O&M**

#### **PRCS – Purchase of 500 new Cones and Delineators, New/1-Time**

Add \$20,000 in revenue (General Fund subsidy) and expenditures to purchase 500 new cones and delineators instead of renting them for \$4,500 per session. Participation at City events (SummerFEST, Farmers Market, and Street Festivals) has grown and there are more and more large and small park and street projects where this equipment is needed. The City is always working on logistic and needing to find ways to set up areas, route and reroute traffic and people, block off spaces or open up areas for safety. This equipment will also support Public Works Engineering and Police for incidents and accidents. The equipment works well to hold up signs on a post without having to dig a hole or pound into the ground.

### **Fund 180 Narcotics Seizure Fund**

#### **Narcotics Seizure Qualified Programs, New/1-Time**

Add \$106,730 in narcotics seizure related revenue and add \$106,730 for qualified expenditures (\$24,500 to replace vehicle for Special Operations Unit and the remaining \$82,230 for other seizure expenditures). The purpose of this fund is to track assets seized because of involvement with the illegal sale, possession, or distribution of drugs or controlled substances. The fund also provides for the purchase of controlled substances or drugs by law enforcement officers or agents, as well as other expenses to enhance and improve law enforcement activities having a close and demonstrable relationship to enforcement of controlled substances. These funds may not be used to supplant existing funding sources.

#### **Drug Enforcement Agency Tacoma Regional Task Force, Grant/1-Time**

Add \$19,372 of revenues and expenditures for officer task force overtime. This cooperative agreement is between the U.S. Department of Justice Drug Enforcement Agency, the Tacoma Regional Task Force, and the City of Lakewood.

## **Fund 181 Felony Seizure Fund**

### **Felony Seizure Qualified Programs, New/1-Time**

Add \$26,960 in felony seizure related revenue and add \$26,960 for qualified expenditures. The purpose of this fund is for tracking assets seized under RCW 10.105.101 and the related expenditures. The state statute authorizes the seizure of assets that have been or was actually employed as an instrumentality in the commission or in the aiding or abetting in the commission of any felony, or which was furnished or was intended to be furnished by any person in the commission of, as a result of, or as a compensation for the commission of, any felony, or which was acquired in whole or in part with the proceeds traceable to the commission of a felony. Funds shall be used exclusively by the City in the expansion and improvement of law enforcement activity; however may not be used to supplant existing funding sources.

The Federal Equity Sharing Guidelines lists the following (funds shall be used to increase or supplement and not be used to replace or supplant):

Permissible Uses: law enforcement investigations; law enforcement training, law enforcement and detention facilities; law enforcement equipment; law enforcement travel and transportation; law enforcement awards and memorials; drug and gang education awareness programs; matching fund for grants; pro rata funding of the law enforcement agency's percentage of costs associated with supporting multi-agency items or facilities; asset accounting and tracking of expenditures of federally shared funds; language assistance services in connection with law enforcement activity; transfers of cash to other law enforcement agencies; support of community-based programs (cash transfers to community-based programs are not permitted); and windfall situations to provide additional support to community –based programs.

Impermissible Uses: Salaries and benefits of permanent law enforcement personnel, except in limited circumstances (i.e. express statutory authorization, overtime of officers and investigators, new positions and temporary or not-to-exceed one year appointments and salary of an officer hired to replace an officer assigned to a task force, specialized programs that generally to not involve traditional law enforcement functions); use of forfeited property by non-law enforcement personnel; payment of education-related costs; uses contrary to the laws of the state or local jurisdiction; non-official government use of shared assets; purchase of food and beverage (except for conference and meals during local operations); extravagant expenditures extravagant expenditures or wasteful expenditures and entertainment; cash on hand, secondary accounts, and stored value cards (such as prepaid credit cards); transfers to other law enforcement agencies; purchase of items for other law enforcement agencies; costs related to lawsuits; loans; and money laundering operations.

## **Fund 182 Federal Seizure Fund**

### **Federal Seizure Qualified Programs, New/1-Time**

Add \$20,100 in federal seizure related revenue and add \$26,960 for qualified expenditures. The Federal Equity Sharing Guidelines lists the following (funds shall be used to increase or supplement and not be used to replace or supplant):

Permissible Uses: law enforcement investigations; law enforcement training, law enforcement and detention facilities; law enforcement equipment; law enforcement travel and transportation; law enforcement awards and memorials; drug and gang education awareness programs; matching fund for grants; pro rata funding of the law enforcement agency's percentage of costs associated with supporting multi-agency items or facilities; asset accounting and tracking of expenditures of federally shared funds; language assistance services in connection with law enforcement activity; transfers of cash to other law enforcement agencies; support of community-based programs (cash transfers to community-based programs are not permitted); and windfall situations to provide additional support to community –based programs.

Impermissible Uses: Salaries and benefits of permanent law enforcement personnel, except in limited circumstances (i.e. express statutory authorization, overtime of officers and investigators, new positions and temporary or not-to-exceed one year appointments and salary of an officer hired to replace an officer assigned to a task force, specialized programs that generally to not involve traditional law enforcement functions); use of forfeited property by non-law

enforcement personnel; payment of education-related costs; uses contrary to the laws of the state or local jurisdiction; non-official government use of shared assets; purchase of food and beverage (except for conference and meals during local operations); extravagant expenditures or wasteful expenditures and entertainment; cash on hand, secondary accounts, and stored value cards (such as prepaid credit cards); transfers to other law enforcement agencies; purchase of items for other law enforcement agencies; costs related to lawsuits; loans; and money laundering operations.

### **Fund 192 South Sound Military Communities Partnership**

#### **SSMCP – NCZ Due Diligence, New/1-Time**

Add \$30,000 in revenue and expenditures for due diligence costs associated with the next North Clear Zone property purchase. The City submitted the DCCA application for state funding in September 2022 for the purchase of Puget Paving parcels. The application required the City to identify the share of its cost as part of the cost share agreement between the City and State. The amount requested is for the City's share of due diligence with the Army Cooperative Agreement and includes estimated costs for appraisals, boundary survey, ESA, legal fees, and title search.

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

#### **Washington Traffic Safety Commission – Impaired Driving Emphasis, Grant/1-Time**

Add a total of \$4,375 in grant revenue and expenditures to bring grant total to \$12,752 for WTSC Impaired Driving Emphasis grant. No local match is required. The grant provides funding for overtime wages and related benefits for law enforcement personnel to participate in scheduled local and multi-jurisdictional DUI patrols. The grant period is October 2021 – September 2022.

#### **Washington Traffic Safety Commission – Seatbelts, Grant/1-Time**

Add \$3,687 in grant revenue and expenditures to bring total grant allocation to \$6,187 for grant period. No local match is required. The grant provides funding for overtime wages and related benefits for law enforcement personnel to participate in scheduled local seatbelt patrols. The grant period is October 2021 – September 2022.

#### **Emergency Management Performance (EMPG), Grant/1-Time**

Add \$62,565 in grant revenues and expenditures for partial reimbursement of the Emergency Management Coordinator's position shared with the West Pierce Emergency Management Coalition. The coalition is comprised of the Cities of Lakewood and University Place, Town of Steilacoom and West Pierce Fire and Rescue. This grant requires a match of local funds of \$82,434 which is provided by the balance of the Coordinator's salary paid by the coalition. The coalition's apportionment is calculated as follows: Coordinator's position cost less the EMPG grant; remaining balance is allocated 40% West Pierce Fire District and 60% allocated to the cities of Lakewood, University Place, Town of Steilacoom based on population as provided by Washington State Office of Fiscal Management (OFM). The City's portion of the local match is included in the existing General Fund budget. The grant-funding period is June 1, 2022-August 31, 2023. The remaining available balance at year-end will be carried over into 2023.

#### **Bulletproof Vest Partnership, Grant/1-Time**

Add \$14,800 in grant revenue and expenditures for FY-2022 new award for vests purchased from April 1, 2022 through August 31, 2024. This funding is for armored vests that meet the National Institute of Justice applicable ballistic and stab resistant standards for officers. There is a 50% local match required. This match is already budgeted in the General Fund. The remaining available balance at year-end will be carried over into 2023.

#### **Pierce County STOP Violence against Women Training Grant/1-Time**

Add \$5,073 in grant revenue and expenditures. The purpose of this grant is to provide funding for training of two police officers to attend the annual Sexual Victims of Assault training conference held in Dallas, Texas in May 2022. The training encompasses responding effectively, identifying and responding to violent crimes that include crimes of sexual assault, domestic violence, stalking, and dating violence against victims eleven years of age or older. The grant period is January 2022 – December 2022.

#### **Washington State Patrol- Mobile Impaired Driving Unit (MIDU), Grant/1-Time**

Add \$15,000 in grant revenue and expenditures for mobile impaired driving unit grant. These funds are for providing a certified Medical Assistant Phlebotomist to work in conjunction with the WSP various locations around the State of Washington. The contract period is June 2022 – September 2022.

#### **WTSC – PC Regional Phlebotomy, Grant/1-Time**

Add \$98,400 in grant revenue and expenditures. This grant provides funding for the Pierce County Regional Phlebotomy 2022 Traffic Safety Grant Project. The program is aimed at training 20 law enforcement officers within Pierce County Region 5 to receive training to become licensed Washington State Phlebotomists. The funding provides wages for police officer regular time to attend classes, tuition, fees, books, physician oversight, supplies and recertification fees. The grant period is from March 25, 2022 through June 30, 2023. The remaining available balance at year-end will be carried over into 2023.

#### **US DOJ Justice Assistance Grant – Helmets and Exterior Vests, Grant/1-Time**

Add \$41,486 in grant revenue and expenditures. This grant is for the purpose of purchasing helmets and exterior vest public safety equipment for the Lakewood Police Department. The grant period is from October 2022-September 2025. The remaining available balance at year-end will be carried over into 2023.

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

##### **PD – Replace 2013 Ford interceptor #40711, New/1-Time**

Add \$50,000 in revenues and expenditures for replacement of police vehicle #40711 that was involved in a collision and declared a total loss. The revenue is a transfer in of insurance proceeds received and accounted for in the Risk Management Fund.

##### **MC – Additional Funds for Municipal Court Transit Van, New/1-Time**

Add \$16,000 for the replacement of Municipal Court transit van (from \$54,000 to \$70,000). Due to materials supply shortages, Ford was unable to fill the City's original order. As a result, Ford offered the City priority for the 2023 transit van at a significantly higher price due to inflation, material cost increase and supply chain demands. Source is General Fund savings.

##### **PK – New Mower for Street Landscape Program, New/1-Time**

Add \$12,000 for the purchase of a new 48" Z Track Mower to support the Street Landscape program. Currently there are 1.75 FTEs assigned to street landscaping. This team provides maintenance to all city buildings, traffic islands, gateways, Sounder Station and along city streets and right-of-ways. There is one mower assigned to the team. The additional Z Track Mower would allow the team to complete more work in those areas. Besides mowing, this equipment allows them to pick up trash along the streets in advance of mowing, providing more efficient use of limited resources. Source is General Fund savings.

#### **PK – Safety Lighting & Radio Installation on Two Trucks, New/1-Time**

Add \$15,000 to add safety lighting to the rears of two work trucks so they can be clearly seen by trailing vehicles and install city owned/provided radios for employee communication and safety. The existing safety lighting cannot be seen from the rear of the vehicles and the radios were not installed with the initial build of the vehicles. Source is General Fund savings.

#### **504 Risk Management**

#### **PD – Transfer of Insurance Proceeds for Vehicle Claim #40711, New/1-Time**

Add \$50,000 transfer of insurance proceeds to Fleet & Equipment Fund for the replacement of police vehicle #40711.

#### **NEXT STEPS**

- Public Hearing on November 7, 2022
- Adoption on November 21, 2022

#### **ATTACHMENTS**

- Summary of Proposed Adjustments
- Draft Budget Adjustment Ordinance



**2022 Year End Budget Adjustment  
Summary of Proposed Requests**

	Adjustment Ongoing/		Year 2022	
	Type	1-Time	Revenue	Expenditure
<b>Grand Total - All Funds</b>			<b>\$7,720,666</b>	<b>\$ 7,770,666</b>
<b>Total - Fund 001 General</b>			<b>\$ 225,000</b>	<b>\$ 275,000</b>
CD - 2024 Comprehensive Plan Grant	Grant	1-Time	175,000	175,000
CD - Dept of Commerce Climate Plan Grant	Grant	1-Time	50,000	50,000
Transfer to SSMCP for Future North Clear Zone Due Diligence	New	1-Time	-	30,000
General/Street Fund Subsidy - Cones & Delineators	New	1-Time	-	20,000
<b>Total - Special Revenue Funds</b>			<b>\$ 7,352,666</b>	<b>\$ 7,352,666</b>
<b>Total - Fund 101 Street O&amp;M</b>			<b>\$ 20,000</b>	<b>\$ 20,000</b>
Cones & Delineators	New	1-Time	20,000	20,000
<b>Total - Fund 180 Narcotics Seizure</b>	-	-	<b>\$ 126,102</b>	<b>\$ 126,102</b>
Replace Special Operations Unit Vehicle & Narcotics Seizure Qualified Programs	New	1-Time	106,730	106,730
Drug Enforcement Agency Tacoma Regional Task Force	Grant	1-Time	19,372	19,372
<b>Total - Fund 181 Felony Seizure</b>	-	-	<b>\$ 26,960</b>	<b>\$ 26,960</b>
Qualified Seizure Programs	New	1-Time	26,960	26,960
<b>Total - Fund 182 Federal Seizure</b>	-	-	<b>\$ 20,100</b>	<b>\$ 20,100</b>
Qualified Seizure Programs	New	1-Time	20,100	20,100
<b>Total - Fund 192 SSMCP</b>			<b>\$ 30,000</b>	<b>\$ 30,000</b>
Due Diligence for Future North Clear Zone Property Purchases	New	1-Time	30,000	30,000
<b>Total - Fund 195 Police Grants</b>			<b>\$ 246,386</b>	<b>\$ 246,386</b>
WA Traffic Safety Commission - Impaired Driving	Grant	1-Time	4,375	4,375
WA Traffic Safety Commission - Seatbelts	Grant	1-Time	3,687	3,687
Emergency Management Performance - West Pierce Coalition	Grant	1-Time	62,565	62,565
Bulletproof Vest Partnership	Grant	1-Time	14,800	14,800
Pierce County STOP Violence Against Women	Grant	1-Time	5,073	5,073
WA State Patrol - Mobile Impaired Driving Unit	Grant	1-Time	15,000	15,000
WA Traffic Safety Commision - Pierce Co. Regional Phlebotomy	Grant	1-Time	98,400	98,400
US Department of Justice Assistance Grant - Helmets and Vests	Grant	1-Time	42,486	42,486
<b>Total - Fund 196 ARPA</b>			<b>\$ 6,883,118</b>	<b>\$ 6,883,118</b>
ARPA Second Distribution	Grant	1-Time	6,883,118	6,883,118
<b>Total - Internal Service Funds</b>			<b>\$ 143,000</b>	<b>\$ 143,000</b>
<b>Total - Fund 501 Fleet &amp; Equipment</b>			<b>\$ 93,000</b>	<b>\$ 93,000</b>
PD - Replace Totaled Vehicle #40711	New	1-Time	50,000	50,000
MC - Additional Funds for Vehicle 42161	New	1-Time	16,000	16,000
PK - New Mower for Street Landscape Program	New	1-Time	12,000	12,000
PK - Safety Lighting & Radio Installation on Two Trucks	New	1-Time	15,000	15,000
<b>Total - Fund 504 Risk Management</b>			<b>\$ 50,000</b>	<b>\$ 50,000</b>
Transfer Insurance Recovery to Fleet & Equipment Fund	New	1-Time	50,000	50,000

ORDINANCE NO.

AN ORDINANCE of the City Council of the City of Lakewood, Washington, adopting the 2021/2022 Biennial Budget.

WHEREAS, the tax estimates and budget for the City of Lakewood, Washington, for the 2021/2022 fiscal biennium have been prepared and filed on October 5, 2020 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 2, 2020, and having considered the public testimony presented; and

WHEREAS, the City Council of the City of Lakewood adopted Ordinance No. 746 on November 16, 2020 implementing the 2021/2022 Biennial Budget; and

WHEREAS, the City Council of the City of Lakewood adopted Ordinance 754 on May 17, 2021 implementing the 2020 Carry Forward Budget Adjustment; and

WHEREAS, the City Council of the City of Lakewood adopted Ordinance 760 on November 15, 2021 implementing the 2021/2022 Mid-Biennium Budget Adjustment; and

WHEREAS, the City Council of the City of Lakewood adopted Ordinance 761 on November 15, 2021 implementing the American Rescue Plan Act (ARPA) funded programs adopted by the City Council on September 20, 2021 via Ordinance 759; and

WHEREAS, the City Council of the City of Lakewood adopted Ordinance 770 on May 16, 2022 implementing the 2022 Carry Forward Budget Adjustment; and

WHEREAS, the City Council of the City of Lakewood finds it necessary to revise the 2022 Budget to: incorporate items previously approved by the City Council; appropriate projects funded by grants and contributions; and include new allocations on an exception basis; and

WHEREAS, the City Council of the City of Lakewood having held a public hearing on the 2022 Year-End Budget Adjustment on November 7, 2022.

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

Section 1. Budget Amendment. The budget for Year 2022, as set forth in Ordinance 770, Section 1 and as shown in Exhibit A (Current Revised Budget by Fund – Year 2022) is amended to adopt the revised budget for Year 2022 in the amounts and for the purposes as shown on Exhibit B (Revised Budget by Fund – Year 2022).

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 2021 and 2022 five (5) days after publication as required by law.

ADOPTED by the City Council this 21<sup>st</sup> day of November, 2022.

CITY OF LAKEWOOD

\_\_\_\_\_  
Jason Whalen, Mayor

Attest:

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

Approved as to Form:

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

**EXHIBIT A**  
**CURRENT REVISED BUDGET BY FUND - YEAR 2022**  
**Per Ord. 770 Adopted on May 16, 2022**

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>\$ 14,192,297</b>	<b>\$ 11,397,149</b>	<b>\$ 25,589,446</b>	<b>\$ 49,562,830</b>	<b>\$ 20,958,234</b>	<b>\$ 70,521,064</b>	<b>\$ 50,110,626</b>	<b>\$ 28,426,055</b>	<b>\$ 78,536,681</b>	<b>\$ 17,573,829</b>
001 General	9,832,230	7,918,425	17,750,655	41,090,266	2,116,996	43,207,262	42,297,813	4,770,563	47,068,376	13,889,541
101 Street	-	23,781	23,781	2,416,099	140,586	2,556,685	2,416,099	164,367	2,580,466	-
103 Transportation Benefit District	1,522,753	58,671	1,581,424	835,000	-	835,000	640,000	1,718,000	2,358,000	58,424
104 Hotel/Motel Lodging Tax Fund	1,845,842	459,590	2,305,432	1,000,000	-	1,000,000	800,000	53,393	853,393	2,452,039
105 Property Abatement/RHSP/1406	-	649,622	649,622	409,800	507,610	917,410	409,800	1,157,232	1,567,032	-
106 Public Art	-	120,224	120,224	45,000	-	45,000	45,000	120,224	165,224	-
180 Narcotics Seizure	-	192,000	192,000	-	-	-	-	192,000	192,000	-
181 Felony Seizure	-	36,198	36,198	-	-	-	-	36,198	36,198	-
182 Federal Seizure	-	143,505	143,505	-	-	-	-	143,505	143,505	-
190 CDBG	-	1,513,495	1,513,495	595,000	2,692,587	3,287,587	595,000	4,206,082	4,801,082	-
191 NSP	-	254,676	254,676	42,000	-	42,000	42,000	254,676	296,676	-
192 SSMCP	172	32,127	32,299	227,500	9,021,842	9,249,342	227,500	9,054,141	9,281,641	-
195 Public Safety Grants	-	-	-	132,328	555,687	688,015	132,328	555,687	688,015	-
196 ARPA (American Rescue Plan Act)	-	-	-	-	5,922,926	5,922,926	-	5,922,926	5,922,926	-
201 GO Bond Debt Service	-	-	-	1,689,938	-	1,689,938	1,689,938	-	1,689,938	-
202 LID Debt Service	120,624	(1,674)	118,950	245,641	-	245,641	287,530	77,061	364,591	-
204 Sewer Project Debt	737,708	(3,616)	734,092	834,258	-	834,258	527,618	-	527,618	1,040,732
251 LID Guaranty	132,968	125	133,093	-	-	-	-	-	-	133,093
<b>Capital Project Funds:</b>	<b>\$ 4,687,531</b>	<b>\$ 12,296,227</b>	<b>\$ 16,983,758</b>	<b>\$ 14,965,218</b>	<b>\$ 28,431,043</b>	<b>\$ 43,396,261</b>	<b>\$ 15,200,098</b>	<b>\$ 39,041,156</b>	<b>\$ 54,241,254</b>	<b>\$ 6,138,765</b>
301 Parks CIP	24,118	3,364,104	3,388,222	982,000	10,365,524	11,347,524	982,000	13,661,911	14,643,911	91,835
302 Transportation CIP	471,881	6,517,692	6,989,573	11,748,198	17,816,882	29,565,080	11,423,998	20,151,725	31,575,723	4,978,930
303 Real Estate Excise Tax	3,554,315	1,526,148	5,080,463	1,800,000	173,637	1,973,637	2,664,100	4,390,000	7,054,100	-
311 Sewer Project CIP	637,217	888,283	1,525,500	435,020	75,000	510,020	130,000	837,520	967,520	1,068,000
<b>Enterprise Fund:</b>	<b>\$ 2,826,849</b>	<b>\$ 8,149,029</b>	<b>\$ 10,975,878</b>	<b>\$ 7,615,476</b>	<b>\$ (3,000,000)</b>	<b>\$ 4,615,476</b>	<b>\$ 7,259,041</b>	<b>\$ 3,940,544</b>	<b>\$ 11,199,585</b>	<b>\$ 4,391,769</b>
401 Surface Water Management	2,826,849	8,149,029	10,975,878	7,615,476	(3,000,000)	4,615,476	7,259,041	3,940,544	11,199,585	4,391,769
<b>Internal Service Funds:</b>	<b>\$ 4,927,965</b>	<b>\$ 449,115</b>	<b>\$ 5,377,080</b>	<b>\$ 5,532,426</b>	<b>\$ 1,948,621</b>	<b>\$ 7,481,047</b>	<b>\$ 5,622,670</b>	<b>\$ 1,618,221</b>	<b>\$ 7,240,891</b>	<b>\$ 5,617,236</b>
501 Fleet & Equipment	4,453,142	143,937	4,597,079	755,720	964,141	1,719,861	1,007,720	308,563	1,316,283	5,000,657
502 Property Management	269,300	305,178	574,478	798,917	148,142	947,059	703,917	473,320	1,177,237	344,300
503 Information Technology	205,523	-	205,523	2,275,339	523,843	2,799,182	2,208,583	523,843	2,732,426	272,279
504 Risk Management	-	-	-	1,702,450	312,495	2,014,945	1,702,450	312,495	2,014,945	-
<b>Total All Funds</b>	<b>26,634,642</b>	<b>\$ 32,291,520</b>	<b>\$ 58,926,162</b>	<b>\$ 77,675,950</b>	<b>\$ 48,337,898</b>	<b>\$ 126,013,848</b>	<b>\$ 78,192,435</b>	<b>\$ 73,025,976</b>	<b>\$ 151,218,411</b>	<b>\$ 33,721,599</b>

**EXHIBIT B**  
**PROPOSED REVISED BUDGET BY FUND - YEAR 2022**

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>\$ 25,589,446</b>	<b>-</b>	<b>25,589,446</b>	<b>\$ 70,521,064</b>	<b>\$ 7,577,666</b>	<b>\$ 78,098,730</b>	<b>\$ 78,536,681</b>	<b>\$ 7,627,666</b>	<b>\$ 86,164,347</b>	<b>\$ 17,523,829</b>
001 General	17,750,655	-	17,750,655	43,207,262	225,000	43,432,262	47,068,376	275,000	47,343,376	13,839,541
101 Street	23,781	-	23,781	2,556,685	20,000	2,576,685	2,580,466	20,000	2,600,466	-
103 Transportation Benefit District	1,581,424	-	1,581,424	835,000	-	835,000	2,358,000	-	2,358,000	58,424
104 Hotel/Motel Lodging Tax Fund	2,305,432	-	2,305,432	1,000,000	-	1,000,000	853,393	-	853,393	2,452,039
105 Property Abatement/RHSP/1406	649,622	-	649,622	917,410	-	917,410	1,567,032	-	1,567,032	-
106 Public Art	120,224	-	120,224	45,000	-	45,000	165,224	-	165,224	-
180 Narcotics Seizure	192,000	-	192,000	-	126,102	126,102	192,000	126,102	318,102	-
181 Felony Seizure	36,198	-	36,198	-	26,960	26,960	36,198	26,960	63,158	-
182 Federal Seizure	143,505	-	143,505	-	20,100	20,100	143,505	20,100	163,605	-
190 Grants	1,513,495	-	1,513,495	3,287,587	-	3,287,587	4,801,082	-	4,801,082	-
191 NSP	254,676	-	254,676	42,000	-	42,000	296,676	-	296,676	-
192 SSMCP	32,299	-	32,299	9,249,342	30,000	9,279,342	9,281,641	30,000	9,311,641	-
195 Public Safety Grants	-	-	-	688,015	246,386	934,401	688,015	246,386	934,401	-
196 ARPA (American Rescue Plan Act)	-	-	-	5,922,926	6,883,118	12,806,044	5,922,926	6,883,118	12,806,044	-
201 GO Bond Debt Service	-	-	-	1,689,938	-	1,689,938	1,689,938	-	1,689,938	-
202 LID Debt Service	118,950	-	118,950	245,641	-	245,641	364,591	-	364,591	-
204 Sewer Project Debt	734,092	-	734,092	834,258	-	834,258	527,618	-	527,618	1,040,732
251 LID Guaranty	133,093	-	133,093	-	-	-	-	-	-	133,093
<b>Capital Project Funds:</b>	<b>\$ 16,983,758</b>	<b>\$ -</b>	<b>\$ 16,983,758</b>	<b>\$ 43,396,261</b>	<b>\$ -</b>	<b>\$ 43,396,261</b>	<b>\$ 54,241,254</b>	<b>\$ -</b>	<b>\$ 54,241,254</b>	<b>\$ 6,138,765</b>
301 Parks CIP	3,388,222	-	3,388,222	11,347,524	-	11,347,524	14,643,911	-	14,643,911	91,835
302 Transportation CIP	6,989,573	-	6,989,573	29,565,080	-	29,565,080	31,575,723	-	31,575,723	4,978,930
303 Real Estate Excise Tax	5,080,463	-	5,080,463	1,973,637	-	1,973,637	7,054,100	-	7,054,100	-
311 Sewer Project CIP	1,525,500	-	1,525,500	510,020	-	510,020	967,520	-	967,520	1,068,000
<b>Enterprise Fund:</b>	<b>\$ 10,975,878</b>	<b>\$ -</b>	<b>\$ 10,975,878</b>	<b>\$ 4,615,476</b>	<b>\$ -</b>	<b>\$ 4,615,476</b>	<b>\$ 11,199,585</b>	<b>\$ -</b>	<b>\$ 11,199,585</b>	<b>\$ 4,391,769</b>
401 Surface Water Management	10,975,878	-	10,975,878	4,615,476	-	4,615,476	11,199,585	-	11,199,585	4,391,769
<b>Internal Service Funds:</b>	<b>\$ 5,377,080</b>	<b>\$ -</b>	<b>\$ 5,377,080</b>	<b>\$ 7,481,047</b>	<b>\$ 143,000</b>	<b>\$ 7,624,047</b>	<b>\$ 7,240,891</b>	<b>\$ 143,000</b>	<b>\$ 7,383,891</b>	<b>\$ 5,617,236</b>
501 Fleet & Equipment	4,597,079	-	4,597,079	1,719,861	93,000	1,812,861	1,316,283	93,000	1,409,283	5,000,657
502 Property Management	574,478	-	574,478	947,059	-	947,059	1,177,237	-	1,177,237	344,300
503 Information Technology	205,523	-	205,523	2,799,182	-	2,799,182	2,732,426	-	2,732,426	272,279
504 Risk Management	-	-	-	2,014,945	50,000	2,064,945	2,014,945	50,000	2,064,945	-
<b>Total All Funds</b>	<b>58,926,162</b>	<b>\$ -</b>	<b>\$58,926,162</b>	<b>\$ 126,013,848</b>	<b>\$ 7,720,666</b>	<b>\$133,734,514</b>	<b>\$ 151,218,411</b>	<b>\$ 7,770,666</b>	<b>\$158,989,077</b>	<b>\$ 33,671,599</b>



To: Mayor and City Councilmembers  
From: Tho Kraus, Deputy City Manager  
Through: John J. Caulfield, City Manager  
Date: October 24, 2022  
Subject: 6-Year Financial Forecast (2022-2028)

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A handwritten signature in black ink, which appears to read "John J. Caulfield", is written over the "Through:" line of the letterhead.

## BACKGROUND

The City's financial policy requires the City to prepare a financial forecast for six years beyond the current budget period. The projection extends current operations to the future to determine if the services are sustainable and the magnitude of, if any, future financing gaps. This glimpse into the future allows the City to proactively plan and implement corrective measures over time to avoid sudden drastic changes in service levels and/or in revenues. Additionally, the City's financial policy requires the city to balance its ongoing services with ongoing revenues. Therefore, the six-year financial forecast distinguishes between services and revenues that are considered ongoing "operating" revenues/expenditures versus one-time "capital and other" sources/uses. Operating revenues and expenditure projection is an integral part of planning the City's future financial strategy. The City utilizes a five-year trend to project for future sources/uses; however, the City also takes into consideration of the current economic climate and adjusts these trends accordingly. Revenues are projected in accordance with the City Council's financial policies and takes into consideration of current economic conditions, recent activity, and anticipated activity. Expenditure projections include a 3% general increase but does not include potential collective bargaining adjustments after contract expiration.

## FINANCIAL POLICIES

For purposes of this discussion, the following are extracted from the City's adopted financial policies.

- **Balanced Budget.** The City will adopt a balanced budget for all funds. Balanced budget for operating funds means ongoing operating program costs do not exceed the amount of ongoing revenues to finance those costs. The ongoing revenue will be identified along with new program costs including impact from new capital projects. Any available carryover balance will only be used to offset one-time or non-recurring costs. Balanced budget for non-operating funds means total resources equal to or exceed total uses.
- **Fund Balance.** General Fund Ending Fund Balance Reserves shall be 12% of the combined General and Street Operations & Maintenance Funds operating revenues. These reserves are as follow:
  - **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.
  - **5% General Fund Ending Fund Balance Reserves:** The purpose of this reserve is to provide financial stability, cash flow for operations and the assurance that the City will be able to respond to revenue shortfalls with fiscal strength.

- **5% Strategic Reserves:** The purpose of this reserve is to provide some fiscal means for the City to respond to potential adversities such as public emergencies, natural disasters or similarly major unanticipated events.
- **Use of Fund Balance.** Fund balance is the cumulative years' excess or deficit of all revenues and expense. Available fund balances shall not be used for ongoing operating expenditures, unless a determination has been made that available balances are in excess of required guidelines and plans have been established to address any future operating budget shortfalls. Emphasis shall be place on one-time uses that achieve future operating cost reductions and/or service level efficiencies.
- **Revenue Estimates.** Revenues shall be estimated conservatively so as not to introduce regular shortfalls in individual revenue accounts. Revenue estimates shall not assume excess growth rates. Real growth that occurs will be recognized through budgetary adjustments only after it takes place. This practice imposes short term constraint on the level of public goods or services. However, in the event that revenues are less than expected, it minimizes the likelihood of severe cutback actions which may be profoundly disruptive to the goal of providing a consistent level of quality services.
- **Use of One-Time/Unpredictable Revenues.** The City shall not utilize one-time revenues for recurring operating expenditures. One-time revenues include, but are not limited to: proceeds from the sale of land or surplus equipment, legal settlements, or revenue windfalls.

## OVERVIEW OF THE ECONOMY

As reported to the City Council as part of the 2021/2022 mid-biennium budget review, ***“the era of predictable unpredictability is not going away”*** as stated by the Economist. As such, the City will continues to take a cautionary approach to revenue forecasting in accordance with the City’s adopted financial policies. For example, sales tax revenue collections in 2020 came in at pre-pandemic levels, and 2021 collections came in even stronger, exceeding 2020 by \$2.4M or 20%. However, there is not a guarantee this level of sales tax collections will continue in 2023 given the continuing economic uncertainties. The good news is that the higher than anticipated revenue collections in 2020 and 2021 coupled with the action strategies put in place to address the impact of the pandemic in 2020 has resulted in one-time monies that are available for capital infrastructure projects and other one-time investment opportunities in 2022, which included the creation of the economic development opportunity program.

The 2021/2022 mid-biennium review considered the current state of the local, regional, national and global economy and the impacts of the COVID-19 pandemic, and the Russia-Ukraine conflict and the resulting financial uncertainties, particularly as it relates to the global supply chain network. The supply chain crunch that was meant to be temporary is expected to last well into 2022 with port congestion, rising freight costs, labor and material shortages, and inflation are of concern. Throughout the pandemic, there have been historic wait times for ships headed into ports waiting to unload cargo from China. Meanwhile, gridlock at ports overseas creates additional delays as ships seek to obtain cargo. Freight costs are expected to increase with labor shortages, rising gas prices and port congestion all factor in. The United States labor market is in flux. The rollercoaster from layoffs and quarantine to flex work and work exodus in during the pandemic will continued into 2022. Material shortages persists in 2022 with virtually every key commodity is either up in price or scarce. Inflation is high, prices have skyrocketed and companies are have passed the budget onto consumers.

The following update of the current economy.

Global growth outlook in 2022 is marked down to 2.9% and continues in 2023 at 2.7%. The downward projection is attributable to the ongoing supply shock from the Russia-Ukraine conflict. The combined effects of supply chain pressures and high commodity prices have compressed margins and fueled inflation. Consumer sentiment around the world has decreased as costs for basic needs - food, energy and shelter – have increased tremendously. Rapidly tightening fiscal conditions have increased debt burdens dimmed hope going into 2023. The decrease in public health restrictions this

past summer allowed for access to more services, however, with shrinking disposable incomes and more pessimistic outlook of the future will see tightening of household spending.

National economic indicators show growth will continue in the second half of 2022. However, with the combination of high inflation, monetary policy tightening, and a slowing economy there is a chance of a slight recession in 2023. Inflation remains much higher than the Federal Reserve's target. Higher mortgage interest rates have slowed down single family residential homes while demand for rental units remains strong due to the affordability of the single family housing market.

At the state level, Washington forecasts a recession at the end of 2022 and going into 2023. Washington's June unemployment numbers show jobs increased however, also noted that it has been difficult to create forecasts due to the impacts of the pandemic and the conflict between Russia and Ukraine impacting oil prices. Currently, Washington's unemployment rate is 3.9%, a historic low. If a recession is to occur, which it is not expected to be at the same magnitude as the Great Recession of 2007-2009, unemployment may increase slowly to 6.5% to 6.6%. Construction could be impacted by the potential recession as the demand for homes begins to slow down. The hospitality industry could be impacted again with the increased Omicron variant cases. Washington's economy will be predicted to grow but at a slower rate and unemployment is expected to increase to 4.5%. It is predicted that Washington's economic growth will be stronger than the nation as a whole.

At the local level, Puget Sound's unemployment remains relatively low with the overall region below 3%. The Puget Sound Economic Forecaster anticipates the rate getting back to above 3% in 2023, but only at 3.1% to 3.3%. Labor participating rate could increase slightly as some people come out of retirement due to increased costs with higher inflation and the effects of student loan deferment and other stimulus fades. Consumer spending decreased compared to the same time last year. As consumers adjust their spending habits to increasing costs, retail spending numbers indicate a slowdown and that a true recession is not likely. Gasoline sales, clothing sales, department store sales all decreased while non-store retailers increased attributable to Amazon's Prime Day sale. Higher mortgage interest rate has slowed down the housing market with average interest rates of 5.2% as of August and average mortgage payments have increased to over \$1,800 due to both higher home prices and increased borrowing cost. Housing inventories increased but the markets remain relatively tight with housing shortages. Building permits in 2021 was strong, however have dropped with higher interest rates and new construction remains strong but subject to supply chain.

As with previous budgets, a key attribute of the City's financial successes has been the adopted financial policies that provide a vital framework for governance and decision-making, especially in regards to issues that substantively impact the City's finances such as the current economic uncertainty. These policies have served the City very well during our region's pre-pandemic economic prosperity and they are serving us very well as the foundation for the City's response to the pandemic and in turn will allow the City to ensure a sustainable financial future by not overextending itself.



## CITY-WIDE POSITION INVENTORY

Department	2022 Original	2022 Adjusted	2022 Year-End Est	2023 Proposed	2024 Proposed	2025 Projected	2026 Projected	2027 Projected	2028 Projected
City Manager	3.50	3.50	3.00	4.00	4.00	4.00	4.00	4.00	4.00
Administrative Services	12.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00
Community & Economic Development	21.50	24.75	24.75	26.75	26.75	20.50	20.50	20.50	20.50
Parks, Recreation & Community Services	23.00	25.00	25.00	26.00	26.00	24.00	24.00	24.00	24.00
Public Works Engineering	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50
Legal	13.50	15.50	15.50	16.00	16.00	13.00	13.00	13.00	13.00
Municipal Court	9.50	9.50	8.80	8.80	8.80	8.80	8.80	8.80	8.80
Police	110.00	111.00	111.00	111.00	111.00	111.00	111.00	111.00	111.00
<b>Grand Total</b>	<b>210.50</b>	<b>219.75</b>	<b>218.55</b>	<b>223.05</b>	<b>223.05</b>	<b>211.80</b>	<b>211.80</b>	<b>211.80</b>	<b>211.80</b>

### Police Department:

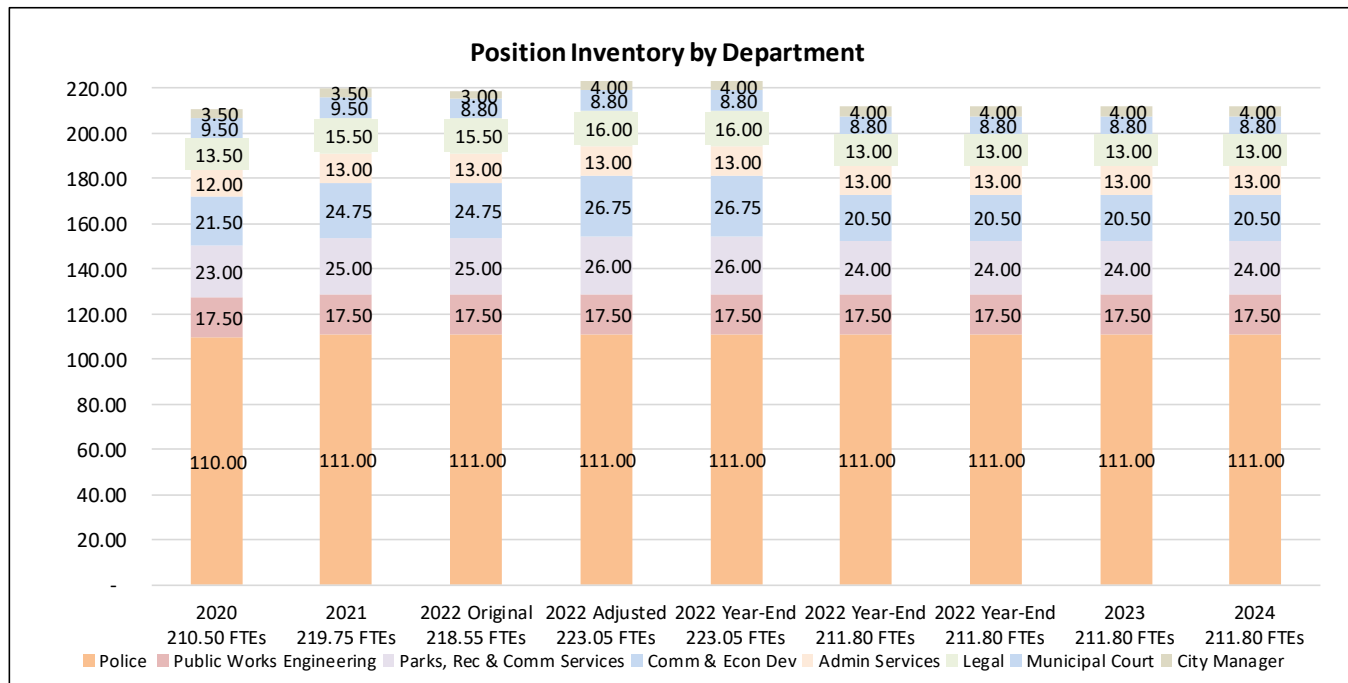
2022 original budget includes 99 authorized commissioned positions (95 funded/4 unfunded).

The 2022 adjusted and year-end includes 100 authorized commissioned positions (96 funded/4 unfunded).

The 2023 and 2024 proposed budget includes funding for all 100 authorized commissioned positions (96 funded/4 unfunded).

### Limited term positions are included in the 2023 and 2024 proposed budget:

- Total 6.25 FTE in CED as follows:
  - 1.00 FTE Permit Technician
  - 1.00 FTE Associate Planner/Tree Preservation Code
  - 1.00 Neighborhood Community Coordinator
  - 1.00 FTE Program Coordinator - Housing/RHSP/Abatement
  - 1.00 FTE Program Assistant (RHSP)
  - 1.00 FTE Program Coordinator - ARPA/Economic Development (0.50 FTE ARPA / 0.50 FTE General Fund)
  - 0.25 FTE Program Coordinator - CDBG
- Total 2.00 FTE in PRCS as follows:
  - 1.00 FTE Maintenance Worker
  - 1.00 FTE Capital Projects Coordinator
- Total 3.00 FTE in LG as follows: 1.00 FTE Domestic Violence Office Assistant (0.50 FTE General Fund / 0.50 FTE Grant Funded)
  - 1.00 FTE Domestic Violence Office Assistant (0.50 FTE General Fund / 0.50 FTE Grant Funded)
  - 1.00 FTE Associate City Attorney (ARPA Body Camera Operations)
  - 1.00 FTE Public Records & Legal Specialist (ARPA Body Camera Operations)



## ANALYSIS – GENERAL FUND

### Scenario 1 (Current Forecast) – Operating Revenue Growth Slower than Operating Expenditure Growth

This scenario, as with our current and previous forecasts, projects General Fund operating expenditures to exceed operating revenues beginning in 2025, primarily because of slower operating revenue growth compared to operating expenditure growth.

Scenario 1: Current Forecast Operating Revenue Growth Slower Than Operating Expenditure Growth	2022	2023	2024	2025	2026	2027	2028
	YND Est	Proposed	Proposed	Projected	Projected	Projected	Projected
Operating Revenues	\$ 43,834,993	\$ 43,253,360	\$ 43,863,370	\$ 44,655,640	\$ 45,471,990	\$ 46,277,560	\$ 47,104,430
Operating Revenue Change Over Prior Year	-3.33%	-1.33%	1.41%	1.81%	1.83%	1.77%	1.79%
Operating Expenditures	\$ 41,910,217	\$ 43,245,663	\$ 43,767,992	\$ 45,088,189	\$ 46,478,064	\$ 47,765,789	\$ 49,054,164
Operating Expenditure Change Over Prior Year	12.10%	3.19%	1.21%	3.02%	3.08%	2.77%	2.70%
Operating Income/(Loss)	\$ 1,924,776	\$ 7,697	\$ 95,378	\$ (432,549)	\$ (1,006,074)	\$ (1,488,229)	\$ (1,949,734)
Operating Income/(Loss) as a % of Oper Exp	4.59%	0.02%	0.22%	-0.96%	-2.16%	-3.12%	-3.97%
Other Financing Sources	\$ 823,384	\$ 282,550	\$ 282,550	\$ 102,300	\$ 102,300	\$ 102,300	\$ 102,300
Other Financing Users	\$ 4,661,802	\$ 4,961,604	\$ 4,069,523	\$ 1,700,000	\$ 2,129,000	\$ 1,323,000	\$ 1,648,000
Total Sources	\$ 44,658,377	\$ 43,535,910	\$ 44,145,920	\$ 44,757,940	\$ 45,574,290	\$ 46,379,860	\$ 47,206,730
Total Uses	\$ 46,572,019	\$ 48,207,267	\$ 47,837,515	\$ 46,788,189	\$ 48,607,064	\$ 49,088,789	\$ 50,702,164
Beginning Fund Balance	\$ 17,750,655	\$ 15,837,013	\$ 11,165,656	\$ 7,474,061	\$ 5,443,812	\$ 2,411,038	\$ (297,891)
Ending Fund Balance	\$ 15,837,013	\$ 11,165,656	\$ 7,474,061	\$ 5,443,812	\$ 2,411,038	\$ (297,891)	\$ (3,793,325)
EFB as a % of General/Street Oper Revenue	35.3%	25.2%	16.7%	11.9%	5.2%	-0.6%	-7.9%
Total Reserve Target at 12% & Set Aside:	\$ 7,379,480	\$ 7,308,174	\$ 7,381,196	\$ 7,475,729	\$ 7,573,690	\$ 7,670,360	\$ 7,769,583
2% Contingency Reserves	\$ 896,580	\$ 884,696	\$ 896,866	\$ 912,621	\$ 928,948	\$ 945,060	\$ 961,597
5% General Fund Reserves	\$ 2,241,450	\$ 2,211,739	\$ 2,242,165	\$ 2,281,554	\$ 2,322,371	\$ 2,362,650	\$ 2,403,993
5% Strategic Reserves	\$ 2,241,450	\$ 2,211,739	\$ 2,242,165	\$ 2,281,554	\$ 2,322,371	\$ 2,362,650	\$ 2,403,993
Economic Development Opportunity Set Aside	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Unreserved/(Shortfall)	\$ 8,457,533	\$ 3,857,482	\$ 92,865	\$ (2,031,917)	\$ (5,162,652)	\$ (7,968,251)	\$ (11,562,908)

## Scenario 2 (Optimistic) – Economic Growth & Operating Efficiencies

This scenario projects our local economy is growing and that the City will see economic development in the foreseeable future that will have a positive impact on the General Fund. It assumes new revenue from projected economic development (financial policies prohibit addition of new revenue in budget – must be realized before it can be accounted for in budget, which is sound polity to have in place) as well as incorporating underlying assumption on future operating efficiencies based on past performance in recent years.

<b>Scenario 2: Operating Gap</b> <b>Economic Growth &amp; Operating Efficiencies</b>	2022 YND Est	2023 Proposed	2024 Proposed	2025 Projected	2026 Projected	2027 Projected	2028 Projected
Operating Income/(Loss) from Scenario 1	\$ 1,924,776	\$ 7,697	\$ 95,378	\$ (432,549)	\$ (1,006,074)	\$ (1,488,229)	\$ (1,949,734)
Adjustments to Buy Down Operating Gap:							
2% Operating Revenue Growth				\$ 893,113	\$ 1,820,415	\$ 2,782,374	\$ 3,780,110
1% Operating Expenditure Efficiencies/Savings				\$ 450,900	\$ 464,800	\$ 477,700	\$ 490,500
<b>Adjusted Operating Income/(Loss)</b>	<b>\$ 1,924,776</b>	<b>\$ 7,697</b>	<b>\$ 95,378</b>	<b>\$ 911,464</b>	<b>\$ 1,279,141</b>	<b>\$ 1,771,845</b>	<b>\$ 2,320,876</b>

<b>Scenario 2: Ending Fund Balance</b> <b>Economic Growth &amp; Operating Efficiencies</b>	2022 YND Est	2023 Proposed	2024 Proposed	2025 Projected	2026 Projected	2027 Projected	2028 Projected
Ending Fund Balance from Scenario 1	\$ 15,837,013	\$ 11,165,656	\$ 7,474,061	\$ 5,443,812	\$ 2,411,038	\$ (297,891)	\$ (3,793,325)
Adjustments to Buy Down Operating Gap:							
2% Operating Revenue Growth				\$ 893,113	\$ 1,820,415	\$ 2,782,374	\$ 3,780,110
1% Operating Expenditure Efficiencies/Savings				\$ 450,900	\$ 464,800	\$ 477,700	\$ 490,500
<b>Revised Estimated Ending Fund Balance</b>	<b>\$ 15,837,013</b>	<b>\$ 11,165,656</b>	<b>\$ 7,474,061</b>	<b>\$ 6,787,825</b>	<b>\$ 4,696,253</b>	<b>\$ 2,962,183</b>	<b>\$ 477,285</b>
Total Reserve Target at 12% & Set Aside:	\$ 7,379,480	\$ 7,308,174	\$ 7,381,196	\$ 7,582,903	\$ 7,792,140	\$ 8,004,245	\$ 8,223,196
2% Contingency Reserves	\$ 896,580	\$ 884,696	\$ 896,866	\$ 930,483	\$ 965,356	\$ 1,000,707	\$ 1,037,199
5% General Fund Reserves	\$ 2,241,450	\$ 2,211,739	\$ 2,242,165	\$ 2,326,210	\$ 2,413,392	\$ 2,501,769	\$ 2,592,999
5% Strategic Reserves	\$ 2,241,450	\$ 2,211,739	\$ 2,242,165	\$ 2,326,210	\$ 2,413,392	\$ 2,501,769	\$ 2,592,999
Economic Development Opportunity Set Aside	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
<b>Unreserved/(Shortfall)</b>	<b>\$ 8,457,533</b>	<b>\$ 3,857,482</b>	<b>\$ 92,865</b>	<b>\$ (795,078)</b>	<b>\$ (3,095,887)</b>	<b>\$ (5,042,062)</b>	<b>\$ (7,745,911)</b>

## CONSIDERATIONS

- **Analysis of Service Delivery Options.** In advance of the 2025/2026 biennial budget, perform analyses of department functions and service delivery option. Examples of service delivery evaluation criteria include:
- *Specialized Services* - Services and activities, which the City provides that, require specialized skills, knowledge or licenses that City personnel does not possess.
  - *Current Personnel Resources are Limited* - Situations where the City may not have the personnel resources available to implement a specific task or project, making contracted services a viable alternative.
  - *Special Projects* - Projects or studies that may have significant implications and/or require a third party review are typically outsourced to a private contractor.
  - *Risk* - Tasks that pose a risk or liability to City personnel or equipment are outsourced to a private contractor.
  - *Routine Tasks* - The City provides routine and predictable services that can be tied to a fixed schedule without impacting or conflicting with the public.
  - *Cost Effectiveness and Efficiency* - The cost/benefit analysis will assist in determining whether it is advantageous to contract versus hiring personnel internally.
  - *Improved Level of Service (LOS)* - Limited resources can be efficiently allocated through a system of internal personnel and external contracts to ensure the highest levels of service are provided to citizens.
  - *Competitive* - Competition for contract work continues to increase as more private firms vie for services traditionally provided by government.
  - *Monitoring and Evaluation* - One of the most important criteria surrounding private contracts is the monitoring and evaluation process. Should be relatively inexpensive and easy to measure versus time consuming and expensive.
  - *Customer Complaints* - Resources are optimally allocated to ensure that all services provided by the City are done so with limited impact to citizens.
- **Collective Bargaining Agreements.** The financial forecast does not include potential adjustments after contract expiration.

<u>Labor Group</u>	<u>Current Contract Period</u>
AFSCME	1/1/2022 through 12/31/2023
LPMG	1/1/2020 through 12/31/2022
LPIG	1/1/2021 through 12/31/2022
Teamsters	1/1/2022 through 12/31/2025

## ATTACHMENTS

- Revenue Sources
- Current Financial Forecast for All Funds (2022-2028)

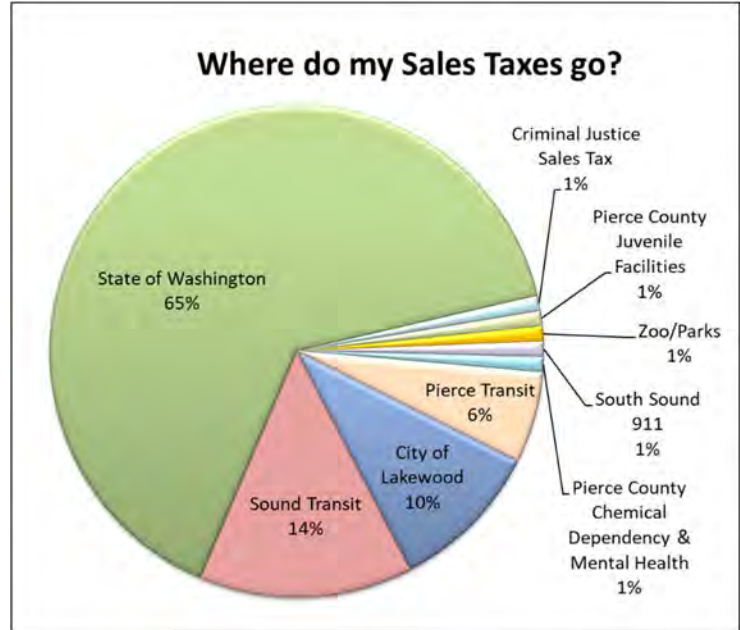
## General/Street Fund – Major Revenue Sources

### Sales & Use Tax (RCW 82.14)

The City of Lakewood has a local sales and use tax rate of up to 1% to fund general government programs. Of this total 15% is provided to Pierce County per state law. Currently the City imposes both the basic 0.5% and the optional 0.5% sales and use tax. This tax is imposed on personal and business purchases of tangible property. The retail sales tax is also assessed on some services such as repairs and construction. Revenues are accounted for in the General Fund.

The City of Lakewood receives 1% of the 10.0% sales tax rate. Of the 1%, Lakewood receives 0.84% (Pierce County receives 15% of the 1% and the State receives 1% of the 1% leaving 84% (.84%) to the City of Lakewood.

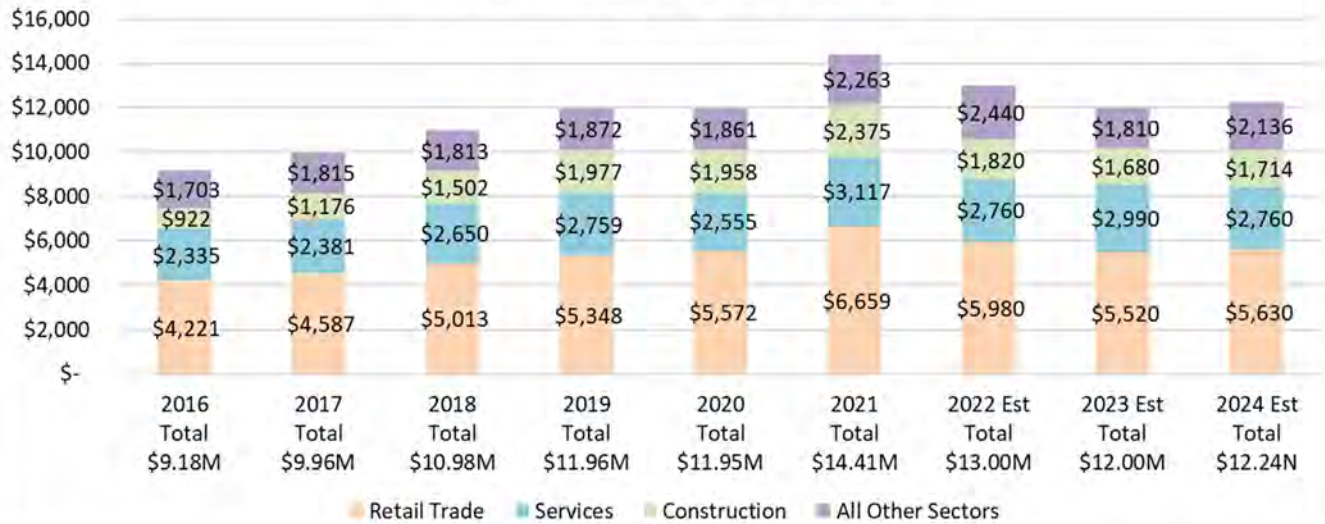
Agency	Rate
State of Washington	6.50%
City of Lakewood	1.00%
Criminal Justice Sales Tax	0.10%
Pierce Transit	0.60%
Sound Transit	1.40%
Pierce County Juvenile Facilities	0.10%
Zoo-Park Fee	0.10%
South Sound 911	0.10%
Pierce County Mental Health & Chemical Dependency	0.10%
<b>Total Tax on Sales &amp; Use</b>	<b>10.00%</b>



Year	Sales & Use Tax	% of G/S Oper Rev	Chg Over Prior Year	
			\$	%
2016 Actual	\$ 9,178,807	24.3%	\$ 470,903	5.4%
2017 Actual	\$ 9,958,523	24.9%	\$ 779,716	8.5%
2018 Actual	\$ 10,978,014	26.3%	\$ 1,019,491	10.2%
2019 Actual	\$ 11,955,004	27.6%	\$ 976,990	8.9%
2020 Actual	\$ 11,946,044	28.9%	\$ (8,960)	-0.1%
2021 Actual	\$ 14,413,902	31.1%	\$ 2,467,858	20.7%
2022 YND Est	\$ 13,000,000	29.0%	\$ (1,413,902)	-9.8%
2023 Est	\$ 12,000,000	27.1%	\$ (1,000,000)	-7.7%
2024 Est	\$ 12,240,000	27.3%	\$ 240,000	2.0%
2025 Est	\$ 12,607,200	27.6%	\$ 367,200	3.0%
2026 Est	\$ 12,985,400	28.0%	\$ 378,200	3.0%
2027 Est	\$ 13,375,000	28.3%	\$ 389,600	3.0%
2028 Est	\$ 13,776,300	28.7%	\$ 401,300	3.0%
Average 6 Year Change (2016 - 2021)				9.5%



### Sales Tax by Sector 2016 Actuals through 2024 Estimate



### Sales & Use Tax by Sector (\$ in thousands)

Sector	2016			2017			2018			2019			2020			2021		
	Revenue	% of Total	Change Prior Yr	Revenue	% of Total	Change	Revenue	% of Total	Change Prior Yr	Revenue	% of Total	Change	Revenue	% of Total	Change	Revenue	% of Total	Change
Retail Trade	\$ 4,221	46%	\$ 11.0%	\$ 4,587	46%	\$ 366.9%	\$ 5,013	46%	\$ 426.9%	\$ 5,348	45%	\$ 335.7%	\$ 5,572	47%	\$ 224.4%	\$ 6,659	46%	\$ 1,087.20%
Services	2,335	25%	208.10%	\$ 2,381	24%	\$ 47.2%	\$ 2,650	24%	\$ 269.11%	\$ 2,759	23%	\$ 109.4%	\$ 2,555	21%	\$ (204).-7%	3,117	22%	\$ 562.22%
Construction	922	10%	38.4%	\$ 1,176	12%	\$ 254.28%	\$ 1,502	14%	\$ 326.28%	\$ 1,977	17%	\$ 476.32%	\$ 1,958	16%	\$ (19).-1%	2,375	16%	\$ 417.21%
Wholesale Trade	394	4%	(4).-1%	\$ 494	5%	\$ 100.25%	\$ 467	4%	\$ (27).-5%	\$ 556	5%	\$ 89.19%	\$ 517	4%	\$ (40).-7%	668	5%	\$ 151.29%
Information	504	5%	54.12%	\$ 500	5%	\$ (4).-1%	\$ 484	4%	\$ (15).-3%	\$ 478	4%	\$ (6).-1%	\$ 483	4%	\$ 5.1%	517	4%	\$ 34.7%
Finance, Ins, Real Estate	401	4%	58.17%	\$ 385	4%	\$ (16).-4%	\$ 408	4%	\$ 23.6%	\$ 466	4%	\$ 58.14%	\$ 467	4%	\$ 1.0%	559	4%	\$ 92.20%
Manufacturing	217	2%	59.38%	\$ 206	2%	\$ (12).-5%	\$ 222	2%	\$ 16.8%	\$ 175	1%	\$ (46).-21%	\$ 170	1%	\$ (5).-3%	216	1%	\$ 45.26%
Government	127	1%	47.58%	\$ 135	1%	\$ 8.6%	\$ 171	2%	\$ 36.27%	\$ 124	1%	\$ (47).-27%	\$ 160	1%	\$ 36.29%	212	1%	\$ 53.33%
Other	59	1%	(1).-2%	\$ 95	1%	\$ 36.60%	\$ 61	1%	\$ (34).-36%	\$ 70	1%	\$ 9.15%	\$ 63	1%	(7).-10%	91	1%	\$ 28.44%
<b>Total</b>	<b>\$ 9,180</b>		<b>\$ 472.5%</b>	<b>\$ 9,959</b>		<b>\$ 779.8%</b>	<b>\$ 10,978</b>		<b>\$ 1,019.10%</b>	<b>\$ 11,956</b>		<b>\$ 978.9%</b>	<b>\$ 11,946</b>		<b>\$ (10).0%</b>	<b>\$ 14,414</b>		<b>\$ 2,468.21%</b>

## Property Tax (RCW 84.52)

Washington State's property tax system is a "budget-based" property tax. In this system, cities and other taxing districts must establish the total dollar amount of property tax revenue they wish to generate for the upcoming year, subject to certain restrictions. Once the total dollar amount is established, the county assessor calculates the levy rate based on the total assessed valuation of all properties.

The three main components to the property tax calculation are:

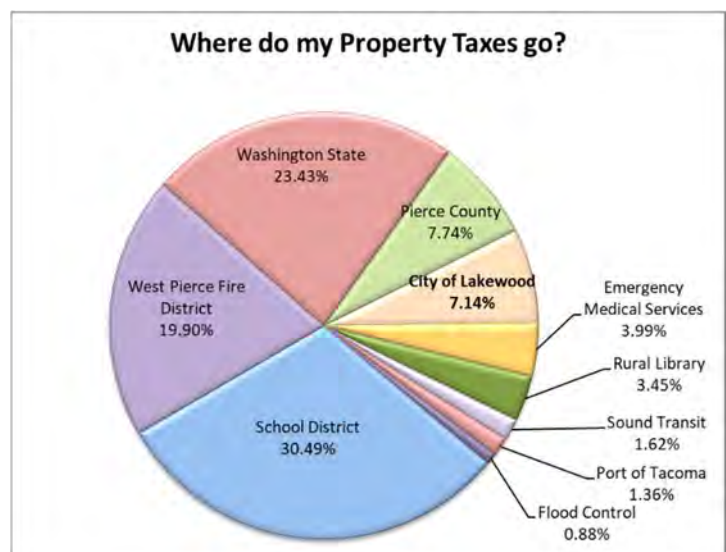
- **Levy Amount:** Refers to the total dollar amount of property taxes to be collected in one year.
- **Levy Rate:** Refers to how much an individual property owner owes and is expressed as a dollar amount per \$1,000 assessed value.
- **Assessed Value:** Refers to the market value and is the amount of money a buyer of property would pay to a willing seller ("true and fair value"). The county assessor's office is responsible for assessing properties and must update assessed values for all properties every year, with physical inspections of each property at least once every six years. The annual revaluations in between each inspection are estimates based on statistical analysis and market data.

Washington State Constitution limits the total regular property tax rate on any individual property, including state, county, city and most local government property taxes to 1% of the property's true and fair value. This equates to \$10 per \$1,000 assessed value and is referred to as the \$10 limit (constitutional levy rate limit). Exceptions to the \$10 limit applies to: port districts and public utility districts; voter-approved excess levy for maintenance and operations purposes which may only be approved one year at a time; and for the repayment of voter-approved general obligation (GO) debt until the debt is repaid.

Levy Rate Per \$1,000 Assessed Value (AV)							
Taxing District	2016	2017	2018	2019	2020	2021	2022
City of Lakewood	\$ 1.34	\$ 1.24	\$ 1.15	\$ 1.03	\$ 0.98	\$ 0.91	\$ 0.81
Emergency Medical Services	0.50	0.50	0.48	0.44	0.50	0.49	0.45
Flood Control	0.10	0.09	0.08	0.08	0.10	0.10	0.10
Pierce County	1.43	1.33	1.23	1.13	1.05	0.98	0.88
Port of Tacoma	0.18	0.18	0.18	0.18	0.18	0.17	0.15
Rural Library	0.50	0.47	0.43	0.50	0.47	0.44	0.39
School District	5.71	5.88	4.96	2.88	3.78	3.74	3.46
Sound Transit	-	0.25	0.23	0.21	0.20	0.20	0.18
Washington State	2.23	2.07	2.91	2.62	3.01	2.93	2.66
West Pierce Fire District	3.08	2.96	2.78	2.48	2.81	2.67	2.26
<b>Total Levy Rate</b>	<b>\$ 15.08</b>	<b>\$ 14.97</b>	<b>\$ 14.43</b>	<b>\$ 11.54</b>	<b>\$ 13.08</b>	<b>\$ 12.63</b>	<b>\$ 11.35</b>
Total AV (\$ in billions)	\$ 2.23	\$ 2.07	\$ 2.91	\$ 6.93	\$ 7.46	\$ 8.11	\$ 9.33

In the City of Lakewood, as in other Washington cities, the maximum regular levy cannot exceed \$3.60 which includes the maximum regular levy of \$3.375 plus an additional \$0.225 per \$1,000 AV to provide for the Firemen's Pension Fund.

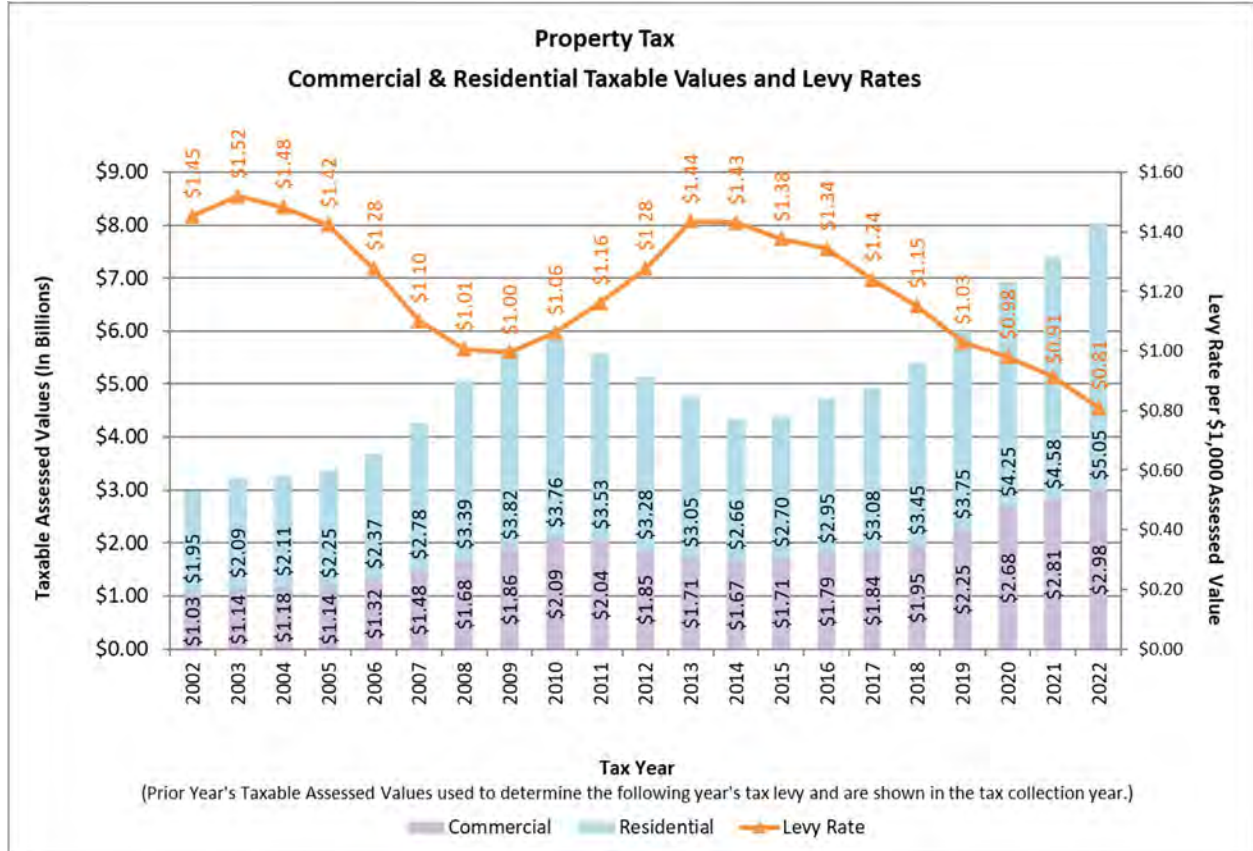
Each year the City Council adopts a property tax rate by ordinance, which although established by ordinance is not codified. The ordinance must be provided to the Pierce County Council by November 30<sup>th</sup> as they have the duty to establish the actual property tax rate based upon the amount of property tax collections requested by a city, unless the City Council establishes a rate. The Lakewood City Council does not set the rate; however, does limit the amount of taxes to be collected.





Year	Taxable Values (In Billions)										
	Commercial		Residential		Total	Change From Prior Year					
						Commercial		Residential		Total	
						\$	%	\$	%	\$	%
2002	\$1.03	35%	\$1.95	65%	\$2.98	\$0.06	5.6%	\$0.14	7.5%	\$0.19	6.8%
2003	\$1.14	35%	\$2.09	65%	\$3.23	\$0.10	10.1%	\$0.14	7.1%	\$0.24	8.2%
2004	\$1.18	36%	\$2.11	64%	\$3.28	\$0.04	3.3%	\$0.02	0.9%	\$0.06	1.7%
2005	\$1.14	34%	\$2.25	66%	\$3.38	(\$0.04)	-3.1%	\$0.14	6.5%	\$0.10	3.1%
2006	\$1.32	36%	\$2.37	64%	\$3.69	\$0.18	15.6%	\$0.13	5.6%	\$0.30	9.0%
2007	\$1.48	35%	\$2.78	65%	\$4.27	\$0.17	12.8%	\$0.41	17.3%	\$0.58	15.7%
2008	\$1.68	33%	\$3.39	67%	\$5.07	\$0.19	12.9%	\$0.61	21.9%	\$0.80	18.8%
2009	\$1.86	33%	\$3.82	67%	\$5.67	\$0.18	10.7%	\$0.42	12.5%	\$0.60	11.9%
2010	\$2.09	36%	\$3.76	64%	\$5.85	\$0.23	12.5%	(\$0.06)	-1.5%	\$0.18	3.1%
2011	\$2.04	37%	\$3.53	63%	\$5.57	(\$0.05)	-2.2%	(\$0.23)	-6.2%	(\$0.28)	-4.8%
2012	\$1.85	36%	\$3.28	64%	\$5.13	(\$0.19)	-9.3%	(\$0.25)	-7.1%	(\$0.44)	-7.9%
2013	\$1.71	36%	\$3.05	64%	\$4.77	(\$0.14)	-7.5%	(\$0.22)	-6.8%	(\$0.36)	-7.1%
2014	\$1.67	39%	\$2.66	61%	\$4.33	(\$0.05)	-2.7%	(\$0.39)	-12.8%	(\$0.44)	-9.2%
2015	\$1.71	39%	\$2.70	61%	\$4.41	\$0.04	2.7%	\$0.03	1.2%	\$0.08	1.8%
2016	\$1.79	38%	\$2.95	62%	\$4.74	\$0.08	4.8%	\$0.25	9.4%	\$0.33	7.6%
2017	\$1.84	37%	\$3.08	63%	\$4.93	\$0.05	2.7%	\$0.14	4.6%	\$0.18	3.9%
2018	\$1.95	36%	\$3.45	64%	\$5.40	\$0.11	5.8%	\$0.36	11.8%	\$0.47	9.5%
2019	\$2.25	37%	\$3.75	63%	\$6.00	\$0.30	15.4%	\$0.31	8.9%	\$0.61	11.2%
2020	\$2.68	39%	\$4.25	61%	\$6.93	\$0.43	19.1%	\$0.50	13.3%	\$0.93	15.4%
2021	\$2.81	38%	\$4.58	62%	\$7.39	\$0.13	4.9%	\$0.33	7.7%	\$0.46	6.6%
2022	\$2.98	37%	\$5.05	63%	\$8.03	\$0.17	6.1%	\$0.47	10.3%	\$0.64	8.7%

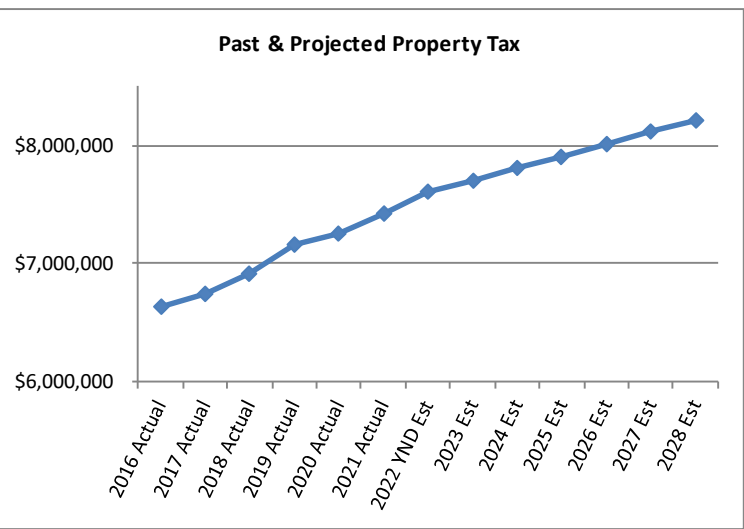
Taxable values are from the prior year which are used to determine the following year's levy rate and are shown in the applicable tax collection year. Values listed above continue to be adjusted after the certification of value due to exemptions, board of equalization actions, destroyed property, etc.







Year	Property Tax	% of G/S Oper Rev	Chg Over Prior Year	
			\$	%
2016 Actual	\$ 6,642,052	17.6%	\$ 78,116	1.2%
2017 Actual	\$ 6,741,607	16.9%	\$ 99,555	1.5%
2018 Actual	\$ 6,910,944	16.5%	\$ 169,337	2.5%
2019 Actual	\$ 7,159,443	16.5%	\$ 248,499	3.6%
2020 Actual	\$ 7,259,756	17.6%	\$ 100,313	1.4%
2021 Actual	\$ 7,431,434	16.0%	\$ 171,678	2.4%
2022 YND Est	\$ 7,605,010	17.0%	\$ 173,576	2.3%
2023 Est	\$ 7,703,900	17.4%	\$ 98,890	1.3%
2024 Est	\$ 7,804,100	17.4%	\$ 100,200	1.3%
2025 Est	\$ 7,905,600	17.3%	\$ 101,500	1.3%
2026 Est	\$ 8,008,400	17.2%	\$ 102,800	1.3%
2027 Est	\$ 8,112,500	17.2%	\$ 104,100	1.3%
2028 Est	\$ 8,218,000	17.1%	\$ 105,500	1.3%
Average 6 Year Change (2016 - 2021)				2.0%



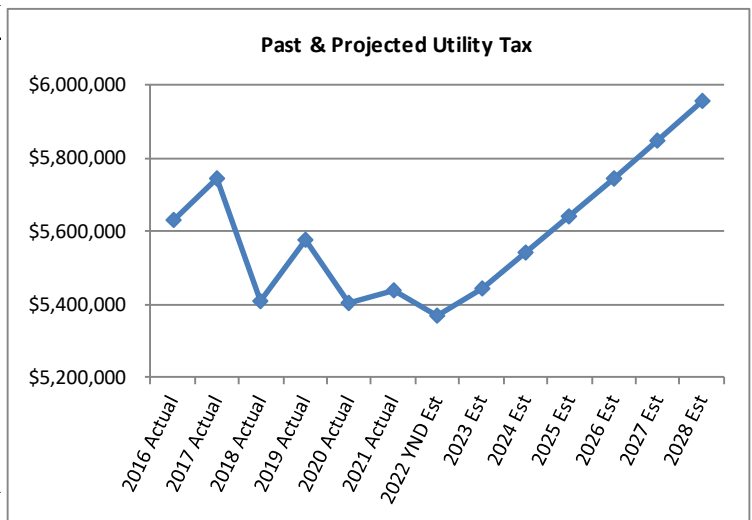
## Utility Tax (RCW 35.21.870)

Cities and towns in Washington State are authorized to levy a business and occupation tax (RCW 35.22.280(32)) on public utility businesses based on revenues they generate within the city or town, known as a utility tax. The rate of taxes for electric, phone, and natural gas utilities are limited to 6% (RCW 35.21.870) without voter approval. There is no limitation on tax rates for water, sewer, solid waste, or stormwater utilities. Internet and satellite TV may not be taxed and cable TV has special provisions. Utility taxes are levied on the gross income earned by private utilities from operations within the City of Lakewood boundaries. Taxable utilities include electric, natural gas, cable, cellular, telephone, and solid waste. The city is also authorized to impose a utility tax on its own stormwater utility. The utility tax is a general purpose revenue source receipted into the General Fund.

Utility	Rate
Electric	5%
Natural Gas	5%
Cable	6%
Cellular	6%
Telephone	6%
Solid Waste	6%
Stormwater	6%

Type of Utility	Maximum Utility Tax Rate	City Imposed Rate
Electricity, Natural Gas, Steam	6% unless voters approve higher rate (RCW 35.21.870)	Electricity 6% Natural Gas 6%
Telephone (including cell phone/pager)	6% unless voters approve higher rate (RCW 35.21.870), but when taxing cell phone services cities may not tax internet services (see below)	Telephone 6% Cellular 6%
Cable TV	Tax rate may not be "unduly discriminatory" - 47 U.S.C Section 452(g)(2)(A))	Cable TV 6%
Sewer, Solid Waste, Stormwater, Water	No limit prescribed by state or federal law	Stormwater 6% Solid Waste 6%
Broadcast Satellite TV	May not be taxed. - 47 U.S.C Section 152	N/A
Internet	May not be taxed (Internet Tax Freedom Act moratorium made permanent in 2016) - see 47 U.S.C Section 151	N/A

Year	Utility Tax	% of G/S Oper Rev	Chg Over Prior Year	
			\$	%
2016 Actual	\$ 5,629,010	14.9%	\$ (74,599)	-1.3%
2017 Actual	\$ 5,744,060	14.4%	\$ 115,050	2.0%
2018 Actual	\$ 5,408,728	13.0%	\$ (335,332)	-5.8%
2019 Actual	\$ 5,575,351	12.9%	\$ 166,623	3.1%
2020 Actual	\$ 5,402,943	13.1%	\$ (172,408)	-3.1%
2021 Actual	\$ 5,436,800	11.7%	\$ 33,857	0.6%
2022 YND Est	\$ 5,369,200	12.0%	\$ (67,600)	-1.2%
2023 Est	\$ 5,442,300	12.3%	\$ 73,100	1.4%
2024 Est	\$ 5,542,100	12.4%	\$ 99,800	1.8%
2025 Est	\$ 5,642,500	12.4%	\$ 100,400	1.8%
2026 Est	\$ 5,744,900	12.4%	\$ 102,400	1.8%
2027 Est	\$ 5,849,300	12.4%	\$ 104,400	1.8%
2028 Est	\$ 5,955,800	12.4%	\$ 106,500	1.8%
Average 6 Year Change (2016 - 2021)				-0.6%



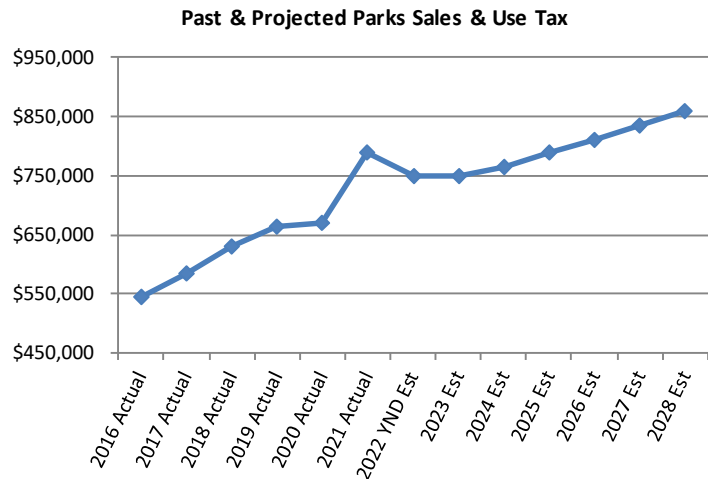
The City of Lakewood offers a **utility tax relief program** to reimburse qualifying low income seniors and disabled persons for their utility tax payments. To qualify a person must be either 62 years of age or older or be permanently disabled, and the person must have an income less than 50% of the median income. Applicants must be a resident of Lakewood and the amount of relief will be prorated on a monthly basis for each month that the customer was a resident. Applicants must apply each year for the program. The maximum relief available is \$30 per year (\$10 per utility for electric, natural gas and telephone).

## General/Street Fund – Other Revenue Sources

### Parks Sales & Use Tax (RCW 82.14.400)

On September 19, 2000, Pierce County voters approved the ballot measure to increase local sales taxes by one-tenth of 1 percent. A sales and use tax equal to one-tenth of one percent (0.001%) within Pierce County provides funds to acquire, improve, rehabilitate, maintain, or develop regional and local parks; to improve, rehabilitate, maintain or expand accredited zoo, aquarium and wildlife preserves pursuant to RCW 82.14.400(6); for community-based housing; and to implement the creation of a zoo and aquarium advisory authority. The tax was proposed as a funding mechanism for Tacoma Metro Park District (the zoo). The money collected is split 50-50 between the Parks District and the cities not contained in the District and the county. The City receives the parks sales tax from the Pierce County on a monthly basis and funds are deposited into the General Fund for parks and recreation purposes.

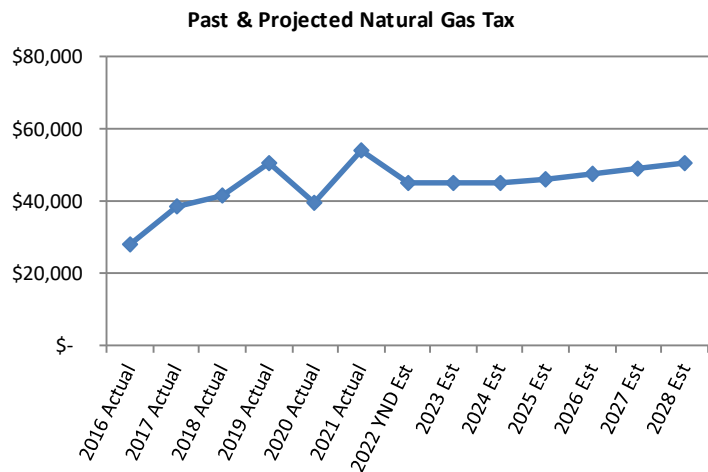
Year	Parks Sales & Use Tax	% of G/S Oper Rev	Chg Over Prior Year	
			\$	%
2016 Actual	\$ 546,303	1.4%	\$ 31,100	6.0%
2017 Actual	\$ 585,089	1.5%	\$ 38,786	7.1%
2018 Actual	\$ 631,395	1.5%	\$ 46,306	7.9%
2019 Actual	\$ 663,655	1.5%	\$ 32,260	5.1%
2020 Actual	\$ 671,080	1.6%	\$ 7,425	1.1%
2021 Actual	\$ 789,461	1.7%	\$ 118,381	17.6%
2022 YND Est	\$ 750,000	1.7%	\$ (39,461)	-5.0%
2023 Est	\$ 750,000	1.7%	\$ -	0.0%
2024 Est	\$ 765,000	1.7%	\$ 15,000	2.0%
2025 Est	\$ 788,000	1.7%	\$ 23,000	3.0%
2026 Est	\$ 811,600	1.7%	\$ 23,600	3.0%
2027 Est	\$ 835,900	1.8%	\$ 24,300	3.0%
2028 Est	\$ 861,000	1.8%	\$ 25,100	3.0%
Average 6 Year Change (2016 - 2021)				7.4%



### Natural Gas Use Tax (RCW 82.14.230)

The governing body of any city, while not required by legislative mandate to do so, may by resolution or ordinance, fix and impose on every person a use tax for the privilege of using natural gas or manufactured gas in the City as a consumer. The Department of Revenue administers and collects the natural gas use tax. The State Treasurer's Office, upon certification from the Department of Revenue, remits amounts due to local governments on a monthly basis. Funds are received into the General Fund and used for general purposes.

Year	Natural Gas Use Tax	% of G/S Oper Rev	Chg Over Prior Year	
			\$	%
2016 Actual	\$ 28,301	0.1%	\$ (5,360)	-15.9%
2017 Actual	\$ 38,716	0.1%	\$ 10,415	36.8%
2018 Actual	\$ 41,558	0.1%	\$ 2,842	7.3%
2019 Actual	\$ 50,477	0.1%	\$ 8,919	21.5%
2020 Actual	\$ 39,494	0.1%	\$ (10,983)	-21.8%
2021 Actual	\$ 54,213	0.1%	\$ 14,719	37.3%
2022 YND Est	\$ 45,000	0.1%	\$ (9,213)	-17.0%
2023 Est	\$ 45,000	0.1%	\$ -	0.0%
2024 Est	\$ 45,000	0.1%	\$ -	0.0%
2025 Est	\$ 46,400	0.1%	\$ 1,400	3.1%
2026 Est	\$ 47,800	0.1%	\$ 1,400	3.0%
2027 Est	\$ 49,200	0.1%	\$ 1,400	2.9%
2028 Est	\$ 50,700	0.1%	\$ 1,500	3.0%
Average 6 Year Change (2016 - 2021)				15.3%



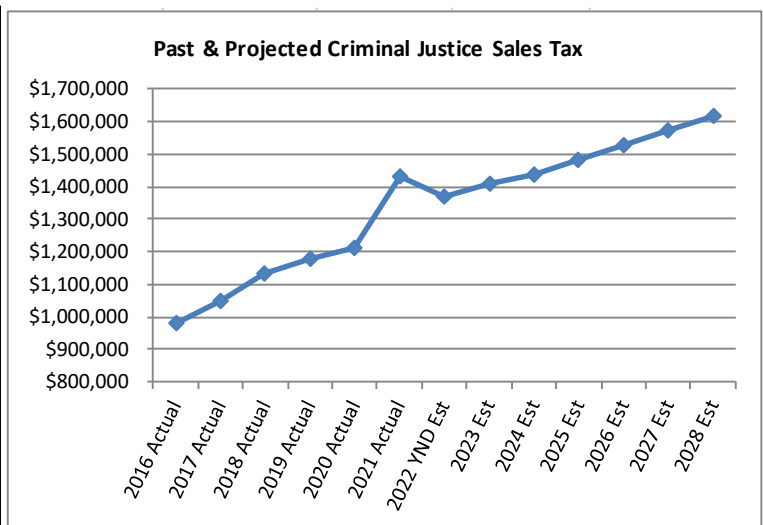
### Criminal Justice Sales Tax (RCW 82.14.340)

Criminal Justice Sales Tax is a local option sales tax of 0.10 percent that is collected in addition to retail sales tax and use taxes by the Department of Revenue. Ten percent of the funds are distributed to the county in which the tax was collected. The remainder of the funds (90%) is then distributed to the county (for unincorporated areas) and cities within the county based on population as last determined by the Office of Financial Management.

Moneys received from this tax must be expended for criminal justice purposes. Criminal justice purposes are defined as activities that substantially assist the criminal justice system, which may include circumstances where ancillary benefit to the civil justice system occurs, and which includes domestic violence services such as those provided by domestic violence programs, community advocates, and legal advocates, as defined by RCW 0.123.020.

In the expenditure of funds for criminal justice purposes, cities and counties, or any combination thereof, are authorized to participate in agreements to jointly expend funds for criminal justice purposes of mutual benefit. Such criminal justice purposes of mutual benefit include, but are not limited to, the construction, improvement, and expansion of jails, court facilities, juvenile justice facilities, and services with ancillary benefits to the civil justice system.

Year	Criminal Justice Sales Tax	% of G/S Oper Rev	Chg Over Prior Year	
			\$	%
2016 Actual	\$ 982,505	2.6%	\$ 55,620	6.0%
2017 Actual	\$ 1,047,075	2.6%	\$ 64,570	6.6%
2018 Actual	\$ 1,133,354	2.7%	\$ 86,279	8.2%
2019 Actual	\$ 1,179,058	2.7%	\$ 45,704	4.0%
2020 Actual	\$ 1,213,087	2.9%	\$ 34,029	2.9%
2021 Actual	\$ 1,434,092	3.1%	\$ 221,005	18.2%
2022 YND Est	\$ 1,368,900	3.1%	\$ (65,192)	-4.5%
2023 Est	\$ 1,410,000	3.2%	\$ 41,100	3.0%
2024 Est	\$ 1,438,200	3.2%	\$ 28,200	2.0%
2025 Est	\$ 1,481,300	3.2%	\$ 43,100	3.0%
2026 Est	\$ 1,525,700	3.3%	\$ 44,400	3.0%
2027 Est	\$ 1,571,500	3.3%	\$ 45,800	3.0%
2028 Est	\$ 1,618,600	3.4%	\$ 47,100	3.0%
Average 6 Year Change (2016 - 2021)				7.7%



### Gambling Excise Tax (RCW 9.46)

Gambling activities are regulated by the state, with the Washington State Gambling Commission regulating and licensing most gambling activities under chapter 9.46 RCW. Cities and towns are limited in their authority to regulate gambling, but they may prohibit any or all gambling activities for which licenses are required.

Cities are authorized, without voter-approval, to assess gambling excise tax on gambling proceeds. A comparison of the City's rate versus the maximum rate authorized under Washington State law is provided below.

Gambling Activity	Maximum Tax Rate Authorized by State Law	Tax Rate Imposed by City
Amusement Games	Actual cost of enforcement, not to exceed 2% of net receipts *	2% of net receipts
Bingo	5% of net receipts *	5% of net receipts
Punch boards and pull-tabs <i>by charitable or nonprofit organizations</i>	10% of net receipts	Punch boards 3% of gross receipts Pulltabs 5% of gross receipts
Punch boards and pull-tabs <i>By commercial stimulant operators</i>	5% of gross receipts or 10% of net receipts	Punch boards 3% of gross receipts Pulltabs 5% of gross receipts
Raffles	5% of net receipts **	n/a
Social Card Games	20% of gross receipts	11% of gross receipts

\* For amusement and bingo games, charitable or nonprofit organizations with no paid operating or management personnel and combined net receipts of \$5,000 or less are exempt from taxation.

\*\* For raffles conducted by a bona fide charitable or nonprofit organization, the first \$10,000 of net receipts are exempt from taxation.

RCW 9.46.113 states that cities that levy gambling taxes "shall use the revenue from such tax primarily for the purpose of enforcement of the provisions of this chapter." In 1991, the Washington State Supreme Court handed down a decision (American Legion Post No. 32 v. City of Walla Walla) that clarified the definition of "primarily." In that decision, the court said that gambling tax must "first be used" for gambling law enforcement purposes to the extent necessary for that city. The remaining funds may be used for any general government purpose. The court also recognized that enforcement does not necessarily encompass only police activity related to gambling activities. A general police presence can help prevent illegal gambling activities.

The majority of the City's gambling tax comes from card rooms (approximately 94%) and the remainder comes primarily from punchboards and pull-tabs. Gambling taxes are due by the 15<sup>th</sup> day of the month following the month in which the tax is accrued.

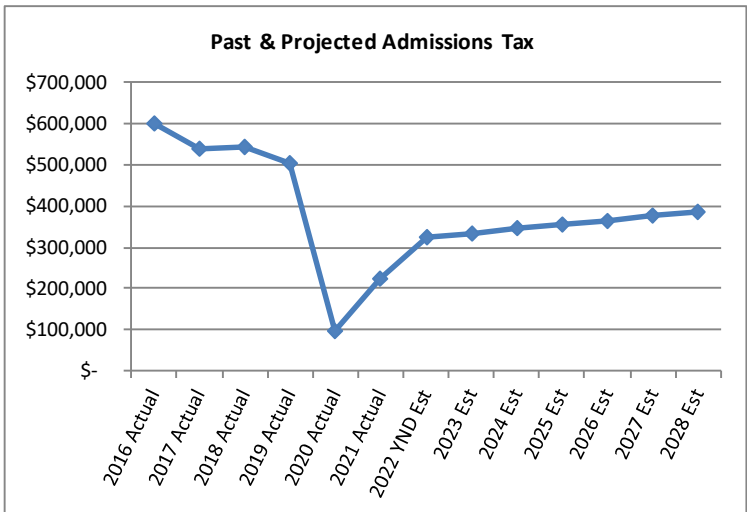
Year	Gambling Tax	% of G/S Oper Rev	Chg Over Prior Year	
			\$	%
2016 Actual	\$ 2,711,471	7.2%	\$ (60,463)	-2.2%
2017 Actual	\$ 2,800,955	7.0%	\$ 89,484	3.3%
2018 Actual	\$ 3,181,655	7.6%	\$ 380,700	13.6%
2019 Actual	\$ 3,099,813	7.2%	\$ (81,843)	-2.6%
2020 Actual	\$ 1,910,429	4.6%	\$ (1,189,384)	-38.4%
2021 Actual	\$ 3,786,769	8.2%	\$ 1,876,340	98.2%
2022 YND Est	\$ 3,874,000	8.6%	\$ 87,231	2.3%
2023 Est	\$ 3,910,200	8.8%	\$ 36,200	0.9%
2024 Est	\$ 3,910,200	8.7%	\$ -	0.0%
2025 Est	\$ 3,910,200	8.6%	\$ -	0.0%
2026 Est	\$ 3,910,200	8.4%	\$ -	0.0%
2027 Est	\$ 3,910,200	8.3%	\$ -	0.0%
2028 Est	\$ 3,910,200	8.1%	\$ -	0.0%
Average 6 Year Change (2016 - 2021)				6.6%



### Admissions Tax (RCW 35.21.280)

An admissions tax of 5% is levied and imposed upon every person (including children without regard to age) who pays and admission charge to any place or event including play tickets, entrance fees and cover charges to clubs. The tax is due to the City of Lakewood from the person or organization collecting the admission fee by the 15<sup>th</sup> day of the month following the “reporting period” in which the activity occurred. The reporting periods are two-month blocks of time (i.e. Jan/Feb reporting period due March 15<sup>th</sup>).

Year	Admissions Tax	% of G/S Oper Rev	Chg Over Prior Year	
			\$	%
2016 Actual	\$ 600,842	1.6%	\$ (55,568)	-8.5%
2017 Actual	\$ 539,139	1.3%	\$ (61,703)	-10.3%
2018 Actual	\$ 545,816	1.3%	\$ 6,677	1.2%
2019 Actual	\$ 504,879	1.2%	\$ (40,937)	-7.5%
2020 Actual	\$ 96,599	0.2%	\$ (408,280)	-80.9%
2021 Actual	\$ 226,165	0.5%	\$ 129,566	134.1%
2022 YND Est	\$ 325,000	0.7%	\$ 98,835	43.7%
2023 Est	\$ 334,800	0.8%	\$ 9,800	3.0%
2024 Est	\$ 344,800	0.8%	\$ 10,000	3.0%
2025 Est	\$ 355,100	0.8%	\$ 10,300	3.0%
2026 Est	\$ 365,800	0.8%	\$ 10,700	3.0%
2027 Est	\$ 376,800	0.8%	\$ 11,000	3.0%
2028 Est	\$ 388,100	0.8%	\$ 11,300	3.0%
Average 6 Year Change (2016 - 2021)				-10.4%



### Franchise Fees

Franchise fees are charges levied on private utilities for their use of City streets and other public properties to place utility infrastructure and to recoup City costs of administering franchise agreements. The franchise fees on light, natural gas, and telephone utilities are limited by statute to the actual administrative expenses incurred by the City directly related to receiving and approving permits, licenses, or franchisees. Cable TV franchise fees are governed by the Federal Cable Communications Policy Act of 1996 and are negotiated with cable companies for an amount not to exceed 5% of gross revenues.

Utility	Contract Expiration	Utility Tax	Franchise Fee	Non-Compete Fee
Comcast Phone	11/02/25	6.00%	-	-
Comcast Cable	12/04/25	6.00%	5.00%	-
Integra Communications	07/27/24	6.00%	-	-
Lakeview Light & Power	12/22/27	5.00%	-	-
Lakewood Water District	12/22/26	-	-	6.00%
Pierce County Sanitary Sewer	03/13/31	-	-	6.00%
Puget Sound Energy	01/20/26	5.00%	-	-
Rainier Connect (formerly Click!)	05/07/24	6.00%	5.00%	-
TPU Light	06/01/25	-	-	6.00%
TPU Water	11/19/26	-	-	8.00%
Waste Connections	12/31/25	6.00%	4.00%	-
Small Cell Wireless (admin cost)	06/08/25	-	-	-
- AT&T Small Wireless				

Year	Franchise Fees	% of G/S Oper Rev	Chg Over Prior Year	
			\$	%
2014 Actual	\$ 3,382,845	9.4%	\$ 225,215	7.1%
2015 Actual	\$ 3,520,594	9.6%	\$ 137,749	4.1%
2016 Actual	\$ 3,616,442	9.6%	\$ 95,848	2.7%
2017 Actual	\$ 3,733,390	9.3%	\$ 116,948	3.2%
2018 Actual	\$ 4,035,453	9.7%	\$ 302,063	8.1%
2019 Actual	\$ 4,145,138	9.6%	\$ 109,685	2.7%
2020 Est	\$ 4,155,000	11.1%	\$ 9,862	0.2%
2021 Est	\$ 4,269,000	10.9%	\$ 114,000	2.7%
2022 Est	\$ 4,397,000	10.7%	\$ 128,000	3.0%
2023 Est	\$ 4,528,900	10.8%	\$ 131,900	3.0%
2024 Est	\$ 4,664,800	10.9%	\$ 135,900	3.0%
2025 Est	\$ 4,804,800	11.0%	\$ 140,000	3.0%
2026 Est	\$ 4,948,900	11.2%	\$ 144,100	3.0%
Average 6 Year Change (2014 - 2019)				3.1%

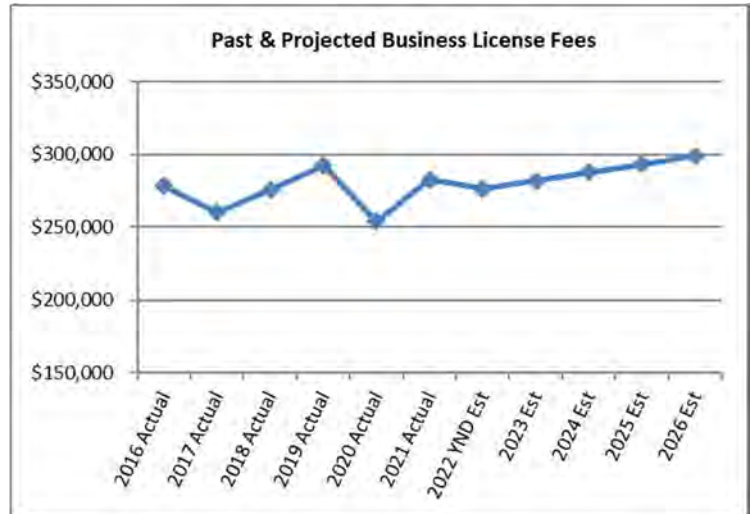




## Business License

Businesses located or doing business in the City must obtain a local business license prior to commencing operations. Business license fees are set by the City Council and may be changed from time to time. Currently, the cost of a general business license is \$60 for a 12 month period. Additional fees may apply to specialty businesses. Organizations exempt from taxation under 26 USC 501(C)(3) and (4) must apply and obtain a business license, but are exempt from the business license fee. The number of business licenses in a given year range between 3,800 – 4,200 with roughly 3,800 renewals annually. The higher figure includes temporary and construction contractor licenses.

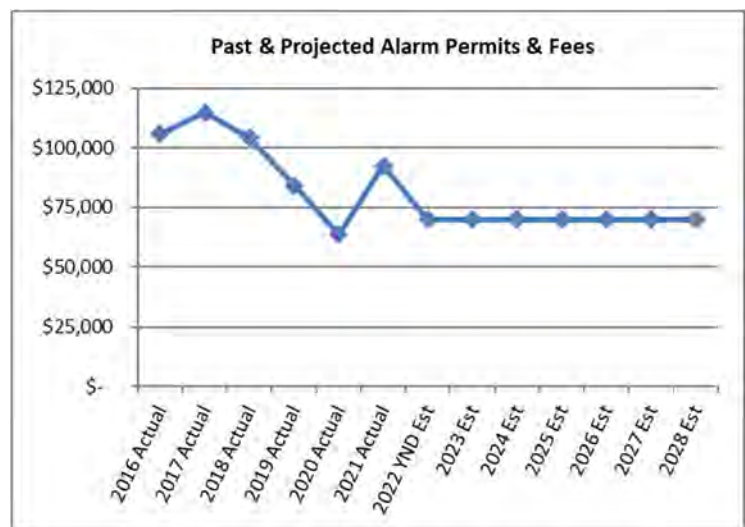
Year	Business License Fees	% of G/S Oper Rev	Chg Over Prior Year	
			\$	%
2016 Actual	\$ 278,260	0.7%	\$ 29,921	12.0%
2017 Actual	\$ 260,064	0.7%	\$ (18,196)	-6.5%
2018 Actual	\$ 275,552	0.7%	\$ 15,488	6.0%
2019 Actual	\$ 292,489	0.7%	\$ 16,937	6.1%
2020 Actual	\$ 254,104	0.6%	\$ (38,385)	-13.1%
2021 Actual	\$ 282,550	0.6%	\$ 28,446	11.2%
2022 YND Est	\$ 276,500	0.6%	\$ (6,050)	-2.1%
2023 Est	\$ 282,000	0.6%	\$ 5,500	2.0%
2024 Est	\$ 287,600	0.6%	\$ 5,600	2.0%
2025 Est	\$ 293,400	0.6%	\$ 5,800	2.0%
2026 Est	\$ 299,300	0.6%	\$ 5,900	2.0%
2027 Est	\$ 305,300	0.6%	\$ 6,000	2.0%
2028 Est	\$ 311,400	0.6%	\$ 6,100	2.0%
Average 6 Year Change (2016 - 2021)				0.3%



## Alarm Permits and Fees

In December 2008, the City approved a new revised alarm ordinance and program that became effective on January 1, 2009. False alarms cost the City and citizens thousands of dollars per year and take officers away from actual emergencies. The ordinance also creates a registration process, provides for annual alarm permit fees for residential and business alarms, and provides for fees for false alarms to encourage all alarm users to maintain the reliability of and to properly use their alarm equipment. Alarm permit fees are currently \$24 for commercial and residential with reduced residential rates of \$12 for senior and permanently disabled. False alarms fees are \$100 for each false burglar alarm activation and \$200 for each false robbery or panic alarm activation.

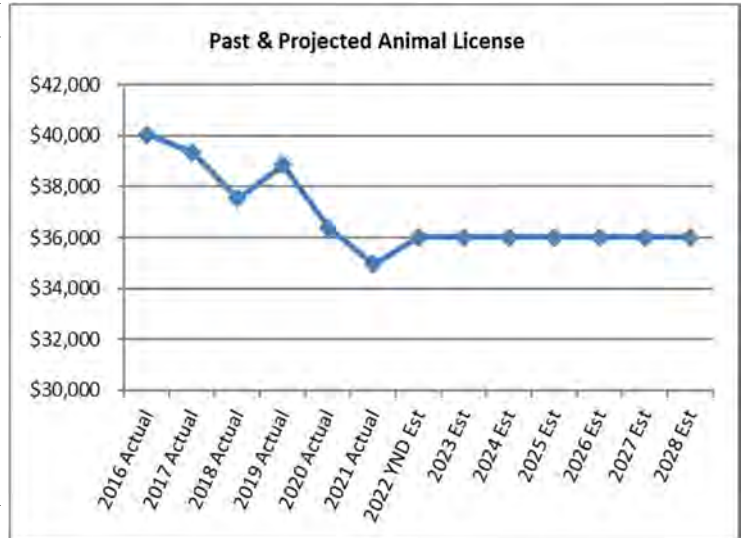
Year	Alarm Permits & Fees	% of G/S Oper Rev	Chg Over Prior Year	
			\$	%
2016 Actual	\$ 105,865	0.3%	\$ (58,498)	-35.6%
2017 Actual	\$ 114,819	0.3%	\$ 8,954	8.5%
2018 Actual	\$ 104,411	0.3%	\$ (10,408)	-9.1%
2019 Actual	\$ 84,348	0.2%	\$ (20,063)	-19.2%
2020 Actual	\$ 63,533	0.2%	\$ (20,815)	-24.7%
2021 Actual	\$ 92,496	0.2%	\$ 28,963	45.6%
2022 YND Est	\$ 70,000	0.2%	\$ (22,496)	-24.3%
2023 Est	\$ 70,000	0.2%	\$ -	0.0%
2024 Est	\$ 70,000	0.2%	\$ -	0.0%
2025 Est	\$ 70,000	0.2%	\$ -	0.0%
2026 Est	\$ 70,000	0.2%	\$ -	0.0%
2027 Est	\$ 70,000	0.1%	\$ -	0.0%
2028 Est	\$ 70,000	0.1%	\$ -	0.0%
Average 6 Year Change (2016 - 2021)				-2.1%



## Animal License

The City requires all dogs and cats residing in the city over the age of 8 weeks to be licensed. All licenses (no matter what time of year initially purchased) expire on December 31<sup>st</sup> and must be renewed by February 28<sup>th</sup> each year. Renewal notices are sent out during January each year. The fees are \$55 for unaltered dog/cat, \$24 for altered dog, \$12 for altered cat and \$4 for cats and dogs under 6 months of age. Discounted rates are provided to senior citizens (\$30 for unaltered dog/cat, \$10 for altered dog, and \$4 for altered cat)

Year	Animal License	% of G/S Oper Rev	Chg Over Prior Year	
			\$	%
2016 Actual	\$ 40,044	0.1%	\$ 504	1.3%
2017 Actual	\$ 39,351	0.1%	\$ (693)	-1.7%
2018 Actual	\$ 37,525	0.1%	\$ (1,826)	-4.6%
2019 Actual	\$ 38,838	0.1%	\$ 1,312	3.5%
2020 Actual	\$ 36,376	0.1%	\$ (2,461)	-6.3%
2021 Actual	\$ 34,947	0.1%	\$ (1,429)	-3.9%
2022 YND Est	\$ 36,000	0.1%	\$ 1,053	3.0%
2023 Est	\$ 36,000	0.1%	\$ -	0.0%
2024 Est	\$ 36,000	0.1%	\$ -	0.0%
2025 Est	\$ 36,000	0.1%	\$ -	0.0%
2026 Est	\$ 36,000	0.1%	\$ -	0.0%
2027 Est	\$ 36,000	0.1%	\$ -	0.0%
2028 Est	\$ 36,000	0.1%	\$ -	0.0%
Average 6 Year Change (2016 - 2021)				-2.1%



## State Shared Revenues

State shared revenues are state-collected revenues that are shared with all cities and are derived from liquor receipts (profits and taxes) and motor vehicle fuel taxes. Cities as a group receive a fixed percentage of these sources, and the funds are then allocated to individual jurisdictions on a per capita basis. Population figures, determined annually as of April 1 by the state demographer in the Office of Financial Management, are used as the basis for the per capita distribution of these funds. Other state shared revenues include sales tax mitigation, criminal justice (population, violent crimes, innovative programs, contracted programs, DUI assistance, high crime and leasehold tax).

All state shared revenues provide a funding source to the General and Street O&M funds, with the exception of the motor vehicle excise tax and multi-modal which also provides a funding source for transportation capital projects

### Criminal Justice (RCW 82.14.320 / RCW 82.14.330)

Cities currently receive three types of criminal justice revenue (four including criminal justice sales tax): high crime, innovative programs, population, and violent crimes. The money comes from the State's general fund and is distributed to cities on the last days of January, April, July and October. Distributions are deposited in the City's General Fund.

### Population, Violent Crime, Innovative Programs and Contracted Programs (RCW 82.14.330)

The state provides formula funding for criminal justices purposes to cities and towns each fiscal year. The purpose of these funds is to provide fiscal assistance to local governments for criminal justice systems in order to ensure public safety.

"Contracted Programs", "Violent Crime," and "Population" distributions must be used for criminal justice purposes as activities that substantially assist the criminal justice system, including domestic violence programs and advocates as defined in RCW 70.12.020. The uses are the same as for high crime except it cannot be used for publications and public educational efforts dealing with runaway or at-risk youth. Additionally, these distributions may not be used to replace or supplant existing funding, which is defined as calendar year 1989 actual operating expenditures for criminal justice purposes, excluding expenditures for extraordinary events not likely to reoccur; changes in contracted for criminal justice services, beyond the control of the jurisdiction receiving the services; and major nonrecurring capital expenditures.



“Innovative Programs” distributions must be used for 1) innovative law enforcement strategies; 2) programs to help at-risk children or child abuse victim response programs; and 3) programs designed to reduce the level of domestic violence or to provide counseling for domestic violence victims.

All cities and towns are eligible for “Population” and “Innovative Programs” distribution.

Cities that contract with another governmental agency for the majority of the city’s law enforcement services may notify the Department of Commerce by November 30<sup>th</sup> of their eligibility to receive “Contracted Services” distribution the following calendar year. The City of Lakewood does not receive the “Contracted Programs” distribution since it has its own police force.

Cities and towns eligible for a “Violent Crime” distribution must have a three-year average violent crime in excess of 150% of the statewide three-year average violent crime as reported annually by the Washington Association of Sheriffs and Police Chiefs.

RCW 82.14.320 directs a state general fund transfer each fiscal year into the Municipal Criminal Justice Assistant Account. The transfer is to increase each fiscal year by the state’s fiscal growth factor under RCW 43.135.025.

- Sixteen percent (16%) of these funds are distributed ratably to cities based on population, with each city receiving a minimum of \$1,000 per year.
- Twenty percent (20%) is distributed based on population to those cities that have had an average violent crime rate in the last three years that is 150% of the statewide average for those three years, but no more than \$1 per capita.
- Ten percent (10%) of funds are distributed on a per capita basis to “Contracted Services” cities and towns.
- Fifty-four percent (54%) of funds are distributed on a per capita basis for “Innovative Programs.”

No city or town may receive more than 30% of total funds Population and High Crime Distributions. Cities receive two Municipal Criminal Justice Assistance distributions based solely on population, but are combined into a single distribution by the Office of the State Treasurer. Distributions are made by the Office of the State Treasurer quarterly each January, April, July and October.

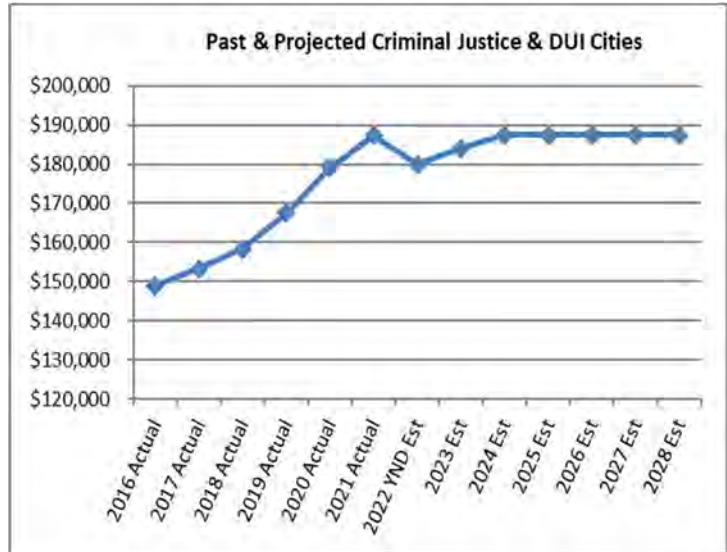
#### [DUI Assistance \(RCW 46.68.260\)](#)

The state provides Impaired Driving Safety Account Funds to counties, cities and towns to help offset costs for implementing criminal justice laws related to driving under the influence. The purpose is to offset county, city and town criminal justice costs from ten separate driving under the influence laws enacted in 1998. Funds must be used for enforcing laws relating to driving and boating while under the influence of either an intoxicating liquor or any drug.

The Impaired Driving Safety Account receives a portion (63%) of a \$150 fee charged to reissue a driver’s license after suspension or revocation due to a violation of RCW 46.20.308 (implied consent), RCW 46.61.502 (driving under the influence) and/or RCW 46.61.504 (physical control of a vehicle under the influence. Impaired Driving Safety Account funds are distributed to counties, cities and towns through an omnibus operating budget appropriation to the County Criminal Justice Assistance Account and the Municipal Criminal Justice Assistance Account. Total funds deposited in the account are split between counties (60%) and cities and towns (40%); this fund split was established with the first appropriation in 1998.

Individual cities receive their share ratably based on population as provided in RCW 82.14.330. Distributions are made by the Office of State Treasurer quarterly each January, April, July and October.

Year	Criminal Justice & DUI Cities	% of G/S Oper Rev	Chg Over Prior Year	
			\$	%
2016 Actual	\$ 149,009	0.4%	\$ 14,330	10.6%
2017 Actual	\$ 153,413	0.4%	\$ 4,404	3.0%
2018 Actual	\$ 158,293	0.4%	\$ 4,880	3.2%
2019 Actual	\$ 167,506	0.4%	\$ 9,213	5.8%
2020 Actual	\$ 179,221	0.4%	\$ 11,715	7.0%
2021 Actual	\$ 187,341	0.4%	\$ 8,120	4.5%
2022 YND Est	\$ 179,960	0.4%	\$ (7,381)	-3.9%
2023 Est	\$ 184,030	0.4%	\$ 4,070	2.3%
2024 Est	\$ 187,480	0.4%	\$ 3,450	1.9%
2025 Est	\$ 187,500	0.4%	\$ 20	0.0%
2026 Est	\$ 187,500	0.4%	\$ -	0.0%
2027 Est	\$ 187,500	0.4%	\$ -	0.0%
2028 Est	\$ 187,500	0.4%	\$ -	0.0%
Average 6 Year Change (2016 - 2021)				4.3%



### High Crime (RCW 82.14.320)

The state provides formula funding for criminal justice purposes to cities and towns each fiscal year. The purpose of these funds is to provide fiscal assistance to local governments for criminal justice systems in order to ensure public safety.

Funds must be used for criminal justice purposes defined as activities that substantially assist the criminal justice system, including domestic violence programs and advocates as defined in RCW 70.123.020, and publications and educational efforts to assist parents dealing with runaway or at-risk youth.

Funds may not be used to replace or supplant existing funding, which is defined as calendar year 1989 actual operating expenditures for extraordinary events not likely to reoccur; changes in contracted for criminal justice services, beyond the control of the local jurisdiction receiving the services; and major nonrecurring capital expenditures.

All cities and towns are eligible for a “Population” distribution. To qualify for the “high crime” distribution cities and towns must:

- Have a crime rate in excess of 125% of the state-wide average as calculated in the most recent annual report on crime in Washington State is published by the Washington Association of Sheriffs and Police Chiefs;
- Be levying, at the maximum rate, the second ½ cent of the sales tax or half cent real estate excise tax; and
- Have a per capita yield from the first ½ cent of the sales tax of less than 150% of the state-wide average per capita yield for all cities.

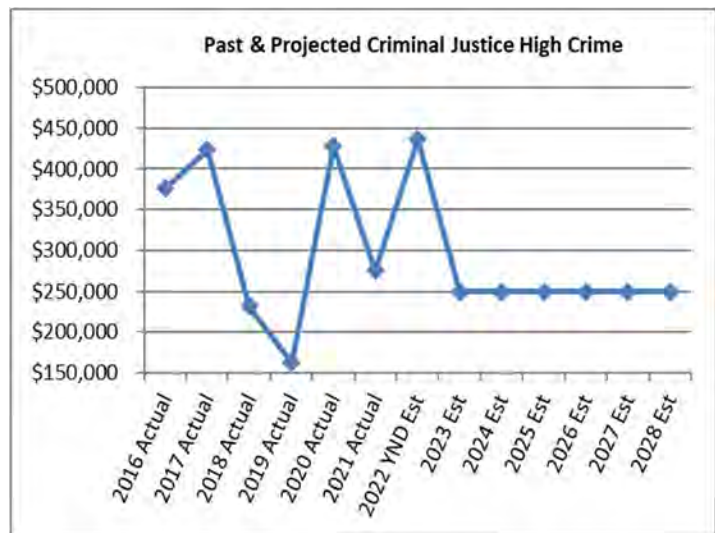
Cities have to re-qualify for the distribution each year based on the above criteria. The determination is made in July of each year for distribution in the four quarters of the state fiscal year (July 1<sup>st</sup> – June 30<sup>th</sup>).

RCW 82.14.320 directs a state general fund transfer each fiscal year into the Municipal Criminal Justice Assistance Account. The transfer is to increase each year by the state’s fiscal growth factor under RCW 43.135.025.

- Seventy percent (70%) of the funds are distributed to individual cities and towns ratably by population.
- Thirty percent (30%) of the funds are distributed ratably by population to cities and towns eligible for a “High Crime” distribution and have a crime rate greater than 175% of the statewide average crime rate. No city may receive more than 50% of these funds; if a city or town distribution is reduced because of this limit, the excess is added to the pool of funds to be distributed by population-only.

No city or town may receive more than 30% of funds through both “Population” and “High Crime” distributions.

Year	Criminal Justice High Crime	% of G/S Oper Rev	Chg Over Prior Year	
			\$	%
2016 Actual	\$ 375,837	1.0%	\$ 151,683	67.7%
2017 Actual	\$ 423,055	1.1%	\$ 47,218	12.6%
2018 Actual	\$ 231,905	0.6%	\$ (191,150)	-45.2%
2019 Actual	\$ 162,777	0.4%	\$ (69,128)	-29.8%
2020 Actual	\$ 427,878	1.0%	\$ 265,101	162.9%
2021 Actual	\$ 275,031	0.6%	\$ (152,847)	-35.7%
2022 YND Est	\$ 436,428	1.0%	\$ 161,397	58.7%
2023 Est	\$ 249,500	0.6%	\$ (186,928)	-42.8%
2024 Est	\$ 249,500	0.6%	\$ -	0.0%
2025 Est	\$ 249,500	0.5%	\$ -	0.0%
2026 Est	\$ 249,500	0.5%	\$ -	0.0%
2027 Est	\$ 249,500	0.5%	\$ -	0.0%
2028 Est	\$ 249,500	0.5%	\$ -	0.0%
Average 6 Year Change (2016 - 2021)				-4.5%



### Leasehold Excise Tax (RCW 82.29A)

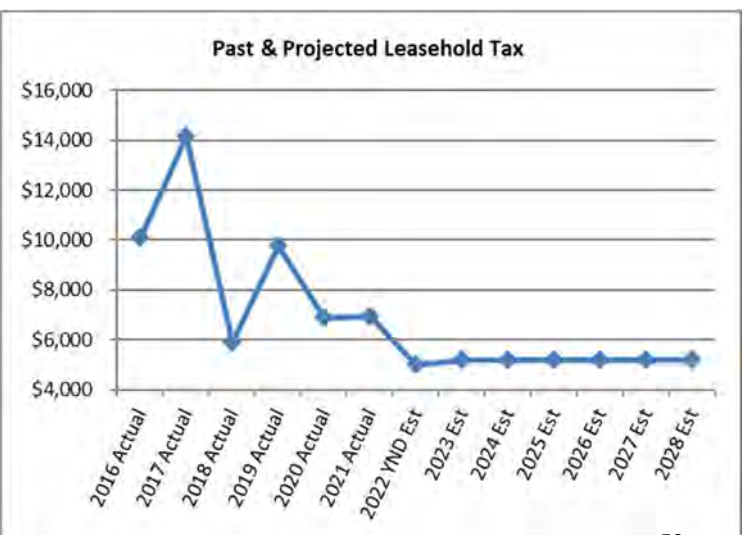
A county or city may impose a local leasehold excise tax that is credited against the state leasehold tax on the privilege of using or occupying publicly owned real or personal property through a leasehold. Through the credit, the local government receives a portion of the state leasehold excise tax rather than leaseholders paying an additional local leasehold excise tax.

The purpose of the leasehold excise tax is “in lieu” of property tax. The distribution to taxing districts provides revenue that would otherwise be generated by the property tax. Funds may be used for any lawful purpose of the local taxing district. Local taxing districts in counties and cities that have imposed a local leasehold excise tax are eligible to receive the funds.

Counties and cities are authorized to impose a local leasehold tax on taxable rent at the rate of 6% and 4%, respectively, to be credited against the state’s leasehold excise tax rate of 12.84%. Counties must provide a credit for the full amount of any city tax imposed upon the same taxable event. As a result, the effective rate of the state leasehold excise tax is 6.84%.

County treasurers are required to distribute any county imposed leasehold tax to other taxing districts, excluding cities, according to each district’s pro rata share of the property tax in the county. The program is administered by the Department and Revenue and distributions are made by the Office of State Treasurer on the last business day of even numbered months.

Year	Leasehold Tax	% of G/S Oper Rev	Chg Over Prior Year	
			\$	%
2016 Actual	\$ 10,103	0.0%	\$ (12,697)	-55.7%
2017 Actual	\$ 14,169	0.0%	\$ 4,066	40.2%
2018 Actual	\$ 5,901	0.0%	\$ (8,268)	-58.4%
2019 Actual	\$ 9,779	0.0%	\$ 3,878	65.7%
2020 Actual	\$ 6,903	0.0%	\$ (2,876)	-29.4%
2021 Actual	\$ 6,936	0.0%	\$ 33	0.5%
2022 YND Est	\$ 5,000	0.0%	\$ (1,936)	-27.9%
2023 Est	\$ 5,200	0.0%	\$ 200	4.0%
2024 Est	\$ 5,200	0.0%	\$ -	0.0%
2025 Est	\$ 5,200	0.0%	\$ -	0.0%
2026 Est	\$ 5,200	0.0%	\$ -	0.0%
2027 Est	\$ 5,200	0.0%	\$ -	0.0%
2028 Est	\$ 5,200	0.0%	\$ -	0.0%
Average 6 Year Change (2016 - 2021)				-5.2%



### Liquor Revenues

Prior to June 1, 2012, the State's liquor monopoly prevented the City from taxing liquor establishments. However, the City of Lakewood was responsible for the policing of all liquor establishments located within the city limits so the state was required to share their state-collected profits and taxes to help cities with the cost of policing their liquor establishments. The Liquor Board obtained their profits from state liquor stores, taxes on wine and beer, license fees, permit fees, penalties, and forfeitures. Of these profits, cities receive a 40% share based on population. Cities also received 28% of the local excise tax receipts.

In November 2011, voters approved Initiative 1183 which privatized the distribution and retail sale of liquor, effective June 1, 2012. The markups on liquor have been replaced as a state revenue source by license fees that are paid to the state by retailers and distributors. The direct impact of this initiative is on liquor profits.

To be eligible for liquor revenues funds, a city must devote at least 2% of its distribution to support an approved alcoholism or drug addiction program.

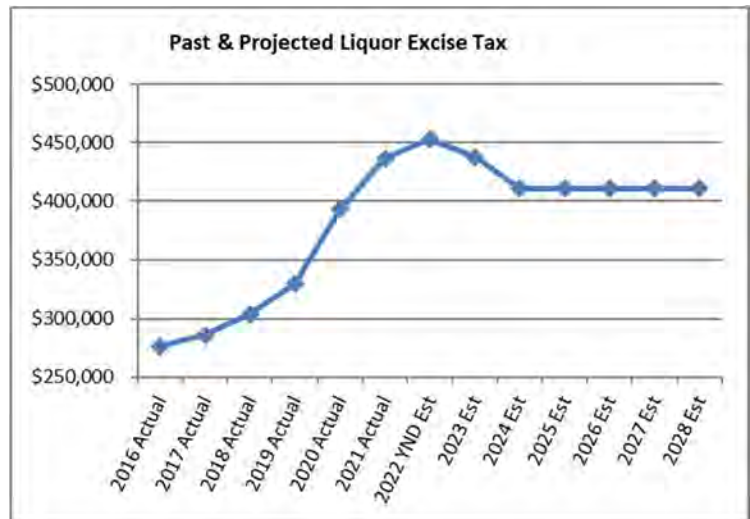
### Liquor Excise Tax

(RCW 82.08.150 through RCW 82.08.170, RCW 66.08.195, RCW 66.08.200, RCW 66.08.210, RCW 66.24.290, RCW 70.96A.085, RCW 70.96A.8)

The liquor excise tax is the state distributed tax on liquor sold by spirit retail license. With the exception of border areas, distribution is based on population, except that local governments that prohibit the sale of liquor within their jurisdictions do not share in the distribution. For border areas, the distribution includes the tax imposed on all beer.

The State Treasurer distributes liquor excise tax revenues to the City in January, April, July and September.

Year	Liquor Excise Tax	% of G/S Oper Rev	Chg Over Prior Year	
			\$	%
2016 Actual	\$ 276,603	0.7%	\$ 84,865	44.3%
2017 Actual	\$ 286,385	0.7%	\$ 9,782	3.5%
2018 Actual	\$ 304,078	0.7%	\$ 17,693	6.2%
2019 Actual	\$ 330,276	0.8%	\$ 26,198	8.6%
2020 Actual	\$ 393,090	1.0%	\$ 62,814	19.0%
2021 Actual	\$ 436,678	0.9%	\$ 43,588	11.1%
2022 YND Est	\$ 452,832	1.0%	\$ 16,154	3.7%
2023 Est	\$ 437,670	1.0%	\$ (15,162)	-3.3%
2024 Est	\$ 410,890	0.9%	\$ (26,780)	-6.1%
2025 Est	\$ 410,900	0.9%	\$ 10	0.0%
2026 Est	\$ 410,900	0.9%	\$ -	0.0%
2027 Est	\$ 410,900	0.9%	\$ -	0.0%
2028 Est	\$ 410,900	0.9%	\$ -	0.0%
Average 6 Year Change (2016 - 2021)				9.6%



### Liquor Profits

(RCW 66.08.190 through RCW 66.08.210, RCW 70.96A.085, RCW 70.96A.087, RCW 66.24.065)

Under Initiative 1183 passed in November 2011, the state collects revenue in the form of license fees from distributors and retailers. A portion of these "liquor profits" (the Liquor Control Board continues to call these funds "liquor profits") goes to cities, counties, and border cities and counties.

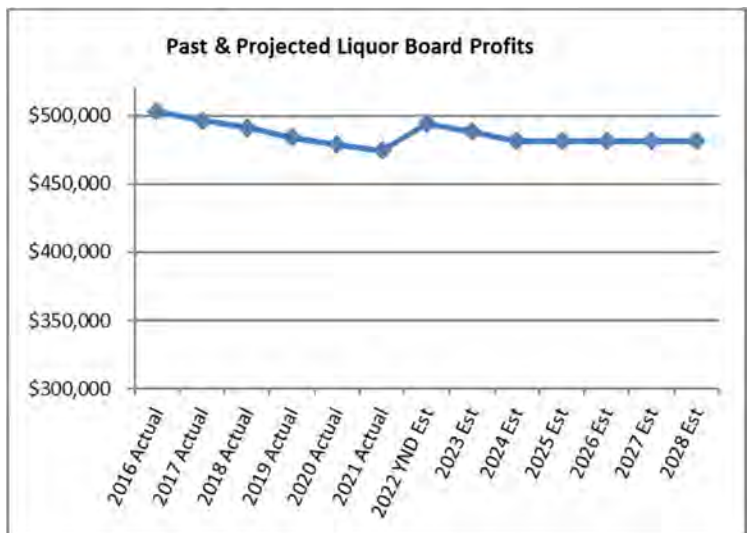
The distribution of spirit license fees through the liquor revolving fund to border areas, counties, cities, towns and the municipal research center must be made in a manner that provides that each category of recipients receive, in the aggregate, no less that it received from the liquor revolving fund during comparable periods prior to December 8, 2011.

The “comparable periods prior to December 8, 2011” were determined by the Office of Financial Management to be December 2010, March 2011, July 2011, and September 2011. An additional distribution of ten million dollars per year from the spirits license fees was added to enhance public safety programs. Three-tenths of one percent (0.3%) is distributed to border areas, counties, and towns. Of the remaining amount, the distribution is 80% to cities and 20% to counties.

Each city and county must split its distributions so that it can account separately for the portion that can be spent for any general purpose and the portion that must be spent to enhance public safety programs. To make this split, 20.23% of liquor profits for enhancing public safety.

The liquor control board profits are the state distribution of a portion of beer tax and spirit fees. Distribution is based on population, except that local governments that prohibit the sale of liquor within their jurisdictions do not share in the distribution. The State Treasurer distributes liquor excise tax revenues to the City in January, April, July and September which are deposited in the City’s General Fund.

Year	Liquor Board Profits	% of G/S Oper Rev	Chg Over Prior Year	
			\$	%
2016 Actual	\$ 503,074	1.3%	\$ (8,294)	-1.6%
2017 Actual	\$ 496,441	1.2%	\$ (6,633)	-1.3%
2018 Actual	\$ 491,189	1.2%	\$ (5,252)	-1.1%
2019 Actual	\$ 483,806	1.1%	\$ (7,383)	-1.5%
2020 Actual	\$ 478,969	1.2%	\$ (4,837)	-1.0%
2021 Actual	\$ 474,288	1.0%	\$ (4,681)	-1.0%
2022 YND Est	\$ 494,170	1.1%	\$ 19,882	4.2%
2023 Est	\$ 488,070	1.1%	\$ (6,100)	-1.2%
2024 Est	\$ 481,290	1.1%	\$ (6,780)	-1.4%
2025 Est	\$ 481,300	1.1%	\$ 10	0.0%
2026 Est	\$ 481,300	1.0%	\$ -	0.0%
2027 Est	\$ 481,300	1.0%	\$ -	0.0%
2028 Est	\$ 481,300	1.0%	\$ -	0.0%
Average 6 Year Change (2016 - 2021)				-1.0%

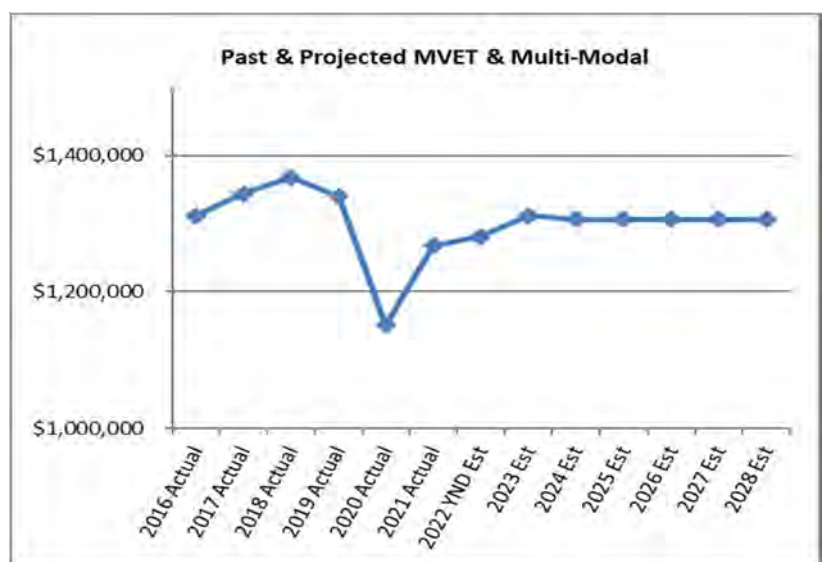




### Motor Vehicle Excise Tax & Multi-modal Funds

Distributions of motor vehicle fuel tax are on a per capita basis. Fuel taxes in Washington are assessed as cents per gallon, so distribution depends on the number of gallons sold, not the dollar value of sales. In addition to the motor vehicle excise tax that is accounted for in the Street Fund, all cities and towns receive a share of the increases to the state multimodal funds and increased motor vehicle fuel tax passed by the legislature in 2015 (RCW 46.68.126). Unlike the regular MVFT distributions, the multimodal distributions and increased MVFT are direct appropriations from the “connecting Washington” account established within the state motor vehicle fund. These distributions are not adjusted for inflation and will remain the same each year unless changed by the state legislature. Unlike regular MVFT distributions, these allocations are not impacted by actual fuel tax collections or transportation licensing fee. These transportation revenues are restricted. Multimodal Funds may be spent on any transportation purposes (RCW 47.66.070). Increased MVFT may only be spent on “proper road, street, and highway purposes” (RCW 46.68.070), including pedestrian, equestrian, or bicycle trails meeting the criteria of RCW 47.30.030. Payments are distributed quarterly on the last business day of March, June, September, and December. Note – these funds are accounted for in the Transportation CIP Fund.

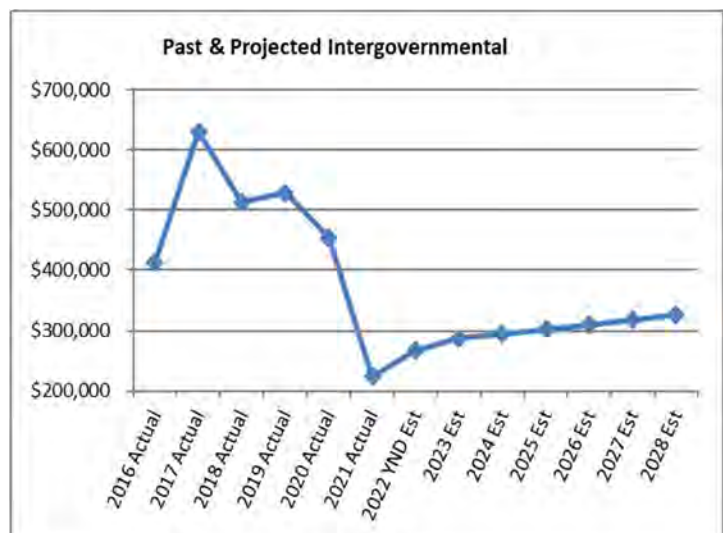
Year	Motor Veh Fuel Tax	MVET & Multi-Modal in CIP Funds	Total
2016 Actual	\$ 863,896	\$ 447,503	\$ 1,311,399
2017 Actual	\$ 871,657	\$ 471,940	\$ 1,343,597
2018 Actual	\$ 860,015	\$ 507,680	\$ 1,367,695
2019 Actual	\$ 841,601	\$ 497,807	\$ 1,339,408
2020 Actual	\$ 709,693	\$ 442,389	\$ 1,152,082
2021 Actual	\$ 791,653	\$ 476,264	\$ 1,267,917
2022 YND Est	\$ 797,000	\$ 484,150	\$ 1,281,150
2023 Est	\$ 824,420	\$ 487,532	\$ 1,311,952
2024 Est	\$ 822,930	\$ 483,048	\$ 1,305,978
2025 Est	\$ 822,930	\$ 483,048	\$ 1,305,978
2026 Est	\$ 822,930	\$ 483,048	\$ 1,305,978
2027 Est	\$ 822,930	\$ 483,048	\$ 1,305,978
2028 Est	\$ 822,930	\$ 483,048	\$ 1,305,978
Average 6 Year Change (2016 - 2021)			-0.6%



### **Intergovernmental**

Intergovernmental revenues include Police reimbursement, animal services contract revenues from the Town of Steilacoom and City of DuPont, Municipal Court contracted services to the City of University Place (eliminate contract beginning in 2020), Town of Steilacoom and City of DuPont (beginning in 2015) and parks revenue from Pierce County.

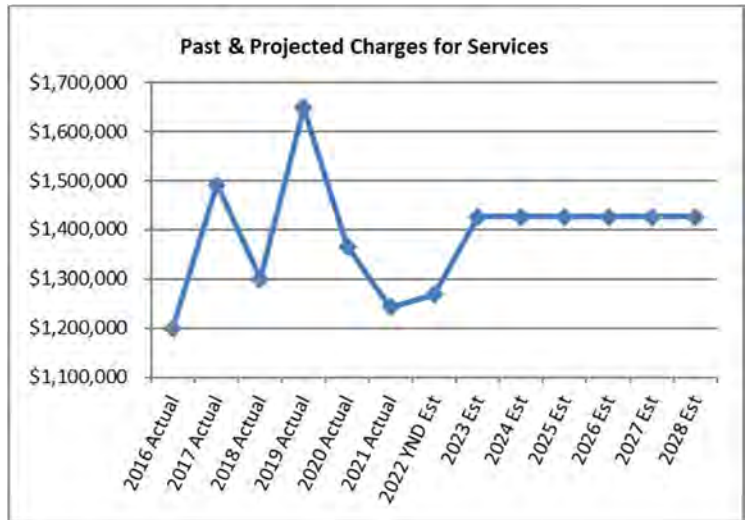
Year	Intergovt'l	% of G/S Oper Rev	Chg Over Prior Year	
			\$	%
2016 Actual	\$ 412,866	1.1%	\$ (688)	-0.2%
2017 Actual	\$ 629,769	1.6%	\$ 216,903	52.5%
2018 Actual	\$ 512,739	1.2%	\$ (117,030)	-18.6%
2019 Actual	\$ 528,086	1.2%	\$ 15,347	3.0%
2020 Actual	\$ 453,830	1.1%	\$ (74,256)	-14.1%
2021 Actual	\$ 224,685	0.5%	\$ (229,145)	-50.5%
2022 YND Est	\$ 266,876	0.6%	\$ 42,191	18.8%
2023 Est	\$ 287,590	0.7%	\$ 20,714	7.8%
2024 Est	\$ 295,010	0.7%	\$ 7,420	2.6%
2025 Est	\$ 302,640	0.7%	\$ 7,630	2.6%
2026 Est	\$ 310,490	0.7%	\$ 7,850	2.6%
2027 Est	\$ 318,460	0.7%	\$ 7,970	2.6%
2028 Est	\$ 326,630	0.7%	\$ 8,170	2.6%
Average 6 Year Change (2016 - 2021)				-7.6%



### Charges for Services

Revenues from charges for services include parks & recreation fees, court transport fees from the City of University Place (contract terminated 12/31/2021) and Town of Steilacoom, towing impound fees, extra duty fees, and Western State Hospital dispatch services.

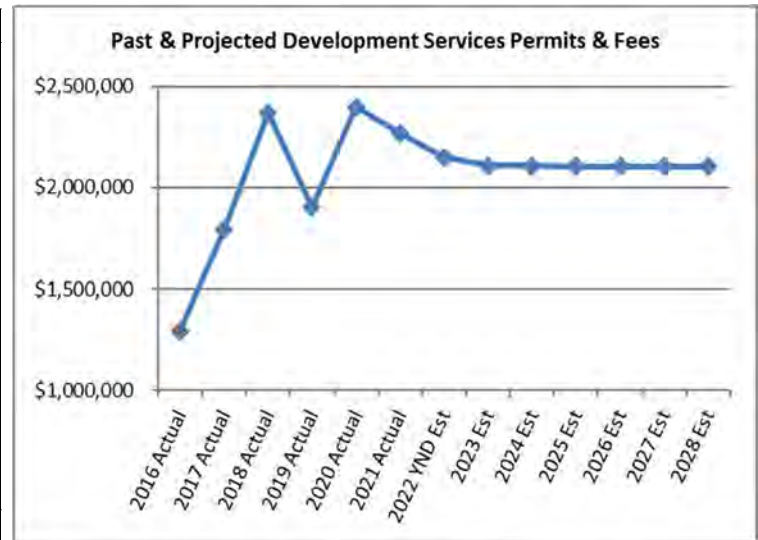
Year	Charges for Services	% of G/S Oper Rev	Chg Over Prior Year	
			\$	%
2016 Actual	\$ 1,199,813	3.2%	\$ 255,275	27.0%
2017 Actual	\$ 1,490,792	3.7%	\$ 290,979	24.3%
2018 Actual	\$ 1,300,239	3.1%	\$ (190,553)	-12.8%
2019 Actual	\$ 1,648,838	3.8%	\$ 348,599	26.8%
2020 Actual	\$ 1,365,370	3.3%	\$ (283,468)	-17.2%
2021 Actual	\$ 1,243,338	2.7%	\$ (122,032)	-8.9%
2022 YND Est	\$ 1,268,550	2.8%	\$ 25,212	2.0%
2023 Est	\$ 1,426,300	3.2%	\$ 157,750	12.4%
2024 Est	\$ 1,426,300	3.2%	\$ -	0.0%
2025 Est	\$ 1,426,300	3.1%	\$ -	0.0%
2026 Est	\$ 1,426,300	3.1%	\$ -	0.0%
2027 Est	\$ 1,426,300	3.0%	\$ -	0.0%
2028 Est	\$ 1,426,300	3.0%	\$ -	0.0%
Average 6 Year Change (2016 - 2021)				0.6%



### Development Services Permits & Fees

General & Street Fund development permits & fees include plan review, building, plumbing, mechanical, land use fees, right-of-way permits, plan review fees and inspection fees. All fees are payable at the time of application. Application are used to offset building and planning related service costs. The International Code Council (ICC) sets the per square foot building valuation. The ICC updates the valuation number annually. Building permit fees are, therefore, based on the building valuation table which is found in the City's Master Fee Schedule, as is all other related development services permits and fees.

Year	Dev Services Permits & Fees	% of G/S Oper Rev	Chg Over Prior Year	
			\$	%
2016 Actual	\$ 1,292,619	3.4%	\$ 231,790	21.8%
2017 Actual	\$ 1,793,944	4.5%	\$ 501,325	38.8%
2018 Actual	\$ 2,368,727	5.7%	\$ 574,783	32.0%
2019 Actual	\$ 1,903,313	4.4%	\$ (465,414)	-19.6%
2020 Actual	\$ 2,400,001	5.8%	\$ 496,688	26.1%
2021 Actual	\$ 2,267,021	4.9%	\$ (132,980)	-5.5%
2022 YND Est	\$ 2,149,000	4.8%	\$ (118,021)	-5.2%
2023 Est	\$ 2,109,000	4.8%	\$ (40,000)	-1.9%
2024 Est	\$ 2,109,000	4.7%	\$ -	0.0%
2025 Est	\$ 2,104,500	4.6%	\$ (4,500)	-0.2%
2026 Est	\$ 2,104,500	4.5%	\$ -	0.0%
2027 Est	\$ 2,104,500	4.5%	\$ -	0.0%
2028 Est	\$ 2,104,500	4.4%	\$ -	0.0%
Average 6 Year Change (2016 - 2021)				12.6%



## Fines & Forfeitures

The Municipal Court of the City of Lakewood is an inferior court (a court subject to the jurisdiction of another court known as the superior court, or a higher court) with exclusive original criminal jurisdiction of all violations of City laws. It also has the original jurisdiction of all other actions brought to enforce or recover license penalties or forfeitures declared or given by such city laws or by any state statutes. The Court also exercises all powers granted by Chapter 6 of said Justice Court and other Inferior Court Reorganization Law (Chapter 299, laws of 1964).

The City began operating its municipal court when it incorporated in 1996. Fines and forfeitures are accounted for in the General Fund and include fines from municipal court, red light and school zone infractions. Prior to 2015, it also includes fines and forfeiture revenues the City of University Place (contract terminated 12/31/2022) and Town of Steilacoom as part of the contract terms of providing municipal court contracted services. In addition to the City retaining the fines and forfeitures as City revenue, the City received a fixed contract amount from the both cities, which is accounted for as intergovernmental revenue.

Year	Total Fines Forfeitures	% of G/S Oper Rev	Chg Over Prior Year	
			\$	%
2016 Actual	\$ 1,943,063	5.1%	\$ (38,184)	-1.9%
2017 Actual	\$ 1,704,839	4.3%	\$ (238,224)	-12.3%
2018 Actual	\$ 1,626,871	3.9%	\$ (77,968)	-4.6%
2019 Actual	\$ 1,762,837	4.1%	\$ 135,966	8.4%
2020 Actual	\$ 1,273,307	3.1%	\$ (489,530)	-27.8%
2021 Actual	\$ 1,629,998	3.5%	\$ 356,691	28.0%
2022 YND Est	\$ 1,146,500	2.6%	\$ (483,498)	-29.7%
2023 Est	\$ 1,196,500	2.7%	\$ 50,000	4.4%
2024 Est	\$ 1,196,500	2.7%	\$ -	0.0%
2025 Est	\$ 1,196,500	2.6%	\$ -	0.0%
2026 Est	\$ 1,196,500	2.6%	\$ -	0.0%
2027 Est	\$ 1,196,500	2.5%	\$ -	0.0%
2028 Est	\$ 1,196,500	2.5%	\$ -	0.0%
Average 6 Year Change (2016 - 2021)				-2.7%





**Real Estate Excise Tax (REET)**

Prior to January 1, 2020, the State of Washington levied a flat 1.28% real estate excise tax (REET) upon all sales of real estate under chapter 82.45 RCW. Beginning January 1, 2020 the state implemented a graduated tax scale based on the selling price of the property as follows:

- 1.1% on the portion that is \$500,000 and less;
- 1.28% on the portion that is greater than \$500,000 and less than \$1.5 million;
- 2.75% on the portion that is greater than \$1.5 million and less than or equal to \$3.0 million; and
- 3.0% on the portion that is greater than \$3.0 million.

The selling price thresholds listed above will be reviewed and adjusted every fourth year beginning July 1, 2022 based on the growth of the Consumer Price Index (CPI) for shelter of 5.0%, whichever is less, rounded to the nearest \$1,000. If the CPI growth is negative, the thresholds will remain unchanged.

Note- This graduated scale applies only to the state portion of real estate excise tax. The locally imposed REET remains unchanged and is described later on in this section.

A portion of the State's REET proceeds are deposited into the public works assistance account for loans and grants to local government for public work projects; the city-county assistance account for distribution to qualifying cities and counties; and the education legacy trust account for the support of common schools, expanding higher education, and other educational improvement efforts.

The tax is due at the time of sale and is collected by the county when the documents of sale are presented for recording. Real estate excise taxes are typically the responsibility of the seller of the property, not the buyer, although the buyer is liable if the tax is not paid. However, sometimes the buyer pays some or all of the tax as part of the negotiated sale agreement.

Transactions that are exempt from REET include (WAC 458-61A):

- Gifts;
- Inheritance of devise;
- Community property, dissolution of marriage or domestic partnership, legal separation, decree of invalidity;
- Tenants in common and joint tenants;
- Governmental transfers\*;
- Condemnation proceedings;
- Bankruptcy;
- Transfers pursuant to deeds of trusts, foreclosure proceedings, executions of judgment, deeds in lieu of foreclosure, and contract forfeiture;
- Rescission of sale;
- Irrevocable trusts;
- Mere change in identity or form – family corporations and partnerships;
- Transfers where gain is not recognized under the Internal Revenue Code;
- IRS "tax deferred" exchange;
- Nominee;
- Clearing or exiting title, and additions to title;
- Mortgage insurers;
- Rerecord;
- Low income housing; and
- Developmentally disabled person-Housing-Transfers and Improvements.

\* The transfer from a governmental is not subject to the tax. However, transfers to a governmental entity is generally subject to the tax, unless otherwise exempted (condemnation not subject to tax). Transfers to a governmental entity for a public purpose in connection with the development of real property by a developer when the transfer is required for plat approval are not subject to the real estate excise tax (example – a developer who deeds property to the city for streets and utilities).

Additionally, chapter 82.46 RCW authorizes cities and towns to impose local real estate excise taxes on top of the state rate. The tax is calculated based on the full selling price, including the amount of any liens, mortgages and other debts given to secure the purchase. However, the way the City can levy and the way it can use the revenue depends on the City's population and whether or not it is planning under the Growth Management Act (GMA).

All cities and counties may levy a quarter percent tax (described as "the first quarter percent of the real estate excise tax" or "REET 1"). Cities and counties planning under the Growth Management Act (GMA) have the authority to levy a second quarter percent tax (REET 2). The statute further specifies that if a county is required to plan under GMA or if a city is located in such a county, the tax may be levied by a vote of the legislative body. If, however, for cities that voluntarily chooses to plan under GMA, the tax must be approved by a majority of the voters.

The City of Lakewood is planning under the Growth Management Act (GMA) and enacted both the first ¼% and second ¼% tax, for a total of 0.50%.

The Pierce County Treasurer collects the real estate excise tax and remits to the City on a monthly basis. Real estate excise tax revenues are deposited into the Real Estate Excise Tax Fund and transfers are made to qualifying transportation and parks capital projects.

Use of REET revenues applicable to the City of Lakewood is described below.

#### **REET 1 RCW 82.46.010:**

Initially authorized in 1982, cities and counties can use the receipts of REET 1 for all capital purposes. An amendment in 1992 states that cities and counties with a population of 5,000 or more planning under the GMA must spend REET 1 receipts solely on capital projects that are listed in the capital facilities plan element of their comprehensive plan. RCW 82.46.010(6) defines "capital projects":

*Public works projects of a local government for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets; roads; highways; sidewalks; street and road lighting systems; traffic signals; bridges; domestic water systems; storm and sanitary sewer systems; parks; recreational facilities; law enforcement facilities; fire protection facilities; trails; libraries; administrative and judicial facilities; and technology infrastructure that is integral to the capital projects.*

Other options for uses which the City has not implemented include:

- Housing relocation assistance as defined within RCW 59.18.440 and 59.18.450, which in summary provides assistance to low-income tenants under specific circumstances defined by statute and local ordinance.
- A portion of the proceeds may be used for maintenance of capital facilities, with additional reporting requirements.

REET 1 funds may not be used for developing or updating a capital facilities plan (CFP) of capital improvement plan (CIP), but they can be used for design, engineering, surveys, etc. associated with a specific qualifying projected listed in the CFP or CIP.

## REET 2 RCW 82.46.035:

The second quarter percent of the real estate excise tax (authorized in 1990) provides funding for cities and counties to finance capital improvements required to occur concurrently with growth under the Growth Management Act. RCW 82.46.035(a) defined “capital project” as:

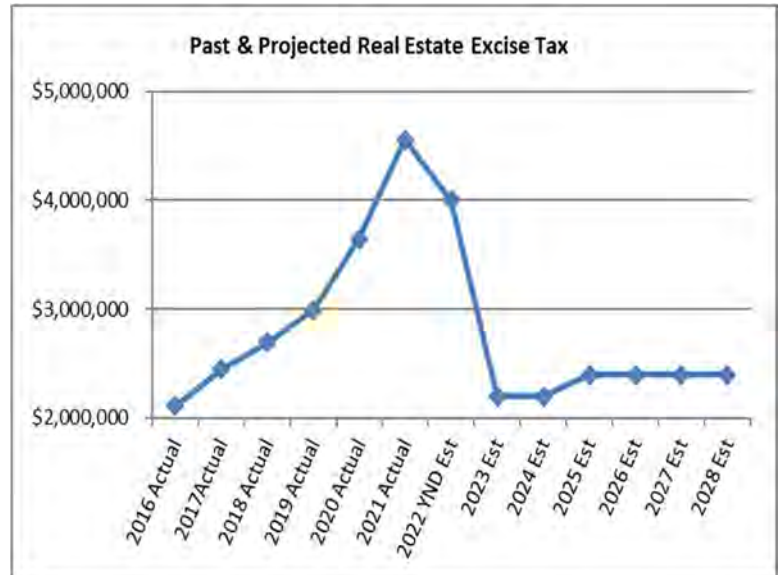
*Public works projects of a local government for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water systems, storm and sanitary sewer systems, and planning, construction, reconstruction, repair, rehabilitation, or improvement of parks.*

REET 2 is more restrictive than REET 1. REET 2 funds are specifically directed to transportation; water, storm, and sewer systems; and parks capital projects. Parks land “acquisition” is not an allowed use of REET 2 but “acquisition” remains an allowed use for transportation, water, storm, and sewer systems. REET 2 is not an allowed use for public facilities such as law enforcement, administration, and courts which are authorized under REET 1.

REET 2 funds may not be used for developing or updating a capital facilities plan (CFP) or capital improvement plan (CIP), but they can be used for design, engineering, surveys, etc. associated with a specific qualifying project listed in the CFP or CIP.

The following tables summarize by month, the number of taxable and exempt real estate transactions, and lists major transactions (sales price of \$1M and greater).

Year	REET	Chg Over Prior Year	
		\$	%
2016 Actual	\$ 2,114,688	\$ 628,239	42.3%
2017 Actual	\$ 2,452,778	\$ 338,090	16.0%
2018 Actual	\$ 2,695,355	\$ 242,577	9.9%
2019 Actual	\$ 2,994,634	\$ 299,279	11.1%
2020 Actual	\$ 3,643,117	\$ 648,483	21.7%
2021 Actual	\$ 4,557,032	\$ 913,916	25.1%
2022 YND Est	\$ 4,000,000	\$ (557,032)	-12.2%
2023 Est	\$ 2,200,000	\$ (1,800,000)	-45.0%
2024 Est	\$ 2,200,000	\$ -	0.0%
2025 Est	\$ 2,400,000	\$ 200,000	9.1%
2026 Est	\$ 2,400,000	\$ -	0.0%
2027 Est	\$ 2,400,000	\$ -	0.0%
2028 Est	\$ 2,400,000	\$ -	0.0%
Average 6 Year Change (2016 - 2021)			19.2%



Month	Transaction Type			# of Parcels	Major Transactions - 2022 YTD August		
	Exempt	Taxable	Total		Description	Sales Price	Net Tax
Jan	55	84	139	148	General Merchandise Retail Trade 11626 TO 11634 Pacific Hwy S Midas Muffler Shop 9140 Gravelly Lake Drive Single Family Residence 7711 Bernese Road SW Lou's Automotive 8920 Gravelly Lake Dr SW Flett Creek Plaza Condo 7602 Bridgeport Way W Unit 1A Commercial Professional Services 4928 109th St SW Duplex Condo 22 Country Club Drive SW Unit E Single Family Residence 10213 Green Lane SW Multi Family Complex 12413 Bridgeport Way SW Tactical Tailor 2916 107th St S	\$1,000,000 \$1,075,000 \$1,250,000 \$1,350,000 \$1,400,000 \$1,400,000 \$1,516,000 \$1,700,000 \$1,897,500 \$7,360,000	\$4,950 \$5,321 \$6,188 \$6,683 \$6,930 \$6,930 \$7,504 \$8,415 \$9,393 \$36,432
Feb	43	70	113	119	Single Family Residence 11621 Gravelly Lake Drive SW	\$2,250,000	\$11,138
Mar	58	92	150	161	Single Family Residence 12418 Harwood Cove Lane SW Land & Improvements Perkins II Building XXX 36th Ave Ct SW Vacant Land Use Sec Schools 7802 150th St SW Vacant Undeveloped Commercial Land 15102 WOODBROOK DR S General Warehousing Storage 7530 150TH ST SW General Warehousing Storage 14802 Spring Street	\$1,010,000 \$3,200,000 \$9,700,000 \$33,900,000 \$54,400,000 \$114,600,000	\$5,000 \$15,840 \$45,977 \$160,681 \$257,848 \$543,188
Apr	66	95	161	178	Vacant Industrial Land xxx Sales Road S Single Family Residence 10837 Evergreen Terrace SW Single Family Condo 7201 Holly Hedge Lane SW Single Family Residence 11615 Gravelly Lake Drive SW Brentwood Apts 3102 92nd St S	\$1,247,500 \$1,375,000 \$1,570,000 \$1,700,000 \$2,362,000	\$6,175 \$6,806 \$7,772 \$8,415 \$11,692
May	48	96	144	158	Single Family Residence 6520 Flanagan Road West Single Family Residence 9830 Dekoven Drive SW Centerforce 5204 Solberg Drive SW Bell Garden Apts 8810 John Dower Road SW Cottage Lane Apts 4711 115th St Ct SW Retail Center (Former Costco) 11013 Pacific Highway SW	\$1,050,000 \$1,700,000 \$2,615,000 \$3,846,400 \$7,188,000 \$17,720,000	\$5,198 \$8,415 \$12,944 \$19,040 \$35,581 \$87,714
Jun	31	109	140	147	Professional Services Building 5202 100th St SW Single Family Residence 11320 Military Road SW Single Family Residence 11013 Lagoon Lane SW Single Family Residence 11923 Gravelly Lake Drive SW Commercial General Merchandise Retail 14902 Union Ave SW	\$1,150,000 \$1,560,000 \$1,950,000 \$2,100,000 \$3,850,000	\$5,693 \$7,722 \$9,653 \$10,395 \$19,058
Jul	45	92	137	146	AAMCO Auto Repair 12006 Pacific Hwy So General Warehousing Storage 8129 Durango St SW Johnson Stoner Counters 1201 Pacific Ave Ste 1400 Single Family Residence 11821 Gravelly Lake Dr SW Mai Tai Apts 11320 Bridgeport Way SW Lockburn Villa 8814 Lochburn Lane SW Clover Meadows Apts 12517 47th Ave SW Greer Industrial Park Buildings ABC 11302 Steel St So	\$1,300,000 \$1,318,340 \$1,442,770 \$1,494,000 \$1,499,100 \$2,593,000 \$4,346,100 \$5,650,000	\$6,435 \$6,526 \$7,142 \$7,395 \$7,421 \$12,835 \$21,513 \$27,968
Aug	37	87	124	128	Single Family Residence 11617 Gravelly Lake Drive SW Single Family Residence 12222 Gravelly Lake Drive SW Single Family Residence 11521 Gravelly Lake Drive SW Single Family Residence 12718 Gravelly Lake Drive SW	\$1,025,000 \$1,299,999 \$1,511,250 \$3,500,000	\$5,074 \$6,435 \$7,481 \$17,325
<b>Total YTD Aug</b>	<b>301</b>	<b>546</b>	<b>847</b>	<b>911</b>		<b>\$291,992,400</b>	<b>\$1,400,687</b>

### **Transportation Benefit District Vehicle Fees (RCW 36.73.020, RCW 82.80.140)**

On August 6, 2012, the Lakewood City Council adopted Ordinance #550, creating a transportation benefit district (TBD) in the City of Lakewood, referred to as the Lakewood TBD. The TBD is a quasi-municipal corporation and independent taxing district created for the sole purpose of acquiring, constructing, improving, providing and funding transportation improvement within the city limits of Lakewood. It has the authority to impose certain taxes and fees, either through the vote of the people or board action, for transportation purposes. The TBD is governed by the members of the Lakewood City Council as the District's Board of Directors and the Mayor services as Chair of the Board. The Transportation Benefit District authority automatically expires on 12:01 am on July 16, 2032, unless dissolved sooner.

On September 15, 2014, the Lakewood TBD adopted Ordinance #TBD-01, authorizing an annual \$20 vehicle licensing fee for the TBD. The TBD Board found this fee is the best way to preserve, maintain, operate, construct, or reconstruct the transportation infrastructure of the City of Lakewood and fund transportation improvements within the District that are consistent with existing state, regional or local transportation plans necessitated by existing or reasonably foreseeable congestion levels.

The fees are effective for tabs due beginning April 1, 2015. The Washington State Department of Licensing (DOL) collects the fees and distributes the net proceeds to the City on a monthly basis. DOL automatically deducts one percent (1%) of the \$20 fee at the time of collection for administration and collections expenses incurred. The 1% administration fee is the maximum amount permitted by RCW 82.80.140.

On July 1, 2015 the Washington State Legislature enacted Second Engrossed Substitute Bill 5987 (SESSB 5987), which authorizes the City to assume the rights, powers, functions, and obligation of the TBD. On November 22, 2016, the City Council declared its intent to conduct a public hearing to consider the proposed assumption of the rights, powers, function, and obligations of the existing City of Lakewood TBD. The City Council conducted the public hearing on December 5, 2016. On December 12, 2016, the City Council adopted the ordinance to assume the TBD.

On December 20, 2021 the City Council approved to use the Transportation Benefit District \$20 vehicle license fee to leverage the issuance of bonds in support of seven transportation projects totaling \$11,600,000. The estimated bond repayment period is 20 years with annual debt service of \$835,000. Ordinance 767 added these seven projects to the list of TBD eligible projects and extended the original sunset date from 12:01 AM on July 16, 2032 unless dissolved sooner to 12:01 AM December 2, 2044 to coincide with the debt service schedule.

On December 20, 2021, the Lakewood TBD adopted Ordinance # 767, authorizing seven additional eligible projects and identified completed TBD projects as follows:

#### Completed Projects

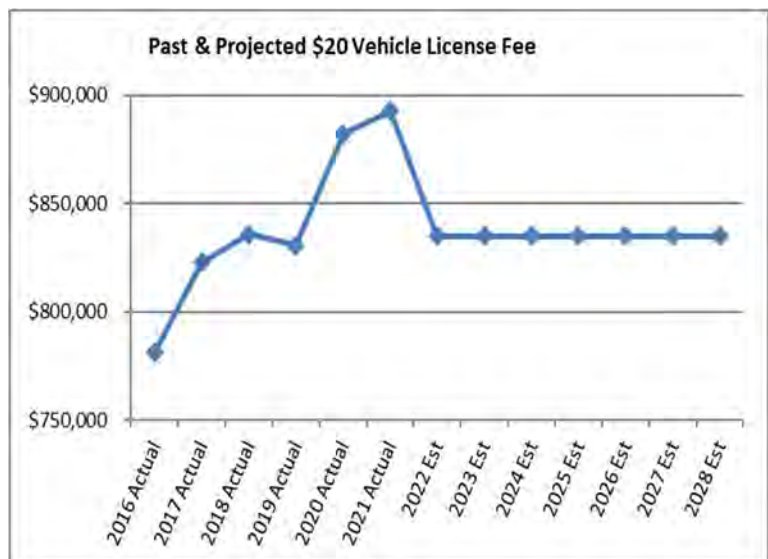
- Steilacoom Boulevard – Lakewood Drive to West of South Tacoma Way
- Lakewood Drive – 100<sup>th</sup> to Steilacoom Boulevard
- Main Street – Gravelly Lake Drive to 108<sup>th</sup> St
- 59<sup>th</sup> – Main Street to 100<sup>th</sup>
- 108<sup>th</sup> – Bridgeport to Pacific Highway
- 108<sup>th</sup> – Main Street to Bridgeport

#### Current Eligible Projects

- Pacific Highway – 108<sup>th</sup> to SR 512
- 100<sup>th</sup> – Lakeview to South Tacoma Way
- New LED Street Lights
- Signal Projects
- Minor Capital Projects
- Neighborhood Traffic Safety
- Personnel, Engineering, Professional Services

- Chip Seal Program – Local Access Roads
- Lakewood Drive – Flett Creek to North City Limits
- 59<sup>th</sup> – 100<sup>th</sup> to Bridgeport
- Custer – Steilacoom to John Dower
- 88<sup>th</sup> – Steilacoom to Custer
- 100<sup>th</sup> – 59<sup>th</sup> to Lakeview
- Non-Motorized Trail: Gravelly Lake Drive – Washington Blvd to Nyanza Road SW (added 5/6/2019)
- Overlay & Sidewalk Fill-In: Custer Road – John Dower to 500' West of Bridgeport Way (added 5/6/2019)
- Nyanza Road SW: Gravelly Lake Drive to Gravelly Lake Drive (added 12/20/2021)
- Mt Tacoma Drive SW (Interlaaken to Whitman Ave SW) (added 12/20/2021)
- Ardmore/Whitman/93rd Street (added 12/20/2021)
- Hipkins Road SW from Steilacoom Boulevard to 104th Street SW (added 12/20/2021)
- Idlewild Road SW: Idlewild School to 112th Street SW (added 12/20/2021)
- 112th Street SW: Idlewild Road SW to Interlaaken Drive SW (added 12/20/2021)
- Interlaaken from 112th Street to Washington Boulevard (added 12/20/2021)

Year	\$20 Vehicle License Fee	Chg Over Prior Year	
		\$	%
2016 Actual	\$ 781,318	\$ 297,302	n/a
2017 Actual	\$ 822,762	\$ 41,444	n/a
2018 Actual	\$ 835,710	\$ 12,948	n/a
2019 Actual	\$ 830,684	\$ (5,026)	n/a
2020 Actual	\$ 881,849	\$ 51,165	n/a
2021 Actual	\$ 892,796	\$ 10,947	n/a
2022 Est	\$ 835,000	\$ (57,796)	n/a
2023 Est	\$ 835,000	\$ -	n/a
2024 Est	\$ 835,000	\$ -	n/a
2025 Est	\$ 835,000	\$ -	n/a
2026 Est	\$ 835,000	\$ -	n/a
2027 Est	\$ 835,000	\$ -	n/a
2028 Est	\$ 835,000	\$ -	n/a
Average 6 Year Change (2016 - 2021)			2.4%



### Hotel/Motel Lodging Tax

The City's hotel/motel lodging tax is comprised of the transient rental income tax and the special hotel/motel tax and applies to charges for lodging at hotels, motels, rooming houses, private campgrounds, RV parks, and similar facilities for periods of less than one month.

#### Transient Rental Income Tax (RCW 67.28.180)

The City imposed a 2.0% transient rental income tax effective March 1996. The tax is credited against the state retail sales tax so that the hotel/motel tax is not an additional tax for the customer but represents sharing of the state retail sales tax receipts on lodging with the city (State Shared Revenues).

#### Special Hotel/Motel Tax (RCW 67.28.181)

The City imposed a 2% special hotel/motel tax in June 1996 and an additional 3% in June 1997 for a total rate of 5%. The combined rate of state and local retail sales tax (except RTA tax), the state convention center tax, and any special hotel/motel taxes may not exceed 12%. However, a higher aggregate rate cap applies for jurisdictions that previously levied higher hotel/motel tax rates (such as Lakewood which was grandfathered.) The program is administered by the Department of Revenue and distributions are made by the Office of State Treasurer monthly. Distributions are receipted into the City's Hotel/Motel Lodging Tax Fund.

Year	Hotel/Motel Lodging Tax	Chg Over Prior Year	
		\$	%
2016 Actual	\$ 757,364	\$ 65,567	9.5%
2017 Actual	\$ 762,199	\$ 4,835	0.6%
2018 Actual	\$ 1,055,335	\$ 293,136	38.5%
2019 Actual	\$ 1,091,953	\$ 36,618	3.5%
2020 Est	\$ 867,311	\$ (224,642)	-20.6%
2021 Est	\$ 1,239,821	\$ 372,509	42.9%
2022 Est	\$ 1,225,000	\$ (14,821)	-1.2%
2023 Est	\$ 1,125,000	\$ (100,000)	-8.2%
2024 Est	\$ 1,125,000	\$ -	0.0%
2025 Est	\$ 1,125,000	\$ -	0.0%
2026 Est	\$ 1,125,000	\$ -	0.0%
2027 Est	\$ 1,125,000	\$ -	0.0%
2028 Est	\$ 1,125,000	\$ -	0.0%
Average 6 Year Change (2016 - 2021)			10.6%



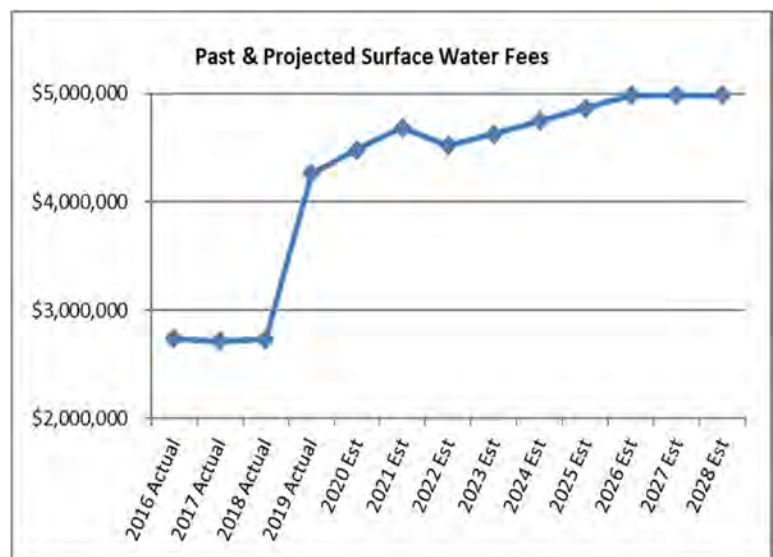


## Surface Water Management Fees

The Surface Water Management (SWM) fund manages surface water run-off accounts for the City's only utility operation. The City applies a rate structure as a utility service charge to all parcels within the City and those incorporated areas defined by an interlocal drainage agreement as authorized by the City's municipal code. The purpose of this charge is to provide resources to plan, manage, design, construct, maintain, revise, and upgrade the storm drainage and surface water runoff systems within the corporate limits of the City of Lakewood. This authority is invoked to minimize the property damage, promote and protect public health, safety, and welfare, minimize water quality degradation by preventing siltation, contamination and erosion of the City's waterways, protect aquifers, insure the safety of City streets, and rights-of-way, assure compliance with federal and state storm drainage, surface water management, and water quality regulations and legislation, increase educational and recreational opportunities, encourage the preservation of natural drainage systems, and foster other beneficial public uses.

The annual service charge is calculated based on impervious area and parcel status as of January 1st each year. The annual service charge is due the City on or before April 30th of each year and is paid together with payment of real property tax. The remaining one-half of the annual service charge is due and payable on October 30<sup>th</sup>.

Year	Surface Water Fees	Chg Over Prior Year	
		\$	%
2016 Actual	\$ 2,737,294	\$ 2,699	0.1%
2017 Actual	\$ 2,715,699	\$ (21,595)	-0.8%
2018 Actual	\$ 2,735,663	\$ 19,964	0.7%
2019 Actual	\$ 4,256,773	\$ 1,521,110	55.6%
2020 Est	\$ 4,480,680	\$ 223,907	5.3%
2021 Est	\$ 4,682,408	\$ 201,728	4.5%
2022 Est	\$ 4,516,400	\$ (166,008)	-3.5%
2023 Est	\$ 4,629,310	\$ 112,910	2.5%
2024 Est	\$ 4,745,043	\$ 115,733	2.5%
2025 Est	\$ 4,863,669	\$ 118,626	2.5%
2026 Est	\$ 4,985,200	\$ 121,531	2.5%
2027 Est	\$ 4,985,200	\$ -	0.0%
2028 Est	\$ 4,985,200	\$ -	0.0%
Average 6 Year Change (2016 - 2021)			11.8%





	2022 YND Est	2023 Projected	2024 Projected	2025 Projected	2026 Projected	2027 Projected	2028 Projected
<b>(001) GENERAL FUND</b>							
REVENUES:							
<b>Taxes</b>	<b>\$32,342,110</b>	<b>\$31,601,400</b>	<b>\$32,094,600</b>	<b>\$32,741,500</b>	<b>\$33,405,000</b>	<b>\$34,085,600</b>	<b>\$34,783,900</b>
Property Tax	7,605,010	7,703,900	7,804,100	7,905,600	8,008,400	8,112,500	8,218,000
Local Sales & Use Tax	13,000,000	12,000,000	12,240,000	12,607,200	12,985,400	13,375,000	13,776,300
Sales/Parks	750,000	750,000	765,000	788,000	811,600	835,900	861,000
Brokered Natural Gas Use Tax	45,000	45,000	45,000	46,400	47,800	49,200	50,700
Criminal Justice Sales Tax	1,368,900	1,410,000	1,438,200	1,481,300	1,525,700	1,571,500	1,618,600
Admissions Tax	325,000	334,800	344,800	355,100	365,800	376,800	388,100
Utility Tax	5,369,200	5,442,300	5,542,100	5,642,500	5,744,900	5,849,300	5,955,800
Leasehold Tax	5,000	5,200	5,200	5,200	5,200	5,200	5,200
Gambling Tax	3,874,000	3,910,200	3,910,200	3,910,200	3,910,200	3,910,200	3,910,200
<b>Franchise Fees</b>	<b>4,495,400</b>	<b>4,630,200</b>	<b>4,769,000</b>	<b>4,912,000</b>	<b>5,059,400</b>	<b>5,170,400</b>	<b>5,284,700</b>
Cable, Water, Sewer, Solid Waste	3,287,300	3,385,900	3,487,400	3,592,000	3,699,800	3,810,800	3,925,100
Tacoma Power	1,208,100	1,244,300	1,281,600	1,320,000	1,359,600	1,359,600	1,359,600
<b>Development Service Fees</b>	<b>1,952,000</b>	<b>1,952,000</b>	<b>1,952,000</b>	<b>1,952,000</b>	<b>1,952,000</b>	<b>1,952,000</b>	<b>1,952,000</b>
Building Permits	900,000	900,000	900,000	900,000	900,000	900,000	900,000
Other Building Permit Fees	300,600	300,600	300,600	300,600	300,600	300,600	300,600
Plan Review/Plan Check Fees	609,600	609,600	609,600	609,600	609,600	609,600	609,600
Other Zoning/Development Fees	141,800	141,800	141,800	141,800	141,800	141,800	141,800
<b>Licenses &amp; Permits</b>	<b>382,500</b>	<b>388,000</b>	<b>393,600</b>	<b>399,400</b>	<b>405,300</b>	<b>411,300</b>	<b>417,400</b>
Business License	276,500	282,000	287,600	293,400	299,300	305,300	311,400
Alarm Permits & Fees	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Animal Licenses	36,000	36,000	36,000	36,000	36,000	36,000	36,000
<b>State Shared Revenues</b>	<b>1,563,390</b>	<b>1,359,270</b>	<b>1,329,160</b>	<b>1,329,200</b>	<b>1,329,200</b>	<b>1,329,200</b>	<b>1,329,200</b>
Criminal Justice	179,960	184,030	187,480	187,500	187,500	187,500	187,500
Criminal Justice High Crime	436,428	249,500	249,500	249,500	249,500	249,500	249,500
Liquor Excise Tax	452,832	437,670	410,890	410,900	410,900	410,900	410,900
Liquor Board Profits	494,170	488,070	481,290	481,300	481,300	481,300	481,300
<b>Intergovernmental</b>	<b>266,876</b>	<b>287,590</b>	<b>295,010</b>	<b>302,640</b>	<b>310,490</b>	<b>318,460</b>	<b>326,630</b>
Police FBI & Other Misc	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Police-Animal Svcs-Steilacoom	16,843	16,800	16,800	16,800	16,800	16,800	16,800
Police-Animal Svcs-Dupont	37,286	37,990	38,710	39,440	40,190	40,960	41,730
Police-South Sound 911 Background Investigations	15,000	15,500	16,000	16,500	17,000	17,500	18,000
Muni Court-University Place Contract	(13,520)	-	-	-	-	-	-
Muni Court-Town of Steilacoom Contract	109,090	112,400	115,800	119,300	122,900	126,600	130,400
Muni Court-City of Dupont	90,177	92,900	95,700	98,600	101,600	104,600	107,700
<b>Charges for Services &amp; Fees</b>	<b>1,268,550</b>	<b>1,426,300</b>	<b>1,426,300</b>	<b>1,426,300</b>	<b>1,426,300</b>	<b>1,426,300</b>	<b>1,426,300</b>
Parks & Recreation Fees	214,000	294,000	294,000	294,000	294,000	294,000	294,000
Police - Extra Duty	775,000	775,000	775,000	775,000	775,000	775,000	775,000
Police - Western State Hospital Community Policing	277,750	355,500	355,500	355,500	355,500	355,500	355,500
Other	1,800	1,800	1,800	1,800	1,800	1,800	1,800
<b>Fines &amp; Forfeitures</b>	<b>1,146,500</b>	<b>1,196,500</b>	<b>1,196,500</b>	<b>1,196,500</b>	<b>1,196,500</b>	<b>1,196,500</b>	<b>1,196,500</b>
Municipal Court	346,500	346,500	346,500	346,500	346,500	346,500	346,500
Photo Infraction	800,000	850,000	850,000	850,000	850,000	850,000	850,000
<b>Miscellaneous/Interest/Other</b>	<b>132,967</b>	<b>127,400</b>	<b>122,500</b>	<b>111,400</b>	<b>103,100</b>	<b>103,100</b>	<b>103,100</b>
Interest Earnings	67,930	62,400	57,500	46,400	38,100	38,100	38,100
Penalties & Interest - Taxes	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Miscellaneous/Other	61,537	61,500	61,500	61,500	61,500	61,500	61,500
<b>Interfund Transfers</b>	<b>284,700</b>	<b>284,700</b>	<b>284,700</b>	<b>284,700</b>	<b>284,700</b>	<b>284,700</b>	<b>284,700</b>
Transfers In - Fund 401 SWM	284,700	284,700	284,700	284,700	284,700	284,700	284,700
<b>Subtotal Operating Revenues</b>	<b>\$43,834,993</b>	<b>\$43,253,360</b>	<b>\$43,863,370</b>	<b>\$44,655,640</b>	<b>\$45,471,990</b>	<b>\$46,277,560</b>	<b>\$47,104,430</b>
<b>% Revenue Change over Prior Year</b>	<b>-3.33%</b>	<b>-1.33%</b>	<b>1.41%</b>	<b>1.81%</b>	<b>1.83%</b>	<b>1.77%</b>	<b>1.79%</b>

	2022 YND Est	2023 Projected	2024 Projected	2025 Projected	2026 Projected	2027 Projected	2028 Projected
<b>(001) GENERAL FUND</b>							
EXPENDITURES:							
City Council	148,304	159,609	159,609	164,400	169,300	174,400	179,600
Legislative	144,854	156,159	156,159	160,800	165,600	170,600	175,700
Sister City	3,450	3,450	3,450	3,600	3,700	3,800	3,900
City Manager	815,043	943,313	966,845	995,900	1,025,800	1,056,500	1,088,200
Executive	662,755	594,433	607,730	626,000	644,800	664,100	684,000
Communications	152,288	348,880	359,115	369,900	381,000	392,400	404,200
Municipal Court	2,134,372	1,493,471	1,524,353	1,570,200	1,617,300	1,665,800	1,715,800
Judicial Services	1,135,669	1,089,961	1,113,277	1,146,700	1,181,100	1,216,500	1,253,000
Professional Services	624,000	55,000	55,000	56,700	58,400	60,200	62,000
Probation & Detention	374,703	348,510	356,076	366,800	377,800	389,100	400,800
Administrative Services	1,543,747	2,286,890	2,337,034	2,407,200	2,479,400	2,553,800	2,630,400
Finance	1,404,570	1,554,825	1,592,969	1,640,800	1,690,000	1,740,700	1,792,900
Non-Departmental (City-Wide)	139,177	732,065	744,065	766,400	789,400	813,100	837,500
Legal	2,379,525	2,554,836	2,562,219	2,711,200	2,714,900	2,870,700	2,876,800
Civil Legal Services	1,126,412	1,016,935	1,043,612	1,074,900	1,107,100	1,140,300	1,174,500
Criminal Prosecution Services	248,568	262,412	270,470	278,600	287,000	295,600	304,500
City Clerk	243,601	385,295	400,680	412,700	425,100	437,900	451,000
Election	90,000	180,000	110,000	185,400	113,300	191,000	116,700
Human Resources	670,944	710,194	737,457	759,600	782,400	805,900	830,100
Community & Economic Development	2,905,420	3,186,227	3,272,911	3,371,100	3,472,200	3,576,400	3,683,700
Current Planning	885,049	1,116,208	1,159,192	1,194,000	1,229,800	1,266,700	1,304,700
Long Range Planning	282,779	285,498	294,280	303,100	312,200	321,600	331,200
Building	1,500,609	1,547,288	1,573,794	1,621,000	1,669,600	1,719,700	1,771,300
Economic Development	236,983	237,234	245,646	253,000	260,600	268,400	276,500
Parks, Recreation & Community Services	3,354,928	3,417,380	3,459,218	3,563,000	3,670,000	3,780,200	3,893,600
Human Services	504,295	517,739	523,754	539,500	555,700	572,400	589,600
Administration	412,571	389,324	397,772	409,700	422,000	434,700	447,700
Recreation	530,236	540,102	545,295	561,700	578,600	596,000	613,900
Senior Services	196,102	267,464	268,694	276,800	285,100	293,700	302,500
Parks Facilities	607,937	597,173	603,708	621,800	640,500	659,700	679,500
Fort Steilacoom Park	903,887	574,232	579,559	596,900	614,800	633,200	652,200
Street Landscape Maintenance	199,900	531,346	540,436	556,600	573,300	590,500	608,200
Police	26,718,423	26,850,297	27,101,475	27,879,500	28,680,900	29,506,500	30,356,700
Command	4,845,220	5,139,339	5,148,821	5,303,300	5,462,400	5,626,300	5,795,100
Jail Service	500,000	600,000	600,000	618,000	636,500	655,600	675,300
Dispatch Services/SS911	2,023,290	2,064,390	2,064,390	2,126,300	2,190,100	2,255,800	2,323,500
Investigations	4,399,550	4,100,049	4,148,764	4,273,200	4,401,400	4,533,400	4,669,400
Patrol	8,751,272	8,547,101	8,656,354	8,916,000	9,183,500	9,459,000	9,742,800
Special Units	270,533	115,340	115,340	118,800	122,400	126,100	129,900
Special Response Team (SRT)	165,730	91,300	91,300	94,000	96,800	99,700	102,700
Neighborhood Policing Unit	1,353,865	602,356	605,786	624,000	642,700	662,000	681,900
Contracted Services (Extra Duty, offset by Revenue)	839,000	775,000	775,000	775,000	775,000	775,000	775,000
Community Safety Resource Team (CSRT)	526,259	1,026,158	1,049,979	1,081,500	1,113,900	1,147,300	1,181,700
Training	844,047	1,206,895	1,215,289	1,251,700	1,289,300	1,328,000	1,367,800
Traffic Policing	972,906	1,109,612	1,126,380	1,160,200	1,195,000	1,230,900	1,267,800
Property Room	342,109	323,152	339,906	350,100	360,600	371,400	382,500
Reimbursements	64,650	64,650	64,650	66,600	68,600	70,700	72,800
Support Services/Emergency Management	39,640	283,702	284,967	293,500	302,300	311,400	320,700
Animal Control	390,352	411,253	424,549	437,300	450,400	463,900	477,800
Road & Street/Camera Enforcement	390,000	390,000	390,000	390,000	390,000	390,000	390,000

	2022 YND Est	2023 Projected	2024 Projected	2025 Projected	2026 Projected	2027 Projected	2028 Projected
<b>(001) GENERAL FUND</b>							
<b>Non-Departmental</b>	-	-	-	22,000	160,000	-	110,000
IT 6-Year Strategic Plan / Charges to be Allocated	-	-	-	22,000	160,000	-	110,000
<b>Interfund Transfers</b>	1,910,456	2,353,639	2,384,328	2,403,689	2,488,264	2,581,489	2,519,364
Transfer to Fund 101 Street O&M	1,427,918	1,871,658	1,906,572	1,997,770	2,086,970	2,178,770	2,273,470
Transfer to Fund 105/190 Abatement Program	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Transfer to Fund 201 GO Bond Debt Service	447,538	446,981	442,756	370,919	366,294	367,719	210,894
<b>Subtotal Operating Expenditures</b>	<b>\$41,910,217</b>	<b>\$43,245,663</b>	<b>\$43,767,992</b>	<b>\$45,088,189</b>	<b>\$46,478,064</b>	<b>\$47,765,789</b>	<b>\$49,054,164</b>
<b>% Expenditure Change over Prior Year</b>	<b>12.10%</b>	<b>3.19%</b>	<b>1.21%</b>	<b>3.02%</b>	<b>3.08%</b>	<b>2.77%</b>	<b>2.70%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>1,924,776</b>	<b>7,697</b>	<b>95,378</b>	<b>(432,549)</b>	<b>(1,006,074)</b>	<b>(1,488,229)</b>	<b>(1,949,734)</b>
<b>As a % of Operating Expenditures</b>	<b>4.59%</b>	<b>0.02%</b>	<b>0.22%</b>	<b>-0.96%</b>	<b>-2.16%</b>	<b>-3.12%</b>	<b>-3.97%</b>
<b>OTHER FINANCING SOURCES:</b>							
<b>Grants, Donations/Contrib, 1-Time</b>	<b>823,384</b>	<b>282,550</b>	<b>282,550</b>	<b>102,300</b>	<b>102,300</b>	<b>102,300</b>	<b>102,300</b>
Contributions/Donations/Other	362,241	252,250	252,250	102,300	102,300	102,300	102,300
Grants	461,143	30,300	30,300	-	-	-	-
<b>Subtotal Other Financing Sources</b>	<b>\$823,384</b>	<b>\$282,550</b>	<b>\$282,550</b>	<b>\$102,300</b>	<b>\$102,300</b>	<b>\$102,300</b>	<b>\$102,300</b>
<b>OTHER FINANCING USES:</b>							
<b>Capital &amp; Other 1-Time</b>	<b>2,040,396</b>	<b>2,485,259</b>	<b>2,210,997</b>	<b>566,000</b>	<b>611,000</b>	<b>295,000</b>	<b>610,000</b>
Municipal Court	123,881	7,460	11,599	-	-	-	-
City Manager	111,264	127,922	106,834	-	-	-	-
Administrative Services	20,116	4,246	6,602	-	-	-	-
IT 6-Year Strategic Plan & I/S Charges to be Allocated	-	-	-	135,000	180,000	295,000	610,000
Legal/Clerk	70,324	84,118	89,816	-	-	-	-
Community & Economic Development	496,309	488,101	474,624	-	-	-	-
Parks, Recreation & Community Services	658,385	310,733	260,052	-	-	-	-
Police	560,117	1,462,679	1,261,470	431,000	431,000	-	-
<b>Interfund Transfers</b>	<b>2,621,406</b>	<b>2,476,344</b>	<b>1,858,526</b>	<b>1,134,000</b>	<b>1,518,000</b>	<b>1,028,000</b>	<b>1,038,000</b>
Transfer Out - Fund 101 Street	124,081	939,344	71,526	-	-	-	-
Transfer Out - Fund 105 Property Abatement/RHSP	550,000	50,000	50,000	35,000	35,000	35,000	35,000
Transfer Out - Fund 106 Public Art	30,000	22,000	22,000	-	-	-	-
Transfer Out - Fund 192 SSMCP	50,000	75,000	75,000	50,000	50,000	50,000	50,000
Transfer Out - Fund 301 Parks CIP	647,500	690,000	940,000	349,000	733,000	243,000	253,000
Transfer Out - Fund 302 Transportation CIP	1,219,825	700,000	700,000	700,000	700,000	700,000	700,000
<b>Subtotal Other Financing Uses</b>	<b>\$4,661,802</b>	<b>\$4,961,604</b>	<b>\$4,069,523</b>	<b>\$1,700,000</b>	<b>\$2,129,000</b>	<b>\$1,323,000</b>	<b>\$1,648,000</b>
<b>Total Revenues and Other Sources</b>	<b>\$44,658,377</b>	<b>\$43,535,910</b>	<b>\$44,145,920</b>	<b>\$44,757,940</b>	<b>\$45,574,290</b>	<b>\$46,379,860</b>	<b>\$47,206,730</b>
<b>Total Expenditures and other Uses</b>	<b>\$46,572,019</b>	<b>\$48,207,266</b>	<b>\$47,837,515</b>	<b>\$46,788,189</b>	<b>\$48,607,064</b>	<b>\$49,088,789</b>	<b>\$50,702,164</b>
<b>Beginning Fund Balance:</b>	<b>\$17,750,655</b>	<b>\$15,837,013</b>	<b>\$11,165,656</b>	<b>\$7,474,061</b>	<b>\$5,443,812</b>	<b>\$2,411,038</b>	<b>(\$297,891)</b>
<b>Ending Fund Balance:</b>	<b>\$15,837,013</b>	<b>\$11,165,656</b>	<b>\$7,474,061</b>	<b>\$5,443,812</b>	<b>\$2,411,038</b>	<b>(\$297,891)</b>	<b>(\$3,793,325)</b>
Ending Fund Balance as a % of Gen/Street Operating Rev	35.3%	25.2%	16.7%	11.9%	5.2%	-0.6%	-7.9%
Reserve - Total Target 12% Reserves & Set Aside	\$7,379,479	\$7,308,174	\$7,381,196	\$7,475,728	\$7,573,690	\$7,670,359	\$7,769,583
2% Contingency Reserves	\$896,580	\$884,696	\$896,866	\$912,621	\$928,948	\$945,060	\$961,597
5% General Fund Reserves	\$2,241,450	\$2,211,739	\$2,242,165	\$2,281,554	\$2,322,371	\$2,362,650	\$2,403,993
5% Strategic Reserves	\$2,241,450	\$2,211,739	\$2,242,165	\$2,281,554	\$2,322,371	\$2,362,650	\$2,403,993
Set Aside for Economic Development Opportunity Fund	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Unreserved/Designated 2022-2024 Budget	\$8,457,533	\$3,857,483	\$92,865	(\$2,031,916)	(\$5,162,652)	(\$7,968,250)	(\$11,562,908)

	2022 YND Est	2023 Projected	2024 Projected	2025 Projected	2026 Projected	2027 Projected	2028 Projected
<b>FUND 101 STREET OPERATIONS &amp; MAINTENANCE</b>							
<i>REVENUES:</i>							
Permits	152,000	152,000	152,000	152,500	152,500	152,500	152,500
Engineering Review Fees	45,000	5,000	5,000	-	-	-	-
Motor Vehicle Fuel Tax	797,000	824,420	822,930	822,930	822,930	822,930	822,930
<b>Subtotal Operating Revenues</b>	<b>\$ 994,000</b>	<b>\$ 981,420</b>	<b>\$ 979,930</b>	<b>\$ 975,430</b>	<b>\$ 975,430</b>	<b>\$ 975,430</b>	<b>\$ 975,430</b>
<i>EXPENDITURES:</i>							
Street Lighting	337,210	472,210	472,210	486,400	501,000	516,000	531,500
Traffic Control Devices	431,544	487,911	489,575	504,300	519,400	535,000	551,100
Snow & Ice Response	45,500	45,500	45,500	46,900	48,300	49,700	51,200
Road & Street Preservation	1,642,444	1,847,457	1,879,217	1,935,600	1,993,700	2,053,500	2,115,100
<b>Subtotal Operating Expenditures</b>	<b>2,456,698</b>	<b>\$2,853,078</b>	<b>\$2,886,502</b>	<b>\$2,973,200</b>	<b>\$3,062,400</b>	<b>\$3,154,200</b>	<b>\$3,248,900</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(\$1,462,698)</b>	<b>(\$1,871,658)</b>	<b>(\$1,906,572)</b>	<b>(\$1,997,770)</b>	<b>(\$2,086,970)</b>	<b>(\$2,178,770)</b>	<b>(\$2,273,470)</b>
<i>OTHER FINANCING SOURCES:</i>							
Donations/Contributions	10,000	-	-	-	-	-	-
Judgments, Settlements/Miscellaneous	1,000	-	-	-	-	-	-
Transfer In From General Fund	\$1,551,999	2,811,003	1,978,097	1,997,770	2,086,970	2,178,770	2,273,470
<b>Subtotal Other Financing Sources</b>	<b>\$1,562,999</b>	<b>\$2,811,003</b>	<b>\$1,978,097</b>	<b>\$1,997,770</b>	<b>\$2,086,970</b>	<b>\$2,178,770</b>	<b>\$2,273,470</b>
<i>OTHER FINANCING USES:</i>							
Building, Vehicles, Equipment & Other 1-Time	124,081	939,344	71,526	-	-	-	-
<b>Subtotal Other Financing Uses</b>	<b>\$124,081</b>	<b>\$939,344</b>	<b>\$71,526</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Revenues and Other Sources</b>	<b>\$2,556,999</b>	<b>\$3,792,423</b>	<b>\$2,958,027</b>	<b>\$2,973,200</b>	<b>\$3,062,400</b>	<b>\$3,154,200</b>	<b>\$3,248,900</b>
<b>Total Expenditures and other Uses</b>	<b>\$2,580,779</b>	<b>\$3,792,423</b>	<b>\$2,958,027</b>	<b>\$2,973,200</b>	<b>\$3,062,400</b>	<b>\$3,154,200</b>	<b>\$3,248,900</b>
<b>Beginning Fund Balance:</b>	<b>\$23,780</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Ending Fund Balance:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

	2022 YND Est	2023 Projected	2024 Projected	2025 Projected	2026 Projected	2027 Projected	2028 Projected
<b>FUND 103 LAKEWOOD TRANSPORTATION BENEFIT DISTRICT</b>							
<i>REVENUES:</i>							
\$20 Vehicle License Fee (Net of State Admin Fee)	835,000	835,000	835,000	835,000	835,000	835,000	835,000
<b>Total Revenue</b>	<b>\$835,000</b>	<b>\$835,000</b>	<b>\$835,000</b>	<b>\$835,000</b>	<b>\$835,000</b>	<b>\$835,000</b>	<b>\$835,000</b>
<i>EXPENDITURES:</i>							
Transfer to Fund 201 Debt Service	-	835,000	835,000	835,000	835,000	835,000	835,000
Transfer to Fund 302 Transportation Capital	2,358,000	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$2,358,000</b>	<b>\$835,000</b>	<b>\$835,000</b>	<b>\$835,000</b>	<b>\$835,000</b>	<b>\$835,000</b>	<b>\$835,000</b>
<b>Beginning Fund Balance:</b>	<b>\$1,581,424</b>	<b>\$58,424</b>	<b>\$58,424</b>	<b>\$58,424</b>	<b>\$58,424</b>	<b>\$58,424</b>	<b>\$58,424</b>
<b>Ending Fund Balance:</b>	<b>\$58,424</b>	<b>\$58,424</b>	<b>\$58,424</b>	<b>\$58,424</b>	<b>\$58,424</b>	<b>\$58,424</b>	<b>\$58,424</b>

	2022 YND Est	2023 Projected	2024 Projected	2025 Projected	2026 Projected	2027 Projected	2028 Projected
<b>FUND 104 HOTEL/MOTEL LODGING TAX</b>							
REVENUES:							
Special Hotel/Motel Lodging Tax (5%)	\$875,000	\$803,570	\$803,570	\$803,570	\$803,570	\$803,570	\$803,570
Transient Rental Income Tax (2%)	350,000	321,430	321,430	321,430	321,430	321,430	321,430
<b>Total Revenues</b>	<b>\$1,225,000</b>	<b>\$1,125,000</b>	<b>\$1,125,000</b>	<b>\$1,125,000</b>	<b>\$1,125,000</b>	<b>\$1,125,000</b>	<b>\$1,125,000</b>
EXPENDITURES:							
Lodging Tax Programs	780,500	1,125,000	1,125,000	1,125,000	1,125,000	1,125,000	1,125,000
Lodging Tax Programs-Transfer Out to Fund 301 Parks CIP	72,893	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$853,393</b>	<b>\$1,125,000</b>	<b>\$1,125,000</b>	<b>\$1,125,000</b>	<b>\$1,125,000</b>	<b>\$1,125,000</b>	<b>\$1,125,000</b>
<b>Beginning Fund Balance:</b>	<b>\$2,305,435</b>	<b>\$2,677,042</b>	<b>\$2,677,042</b>	<b>\$2,677,042</b>	<b>\$2,677,042</b>	<b>\$2,677,042</b>	<b>\$2,677,042</b>
<b>Ending Fund Balance (earmarked for next year's grant awards)</b>	<b>\$2,677,042</b>	<b>\$2,677,042</b>	<b>\$2,677,042</b>	<b>\$2,677,042</b>	<b>\$2,677,042</b>	<b>\$2,677,042</b>	<b>\$2,677,042</b>
		-	-	160,000	160,000	160,000	160,000
		101,850	101,850	101,850	101,850	-	-
		\$2,575,192	\$2,575,192	\$2,415,192	\$2,415,192	\$2,517,042	\$2,517,042

**H-Barn Complex Restoration & Renovation:**

The City intends to apply for LTAC funding in 2024 for 2025 grant allocation to pay estimated annual debt service payments of \$160,000 in support of \$2M construction bonds, 20 year life.

**McGavick Center:**

In 2007, the City entered into an agreement with Clover Park Technical College to contribute 11% of the construction costs for the McGavick Center.

The contribution is in equal installments of \$101,850 over 20 years. In return for the contribution, the City has use of the center for 18 days per year for a 30-year period to be used for tourism related activities. The City's practice has been to use available restricted funds for this commitment.

	2022 YND Est	2023 Projected	2024 Projected	2025 Projected	2026 Projected	2027 Projected	2028 Projected
<b>FUND 105 PROPERTY ABATEMENT/RENTAL HOUSING SAFETY PROGRAM/1406 FUNDS</b>							
REVENUES:							
<b>Abatement Program:</b>	<b>586,500</b>	<b>77,500</b>	<b>140,000</b>	<b>450,000</b>	<b>285,000</b>	<b>285,000</b>	<b>285,000</b>
Abatement Charges	45,000	37,000	75,000	350,000	200,000	200,000	200,000
Interest Earnings	6,500	5,500	30,000	65,000	50,000	50,000	50,000
Transfer In - Fund 001 General	535,000	35,000	35,000	35,000	35,000	35,000	35,000
<b>Rental Housing Safety Program:</b>	<b>232,910</b>	<b>250,000</b>	<b>250,000</b>	<b>260,000</b>	<b>260,000</b>	<b>260,000</b>	<b>260,000</b>
Transfer In - Fund 001 General	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Rental Housing Safety Program Fees	182,910	200,000	200,000	210,000	210,000	210,000	210,000
<b>1406 Affordable Housing Program:</b>	<b>98,000</b>	<b>98,000</b>	<b>98,000</b>	<b>98,000</b>	<b>98,000</b>	<b>98,000</b>	<b>98,000</b>
Sales Tax	98,000	98,000	98,000	98,000	98,000	98,000	98,000
<b>Total Revenues</b>	<b>\$917,410</b>	<b>\$425,500</b>	<b>\$488,000</b>	<b>\$808,000</b>	<b>\$643,000</b>	<b>\$643,000</b>	<b>\$643,000</b>
EXPENDITURES:							
Abatement	1,005,210	77,500	140,000	450,000	285,000	285,000	285,000
Rental Housing Safety Program	282,464	250,000	250,000	260,000	260,000	260,000	260,000
1406 Affordable Housing Program	279,358	98,000	98,000	98,000	98,000	98,000	98,000
<b>Total Expenditures</b>	<b>\$1,567,032</b>	<b>\$425,500</b>	<b>\$488,000</b>	<b>\$808,000</b>	<b>\$643,000</b>	<b>\$643,000</b>	<b>\$643,000</b>
<b>Beginning Fund Balance:</b>	<b>\$649,622</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Ending Fund Balance:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

	2022 YND Est	2023 Projected	2024 Projected	2025 Projected	2026 Projected	2027 Projected	2028 Projected
<b>FUND 106 PUBLIC ART</b>							
<i>REVENUES:</i>							
Facility Rentals	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Transfer In - Fund 001 General	30,000	22,000	22,000	-	-	-	-
<b>Total Revenues</b>	<b>\$45,000</b>	<b>\$37,000</b>	<b>\$37,000</b>	<b>\$15,000</b>	<b>\$15,000</b>	<b>\$15,000</b>	<b>\$15,000</b>
<i>EXPENDITURES:</i>							
Arts Commission Programs	4,626	2,000	2,000	2,000	2,000	2,000	2,000
Public Art	160,598	35,000	35,000	-	-	-	-
<b>Total Expenditures</b>	<b>\$165,224</b>	<b>\$37,000</b>	<b>\$37,000</b>	<b>\$2,000</b>	<b>\$2,000</b>	<b>\$2,000</b>	<b>\$2,000</b>
<b>Beginning Fund Balance:</b>	<b>\$120,223</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$13,000</b>	<b>\$26,000</b>	<b>\$39,000</b>
<b>Ending Fund Balance:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$13,000</b>	<b>\$26,000</b>	<b>\$39,000</b>	<b>\$52,000</b>

	2022 YND Est	2023 Projected	2024 Projected	2025 Projected	2026 Projected	2027 Projected	2028 Projected
<b>FUND 180 NARCOTICS SEIZURE</b>							
<i>REVENUES:</i>							
Forfeitures	104,300	-	-	-	-	-	-
Law Enforcement Contracts	50	-	-	-	-	-	-
Interest Earnings	150	-	-	-	-	-	-
<b>Total Revenues</b>	<b>\$104,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i>EXPENDITURES:</i>							
Investigations	296,500	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$296,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Beginning Fund Balance:</b>	<b>\$192,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Ending Fund Balance:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

	2022 YND Est	2023 Projected	2024 Projected	2025 Projected	2026 Projected	2027 Projected	2028 Projected
<b>FUND 181 FELONY SEIZURE</b>							
<i>REVENUES:</i>							
Forfeitures/Misc/Interest	7,000	-	-	-	-	-	-
<b>Total Revenues</b>	<b>\$7,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i>EXPENDITURES:</i>							
Investigations/Predictive Policing	23,198	-	-	-	-	-	-
Capital Purchases	20,000	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$43,198</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Beginning Fund Balance:</b>	<b>\$36,198</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Ending Fund Balance:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

	2022 YND Est	2023 Projected	2024 Projected	2025 Projected	2026 Projected	2027 Projected	2028 Projected
<b>FUND 182 FEDERAL SEIZURE</b>							
<i>REVENUES:</i>							
Forfeitures	2,600	-	-	-	-	-	-
Interest Earnings	100	-	-	-	-	-	-
<b>Total Revenues</b>	<b>\$2,700</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i>EXPENDITURES:</i>							
Crime Prevention	22,006	-	-	-	-	-	-
Capital	124,199	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$146,205</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Beginning Fund Balance:</b>	<b>\$143,505</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Ending Fund Balance:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

	2022 YND Est	2023 Projected	2024 Projected	2025 Projected	2026 Projected	2027 Projected	2028 Projected
<b>FUND 190 CDBG</b>							
<i>REVENUES:</i>							
Grants	3,287,587	553,819	550,000	550,000	550,000	550,000	550,000
<b>Total Revenues</b>	<b>\$3,287,587</b>	<b>\$553,819</b>	<b>\$550,000</b>	<b>\$550,000</b>	<b>\$550,000</b>	<b>\$550,000</b>	<b>\$550,000</b>
<i>EXPENDITURES:</i>							
Grants	3,287,587	553,819	550,000	550,000	550,000	550,000	550,000
<b>Total Expenditures</b>	<b>\$3,287,587</b>	<b>\$553,819</b>	<b>\$550,000</b>	<b>\$550,000</b>	<b>\$550,000</b>	<b>\$550,000</b>	<b>\$550,000</b>
<b>Beginning Fund Balance:</b>	<b>\$1,513,495</b>	<b>\$1,513,495</b>	<b>\$1,513,495</b>	<b>\$1,513,495</b>	<b>\$1,513,495</b>	<b>\$1,513,495</b>	<b>\$1,513,495</b>
<b>Ending Fund Balance:</b>	<b>\$1,513,495</b>	<b>\$1,513,495</b>	<b>\$1,513,495</b>	<b>\$1,513,495</b>	<b>\$1,513,495</b>	<b>\$1,513,495</b>	<b>\$1,513,495</b>

	2022 YND Est	2023 Projected	2024 Projected	2025 Projected	2026 Projected	2027 Projected	2028 Projected
<b>FUND 191 NEIGHBORHOOD STABILIZATION PROGRAM</b>							
<i>REVENUES:</i>							
Grant-NSP 1	42,000	-	-	-	-	-	-
Abatement Charges	-	25,000	40,000	75,000	85,000	85,000	85,000
Abatement Interest	-	3,000	5,500	8,000	9,000	9,000	9,000
<b>Total Revenues</b>	<b>\$42,000</b>	<b>\$28,000</b>	<b>\$45,500</b>	<b>\$83,000</b>	<b>\$94,000</b>	<b>\$94,000</b>	<b>\$94,000</b>
<i>EXPENDITURES:</i>							
Grant-NSP 1	282,528	28,000	45,500	83,000	94,000	94,000	94,000
Grant-NSP 3	14,148	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$296,676</b>	<b>\$28,000</b>	<b>\$45,500</b>	<b>\$83,000</b>	<b>\$94,000</b>	<b>\$94,000</b>	<b>\$94,000</b>
<b>Beginning Fund Balance:</b>	<b>\$254,676</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Ending Fund Balance:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>



	2022 YND Est	2023 Projected	2024 Projected	2025 Projected	2026 Projected	2027 Projected	2028 Projected
<b>FUND 192 SSMCP (SOUTH SOUND MILITARY COMMUNITIES PARTNERSHIP)</b>							
REVENUES:							
Grants	8,428,040	-	-	-	-	-	-
Partner Participation	177,500	236,125	236,125	236,125	236,125	236,125	236,125
Misc/Other	593,802	-	-	-	-	-	-
Transfer In From Fund 001 General	50,000	75,000	75,000	75,000	75,000	75,000	75,000
<b>Total Revenues</b>	<b>\$9,249,342</b>	<b>\$311,125</b>	<b>\$311,125</b>	<b>\$311,125</b>	<b>\$311,125</b>	<b>\$311,125</b>	<b>\$311,125</b>
EXPENDITURES:							
SSMCP Capital & 1-Time	9,281,641	306,377	315,874	325,350	335,111	345,164	355,519
<b>Total Expenditures</b>	<b>\$9,281,641</b>	<b>\$306,377</b>	<b>\$315,874</b>	<b>\$325,350</b>	<b>\$335,111</b>	<b>\$345,164</b>	<b>\$355,519</b>
<b>Beginning Fund Balance:</b>	<b>\$32,299</b>	<b>\$0</b>	<b>\$4,748</b>	<b>\$0</b>	<b>(\$14,225)</b>	<b>(\$38,211)</b>	<b>(\$72,250)</b>
<b>Ending Fund Balance:</b>	<b>\$0</b>	<b>\$4,748</b>	<b>\$0</b>	<b>(\$14,225)</b>	<b>(\$38,211)</b>	<b>(\$72,250)</b>	<b>(\$116,644)</b>

	2022 YND Est	2023 Projected	2024 Projected	2025 Projected	2026 Projected	2027 Projected	2028 Projected
<b>FUND 195 PUBLIC SAFETY GRANTS</b>							
REVENUES:							
Grants	688,015	-	-	-	-	-	-
<b>Total Revenues</b>	<b>\$688,015</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
EXPENDITURES:							
Grants	688,015	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$688,015</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Beginning Fund Balance:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Ending Fund Balance:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

	2022 YND Est	2023 Projected	2024 Projected	2025 Projected	2026 Projected	2027 Projected	2028 Projected
<b>FUND 196 ARPA (AMERICAN RESCUE PLAN ACT) GRANT</b>							
REVENUES:							
Grants	12,468,171	-	-	-	-	-	-
Interest	18,000						
<b>Total Revenues</b>	<b>12,486,171</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
EXPENDITURES:							
Grants	12,466,962						
<b>Total Expenditures</b>	<b>\$12,466,962</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Beginning Fund Balance:</b>	<b>\$0</b>	<b>\$19,209</b>	<b>\$19,209</b>	<b>\$19,209</b>	<b>\$19,209</b>	<b>\$19,209</b>	<b>\$19,209</b>
<b>Ending Fund Balance:</b>	<b>\$19,209</b>	<b>\$19,209</b>	<b>\$19,209</b>	<b>\$19,209</b>	<b>\$19,209</b>	<b>\$19,209</b>	<b>\$19,209</b>

Note: ARPA funds received totaling \$13.77M is deposited as unearned revenue in the balance sheet and recorded as revenue as expenditures are incurred.

	2022 YND Est	2023 Projected	2024 Projected	2025 Projected	2026 Projected	2027 Projected	2028 Projected
<b>FUND 201 GENERAL OBLIGATION BOND DEBT SERVICE</b>							
<i>REVENUES:</i>							
Transfer-In From General Fund	447,538	446,981	442,756	370,919	366,294	367,719	210,894
Transfer-In REET Fund	1,242,400	1,239,997	1,239,998	1,239,997	1,239,998	1,239,998	1,239,995
Transfer-In TBD Fund (\$20 VLF)	-	835,000	835,000	835,000	835,000	835,000	835,000
<b>Total Revenues</b>	<b>\$1,689,938</b>	<b>\$2,521,978</b>	<b>\$2,517,754</b>	<b>\$2,445,916</b>	<b>\$2,441,292</b>	<b>\$2,442,717</b>	<b>\$2,285,889</b>
<i>EXPENDITURES:</i>							
Principal & Interest - 59th Avenue	77,000	77,000	77,000	-	-	-	-
Principal & Interest - Police Station - 2009/2016	210,707	213,581	210,981	213,144	209,394	210,394	210,894
Principal & Interest - LOCAL LED Streetlight	157,775	156,400	154,775	157,775	156,900	157,325	-
Principle & Interest - Transp CIP - LTGO 2019	539,400	540,150	540,150	539,400	537,900	540,650	542,400
Principle & Interest - Transp CIP - LTGO 2020	235,699	235,701	235,697	235,700	235,699	235,702	235,697
Principle & Interest - Transp CIP - LTGO 2021	469,357	464,146	464,151	464,897	466,399	463,646	461,898
Principle & Interest - TBD \$20 VLF Bonds	-	835,000	835,000	835,000	835,000	835,000	835,000
<b>Total Expenditures</b>	<b>\$1,689,938</b>	<b>\$2,521,978</b>	<b>\$2,517,754</b>	<b>\$2,445,916</b>	<b>\$2,441,292</b>	<b>\$2,442,717</b>	<b>\$2,285,889</b>
<b>Beginning Fund Balance:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Ending Fund Balance:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

	2022 YND Est	2023 Projected	2024 Projected	2025 Projected	2026 Projected	2027 Projected	2028 Projected
<b>FUND 202 LOCAL IMPROVEMENT DISTRICT (LID) DEBT SERVICE</b>							
<i>REVENUES:</i>							
Assessments	245,641	236,692	219,765	145,328	91,295	91,295	91,295
<b>Total Revenues</b>	<b>\$245,641</b>	<b>\$236,692</b>	<b>\$219,765</b>	<b>\$145,328</b>	<b>\$91,295</b>	<b>\$91,295</b>	<b>\$91,295</b>
<i>EXPENDITURES:</i>							
LID 1108	137,950	11,374	-	-	-	-	-
LID 1109	226,641	225,318	219,765	145,327	91,295	91,295	91,295
<b>Total Expenditures</b>	<b>\$364,591</b>	<b>\$236,692</b>	<b>\$219,765</b>	<b>\$145,327</b>	<b>\$91,295</b>	<b>\$91,295</b>	<b>\$91,295</b>
<b>Beginning Fund Balance:</b>	<b>\$118,951</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$0)</b>	<b>\$0</b>	<b>(\$0)</b>	<b>\$0</b>
<b>Ending Fund Balance:</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$0)</b>	<b>\$0</b>	<b>(\$0)</b>	<b>\$0</b>	<b>(\$0)</b>

	2022 YND Est	2023 Projected	2024 Projected	2025 Projected	2026 Projected	2027 Projected	2028 Projected
<b>FUND 204 SEWER PROJECT DEBT SERVICE</b>							
<i>REVENUES:</i>							
Sewer Charges (4.75% Sewer Surcharge)	835,000	826,000	847,000	869,000	892,000	892,000	892,000
Interest Earnings/Other	9,200	5,200	1,300	1,300	1,300	1,300	1,300
Sanitary Side Sewer Connection Home Loan Repayment	20,058	20,058	21,457	12,230	12,039	12,039	12,039
<b>Total Revenues</b>	<b>\$864,258</b>	<b>\$851,258</b>	<b>\$869,757</b>	<b>\$882,530</b>	<b>\$905,339</b>	<b>\$905,339</b>	<b>\$905,339</b>
<i>EXPENDITURES:</i>							
Principal & Interest	477,618	475,150	472,682	440,498	438,327	-	-
Transfer To Fund 311 Sewer Capital	50,000	1,322,000	50,000	50,000	50,000	50,000	50,000
<b>Total Expenditures</b>	<b>\$527,618</b>	<b>\$1,797,150</b>	<b>\$522,682</b>	<b>\$490,498</b>	<b>\$488,327</b>	<b>\$50,000</b>	<b>\$50,000</b>
<b>Beginning Fund Balance:</b>	<b>\$734,088</b>	<b>\$1,070,728</b>	<b>\$124,836</b>	<b>\$471,911</b>	<b>\$863,943</b>	<b>\$1,280,955</b>	<b>\$2,136,294</b>
<b>Ending Fund Balance:</b>	<b>\$1,070,728</b>	<b>\$124,836</b>	<b>\$471,911</b>	<b>\$863,943</b>	<b>\$1,280,955</b>	<b>\$2,136,294</b>	<b>\$2,991,633</b>

	2022 YND Est	2023 Projected	2024 Projected	2025 Projected	2026 Projected	2027 Projected	2028 Projected
<b>FUND 251 LOCAL IMPROVEMENT DISTRICT (LID) GUARANTY DEBT SERVICE</b>							
REVENUES:							
Interest Earnings	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
EXPENDITURES:							
Transfer Out - Fund 001 General	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Beginning Fund Balance:</b>	<b>\$133,093</b>	<b>\$133,093</b>	<b>\$133,093</b>	<b>\$133,093</b>	<b>\$133,093</b>	<b>\$133,093</b>	<b>\$133,093</b>
<b>Ending Fund Balance:</b>	<b>\$133,093</b>	<b>\$133,093</b>	<b>\$133,093</b>	<b>\$133,093</b>	<b>\$133,093</b>	<b>\$133,093</b>	<b>\$133,093</b>

	2022 YND Est	2023 Projected	2024 Projected	2025 Projected	2026 Projected	2027 Projected	2028 Projected
<b>FUND 301 PARKS CAPITAL</b>							
REVENUES:							
Grants	9,796,355	-	-	-	-	-	-
Motor Vehicle Excise Tax for Paths & Trails	4,715						
Funds Anticipated	-	275,000	2,175,000	500,000	3,677,500	1,000,000	2,000,000
Transfer In From Fund 001 General	647,500	690,000	940,000	349,000	733,000	243,000	253,000
Transfer In From Fund 102 REET	624,500	-	-	-	-	-	-
Transfer In From Fund 104 Hotel/Motel Lodging Tax	72,892	-	-	-	-	-	-
Transfer In From Fund 401 Surface Water Mgmt	206,277	-	-	-	-	-	-
<b>Total Revenues</b>	<b>\$11,352,239</b>	<b>\$965,000</b>	<b>\$3,115,000</b>	<b>\$849,000</b>	<b>\$4,410,500</b>	<b>\$1,243,000</b>	<b>\$2,253,000</b>
EXPENDITURES:							
Capital	14,740,463	965,000	3,115,000	849,000	4,410,500	1,243,000	2,253,000
<b>Total Expenditures</b>	<b>\$14,740,463</b>	<b>\$965,000</b>	<b>\$3,115,000</b>	<b>\$849,000</b>	<b>\$4,410,500</b>	<b>\$1,243,000</b>	<b>\$2,253,000</b>
<b>Beginning Fund Balance:</b>	<b>\$3,388,224</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Ending Fund Balance:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

	2022 YND Est	2023 Projected	2024 Projected	2025 Projected	2026 Projected	2027 Projected	2028 Projected
<b>FUND 302 TRANSPORATION CAPITAL PROJECT</b>							
REVENUES:							
Motor Vehicle Excise Tax	330,560	331,860	329,446	329,446	329,446	329,446	329,446
State Transportation Package - Multi-Modal Distribution	79,240	82,940	81,921	81,921	81,921	81,921	81,921
State Transportation Package - Increased Gas Tax (MVET)	69,635	72,732	71,681	71,681	71,681	71,681	71,681
Grants/Congressional Direct Spending	12,064,501	5,075,510	5,074,480	750,000	1,504,846	-	-
Contributions from Utilities/Developers/Partners	1,999,753	-	-	-	-	-	-
GO Bond Proceeds	-	1,513,000	1,394,000	5,494,000	3,199,000	-	-
Transfer In - Fund 001 General	1,219,825	700,000	700,000	700,000	700,000	700,000	700,000
Transfer In - Fund 102/303 REET	5,187,200	2,626,628	1,347,472	535,952	1,157,106	282,952	321,952
Transfer In - Fund 103 TBD	2,358,000	-	-	-	-	-	-
Transfer In - Fund 190 CDBG	276,823	-	-	-	-	-	-
Transfer In - Fund 401 SWM	5,979,543	751,330	155,000	611,000	356,000	-	-
<b>Total Revenues</b>	<b>\$29,565,080</b>	<b>\$11,154,000</b>	<b>\$9,154,000</b>	<b>\$8,574,000</b>	<b>\$7,400,000</b>	<b>\$1,466,000</b>	<b>\$1,505,000</b>
EXPENDITURES:							
Capital Projects (Excluding TBD Bond Projects Add'l Cost)	32,745,568	14,921,000	9,154,000	8,574,000	7,400,000	1,466,000	1,505,000
Transfer Out - Fund 303 REET	42,084	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$32,787,652</b>	<b>\$14,921,000</b>	<b>\$9,154,000</b>	<b>\$8,574,000</b>	<b>\$7,400,000</b>	<b>\$1,466,000</b>	<b>\$1,505,000</b>
<b>Beginning Fund Balance:</b>	<b>\$6,989,572</b>	<b>\$3,767,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Ending Fund Balance:</b>	<b>\$3,767,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

	2022 YND Est	2023 Projected	2024 Projected	2025 Projected	2026 Projected	2027 Projected	2028 Projected
<b>FUND 303 REAL ESTATE EXCISE TAX</b>							
<i>REVENUES:</i>							
Real Estate Excise Tax	4,000,000	2,200,000	2,200,000	2,400,000	2,400,000	2,400,000	2,400,000
Transfer In - Transportation CIP	42,084	-	-				
<b>Total Revenue</b>	<b>4,042,084</b>	<b>2,200,000</b>	<b>2,200,000</b>	<b>2,400,000</b>	<b>\$2,400,000</b>	<b>\$2,400,000</b>	<b>\$2,400,000</b>
<i>EXPENDITURES:</i>							
Transfer Out - Fund 201 GO Bond Debt Service	1,242,400	1,239,997	1,239,998	1,242,400	1,242,400	1,242,400	1,242,400
Transfer Out - Fund 301 Parks CIP	624,500	-	-	-	-	-	-
Transfer Out - Fund 302 Transportation CIP	5,187,200	2,626,628	1,347,472	535,952	1,157,106	282,952	321,952
<b>Total Expenditures</b>	<b>\$7,054,100</b>	<b>\$3,866,625</b>	<b>\$2,587,470</b>	<b>\$1,778,352</b>	<b>\$2,399,506</b>	<b>\$1,525,352</b>	<b>\$1,564,352</b>
<b>Beginning Fund Balance:</b>	<b>\$5,080,463</b>	<b>\$2,068,447</b>	<b>\$401,822</b>	<b>\$14,352</b>	<b>\$636,000</b>	<b>\$636,494</b>	<b>\$1,511,142</b>
<b>Ending Fund Balance:</b>	<b>\$2,068,447</b>	<b>\$401,822</b>	<b>\$14,352</b>	<b>\$636,000</b>	<b>\$636,494</b>	<b>\$1,511,142</b>	<b>\$2,346,790</b>

	2022 YND Est	2023 Projected	2024 Projected	2025 Projected	2026 Projected	2027 Projected	2028 Projected
<b>FUND 311 SEWER CAPITAL PROJECT</b>							
<i>REVENUES:</i>							
Grants	75,000	-	268,400	2,116,585	-	-	-
Sewer Availability Charge	291,330	195,870	229,940	264,000	314,165	295,220	313,800
Transfer In Fund 204 Sewer Debt (Sewer Surcharge 4.75%)	50,000	1,322,000	50,000	50,000	50,000	50,000	50,000
<b>Total Revenues</b>	<b>\$416,330</b>	<b>\$1,517,870</b>	<b>\$548,340</b>	<b>\$2,430,585</b>	<b>\$364,165</b>	<b>\$345,220</b>	<b>\$363,800</b>
<i>EXPENDITURES:</i>							
Capital/Administration	967,520	1,357,000	353,400	2,201,585	1,409,000	85,000	145,000
<b>Total Expenditures</b>	<b>967,520</b>	<b>1,357,000</b>	<b>353,400</b>	<b>2,201,585</b>	<b>1,409,000</b>	<b>85,000</b>	<b>145,000</b>
<b>Beginning Fund Balance:</b>	<b>\$1,525,500</b>	<b>\$974,310</b>	<b>\$1,135,180</b>	<b>\$1,330,120</b>	<b>\$1,559,120</b>	<b>\$514,285</b>	<b>\$774,505</b>
<b>Ending Fund Balance:</b>	<b>\$974,310</b>	<b>\$1,135,180</b>	<b>\$1,330,120</b>	<b>\$1,559,120</b>	<b>\$514,285</b>	<b>\$774,505</b>	<b>\$993,305</b>

	2022 YND Est	2023 Projected	2024 Projected	2025 Projected	2026 Projected	2027 Projected	2028 Projected
<b>FUND 401 SURFACE WATER MANAGEMENT</b>							
<b>REVENUES:</b>							
Storm Drainage Fees	4,516,400	4,629,310	4,745,043	4,863,669	4,985,200	4,985,200	4,985,200
Site Development Permit Fee	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Interest Earnings & Misc	15,600	18,500	18,500	18,500	18,500	18,500	18,500
<b>Subtotal Operating Revenues</b>	<b>\$4,582,000</b>	<b>\$4,697,810</b>	<b>\$4,813,543</b>	<b>\$4,932,169</b>	<b>\$5,053,700</b>	<b>\$5,053,700</b>	<b>\$5,053,700</b>
<b>% Revenue Change over Prior Year</b>	<b>-4.04%</b>	<b>2.53%</b>	<b>2.46%</b>	<b>2.46%</b>	<b>2.46%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>EXPENDITURES:</b>							
Engineering Services	1,945,473	2,094,794	2,133,195	2,197,200	2,263,100	2,331,000	2,400,900
Operations & Maintenance	965,501	1,298,729	1,301,706	1,340,800	1,381,000	1,422,400	1,465,100
Revenue Bonds - Debt Service (15-Year Life, 4%)	501,000	500,995	500,995	501,000	501,000	501,000	501,000
Transfer to Fund 001 General Admin Support	284,700	284,700	284,700	284,700	284,700	284,700	284,700
<b>Subtotal Operating Expenditures</b>	<b>\$3,696,674</b>	<b>\$4,179,218</b>	<b>\$4,220,596</b>	<b>\$4,323,700</b>	<b>\$4,429,800</b>	<b>\$4,539,100</b>	<b>\$4,651,700</b>
<b>% Expenditure Change over Prior Year</b>	<b>39.35%</b>	<b>13.05%</b>	<b>0.99%</b>	<b>2.44%</b>	<b>2.45%</b>	<b>2.47%</b>	<b>2.48%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>\$885,326</b>	<b>\$518,592</b>	<b>\$592,947</b>	<b>\$608,469</b>	<b>\$623,900</b>	<b>\$514,600</b>	<b>\$402,000</b>
<b>As a % of Operating Expenditures</b>	<b>23.9%</b>	<b>12.4%</b>	<b>14.0%</b>	<b>14.1%</b>	<b>14.1%</b>	<b>11.3%</b>	<b>8.6%</b>
<b>OTHER FINANCING SOURCES:</b>							
American Lake Management District	34,887	33,640	33,839	34,040	34,245	34,456	34,671
<b>Subtotal Other Financing Sources</b>	<b>\$34,887</b>	<b>\$33,640</b>	<b>\$33,839</b>	<b>\$34,040</b>	<b>\$34,245</b>	<b>\$34,456</b>	<b>\$34,671</b>
<b>OTHER FINANCING USES:</b>							
Capital/1-Time	1,257,262	768,678	405,829	417,000	438,000	460,000	482,000
American Lake Management District	59,830	32,637	31,043	31,317	31,596	31,878	32,167
Transfer to Fund 301 Parks CIP	206,277	-	-	-	-	-	-
Transfer to Fund 302 Transportation Capital	5,979,543	751,330	155,000	611,000	356,000	-	-
<b>Subtotal Other Financing Uses</b>	<b>\$7,502,912</b>	<b>\$1,552,645</b>	<b>\$591,872</b>	<b>\$1,059,317</b>	<b>\$825,596</b>	<b>\$491,878</b>	<b>\$514,167</b>
<b>Total Revenues and Other Sources</b>	<b>\$4,616,887</b>	<b>\$4,731,450</b>	<b>\$4,847,382</b>	<b>\$4,966,209</b>	<b>\$5,087,945</b>	<b>\$5,088,156</b>	<b>\$5,088,371</b>
<b>Total Expenditures and other Uses</b>	<b>\$11,199,586</b>	<b>\$5,731,863</b>	<b>\$4,812,468</b>	<b>\$5,383,017</b>	<b>\$5,255,396</b>	<b>\$5,030,978</b>	<b>\$5,165,867</b>
<b>Beginning Fund Balance:</b>	<b>\$10,975,879</b>	<b>\$4,393,180</b>	<b>\$3,392,767</b>	<b>\$3,427,681</b>	<b>\$3,010,873</b>	<b>\$2,843,422</b>	<b>\$2,900,600</b>
<b>Ending Fund Balance:</b>	<b>\$4,393,180</b>	<b>\$3,392,767</b>	<b>\$3,427,681</b>	<b>\$3,010,873</b>	<b>\$2,843,422</b>	<b>\$2,900,600</b>	<b>\$2,823,104</b>
Ending Fund Balance as a % of Operating Rev	95.9%	81.2%	81.2%	69.6%	64.2%	63.9%	60.7%
33% Operating Reserves (of operating expenditures)	\$1,219,902	\$1,379,142	\$1,392,797	\$1,426,821	\$1,461,834	\$1,497,903	\$1,535,061
1% Capital Reserves	\$564,561	\$579,761	\$585,369	\$589,539	\$593,919	\$598,519	\$603,339
American Lake Management District	\$1,866	\$0	\$0	\$0	\$0	\$0	\$0
Unreserved / (Shortfall):	\$2,606,850	\$1,433,864	\$1,449,515	\$994,513	\$787,669	\$804,178	\$684,704

	2022 YND Est	2023 Projected	2024 Projected	2025 Projected	2026 Projected	2027 Projected	2028 Projected
<b>FUND 501 FLEET &amp; EQUIPMENT</b>							
OPERATING REVENUES:							
M&O Revenue	740,720	800,720	800,720	824,700	849,400	874,400	901,100
Interest Earnings	15,000	-	-	-	-	-	-
<b>Total Revenues</b>	<b>\$755,720</b>	<b>\$800,720</b>	<b>\$800,720</b>	<b>\$824,700</b>	<b>\$849,400</b>	<b>\$874,400</b>	<b>\$901,100</b>
OPERATING EXPENDITURES:							
Fuel/Gasoline	424,150	459,150	459,150	472,900	487,100	501,700	516,800
Other Supplies	3,990	3,990	3,990	4,100	4,200	4,300	4,400
Repairs & Maintenance	327,580	337,580	337,580	347,700	358,100	368,800	379,900
<b>Total Expenditures</b>	<b>\$755,720</b>	<b>\$800,720</b>	<b>\$800,720</b>	<b>\$824,700</b>	<b>\$849,400</b>	<b>\$874,800</b>	<b>\$901,100</b>
<b>Operating Revenue Over/(Under) Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$400)</b>	<b>\$0</b>
OTHER FINANCING SOURCES:							
Replacement Reserves Collections	843,891	852,806	993,607	993,607	993,607	993,607	993,607
Capital Contribution	120,250	1,245,420	685,600	-	-	-	-
<b>Total Other Financing Sources</b>	<b>\$964,141</b>	<b>\$2,098,226</b>	<b>\$1,679,207</b>	<b>\$993,607</b>	<b>\$993,607</b>	<b>\$993,607</b>	<b>\$993,607</b>
OTHER FINANCING USES:							
Fleet & Equipment New & Replacement	560,563	1,725,800	1,371,600	-	-	-	-
<b>Total Other Financing Uses</b>	<b>\$560,563</b>	<b>\$1,725,800</b>	<b>\$1,371,600</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Revenues</b>	<b>\$1,719,861</b>	<b>\$2,898,946</b>	<b>\$2,479,927</b>	<b>\$1,818,307</b>	<b>\$1,843,007</b>	<b>\$1,868,007</b>	<b>\$1,894,707</b>
<b>Total Expenditures</b>	<b>\$1,316,283</b>	<b>\$2,526,520</b>	<b>\$2,172,320</b>	<b>\$824,700</b>	<b>\$849,400</b>	<b>\$874,800</b>	<b>\$901,100</b>
<b>Beginning Fund Balance:</b>	<b>\$4,597,080</b>	<b>\$5,000,658</b>	<b>\$5,373,084</b>	<b>\$5,680,691</b>	<b>\$6,674,298</b>	<b>\$7,667,905</b>	<b>\$8,661,112</b>
<b>Ending Fund Balance:</b>	<b>\$5,000,658</b>	<b>\$5,373,084</b>	<b>\$5,680,691</b>	<b>\$6,674,298</b>	<b>\$7,667,905</b>	<b>\$8,661,112</b>	<b>\$9,654,719</b>

	2022 YND Est	2023 Projected	2024 Projected	2025 Projected	2026 Projected	2027 Projected	2028 Projected
<b>FUND 502 PROPERTY MANAGEMENT</b>							
OPERATING REVENUES:							
M&O Revenue	748,917	812,134	816,396	840,800	866,100	892,100	918,900
<b>Total Operating Revenues</b>	<b>\$ 748,917</b>	<b>\$ 812,134</b>	<b>\$ 816,396</b>	<b>\$ 840,800</b>	<b>\$ 866,100</b>	<b>\$ 892,100</b>	<b>\$ 918,900</b>
OPERATING EXPENDITURES:							
City Hall Facility	406,354	419,436	422,527	435,200	448,300	461,700	475,600
Police Station	268,881	321,799	322,853	332,500	342,500	352,800	363,400
Parking Facilities/Light Rail	73,682	70,899	71,016	73,100	75,300	77,600	79,900
<b>Total Operating Expenditures</b>	<b>\$ 748,917</b>	<b>\$ 812,134</b>	<b>\$ 816,396</b>	<b>\$ 840,800</b>	<b>\$ 866,100</b>	<b>\$ 892,100</b>	<b>\$ 918,900</b>
<b>Operating Revenue Over/(Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
OTHER FINANCING SOURCES:							
Annual Replacement Reserve Collections / Other 1-Time	198,142	100,000	100,000	100,000	100,000	100,000	100,000
<b>Total Other Financing Sources</b>	<b>\$ 198,142</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>
OTHER FINANCING USES:							
Capital/1-Time/6-Year Property Management Plan	242,621	545,000	185,000	45,000	40,000	5,000	5,000
<b>Total Other Financing Uses</b>	<b>\$ 242,621</b>	<b>\$ 545,000</b>	<b>\$ 185,000</b>	<b>\$ 45,000</b>	<b>\$ 40,000</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>
<b>Total Revenues</b>	<b>\$ 947,059</b>	<b>\$ 912,134</b>	<b>\$ 916,396</b>	<b>\$ 940,800</b>	<b>\$ 966,100</b>	<b>\$ 992,100</b>	<b>\$ 1,018,900</b>
<b>Total Expenditures</b>	<b>\$ 991,538</b>	<b>\$ 1,357,134</b>	<b>\$ 1,001,396</b>	<b>\$ 885,800</b>	<b>\$ 906,100</b>	<b>\$ 897,100</b>	<b>\$ 923,900</b>
<b>Beginning Fund Balance:</b>	<b>\$574,479</b>	<b>\$530,000</b>	<b>\$85,000</b>	<b>\$0</b>	<b>\$55,000</b>	<b>\$115,000</b>	<b>\$210,000</b>
<b>Ending Fund Balance:</b>	<b>\$530,000</b>	<b>\$85,000</b>	<b>\$0</b>	<b>\$55,000</b>	<b>\$115,000</b>	<b>\$210,000</b>	<b>\$305,000</b>

	2022 YND Est	2023 Projected	2024 Projected	2025 Projected	2026 Projected	2027 Projected	2028 Projected
<b>FUND 503 INFORMATION TECHNOLOGY</b>							
<i>REVENUES:</i>							
M&O Revenue	2,104,333	2,273,546	2,278,852	2,347,200	2,417,600	2,490,100	2,564,800
6-Year IT Strategic Plan/Revenues to be Allocated	-	-	-	22,000	10,000	-	90,000
<b>Total Operating Revenues</b>	<b>\$ 2,104,333</b>	<b>\$ 2,273,546</b>	<b>\$ 2,278,852</b>	<b>\$ 2,369,200</b>	<b>\$ 2,427,600</b>	<b>\$ 2,490,100</b>	<b>\$ 2,654,800</b>
<i>EXPENDITURES:</i>							
Personnel	657,693	770,961	788,267	811,900	836,300	861,400	887,200
Supplies	179,520	179,520	179,520	184,900	190,400	196,100	202,000
Services & Charges	1,267,120	1,323,065	1,311,065	1,350,400	1,390,900	1,432,600	1,475,600
6-Year IT Strategic Plan/IS Expenses to be Allocated	-	-	-	22,000	10,000	-	90,000
<b>Total Operating Expenditures</b>	<b>\$2,104,333</b>	<b>\$2,273,546</b>	<b>\$2,278,852</b>	<b>\$2,369,200</b>	<b>\$2,427,600</b>	<b>\$2,490,100</b>	<b>\$2,654,800</b>
<b>Operating Revenue Over/(Under) Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i>OTHER FINANCING SOURCES:</i>							
Replacement Reserve Collection	66,756	66,844	66,844	66,844	66,844	66,844	66,844
Capital Contrib & Other 1-Time /6-Year Strategic Plan	628,093	600,100	672,000	516,000	711,000	295,000	630,000
<b>Total Other Financing Sources</b>	<b>\$694,849</b>	<b>\$666,944</b>	<b>\$738,844</b>	<b>\$582,844</b>	<b>\$777,844</b>	<b>\$361,844</b>	<b>\$696,844</b>
<i>OTHER FINANCING USES:</i>							
One-Time/Capital	628,093	603,600	672,000	516,000	711,000	295,000	610,000
<b>Total Other Financing Uses</b>	<b>\$628,093</b>	<b>\$603,600</b>	<b>\$672,000</b>	<b>\$516,000</b>	<b>\$711,000</b>	<b>\$295,000</b>	<b>\$610,000</b>
<b>Total Revenues</b>	<b>\$2,799,182</b>	<b>\$2,940,490</b>	<b>\$3,017,696</b>	<b>\$2,952,044</b>	<b>\$3,205,444</b>	<b>\$2,851,944</b>	<b>\$3,351,644</b>
<b>Total Expenditures</b>	<b>\$2,732,426</b>	<b>\$2,877,146</b>	<b>\$2,950,852</b>	<b>\$2,885,200</b>	<b>\$3,138,600</b>	<b>\$2,785,100</b>	<b>\$3,264,800</b>
<b>Beginning Fund Balance:</b>	<b>\$205,522</b>	<b>\$272,278</b>	<b>\$335,622</b>	<b>\$402,466</b>	<b>\$469,310</b>	<b>\$536,154</b>	<b>\$602,998</b>
<b>Ending Fund Balance:</b>	<b>\$272,278</b>	<b>\$335,622</b>	<b>\$402,466</b>	<b>\$469,310</b>	<b>\$536,154</b>	<b>\$602,998</b>	<b>\$689,842</b>


	2022 YND Est	2023 Projected	2024 Projected	2025 Projected	2026 Projected	2027 Projected	2028 Projected
<b>FUND 504 RISK MANAGEMENT</b>							
<i>REVENUES:</i>							
M&O Revenue	1,502,450	2,048,830	2,050,120	2,111,600	2,174,900	2,240,100	2,307,300
AWC Retro Refund	112,495	-	-	-	-	-	-
Insurance Proceeds/3rd Party Recoveries	400,000	400,000	400,000	400,000	400,000	400,000	400,000
<b>Total Revenues</b>	<b>\$2,014,945</b>	<b>\$2,448,830</b>	<b>\$2,450,120</b>	<b>\$2,511,600</b>	<b>\$2,574,900</b>	<b>\$2,640,100</b>	<b>\$2,707,300</b>
<i>EXPENDITURES:</i>							
Safety Program	3,980	3,980	3,980	4,100	4,200	4,300	4,400
AWC Retro Program	37,500	77,450	78,740	81,100	83,500	86,000	88,600
WCIA Assessment	1,477,365	1,967,400	1,967,400	2,026,400	2,087,200	2,149,800	2,214,300
Claims/Judgments & Settlements	496,100	400,000	400,000	400,000	400,000	400,000	400,000
<b>Total Expenditures</b>	<b>\$2,014,945</b>	<b>\$2,448,830</b>	<b>\$2,450,120</b>	<b>\$2,511,600</b>	<b>\$2,574,900</b>	<b>\$2,640,100</b>	<b>\$2,707,300</b>
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<b>Beginning Fund Balance:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Ending Fund Balance:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>





To: Mayor and City Councilmembers

From: Heidi Ann Wachter, City Attorney

Through: John Caulfield, City Manager 

Date: October 24, 2022

Subject: Protection and Preservation of Public Spaces

This is to update the City Council on recent legislation adopted by municipalities to protect and preserve public spaces. Specifically at issue is municipal control over activity occupying public spaces, such as sleeping and/or camping that encroach on use by the general public. Included is a proposed ordinance for consideration by the City of Lakewood.

### **Recent Legislation at the Local Level**

A number of cities have camping ordinances that pre-date more recent case law, specifically *Martin v. Boise*, addressed below, which made arrests for camping in public places illegal when shelter space is not available. Code enacted prior to *Boise* and similar rulings are not considered in this analysis.

#### *City of Edmonds*

In May of this year the City of Edmonds adopted a new chapter, 'Unlawful Occupation of Public Property' that specifies enforcement against persons experiencing homelessness only when offered shelter space is refused by the individual in violation. [Edmonds Municipal Code, 5.70.050.](#)

#### *City of Kent*

On October 18, 2022 the Kent City Council unanimously passed ordinance that would, among other things, prohibit camping in specific areas. The is unique from the other cities included in this analysis by making some specifically identified places unavailable to overnight camping **regardless of available shelter**. Kent is one of a few cities, including the cities of Spokane and Tacoma, to specifically address the significant damage caused by encampments to environmentally sensitive areas such as wetlands and streams.

Kent's interpretation of the "Legal Landscape" is that "the law does not prevent the City from enforcing an ordinance prohibiting camping in certain locations..." The ordinance prohibits camping "on public property and locations on which unlawful camping is destructive to the property's intended purpose. [City of Kent proposed ordinance 4443, repealing Chapter 8.09 of the Kent City Code and replacing it with a new chapter.](#)

### *City of Redmond*

Camping is prohibited in certain public areas of the City of Redmond, but the prohibition is not to be enforced “when there is no available overnight shelter for individuals or family units experiencing homelessness on the date that camping occurs.” [\*Redmond Municipal Code, 9.33.010.\*](#)

### *City of SeaTac*

Camping is prohibited, but enforcement in the City of SeaTac requires the officer to establish that the camping is not due to homelessness. The officer “shall not issue a citation” if there is no available overnight shelter. [\*SeaTac Municipal Code, 8.25.050.\*](#)

### *City of Spokane*

The City of Spokane has prohibited camping in some public spaces in the City. The ordinance specifically exempts from camping areas adjacent to rivers give the environmental impact of camping at those locations. [\*City of Spokane ordinance C36272, recently adopted into Title 12 of the Spokane Municipal Code.\*](#)

### *City of Sunnyside*

The City of Sunnyside provides for the removal of an unauthorized encampment but specifically suspends enforcement “for persons who are indigent and homeless any time there is no space or beds available in reasonably accessible homeless shelters, to the extent such available space is required by law.” [\*Sunnyside Municipal Code, 9.40.070\*](#)

### *City of Tacoma*

The City of Tacoma recently adopted by ordinance 10 block buffer zones around temporary shelter spaces throughout the City. [\*City of Tacoma amended substitute ordinance 28831, as amended, passed October 11, 2022\*](#)

## **Guidance from the Courts**

The overarching theme that supports arguments against regulation of public areas is that such regulation seeks to punish the individual’s status as a homeless person rather than the conduct that impacts the public area. The argument is that homeless individuals must sleep somewhere and therefore camping, particularly when shelter space is unavailable, is inseparable from homelessness. As such, regulation of camping is not regulating the conduct of camping, it is regulating the status of homelessness.

*Martin v. Boise*, US Court of Appeals (9<sup>th</sup> Circuit), September 2018.<sup>1</sup>

[\*Martin v. City of Boise\*](#) is a Ninth Circuit Federal Court of Appeals case in which the Court ruled that it is unconstitutional to enforce ordinances prohibiting camping in public places against homeless individuals at times when no shelter space is available. Washington is part of the Ninth Circuit, so this decision applies to Washington municipalities.

Many Washington municipalities have ordinances that prohibit camping and sleeping on public property (e.g., camping ordinances). The *Martin* case requires that there be alternatives to public camping before a city can enforce such ordinances.

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<sup>1</sup> This section is a paraphrase of MRSC’s blog article “Is Your Camping Ordinance Constitutional?” October 1, 2018 by Oskar Rey.

Homeless individuals challenged Boise's enforcement of camping ordinances against homeless individuals when no shelter space is available. They argued that citing homeless individuals under such circumstances is tantamount to criminalizing homelessness. The court agreed, stating:

an ordinance violates the Eighth Amendment insofar as it imposes criminal sanctions against homeless individuals for sleeping outdoors, on public property, when no alternative shelter is available to them.

The decision includes extensive discussion of Boise's attempt to show that there is sufficient shelter space for Boise's homeless population. Of the three shelters in Boise, two are operated by churches, and there was evidence that the church shelters required participation in religious activities. The court ruled that shelter space is not "available" if homeless individuals are required to participate in religious instruction in exchange for shelter. The court also noted that all of the shelters had limits on how long a person can stay, and that the annual, point-in-time homeless counts suggested there were more unsheltered homeless than shelter spaces in Boise.

From the court's standpoint, it is not a simple question of whether an ordinance prohibiting camping on public property is constitutional. Rather, enforcement of such an ordinance is cruel and unusual punishment under the Eighth Amendment if a homeless person has no alternative to living and sleeping outside:

As long as there is no option of sleeping indoors, the government cannot criminalize indigent, homeless people for sleeping outdoors, on public property, on the false premise they had a choice in the matter.

In other words, camping ordinances are not inherently unconstitutional, but a municipality can be in violation of the Eighth Amendment if the person cited has no meaningful alternative to sleeping outside.

In footnote 8 of the decision, the *Martin* court set forth some limits on the scope of its decision:

1. It does not cover individuals who do have access to adequate temporary shelter but choose not to use it.
2. Even when shelter is unavailable, an ordinance may prohibit sitting, lying, or sleeping outside at certain times or in certain locations.
3. An ordinance may prohibit obstruction of rights-of-way or the erection of certain types of structures.
4. Whether such ordinances are consistent with the Eighth Amendment will depend on "whether it punishes a person for lacking the means to live out the 'universal and unavoidable consequences of being human...'"

*Johnson v. City of Grants Pass, United States Court of Appeals, Ninth Circuit, Nos. 20-35752, 20-35881 decided September 28, 2022.*<sup>2</sup>

The Ninth Circuit Court of Appeals affirmed the federal district court's ruling that the City of Grants Pass, Oregon, could not, consistent with the Eighth Amendment, enforce its anti-camping ordinances against homeless persons for the mere act of sleeping outside with rudimentary protection from the elements, or for sleeping in their car at night, when there is no lawful place in

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<sup>2</sup> This section is heavily borrowed from AWC's Newsletter '[Ninth Circuit expands \*Martin\* in Grants Pass homelessness case](#)' for which Sheila Gall, Shannon McClelland are identified as contacts, published October 14, 2022.

the city for them to go. The panel also held that *Martin* applies to civil citations where the civil and criminal punishments are intertwined. Finally, the panel held that nothing in *Martin* precludes class action lawsuits.

In [\*Martin v. Boise\*](#), the court declared that a governmental entity cannot “criminalize conduct that is an unavoidable consequence of being homeless – namely sitting, lying, or sleeping.” However, the court narrowed its holding in *Martin*, clarifying that cities are not obligated to provide shelter for every unhoused individual nor to allow anyone to sleep outside at any time and any place.

Because [\*Johnson v. City of Grants Pass\*](#) began as a class action lawsuit approximately six weeks after the *Martin* opinion, the *Martin* case served as the backdrop for the *Grants Pass* litigation.

Grants Pass had passed several ordinances related to the regulation of sleeping outside, which, taken together, made it nearly impossible to sleep outside with any form of bedding or shelter, or in a vehicle, on public land. A violation of these ordinances resulted in fines, which would escalate if left unpaid.

Three homeless individuals in Grants Pass filed a class action lawsuit on behalf of those that are “involuntarily homeless” against the city, arguing its ordinances are unconstitutional under the Eighth Amendment’s Cruel and Unusual Punishment Clause and Excessive Fines Clause, among other arguments. The Ninth Circuit held that the district court did not abuse its discretion by certifying a class action in the case. Although *Martin* requires an individualized inquiry into whether the person is involuntarily homeless before enforcement can occur, the Ninth Circuit reasoned that this does not bar the existence of a class because under the facts in this case those who have access to an alternative sleeping location would not be a class member which was limited to only those that were “involuntarily homeless.”

The Ninth Circuit also concluded that the city’s ordinances violated the Cruel and Unusual Punishment Clause and a “local government cannot avoid this ruling by issuing civil citations that, later, become criminal offenses.” The court did not address ordinances that solely provided civil infractions. The Ninth Circuit affirmed the district court’s holding that “the anti-camping ordinances violated the Cruel and Unusual Punishment Clause to the extent they prohibited homeless persons from ‘taking necessary minimal measures to keep themselves warm and dry while sleeping when there are no alternative forms of shelter available.’”

In conclusion, the court emphasized that its decision is a narrow one. Although reaching beyond *Martin*, the court expressly left the district court’s holding that the city may still ban the use of tents in public parks in place and noted that the city’s prohibitions on erecting structures or using stoves or building fireplaces may or may not be permissible. Rather, the court instructed the district court on remand to “craft a narrower injunction recognizing” the “limited right to protection against the elements.”

Unless the full Ninth Circuit court (en banc) or the U.S. Supreme Court overturns the decision, it is law. The International Municipal Lawyers Association is considering support for Grants Pass should the case be accepted for review; this would take the form of Amicus (friend of the Court) briefing.

[\*City of North Bend v. Joseph Bradshaw, Findings of Fact, Conclusions of Law and Order, No Y123426A\*](#), Municipal Court of the City of Issaquah, as cited by the ACLU “Anti-camping Ordinances – Important Case Law and Frequently Asked Questions.

[\*Everett v. Bluhm, et al., No. CRP 7006\*](#) (Municipal Court of Everett Jan. 12, 2016), as cited by the ACLU “Anti-camping Ordinances – Important Case Law and Frequently Asked Questions.

## **Services and Available Shelters**

The City invests significant resources in legal contact with homeless individuals and cleanup of illegal encampments. The City's Behavioral Health Contact Team (BHCT) has developed a strong sense of the homeless population in the City and what options are available.

Available options include Aspen Court, the Tacoma Rescue Mission, the Living Access Support Alliance and Nativity House. There may be others throughout the County; these are the most immediate. Impacting these resources as options include that admission is conditional. An individual wishing to use their services must comply with the terms of the facility. As one example, Aspen Court does not allow drug use. For some homeless individuals, this is not a choice they are ready to make. In other instances, the facility fills up early in the day before the individual seeks space there.

## **Legislative Record to Date in the City of Lakewood**

It is a violation of the Lakewood Municipal Code to camp and otherwise, "erect, maintain, use or occupy a temporary tent or shelter" in city parks. [LMC 8.76.280](#) and [290](#). Violators may be issued a civil infraction. Erecting or installing objects in city right of way are similarly a civil infraction. [LMC 12.07.010](#).

## **Current Enforcement – what we are doing**

The chief of the Lakewood Police Department, Chief Zaro, reports:

We are not arresting people for "camping". We are clearing illegal dump sites and resolving trespass issues at the request of the property owner. Issues in the City of Lakewood have not been as common on public property.

In addition, based on discussions at the Community Safety Resource Team (CSRT), community service officers regularly contact homeless people and offer to find them services. This is in addition to the work of the BHCT.

## **Proposed Ordinance – what we can do**

Attached is a proposal to allow removal of illegal camps and campers, provided available shelter is confirmed before enforcement action is taken. The effectiveness of this ordinance correlates directly with availability of shelter.

## ORDINANCE NO. XXX

AN ORDINANCE of the City Council of the City of Lakewood, Washington, creating Chapter 9.15 of the Lakewood Municipal Code entitled “Occupation of Public Property”.

WHEREAS, pursuant to Article XI, Section 11 of the Washington Constitution and RCW 35A.11.020, the City of Lakewood is authorized to regulate public property; and

WHEREAS, public property is intended to be used by the public for public purposes, including daily City operations, park recreational use, pedestrian, bicycle and vehicular transportation and other public uses; and

WHEREAS, there is an awareness that when the unhoused population does not have available overnight shelter, public property can be unavailable to the general public for its intended purposes; and

WHEREAS, the City of Lakewood has expanded its human services programs by dedicating 1% of its general fund to growing its partnerships with local non-profit organizations for the purpose of improving its coordination of existing services, including programs specifically related to improving the lives of the unhoused residents of the city; and

WHEREAS, in partnership with Pierce County and the City of Tacoma the City of Lakewood allocated \$1,000,000 to the Low Income Housing Institute (LIHI) Hosmer Housing LLC, to acquire and convert property to an emergency shelter for homeless households; and

WHEREAS, in *Martin v City of Boise*, 920 F. 3d 584 (9<sup>th</sup> Cir. 2019), the Ninth Circuit Court of Appeals held that the Eighth Amendment to the United States Constitution prohibits cities from enforcing ordinances criminalizing camping on public property when there is no available shelter; and

WHEREAS, this Ordinance makes it unlawful to occupy and store personal property on public property overnight, but suspends enforcement against those experiencing homelessness if overnight shelter is not available; and

WHEREAS, the City Council finds that the regulatory requirements within this ordinance are necessary to promote public health, safety and welfare by preserving public use of public spaces for which they are intended.

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

**Section 1.** A new chapter of the Lakewood Municipal Code, Chapter 9.15, entitled “Occupation of Public Property” is hereby created.

**Section 2.** That Section 9.15.010 entitled “Purpose” is hereby created to read as follows:

It is the purpose of this chapter to promote public health, safety, and welfare by preserving for public use public spaces.

**Section 3.** That Section 9.15.015 entitled “Definitions” is hereby created to read as follows:

“Available overnight shelter” means a public or private facility, with an available overnight space, open to person(s) experiencing homelessness at no charge, which must be located within a 35-mile radius with the starting point of Lakewood City Hall, and to which the city facilitates transport.

“Occupy” means to evidence an intent to remain in a place, at least overnight. Intent can be evidenced by setting up tents, shelter, or bedding, for example.

“Personal property” means an item(s) recognizable as belonging to a person, has apparent utility or value in its current condition, and is not hazardous.

“Public property” means all parks, streets, rights-of-way, sidewalks and any other property in which the city has a property interest.

“Store” means to put aside or accumulate for use when needed, to put for safekeeping, or to place or leave in a location.

**Section 4.** That Section 9.15.020 entitled “Unlawful occupation of public property” is hereby created to reads as follows:

Unless caused by city action, or otherwise authorized by city code, city contract or permit, it shall be unlawful for any person to occupy public property.

**Section 5.** That Section 9.15.025 entitled “Unlawful storage of personal property on public property” is hereby created to read as follows:

A. Unless caused by city action, or otherwise authorized by city code, city contract or permit, it shall be unlawful for any person to store personal property on public property overnight.

B. Removal of Personal Property. The city may remove unlawfully stored personal property after the city provides necessary notice and an opportunity to be heard. The city shall facilitate the storage of personal property if required by law.



**Section 6.** That Section 9.15.030 entitled “Enforcement” is hereby created to reads as follows:

The city shall not enforce the provisions of Lakewood Municipal Code 9.15.020 or 9.15.025 against persons experiencing homelessness if there is no available overnight shelter that can be used by that particular person. If available overnight shelter is available, the shelter space must be offered to the person(s) experiencing homelessness, along with other available human services. Only if the shelter space is refused can the provisions of Lakewood Municipal Code 9.15.020 and 9.15.025 be enforced against persons experiencing homelessness.

**Section 7.** That Section 9.15.035 entitled “Rules” is hereby created to reads as follows:

The Chief of Police is hereby authorized to adopt rules, regulations, administrative policies, and procedures for implementing the provisions of this chapter.

**Section 8.** That Section 9.15.040 entitled “Penalty for violations” is hereby created to reads as follows:

A. Violation of any of the provisions of this chapter is a misdemeanor, and shall be punished as follows:

1. First Offense. Any person violating any of the provisions of this chapter shall, upon conviction of such violation, be punished by a fine of not more than \$1,000 or by imprisonment not to exceed 90 days, or by both such fine and imprisonment.
2. Second Offense. Any person who violates any of the provisions of this chapter, upon conviction of such violation, a second time within a five-year period shall be guilty of a misdemeanor, punishable by a fine of not more than \$1,000 or by imprisonment not to exceed 90 days, or by both such fine and imprisonment. One hundred dollars of the fine and one day of imprisonment shall not be suspended or deferred.
3. Third or Subsequent Offense. Every person who violates any of the provisions of this chapter, upon conviction of such violation, a third or more times within a five-year period shall be guilty of a misdemeanor, punishable by a fine of not more than \$1,000 or by imprisonment not to exceed 90 days, or by both such fine and imprisonment. Five hundred dollars of the fine and five days’ imprisonment shall not be suspended or deferred.
4. Prior to imposing any fine for violation of this chapter, the court shall make an inquiry as to a person’s ability to pay. If a person is unable to pay the monetary penalty set forth in subsection (A)(1), (2) or (3) of this section, the court is explicitly authorized to order performance of community service or work crew in lieu of a monetary penalty.

**Section 9.** The implementation of this ordinance shall be applied to any individuals who occupy the public property illegally. The offer of assistance, including food and available shelter shall be documented.

**Section 10.** Severability. If any portion of this Ordinance or its application to any person or circumstances is held invalid, the remainder of the Ordinance or the application of the provision to other persons or circumstances shall not be affected.

**Section 11.** Effective Date. That this Ordinance shall be in full force and effect thirty (30) days after publication of the Ordinance Summary.

ADOPTED by the City Council this \_\_\_\_ day of November, 2022.

CITY OF LAKEWOOD

Attest:

\_\_\_\_\_  
Jason Whalen, Mayor

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


Approved as to Form:

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



To: Mayor and City Councilmembers

From: Heidi Ann Wachter, City Attorney

Through: John Caulfield, City Manager 

Date: October 24, 2022

Subject: Naming Motor Avenue Plaza to CommUNITY Plaza

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This is to review the City's process for naming public facilities<sup>1</sup>. In this instance, the idea originates from a member of the City Council and applies to a plaza. The most expedient process is for the City Council to refer naming the plaza to the City Manager as contemplated in section C of the resolution.<sup>2</sup>

To begin the process, raise the issue with the full City Council at a regular meeting and seek consensus for referral to the City Manager. A referral by the City Council goes directly to the City Manager without further process.<sup>3</sup>

Taking this step immediately triggers a process under the City's procedure. If the City Council refers this to the City Manager the City Manager will then determine the appropriate designee, if any, and the City Manager or designee will review the referral and determine the process appropriate to the referral, which may include participation by a community advisory board or committee as well as public input.<sup>4</sup>

The policy intentionally provides discretion to tailor a process appropriate to the referral taking into account the scale of the area or facility to be named, potential for controversy, history and other relevant considerations. The process may be very simple or more involved, up to and including public hearings as appropriate.

After following the process identified, the recommended name returns to the City Council for final approval.

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<sup>1</sup> [Resolution No. 2022-06](#)

<sup>2</sup> Id.

<sup>3</sup> Id.

<sup>4</sup> Id, 1-3.

## RESOLUTION NO. 2022-06

A RESOLUTION of the City Council of the City of Lakewood, Washington, creating a policy and procedure for the naming/renaming of a public park, facility, street, open space or natural area.

WHEREAS, the City Council is inspired by its own sense of history, progress and heritage to provide lasting remembrance of events and individuals; and

WHEREAS, the naming and renaming of a public park, facility, street, open space or natural area must reflect dignity and significance as well as honoring the past, present and future of the land or community; and

WHEREAS, the City Council and community have sufficient occasion to name or rename a public park, facility, street, open space or natural area that a transparent process will be of use; and

WHEREAS, it is appropriate to establish criteria and procedures for the official naming/renaming of a public park, facility, street, open space or natural area.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAKEWOOD, WASHINGTON HEREBY RESOLVES as follows:

Section 1. That Resolution 2016-18 is hereby repealed.

Section 2.

A. The naming/renaming of a public park, facility, street, open space or natural area shall be in accordance with the procedures and criteria set forth below. City parks and other city facilities referenced in the procedures and criteria includes but is not limited to a public park, facility, street, open space or natural area. Once adopted, name changes should occur on an exceptional basis only. Permanent naming/renaming opportunities shall comply with this policy.

B. Naming Application Process

Any group, person, or organization may submit an application to name or rename a public park, facility, street, open space or natural area. The application is to be submitted to the City Manager. Applications should contain the following information:

1. Name of applicant;
2. Proposed name;
3. Background/support for proposed name;
4. Demonstrated community support for proposed name on a petition that includes not less than 300 signatures and residential address within the city;
5. Identification of interested/impacted stakeholders;
6. Description/Map showing location; and
7. If proposing to name/rename after an outstanding person, documentation of that person's community or financial contribution to the City, State or Nation's history.

Applications pursuant to this section shall be accompanied by a \$250 fee. When the fee is added to the fee schedule, the fee schedule shall apply.

- C. Proposed naming information submitted to the City or referred by the City Council will be reviewed by the City Manager or designee, who shall then direct a process appropriate to the proposal.
  - 1. Such process shall most often involve a City community advisory board or committee as assigned by the City Manager or designee.
  - 2. Names shall be considered based on the criteria outlined below and with consideration of public input appropriate to the proposal. Public input solicited shall include appropriate notice to and communication with residents.
  - 3. The proposal shall be submitted to the City Council, who will review the recommendations, suggestions and public input, after which the City Council shall determine the name for public park, facility, street, open space or natural area. The City Council is not bound in any way by the proposal submitted. City Council review shall include adequacy of notice, communication with residents and composition of the committee.
- D. If the City Council determines that a public park, facility, street, open space or natural area should be named or renamed, the City may solicit suggestions for names from community organizations and individuals. All suggestions, whether solicited or independently offered, shall be acknowledged and considered.
- E. The following criteria shall be considered:
  - 1. The past, present and future history of the land or community. Such consideration should include the following:
    - a) It is in the best interest of the city and provides a worthy and enduring legacy for the city; and
    - b) The name reflects the significance of a feature and the mission and vision of the city; and
    - c) The name is appropriate to the location and will remain relevant as the city grows and changes.
  - 2. The individual or entity who has donated substantial monies or land or has been otherwise instrumental in the acquisition of the property.
  - 3. The articulated preference of residents of the neighborhood surrounding the public facility.
  - 4. Engenders a strong, positive image.
  - 5. Has broad public support.
  - 6. Outstanding individuals will be considered posthumously. Consideration will be given when the person was exceptionally dedicated or demonstrated excellence in service in ways that made a significant contribution to the land, community, park, or city department or the person risked his or her life to save or protect others. There shall be a lapse of at least thirty six (36) months between the date of the death of the person(s) or

of the event commemorated and the submittal of application naming or renaming of the public park, facility, street, open space or natural area; or at the discretion of the City Council.

7. When a public park, facility, street, open space or natural area is associated with or located near events, people, and places of historic, cultural or social significance: consideration will be given to naming the park and/or facility, after such events, people and places. This history may include its founders, other historical figures, Native American heritage, local landmarks, prominent geographical locations, and natural features.
8. A gift-related naming occurs when a donor makes a significant contribution that adds considerable value to the City of Lakewood. If the city benefits from the generosity of residents, businesses, organizations and foundations, the significance of the donation may warrant consideration for requests from either the donor or another party to acknowledge such a gift by naming. Decisions regarding such recognition are made on a case-by-case basis and will take into consideration the total cost of the project, the availability of other funds and the level of financial contribution. All gift-related naming will be documented by a written donor agreement. As a guideline, the threshold for considering the naming of an asset will include one or more of the following:
  - a) Land for the majority of the park was deeded to the City by the donor; and
  - b) Contribution of a minimum of 60% of the capital construction costs associated with developing the park and/or facility; and
  - c) Provision of a minimum 20-year endowment for the continued maintenance, operation and/or programming of the Asset.
9. Name changes will be subject to review that includes consideration of the original justification for the current name, the monetary value of prior contributions, and the rationale for changing the name. The naming/renaming process would follow all other steps in the naming application process.

The naming of physical entities is intended to be in place for the life of the specific physical entity. If, in the determination of the City Council, circumstances change so that the purpose for which the physical entity was established is significantly altered, past its life cycle or if the physical entity is no longer needed or habitable, they will determine an appropriate way to recognize the donor's naming gift in perpetuity. If the City and the donor(s) previously established a contract that provides a practicable course of action, then that action shall be followed.

10. The donation of land, facilities, or funds for the acquisition, renovation or maintenance of land or facilities, shall not constitute an obligation by the City to name the land and/or facility or any portion thereof after an individual, family or organization. The City retains sole discretion with regard to initiating the process to name or rename a park or facility and further, the City retains sole discretion to implement, modify or reject the name or rename recommended by the process.
11. As modifications are made to property over time, situations may occur where it is in the best interest of the city at the sole discretion of the city, to relocate, modify, or reallocate named city property. This is to insure that the original purpose of the naming and the donor's wishes, if built with private funds, are preserved as appropriate.

## F. Naming/Renaming Process

The following steps shall be used as guidelines for consideration:

1. Refer completed application to appropriate staff or committee for review and recommendation;
2. Solicit public input, the purpose of which is to represent the broad range of demographics and interests of city residents;
3. Forward recommendation to City Council for review and consideration; and
4. Notify the applicant of the application status once the City Council has taken action.

Section 3. That this Resolution shall be in full force and effect upon passage and signatures hereon.

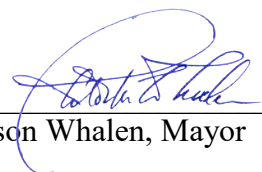
PASSED by the City Council this 6<sup>th</sup> day of June, 2022.

CITY OF LAKEWOOD

Attest:



Briana Schumacher, City Clerk

  
Jason Whalen, Mayor

Approved as to Form:



Heidi Wachter, City Attorney