



To: Mayor and City Councilmembers
From: Tho Kraus, Assistant City Manager/Administrative Services
Through: John J. Caulfield, City Manager
Date: November 7, 2022
Subject: Public Hearing on the 2023/2024 Proposed Biennial Budget

BACKGROUND

Per Washington state law, the City Council must adopt the 2023/2024 Biennial Budget no later than December 31, 2022. Additionally, a public hearing on the proposed biennial budget is required in connection with the budget process. The schedule of open public meetings held and upcoming to review the proposed 2023/2024 biennial budget is as follows:

October 3, 2022

City Manager presentation of the Proposed 2023/2024 Biennial Budget

October 5, 2022

Department Budget Presentations:
City Council, City Manager, Parks, Recreation & Community Services, Police, Legal

October 12, 2022

Department Budget Presentations:
Municipal Court, Community & Economic Development, Public Works Engineering, Administrative Services

October 24, 2022

Review of 2021 Property Tax Levy
Review 6-Year Financial Forecast

November 7, 2022

Public Hearing on 2023 Property Tax Levy
Public Hearing on 2023/2024 Proposed Biennial Budget

November 14, 2022

Review 2023 Fee Schedule Amendments
Review 2023/2024 Proposed Biennial Budget (as needed)

November 21, 2022

Adopt 2023 Property Tax Levy
Adopt 2023/2024 Biennial Budget
Adopt 2023 Fee Schedule Amendments

The 2023/2024 Proposed Biennial Budget may be viewed at:

<https://cityoflakewood.us/finance/biennial-budget/>

NEXT STEPS

November 14, 2022

Review 2023 Fee Schedule Amendments
Review 2023/2024 Proposed Biennial Budget (as needed)

November 21, 2022

Adopt 2023 Property Tax Levy
Adopt 2023/2024 Biennial Budget
Adopt 2023 Fee Schedule Amendments

Changes to the Proposed 2023/2024 Biennial Budget

The current proposed budget incorporates funds totaling \$2,516,417 received from Pierce County ARPA (American Rescue Plan Act funds) for the following projects:

- \$597,995 for Rose Rd. & Forest Rd. Sewer Extension
- \$1,182,822 for Wadsworth, Silcox & Boat St. Sewer Extension
- \$735,600 for Grant Ave. & Orchard St. Sewer Extension

Previously Proposed:

Funding Sources	2023	2024	2025	2026	2027	2028	Total
Fund 204 Sewer Surcharge 4.75%	\$ 1,322,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 1,572,000
Fund 311 Sewer Availability Charge	\$ 35,000	\$ 35,000	\$ 35,000	\$ 1,359,000	\$ 35,000	\$ 95,000	\$ 1,594,000
Grants - Anticipated	\$ -	\$ 268,400	\$ 2,116,585	\$ -	\$ -	\$ -	\$ 2,384,985
Total Funding Sources	\$ 1,357,000	\$ 353,400	\$ 2,201,585	\$ 1,409,000	\$ 85,000	\$ 145,000	\$ 5,550,985

Project Costs	2023	2024	2025	2026	2027	2028	Total
311.0002 Side Sewer CIPs	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 300,000
311.0006 Rose Rd. & Forest Rd. Sewer Extension	\$ 1,272,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,272,000
311.0007 Wadsworth, Silcox & Boat St. Sewer Extension	\$ -	\$ 268,400	\$ 2,116,585	\$ -	\$ -	\$ -	\$ 2,384,985
311.0008 Grant Ave. & Orchard St. Sewer Extension	\$ -	\$ -	\$ -	\$ 1,324,000	\$ -	\$ -	\$ 1,324,000
311.0009 Washington Ave. & W. Thorne Ln. Sewer Extension	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,000	\$ 60,000
311.0000 Program Administration	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 210,000
Total Project Costs	\$ 1,357,000	\$ 353,400	\$ 2,201,585	\$ 1,409,000	\$ 85,000	\$ 145,000	\$ 5,550,985

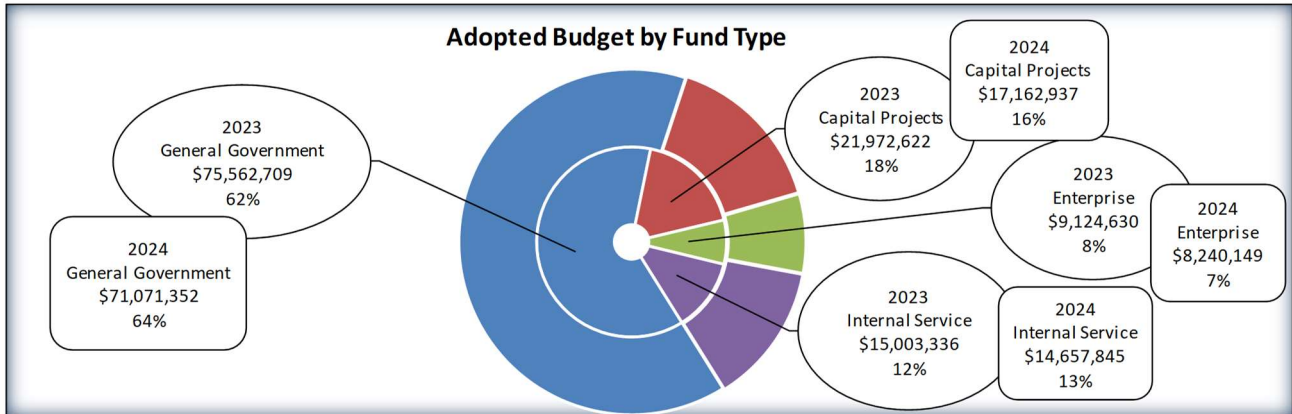
Currently Proposed:

Funding Sources	2023	2024	2025	2026	2027	2028	Total
Fund 204 Sewer Surcharge 4.75%	\$ 50,000	\$ 467,178	\$ 129,000	\$ 200,120	\$ 50,000	\$ 50,000	\$ 946,298
Fund 311 Sewer Availability Charge	\$ 888,005	\$ 435,000	\$ 35,000	\$ 620,280	\$ 35,000	\$ 95,000	\$ 2,108,285
Grants - Secured	\$ 597,995	\$ 1,222,822	\$ 69,000	\$ 626,600	\$ -	\$ -	\$ 2,516,417
Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Funding Sources	\$ 1,536,000	\$ 2,125,000	\$ 233,000	\$ 1,447,000	\$ 85,000	\$ 145,000	\$ 5,571,000

Project Costs	2023	2024	2025	2026	2027	2028	Total
311.0002 Side Sewer CIPs	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 300,000
311.0006 Rose Rd. & Forest Rd. Sewer Extension	\$ 1,074,000	\$ 90,000	\$ -	\$ -	\$ -	\$ -	\$ 1,164,000
311.0007 Wadsworth, Silcox & Boat St. Sewer Extension	\$ 287,000	\$ 2,000,000	\$ 79,000	\$ -	\$ -	\$ -	\$ 2,366,000
311.0008 Grant Ave. & Orchard St. Sewer Extension	\$ -	\$ 40,000	\$ 69,000	\$ 1,362,000	\$ -	\$ -	\$ 1,471,000
311.0009 Washington Ave. & W. Thorne Ln. Sewer Extension	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,000	\$ 60,000
311.0000 Program Administration	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 210,000
Total Project Costs	\$ 1,446,000	\$ 2,215,000	\$ 233,000	\$ 1,447,000	\$ 85,000	\$ 145,000	\$ 5,571,000

Proposed 2023/2024 Biennial Budget

The Proposed 2023/2024 Biennial Budget totals \$121,663,298 in 2023 and \$111,132,283 in 2024 as follows:



Fund	2023 Proposed				2024 Proposed			
	Beginning Fund Balance	Revenue	Expenditure	Ending Fund Balance	Beginning Fund Balance	Revenue	Expenditure	Ending Fund Balance
General Government Funds:	\$ 21,309,004	\$ 54,253,705	\$ 58,594,205	\$ 16,968,504	\$ 16,968,504	\$ 54,102,848	\$ 57,869,295	\$ 13,202,057
001 General Fund	15,837,013	43,535,910	48,207,266	11,165,657	11,165,657	44,145,920	47,837,515	7,474,061
101 Street	-	3,792,423	3,792,423	-	-	2,958,027	2,958,027	-
103 Transportation Benefit District	58,424	835,000	835,000	58,424	58,424	835,000	835,000	58,424
104 Hotel/Motel Lodging Tax	2,677,042	1,125,000	1,125,000	2,677,042	2,677,042	1,125,000	1,125,000	2,677,042
105 Property Abatement/RHSP	-	425,500	425,500	-	-	488,000	488,000	-
106 Public Art	-	37,000	37,000	-	-	37,000	37,000	-
180 Narcotics Seizure	-	-	-	-	-	-	-	-
181 Felony Seizure	-	-	-	-	-	-	-	-
182 Federal Seizure	-	-	-	-	-	-	-	-
190 CDBG	1,513,495	553,819	553,819	1,513,495	1,513,495	550,000	550,000	1,513,495
191 Neighborhood Stabilization Prog	-	28,000	28,000	-	-	45,500	45,500	-
192 SSMCP	-	311,125	306,377	4,748	4,748	311,125	315,874	-
195 Public Safety Grants	-	-	-	-	-	-	-	-
196 ARPA	19,209	-	-	19,209	19,209	-	-	19,209
201 GO Bond Debt Service	-	2,521,978	2,521,978	-	-	2,517,754	2,517,754	-
202 LID Debt Service	-	236,692	236,692	-	-	219,765	219,765	-
204 Sewer Project Debt	1,070,728	851,258	525,150	1,396,836	1,396,836	869,757	939,860	1,326,733
251 LID Guaranty	133,093	-	-	133,093	133,093	-	-	133,093
Capital Project Funds:	\$ 6,809,757	\$ 15,162,865	\$ 21,198,625	\$ 773,997	\$ 773,997	\$ 16,388,940	\$ 17,071,470	\$ 91,467
301 Parks	-	965,000	965,000	-	-	3,115,000	3,115,000	-
302 Transportation	3,767,000	11,154,000	14,921,000	-	-	9,154,000	9,154,000	-
303 Real Estate Excise Tax	2,068,447	2,200,000	3,866,625	401,822	401,822	2,200,000	2,587,470	14,352
311 Sewer Project	974,310	843,865	1,446,000	372,175	372,175	1,919,940	2,215,000	77,115
Enterprise Fund:	\$ 4,393,180	\$ 4,731,450	\$ 5,731,863	\$ 3,392,767	\$ 3,392,767	\$ 4,847,382	\$ 4,812,468	\$ 3,427,681
401 Surface Water Management	4,393,180	4,731,450	5,731,863	3,392,767	3,392,767	4,847,382	4,812,468	3,427,681
Internal Service Funds:	\$ 5,802,936	\$ 9,200,400	\$ 9,209,630	\$ 5,793,706	\$ 5,793,706	\$ 8,864,139	\$ 8,574,688	\$ 6,083,157
501 Fleet & Equipment	5,000,658	2,898,946	2,526,520	5,373,084	5,373,084	2,479,927	2,172,320	5,680,691
502 Property Management	530,000	912,134	1,357,134	85,000	85,000	916,396	1,001,396	-
503 Information Technology	272,278	2,940,490	2,877,146	335,622	335,622	3,017,696	2,950,852	402,466
504 Risk Management	-	2,448,830	2,448,830	-	-	2,450,120	2,450,120	-
Grand Total - All Funds	\$ 38,314,877	\$ 83,348,420	\$ 94,734,324	\$ 26,928,974	\$ 26,928,974	\$ 84,203,309	\$ 88,327,921	\$ 22,804,362
			Total Budget	\$ 121,663,298			Total Budget	\$ 111,132,283

Budget Summary

The budget includes the following:

A Balanced General Fund

For Lakewood, the City's finances have never been stronger. The General Fund is balanced in 2023 and 2024 meaning operating expenditures do not exceed operating revenues. The City is projected to end 2022 in its best financial condition in a couple of decades, building upon its strong financial position that began several years ago. One major concern is that while operating revenues have improved, the recent decline in the retail trade component of sales tax is one area that will require ongoing monitoring to ensure revenue projections are met;

Personnel Changes to Increase Service Levels and Ensure a Balanced Budget

The Proposed 2023/2024 Biennial Budget proposes an increase of 12.55 FTEs from 210.50 FTEs adopted in 2022 to 223.05 FTEs in 2023 and 2024, recognizing that some of these positions were previously approved as part of budget adjustments in 2021 and 2022.

Position Changes				
2022 Adopted vs 2023/2024 Proposed	FTE	Department	Group	Status
Positions Added				
Communications Coordinator	1.00	CM	AFSCME	Proposed
IT Analyst	1.00	AD	AFSCME	Proposed
Associate Planner	2.00	CED	AFSCME	Proposed
Program Coordinator-CDBG	0.25	CED	AFSCME	Proposed
Program Coordinator-ARPA/Econ Dev	1.00	CED	AFSCME	Proposed
Neighborhood Coordinator	1.00	CED	AFSCME	Proposed
Program Assistant-RHSP	1.00	CED	AFSCME	Proposed
Permit Technician	1.00	CED	AFSCME	Proposed
Capital Projects Coordinator	1.00	PRCS	AFSCME	Proposed
Maintenance Worker	3.50	PRCS	AFSCME	Proposed
Office Assistant (Domestic Violence)	0.50	Legal	AFSCME	Proposed
Associate City Attorney (ARPA body cameras)	1.00	Legal	Non-Rep	Proposed
PRA/Legal Specialist (ARPA body cameras)	1.00	Legal	AFSCME	Proposed
Court Clerk	0.30	Court	AFSCME	Proposed
Police Lieutenant	1.00	Police	LPMG	Proposed
Positions Eliminated				
Diversity, Equity & Inclusion Manager	(0.50)	CM	Non-Rep	Proposed
Administrative Assistant	(1.00)	CED	AFSCME	Proposed
Maintenance Assistant	(1.50)	PRCS	AFSCME	Proposed
Court Compliance Officer (CCO)	(1.00)	Court	AFSCME	Proposed
Total Change	12.55			

- Addition of a Communications Coordinator to assist the Communications Manager with planning, organizing and executing citywide communications and public relations within the City's Communications Division. This includes expanding the City's digital media presence, including producing high-quality multi-media projects like videos and other emerging marketing techniques to promote events and the work of the City. Also includes assisting with the advancement of the City's social media presence, and website management. The communication needs of the City have grown in recent years as the City has established itself as a leader in the South Sound with its multitude of events, programs, services and projects. This position is needed to keep up with this growth as well as continue to elevate the City's position as a leader in Pierce County.
- The addition of an IT Analyst will allow the Information Technology Division to address increased technology needs as it relates to public records requests, telework, cybersecurity, help desk and special projects. The increase in public disclosure requests (PDR) heavily impacts IT, since IT is the "3rd party" providing the initial extract of emails related to PDR requests. The hybrid telework/in office work model also continues to require support from IT, and while employees are required to report in-person when technology doesn't support remote work (for example, employee's internet connection is poor or technology doesn't support their need) there is still

the call and follow-up to IT. Additionally, remote access work creates new opportunities for cybercriminals to exploit technology systems. The additional support will provide relief to the CIO who can then dedicate more time and expertise to major projects as identified in the 6-year IT Strategic Plan, as well as planning for and staying abreast of major developments and trends in information technology in order to advance and protect the City's technology infrastructure.

- Two Associate Planner positions are proposed. The first Associate Planner position will focus on the City's sustainability program and support current and long range planning. In 2021, the City Council adopted a new climate chapter to the City's comprehensive plan, as well as climate change action plan. This position will implement the City's climate change policies and programs, coordinate with City departments, outside agencies, and private and public utility providers. This position will also be responsible for preparing annual reports on the City's efforts to reduce greenhouse gases (GHGs).

The second Associate Planner position will administer tree permits in the event the City Council adopts a revised tree preservation code. This position coupled with an on-call arborist would be offset by tree preservation revenue.

- The .25 Program Coordinator CDBG is proposed as a shared fulltime position with the Human Services Coordinator position (.50 FTE) and Lakewood Promise support position (.25 FTE).
- A Program Coordinator ARPA position is included to assist in various ARPA program requirements, serve as the Lakewood ARPA Resident Navigator and point of contact for Lakewood businesses seeking ARPA assistance available from County, State and Federal levels. The City's Resident Navigator program provides referral assistance to City residents seeking ARPA rent/mortgage and utility funds, child care services, workforce training, medical and behavioral health services, and/or emergency shelter.
- A Neighborhood Coordinator position is proposed to serve as a liaison for neighborhood revitalization, focused on improving the safety and quality of life in neighborhoods citywide. The purpose is to improve neighborhoods and address local community challenges. Further, this position would assist in community outreach as part of the 2024 comprehensive plan periodic update. This position would be responsible for organizing a system of neighborhoods by establishing both physical and social places. This position would also work very closely with the City's planning team on neighborhood planning and revitalization.
- The Program Assistant Rental Housing Assistant Program (RHSP) position is proposed to continue in the upcoming biennium given it was a limited term position through the end of 2021.
- A Permit Technician position is proposed given the significant increase in the number of planning and building permits. This position would offset current workload. The position would also be used to continue the transition from one automated permitting system to a new permitting system, which occurred in early 2022 as well as the implementation of the document management system. The position is proposed to be funded primarily by development services permits and fees revenue.
- The Capital Project Coordinator is proposed given the size and scope of the City's Parks CIP program. The City has been very successful procuring grants and funds to implement park improvement projects. In the next few years the City will be managing over \$10 million in park capital improvements. Until recently, the City had the equivalent of a half-time temporary position to manage all the projects. Additional support is needed to ensure all of the various components as well as the grant requirements are done properly and projects are completed on time and within established budgets. Funding is within the existing Parks CIP budget
- The proposed addition of 3.5 Maintenance Worker positions and elimination of 1.5 Maintenance Assistance positions results in a net addition of 2 Maintenance Workers and is comprised of three factors. The first is the reclassification of 1.5 Maintenance Assistant positions to Maintenance Workers coupled with bringing them to fulltime status resulting in an additional 0.5 Maintenance Worker. The second is bringing an existing .50 position to fulltime status. The third is the restoration of a vacant Maintenance Worker position that was not funded as part of the last biennial budget due to financial challenges. All positions are proposed to address increased

maintenance needs given the continued improvements to City park and street facilities as well as to support the many special events sponsored by the City on an annual basis.

- An Office Assistant in support of victims of Domestic Violence is proposed to bring this position to fulltime status. Currently, this position is funded through the STOP grant as a .5 position. This was a full time position prior to the pandemic. Since that time, state law has passed that requires the prosecutor increased contact with victims of domestic violence throughout the life of the case. The City had previously been able to coordinate victim support through partnerships with agencies such as the Crystal Judson Center and the YWCA. These partnerships will continue, however, the City is also required by state law to add, through the prosecution function, victim contact regarding case status, which creates additional workload for the City.
- An Associate City Attorney and PRA/Legal Specialist, funded with ARPA funds is included to support body camera operations.
- A Court Clerk position is proposed to increase from 0.7 FTE to a full time status to address municipal court workflow. Funding is offset by the elimination of a Court Compliance Officer position.
- An additional Police Lieutenant position is proposed to address the increasing workload that has been absorbed by the department over the years including: management of the in-Car video program; management of the soon-to-be implemented body worn camera program; increased response to public disclosure requests; responsibility for Lakewood’s participation and response to the Pierce County Force Investigation Team (PCFIT); administrative oversight of the Special Response Team (SRT) after withdrawal from Metro SWAT; and fleet management. Another consideration is the impending retirements of the majority of Police command personnel over the next few years.
- The Diversity, Equity and Inclusion Manager position is proposed to be replaced with contracted services led by the Deputy City Manager, Communications Manager and Assistant to the City Manager/Policy Analyst to develop the City’s DEI Strategic Plan and other DEI efforts to include workforce development and diversity, increasing cultural awareness of city personnel, diversity training, community engagement, and increased community stakeholder collaboration.
- A Court Compliance Officer (CCO) position is eliminated to reflect the decrease in work volume in the court.
- As with previous biennial budgets, positions equating to 11.25 FTEs are identified as limited term positions for the upcoming biennium. The reason for this is financial. The City’s available operating revenue does not allow for these positions to be recognized as ongoing, thus in order to preserve the integrity of the City’s finances, they are proposed only for this biennium and will be reevaluated in future bienniums just as has occurred from past bienniums.

Limited Term Positions	FTE	Department	Status	Funding Source
Permit Technician	1.00	CED	New in 2023/2024	Development Services Fees
Associate Planner	1.00	CED	New in 2023/2024	Tree Permit Fees
Program Coordinator: RHSP/Abatement	1.00	CED	Continuation from 2021/2022	RHSP Fees/Abatement Funds
Program Assistant: RHSP	1.00	CED	Continuation from 2021/2022	RHSP Fees/Abatement Funds
Program Coordinator - CDBG	0.25	CED	New in 2023/2024	CDBG/ARPA Funds
Neighborhood Coordinator	1.00	CED	New in 2023/2024	One-time General Fund
Maintenance Worker	1.00	PRCS	Continuation from 2021/2022	One-time General Fund
Capital Projects Coordinator	1.00	PRCS	New in 2023/2024	One-time General Fund
Office Assistant -- Domestic Violence	1.00	Legal	Continuation & New in 2023/2024	STOP Grant/One-time General Fund
Program Coordinator - ARPA/Econ Dev	1.00	CED	New in 2023/2024	One-time ARPA Funds
Associate City Attorney (ARPA body cameras)	1.00	Legal	New in 2023/2024	One-time ARPA Funds
PRA/Legal Specialist (ARPA body cameras)	1.00	Legal	New in 2023/2024	One-time ARPA Funds
Total Change	11.25			

The result, as in previous years, is that our residents and businesses, those who we serve, will not see or experience any reductions in City services. The changes outlined above will allow the City to maintain fiscal integrity while increasing services in Lakewood City Council priority areas, specifically in the areas of: diversity, equity and inclusion, code enforcement, capital projects, public safety, housing and economic development.

Advancements in Economic Development

- Targeted economic development with a specific focus on the Downtown, the Lakewood Station District which includes Lakewood Landing, the I-5 retail frontage along Pacific Highway South, Woodbrook Industrial Business Park, International District, Springbrook and Tillicum, and McChord North Clear Zone (NCZ);
- Work with KITE Realty on a Downtown park and mixed use development;
- Amend the City's Comprehensive Plan and related development regulations in accordance with the state mandated 2024 Comprehensive Plan update;
- Implement updated tree preservation code once adopted;
- Develop an Urban Forestry Program;
- Initiate climate change implementation measures once adopted;
- Evaluate investment options for the Economic Development Opportunity Fund;
- Implementation of the Five Year 2020-2024 Consolidated Plan to include funding in support of an expansion of LASA and funding to support Habitat for Humanity and the building of nine new low-income homes;
- Implementation of the Western Hospital Master Facility Plan in partnership with DSHS;
- Proactively represent the City and participate at SSHAP, PSRC and PCRC to include sub-group meetings of GMCC and TCC;

Advancements in Dependable Infrastructure

- Implement 11 new park improvements projects plus project support totaling \$4.1 million;
- Implement 17 new transportation improvement projects plus project support totaling \$24.1 million;

Advancements in Public Safety

- Commitment to setting aside 1% of General Fund for human and social services to include homelessness and mental illness;
- Continuation of Veteran's Treatment Court and evaluate Community/Mental Health Court models;
- Implementation of the Rental Housing Safety Program (RSHP);
- Proactive Abatement Program to include the development of a new system to track unsafe buildings and stop work orders;
- Re-establish the Police Explorer Program that was suspended in 2020 due the pandemic;
- Develop an abbreviated Citizens Academy for the Youth Council and high school students;
- Partnership between the City, West Pierce Fire and Rescue (WPFR) University Place, and Steilacoom (new in 2022) in support of expanded regional emergency management services;

Advancements in Fiscal Responsibility

- Provide strong and transparent financial reporting with a focus on full disclosure to include the preparation of the biennial budget, Popular Annual Financial Report (PAFR), Annual Comprehensive Financial Report (ACFR), six-year financial forecast, and performance measures;
- Fully commit the remaining ARPA funds through an equitable and transparent process;
- Monitor the City's ARPA program;
- Implementation of a city-wide document management system that will help advance the City's efforts to go paperless;

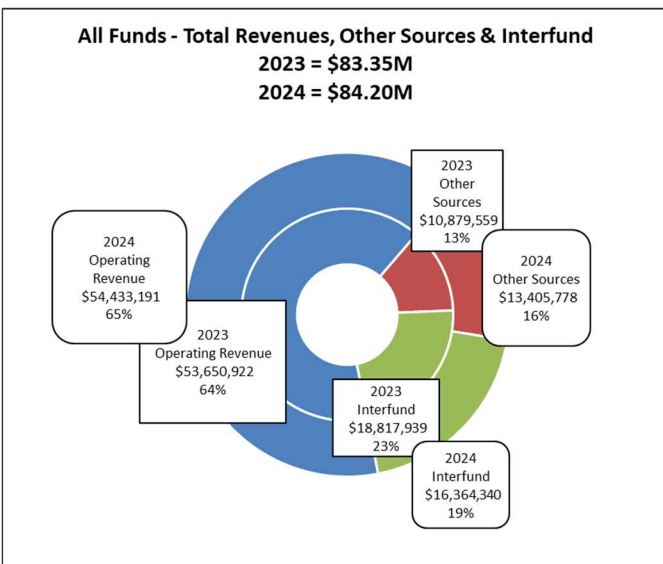
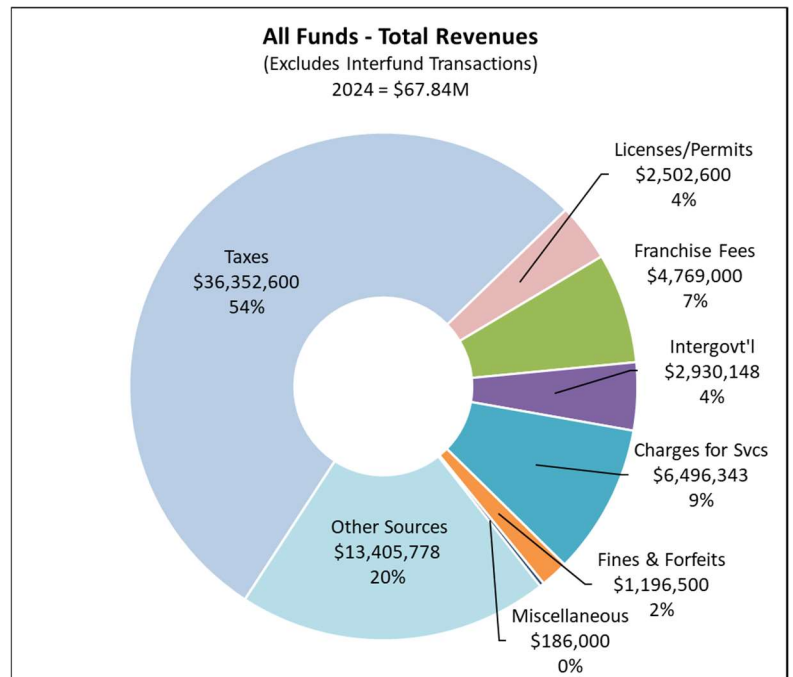
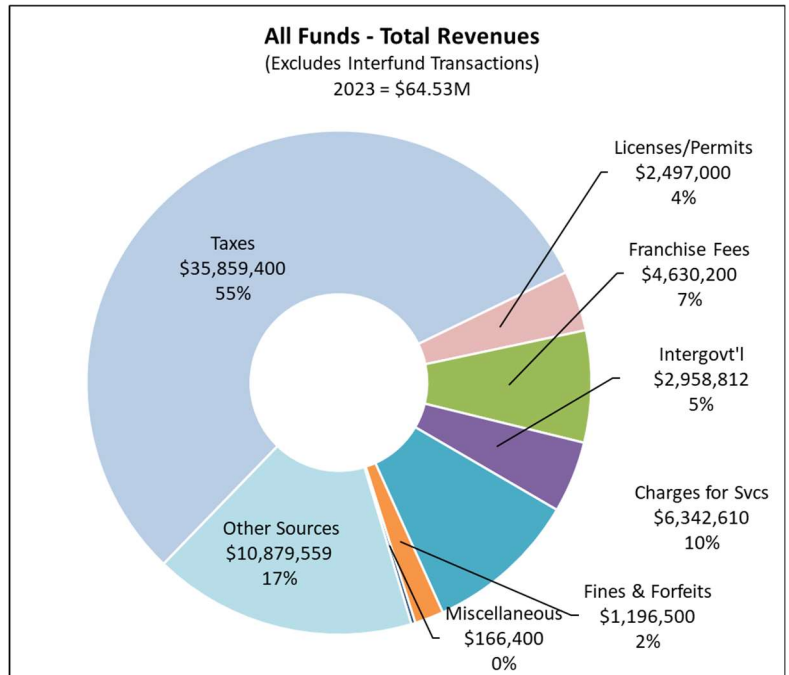
Advancements in Transparency and Robust Community

- Strengthen the City's relationships and opportunities for collaboration with neighborhood groups, associations, JBLM, local schools and institutions and advisory boards and committees;
- Provide for an annual Youth Summit to engage teens in community issues and gather information for future programs;
- Act and serve in a leadership capacity in national, state, regional and local affairs;
- Develop and implement a proactive County, State and Federal legislative agenda that promotes and protects the interests and needs of the Lakewood community;
- Develop and implement a Diversity, Equity, and Inclusion (DEI) Strategic Plan;
- Develop and implement a Communications Strategic Plan;
- Continue City's leadership and contribution to the South Sound Military and Communities Partnership (SSMCP) with a focus on transportation, housing, child care services, JBLM regional economic analyses report, State Defense Community Capability Account (DCCA), climate change study, occupational licensing to reduce barriers for military spouses, and the North Clear Zone (NCZ);
- Continue to expand and grow with the number of events sponsored by the City each year;
- Complete City Strategic Plan update for 2023-2024;
- Implement *Build Your Better Here* imaging campaign for the City;
- Maintain the City's web platform, update the performance management system, and revamp the Lakewood Community Dashboard;
- Partner with the Pierce County Library System to identify options for new libraries in the Downtown and Tillicum neighborhoods;
- Evaluate new Public Art Policy;
- Implement safe and structured out of school programs and opportunities for youth to include after school and summer programming;
- Support Partners for Parks who are leading the restoration efforts of the H-Barn at Fort Steilacoom Park; and
- Expand outdoor adventure programming to include narrated hikes, education, conservation and stewardship opportunities, summer camps and other activities using our Lakewood parks, lakes and outdoor spaces.

All Fund - Sources

Revenues for all funds total \$64.53M in 2023 and \$67.84M in 2024. Operating revenues total \$53.65M in 2023 and \$54.43M in 2024 while other sources total \$10.88M in 2023 and \$13.41M in 2024. Taxes, (sales tax, property tax, utility tax, gambling, tax, admissions tax, real estate excise tax and other taxes) account for 55% of total revenues in 2023 and 54% in 2024.

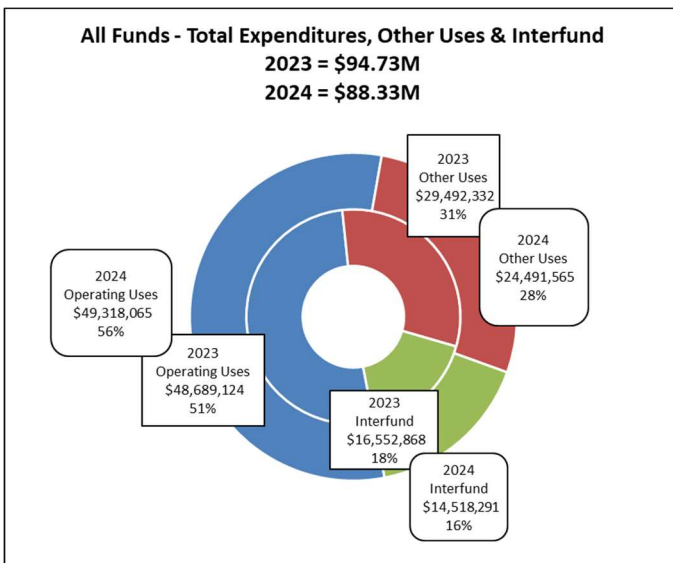
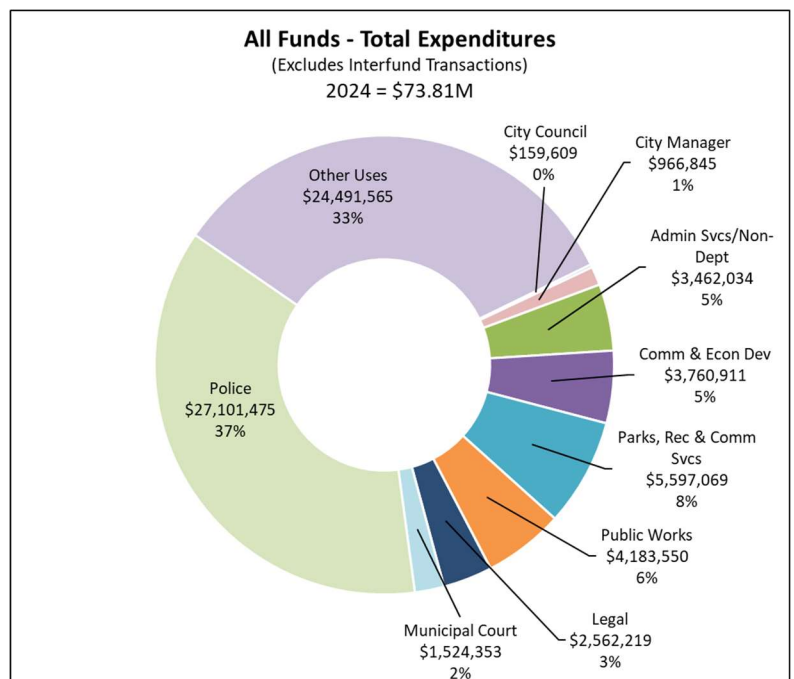
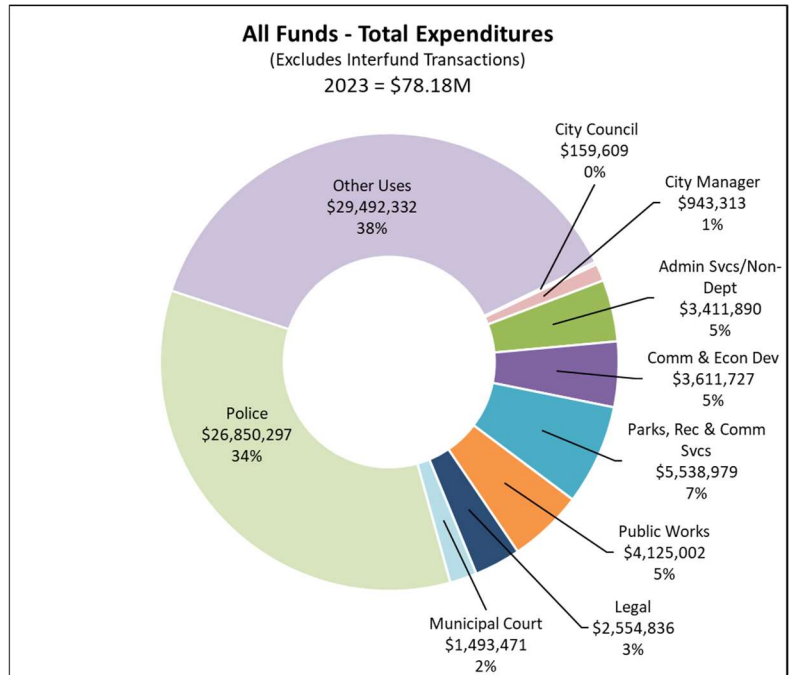
Item	2023 Proposed	2024 Proposed
BEGINNING FUND BALANCE	\$ 38,314,877	\$ 26,928,975
OPERATING REVENUE:		
Property Tax	7,703,900	7,804,100
Sales Tax	12,098,000	12,338,000
Utility Tax	5,442,300	5,542,100
Real Estate Excise Tax	2,200,000	2,200,000
Gambling Tax	3,910,200	3,910,200
Other Taxes	4,505,000	4,558,200
Licenses & Permits	2,497,000	2,502,600
Franchise Fees	4,630,200	4,769,000
Intergovernmental	2,958,812	2,930,148
Charges for Services	6,342,610	6,496,343
Fines & Forfeits	1,196,500	1,196,500
Miscellaneous	166,400	186,000
Total Operating Revenues	\$ 53,650,922	\$ 54,433,191
CAPITAL AND OTHER SOURCES:		
Other Sources	10,879,559	13,405,778
Total Other Sources	\$ 10,879,559	\$ 13,405,778
SUBTOTAL REVENUES	\$ 64,530,481	\$ 67,838,969
INTERFUND TRANSACTIONS:		
Interfund Charges	8,200,300	7,792,139
Interfund Transfers	10,617,639	8,572,201
Total Rev/Other Sources/Interfund	\$ 83,348,420	\$ 84,203,309
TOTAL SOURCES	\$ 121,663,297	\$ 111,132,284



All Funds - Uses

Expenditures for all funds total \$78.18 in 2023 and \$73.81M in 2024. Operating expenditures total \$48.69M in 2023 and \$49.32M in 2024 while other uses total \$29.49M in 2023 and \$24.49M in 2024. Public safety (police, criminal prosecution and municipal court) account for \$28.6M or 59% of total operating expenditures in 2023 and \$28.9M or 59% in 2024.

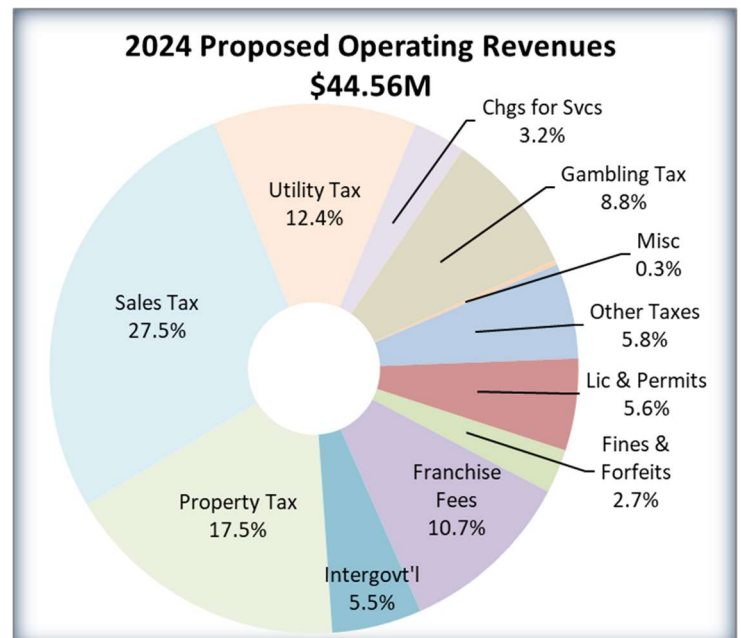
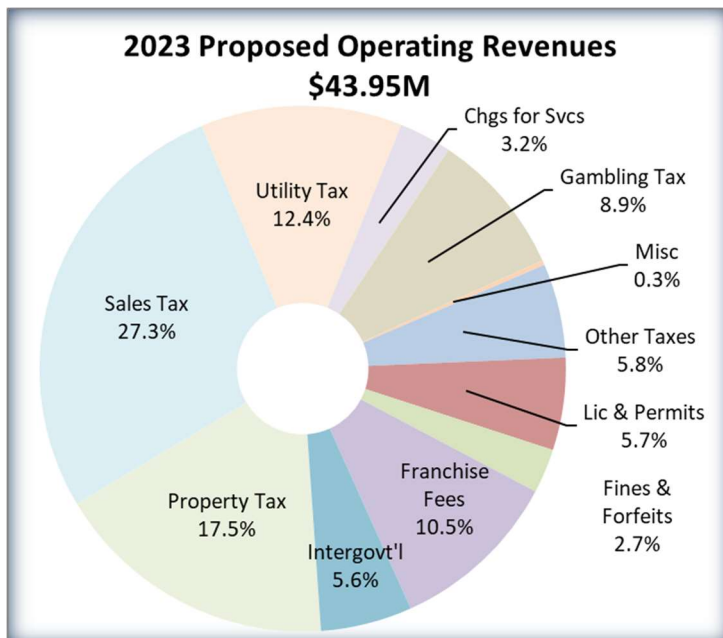
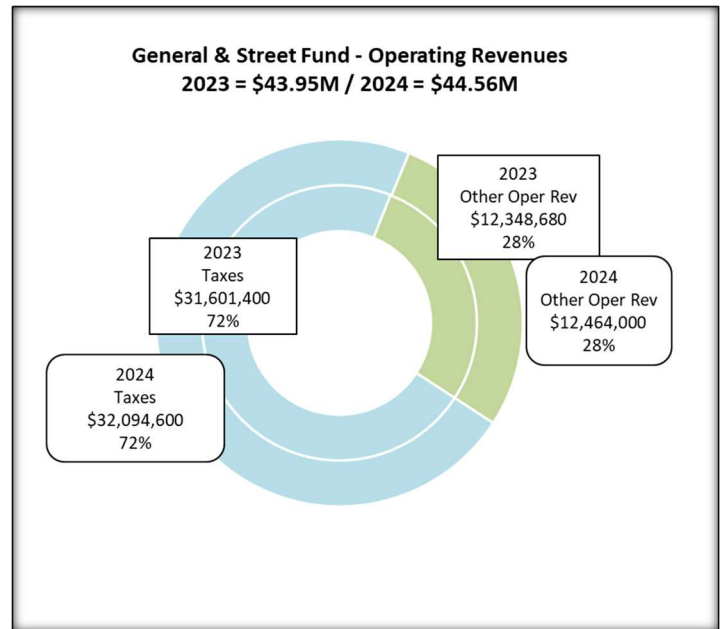
Item	2023 Proposed	2024 Proposed
OPERATING EXPENDITURE:		
City Council	\$ 159,609	\$ 159,609
City Manager	943,313	966,845
Administrative Services	2,679,825	2,717,969
Non-Departmental	732,065	744,065
Comm & Economic Dev	3,611,727	3,760,911
Parks, Rec & Comm Svcs	5,538,979	5,597,069
Public Works	4,125,002	4,183,550
Legal	2,554,836	2,562,219
Municipal Court	1,493,471	1,524,353
Police	26,850,297	27,101,475
Total Operating Expenditures	\$ 48,689,124	\$ 49,318,065
OTHER USES:		
Operating Grants/One-time Uses	9,070,202	8,074,497
Debt Service	3,734,815	3,711,196
Capital Improvements	16,687,315	12,705,872
Total Other Uses	\$ 29,492,332	\$ 24,491,565
SUBTOTAL EXPENDITURES	\$ 78,181,456	\$ 73,809,630
INTERFUND TRANSACTIONS:		
Interfund Services	5,935,229	5,946,089
Interfund Transfers	10,617,639	8,572,202
Total Interfund Transactions	\$ 16,552,868	\$ 14,518,291
Total Exp/Other Uses/Interfund	\$ 94,734,324	\$ 88,327,921
Changes in Fund Balance	\$ (11,385,904)	\$ (4,124,612)
ENDING FUND BALANCE:	\$ 26,928,973	\$ 22,804,362
TOTAL USES	\$ 121,663,297	\$ 111,132,284



General & Street Fund - Sources

Revenues total \$44.23M in 2023 and \$44.84M in 2024. Operating revenues total \$43.95M in 2023 and \$44.56M in 2024 while other sources total \$282K in 2023 and \$282K in 2024. Taxes (sales tax, property tax, utility tax, gambling tax, admissions tax, and other taxes) account for 72% of operating revenues in 2023 and 72% in 2024.

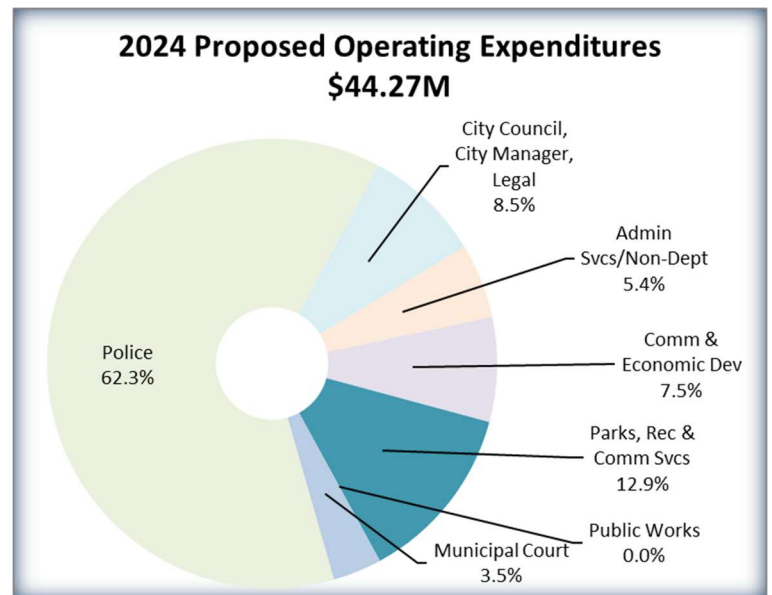
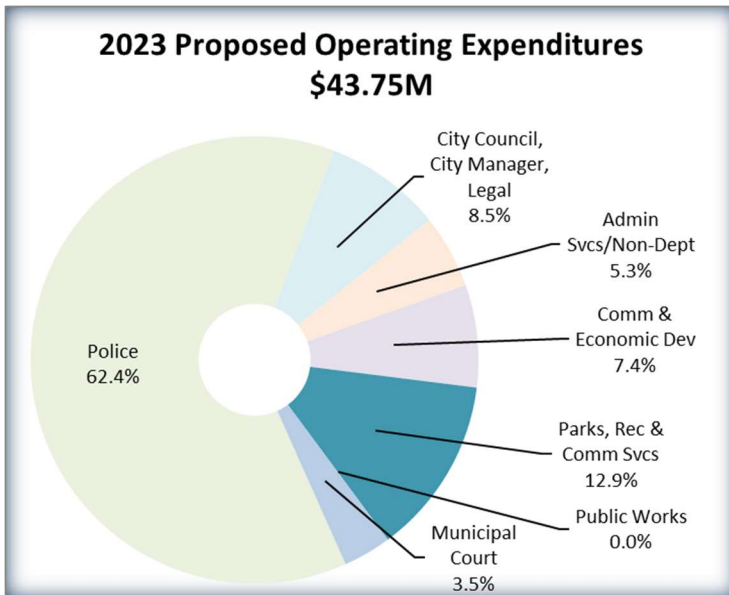
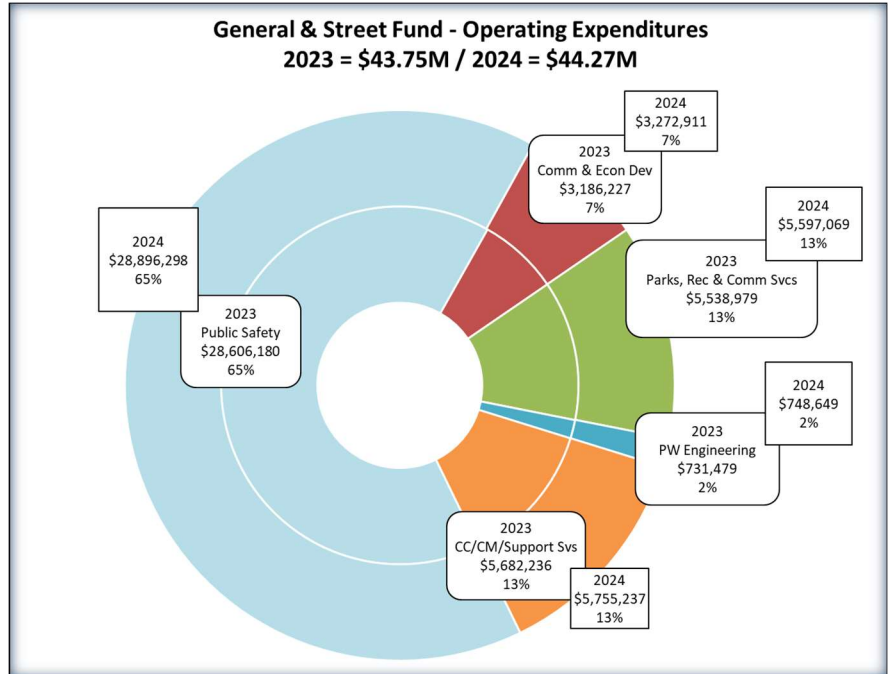
Item	2023 Proposed	2024 Proposed
BEGINNING FUND BALANCE	\$ 15,837,013	\$ 11,165,658
OPERATING REVENUE:		
Property Tax	7,703,900	7,804,100
Sales Tax	12,000,000	12,240,000
Utility Tax	5,442,300	5,542,100
Gambling Tax	3,910,200	3,910,200
Other Taxes	2,545,000	2,598,200
Licenses & Permits	2,497,000	2,502,600
Franchise Fees	4,630,200	4,769,000
Intergovernmental	2,471,280	2,447,100
Charges for Services	1,426,300	1,426,300
Fines & Forfeits	1,196,500	1,196,500
Miscellaneous	127,400	122,500
Total Operating Revenues	\$ 43,950,080	\$ 44,558,600
CAPITAL AND OTHER SOURCES:		
Other Sources	282,550	282,550
Total Other Sources	\$ 282,550	\$ 282,550
SUBTOTAL REVENUES	\$ 44,232,630	\$ 44,841,150
INTERFUND TRANSACTIONS:		
Interfund Transfers	3,095,703	2,262,797
Total Rev/Other Sources/Interfund	\$ 47,328,333	\$ 47,103,947
TOTAL SOURCES	\$ 63,165,346	\$ 58,269,605



General & Street Fund - Uses

Expenditures total \$47.17 in 2023 and \$46.55M in 2024. Operating expenditures total \$43.75M in 2023 and \$44.27M in 2024 while other uses total \$3.42M in 2023 and \$2.28M in 2024. Public safety (police, criminal prosecution and municipal court) accounts for \$28.61 or 65% of operating expenditures in 2023 and \$28.90M or 65% in 2024.

Item	2023 Proposed	2024 Proposed
OPERATING EXPENDITURE:		
City Council	159,609	159,609
City Manager	943,313	966,845
Administrative Services	1,554,825	1,592,969
Non-Departmental	732,065	744,065
Comm & Economic Dev	3,186,227	3,272,911
Parks, Rec & Comm Svcs	5,538,979	5,597,069
Public Works	731,479	748,649
Legal	2,554,836	2,562,219
Municipal Court	1,493,471	1,524,353
Police	26,850,297	27,101,475
Total Operating Expenditures	\$ 43,745,101	\$ 44,270,164
OTHER USES:		
Operating Grants/One-time Uses	3,424,604	2,282,523
Total Other Uses	\$ 3,424,604	\$ 2,282,523
SUBTOTAL EXPENDITURES	\$ 47,169,705	\$ 46,552,687
INTERFUND TRANSACTIONS:		
Interfund Transfers	4,829,983	4,242,854
Total Interfund Transactions	\$ 4,829,983	\$ 4,242,854
Total Exp/Other Uses/Interfund	\$ 51,999,688	\$ 50,795,541
Changes in Fund Balance	\$ (4,671,355)	\$ (3,691,594)
ENDING FUND BALANCE:	\$ 11,165,658	\$ 7,474,064
TOTAL USES	\$ 63,165,346	\$ 58,269,605



General Fund Ending Fund Balance

The General Fund ending fund balance totals \$11.17M in 2023 \$7.47M in 2024 meets the 12% target reserves established as follows:

Fund Balance	2023 Proposed	2024 Proposed
Total General/Street O&M Funds	\$ 11,165,656	\$ 7,474,061
2% Contingency Reserves	884,696	896,866
5% General Fund Reserves	2,211,739	2,242,165
5% Strategic Reserves	2,211,739	2,242,165
Economic Development Set Aside	2,000,000	2,000,000
Unreserved	3,857,483	92,865

- **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. The City Council will determine how the Contingency Reserves are spent.
- **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.

The City's fiscal policy requires ongoing expenditures to be funded with ongoing revenues, therefore, beginning fund balance from prior year are primarily used for one-time and/or capital purpose.

Debt Management

In April 2019, Standard & Poor's Ratings Services (S&P) assigned its AA long-term bond rating to the City's new 2019 bond issue and affirmed its AA long-term bond rating on the City's outstanding general obligation debt. S&P specifically noted the City received this rating due to its robust economy, good management practices, strong financial policies, strong budgetary performance, very strong budgetary flexibility, very strong liquidity, and very strong debt and contingent liability profile.

The issuance of the new rating combined with the affirmation of the existing AA long-term rating is an extraordinary achievement for the City. In 2014 S&P upgraded the City's rating from A to AA-. This was followed by an upgrade in 2018 to AA. Over a four-year period, the City's bond rating jumped three steps skipping A+ and going directly to AA. The AA bond means that the City will experience lower financing costs by attracting a broader range of investors. This is a very positive affirmation of the City's effectiveness in managing its financial resources.

Existing General Government debt service is comprised of a promissory note issued in 2005 in support of 59th Street roadway improvements, councilmanic general obligation bonds (GO bonds) issued in 2009 in support of constructing a new police station, LOCAL funding for the City's LED streetlight retrofit program, GO bonds issued between 2019 and 2021 in support of five major transportation capital improvement projects that are being repaid with real estate excise tax (REET) funds and GO bonds that will be issued in 2023 to finance six additional major transportation capital improvement projects that are being repaid from the transportation benefit district (\$20 vehicle license fee).

Annual General Government supported debt service payments will total \$2,521,978 in 2023 and \$2,517,754 in 2022, which is 5.8% and 5.7% of general fund operating revenue, respectively.

The City does have other debt, specifically four outstanding Public Works Trust Fund loans (PWTFLL) in support of sewer extensions into the Tillicum and Woodbrook neighborhoods that are financed with an assessment on all Lakewood sewer accounts. In 2021, the City issued surface water revenue bonds to finance the storm drainage element of upcoming transportation projects.

In addition, the City has two outstanding local improvement districts (LIDs) that were established to help finance street improvements. LID debt obligations are repaid through the collection of assessments from adjacent property owners.

The following table provides an overview of the City's Outstanding Debt Service in the Proposed 2023-2024 Biennial Budget.

Outstanding Debt Service					
Description	Issue Date	Amount Issued	2023	2024	Final Maturity
59th Street	4/30/2005	\$ 1,071,000	\$ 77,000	\$ 77,000	4/30/2024
Police Station-Refunding	4/19/2016	1,884,032	213,581	210,981	12/1/2028
LOCAL LED Streetlight Retrofit	3/24/2015	1,460,000	156,400	154,775	12/1/2027
Transportation Projects	5/8/2019	17,600,000	1,239,997	1,239,998	12/1/2041
Transportation Projects-TBD \$20 VLF	3/1/2023	11,600,000	835,000	835,000	12/1/2043
Subtotal General Government		33,615,032	2,521,978	2,517,754	
Sewers-PWTFLL (PW-04-691-PRE-132)	7/7/2005	593,864	30,309	30,012	7/7/2024
Sewers-PWTFLL (PW-06-962-022)	9/18/2006	5,000,000	300,372	298,899	9/18/2026
Sewers-PWTFLL (PW-08-951-025)	3/1/2008	1,840,000	107,147	106,627	7/1/2028
Sewers-PWTFLL (PW-12-851-025)	6/1/2012	500,000	37,322	37,144	6/1/2031
Subtotal Sewers-PWTFLL		7,933,864	475,150	472,682	
Storm Water Revenue Bonds	10/16/2021	4,028,365	500,995	500,995	12/1/2030
Subtotal Storm Water Utility		4,028,365	500,995	500,995	
LID 1108 (street improvements)	1/1/2008	880,000	11,374	-	12/1/2023
LID 1109 (street improvements)	3/2/2020	922,757	225,318	219,765	3/1/2033
Subtotal LID's		1,802,757	236,692	219,765	
Total Debt Service		\$ 47,380,018	\$ 3,734,815	\$ 3,711,196	

Capital Improvement Funds

It is critical that adequate funding be dedicated to maintain aging infrastructure. The 2023 and 2024 capital budget, which includes parks, transportation, and sewers, amounts to \$22,646,627 and \$16,554,342, respectively. It is a reflection of an allocation of resources that have been identified as a high priority goal by the Lakewood City Council.

Funding in support of parks and transportation is a combination of city, county, state and federal grants coupled with dedicated City capital revenue such as fuel taxes, transportation benefit district funds, real estate excise taxes (REET), and storm water fees (SWM).

This budget continues a General Fund contribution that totals \$700,000 in both 2023 and 2024 in support of transportation projects and provides another \$690,000 for 2023 and \$940,000 for 2024 in support of parks projects. These monies coupled with other dedicated monies provide the critical leverage needed to effectively compete and be awarded millions in grant funds for much needed infrastructure improvements.

Parks Capital Fund

Between 2015 and 2022, the City will have completed or initiated 45 park improvement projects totaling almost \$25 million at a number of City parks to include Fort Steilacoom Park, Springbrook Park, Harry Todd Park and Wards Lake Park. Park CIP projects are heavily supported by grants and other partnerships. Park improvement investments are proposed to continue in the 2023-2024 biennium.

Funding totaling \$4,080,000 (includes grants and state capital budget awards) is allocated in support of 11 park improvements projects plus project support for 2023 and 2024 as outlined in the following table.

Proposed Park Projects		2023	2024
1	Park Equipment Replacement	\$ 20,000	\$ 20,000
2	Park Playground Resurfacing	15,000	15,000
3	Project Support	175,000	180,000
4	Edgewater Park	75,000	-
5	Wards Lake Park: Phases 2 and 3	75,000	1,775,000
6	Oakbrook Park	100,000	-
7	Park Sign Replacement Program	120,000	-
8	Playground Replacement	110,000	125,000
9	Nisqually Tribe Partnership Project	50,000	200,000
10	Harry Todd Pickleball Courts	150,000	550,000
11	Fort Steilacoom Park Pavilion Acoustics	50,000	-
12	Fort Steilacoom Park ADA & Overflow Parking	25,000	250,000
Total		\$ 965,000	\$ 3,115,000
** Funding contingent upon anticipated grants & state capital budget.			

Park projects include:

- Parks Equipment Replacement and Playground Resurfacing: This budget provides funds to support the replacement of park and playground equipment to include picnic tables, drinking fountains, benches, damaged playground pieces and required playground fall material and resurfacing. Funds are also used for Eagle Scout and other community projects that occur throughout the year.
- Edgewater Park: This one acres linear park is relatively undeveloped. A draft master plan was recently completed, however, right-of-way issues were discovered that may impact future development and parking. This project will begin design as outlined in the master plan and allow the City the opportunity to seek grants in the 2024 state funding cycle to implement improvements in 2025 and 2026.
- Wards Lake Park Improvements, Phases 2 and 3: Wards Lake Park is located in the Northeast neighborhood area of Lakewood. Since incorporation, the City has utilized a variety of funding sources totaling approximately \$2 million to purchase several parcels of contiguous land to make up the Wards Lake Park property. At over 26 acres,

Wards Lake is an amazing natural setting in a densely populated area. Phase 1 property acquisition is in negotiation and site improvements are in permitting with construction expected to occur in 2023 and 2024. Phase 2 improvements are anticipated to occur in 2025/2026 followed by Phase 3 in 2027/2028. Elements of Phase 2 may occur in conjunction with Phase 1 for efficiency. Phase 2 improvements will continue to enhance upland forest and native oak-prairie habitat areas, protect critical wetland areas, provide new access to the site and greater connectivity throughout the park, replace the restroom, create active nature play areas, create a new neighborhood park at the south corner of the site, add picnic shelters and a BMX track to bring new use to the park and enhance safety throughout the area.

Oakbrook Park Improvements: This park is located in the northwest neighborhood area of Lakewood and is the only neighborhood park in this area. In 2019 the playground was replaced. The neighborhood worked on an updated site plan and in 2023 project improvements will include the addition of a picnic shelter, perimeter walking path, sport court, site furnishings, landscaping and fencing.

- Park Sign Replacement Program: This program is proposed to replace and upgrade park entry signs with more modern signs at 11 City parks starting in 2023. Parks identified in 2023 are Fort Steilacoom Park (new Angle Lane entrance), Harry Todd Park, and American Lake Park and Springbrook Park followed by Wards Lake Park, Active Park and Oakbrook Park in 2024 and Kiwanis and First Lions Park, Washington Park, Primley Park and Edgewater Park in 2025.
- Playground Replacement: This program moves forward the replacement of playgrounds that typically have a life span of 15-20 years as identified in the Legacy Plan. The playground identified for replacement in 2023 is at Active Park followed by Lake Louise School Park (or other CPSD partnership site) in 2024, Washington Park in 2025 and Fort Steilacoom Park in 2026.
- Nisqually Tribe Partnership Project: The City and the Nisqually Tribe are engaged in a partnership project at Fort Steilacoom Park that will highlight the Nisqually Indian Tribes history and culture. This heritage project will include the installation of interpretive signage, art and gathering areas. The various improvements will inform park visitors of the Nisqually Tribe's vibrant past and also note the important work the Tribe is currently doing in our community. Improvements are planned at the following areas:
 - Plaza Area: a new sign will be added to the kiosk and benches with tribal artwork located in the plaza area near the off-leash dog-park and Waughop Lake parking lot. The sign may include historic territory map, land acknowledgement statement, photos and introduction to the Nisqually Tribe.
 - Interpretive Markers: Educational information will be placed along the 1.7 mile Nisqually Loop Trail located within the park and may include markers, artwork and other types of interpretive information to include Lushootseed language, traditional and important flora and fauna located at the park along with past and current seasonal and cultural practices.
 - Chief Leschi Trailhead: The new trailhead area located at the south side of the park was identified 12 years ago on our Discovery Trail signs as the location to tell the Chief Leschi story. A new kiosk sign, artwork (which may include a sculpture) and other site amenities such as carved or steel back benches displaying tribal artwork will honor the past and present legacy of Chief Leschi and the Nisqually Indian Tribe.
- Harry Todd Pickle Ball Courts: This project will convert the aging and underutilized above ground skate park and 50-year old tennis courts at Harry Todd Park into four pickle ball courts. Two of the courts will be ADA accessible and adjacent to ADA parking.
- Fort Steilacoom Park Pavilion Acoustics: Based on current use, it is recommended that acoustic treatments are needed to improve the use of the space for meetings and events.
- Fort Steilacoom Park ADA and Overflow Parking: This project provides for an improved parking area in the underutilized space near the barns to provide needed ADA parking for Pavilion use as well as expanded parking to accommodate the increased use of the park given the number of activities and special events that occur here each year.

The following is a list of grants and state capital budget requests totaling \$2,700,000 million that have been applied for and requested to support the 2023-2024 parks capital improvement budget.

Park Project	Grant Type	Grant Amount	Project Cost	Application Date	Notification Date
Wards Lake Park Phase 2	LWCF	\$ 1,250,000	\$ 2,500,000	Summer 2022	Spring 2023
Wards Lake Park Phase 2	WWRP	500,000	2,500,000	Summer 2022	Spring 2023
Wards Lake Phase 2 BMX Track	YAF	350,000	700,000	Summer 2022	Spring 2023
Harry Todd Park Pickle Ball Courts	YAF	350,000	600,900	Summer 2022	Spring 2023
Fort Steilacoom Park	State Capital Budget	250,000	300,000	Winter 2023	Spring 2023
TOTAL		\$ 2,700,000			
LWCF Legacy: Land and Water Conservation Fund					
WWRP: Washington Wildlife and Recreation Program (state)					
YAF: Youth Athletic Fund (state)					

Transportation Capital Fund

Between 2015 and 2022, the City will have completed or initiated 86 transportation improvement projects totaling over \$115 million including pavement preservation, pavement overlays, street and sidewalk improvements, traffic signals, neighborhood safety, and LED streetlights.

For the upcoming biennium, the City is expected to invest another \$24,075,000. The following table illustrates this commitment. This budget includes funding in support of 17 transportation improvement projects plus project support totaling \$14,921,000 for 2023 and \$9,154,000 in 2024.

Proposed Transportation Projects		2023	2024
1	Streetlights: New LED Lights	\$ 180,000	\$ 180,000
2	Safety: Neighborhood Traffic Safety/Traffic Calming	25,000	25,000
3	Minor Capital & Major Maintenance	260,000	260,000
4	Chip Seal Program: Local Access Roads	360,000	360,000
5	Streets: South Tacoma Way, 88th to 80th St (Construction)	4,083,000	-
6	Streets: Nyanza Road SW (Design)	-	450,000
7	Streets: Hipkins Road; 104th to Steilacoom Blvd (Construction)	3,276,000	-
8	Pedestrian Crossing Signal: 84th St at Pine St Intersection (Construction)	878,000	-
9	Streets & Sidewalks: CPHS 112th St Sidewalks Gravelly Lake Dr to Highland Ave	654,000	-
10	Overlay and Sidewalk: Custer Rd; Steilacoom Blvd to 500' west of Bridgeport	38,000	125,000
11	Streets & Sidewalks: Steilacoom Blvd; 87th to Weller (ROW and Construction)	-	5,030,000
12	Streets & Sidewalks: Ardmore/Whitman/93rd (Construction)	3,027,000	-
13	Overlay: South Tacoma Way; 96th to Steilacoom Blvd	55,000	946,000
14	Streets & Sidewalks: Interlaaken; 112th to Washington Blvd (Design)	-	190,000
15	Streets & Sidewalks: Idlewild Road SW; Idlewild School to 112th SW	52,000	468,000
16	Streets & Sidewalks: 112th St SW; Idlewild Road SW to Interlaaken Drive SW	49,000	441,000
17	Streets & Sidewalks: Farwest Drive; 112th St to 91st St CT SW (Construction)	1,337,000	-
18	Personnel, Engineering & Professional Services	647,000	679,000
Total		\$ 14,921,000	\$ 9,154,000

Transportation improvement projects include:

- Streetlights -- New LED Lights: The City will continue to invest in street lights each year. It is anticipated that all neighborhoods will have new LED streetlights by 2024.
- Safety -- Neighborhood Traffic Safety/Traffic Calming: This annual program provides funding to make minor capital improvements to include traffic studies, community outreach, signage, pavement markings, radar feedback signs, speed humps, and engineering to improve safety in neighborhoods.
- Minor Capital and Major Maintenance: This annual program allows the City to take a proactive approach in support of pavement patching, street paint striping, roadway markings, and driveway and sidewalk panel replacement.

- Chip Seal Program (2023): The chip seal program will be spread out north-south along areas between 100th St SW and 112th St. SW and east-west between Lake Steilacoom and Lakeview Avenue SW. Some patching and crack sealing will be done ahead of the chip seal application.
- Chip Seal Program (2024): The chip seal program will be spread out north-south along areas between Mt Tacoma Drive SW and 108th St. SW and east-west between Gravelly Lake Drive and South Tacoma Way. Some patching and crack sealing will be done ahead of the chip seal application.
- Streets -- South Tacoma Way, 88th to 80th St. (Construction): This project, which is 0.28 miles, is the construction to provide for curb, gutter, sidewalks, bike lanes, continuous 2-way left turn lane, street lighting, signal upgrades, patching, overlay, and associated storm drainage improvements.
- Streets: Nyanza Road SW (Design): This project will complete the shared use path around Gravelly Lake and close the loop from I-5 to the Lakewood Towne Center. It totals approximately 5,400 lineal feet of new road surface, curb, gutter, sidewalks, shared use path, illumination, storm water, and associated traffic signal or roundabout improvement for the north end of Nyanza.
- Streets: Hipkins Road; 104th to Steilacoom Blvd. (Construction): This project will complete curb, gutter, sidewalks, asphalt overlay, and storm drainage improvements; approximately 2,000 lineal feet was completed many years ago to slow traffic in this corridor. This project will connect these improvements to improve pedestrian and non-motorized access along this roadway.
- Pedestrian Crossing Signal: 84th St. at Pine St. Intersection (Construction): This project will install a pedestrian crossing signal to include pedestrian scale lighting, marked crosswalks, pedestrian crossing advance bar, audible pedestrian signal, pedestrian countdown signal, leading pedestrian intervals, sidewalk with curb, ADA curb ramp retrofits, and bike lanes.
- Streets & Sidewalks: Clover Park High School, 112th St. Sidewalks Gravelly Lake Drive to Highland Ave: This project will install sidewalk, curb, gutter, ADA curb ramp retrofits, bike lane, pedestrian lighting, school speed zone flashing beacons and signage along one side of the road between Gravelly Lake Drive and Highland Avenue SW, a length of approximately 1,850 feet.
- Overlay and Sidewalk: Custer Road; Steilacoom Blvd. to 500' west of Bridgeport: This project will consist of roadway surface improvements, curb, gutter, sidewalks, streetlights, and storm drainage improvements.
- Streets & Sidewalks: Steilacoom Blvd; 87th to Weller (ROW and Construction): This project will add sidewalks and bike lanes from 87th to Weller Road. Improvements include curb, gutter, sidewalks, bike lanes, right turn pocket, street lighting, storm drainage, and pavement patching and asphalt overlay.
- Streets & Sidewalks: Ardmore/Whitman/93rd (Construction): This project, which will connect Steilacoom Blvd. to the Colonial Plaza and Lakewood Towne Center will add sidewalk, curb, gutter and an asphalt overlay.
- Overlay: South Tacoma Way; 96th to Steilacoom Blvd: This project will provide an asphalt overlay along this corridor to include upgrading sidewalk ramps to conform to current ADA standards.
- Streets & Sidewalks: Interlaaken; 112th to Washington Blvd. (Design): This project will construct sidewalks along this corridor to include curb, gutter, storm drainage, streetlights and an asphalt overlay.
- Streets & Sidewalks: Idlewild Road SW; Idlewild School to 112th Street SW: This project will construct sidewalks on the west side of Idlewild from the Idlewild Elementary School to 112th Street SW and include curb, gutter, storm drainage, streetlights, and an asphalt overlay.

- Streets & Sidewalks: 112th Street SW; Idlewild Road SW to Interlaaken Drive SW: This project will construct sidewalk along this corridor to include curb, gutter, storm drainage, streetlights, a raised crosswalk at Idlewild and 112th, and an asphalt overlay
- Streets & Sidewalks: Farwest Drive; 112th Street to 91st Street CT SW (Construction): This sidewalk, curb and gutter in-fill project along the westside of Farwest Drive will also install pedestrian lighting, road reconfiguration (diet), ADA curb ramp retrofits, and bike lanes.

This budget proposal does not include funding for which the City has applied, but not yet received. The following is a list of those grants (e.g., safe routes to schools, transportation improvement board) totaling \$4.56 million in support of 5 projects.

Transportation Project	Grant Type	Grant Amount	Project Cost	Application Date	Notification Date
South Tacoma Way & 92nd Street Traffic Signal	TIB	\$ 884,800	\$ 1,106,000	Aug 2022	Dec 2022
Streets: Union Avenue; W Thorne Lane to Spruce Street	TIB	500,000	4,589,000	Aug 2022	Dec 2022
112th Sidewalks; Northside Farwest to Holden	SRTS	1,129,700	1,129,700	Jun 2022	Jan 2023
Streets: 100th Street; 59th to South Tacoma Way	TIB	1,362,369	3,139,000	Aug 2022	Dec 2022
John Dower Sidewalk; eastside, school to 75th	SRTS	687,745	759,246	Jun 2022	Jan 2023
TOTAL		\$ 4,564,614			

The City is also partnering with Sound Transit specific to the Lakewood Station Access Improvements Project, which is funded by Sound Transit funds totaling \$44 million (\$2019). The following is the list of the 11 proposed projects; there are 7 Tier 1 projects and 4 Tier 2 projects.

Tier 1 projects:

1. 112th from GLD to Bridgeport
2. 115th St Ct SW
3. 47th Ave, Pac Hwy to Clover Creek
4. Kendrick St SW, 111th to 108th St SW
5. Clover Creek Drive connections to City infrastructure
6. New York Ave SW/McCord Drive SW, Pacific Highway S to Bridgeport
7. Lincoln Ave, McCord to San Francisco

Tier 2 projects (funding availability):

1. San Francisco from Bridgeport to I-5 boundary
2. Chicago Ave from McCord Ave SW to I-5 boundary
3. Boston Ave from McCord Ave SW to I-5 boundary
4. McCord Ave and 47th across Bridgeport

Earlier this year, the Sound Transit Board expressed support for the projects and approved a motion for consultant support services for the next phase of the project. The next phase of work is the environmental work, which is underway. The expectation is that Sound Transit will complete all the SEPA work and then proceed with design. The City is positioning itself to do the design and construction management work on Sound Transit's behalf similar to how the City managed and took the lead with the 111th/112th road construction project.

Sound Transit will be working to begin releasing funds in 2024 so the design work can proceed. The only real question is can the funding go beyond the Tier 1 projects and into the Tier 2 list of projects as outlined above. Project implementation would begin in 2024 at the earliest with completion estimated to be by 2030.

Any grant awards and project would need to be included as part of a future budget adjustment process.

Sewer Capital Fund

The 2023 and 2024 sewer utility capital budget totals \$1,357,000 and \$353,400, respectively.

Proposed Sewer Utility Projects		2023	2024
1	Side Sewer CIPs	\$ 50,000	\$ 50,000
2	Rose Rd. & Forest Rd. Sewer Extension	1,074,000	90,000
3	Wadsworth, Silcox & Boat St. Sewer Extension	287,000	2,000,000
4	Grant Ave. & Orchard St. Sewer Extension	-	40,000
5	Program Administration	35,000	35,000
Total		\$ 1,446,000	\$ 2,215,000

Sewer capital projects include:

- Side Sewer Capital: These financial resources are set aside to design and construct side sewers to the sewer system in the Tillicum and Woodbrook neighborhoods. This program is set up as a loan program with costs paid back by property owners.
- Rose Road & Forest Road Sewer Extension: This project will construct the extension of existing sanitary sewer mains from the Portland Avenue/Rose Road intersection approximately 1,050 feet northwest to the 15400 block of Rose Road; from the 8900 block of Forest Road approximately 480 feet north and west to the intersection of Forest and Rose; and from Portland Avenue/Forest Road intersection approximately 720 feet to the 15200 block of Fern Street. Total new sewer line footage is 2,250 feet. Once completed, this sewer extension will make sanitary sewer service available to 59 properties which consist of 46 residential properties and 13 multi-family properties.
- Wadsworth, Silcox & Boat Street Sewer Extension: This project will design (construction to occur in 2025) the extension of sanitary sewer mains from the Portland Avenue/Wadsworth Street intersection approximately 630 feet north and west to the 15100 block of Boat Street; extend a force main from the 15100 block of Silcox Drive approximately 420 feet to the Boat Street/Wadsworth Street intersection; install a pump station in the 15100 block of Silcox Drive right of way; extend sewer main from the Portland Avenue/W Thorne Lane intersection approximately 840 feet to the 15100 block of Silcox Drive; extend sewer main from the 15100 block of Boat Street approximately 250 feet to the Boat Street/Silcox Drive intersection; extend sewer from the W Thorne Lane/Silcox Drive intersection approximately 720 feet to the 14300 block of W Thorne Lane; extend sewer from the W Thorne Lane/Woodlawn Street approximately 300 feet to the 14800 block of Woodlawn Street. Total new sewer line totals 2,740 feet of gravity line and 420 feet of force main. Once completed, this sewer extension will make sanitary sewer service available to 61 properties which consist of 60 residential properties and one commercial property. The residential properties are comprised of 40 single family properties and 20 multiple dwelling units ranging from 2 to 8 units per property. Total number of dwelling units for the 61 properties is approximately 122.
- Grant Avenue & Orchard Street Sewer Extension: The project will extend existing sanitary sewer mains from the Grant Ave./ Orchard St. intersection approximately 850 feet northeast to the 14800 block of Grant Ave.; from the Grant Ave./Berkeley St. intersection approximately 380 feet southwest to the 15500 block of Grant Ave; from Grant Ave./Orchard St. intersection approximately 340 feet to the 8400 block of Orchard St; and from the Orchard St./Union Ave. intersection approximately 310 feet northwest to the 8300 block of Orchard St. Total new sewer line footage is 1,880 feet. Road improvements will include new pavement, curb, gutter and sidewalk, and a new storm drainage system. Once the sanitary sewer system is operational is will make service available to 28 properties. 18 of the properties are single family. 9 of the properties have multiple dwelling units ranging from 2 to 6 units per property. 1 property contains the child care center located on the grounds of Tillicum Elementary. Total number of dwelling units for the 28 properties is 39.

Storm Water Utility Fund

The 2023 and 2024 Surface Water Management (SWM) Utility Fund amounts to \$9,124,630 and \$8,240,149, respectively, and includes both a maintenance operating and construction component. This budget continues to implement a storm water management program that meets the requirements of the NPDES Phase II permit.

Proposed Storm Water Utility Projects		2023	2024
1	Waughop Lake Treatment	\$ 250,000	\$ -
2	Clover Creek Streambank Restoration Study	135,000	-
3	2023 Drainage Pipe Repair Project (Construction)	340,000	-
4	2024 Drainage Pipe Repair Project (Design and Construction)	38,000	357,000
5	2025 Drainage Pipe Repair Project (Design)	-	40,000
Subtotal Storm Water Utility Projects		763,000	397,000
6	American Lake Management District	32,637	31,043
7	Transfer Out -- Transportation CIP	751,330	155,000
Total		\$ 1,546,967	\$ 583,043

Storm Water Utility capital projects include:

- Waughop Lake Treatment: This project will treat Waughop Lake to minimize future hazardous algae blooms. Tasks will include on-going monitoring, reporting and permitting through the Washington State Department of Ecology.
- Clover Creek Streambank Restoration Study: This project will evaluate alternatives to restore the streambank along Clover Creek from 47th Avenue SW to Bridgeport Way. Much of the existing streambank is covered with invasive weeds. Other areas have high erosion potential due to limited ground cover.
- 2023, 2024 and 2025 Drainage Pipe Repair Project (Construction): This project will design and construct the repair work needed on storm drain pipe and culverts city-wide. Repair locations will be based on pipe ratings as determined during video inspections.
- In addition, the City will continue with its support of the American Lake Management District that was formed in 2019. And as illustrated in the table above, the SWM Utility Fund also provides funding in support of transportation construction projects with a storm water element. This capital funding totals \$751,330 in 2023 and \$155,000 in 2024, which is consistent with SWM investments in recent years.

Internal Service Funds

The 2023 and 2024 Internal Service Funds amounts to \$15,003,336 and \$14,657,845, respectively. This budget includes four internal service funds: Fleet & Equipment, Property Management, Information Technology and Risk Management. The purpose of these funds is to account for all costs associated with operating and maintaining the City's vehicles, equipment, City owned facilities, information systems, and risk management functions.

The benefits of internal service funds include: measuring the full cost of the goods or services in order to attain greater economy, efficiency, and effectiveness during the acquisition and distribution of common goods and services used by the operating departments as well as facilitating the equitable sharing of costs among departments served. In order to achieve these benefits, costs are charged back to the departments that use services on a cost reimbursement basis.

The following is a summary of the vehicle and equipment replacements in the 2023/2024 biennial budget.

Proposed Fleet & Equipment Acquisitions		2023	2024
1	Replace police vehicles (17)	\$ 1,196,800	\$ -
2	Replace police vehicles (14)	-	985,600
3	Vehicle Mounted In-Car Video System for vehicle replacements	340,000	280,000
4	Replace O&M vehicle (2)	113,000	-
5	Replace O&M vehicle (1)	-	65,000
6	Replace Equipment (salt spreader, gator turf painter, trailers)	57,500	21,000
7	New Equipment (Tommy Lift, gator and grader attachment)	18,500	20,000
Total		\$ 1,725,800	\$ 1,371,600

This table outlines the projects that are included in the 2023/2024 property management biennial budget. These improvements are consistent with the six-year property management plan developed in mid-2016 and ensure the preservation and maintenance of City-owned facilities.

Proposed Property Management Projects		2023	2024
1	City Hall: Boiler and Chiller/Fan Replacement	\$ 230,000	\$ 130,000
2	City Hall: Plaza Improvements	50,000	-
3	Police Station: Parking Lot Gate Repair and Replacement	40,000	-
4	Police Station: Investment Grade Facility Audit	-	50,000
5	Police Station: Impound Yard Fencing Security	50,000	-
6	O&M Facility: Fuel Tank Replacement, Paving of Washdown Station & Perimeter	170,000	-
7	City Buildings & Facilities: City Parking Lot Improvement Program	5,000	5,000
Total		\$ 545,000	\$ 185,000

As outlined in the following table, new information technology programs and system upgrades are also included in the biennial budget. These items are consistent with the *Information Technology Plan* and also build upon deferred information technology projects that were funded beginning in 2014 and include computer, laptop and telephone system replacement.

This budget includes funding in support of continued replacement and updating of the City's information technology hardware and software systems. The budget also includes resources to expand wireless access points throughout the City providing additional Wi-Fi services for public access. And the budget includes funds to expand video surveillance cameras to provide law enforcement visibility at locations such as parking lots, high crime areas and City parks. The budget also provides funds to ensure cyber-security systems are in place to include awareness training for city personnel.

A key information technology that was funded as part of previous biennial budgets and currently underway is the implementation of a document management system and workflow system that will manage all City documents electronically to support the City transitioning to paperless. This builds upon the paperless systems that were previously implemented in support of the Municipal Court Department and Legal Department.

Proposed Information Technology Investments		2023	2024
1	Additional Wireless Access Points (WiFi)	\$ 20,000	\$ -
2	Expand Video Surveillance	-	50,000
3	Server/Hardware Upgrades	-	6,000
4	Computer Replacement	100,000	100,000
5	SAN Implementation (Storage Area Network)	-	35,000
6	Cyber Security	-	50,000
7	Copier Replacements	35,000	-
Total		\$ 155,000	\$ 241,000