

CITY OF LAKE FOREST PARK | cityoflfp.com
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Proposed 2021-2022 Biennial Budget

General Government, Utilities, Capital, and Enterprise Funds

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Mayor
Jeff R. Johnson

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Mark Phillips
E. John Resha III
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TO: Lake Forest Park City Council

FROM: Jeff Johnson, Mayor

RE: MAYOR'S BUDGET MESSAGE – 2021-2022 Preliminary Budget
STANDING STRONG...

When I made the decision to run for a second term as Mayor, I knew that it would be filled with unique challenges following the passage of I-976 and the serious implications this would have on our streets maintenance budget; the planned Sound Transit Bus Rapid Transit project and associated parking garage; and the exciting challenges of upcoming capital improvement projects, including the L60 culvert replacement, SR104 roundabout, and the newly acquired Lake Front property. Yet, no one could have anticipated the challenges that we now face, with an ongoing pandemic, economic instability, and a nation acutely aware of the systemic racism permeating society.

Several aspects of the future before us are uncertain, but I am proud to say that we are in a good position to weather the challenges ahead. As we prepare for this next biennium, we anticipate revenue reductions of up to 12% and have reduced expenditures accordingly.

The staff and I look forward to working with the City Council as we embark on one of the most challenging budgeting processes in our lifetime, and throughout this upcoming biennium as we navigate uncharted waters. This budget will be one of the most fluid during the upcoming biennium, and we will need to be flexible to ensure that we continue to provide great service to the community. Lake Forest Park has much to offer, and many great opportunities in the future, and while many things are uncertain, we can position this City for great accomplishments on the other side.

Introduction:

The budget before the City Council is balanced, with the General Fund utilizing ending fund balance as a result of revenues being forecasted cautiously. There are a few expenditures, that will be necessary during the upcoming biennium that would cause expenditures to exceed revenues, but we will need to evaluate future revenues before those are approved. There is only one enhancement included in the proposed budget for additional Tasers, as the Police Department is currently limited to seven (7) serviceable Tasers.

The City has maintained healthy cash balances during this biennium and our goal in bringing forward this proposed budget was to do so with minimal reliance on those

funds. Every budgeted fund with a minimum fund balance target is projected to start and end the biennium with a fund balance meeting the targets set by policy.

In putting together the budget, I have tried, with varying degrees of success, to emphasize the things needed to take care of Lake Forest Park during these uncertain times. The budget is very lean in all aspects, while providing the funding necessary to keep core functions intact and provide, to the best of our ability, the services our resident deserve and expect. I am proud to say that this budget also includes sustained funding for our service providers. Now, more than ever, their services are vital to the success and health of our community.

In the following sections of this message, I will describe the programs of the City and highlight efforts to move the City forward. With limited exceptions, this budget is put together by preserving existing levels of service. Hang in there. It takes a lot of pieces to put together a city and its budget, and the state law requires that I describe them.

GENERAL FUND

It has been noted before that the General Fund is the workhorse of the City Budget, funding the majority of employee positions. The following is a department by department recap, in the order in which the departments appear in the budget. The services provided by each department are best described in the narrative at the beginning of each departmental budget. The following sections cover the highlights.

Revenues: General Fund revenue highlights are few. This is a substantially tax-dependent Fund and taxes tend to grow slowly, if at all. This budget includes adjusting the property tax by the one percent (1%) increase that can be voted by Council. Sales tax is trending fairly close to normal, even in these unusual times. Passport fees were on a decided upward trend ahead of the Pandemic, but the future of those revenues is uncertain at this time. Traffic camera fees were meeting projections through March 2020, but due to stay home orders and increased work from home, are significantly below projections with no true understanding of how, or when, they may recover. The purpose is still to influence driver behavior and reduce collisions, and that still happens at a net gain to the budget.

Executive: This department has the Mayor, City Administrator and Human Resources Director. The 2021-22 budget provides \$30,000 professional services allocation for a labor negotiator. It also continues the state legislative advocate services for a biennial cost of about \$30,000. We live in an area where billions of dollars are allocated and spent regionally, in addition to the state and federal level.

Council: This budget year-in and year-out is almost identical. This budget does reduce professional services allocations due to limited fund availability.

Finance & Information Technology: The main change under the finance department for the upcoming biennium is that the City was notified last year that the City would need to start budgeting for an *annual* accountability audit in addition to an annual financial audit. That is an increase of an additional \$26,000. The Information Technology (IT) services are overseen by Finance. The IT Manager's salary and

benefits are paid from the General Fund, but the IT budget of annual contract payments and hardware & software repairs and replacements are all paid from the Replacement Fund.

Municipal Services: The communications program continues to receive increased attention, thanks in part to the introduction of the e-newsletter. As we near the Real ID deadline, many were opting for passports for their travels (resulting in many renewals), making our passport revenue a plus for the budget. However, due to the ongoing Pandemic, this service has not been provided since late March and will not be again until Phase 3 at the earliest, but even then, at a much slower pace. This department also continues to respond to increasing amounts of public records requests and provide support to the Mayor, Council and City Administrator.

Legal: Legal services will exceed the 2020 budget, with litigation and public records costs and one-time negotiations as leading factors. No increase for the biennium is included, as these negotiated contracts are long term.

Municipal Court: Several line items have been increased slightly to keep up with changing needs and legal requirements.

Police: The City continues to focus on public safety by funding critical support items for our police department, which in the past biennium included; in-car digital cameras, evidence processing equipment, and cloud storage capacity. As we have moved through this biennium, we found the need from a technology standpoint and safety standpoint to pivot away from the in-car cameras to body worn cameras. This is currently a work in progress. In the upcoming biennium, I have included an enhancement for new department tasers, the only enhancement in this budget, as the department is currently conducting business with only 7 serviceable tasers.

Community Services: This is a budgetary department that has a partial position to support committee, task force and commission work; oversees the community partner contracts; and supports community outreach elements of environmental and waste reduction programs. We continue to have very successful “Picnic in the Park” and other community events. This budget also maintains funding levels for our community partners.

Planning & Building: The department continues to experience a high level of complex land use permit activity. Planning staff is integral to implementation of the Town Center Vision and will still be expected to provide quality counter service every day of the week and back up Building staff when they are not available. In addition to supporting the update of the Town Center Zoning Regulation and Design Guidelines, a number of other critical code updates need to be taken care of during the biennium, including sign regulations, wireless communications and an update to the Tree Canopy study.

Parks & Facilities: A very important part of our City is the health and maintenance of our parks and facilities. Our parks and streetscapes were in need of additional funding so that they could continue to be a source of pride in the community. Included in the last biennium were enhancement dollars for parks and streetscapes. Unfortunately, due to the current economic conditions, this program will not be able to be continued during

this next biennium. The one bright spot moving forward is, the Administration continues working to secure funds for the purchase of the Lake Front Property, expected to close no later than December 2021.

OTHER FUNDS

Public Works & Engineering: Streets, Surface Water, and Sewer are separate funds. They are kept at current levels of service. Parks & Facilities are General Fund departments staffed and managed by Public Works and are described above. During this biennium roughly \$700,000 will be invested in the design of replacement projects for the L80-L100 culverts. We will also continue the study of the grade separated crossing between City Hall and the Burke Gilman trail. The main focus for Public Works, at least for the first half of this biennium, will be to maintain our assets with very limited funds available.

Capital Improvement Program: The CIP often drives the efforts for infrastructure improvement, and for parks and facilities. Funding sources such as REET 1 & 2, Surface Water and Sewer fees result in projects budgeted in the Capital Improvement Fund; Transportation Capital; Sewer Capital; and Surface Water Capital. As noted above, a number of projects have been identified. Several projects now included in the CIP came out of the Safe Streets and Safe Highways planning efforts. You will notice that most of these items show funding allocations coming from “Grants” as placeholders for funding purposes. While both of those line items do not currently have a dedicated funding source, this allows us to prioritize future projects in order to pursue funding options.

Replacement Fund: This fund was created to make vehicle, equipment replacement, and computer replacement much more routine to align with best practices. The replacement fund is budgeted at 50% for the 21-22 biennium due to the financial pandemic challenges, except for annual contracts. The one item to note is that the City has recently reevaluated the life expectancy for light fleet vehicles and has increased the years the vehicles are in use from 7 to 10 years due to a review on maintenance costs.

OVERVIEW

2021-2022

PROPOSED BUDGET

- ☐ Budget Overview
- ☐ Community Profile
- ☐ Organizational Chart
- ☐ Financial Organizational Chart
- ☐ Financial Policies, Summary
- ☐ Budget Process

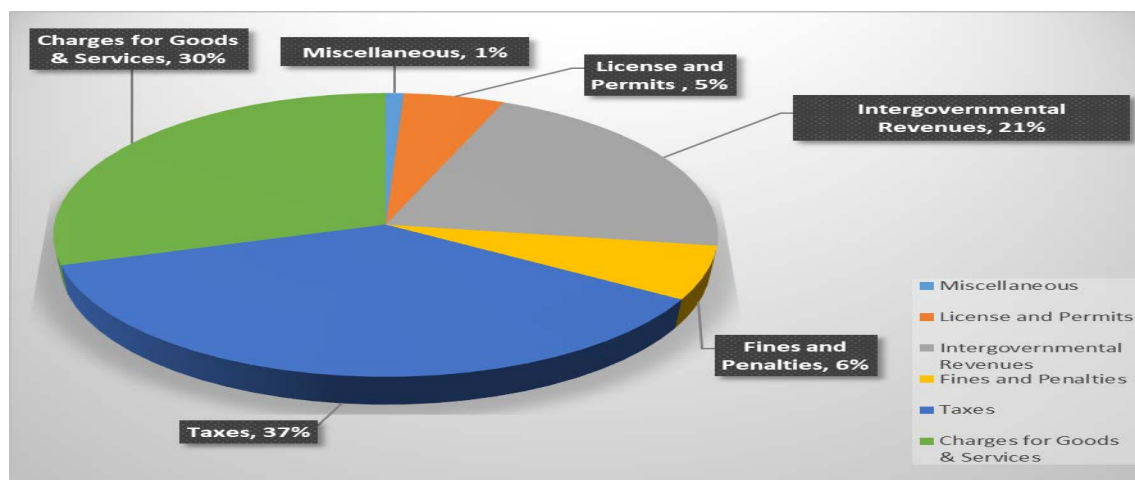
BUDGET OVERVIEW

The Mayor's Proposed 2021-2022 Biennial Budget (the Budget) is comprised of 17 funds with total budgeted revenues of \$43,227,262 and budgeted expenditures of \$44,617,223.¹ The City is projected to begin the 2021-2022 biennium with a beginning fund balance of \$16,439,595 for all funds. The projected ending fund balance at the end of the 2021-2022 biennium is \$15,049,634 for all funds. The 2021-2022 budget is aligned with, and makes investments in, the priorities and goal areas identified in the City of Lake Forest Park Strategic Plan. The budget is balanced consistent with the definition in the Comprehensive Financial Management Policies (Financial Policies). Also, the budget maintains fund balances in excess of the minimum fund balance targets found in the Financial Policies for all budgeted funds.

BUDGETED REVENUES

Each of the City's revenues is categorized into one of six revenue types: taxes, licenses and permits, intergovernmental revenues, charges for goods and services, fines and penalties, and miscellaneous.

Citywide Revenue, All Funds



Taxes, which includes property and real estate taxes, sales tax, business tax, utility tax and franchise fees, among others, is projected to be the largest total revenue in the 2021-2022 budget with over \$15 million in revenue for the biennium. The second largest budgeted revenue type is charges for goods and services, the budgeted value of over \$11.3 million. Charges for goods and services include utility revenues and other user fees. Intergovernmental revenues are projected to be the third largest revenue source during the biennium budgeted at \$9.5 million of projected revenue; intergovernmental revenues are primarily state shared revenues and grants. Fines and penalties are budgeted to be the fourth largest revenue source at just over \$2.5 million, this revenue is primarily attributable to traffic

¹ Budgeted revenues and expenditures include amounts budgeted for inter-fund services, but are exclusive of amounts budgeted for transfers between operating and capital funds.

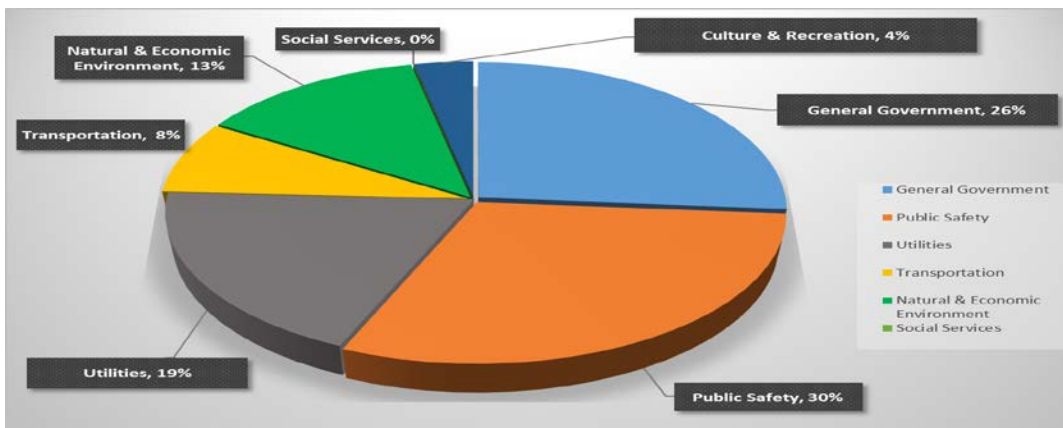
BUDGET OVERVIEW

safety camera fines. Licenses and permits and miscellaneous revenues round out the revenue picture for the biennium with \$2.17 million and \$387,000 projected, respectively. Revenue projections for the biennium are conservative for the 2021-2022 budget due to the revenue impacts from the worldwide pandemic, commonly known as Covid-19.

BUDGETED EXPENDITURES

Each of the City's expenditures is classified into one of eight expenditure categories: general government, public safety, utilities, transportation, natural and economic environment, social services, culture and recreation and miscellaneous. The largest spending category during the 2021-2022 biennium is public safety, with budget expenditures of almost \$9.7 million. The second largest expenditure category is general government, with budgeted expenditures of nearly \$8.4 million for the biennium. Next largest is utilities, with over \$6.1 million, followed by natural and economic environment with over \$4.1 million. Transportation is budgeted at nearly \$2.5 million. Culture and recreation is budgeted over \$1 million and social services is budgeted at \$8,400. Miscellaneous expenditures are not budgeted in the 2021-2022 biennium.

Citywide Expenditures by Category, All Funds



Nearly all operating expenditures are budgeted with modest increases, except healthcare benefits that continue to rise at a rate above inflation. Salaries for all employees, represented and non-represented, were originally proposed to be budgeted without a cost of living adjustment for both 2021 & 2022. However, the Teamsters Local #117 currently has a closed contract through December 31, 2021 that does include a cola for 2021 and declined the Administration's request to negotiate. The Council is adopting a proviso as part of the budget, that could be implemented if revenues perform stronger than projected. Cost of living adjustments for employees will be a top priority at the mid-biennial budget adjustment for 2022.

COMMUNITY PROFILE



GEOGRAPHY

The City of Lake Forest Park is located in north King County, Washington, just north of Seattle city limits along the shore of Lake Washington. The City's proximity to the major urban center of Seattle does not, however, define its character. Lake Forest Park is a community known for streets that meander along creeks, a dense tree canopy, and a green natural landscape that give the City a

tranquil suburban feel despite its proximity to Seattle.

Two highways travel through the City, SR 104 and SR 522, the highways carry thousands of commuters through the City daily, but do not significantly impact its character. The City is completely built out, meaning there are no unincorporated areas on or near its borders and very few undeveloped parcels in the City. Lake Forest Park shares borders with Seattle, Shoreline, Mountlake Terrace, Brier, and Kenmore. The City is approximately three and one-half square miles.

COMMUNITY HISTORY

Lake Forest Park was founded as a planned residential community in the early 1900s. At the time, points north of Lake Forest Park along Lake Washington were accessible only by boat and Lake Forest Park was at the end of the road that traveled north from Seattle. By 1914 a road had been built all the way around Lake Washington and Lake Forest Park was no longer at the end of the road. Single family residential development continued in the area known as Lake Forest Park and in 1961 the area known as Lake Forest Park incorporated as a City. The City continued to grow over the subsequent decades as a result of development and annexations of unincorporated areas along the City's borders. The most recent annexations occurred in the 1990s and are likely the last of the annexations as there are no significant unincorporated areas along the City's borders.

THE GOVERNMENT

Lake Forest Park utilizes the mayor-council form of government. This form of government is characterized by an elected Mayor, who is the chief executive of the executive branch of the local government. The Mayor is responsible for appointing department heads, those appointments are subject to confirmation by the City Council. The Mayor is responsible for the daily operations of the City.

The City Council is a seven-member elected body which is the legislative branch of government. City council members serve staggered four-year terms. The City Council is responsible for setting City policy, adopting the biennial budget, and for establishing short- and long-range goals and plans.

COMMUNITY PROFILE

The budget process is broken down into two distinct phases; phase one is the development of the Mayor's Proposed Budget, phase two is the council's deliberations on the budget. From a purely technical perspective, the two phases of the budget process are exclusive of one another. More about the budget process can be found in the section of this budget document titled "The Budget Process."

Lake Forest Park is considered a full-service local government as the City provides a full range of local government services including public safety, utilities, municipal court, and enterprise activities. Nearly all services are performed by employees, as opposed to contracted third parties. Operating departments of the City, in order of employee count, are as follows: Police, Public Works, Finance & IT, Planning & Building, Municipal Services, Municipal Court, Executive & HR, and Community Services. The City employs approximately 58 employees.

DEMOGRAPHICS ¹

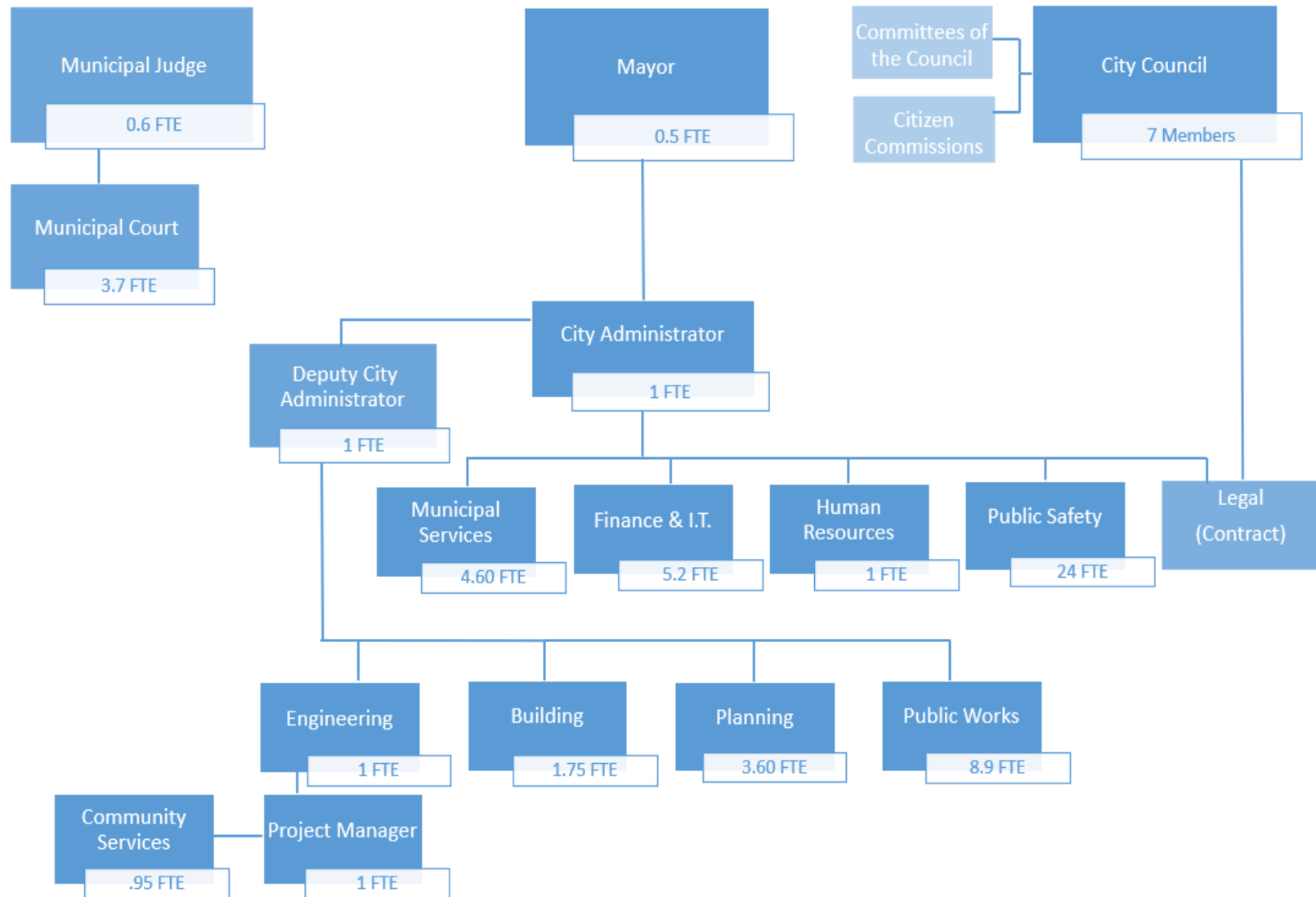
The 2010 Census found the population of Lake Forest Park to be 12,602, the adjusted 2019 population estimate is 13,504, which indicates a little over seven percent growth in nine years. In 2010 4.8% of the Lake Forest Park population was under the age of 5 and 15.1% was over the age of 65, slightly over 80% of the population was between the ages of 5 and 64. 83% of the Lake Forest Park population identified as white in the 2010 census; nearly 9% identified as Asian; almost 5% identified as two or more races; Hispanic, Black or African American, and Pacific Islander made up 3.6%, 1.8% and .2% respectively. The 2010 Census counted 5,183 housing units in the City, nearly 79% of which were owner occupied. The adjusted 2019 median household income in Lake Forest Park was \$111,234.

Comparative Statistics, Neighboring Cities

| | <u>Brier</u> | <u>Kenmore</u> | <u>Lake Forest Park</u> | <u>Mountlake Terrace</u> | <u>Seattle</u> | <u>Shoreline</u> |
|--|--------------|----------------|-----------------------------|------------------------------|----------------|------------------|
| Population, 2019 est. | 6,970 | 23,097 | 13,504 | 21,338 | 753,675 | 57,027 |
| Density (Population per Sq. Mile) | 2,859 | 3,327 | 3,569 | 4,909 | 7,251 | 4,541 |
| Housing Units, 2010 | 2,220 | 8,569 | 5,183 | 8,602 | 290,822 | 21,360 |
| Owner Occupied Housing Unit Rate | 92.7% | 72.5% | 79.3% | 55.2% | 46.1% | 63.9% |
| Median Value of Owner Occupied Housing Units | 454,700 | 526,200 | 559,000 | 352,700 | 605,200 | 452,100 |
| Median Household Income, 2016 est. | 122,623 | 105,007 | 111,234 | 72,765 | 85,562 | 80,489 |
| Percent in Poverty | 6.0% | 6.8% | 3.7% | 6.9% | 11.8% | 8.5% |
| Percent of 25 and Older with Bachelor's Degree or Higher | 42.5% | 57.3% | 57.9% | 34.8% | 62.8% | 48.0% |
| Total Retail Sales per Capita (2012) | 266 | 5,645 | 2,519 | 5,228 | 63,098 | 15,376 |

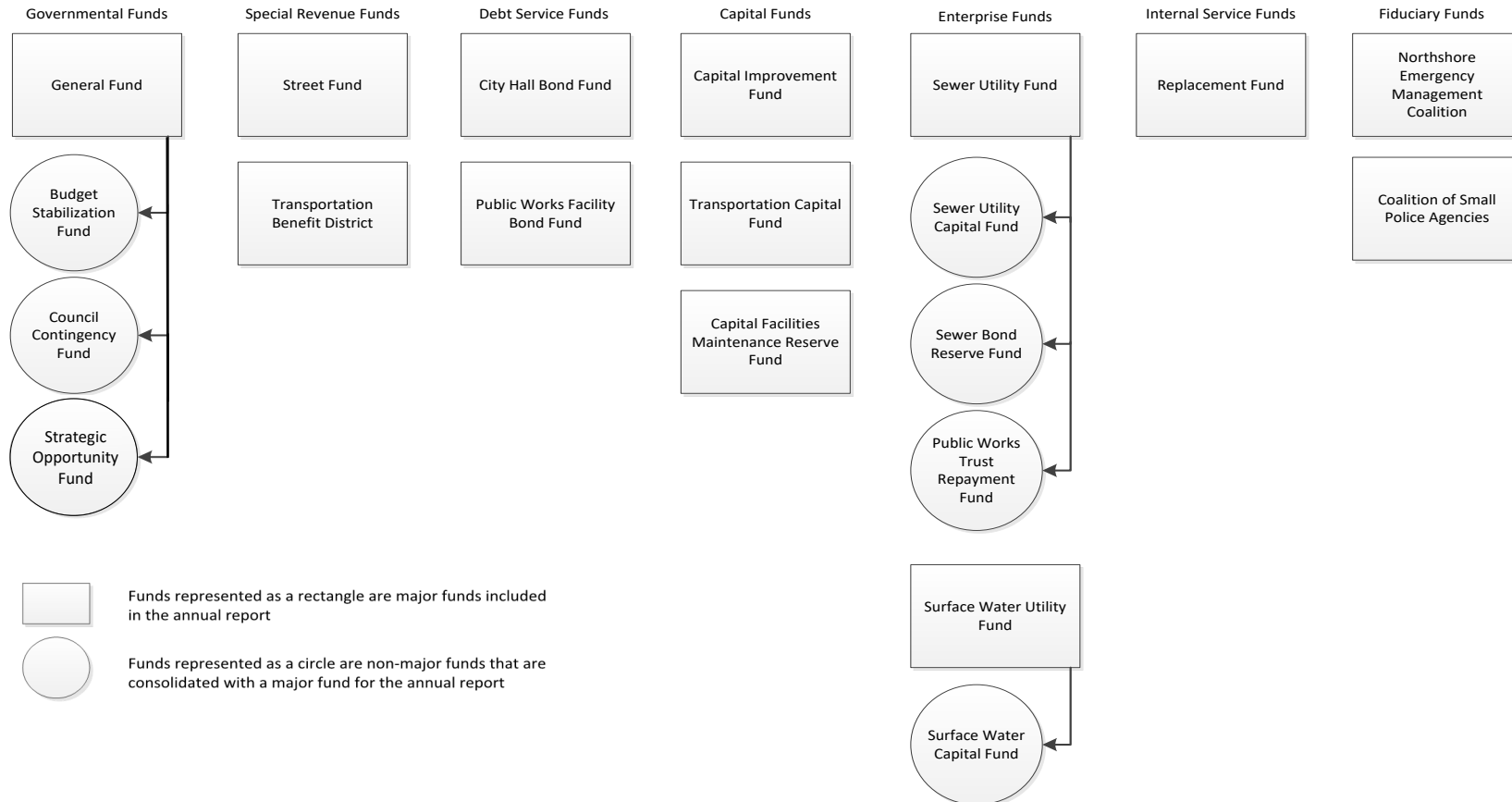
¹ Source of information is the United States Census Bureau www.census.gov

CITY OF LAKE FOREST PARK ORGANIZATION CHART



FINANCIAL ORGANIZATION CHART (FUND STRUCTURE)

The following chart displays the fund structure for Lake Forest Park and is organized by fund type. The fund structure is prescribed by the Washington State Budgeting and Reporting System (BARS) and bears no connection to the organizational structure.



SUMMARY FINANCIAL MANAGEMENT POLICIES

The Summary Financial Management Policies is a brief summary of the financial policies adopted by the City Council that directs the work of the administration for financial matters. The Comprehensive Financial Management Policies (the Policies) is the detailed document of financial policies; some of the matters addressed in the comprehensive policy are absent in this summary. The complete Comprehensive Financial Management Policies document can be found in the appendix.



Fund Accounting and the Budget Accounting and Reporting System

The City of Lake Forest Park (the City) utilizes fund accounting method of accounting and keeps its books and records on the cash basis of accounting. The City utilizes the Budget and Accounting Reporting System for Cash Basis Entities (BARS) published by the Washington State Auditor's Office for accounting and reporting matters. The use of fund accounting and BARS for accounting and reporting are dictated by State Statute. Appropriate internal controls will be designed and maintained to ensure the safeguarding of City assets and the quality of reporting.

Long Range Financial Planning

The primary tool for long range financial planning is the six-year financial forecast that includes projected revenue and expense for six years beginning on the first day of the current biennium. The six-year financial forecast is updated every year during biennial budget development or during the mid-biennial budget review and adjustment. The policies dictate the use of prudent assumptions in the development and updating of the six-year financial forecast.

Biennial Budget Development and Adoption

The City adopts a biennial, or two-year, budget in even numbered years. Biennial budgets begin on odd numbered years. Budgets are developed at the line item level of revenue and expense but are adopted at the fund level meaning that a single revenue and a single expense is adopted for each of the City's funds. The adopted budget includes a schedule of staff positions.

SUMMARY FINANCIAL MANAGEMENT POLICIES

The City budget implements City Council adopted goals and policies, long-range plans, the service choices for the community and revenue allocation policies of the Council. The Mayor working with his/her administration develops a “Mayor’s Proposed Budget” that is presented to the City Council for consideration of changes and adoption. The City Council may make any changes to the Mayor’s Proposed Budget that the Council desires and ultimately the City Council is responsible for adopting the final budget.

The Director of Finance is responsible for the management of the budget process and subsequent budget status reporting to departments and the City Administrator. Budget monitoring is the responsibility of departments, Department Directors, and the City Administrator.

Fund Balances and Reserves

The Policy establishes fund balance reserves for all of the City’s operating funds; for the purposes of the Policy operating funds are those with payroll expense. All operating funds have a minimum fund balance target of eight percent (8%) except as noted below.

- General Fund, 16%
- Street Fund, 16%
- Sewer Utility Fund, 16%
- Surface Water Utility, 16%

Minimum fund balance targets are calculated as a percentage of current year revenue, less identified one-time revenue. General Fund ending fund balance is calculated as the sum of ending fund balances in the General Fund, the Council Contingency Fund, and the Budget Stabilization Fund.

Revenues

The City will strive to maintain a diversified mix of revenues to provide for continuity and predictability of resources and to minimize the impacts of periodic economic cycles. Revenue forecasts will be prepared using prudent assumptions. One time revenues will be identified during budget development and in the six-year financial forecast. Grant revenue will be included in future resources when staff determines that the revenue is likely to be received.

Expenditures and Contracts

Department Directors have primary responsibility for purchasing and expenditures for their respective departments in accordance with the adopted budget and purchasing policy. Purchasing and contracting rules and requirements are contained in the purchasing policy and related legislation.

Expenditures are reviewed by a member of the City Council prior to the payment being released to the vendor, except in the case of a “prepaid batch” and/or payroll. A prepaid batch is a batch of checks that are paid in advance of City Council review due to the Council’s meeting schedule. Amounts paid in a prepaid batch are subject to the same purchasing policy and staff approval process as a normal check batch.

SUMMARY FINANCIAL MANAGEMENT POLICIES

Debt

Debt may be utilized to address short-term cash flow needs. Debt may also be used to finance significant capital or other obligations. The City Council is required to approve the issuance of debt. Debt will not be used to fund long-term revenue shortages.

Investments

The City will utilize the Washington State Local Government Investment Pool (LGIP) and the City's Bank as its primary investment vehicles. Both accounts are considered short-term investments meaning the funds can easily be deposited or withdrawn. These two accounts do accrue interest at a minimal level.

The City recently updated the Comprehensive Financial Management Policy expanding the investment option for longer-term investments using government agency bonds to assist in diversifying the City's cash. The change was made in response to a Council discussion around future resiliency.

All short-term and long-term investments fully comply with State law as allowable investments for City monies.

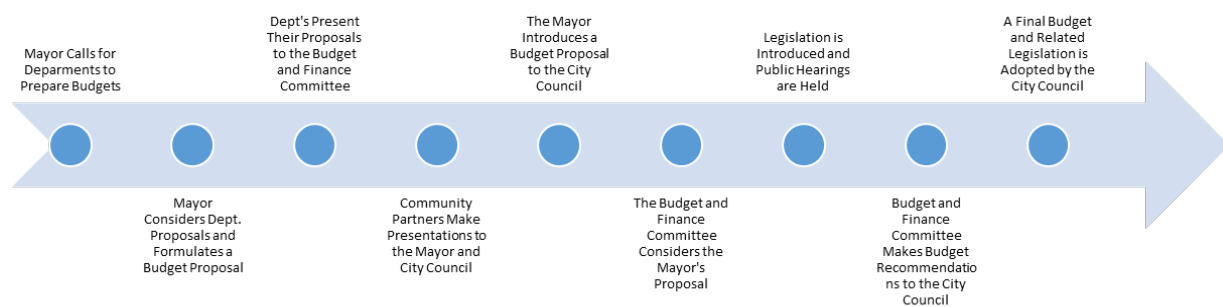
Assets

Fixed assets are defined as land, buildings, equipment, and improvements to existing fixed assets costing more than \$5,000 and having a useful life in excess of one year. Assets with a value or cost under \$5,000, but more than \$300 are defined as small and attractive assets. A Fixed Asset Policy and a Small and Attractive Asset Policy maintain accountability for the City's non-cash assets.

COMPLETE COMPREHENSIVE FINANCIAL MANAGEMENT POLICIES updated February 2020-
see appendix

THE BUDGET PROCESS

The City adopts a biennial, or two-year, budget in even numbered years. Biennial budgets begin in odd numbered years. In the simplest form, the budget process can be divided into two distinct phases, development of the Mayor's proposed budget and development of the City Council's budget. In actuality there are many steps in the process, the following is a summary of the various steps of the budget process followed by a description of the process to amend a budget.



PHASE ONE: DEVELOPMENT OF THE MAYOR'S PROPOSED BUDGET

Step One: The Budget Calendar

The budget process kicks off with the budget calendar. The Administration works with the Budget and Finance Committee to draft a budget calendar which assigns dates to each milestone in the budget process.

Step Two: Mayor Communicates Budget Priorities and Calls for Department Budget Requests

The Administration begins the budget process with the consideration of budget priorities; those priorities are subsequently communicated to departments. Next, the City Administrator instructs department heads to prepare a budget request for their respective department for the biennium. The Finance Department works with departments to prepare preliminary revenue estimates.

Step Three: Department Presentations to the Budget Team

The third step of the budget process is department presentations to the administration's budget team; the budget team consists of the Mayor, City Administrator, and Finance Director. This step of the process occurs when the Mayor is considering department budget proposals; department presentations help to inform the Mayor's decisions about the budget.

THE BUDGET PROCESS

Step Four: Creation of the Mayor's Proposed Budget

Next, the Mayor communicates to the Finance Department what to include in the Mayor's Proposed Budget. The Finance Department prepares the mayor's proposed budget and begins the exercise of balancing the budget.

Step Five: Mayor's Proposed Budget and Public Hearings on Budget Related Legislation

Step five of the budget process is the Mayor's presentation of the Mayor's Proposed Budget to the City Council at an open public meeting; historically public hearings on the proposed property tax levy, utility rates, and fees schedule have also been scheduled for the same open public meeting. The public hearings are continued to another open public meeting.

The City Council's deliberations on the budget officially start immediately after the Mayor releases his/her proposed budget. It should be noted that the Council is generally gathering data and considering the budget in advance of the official release of the Mayor's Proposed Budget.

PHASE TWO: DEVELOPMENT OF THE CITY COUNCIL'S BUDGET AND BUDGET ADOPTION

Step One: Studying the Mayor's Proposed Budget and Information Gathering

The second phase of the budget process kicks off with the City Council, sitting as the Budget and Finance Committee, studying the Mayor's proposed budget, asking questions, and gathering information. The Budget and Finance Committee also solicits feedback and information from the community in the form of public hearings and town hall meeting(s).

Step Six: Budget and Finance Committee Makes Budget Recommendations to the City Council

After review of the Mayor's Proposed Budget, consideration of the City Council's priorities and goals, and input from the community, the Budget and Finance Committee makes budget recommendations to the City Council.

Step Seven: City Council Deliberations, Finalize the Council's Budget

At this point the City Council works with Finance Department staff to create a final version of the budget and prepares the budget for adoption. Final public hearings must occur before the City Council calls for a vote on the budget.

Step Eight: Budget Adoption

The final step of the budget process is for the City Council to call for a vote to adopt the budget. The budget is adopted by majority vote of the City Council. Final public hearings and votes on the property tax levy rate, utility rates, and the fee schedule generally occur around the same time as the budget, but are technically subject to different timelines.

THE BUDGET PROCESS



AMENDING A BUDGET

Budgets are developed based on a set of predictions about the future. A City budget is a living document and since it is impossible to know what will happen in the future, adjustments to the adopted budget are frequently required once the budgetary period is underway. A formal change to an adopted budget is known as a budget amendment. An example is when a City receives a grant award. Budgets are adopted at the fund level, as opposed to the line-item or department level, and budget amendments are also made at the fund level.

Budget amendments originate with the Administration (the Mayor and staff) and must be passed by a majority of the City Council at an open public meeting. Budget amendments do not require public hearings and do not have specific timelines associated with them; however, they must be passed before the last day of the budgetary period to become effective for that adopted fiscal period.

FINANCIAL AND EMPLOYMENT INFORMATION

2021-2022

PROPOSED BUDGET

- ☐ Consolidated Financial Schedules
- ☐ Revenue Forecast
- ☐ Schedule of Fund Balances
- ☐ Budgeted Positions and Salary Schedule

CONSOLIDATED FINANCIAL SCHEDULES

The consolidated financial schedules display the budget in a format consistent with the Budgeting, Accounting, and Reporting System (BARS) and is consistent with the presentation of financial information in the City's annual financial statements.



The data presentation included in these schedules combines revenue and expenditure budget data into broad categories and/or functional areas allowing readers to see the budget data in a format that is easily understood at a glance. Similarly, the separate funds, or accounting entities, of the city are also consolidated based on fund type for ease of understanding. Fund categories are found in columns; revenue and expenditure information is found in rows.

The Four Year Consolidated and Fund Financial Schedule is presented in a comparative format and includes the actual results from 2019 and the projected results from 2020. The actuals may vary from the projections, as noted at the bottom of the Consolidated Financial Schedule.

CONSOLIDATED FINANCIAL SCHEDULES

| City of Lake Forest Park | | | | | | |
|--|------------|-----------------|-----------|----------------------|------------------|-------------|
| Consolidated Financial Schedule, Mayor's Proposed Budget | | | | | | |
| For the Biennium Ending December 31, 2022 | | | | | | |
| | Fund Type | | | | | |
| | General | Special Revenue | Capital | Enterprise / Utility | Internal Service | Total |
| Beginning Cash and Investments ¹ | | | | | | |
| Fund Balance, Reserved | 1,056,747 | 1,071,122 | 2,977,172 | 6,720,068 | 923,199 | 12,748,307 |
| Fund Balance, Unreserved | 3,691,288 | - | - | - | - | 3,691,288 |
| Total Beginning Cash and Investments | 4,748,034 | 1,071,122 | 2,977,172 | 6,720,068 | 923,199 | 16,439,595 |
| Operating Revenues | | | | | | |
| Taxes | 12,927,648 | 805,000 | 1,400,000 | 50,000 | - | 15,182,648 |
| License and Permits | 1,498,926 | 638,000 | - | 34,000 | - | 2,170,926 |
| Intergovernmental Revenues | 561,563 | 541,056 | 3,620,241 | 3,990,000 | - | 8,712,860 |
| Charges for Goods and Services | 996,710 | - | 912,022 | 9,705,977 | 558,920 | 12,173,629 |
| Fines and Penalties | 2,539,916 | - | - | - | - | 2,539,916 |
| Miscellaneous Revenue | 202,283 | 21,000 | 37,000 | 115,000 | 12,000 | 387,283 |
| Total Operating Revenues | 18,727,046 | 2,005,056 | 5,969,263 | 13,894,977 | 570,920 | 41,167,262 |
| Nonoperating Revenues | | | | | | |
| Debt Proceeds | - | - | - | - | - | - |
| Transfers-In | 500,000 | 310,000 | 350,000 | 900,000 | - | 2,060,000 |
| Custodial Activities | - | - | - | - | - | - |
| Other Resources | - | - | - | - | - | - |
| Total Nonoperating Revenues | 500,000 | 310,000 | 350,000 | 900,000 | - | 2,060,000 |
| Total Revenues | 19,227,046 | 2,315,056 | 6,319,263 | 14,794,977 | 570,920 | 43,227,262 |
| Operating Expenditures | | | | | | |
| General Government | 6,692,429 | 176,733 | 586,894 | 657,002 | 276,334 | 8,389,392 |
| Public Safety | 9,692,246 | - | - | - | - | 9,692,246 |
| Utilities | - | - | - | 6,134,982 | - | 6,134,982 |
| Transportation | - | 2,247,470 | 56,500 | - | 195,000 | 2,498,970 |
| Natural and Economic Environment | 2,188,745 | - | - | 1,973,296 | - | 4,162,041 |
| Social Services | 8,400 | - | - | - | - | 8,400 |
| Culture and Recreation | 1,066,785 | - | - | - | - | 1,066,785 |
| Total Operating Expenditures | 19,648,605 | 2,424,203 | 643,394 | 8,765,280 | 471,334 | 31,952,816 |
| Nonoperating Expenditures | | | | | | |
| Debt Service | - | - | - | 613,024 | - | 613,024 |
| Capital Expenditures | 8,500 | - | 4,774,650 | 4,817,000 | 331,233 | 9,931,383 |
| Transfers Out | 310,000 | - | 910,000 | 900,000 | - | 2,120,000 |
| Custodial Activities | - | - | - | - | - | - |
| Other Uses | - | - | - | - | - | - |
| Total Nonoperating Expenditures | 318,500 | - | 5,684,650 | 6,330,024 | 331,233 | 12,664,407 |
| Total Expenditures | 19,967,105 | 2,424,203 | 6,328,044 | 15,095,305 | 802,567 | 44,617,223 |
| Increase (Decrease) in Cash and Investments | (740,059) | (109,147) | (8,781) | (300,328) | (231,647) | (1,389,962) |
| Ending Cash and Investments | | | | | | |
| Fund Balance, Reserved | 1,056,747 | 961,975 | 2,968,391 | 6,419,740 | 691,552 | 12,098,405 |
| Fund Balance, Unreserved | 2,951,229 | - | - | - | - | 2,951,229 |
| Total Ending Cash and Investments | 4,007,975 | 961,975 | 2,968,391 | 6,419,740 | 691,552 | 15,049,633 |

¹ Beginning cash and investments are estimates, actual results may vary from the amounts contained in this schedule.

FOUR YEAR CONSOLIDATED AND FUND FINANCIAL SCHEDULE

| City of Lake Forest Park | | | | | | | | | | | | | | |
|--|------------|------------|-----------------|-----------|--------------|-----------|-----------|-----------|--------------------|------------|------------------|-----------|-------------|---|
| Four-Year Consolidated and Fund Financial Schedules, Mayor's Proposed Budget | | | | | | | | | | | | | | |
| For the Four Year Period Ending December 31, 2022 | | | | | | | | | | | | | | |
| Fund Type | | | | | | | | | | | | | | |
| | General | | Special Revenue | | Debt Service | | Capital | | Enterprise/Utility | | Internal Service | | Total | |
| | 2019-2020 | 2021-2022 | 2019-2020 | 2021-2022 | 2019-2020 | 2021-2022 | 2019-2020 | 2021-2022 | 2019-2020 | 2021-2022 | 2019-2020 | 2021-2022 | | |
| Beginning Cash and Investments ¹ | | | | | | | | | | | | | | Beginning Cash and Investments ¹ |
| Fund Balance, Reserved | 1,019,974 | 1,058,247 | 1,243,311 | 1,071,122 | - | - | 2,578,786 | 2,977,172 | 7,115,636 | 6,720,068 | 852,355 | 923,199 | 12,810,063 | Fund Balance, Reserved |
| Fund Balance, Unreserved | 4,078,519 | 3,689,788 | - | - | - | - | - | - | 336,194 | - | - | - | 4,414,713 | Fund Balance, Unreserved |
| Total Beginning Cash and Investments | 5,098,493 | 4,748,034 | 1,243,311 | 1,071,122 | - | - | 2,578,786 | 2,977,172 | 7,451,830 | 6,720,068 | 852,355 | 923,199 | 17,224,776 | Total Beginning Cash and Investments |
| | | | | | | | | | | | | | | |
| Operating Revenues | | | | | | | | | | | | | | Operating Revenues |
| Taxes | 12,545,246 | 12,927,648 | 426,060 | 805,000 | - | - | 1,701,011 | 1,400,000 | 49,663 | 50,000 | - | - | 29,904,627 | Taxes |
| License and Permits | 1,409,286 | 1,498,926 | 591,189 | 638,000 | - | - | - | - | 25,936 | 34,000 | - | - | 4,197,338 | License and Permits |
| Intergovernmental Revenues | 948,594 | 561,563 | 507,972 | 541,056 | - | - | 1,157,114 | 4,420,241 | 1,584,022 | 3,990,000 | - | - | 13,710,563 | Intergovernmental Revenues |
| Charges for Goods and Services | 983,738 | 996,711 | - | - | - | - | 112,022 | 112,022 | 9,512,073 | 9,705,977 | 602,104 | 558,920 | 22,583,567 | Charges for Goods and Services |
| Fines and Penalties | 2,763,379 | 2,539,916 | - | - | - | - | - | - | - | - | - | - | 5,303,294 | Fines and Penalties |
| Miscellaneous Revenue | 321,249 | 202,283 | 42,586 | 21,000 | - | - | 91,910 | 37,000 | 327,217 | 115,000 | 30,764 | 12,000 | 1,201,009 | Miscellaneous Revenue |
| Total Operating Revenues | 18,971,492 | 18,727,046 | 1,567,807 | 2,005,056 | - | - | 3,062,057 | 5,969,263 | 11,498,912 | 13,894,977 | 632,868 | 570,920 | 76,900,398 | Total Operating Revenues |
| | | | | | | | | | | | | | | |
| Nonoperating Revenues | | | | | | | | | | | | | | Nonoperating Revenues |
| Debt Proceeds | - | - | - | - | - | - | - | - | - | - | - | - | - | Debt Proceeds |
| Transfers-In | 518,042 | 500,000 | 250,000 | 310,000 | - | - | 300,000 | 350,000 | 1,400,000 | 900,000 | - | - | 4,528,042 | Transfers-In |
| Custodial Activities | 142 | - | - | - | - | - | - | - | - | - | - | - | 142 | Custodial Activities |
| Other Sources | 8,603 | - | - | - | - | - | - | - | - | - | 7,110 | - | 15,713 | Other Resources |
| Total Nonoperating Revenues | 526,787 | 500,000 | 250,000 | 310,000 | - | - | 300,000 | 350,000 | 1,400,000 | 900,000 | 7,110 | - | 4,543,897 | Total Nonoperating Revenues |
| Total Revenues | 19,498,279 | 19,227,046 | 1,817,807 | 2,315,056 | - | - | 3,362,057 | 6,319,263 | 12,898,912 | 14,794,977 | 639,978 | 570,920 | 81,444,295 | Total Revenues |
| | | | | | | | | | | | - | | | |
| Operating Expenditures | | | | | | | | | | | | | | Operating Expenditures |
| General Government | 6,626,297 | 6,692,429 | 173,281 | 176,733 | - | - | 192,717 | 586,894 | 850,608 | 657,002 | 340,768 | 276,334 | 16,573,064 | General Government |
| Public Safety | 9,509,811 | 9,692,246 | - | - | - | - | - | - | - | - | - | - | 19,202,057 | Public Safety |
| Utilities | - | - | - | - | - | - | - | - | 5,894,150 | 6,134,982 | - | - | 12,029,132 | Utilities |
| Transportation | - | - | 1,816,716 | 2,247,470 | - | - | 55,364 | 56,500 | - | - | 185,062 | 195,000 | 4,556,112 | Transportation |
| Natural and Economic Environment | 2,378,835 | 2,188,745 | - | - | - | - | - | - | 1,715,821 | 1,973,296 | - | - | 8,256,697 | Natural and Economic Environment |
| Social Services | 7,220 | 8,400 | - | - | - | - | - | - | - | - | - | - | 15,620 | Social Services |
| Culture and Recreation | 653,480 | 566,785 | - | - | - | - | 4,664 | - | - | - | - | - | 1,224,929 | Culture and Recreation |
| Total Operating Expenditures | 19,175,644 | 19,148,605 | 1,989,996 | 2,424,203 | - | - | 252,745 | 643,394 | 8,460,578 | 8,765,280 | 525,830 | 471,334 | 61,857,610 | Total Operating Expenditures |
| | | | | | | | | | | | | | | |
| Nonoperating Expenditures | | | | | | | | | | | | | | Nonoperating Expenditures |
| Debt Service | - | - | - | - | - | - | - | - | 602,054 | 613,024 | - | - | 1,215,078 | Debt Service |
| Capital Expenditures | 48,094 | 8,500 | - | - | - | - | 2,035,926 | 4,774,650 | 2,900,000 | 4,817,000 | 43,303 | 331,233 | 14,958,706 | Capital Expenditures |
| Transfers-Out | 375,000 | 310,000 | - | - | - | - | 675,000 | 910,000 | 1,668,042 | 900,000 | - | - | 4,838,042 | Transfers-Out |
| Custodial Activities | - | - | - | - | - | - | - | - | - | - | - | - | - | Custodial Activities |
| Other Uses | - | - | - | - | - | - | - | - | - | - | - | - | - | Other Uses |
| Total Nonoperating Expenditures | 423,094 | 318,500 | - | - | - | - | 2,710,926 | 5,684,650 | 5,170,096 | 6,330,024 | 43,303 | 331,233 | 21,011,826 | Total Nonoperating Expenditures |
| Total Expenditures | 19,598,738 | 19,467,105 | 1,989,996 | 2,424,203 | - | - | 2,963,672 | 6,328,044 | 13,630,674 | 15,095,305 | 569,133 | 802,567 | 82,869,436 | Total Expenditures |
| | | | | | | | | | | | | | | |
| Increase (Decrease) in Cash and Investments | (100,459) | (240,058) | (172,190) | (109,147) | - | - | 398,386 | (8,781) | (731,762) | (300,328) | 70,845 | (231,647) | (1,425,142) | Increase (Decrease) in Cash and Investments |
| | | | | | | | | | | | | | | |
| Ending Cash and Investments | | | | | | | | | | | | | | Ending Cash and Investments |
| Fund Balance, Reserved | 1,058,247 | 1,077,247 | 1,071,122 | 961,975 | - | - | 2,977,172 | 2,968,391 | 6,720,068 | 6,419,740 | 923,199 | 691,552 | 12,118,905 | Fund Balance, Reserved |
| Fund Balance, Unreserved | 3,689,788 | 2,930,729 | - | - | - | - | - | - | - | - | - | - | 2,930,729 | Fund Balance, Unreserved |
| Total Ending Cash and Investments | 4,748,034 | 4,007,976 | 1,071,122 | 961,975 | - | - | 2,977,172 | 2,968,391 | 6,720,068 | 6,419,740 | 923,199 | 691,552 | 15,049,634 | Total Ending Cash and Investments |
| | | | | | | | | | | | | | | |
| 1 Beginning cash and investments are estimates, actual results may vary from the amounts contained in this schedule. | | | | | | | | | | | | | | |

REVENUE

REVENUE POLICY

The City's Revenue Policy (the Policy) states that the City will strive to maintain a diversified mix of revenues to provide for continuity and predictability of resources and to minimize the impacts of periodic economic cycles.

The Policy continues that where the City has authority to set fees and charges, all such fees and charges should be adjusted to reflect inflation and cost of services and should be reviewed and reported to the Finance Committee on a periodic basis.

With respect to grant revenue, the policy states that grant revenue shall be included in the financial forecasts and biennial budgets when it is deemed likely by staff that the City will receive the grant award. Should planned or budgeted grant revenue not be received, offsetting expenditure reductions shall be implemented or alternative revenue sources shall be identified.

REVENUE FORECAST DEVELOPMENT

The City forecasts revenue for each line item of revenue expected to be received during the biennium. Each revenue is forecasted using one of three forecasting methods: the application of trend analysis, utilization of trusted economists' estimates, and actual amounts pledged by the funding agencies or programs.

Trend Analysis

Trend analysis is a method used to predict what will happen in the future based on what has happened in the past. The use of trend analysis begins by removing unusual or one-time events from prior period results. Next, an average of the prior period results is calculated, that average is the starting point for the forecast for future periods. If unusual, or one-time, events are expected in the upcoming periods, those items are added in; the result is the projected amount for the upcoming period. Trend analysis is used to forecast many types of revenue the City receives including utility taxes, permit fees, and revenue from franchise agreements.

Economists' Estimates

Many of the City's revenues projections are calculated by applying forecasts established by trusted sources to the City's data. King County and the City of Seattle publish a variety of forecasts established by their economists on a periodic basis. Since the City of Lake Forest Park is located within King County and borders the City of Seattle, Lake Forest Park can expect to have a similar experience as those entities. As such, staff utilizes the estimates established by those trusted economists to forecast several



REVENUE

revenue sources. Staff also, however, considers factors that are unique to the City of Lake Forest Park in its forecasts of these items.

Projections Based on Actuals

Several of the City's revenue sources are received from other governmental agencies, including the State of Washington. In many cases, the funding agency publishes the amount that the City will receive in advance of making payment of those amounts. When the funding agency publishes the amount of the future payment as either a lump sum, or an amount that is based on a known value, like population, the City refers to this type of projection as "actual". An example is Liquor Profits that are distributed by the State to cities based on population. The City forecasts Liquor Profit Revenue by multiplying the per capita distribution amount by the published population of Lake Forest Park, the result is the forecasted Liquor Profit Revenue.

The schedule on the following pages display revenue projections for the biennium and includes a column labeled "Method". The method column indicates which projection method described in the preceding narrative was used to project the revenue for the biennium; "T" represents trend analysis, "E" represents economists' estimates, and "A" represents projections based on actuals.

| Revenue Forecast | | | |
|--------------------------------|--------|----------------------------|-------------------------|
| | Method | | |
| Description | | <u>2019-2020 Projected</u> | <u>2021-2022 Budget</u> |
| <u>GENERAL FUND</u> | | | |
| TAXES | | | |
| Property Tax | T | 6,559,692 | 6,830,442 |
| Sales and Use Tax | T | 2,344,110 | 2,360,626 |
| Local Criminal Justice / State | T | 776,383 | 764,224 |
| Business Tax | A | 766,580 | 771,400 |
| Solid Waste Collection Tax | T | 247,532 | 253,334 |
| Utility Tax | T | 811,469 | 840,000 |
| Sea. City Light Contract Fee | T | 1,021,465 | 1,090,922 |
| Leasehold Excise Tax | A | 1,850 | 3,700 |
| Admission Tax | T | 16,164 | 13,000 |
| TOTAL TAXES | | 12,545,246 | 12,927,648 |

REVENUE

| Revenue Forecast | | | |
|--------------------------------|--------|----------------------------|-------------------------|
| | Method | | |
| Description | | <u>2019-2020 Projected</u> | <u>2021-2022 Budget</u> |
| <u>GENERAL FUND</u> | | | |
| LICENSES AND PERMITS | | | |
| Cable Television Franchise Fee | T | 415,052 | 409,800 |
| Telecommunication Franchise | T | 5,000 | 5,000 |
| Business Licenses | T | 137,520 | 135,909 |
| Construction Permits | T | 477,037 | 550,000 |
| Land Use Permits | T | 176,413 | 180,000 |
| Plumbing Permits | T | 33,497 | 50,000 |
| Mechanical Permits | T | 68,068 | 78,000 |
| Concealed Weapon Permit / City | T | 2,938 | 2,718 |
| Development Tech. Surcharge | T | 41,898 | 47,045 |
| Credit Card Fee | T | 8,306 | 10,455 |
| Other Licenses / Permits | T | 43,557 | 30,000 |
| TOTAL LICENSES AND PERMITS | | 1,409,286 | 1,498,926 |
| INTERGOVERNMENTAL REVENUES | | | |
| Bulletproof Vest Partnership | A | 3,969 | 3,000 |
| Commerce Grant - CARES | A | 397,500 | |
| EMPG Grant | E | 40,028 | 40,800 |
| Shoreline Master Program Grant | A | 15,000 | |
| Multimodal Transportation City | E | 36,128 | 36,124 |
| Criminal Justice - Population | E | 7,424 | 8,895 |
| CJ - Special Programs | E | 28,117 | 31,542 |
| Marijuana Excise Tax Distrib. | A | 13,367 | 13,020 |
| DUI Distribution | T | 3,324 | 3,756 |
| Liquor Excise Tax | A | 144,569 | 152,585 |
| Liquor Board Profits | A | 213,656 | 212,971 |
| Local Hazardous Waste Grant | A | 17,652 | 18,270 |
| KC Waste Reduction Recycling | A | 27,860 | 40,600 |
| TOTAL INTERGOVERNMENTAL | | 948,594 | 561,563 |

REVENUE

| Revenue Forecast | | | |
|---|--------|----------------------------|-------------------------|
| | Method | | |
| Description | | <u>2019-2020 Projected</u> | <u>2021-2022 Budget</u> |
| <u>GENERAL FUND</u> | | | |
| CHARGES FOR GOODS AND SERVICES | | | |
| Court Administrative Fees | - | 2,313 | 2,639 |
| Interfund Svc. From Fund Surface Water | T | 127,920 | 131,016 |
| Interfund Svc. From Fund Sewer Utility | T | 246,360 | 247,360 |
| Interfund Svc. From Fund Streets | T | 96,182 | 97,852 |
| Interfund Svc. From Fund Transportation Capital | T | 41,570 | 42,570 |
| Interfund Svc. From Capital Improvement | T | 9,442 | 10,442 |
| Interfund Svc. From Replacement Fund | T | 12,636 | 12,636 |
| Passport Revenue | T | 299,954 | 325,000 |
| Adult Probation Services | T | 122,452 | 99,945 |
| Television/Cable Sub. Fee | T | 20,364 | 20,706 |
| Support Service From TBD | T | 2,343 | 4,485 |
| Animal Control Reimbursement | T | 2,203 | 2,060 |
| TOTAL CHARGES FOR GOODS & SERVICES | | 983,738 | 996,711 |
| FINES AND PENALTIES | | | |
| Other Civil Penalties | T | 495 | 412 |
| Traffic Infraction Penalties | T | 126,299 | 121,272 |
| Traffic Safety Camera Fines | T | 2,540,616 | 2,316,717 |
| Legislative Assessment | T | 16,176 | 14,636 |
| Civil Parking Infraction Penalties | T | 3,145 | 4,060 |
| DUI Fines | T | 9,186 | 10,455 |
| Other Crim.Traffic Misdemeanor | T | 25,016 | 26,136 |
| Other Crim. Non-Traffic Fines | T | 8,200 | 7,318 |
| Court Fines & Forfeits | T | 20,867 | 20,909 |
| TOTAL FINES AND PENALTIES | | 2,750,000 | 2,521,916 |

REVENUE

| Revenue Forecast | | | |
|------------------------------------|--------|---------------------|------------------|
| Description | Method | 2019-2020 Projected | 2021-2022 Budget |
| | | | |
| GENERAL FUND | | | |
| MISCELLANEOUS REVENUE | | | |
| Investment Interest | T | 120,980 | 40,000 |
| Sales Tax Interest-State Treas | T | 5,014 | 4,466 |
| Turner (Lakefront) Rent | A | 12,000 | 24,000 |
| Facility Rental Fees | | 900 | 1,000 |
| Donations | - | 359 | - |
| Donations-Public Safety | - | 200 | - |
| City Forestry Account | T | 9,629 | 10,000 |
| Sales of Surplus | | 503 | 1,000 |
| P-Card Rebate | A | 25,657 | 28,854 |
| Forfeits / Asset Seizure | T | 919 | 609 |
| Restitution | - | 600 | 609 |
| Cash Adjustments | - | 10 | 10 |
| Fingerprinting Services | T | 160 | 180 |
| Miscellaneous Court Fees | T | 59,634 | 56,840 |
| Police Miscellaneous Revenue | | 32,498 | 10,455 |
| Miscellaneous Court Fees | | 337 | 200 |
| Notary Fees | | 3,706 | 4,060 |
| FSA Forfeitures | | 4,793 | 1,000 |
| Suspense Funds | | 4,577 | - |
| Refundable Security Damage Deposit | | 500 | - |
| Emergency Services | T | 10,546 | 16,000 |
| Local/JIS Account | T | 2,832 | 2,000 |
| School Safety Speed | - | 142 | - |
| PW Contract Closeout | - | 268,042 | - |
| Insurance Recoveries | | 8,603 | - |
| TOTAL MISCELLANEOUS | | 573,142 | 201,283 |
| TOTAL GENERAL FUND REVENUE | | 19,210,006 | 18,708,046 |
| STREET FUND | | | |
| R.O.W. Permits - Construction | T | 150,000 | 158,000 |
| ROW Rev. / Utility Franchise | T | 441,189 | 480,000 |
| Gas Taxes (MVET Cities) | A | 507,972 | 541,056 |
| Investment Interest | T | 19,073 | 15,000 |
| Miscellaneous Revenue | T | 3,654 | 2,000 |
| FSA Forfeitures | A | 1,491 | - |
| Transfer From Gen. Fund (001) | A | 250,000 | 310,000 |
| TOTAL | | 1,373,379 | 1,506,056 |

REVENUE

| Revenue Forecast | | | |
|--|--------|----------------------------|-------------------------|
| | Method | | |
| Description | | <u>2019-2020 Projected</u> | <u>2021-2022 Budget</u> |
| <u>COUNCIL CONTINGENCY FUND</u> | | | |
| Investment Interest | T | 27,516 | 12,000 |
| TOTAL | | 27,516 | 12,000 |
| | | | |
| <u>TRANSPORTATION BENEFIT DISTRICT</u> | | | |
| TBD Vehicle Fees-State | T | 426,060 | 805,000 |
| Investment Interest | T | 18,368 | 4,000 |
| TOTAL | | 444,428 | 809,000 |
| | | | |
| <u>BUDGET STABILIZATION FUND</u> | | | |
| Interest | T | 9,257 | 4,000 |
| TOTAL | | 9,257 | 4,000 |
| | | | |
| <u>STRATEGIC OPPORTUNITY FUND</u> | | | |
| Interest | T | 1,500 | 3,000 |
| Transfer From Gen. Fund (001) | - | 125,000 | - |
| Transfer from Fund (301) | | 125,000 | 500,000 |
| TOTAL | | 251,500 | 503,000 |
| | | | |
| <u>CAPITAL IMPROVEMENT FUND</u> | | | |
| Real Estate Excise Tax I | T | 850,506 | 700,000 |
| K.Co. Parks Levy | T | 165,117 | 268,241 |
| K.Co. WaterWorks Council Grant | | 11,199 | - |
| K.Co. Youth Amateur Sports Grant | | 14,555 | - |
| Investment Interest | T | 37,727 | 17,000 |
| Donations | | 8,882 | - |
| Transfer from Fund (302) | | 62,500 | 60,000 |
| TOTAL | | 1,150,485 | 1,045,241 |
| | | | |
| <u>TRANSPORTATION CAPITAL FUND</u> | | | |
| Real Estate Excise Tax II | T | 850,505 | 700,000 |
| Safe Highways Grant | - | 13,743 | - |
| WSDOT Safe Routes to School | - | - | 650,000 |
| State Trans. Imp. Board-Design | - | - | 2,542,000 |
| Department of Commerce | | 490,000 | 100,000 |
| Interfund Svc From S.Wtr | T | 56,011 | 56,011 |
| Interfund Svc. From Swr. | T | 56,011 | 56,011 |
| Investment Interest | T | 32,805 | 16,000 |
| Transfer From Fund (104) | | 400,000 | 800,000 |
| TOTAL | | 1,899,076 | 4,920,022 |

REVENUE

| Revenue Forecast | | | |
|--|--------|---------------------|------------------|
| Description | Method | 2019-2020 Projected | 2021-2022 Budget |
| | | | |
| <u>CAPITAL FACILITIES MAINTENANCE FUND</u> | | | |
| Investment Interest | T | 12,496 | 4,000 |
| Trans. From Capital Fund | A | 300,000 | 350,000 |
| TOTAL | | 312,496 | 354,000 |
| <u>SEWER UTILITY FUND</u> | | | |
| Licenses and Permits | T | 25,936 | 34,000 |
| Sewer Lien Filing/Removal Fee | - | 2,425 | 1,300 |
| Utility Charges | T | 6,450,771 | 6,741,055 |
| Late Charges - Utility Bills | T | 59,392 | 64,000 |
| Investment Interest | T | 25,708 | 16,000 |
| Sewer Miscellaneous Revenue | - | 6,188 | 3,000 |
| Sewer Certificate Fee | T | 2,300 | 2,000 |
| FSA Forfeitures | A | 1,485 | - |
| TOTAL | | 6,574,205 | 6,861,355 |
| <u>SEWER CAPITAL FUND</u> | | | |
| Investment Interest | T | 81,293 | 40,000 |
| Transfer From Sewer Fund | A | 200,000 | 200,000 |
| TOTAL | | 281,293 | 240,000 |
| <u>SURFACE WATER UTILITY FUND</u> | | | |
| Muni. Stormwater Grant (DOE) | A | 2,654 | - |
| Utility Service Charges | T | 2,731,340 | 2,799,622 |
| Investment Interest | T | 35,796 | 20,000 |
| Miscellaneous Revenue | - | 3,985 | 3,000 |
| FSA Forfeitures | A | 1,781 | - |
| TOTAL | | 2,775,556 | 2,822,622 |
| <u>SURFACE WATER CAPITAL FUND</u> | | | |
| Muni. Stormwater Grant (DOE) | A | 46,042 | - |
| WSDOT Grant | A | 7,927 | - |
| Department of Commerce | A | 1,164,000 | 3,990,000 |
| King County Flood District | A | 363,399 | - |
| Investment Interest | A | 37,470 | 14,000 |
| Miscellaneous Revenue | - | 106,062 | - |
| Trans From Surface Water | A | 1,050,000 | 350,000 |
| TOTAL | | 2,774,901 | 4,354,000 |

REVENUE

| Revenue Forecast | | | |
|--|--------|---------------------|------------------|
| Description | Method | 2019-2020 Projected | 2021-2022 Budget |
| <u>SEWER BOND RESERVE FUND</u> | | | |
| Investment Interest | T | 3,061 | 2,000 |
| TOTAL | | 3,061 | 2,000 |
| <u>PUBLIC WORKS TRUST FUND REPAYMENT FUND</u> | | | |
| Excise Tax Revenue | T | 49,663 | 50,000 |
| Connection Charges | T | 120,306 | 100,000 |
| Investment Interest | T | 22,088 | 15,000 |
| Transfer From Sewer Utility | A | 150,000 | 350,000 |
| TOTAL | | 342,057 | 515,000 |
| <u>PUBLIC WORKS CONTRACT FUND</u> | | | |
| Kenmore Interlocal Agreement | A | 147,839 | - |
| TOTAL | | 147,839 | - |
| <u>REPLACEMENT FUND</u> | | | |
| Interfund Svc. From Fund General Fund | A | 353,143 | 318,664 |
| Interfund Svc. From Fund Streets | A | 69,545 | 72,996 |
| Interfund Svc. From Fund Surface Water | A | 98,972 | 91,772 |
| Interfund Svc. From Fund Sewer Utility | A | 77,368 | 70,606 |
| Interfund Svc. From Fund Transportation Capital | A | 3,076 | 4,882 |
| Investment Interest | T | 27,737 | 12,000 |
| Equipment Sales | A | 7,110 | - |
| Insurance Recoveries | | 3,027 | - |
| TOTAL | | 639,978 | 570,920 |

SCHEDULE OF FUND BALANCES

DEFINITIONS

Fund Balance: Fund balance refers to the amount of cash and investments available at year end.

Reserved Fund Balance: Reserved fund balance is the amount of the fund balance with use restrictions imposed on them by external parties or from formal internal commitments.

Unreserved Fund Balance: Unreserved fund balance is the amount of fund balance without any specific constraints imposed on use or only constrained by the government's informal or non-specific intent.

Minimum Fund Balance Target: Minimum fund balance target is the amount of fund balance that is set as the minimum target amount of cash and investments that, by policy, should be available at year end.

SCHEDULE OF FUND BALANCE

The City is projected to begin the 2021-2022 biennium with a beginning fund balance of \$16,439,595 for all funds. The projected ending fund balance at the end of the biennium is \$15,049,634 for all funds. The following schedule of beginning and ending fund balance displays the change in fund balance for each fund included in the 2021-2022 biennial budget. It should be noted that the projected beginning fund balances at January 1, 2021 are estimates based on the 2019-2020 budget and projected actual results from the 2019-2020 biennium. The final beginning balances are available after the audited 2020 financial statements are published in mid-to-late 2021.

Ending Fund Balance Analysis

| Fund | Reserved (R)/Unreserved (U) | Projected Beginning Fund Balance, 1/1/2021 | 2021-2022 Revenue | 2021-2022 Expenditure | Projected Ending Fund Balance, 12/31/2022 | Minimum Fund Balance Target Achieved, Yes No? |
|--------------------------------|-----------------------------|---|----------------------|--------------------------|---|--|
| General | U | 3,689,788 | 18,708,046 | 19,467,105 | 2,930,729 | Yes |
| Street | R | 641,580 | 1,506,056 | 1,619,718 | 527,918 | Yes |
| Council Contingency | R | 738,058 | 12,000 | - | 750,058 | n/a |
| Transportation Benefit Dist. | R | 429,542 | 809,000 | 804,485 | 434,057 | n/a |
| Budget Stabilization | R | 318,689 | 4,000 | - | 322,689 | n/a |
| Strat. Opportunity Fund | R | 1,500 | 503,000 | 500,000 | 4,500 | |
| Capital Improvement | R | 1,204,668 | 1,045,241 | 919,442 | 1,330,467 | n/a |
| Transportation Capital | R | 1,172,256 | 4,920,022 | 4,843,602 | 1,248,676 | Yes |
| Capital Facilities Maintenance | R | 600,248 | 354,000 | 565,000 | 389,248 | n/a |
| Sewer Utility | R | 983,426 | 6,861,355 | 6,714,477 | 1,130,304 | Yes |
| Sewer Capital | R | 3,109,793 | 240,000 | 365,000 | 2,984,793 | n/a |
| Surface Water Utility | R | 766,027 | 2,822,622 | 2,760,331 | 828,318 | Yes |
| Surface Water Capital | R | 1,080,637 | 4,354,000 | 4,759,500 | 675,137 | n/a |
| Sewer Bond Reserve | R | 106,626 | 2,000 | - | 108,626 | |
| PW Trust Fund Repayment | R | 673,559 | 515,000 | 495,996 | 692,562 | n/a |
| Replacement | R | 923,199 | 570,920 | 802,567 | 691,552 | n/a |

SCHEDULE OF FUND BALANCES

EXPLANATION OF SIGNIFICANT CHANGES IN FUND BALANCE

Changes in fund balance are expected during every biennium, below is a list of funds that are projected to draw-down their respective fund balance during the biennium by more than ten percent, a brief explanation of the reason for the draw-down is also provided.

General Fund

The General Fund is budgeted to use over \$759,000 in ending fund balance for the 2021-2022 budget due to the revenue losses and cautious evaluation of when that revenue will return as a result of the global pandemic (Covid-19). The overall expenditures in the General Fund across all departments are extremely lean. All travel and training, unless required for position certifications and/or mandatory, has been eliminated in the Mayor's Proposed Budget. The one recommended addition to the proposed budget, is the purchase of replacement Tasers for the Police department with a value of \$30,000.

The City Administration has also prepared a recommended proviso for the 2021-2022 Biennial Budget to address needs that could not be included as part of the Proposed Mayor's Budget, to identify and prioritize additional needs. The final proviso will be added as part of the adopted budget ordinance after Council deliberations and Community comments.

Street Fund

The Street Fund is expected to draw-down its fund balance to operate due to standard operating expenditures outpacing revenues. Winter weather budgets have also been increased to more accurately reflect the actual cost that is being spent to stockpile supplies and remove trees during a winter storm event to keep the City's roads accessible.

Capital Facilities Fund

Facilities replacements and improvements are the primary contributors to the decrease in fund balance for the Capital Facilities Fund. These improvements are considered capital projects and represent a normal justification for a draw-down.

Sewer Capital Fund

The Sewer Capital Fund is scheduled to start the design of the Beach Drive Sewer Lift Station capital replacement project in 2022. Large capital projects are considered a normal use of ending fund balance.

Surface Water Capital Fund

The CIP includes significant culvert replacement projects with design for future culvert projects of L80 and L90. The construction of the culvert L80 and L90 project will require a grant award. As is noted above, capital projects are a normal use of fund balance.

Replacement Fund

The Replacement Fund saves for the replacement of vehicles and significant equipment over time. It is customary for the fund balance to fluctuate; these fluctuations are especially noticeable in any biennium when significant replacements are scheduled. The Replacement Fund has over \$802,000 of replacements scheduled in the 2021-2022 biennium causing a draw-down of fund balance.

DEBT

DEBT POLICY

The City's debt policy states that debt may be utilized to address short-term cash flow needs and to finance significant capital or other obligations. The City Council is required to approve the issuance of debt. Debt will not be used to fund long-term revenue shortages. The debt policy also requires that debt is used prudently in a manner that avoids any adverse impact on the City's credit rating or ability to issue additional debt. The Policy requires that prior to the issuance of any debt, staff perform significant analysis to ensure that all policy requirements are met and that the Mayor and City Council are well aware of long term effects of the debt issuance.

DEBT LIMIT

External restrictions on the issuance of debt also exist. The State Constitution sets limits for the amount of general obligation debt that a city can issue (hereinafter referred to as the Statutory Debt Limit). The Statutory Debt Limits were enacted based on the legislature's perception of what is safe and reasonable. The statutory debt limit for cities is currently set at 1.5% of assessed value for non-voted debt and 2.5% of assessed value for voted and non-voted debt combined. It should be noted that non-voted refers to a vote of the public, non-voted debt is councilmanic, meaning that it requires only a vote of the City Council. It should also be noted that additional debt is allowed for specific purposes associated with a local government. These purposes include debt associated with certain utilities and open space, parks, and economic development facilities.



DEBT

The following table is the City of Lake Forest Park Debt Limit Calculation. The values in the table are exclusive of the aforementioned specific purpose debt.

Debt Limit Calculation

| <u>2021 Assessed Valuation</u> | <u>Non-Voted Percent Limit</u> | <u>Non-Voted Limit</u> | <u>Voted Percent Limit</u> | <u>Voted Limit</u> | <u>Combined Limit</u> |
|--------------------------------|------------------------------------|------------------------|--------------------------------|--------------------|-----------------------|
| \$ 3,419,813,898 | 1.5% | \$ 51,297,208 | 2.5% | \$ 85,495,347 | \$ 136,792,556 |

CURRENT DEBT

The following table is a listing of the City's current debt and debt payment schedule. All of the City's current outstanding debt is non-voted debt, subject to the 1.5% limit described above.

Schedule of Outstanding Debt and Payment Schedule

| <u>Year</u> | <u>Sewer Extension (Principal)</u> | <u>Sewer Extension (Interest)</u> | <u>Sweeper Purchase (Principal)</u> | <u>Sweeper Purchase (Interest)</u> | <u>Total Debt</u> |
|-------------|--|---------------------------------------|---|--|-------------------|
| 2021 | 239,607 | 5,990 | 53,548 | 7,966 | 307,111 |
| 2022 | 239,607 | 4,792 | 55,979 | 5,535 | 305,913 |
| 2023 | 239,607 | 3,594 | 58,521 | 2,993 | 304,715 |
| 2024 | 239,607 | 2,396 | 30,250 | 507 | 272,760 |
| 2025 | 239,607 | 1,198 | - | - | 240,805 |
| Total | 1,198,035 | 17,971 | 198,298 | 17,002 | 1,431,305 |

The City's current outstanding debt is less than 2% of the total debt capacity. The 2021-2022 budget does not include the issuance of any debt.

BUDGETED POSITIONS AND SALARY SCHDULE

The Budgeted Positions and Salary Schedule is organized by department. The Schedule contains a column labeled FTE which represents the number of Full Time Equivalent (FTE) position(s) authorized in the budget. The City utilizes a six-step salary range for most positions, except the following: elected officials, positions subject to an employment agreement, and certain Police Department positions. Step 1 indicates the lowest pay for a position; Step 6 indicates the highest pay for a position. Employees move through the steps based on merit; merit increases are available to employees on their anniversary date as established in the employee's annual performance evaluation. Amounts on the schedule are monthly salary values.



The Mayor's Proposed 2021-2022 Budget (the Budget) authorizes 58.80 FTEs; the count at adoption of the 2019-2020 budget was 58.38 FTEs. A description of the changes to budgeted positions for the Mayor's Proposed 2021-2022 Budget is found in the following narrative. The Budgeted Positions and Salary Schedule is found on subsequent pages.

One of the highest priorities for the 2021-2022 budget from the Mayor and City Administration was to keep all currently budgeted positions from the 2019-2020 budget. The Mayor's Proposed Budget accomplishes that goal to protect all personnel positions, but did not provide cost of living adjustments (cola) to represented or non-represented employees for two fiscal years. However, the City's Teamsters Local #117 currently has a closed contract through December 31, 2021 and declined the Administration's request to negotiate removing the cola's for 2021. The Teamsters Union that perform the Public Works duties for the City will be receiving a cola in 2021. Currently, a Maintenance Worker position is vacant that will remain unfilled until the amount of savings has been realized to offset the cost of the increased cost of living adjustment. A high priority on the Administration's recommended proviso is the reevaluation of cola's at the Mid-Biennial Budget Adjustment for the 2022 fiscal year, after the City has additional financial data in the Fall of 2021. That change would be made through a budget amendment that would be approved through the regular City Council process.

BUDGETED POSITIONS AND SALARY SCHDULE

DESCRIPTION OF POSITION CHANGES IN THE 2021-2022 BUDGET

Municipal Services Department

The Municipal Services Department's total FTE is showing a reduction for the Records Management & Office Support position but is simply truing up what the current employee is working. The position was budgeted as a full time FTE in the 2019-2020 budget and now is showing as a .85 FTE in the current budget. There is no change to employee's current working hours.

Finance Department

The Finance Department is not reducing the number of employees. The budgeted positions, like the previous description, are truing up to the department's current employees. The department currently has two part-time employees, Accounting Clerk & Accountant that were both budgeted at full time FTE's in the 2019-2020 budget. Both positions have been reduced to a .60 FTE in the 2021-2022 budget. Again, there is no change to the employees' current working hours.

Building Department

The Building Department currently has two full time equivalent positions. Through the current vacancy of the Permit Technician position the City concluded that the position could be reduced to a part-time position. The Permit Technician changed from a full time FTE in the 2019-2020 budgeted position to a part-time .75 FTE position in the 2021-2022 budget.

2021 and 2022 Budgeted Positions and Salary Schedule

Amounts on this schedule are monthly

| | FTE | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 | Step 6 |
|---------------------------------|------|---------------|--------|--------|--------|--------|--------|
| Legislative | | | | | | | |
| Councilmembers | 7.00 | | | | | | 600 |
| Executive | | | | | | | |
| Mayor | 0.50 | | | | | | 3,000 |
| City Administrator | 1.00 | | | | | | 14,963 |
| Human Resources Director | 1.00 | 7,310 | 7,797 | 8,284 | 8,771 | 9,259 | 9,746 |
| | 2.50 | | | | | | |
| Judicial | | | | | | | |
| Municipal Court Judge | 0.60 | | | | | | 13,693 |
| Court Administrator | 1.00 | 6,433 | 6,862 | 7,291 | 7,720 | 8,149 | 8,578 |
| Court Clerk | 2.50 | 4,047 | 4,317 | 4,587 | 4,857 | 5,126 | 5,396 |
| Probation Officer | 0.20 | 5,164 | 5,508 | 5,853 | 6,197 | 6,541 | 6,885 |
| Pro-tem Judges | | \$55 per hour | | | | | |
| | 4.30 | | | | | | |
| Municipal | | | | | | | |
| City Clerk | 1.00 | 6,481 | 6,912 | 7,344 | 7,777 | 8,209 | 8,640 |
| Deputy City Clerk | 1.00 | 5,254 | 5,605 | 5,955 | 6,305 | 6,656 | 7,006 |
| Records Mgmt. & Office Support | 0.85 | 3,941 | 4,204 | 4,466 | 4,729 | 4,992 | 5,254 |
| Receptionist / Office Clerk | 1.00 | 3,819 | 4,074 | 4,329 | 4,583 | 4,838 | 5,092 |
| Passport Clerk | 0.75 | 3,419 | 3,647 | 3,874 | 4,103 | 4,331 | 4,558 |
| | 4.60 | | | | | | |
| Finance | | | | | | | |
| Finance Director | 1.00 | 8,768 | 9,353 | 9,937 | 10,522 | 11,106 | 11,690 |
| Accounting Supervisor | 1.00 | 6,163 | 6,573 | 6,984 | 7,395 | 7,806 | 8,217 |
| Accountant | 0.60 | 4,192 | 4,471 | 4,750 | 5,031 | 5,310 | 5,589 |
| Utility and Payroll Analyst | 1.00 | 4,881 | 5,206 | 5,531 | 5,857 | 6,182 | 6,507 |
| Info. Tech. Program Manager | 1.00 | 7,542 | 8,045 | 8,548 | 9,050 | 9,553 | 10,056 |
| Accounting Clerk | 0.60 | 4,015 | 4,283 | 4,550 | 4,818 | 5,086 | 5,353 |
| | 5.20 | | | | | | |
| Planning | | | | | | | |
| Planning Director | 1.00 | 8,445 | 9,008 | 9,570 | 10,134 | 10,697 | 11,260 |
| Senior Planner | 1.00 | 6,184 | 6,597 | 7,008 | 7,422 | 7,833 | 8,246 |
| Assistant Planner | 1.00 | 4,683 | 4,995 | 5,308 | 5,620 | 5,932 | 6,244 |
| Arborist | 0.60 | | | | | | 7,214 |
| | 3.60 | | | | | | |
| Building | | | | | | | |
| Building Official | 1.00 | 6,635 | 7,077 | 7,520 | 7,962 | 8,404 | 8,847 |
| Permit Technician | 0.75 | 4,240 | 4,523 | 4,805 | 5,088 | 5,370 | 5,653 |
| | 1.75 | | | | | | |
| Community Services | | | | | | | |
| Community Volunteer Coordinator | 0.60 | 4,310 | 4,597 | 4,884 | 5,171 | 5,458 | 5,745 |
| Domestic Violence Advocate | 0.35 | 4,460 | 4,757 | 5,055 | 5,352 | 5,649 | 5,947 |
| | 0.95 | | | | | | |

2021 and 2022 Budgeted Positions and Salary Schedule

Amounts on this schedule are monthly

| | FTE | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 | Step 6 |
|--|--------------|---------------------------------------|--------|--------|--------|--------|--------|
| Engineering | | | | | | | |
| City Engineer | 1.00 | 7,866 | 8,391 | 8,915 | 9,440 | 9,964 | 10,489 |
| | 1.00 | | | | | | |
| Emergency Management | | | | | | | |
| Emergency Manager | 1.00 | 7,257 | 7,455 | 7,653 | 7,850 | 8,048 | 8,246 |
| | 1.00 | | | | | | |
| Police | | | | | | | |
| Police Chief | 1.00 | | | | | | 12,875 |
| Lieutenant | 2.00 | 7,323 | 7,812 | 8,300 | 8,788 | 9,276 | 9,764 |
| Sergeant 2 | 3.00 | | | | | | 8,258 |
| Sergeant 1 | 1.00 | | | | | | 7,846 |
| Police Officer | 9.00 | 5,586 | 6,028 | 6,507 | 6,981 | | |
| Detective | 2.00 | 6,145 | 6,631 | 7,158 | 7,679 | | |
| Traffic | 1.00 | 5,866 | 6,329 | 6,833 | 7,330 | | |
| K-9 | 1.00 | 5,866 | 6,329 | 6,833 | 7,330 | | |
| Support Services Officer | 1.00 | 4,528 | 4,852 | 5,174 | 5,506 | | |
| Records Specialist | 2.00 | 4,369 | 4,525 | 4,680 | 4,833 | 4,987 | 5,142 |
| | 23.00 | | | | | | |
| Public Works (Streets, Surface Water, Sewer, and Parks Maintenance) | | | | | | | |
| Deputy City Admin./PW Director | 1.00 | 9,878 | 10,174 | 10,810 | 11,446 | 12,081 | 12,718 |
| Public Works Superintendent | 1.00 | 5,619 | 5,994 | 6,368 | 6,742 | 7,118 | 7,492 |
| Project Manager | 1.00 | 5,974 | 6,372 | 6,771 | 7,169 | 7,567 | 7,966 |
| Surface Water Technician | 0.40 | 4,310 | 4,597 | 4,884 | 5,171 | 5,458 | 5,745 |
| PW Admin. Assistant | 0.50 | 4,192 | 4,471 | 4,750 | 5,031 | 5,310 | 5,589 |
| Lead Maintenance Worker | 2.00 | 5,521 | 5,716 | 5,914 | 6,104 | 6,301 | 6,496 |
| Maintenance Worker | 4.00 | 5,136 | 5,317 | 5,498 | 5,679 | 5,861 | 6,043 |
| Seasonal Maintenance Worker | 1.00 | Seasonal up to 1.0 FTE at Market Rate | | | | | |
| | 10.90 | | | | | | |
| Total Positions in Budget | 58.80 | | | | | | |

OPERATING DEPARTMENT INFORMATION

2021-2022 PROPOSED BUDGET

- ☐ City Council
- ☐ Executive
- ☐ Legal
- ☐ Municipal Services
- ☐ Finance and Information Technology
- ☐ Community Services
- ☐ Municipal Court
- ☐ Police Department
- ☐ Other Criminal Justice
- ☐ Planning
- ☐ Building
- ☐ Public Works

CITY COUNCIL

GUIDING PRINCIPLES

Collaboration - We achieve greater results through collaborative engagement of each other and the communities around us.

Equity - Our actions provide all people with access to a good quality of life.

Accountability - We are committed to addressing the concerns and priorities of Lake Forest Park through transparent community engagement, decisions and actions.

Stewardship - We are effective, efficient, financially prudent and innovative stewards of the public's resources, and strive to achieve sustainable results through continuous improvement.

Integrity - We uphold the high standards, skills, competencies, and integrity of our professions in doing the work of City government.



WHAT WE DO

The City Council serves as the legislative and governing body of the City of Lake Forest Park. The Council enacts ordinances, approves the budget, sets policy, confirms appointments, and grants franchises.

Regularly scheduled meetings of the Council are held at City Hall on the second and fourth Thursdays of the month, with Work Sessions second Thursday and Committee of Whole set for Monday before the fourth Thursday. Agendas and minutes of meetings are available online at the City's website: www.cityofflp.com.

Ongoing Functions:

- Review and develop City policy on all issues affecting the City
- Adopt resolutions and ordinances
- Review and approve the biennial City Budget
- Grant franchise agreements
- Represent the City on State and regional boards, commissions, and task forces

CITY COUNCIL

CITY COUNCIL GOALS

The City Council is most effective in looking at the future Lake Forest Park. This has been done through its retreat and strategic plan development process. City Council Strategic Plan goals are:

Mobility – Providing, maintaining and enhancing a safe, accessible and integrated mobility system, emphasizing bicycle, walking, safe streets and transit connectivity, consistent with the character of Lake Forest Park.

Healthy Environment – Ensuring the community and environmental health of Lake Forest Park through the effective policies that protect lands, waters, trees, and wildlife and promote human health.

Community Vitality – Creating a sense of community pride and identity in order to create and maintain thriving neighborhoods and vibrant business districts where people can gather, engage and grow together.

Public Safety and Access to Justice – Maintaining a safe community and an accessible justice system through fair, equitable and customer service driven systems.

Accountable and Engaged Government – Delivering a financially sustainable, model government that is responsive to the people of Lake Forest Park.

These goals will be furthered in the 2021-22 biennium by several plans and studies that will help to direct resources, set priorities, and create value for our community. They are: Safe Highways; Safe Streets; Healthy Creeks; Developing Community Events; Communication Plan; Town Center Sub-Area Plan; and Parks, Recreation & Open Space Plan

| Department Budget Summary, City Council | | |
|--|------------------|------------------|
| Description | 2019-2020 | 2021-2022 |
| Salaries | 100,800 | 101,000 |
| Employee Benefits | 8,495 | 8,500 |
| Supplies | 1,200 | 1,200 |
| Professional Services | 30,000 | 10,000 |
| Communication-Legislative Act. | 8,000 | 2,000 |
| Travel Exp. (lodging, meals) | 12,000 | - |
| Conference - Training | 6,000 | - |
| Total | 166,495 | 122,700 |

EXECUTIVE DEPARTMENT

MISSION

The mission of the Executive Department is to support and carry out the mission of the City of Lake Forest Park by way of providing exceptional council support, administrative oversight and services to a wide variety of clients, including residents, taxpayers, city council, other governments, citizen volunteers, and our employees, within the resources given. We strive to do so with care, integrity, and as a team.



WHAT WE DO

The Executive Department is responsible for the overall administration of the affairs of the city. This includes implementing the policies and codes of the city and representing the city with the public and other governmental agencies. The Department also coordinates support of the city council and makes recommendations to the council regarding adoption of new policies and codes, as well as items for approval of the governing body, such as contracts, interlocal agreements, and other activities requiring the consent of the council.

This is accomplished through the provision of four programs: Administration, Human Resources, Public Information, and Risk Management.

Administration

The Mayor of the City of Lake Forest Park is the chief executive officer and, by statute, is responsible for carrying out the policies, contracts, and agreements approved by the city council. The Mayor presides at all meetings of the city council, submits the annual budget proposal to the city council, and serves as the ceremonial head of the city. The Mayor serves as the appointing authority for the Municipal Judge and Civil Service Commission, as well as the other city commissions, and, with council confirmation, the city administrator and department heads.

Since the Mayor is a part-time position, internal operations of the city are delegated to the City Administrator, who, under direction of the Mayor, serves as the chief operating officer. The City Administrator manages the municipal affairs of the city and supervises all administrative staff.

EXECUTIVE DEPARTMENT

ADMINISTRATION KEY 2019-2020 ACCOMPLISHMENTS

During the past biennium, managing stability of city resources has been key:

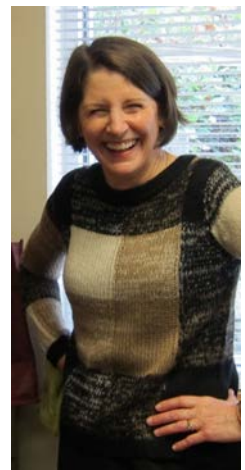
- Stability. Coming out of 2019 revenues were exceeding expenditures with several revenue sources trending ahead of projections. The impacts of COVID-19 resulted in a 12% to 16% loss of revenues from March through the end of the year. Through strong financial management in previous biennia, and early action to offset lost revenue, the 2019/2020 biennium is expected to end with very little reliance on reserves.
- Continued working with Sound Transit on the SR-522 BRT system to ensure the needs of Lake Forest Park are addressed.
- Federal & State advocacy for surface water and streets enhancements. The City will need to identify a new source of funding for capital streets projects due to the impacts of I-976.
- Continued supporting Northshore Emergency Management Coalition (NEMCo) agreement between Northshore Fire, Northshore Utility District, City of Kenmore and Lake Forest Park.
- Negotiated purchase of the Lake Front property increasing the total park property in the city by approximately 1.9 acres, providing the City's first public beach access to Lake Washington. Purchase will be complete by December 2021.
- Strategic Planning. Began working with the City Council on development of a financial sustainability plan.

Human Resources

The Human Resources Director heads the human resources program, which includes responsibilities such as recruitment and staffing, classification and compensation needs, benefits administration, employee and labor relations, and update/compliance with the personnel policies.

HUMAN RESOURCES KEY 2019-2020 ACCOMPLISHMENTS

- Successful labor negotiations for 2020 furlough program with the Police Guild and Teamsters union
- Coordinated successful Chief of Police and Finance Director recruiting and selection process.
- Implemented state approved Voluntary Plan under the Washington Paid Family and Medical Leave Act, saving the City and employees thousands of dollars annually.
- Association of Washington Cities Well-City Award for 2019, resulting in a 2 percent insurance benefits cost reduction realized by both the city and participating employees.



EXECUTIVE DEPARTMENT

Risk Management Program

The Human Resources Director acts as the City's Risk Manager and the City Administrator is the Alternate. The risk management program consists of placement of liability, property/auto and fidelity coverage through membership in the Washington Cities Insurance Authority. This includes coordination of compliance with the member compact, coordination of management/employee training, proper and timely reporting of incidents and claims, and claims management oversight.

RISK MANAGEMENT KEY 2019-2020 ACCOMPLISHMENTS

- Successful completion of the 2019 member compact and audit (public works).
- Coordination of risk-oriented training for staff members, including numerous directly provided by WCIA and reimbursed trainings during 2019 & 2020.

| Department Staffing Summary, Executive | Full Time Equivalent (FTE) | |
|---|----------------------------|------------------|
| | 2019-2020 | 2021-2022 |
| Department Employee Count | 2.50 | 2.50 |

| Department Budget Summary, Executive | | |
|---|------------------|------------------|
| Description | 2019-2020 | 2021-2022 |
| Salaries | 675,672 | 680,500 |
| Overtime | - | - |
| Employee Benefits | 281,003 | 261,500 |
| Office/Operating Supplies | 3,000 | 2,000 |
| Small Tools and Equipment | 400 | 400 |
| Professional Services | 125,720 | 80,000 |
| Communications | 10,500 | 11,400 |
| Travel Exp. (lodging, meals) | 6,200 | 2,400 |
| Dues / Subscriptions | 3,750 | 13,000 |
| Training | 13,750 | - |
| Volunteer & Staff Recognition | 6,000 | 6,000 |
| Mayor's Reserve | 10,000 | 5,000 |
| Total | 1,135,995 | 1,062,200 |

LEGAL SERVICES (CONTRACT)

OVERVIEW

City legal services are provided through a contract City Attorney from an outside legal firm specializing in municipal law. With oversight of the Executive Department, a variety of legal services are provided.

Prosecuting Attorney and Public Defense services are provided under separate contracts.

WHAT WE DO

- Legal consultation during City Council meetings
- Conferences with staff on various City issues, such as:
 - Land use
 - Public Records Requests
 - Bond issues
 - Utility issues
 - Business licensing
- Resolution and ordinance development and review
- Review and draft city contracts and other legal agreements
- Review and draft city purchase and sale agreements
- Provide legal advice on land use and zoning issues
- Provide legal advice on personnel and labor negotiations issues
- Represent the City on claims and litigation not covered by the risk pool



EXPLANATION OF LEGAL SERVICES BUDGET

Legal Services is adequately budgeted for a normal year. The budget reflects the average, week-to-week legal services needs for the City, including City Council meeting support, assistance with legal documents such as resolutions, ordinances, contracts; lawsuits; and personnel issues.

The 2019 legal year to date has been impacted by defending litigation and complex public records requests. This has led to planning for higher legal expenses in the 2019-20 biennium. If extraordinary legal circumstances arise during the 2021-2022 budget cycle, additional funds will need to be provided for legal services—either by directly charging the appropriate fund, or by budget amendment.

| Department Budget Summary, Contract Legal Services | | |
|--|-----------|-----------|
| Description | 2019-2020 | 2021-2022 |
| Other Legal Services | 300,000 | 300,000 |

MUNICIPAL SERVICES DEPARTMENT

MISSION

To provide service and assistance to the public, City Council, and staff in an efficient, courteous and service-oriented manner; by providing a welcoming environment to citizens and all visitors; by being effective in the legislative process; by serving as the custodian of city records; and by ensuring compliance with the Washington Open Public Meetings Act and Public Records Act.

WHAT WE DO

Municipal Services is responsible for providing access to City services, information and records. Staff members provide assistance and support to citizens, the Mayor, City Council and staff through:

- Reception for City Hall – assist visitors and callers; process incoming and outgoing mail; process and issue pet licenses and solicitors, special event, and facility use permits; process payments for sewer utility, business licenses and other services as needed
- Public records requests – coordinate and respond to all requests within five business days
- Council meeting support – staff all council meetings; prepare, coordinate, distribute, post electronically agenda materials, ordinances, resolutions, minutes, recordings; publish and post notices
- Contracts, agreements – prepare approved documents, initiate/complete signing process, maintain centralized files
- Records management – retain official City documents; coordinate with Regional Archives for storage and archiving of permanent records; prepare Citywide and department-specific policies and procedures; coordinate with each City department on retention and disposition of paper and electronic records; maintain records disaster plans and supplies
- Communications – prepare and issue newsflashes and social media postings; serve as webmaster for City website; maintain Municipal Services and History webpages; assist departments with website and communications updates
- Quarterly *LFP Times* newsletter and monthly eNewsletter
- Municipal Code update – submit ordinances, update electronic code upon adoption of ordinances, update all paper code books annually
- Passport services – process applications and provide photo services
- Notary services – provide to general public for fee set by resolution

MUNICIPAL SERVICES DEPARTMENT

ONGOING FUNCTIONS:

- Provide information and services to citizens by preparing, posting and distributing notices, agendas, meeting summaries and informational materials related to City activities; responding to requests for public records; processing contracts, permits, and licenses
- Provide staff support for administration and City Council from meeting preparation through completion of minutes, ordinances, resolutions, and other documents
- Manage official records in accordance with State records retention schedule
- Increase access to City information by preparing and posting to the City website Council meeting agenda packets, approved meeting minutes, ordinances, resolutions, recordings, contracts and franchises
- Provide passport application and photo services to the general public

KEY 2019-2020 ACCOMPLISHMENTS

City Council Support

- Provided staff support at all Council regular meetings, work sessions, committee of the whole, communications committee, retreats, and special meetings
- Coordinated and planned inaugural ceremony for newly elected councilmember and re-elected councilmembers
- Prepared action minutes, ordinances, resolutions, contracts and agreements, correspondence, publications, and other documents
- Drafted and implemented remote meeting procedures for all City virtual meetings
- Researched and implemented electronic sign-in for citizen comments for virtual Council/public hearing meetings using Waitwhile software program

Records Management / Public Disclosure

- Updated Annual Citywide Essential Records Protection Plan and Records Disaster Plan
- Coordinated with all City departments in project to clean up electronic records
- Participated with the Seattle Heritage Emergency Response Network (SHERN) in tabletop exercises and continued development of shared disaster supply caches
- Responded to numerous public records requests in compliance with Open Public Meetings Act

Passport Services

- Continued passport application acceptance and provided photo services
- Researched and implemented customer sign-in through Waitwhile on City's website as well as in-person



MUNICIPAL SERVICES DEPARTMENT

Reception Services

- Provided notary services by fee as requested
- Continued to assist Citywide departments with administrative support as needed

Communications Services

- Served as webmaster; prepared and issued newsflashes and social media postings
- Coordinated quarterly City newsletter redesign in fall 2019, coordinated, wrote, edited quarterly City newsletter for printing and distribution
- Coordinated and prepared monthly City eNews for distribution

2021-2022 PLANNED ACTIVITIES

- Implement return to work plan once Governor's Phase 3 order is lifted
- Implement records management functionality in Microsoft 365, including configuration of program and coordination with all City departments
- Complete transfer of digital photos to Washington State Digital Archives
- Update City Records Management Manual
- Continue to provide access to City services and records as required by state law
- Continue to emphasize teamwork and training opportunities

MUNICIPAL SERVICES DEPARTMENT

| Department Staffing Summary, Municipal Services | | Full Time Equivalent (FTE) | |
|--|--|----------------------------|------------------|
| | | 2019-2020 | 2021-2022 |
| Department Employee Count | | 4.75 | 4.60 |

| Department Budget Summary, Municipal Services | | |
|--|------------------|------------------|
| Description | 2019-2020 | 2021-2022 |
| Salaries | 700,423 | 687,000 |
| Overtime | 1,500 | 1,000 |
| Employee Benefits | 248,886 | 238,000 |
| Office/Operating Supplies | 30,000 | 30,000 |
| Professional Services | 21,000 | 16,000 |
| LFP Code Update | 6,000 | 6,000 |
| Communications | 30,000 | 30,000 |
| Newsletter | 43,050 | 20,000 |
| Communications / Internet | 15,000 | 14,000 |
| Travel Exp. (lodging, meals) | 4,000 | - |
| Advertising | 4,000 | 3,000 |
| Postage Equipment Rental | 4,600 | 4,600 |
| Insurance | 136,007 | 145,700 |
| Repairs & Maintenance | 2,000 | 1,000 |
| Dues / Subscriptions | 3,000 | 2,000 |
| Training | 5,000 | - |
| Taxes & Assessments (Passport) | 7,000 | 5,500 |
| Copier Rental | 8,000 | 9,000 |
| Machinery & Equipment | 3,000 | - |
| Total | 1,272,466 | 1,212,800 |

FINANCE AND INFORMATION TECHNOLOGY

MISSION

The mission of the Finance and Information Technology (IT) Department is to provide high quality finance and technology services that are responsive to our internal and external customer needs, delivers the services that the community desires, and demonstrates the careful stewardship of resources.

WHAT WE DO

Finance and Information Technology is responsible for all financial and technological aspects of the City government including:

- Budget Preparation and Administration
- Financial Reporting and Audit Representation
- Investment and Debt Management
- Treasury and Disbursements
- Business Tax and License Program
- Utility Accounting
- Payroll Processing and Accounting
- Information and Technology Services



2019-2020 DEPARTMENT ACCOMPLISHMENTS

The Finance and IT Department performed all daily finance and IT functions during the 2019-2020 biennium and completed several additional projects aligned with our mission. The following are a few notable accomplishments:

- Received the Government Finance Officers Association Distinguished Budget Presentation Award for the 2019-2020 budget document
- Updated the Comprehensive Financial Management Policies that is included in the Appendix
- Implemented a Cloud based Financial Software System and kept the project on schedule during the challenges of remotely working
- Completed a clean Financial & Accountability Audit through the Washington State Auditor's Office
- Continually modifying and improving the monthly financial reporting dashboard; posted new reporting to the website monthly to increase ongoing financial transparency
- Moved to a virtual network for IT with increased focus on reliability and continuity
- Implemented a new IT ticketing and support software named SysAid
- Established a backup location at Yakima County with the loss of being able to store tapes at the State Archive Office and updated the City's backup software
- Adapted to the need for virtual meetings due to the pandemic for City Council, Committee of the Whole, Work Sessions, Budget & Finance, and Planning Commission

FINANCE AND INFORMATION TECHNOLOGY

2021-2022 DEPARTMENT PLANNED ACTIVITY

Finance and IT will be working on a number of process improvement opportunities during the biennium in our ongoing effort to streamline Department operations. The Department will also be working on the following projects:

- Increase financial transparency by improving reporting to the City Council and the Community
- Submit the 2021-2022 adopted budget for the Distinguished Budget Award
- Creating and improving policies for ongoing financial & informational technology
- IT replacement schedule for all hardware and software
- Team with the Engineering & Public Works Departments to improve the Capital Improvement Project to coordinate with the budget document



| Department Staffing Summary, Finance and IT | Full Time Equivalent (FTE) | |
|---|----------------------------|-----------|
| | 2019-2020 | 2021-2022 |
| Department Employee Count | 5.38 | 5.20 |

| Department Budget Summary, Finance and Information Technology | | |
|---|------------------|------------------|
| Description | 2019-2020 | 2021-2022 |
| Salaries | 979,720 | 955,000 |
| Overtime | - | - |
| Employee Benefits | 355,690 | 309,000 |
| Change Funds | - | - |
| Office / Operating Supplies | 14,000 | 9,000 |
| Professional Services | 46,000 | 58,000 |
| Communications | 12,000 | 11,800 |
| Travel Exp. (lodging, meals) | 6,000 | - |
| Advertising | - | - |
| Info. Svcs. - Repairs & Maint. | - | - |
| Copier Rental | 3,000 | - |
| Dues / Subscriptions | 7,000 | 1,300 |
| Training | 5,280 | - |
| Machinery & Equipment | 1,000 | - |
| Municipal Auditor Expenses | 48,000 | 74,000 |
| Total | 1,477,690 | 1,418,100 |

COMMUNITY SERVICES



MISSION

To provide a variety of programs and services that support the quality of life in Lake Forest Park. This includes human services, parks and recreation, conservation and recycling, volunteer organizations and management, youth leadership training, and public outreach and education.

WHAT WE DO

Human Services: The City contracts with human services agencies around north King County to provide services for Lake Forest Park residents. The City's Community Partners are: Senior Center, Center for Human Services, YMCA Hang Time, Shoreline/Lake Forest Park Arts Council and Friends of Third Place Commons.

Parks and Recreation: The City supports and maintains seven parks in Lake Forest Park. Art programs, volunteer activities, and clean up events are offered throughout the year. In addition, the City holds an interlocal agreement with the City of Shoreline to allow Lake Forest Park residents access to discounted and early registration to participate in Shoreline's recreation programs. Recreation scholarships are offered to low-income residents who qualify.

Conservation and Recycling: The City implements "best conservation practices" for lawn and garden maintenance. With grant funds the City has been able to provide education outreach materials and giveaways to promote earth conscious and friendly habits you to implement in residents own homes. The City also provides educational opportunities regarding conservation, recycling and reusing through its annual green fair, farmer's market events, programs and distribution of literature and publications on the City website and social media. The City also receives waste reduction and recycling grants that are used for a variety of waste reduction and stormwater best practices and activities.

COMMUNITY SERVICES

Youth Council: The Lake Forest Park Youth Council is composed of approximately 7-15 Lake Forest Park youth who learn leadership skills by participating in city government and community events, programs, and activities. Volunteer adult advisors provide guidance to the youth council, attending each meeting and group activity and event.

ADMINISTRATION

The Community Volunteer Coordinator is responsible for community services programs and activities in the City. The coordinator administers human services contracts and programs, the volunteer commission system, conservation and recycling education, grants, the youth council, parks and recreation, and volunteer programs and services.

KEY 2019-2020 ACCOMPLISHMENTS

Human Services Programs

- Hundreds of residents used the Senior Center for activities and services
- On average, 80 youth visit Hang Time after school program per day during a normal school year
- Thousands of hours of counseling and family services provided to residents
- 300+ attendees at each park concert in 2019 (no concerts in 2020 due to Covid-19)
- Over 900 events are offered at Third Place Commons in 2019
- Hundreds of residents enrolled in recreation programs
- Continue to develop and improve volunteer participation and commitment to City's events, activities, and parks
- Youth Council program implementation and internships at City Hall
- Picnic in the Park and the Pet Parade were brought back in 2019 but cancelled in 2020 due to Covid-19

Grant Funded Programs

- 400+ attendees at Annual Green Fair
- 2,500+ pounds of batteries recycled
- 500 pounds of electronic waste recycled
- 1000's of hazardous light bulbs recycled
- Promotion of waste reduction and recycling programs through educational giveaways
- Successful new Choose to Reuse community event designed to divert goods from the waste stream and make them available to neighbors and non-profits who can use them



COMMUNITY SERVICES

- New partnership with the City of Kenmore for a joint city Recycling Collection Event that includes hazardous waste recycling, was able to continue events in 2020 by abiding by Covid-19 regulations

Community Events in 2019

- Picnic in the Park!
- Pet Parade
- City support of two 5K's raising money for local causes

Community events were cancelled in 2020 due to Covid-19, but the City was able to support the first Battle of the Bands, drive-in movie theater style, in August of 2020, ran by the Shoreline/Lake Forest Park Arts Council.

2021-2022 Planned Activities

- Continuing Human Service contracts with Community Partners
- Increase hazardous waste recycling through grant funded programs
- Adding recycled playground equipment and educational signage/program on recycling and reusing
- Continued growth of community events (Picnic in the Park, Pet Parade, Family Day at the Farmers Market, Battle of the Bands, Concerts in the Parks, and more) and outreach

COMMUNITY SERVICES

| Department Staffing Summary, Community Svcs. | Full Time Equivalent (FTE) | |
|---|----------------------------|------------------|
| | 2019-2020 | 2021-2022 |
| Department Employee Count | 0.95 | 0.95 |

| Department Budget Summary, Community Services | | |
|--|------------------|------------------|
| Description | 2019-2020 | 2021-2022 |
| Salaries | 130,754 | 133,000 |
| Overtime | 2,000 | 2,000 |
| Employee Benefits | 41,650 | 49,500 |
| Office / Operating Supplies | 581 | 550 |
| Third Place Commons | 57,000 | 57,000 |
| Lake Forest Park Arts Council | 36,000 | 36,000 |
| Communications | 6,000 | 2,000 |
| Youth Services Co-Funding Rent | - | 6,000 |
| Travel Exp. (lodging, meals) | 300 | - |
| Dues / Subscriptions | 2,000 | 2,000 |
| Training | 600 | - |
| Senior Services | 36,000 | 36,000 |
| Teen Services | 1,000 | 1,000 |
| Middle - After School Prog. (Hang Time) | 28,000 | 28,000 |
| Center for Human Services | 54,000 | 54,000 |
| Recreation Programs | 35,200 | 35,200 |
| Local Hazardous Waste Grant | 16,000 | 16,000 |
| Coordinated Prevention Grant | 6,000 | 6,000 |
| Waste Reduction/Recycle Grant | 10,000 | 10,000 |
| Community Events - Supplies | 40,000 | 30,000 |
| Community Events - Services | - | 40,000 |
| Total | 503,085 | 544,250 |

MUNICIPAL COURT

OVERVIEW

The Municipal Court is organized under RCW 3.50 as a limited jurisdiction court to hear misdemeanor and gross misdemeanor crimes and civil infractions committed within its geographical boundaries. The Court is open Monday through Friday, from 9:00 a.m. to 5:00 p.m., and hears cases from the bench twice a week. Jury trials are held during a four-day jury term each month. Registered voters and licensed drivers living in the City of Lake Forest Park may be called as jurors.

The Presiding Judge exercises general administrative supervision over the Court, the court staff, and the probation officer. The Presiding Judge is appointed by the Mayor and confirmed by the City Council for a term of four years, pursuant to RCW 3.50.040. The Court Administrator oversees daily court operations and implementation of policies and procedures.

DUTIES OF THE PRESIDING JUDGE

- Supervise the business of the Court in such a manner as to assure the expeditious and efficient handling of all cases, including photo infractions
- Develop and coordinate statistical and management information for the Court
- Review and develop all policies, procedures and forms needed to carry out the function of the Court
- Responsible for accounting and auditing, as well as procurement and disbursement of Court funds
- Responsible for preparation and control of the Court's biennial budget
- Responsible for promulgation of local court rules
- Responsible for ongoing training and evaluation of staff
- Responsible for supervision of the court-monitored probation programs and the professional probation officer
- Prepare and disseminate information to the public about the Court's activities

Presiding Judge Linda Portnoy was reappointed to a four-year term in December 2017. She continues in her capacity as an active member of the District and Municipal Court Judge's Association (DMCJA), having served on the Association's nominating Committee. Judge Portnoy completed revisions to the Washington State Judge's DUI Bench Book, in collaboration with the Administrative Office of the Court (AOC) and the Washington Traffic Safety Commission.

Court Administrator Catherine Palermo is an active member of the National Association for Court Management (NACM) and the District and Municipal Court Management Association (DMCMA). She is currently working on her certificate in court management from the National

MUNICIPAL COURT

Center for State Courts (NCSC). She continues to serve as the Court liaison to the Leadership Team.

2017-2019 Court Accomplishments

- 2017, 2019 Court and Probation volunteers welcomed to the team
- 2018 Court participates in Administrative Office of the Courts Bank Reconciliation Project
- 2019 In collaboration with nCourt, new Text Message Reminder System and Electronic Bail Payment System implemented
- 2019 Re-instated Video Court Services with Snohomish County Jail

2017-2019 Awards and Recognition

- 2017 Probation Officer Phil Stanley awarded Probation Officer of the Year
- 2017 Court wins First Place in City Gingerbread House Competition
- 2018 Municipal Court Judge Awarded DMCJA Presidential Award; Nominated for NUHSA Award
- 2019 Municipal Court Judge Honored for 20+ years of service by Washington State Association for Justice

2017-2019 Noteworthy

- 2017 Court Administrator Kelley Gradwohl retires after 25 years
- 2018 Court hosted SAO's – Performance Center team for a two-day Lean Academy learning experience
- 2019 Court welcomed new public defense firm Stewart MacNichols & Harmell Inc PS
- 2019 Youth Court Proclamation

2020-2021 Planned Court Activities

- Welcome aboard new collection company, Linebarger Goggan Blair & Sampson
- Continue to evaluate Zoom and other technology for court hearings to ensure staff and public safety
- Continue to evaluate court safety to improve security and emergency preparedness
- Continue to identify and attend education and training opportunities through local and regional conferences and webinars.

CHANGES IN THE COURT

New Legislative Impacts

2018 legislative changes impacted the ability of judges at all levels of court to impose legal financial obligations on indigent defendants. A person receiving public assistance through DSHS is considered "indigent" for purposes of the new legislation. The Court applied for and has successfully completed the approval process for the DSHS Benefit Verification System (BVS). All court staff now have immediate access to BVS, which will help make a proper determination of whether a person is indigent as defined by state law.

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Modified Release and Planning Services (RAPS):

The court began the pilot Release and Planning (RAPS) program in 2015 in collaboration with the Center for Human Services (CHS) to provide motivated defendants an opportunity to meet with a professional resource counselor and later in 2016, a vocational counselor. The court re-evaluated the pilot program in 2018 and decided to discontinue the program with CHS and instead focus on vocational counseling with our volunteer counselor, Heidi Sheperd. Ms. Sheperd is supportive of the changes and is excited to continue with RAPS in this capacity.

| Department Staffing Summary, Court | Full Time Equivalent (FTE) | |
|------------------------------------|----------------------------|-----------|
| | 2019-2020 | 2021-2022 |
| Department Employee Count | 4.30 | 4.30 |

| Department Budget Summary, Municipal Court | | |
|--|------------------|------------------|
| Description | 2019-2020 | 2021-2022 |
| Salaries | 756,580 | 786,000 |
| Overtime | - | - |
| Employee Benefits | 280,894 | 310,000 |
| Court Supplies | 13,000 | 11,000 |
| Court Banking Fees | - | - |
| Youth Court Supplies | 3,888 | 1,600 |
| Small Tools & Equipment | 300 | - |
| Prof. Svcs.-Security & Pro-tem | 26,504 | 26,000 |
| Bank Charges | 5,200 | 4,000 |
| Communications | 14,500 | 17,000 |
| Travel Exp. (lodging, meals) | 4,400 | 3,000 |
| Insurance | 32,277 | 34,600 |
| Repair & Maintenance | 500 | 400 |
| Dues - Subscriptions | 4,500 | 5,900 |
| Training | 5,570 | 2,000 |
| Jury Service | 3,000 | 3,000 |
| Interpreters | 8,000 | 7,500 |
| Salaries - Pro Tem | 13,000 | 16,000 |
| Employee Benefits - Pro Tem | 440 | 3,000 |
| Probation Supplies | 20,000 | 20,000 |
| Copier Rental | 4,566 | 4,584 |
| Machinery & Equipment | 1,000 | 500 |
| Total | 1,198,118 | 1,256,084 |

POLICE DEPARTMENT

MISSION

To develop and support a team of professionals which consistently seeks and finds innovative policing strategies to affirmatively promote, preserve, and deliver those quality services which enhance security and safety in our community. To support this mission, we work in strong partnership with the community.

WHAT WE DO

The Police Department is responsible for maintaining law and order. It provides services to the community under the direction of the Police Chief. With a full-time staff of 24, the Department provides for the preservation of life, protection of property, prevention of crime, apprehension of criminals, and facilitation of traffic. Most of the officers are in the patrol division; additionally, there are a traffic unit, criminal investigation detectives, a canine (K9) unit, professional support staff, patrol sergeants, and two Lieutenants that serve as the Division Commanders.



DEPARTMENT GOALS

The Police Department has identified four goals for the work of the Department:

1. Reduce crime and collision loss in our community.
2. Provide quality services and innovative policing strategies delivered through excellent customer service.
3. Provide appropriate resources to employees that foster a safe, ethical, innovative, knowledgeable, and diverse workforce.
4. Provide emergency management oversight for City infrastructure and our community.

POLICE DEPARTMENT

DIVISIONS

The Lake Forest Park Police Department is organized into three divisions:

- **Patrol Operations**
- **Support Services**
- **Emergency Management**



The ***Patrol Operations Division*** is commanded by a Lieutenant and provides professional police services to the citizens of Lake Forest Park twenty-four hours a day, seven days a week. The division consists of four squads in the Patrol Section, the K9 Unit, the Traffic Unit, Crime Watch, and Block Watch. Other functions include narcotics enforcement, training, Special Weapons and Tactics/Hostage Negotiations (SWAT/HNT), and gang/graffiti investigations.

The ***Support Services Division*** is commanded by a Lieutenant and assists in the daily operation of police support

services. The division strives for quality customer support through the delivery of services that enhance the overall mission of the Department. The division consists of the Investigations Unit, Professional Services, Jail Transports, Accreditation, the Records Unit, and the Evidence/Property Unit.

The ***Emergency Management Division*** is overseen by the Police Chief. Responsibilities include coordinating the Northshore Emergency Management Coalition (NEMCo), supervising the Emergency Manager of the NEMCo as they interface with the King County Department of Emergency Management, and networking with neighboring emergency management professionals. The division organizes emergency drills for the city, ensures compliance with the National Incident Management System (NIMS), and provides command oversight during emergencies within the city. Additionally, the division ensures the Comprehensive Emergency Management Plan (CEMP) and Hazard Mitigation Plan (HMP) are updated.



ONGOING DEPARTMENT FUNCTIONS

- Continue to provide Operations, Support Services, and Emergency Management as major functions in the Police Department.
- Continue to develop and enhance a yearly operations plan that focuses on crime reduction, providing quality services and innovative policing strategies, ensuring employee accountability, and providing emergency management oversight.

POLICE DEPARTMENT

- Enhance relationship with our schools to continue emergency response planning and exercises.
- Continue development of community partnerships through the Community Traffic Safety Program, Neighborhood Block Watch, extra patrol requests, local community groups, and positive police/citizen contacts.
- Enhance public transparency and public disclosure through paperless systems.
- Promote community education through crime prevention presentations in partnership with volunteer Block Watch Captains.
- Enhanced training to build a team of professionals that engage the community at levels of service.
- Enhance community communication efforts delivered through a variety of formats, including the City website, social media accounts, media releases, neighborhood meetings, and National Night Out.

2021-2022 PLANNED ACTIVITIES

- Increase proactive law enforcement activities linked to the Operational Plan
- Continue to enhance traffic safety and calming objectives
- Enhance NEMCo responsibilities
- Reduce crime related to property crimes
- Increased community engagement
- Solutions for more accountability to the public

| <i>Type of Call</i> | <i>2015</i> | <i>2016</i> | <i>2017</i> | <i>2018</i> | <i>2019</i> | <i>+/-</i> | <i>vs. Last Year</i> |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|------------|----------------------|
| 911 / Information | 318 | 284 | 160 | 171 | 224 | 7% | ↑ |
| Alarms | 371 | 395 | 361 | 319 | 368 | 15% | ↑ |
| Assault / Fights / Harassment | 76 | 64 | 55 | 60 | 58 | -3% | ↓ |
| Burglary / Theft | 425 | 367 | 378 | 427 | 337 | -21% | ↓ |
| Disturbance / Noise | 194 | 201 | 190 | 168 | 158 | -6% | ↓ |
| Domestic | 65 | 60 | 64 | 48 | 52 | 8% | ↑ |
| Investigations | 1745 | 1797 | 1923 | 1619 | 1602 | -1% | ↓ |
| Juvenile | 51 | 48 | 50 | 39 | 38 | -3% | ↓ |
| Liquor / Narcotics | 77 | 79 | 63 | 41 | 27 | -34% | ↓ |
| Miscellaneous | 1264 | 1785 | 1846 | 1729 | 1425 | -18% | ↓ |
| Parking | 346 | 319 | 289 | 257 | 275 | 7% | ↑ |
| Property | 95 | 86 | 92 | 85 | 88 | 4% | ↑ |
| Public Service | 2481 | 2781 | 2891 | 3055 | 2934 | -4% | ↓ |
| Traffic | 3735 | 3188 | 4275 | 3903 | 4596 | 18% | ↑ |
| Trespass | 64 | 40 | 45 | 51 | 58 | 14% | ↑ |

POLICE DEPARTMENT

DEPARTMENT STAFFING AND BUDGET SUMMARY

| Department Staffing Summary, Police | Full Time Equivalent (FTE) | |
|-------------------------------------|----------------------------|-----------|
| | 2019-2020 | 2021-2022 |
| Department Employee Count | 24.00 | 24.00 |

| Department Budget Summary, Police | | |
|-------------------------------------|------------------|------------------|
| Description | 2019-2020 | 2021-2022 |
| <u>Police Department Operations</u> | | |
| Salaries | 4,524,033 | 4,408,000 |
| Overtime | 251,800 | 245,000 |
| Employee Benefits | 2,022,470 | 1,967,000 |
| LEOFF 1 Expenses | 33,500 | 30,000 |
| Disability Insurance | 8,570 | 3,600 |
| Uniform Expenses | 35,000 | 35,000 |
| Police - Dry Cleaning Contract | 1,200 | 2,000 |
| Police - Badges & Vests | 10,500 | 10,500 |
| Supplies - General | 19,920 | 19,920 |
| Operations / Vehicle Supplies | 45,000 | 37,000 |
| K-9 Narcotics | 6,400 | - |
| Fuel | 60,400 | 60,400 |
| Small Tools & Equipment | 2,000 | 2,000 |
| Professional Services | 30,500 | 30,500 |
| Communications | 110,000 | 110,000 |
| Travel Exp. (lodging, meals) | 16,000 | 12,000 |
| Insurance | 177,063 | 189,650 |
| Vehicle Repair & Maintenance | 62,000 | 62,000 |
| Office Equip.- Repair & Maint. | 5,500 | 5,500 |
| Operations Repair/Maintenance | 4,000 | 4,000 |
| Dues / Subscriptions | 45,740 | 40,260 |
| Training | 28,000 | 20,000 |
| Marine Patrol | 26,000 | 26,000 |
| Call Out Services - SWAT | 4,800 | 4,500 |
| Copier Rental | 11,334 | 11,334 |
| Safe Harbor Expenses (DV) | 1,000 | 1,000 |
| Computer Hardware/Software | 20,000 | 2,000 |
| Machinery & Equipment | 19,207 | 6,000 |
| Total Police Operations | 7,581,937 | 7,345,164 |
| <u>Technology</u> | | |
| Dues / Subscriptions | - | 50,000 |
| Total Police Operations | - | 50,000 |
| <u>Crime Watch</u> | | |
| Supplies | 5,000 | 5,000 |
| Comm. Oriented Policing Prog. | 10,000 | 4,000 |
| Total Crime Watch | 15,000 | 9,000 |

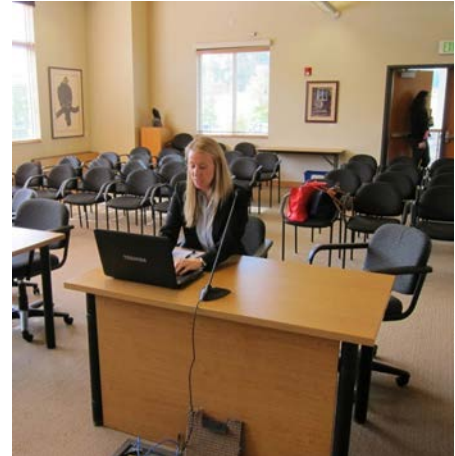
POLICE DEPARTMENT

| Department Budget Summary, Police | | |
|--|------------------|------------------|
| Description | 2019-2020 | 2021-2022 |
| <u>Emergency Management</u> | | |
| Office / Operating Supplies | 1,000 | 1,000 |
| Professional Services | 91,000 | 101,333 |
| Travel Expenses | 1,000 | - |
| Kenmore -EMPG | 9,980 | 20,400 |
| Dues / Subscriptions | - | 100 |
| Training | 2,000 | - |
| Machinery & Equipment | 4,000 | - |
| Total Emergency Management | 108,980 | 122,833 |
| <u>Traffic Safety Camera Program</u> | | |
| Professional Services | 1,291,620 | 1,584,000 |
| Total Traffic Safety Camera Program | 1,291,620 | 1,584,000 |
| <u>Dispatch</u> | | |
| Equipment Maintenance | 104,350 | 124,000 |
| Contracted Services | 220,000 | 207,000 |
| Total Dispatch | 324,350 | 331,000 |
| <u>Civil Service Commission</u> | | |
| Supplies | 1,000 | 500 |
| Professional Services | 12,283 | 12,283 |
| Travel Exp.(lodging, meals) | 1,400 | 1,400 |
| Training | 400 | 400 |
| Total Civil Service Commission | 15,083 | 14,583 |
| <u>Animal Control</u> | | |
| Animal Control Services | 12,000 | 12,000 |
| Total Animal Control | 12,000 | 12,000 |

OTHER CRIMINAL JUSTICE SERVICES (PROSECUTOR, PUBLIC DEFENSE, AND DETENTION)

OVERVIEW

- The City contracts for prosecutor and public defender services.
- The City contracts for detention services with King County, the City of Lynnwood, and Chelan and Yakima Counties. In an effort to save costs, the City uses one of the detention centers depending upon the type and length of sentencing.
- Only about 10% of the defendants who come through the City's court system are Lake Forest Park residents.



PROSECUTOR

This budget projects an increase in prosecution costs of 2.0% in 2021 and estimating the same in 2022. An inflationary increase is built into the prosecutor contract. The increase is an assumption of inflation (Seattle CPI 2.0%) for urban consumers for 2021.

PUBLIC DEFENDER

The Public Defender service was bid out in 2018, resulting in new representation provided by Stewart, MacNichols, Harmell, Inc., PS. It resulted in no cost increase over the previous Public Defender. Through one and one-half years of this service, the Public Defender has been able to easily manage within the prescribed case limits.

DETENTION AND ELECTRONIC HOME MONITORING

The budget actual amount reflects the Municipal Court using home detention in some sentencing, when criteria are met, a separate line item was added in this budget to account for electronic home monitoring. The 2021-2022 budget takes into account this factor and are set with a projected increase because sentencing needs cannot be projected with accuracy in a court this size.

| Department Budget Summary, Other Criminal Justice | | |
|--|------------------|------------------|
| Description | 2019-2020 | 2021-2022 |
| Prosecutor | 185,169 | 180,000 |
| Public Defender | 198,550 | 192,000 |
| Jail Expenses | 280,000 | 220,000 |
| Elec. Monitor / Wk. Release | 25,000 | 16,000 |
| Total | 688,719 | 608,000 |

PLANNING DEPARTMENT

MISSION

To serve all persons in a professional and courteous manner and help ensure that Lake Forest Park continues to be a healthy, safe, attractive, and enjoyable place to live, work, and visit.

WHAT WE DO

Under the direction of the Planning Director and Building Official, the Planning and Building departments play a key role in shaping the future of the City's built environment. Planning serves residents directly in response to inquiries at the counter, over the phone, and via email and indirectly by ensuring that all development activity conforms to the City's adopted plans and regulations.



Planning & Building Counter Assistance: The City places a high priority on providing timely, accurate information on land use and construction standards to the public. In 2019, the City's permit tracking system was enhanced to allow applicants to apply for and receive mechanical and plumbing permits.

Planning's workload continues to justify having an assistant planner and a senior planner positions. Planning is expected to provide counter service every day of the week and review land use permits in a timely manner. The Department is also expected to support the Planning Commission and the Tree Board and keep code update and long range planning initiatives moving through the public engagement and adoption process.

Development Compliance Review and Inspection: Planning and Building staff work closely together to insure new development proposals comply with the City's land use and construction codes. The cost of this work is offset by permit fees, which cover the staff time involved in assuring compliance, public notification of complex projects, and construction inspections. Certain applications require a public hearing before the City's Hearing Examiner, which the department also supports.

In spite of the pandemic, department staff continue to be very busy working with developers and property owners who have submitted or are preparing to submit short plat and reasonable use exception applications that will result in continued single family development over the next two years. The construction of 16-unit multifamily recently began in the Southern Gateway area and a

PLANNING DEPARTMENT

10-unit townhouse proposal is under review. With the adoption of regulatory updates to the Town Center regulations, Sound Transit and, potentially, Merlone Geier could be submitting major proposals for redevelopment in the Town Center during the next biennium.

Long Range Planning and Land Use Code Update: Planning prepares land use plans and code amendments at the direction of the Mayor and City Council. In some cases, these projects require the assistance of planning consultants, whose work is directed by the department. The draft plans or regulations are reviewed by the Planning Commission, which is staffed by the department. The Commission usually makes recommendations to the Mayor and City Council regarding updates to the Comprehensive Plan and land use codes. Through this process, the Commission also provides an important forum for citizen participation.

Initiatives Reviewed by Planning Commission during 2019-2020:

- Town Center Zoning Regulation and Design Guidelines Update Recommendation to Council pertaining to Free Standing Parking Structures
- Shoreline Master Program Periodic Update (joint public hearing conducted with Department of Ecology)

Land Use Initiatives Reviewed by Council during 2019-2020:

- Parks, Recreation, Open Space, and Trails Plan (adopted in 2019)
- Subdivision and Land Use Procedures Code Update
- Town Center Zoning and Design Guidelines Update
- Floodplain Regulations Update (adopted in 2020)

Land Use Initiatives Anticipated during 2021-2022

- Town Center Zoning Regulation and Design Guidelines Update
- Accessory Dwelling Unit Regulations Update
- Subdivision Code Update
- Sign Code Update
- Wireless Communication Facilities Code Update
- Tree Code Update
- Stormwater Mapping and Policy Integration with Comprehensive Plan (due 2023)
- Public Outreach Phase of Comprehensive Plan Periodic Update (due 2024)

Code Enforcement Investigation and Follow-up: This program involves responding to code enforcement requests from citizens, and following up with site visits to document violations, writing

PLANNING DEPARTMENT

letters, calling violators and complainants, and posting notices. The 2016 update to the code enforcement regulations has improved the efficiency with which City staff is able to resolve violations. Costs for this activity are partially reimbursed through fines that are collected. During the 2019, the Department has collected \$6,886 in fines. In 2020, \$76,700 in fines have been assessed, however, those fines could be significantly reduced through voluntary correction agreements and request for mitigation to the hearing examiner. All of these fines were assessed for tree code violations and, therefore, must be used for tree canopy related purposes.

Tree Removal and Replacement: During the last biennium, the Council changed the City Arborist from a 20-hour to a 24-hour per week position. This has improved the Department's responsiveness to tree code violations and its ability to inspect replacement trees and confirm that property owners are maintaining the canopy in accordance with the tree code.

Tree Board Support and Canopy Study: Planning also staffs and supports the activity of the Tree Board. The Board played an important role in verifying the results of the most recent canopy study and is currently working on a set of amendments to the tree regulations.

| Department Staffing Summary, Planning | Full Time Equivalent (FTE) | |
|--|----------------------------|------------------|
| | 2019-2020 | 2021-2022 |
| Department Employee Count | 3.60 | 3.60 |

| Department Budget Summary, Planning | | |
|--|------------------|------------------|
| Description | 2019-2020 | 2021-2022 |
| Copier Rental | 3,500 | 4,000 |
| Salaries | 643,831 | 714,500 |
| Overtime | 4,000 | 4,000 |
| Employee Benefits | 269,013 | 257,500 |
| Office / Operating Supplies | 9,000 | 8,000 |
| Professional Services | 124,000 | 119,000 |
| Engineering Services | 160,000 | 110,000 |
| Communications | 5,000 | 8,800 |
| Travel Exp. (lodging, meals) | 2,500 | - |
| Advertising | 12,000 | 10,000 |
| Dues / Subscriptions | 3,000 | 3,000 |
| Training | 5,000 | - |
| Machinery & Equipment | 15,000 | - |
| Total | 1,255,844 | 1,238,800 |

BUILDING DEPARTMENT

MISSION

To serve all persons in a positive and courteous manner and help ensure that Lake Forest Park continues to be a healthy, safe, attractive, and enjoyable place to live, work, and visit.

WHAT WE DO

Under the direction of the Planning Director and Building Official, the Planning and Building Departments play a key role in shaping the future of the City's development.

The Departments serve residents directly at the building and planning counter and indirectly by ensuring that all development activity conforms to the City's adopted plans and regulations.

Development and Building Compliance Review and Inspection: This program involves review of development projects—from new hot water tanks to new subdivisions—to ensure each complies with the City's land use and building codes. The cost of this work is offset by permit fees, which cover the staff time involved in assuring compliance, public notification of complex projects, and construction inspections. In certain cases, compliance review involves a public hearing before the City's Hearing Examiner, which the Department supports.

Code Enforcement Investigation and Follow-up: This program involves responding to code enforcement requests from citizens, following up with site visits to document violations, writing letters, calling violators and complainants, and posting notices. This activity is not offset by permit fees.

Planning & Building Counter Assistance: The City places a high priority on providing timely, accurate information on land use and construction standards to the public. The permit counter has been receiving an average of 1500-2000 visitors/year over the last few years. Many more received help by phone and email.

Right-of-Way Permit Processing and Inspection: In addition to other duties, the Building Official also inspects the City's streets to ensure they are properly repaired after utility crews finish their work.

Sewer Permit Processing and Inspection: The Permit Coordinator processes these permit applications, and the Building Official inspects the work.



BUILDING DEPARTMENT

| Department Staffing Summary, Building | Full Time Equivalent (FTE) | |
|--|----------------------------|------------------|
| | 2019-2020 | 2021-2022 |
| Department Employee Count | 2.00 | 1.75 |

| Department Budget Summary, Building | | |
|--|------------------|------------------|
| Description | 2019-2020 | 2021-2022 |
| Salaries | 269,415 | 269,000 |
| Overtime | 10,000 | 2,000 |
| Employee Benefits | 84,718 | 99,000 |
| Office / Operating Supplies | 6,000 | 6,000 |
| Professional Services | 20,000 | 12,000 |
| Fire Marshall Inspections | 2,000 | 2,000 |
| Communications | 1,300 | 1,650 |
| Training | 800 | 1,000 |
| Dues / Subscriptions | 1,500 | 1,045 |
| Machinery & Equipment | 3,000 | - |
| Total | 398,733 | 393,695 |

PUBLIC WORKS DEPARTMENT

MISSION

Efficiently operate and responsibly maintain the City's most valuable assets including public streets, sanitary sewers, parks, public facilities, and surface water infrastructure.

WHAT WE DO

Your Public Works Department provides a wide variety of services to the citizens of Lake Forest Park. Services include maintenance, operation and repair of the City's streets, surface water infrastructure, buildings and grounds facilities, parks, sanitary sewer, and 24/7 emergency response. Four separate funds provide the resources for these activities: the General Fund, the City Street Fund, the Surface Water Utility Fund, and the Sewer Utility Fund.



Facility Maintenance, Funding Source: General Fund/ Other

The Public Works Department preserves all the City's buildings through a mix of contractors that include janitorial contract, HVAC contract and a facilities preventive maintenance program. This blend of service provides a safe, pleasant, and productive work environment for city customers and staff. The City has three facilities: City Hall, the Public Works Office, and the Public Works Maintenance Shop.

Parks Maintenance, Funding Source: General Fund

The parks team provides landscape maintenance services to preserve and improve the quality of outdoor facilities. These maintenance services cover 38.3 acres of parks and open space. A broad range of equipment and skilled workers maintain and improve the variety of trees, shrubs, annual plants, grass areas, sport fields, irrigation systems, pathways (which span 30,000 feet), and parks amenities such as; drinking fountains, two tennis courts, viewing decks, boardwalks, parking areas, park signage, and outdoor play equipment.

PUBLIC WORKS DEPARTMENT

Streets, Funding Source: Street Fund

The Street Fund funds the maintenance and operations that includes pothole patching, skin patching, crack sealing, road shoulder maintenance, guard rail repair, snowplowing, sanding and de-icing, and annual road overlays. Funds are used for engineering services, road maintenance, traffic maintenance, and sidewalk construction projects. Some street operations services are provided by the Transportation Benefit District's approved plan.

Surface Water Utility, Funding Source: Surface Water Utility Fund

Surface water facility maintenance, operations and capital improvement are provided by the Surface Water Utility Fund. This includes geographic information systems mapping of the City's system, street sweeping, inspections of surface water infrastructure, capital project design and construction, and maintenance of the network of pipelines, ditches, detention facilities and streams.

Surface water utility funds are also used to implement the stormwater management program that seeks to improve water quality through public education and involvement, inspection, operations review and monitoring. This includes neighborhood environmental mini-grants and Stream Keepers' water quality monitoring.

Sewer Utility, Funding Source: Sewer Utility Fund

The Public Works Department operates and maintains a City sewer utility to ensure the health, safety, and welfare of citizens and visitors of Lake Forest Park. The Sewer Utility is responsible for the maintenance of approximately 225,000 feet of gravity sewer main, 11,000 feet of pressure main and two sewer lift stations. The City maintains relationships with adjoining cities, water districts, sewer districts, King County Metro, the State Department of Ecology (DOE), and the Seattle/King County Health Department in the operation of this utility.



PUBLIC WORKS DEPARTMENT

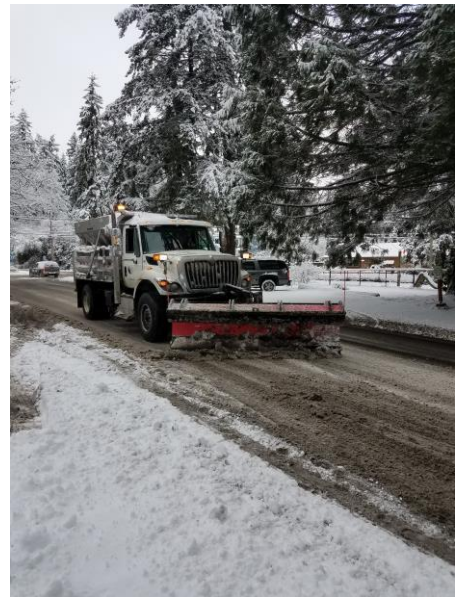
KEY 2019-2020 ACCOMPLISHMENTS

Facilities and Parks

- Completed enhancement projects in Parks in 2019 while maintained parks and facilities with ongoing 2020 budget reductions (COVID-19)
- Completed the design, permitting, and construction of Picnic Shelter
- Enhanced HVAC system for better air quality in City Hall (COVID-19)

Streets

- Maintained street signs, regulatory signs, street striping and street markings
- Mowed 19 miles of slope
- Repaired streets with 30 tons of asphalt
- Installed hardwire system to RRFB at 35th Ave NE & NE 187th St
- Added one new Speed Radar sign southbound SR-104 at 35th Ave
- Added two pinch points on 37th Ave NE
- Early Action Investments Program: (Traffic Calming) Completed 26 improvements to date
- Completed full system inspection and maintenance of Surface Water System



Surface Water

- Completed Annual cleaning of McAleer Creek bypass.
- Enhanced weir diversion on Hillside Creek for better flow of stream
- Completed GIS Mapping of Residential Surface Water Facilities
- Continued participation in the Lake Ballinger/McAleer Creek Forum
- Maintained Water Quality permit compliance – NPDES II
- Initiate Stormwater Planning per NPDES Phase II Permit requirements to develop a Stormwater Management Action Plan for Lake Forest Park
- Develop and implement a community-based social marketing strategy for stormwater public education and outreach program
- Maintained 6 miles of ditch lines
- Swept 900 miles of city streets

PUBLIC WORKS DEPARTMENT

Sewer Utility

- 3500 residents served by the sewer utility
- 640 sewer locates
- 2 sanitary sewer lift stations maintained
- 33 sewer grinder pumps serviced

2021-2022 PLANNED ACTIVITIES

Facilities and Parks

- Purchase Lake Front Property from Forterra – New Park Naming and Design
- Work with volunteer groups to assist with parks maintenance and projects
- Monitor slope stability the Animal Acres Park slope
- Bocce Ball Court addition at Horizon View Park

Streets

- Provide limited maintenance to the road surface system
- Respond with limited resources to evolving winter storm events
- Maintain the new Speed Radar signage's
- Maintain a number of tasks as resources allow

Surface Water Utility

- Develop a maintenance needs based inspection program of the City's surface water infrastructure with new NPDES Phase II Permit requirements including Low Impact Development code revisions and training
- Pursue federal, state and county funding for the replacement of undersized and deficient culverts throughout the City
- Improve water quality through public outreach, mini-grants, collaboration with upstream jurisdictions, and implementation of green infrastructure principles in capital projects.

Sewer Utility

- Proactively maintain the sewer utility
- Continue to work with the King County Wastewater Treatment Division to provide effective sewer conveyance across jurisdictional boundaries
- Continue to implement a fats, oils and grease reduction program
- Continue integrating GIS platform into sewer utility

PUBLIC WORKS DEPARTMENT

| Department Staffing Summary, Public Works | Full Time Equivalent (FTE) | |
|---|----------------------------|-----------|
| | 2019-2020 | 2021-2022 |
| Department Employee Count | 10.90 | 10.90 |

| Department Budget Summary, Public Works | | |
|---|----------------|----------------|
| Description | 2019-2020 | 2021-2022 |
| <u>Parks</u> | | |
| Salaries | 292,098 | 252,500 |
| Overtime | 8,000 | 8,000 |
| On-Call Services | 8,000 | 8,000 |
| Employee Benefits | 115,125 | 105,500 |
| Safety Clothing / Boots | 1,400 | 1,200 |
| Office Supplies | 500 | 500 |
| Operating Supplies | 17,000 | 17,000 |
| Small Tools & Equipment | 3,400 | 3,400 |
| Professional Services | 137,000 | 32,000 |
| Communications | 3,600 | 6,600 |
| Travel Exp. (lodging, meals) | 300 | - |
| Equipment Rental | 7,000 | 6,000 |
| Insurance | 16,037 | 17,200 |
| Utilities | 38,000 | 52,500 |
| Repairs & Maintenance | 56,000 | 56,000 |
| Repairs & Maintenance - Enhancement | 140,000 | - |
| Dues / Subscriptions | 350 | 385 |
| Training | 600 | - |
| Total Parks | 844,410 | 566,785 |

PUBLIC WORKS DEPARTMENT

| Department Budget Summary, Public Works | | |
|--|------------------|------------------|
| Description | 2019-2020 | 2021-2022 |
| <u>Facilities</u> | | |
| Salaries | 52,969 | 55,000 |
| Overtime | 2,000 | 2,000 |
| On-Call Services | 1,600 | 1,600 |
| Employee Benefits | 24,320 | 25,500 |
| Safety Clothing / Boots | 700 | 700 |
| Office Supplies | 400 | 400 |
| Operating Supplies | 16,100 | 17,710 |
| Small Tools & Equipment | 3,000 | 3,000 |
| Janitorial Contract | 76,000 | 90,000 |
| Professional Services | 60,000 | 30,000 |
| Communications | 1,800 | 1,980 |
| Travel Exp. (lodging, meals) | 200 | - |
| Equipment Rental | 800 | 800 |
| Insurance | 3,954 | 4,250 |
| Utilities - P.W. Facilities | 6,000 | 21,500 |
| Utilities - City Hall | 130,000 | 134,500 |
| Repairs & Maintenance | 47,000 | 43,500 |
| Emergency Management | 2,000 | 2,000 |
| Dues & Subscriptions | 400 | 400 |
| Training | 200 | - |
| Property Assessments | 15,000 | 18,500 |
| Total Facilities | 444,443 | 453,340 |

PUBLIC WORKS DEPARTMENT

| Department Budget Summary, Public Works | | |
|--|------------------|------------------|
| Description | 2019-2020 | 2021-2022 |
| <u>Street Maintenance</u> | | |
| Road Surface Maintenance | 41,000 | 45,000 |
| Repairs & Maintenance | 2,500 | 2,750 |
| Shoulder Maintenance | 26,000 | 26,000 |
| Structure Maintenance | 14,000 | 15,400 |
| Street Lighting Maintenance | 160,000 | 310,000 |
| Sign Replacement | 8,000 | 8,800 |
| Sign Maintenance | 42,000 | 46,200 |
| Pavement Marking / Striping | 44,000 | 48,400 |
| Snow Plowing / Sanding | 107,500 | 90,000 |
| Roadside Maintenance | 76,000 | 78,000 |
| Roadside Maintenance - Enhancement | 40,000 | - |
| Total Street Maintenance | 561,000 | 670,550 |
| <u>Street Operations</u> | | |
| Salaries | 390,871 | 426,500 |
| Overtime | 10,000 | 10,000 |
| On-Call Services | 13,000 | 14,000 |
| Employee Benefits | 175,534 | 186,000 |
| Safety Clothing / Boots | 1,800 | 1,980 |
| Office Supplies | 1,400 | 1,540 |
| Operating Supplies | 9,000 | 9,600 |
| Small Tools & Equipment | 3,500 | 3,000 |
| Professional Services | 87,000 | 66,000 |
| Communications | 5,200 | 10,500 |
| Travel Exp. (lodging, meals) | 400 | - |
| Equipment Rental | 5,000 | 5,500 |
| Insurance | 26,826 | 28,750 |
| Utilities | 2,400 | 13,000 |
| Dues / Subscriptions | 500 | 550 |
| Training | 2,000 | - |
| Copier Rental | 1,400 | 1,400 |
| Interfund Svc. To Fund (001) | 96,181 | 97,852 |
| Interfund Svc. To (501) | 75,184 | 72,996 |
| Total Street Operations | 907,197 | 949,168 |

PUBLIC WORKS DEPARTMENT

| Department Budget Summary, Public Works | | |
|--|------------------|------------------|
| Description | 2019-2020 | 2021-2022 |
| <u>Engineering Operations</u> | | |
| Interfund Svc. To GF (001) | 38,239 | 41,570 |
| Interfund Svc. To Replacement (501) | 3,076 | 4,882 |
| Professional Services | 50,000 | 50,000 |
| Travel Exp. (lodging & meals) | 1,500 | 6,500 |
| Training | 1,500 | - |
| Lobbying Activity | 80,500 | 80,500 |
| Salaries | 248,066 | 286,500 |
| Employee Benefits | 102,655 | 113,000 |
| Insurance | 7,505 | 8,050 |
| Dues / Subscriptions | - | 600 |
| Total Engineering Operations | 533,041 | 591,602 |

NON-OPERATING DEPARTMENT INFORMATION

2021-2022 PROPOSED BUDGET

- ☐ Vehicle and Equipment Replacement
- ☐ Fixed and Capital Assets

VEHICLE AND EQUIPMENT SERVICES AND REPLACEMENT FUND

PURPOSE

The purpose of the vehicle and equipment services and Replacement Fund is to support and carry out the mission of the City of Lake Forest Park by setting aside funds for the purchase, replacement, operation, and repair of major City assets such as vehicles, machinery, major equipment, and network and computer hardware.



WHAT WE DO

Vehicle and equipment services plans for the purchase and replacement of the City's vehicles and equipment. The services provided include planning for the maintenance and operating costs associated with those assets.

Most often purchases of new or replacement equipment are made by utilizing contracts secured by Washington State Department of Enterprise Services. The Washington State Department of Enterprise services contracts with vendors after a competitive bidding process has been performed. The utilization of these contracts by the City ensures that the City gets the best pricing on its purchases and satisfies the requirements of the City's purchasing policy. The City contracts with Northshore Utility District for vehicle and equipment maintenance and repair. The City also purchases fuel from the Northshore Utility District.

| Vehicle and Equipment Services and Replacement Fund | | |
|--|------------------|------------------|
| Description | 2019-2020 | 2021-2022 |
| Interfund Svc. To General Fund | 11,224 | 15,980 |
| Info.Svc. & Equip. Replacement | 382,904 | 260,354 |
| Citywide Vehicle - Replacement | - | - |
| Public Works - Fuel | 50,000 | 50,000 |
| Public Works Equip. - Maint. | 135,062 | 145,000 |
| PD Vehicle Replacement | 75,500 | 65,000 |
| PW Equipment - Replacement | 38,000 | 157,264 |
| PW Vehicles - Replacement | 108,969 | 108,969 |
| Total | 801,659 | 802,567 |

FIXED AND CAPITAL ASSETS

Fixed and capital assets are defined in the City's Financial Policies as land, buildings, equipment, and improvements to existing fixed assets costing more than \$5,000 and having a useful life in excess of one year.

The 2021-2022 budget contains over \$9 million in total fixed and capital asset expenditures. The majority of these expenditures are project expenditures for projects contained in the City's Capital Improvement Plan (CIP). It should be noted that not every expenditure included in the CIP is considered a standalone capital or fixed asset, similarly, some fixed and capital asset expenditures are routine and/or reoccurring, and are not found in the CIP. All fixed and capital expenditures scheduled in the CIP to occur during the 2021-2022 biennium are included in the adopted budget.

Recurring fixed and capital asset expenditures included in the 2021-2022 budget include the replacement of vehicles and equipment per the replacement schedule. The annual street overlay program that is funded through the City's vehicle tabs. The following narrative describes non-reoccurring fixed and capital expenditures that are included in the 2021-2022 budget, items are organized by funding source.



Capital Facilities Maintenance Fund

The Capital Facilities Maintenance Fund budget provides for the maintenance and upgrades to City owned facilities. The 2021-2022 budget includes \$100,000 for miscellaneous building maintenance items and \$431,000 to upgrade or replace HVAC units at City Hall. The budget also includes \$34,000 for Public Works facility investments. These investments are consistent with the Strategic Plan Goal of Accountable and Engaged Government.

Capital Improvement Fund

The Capital Improvement Fund budget includes funding for parks development and improvements. Two recently acquired parks properties, one on Brookside Boulevard and one on 40th Place NE, have funding of \$20,000 for master planning. Five Acre Woods is the other recently acquired park that has \$40,000 allocated towards planning/development in the upcoming biennium.

Transportation Capital Fund

The Transportation Capital Fund budget includes multiple items that advance the Strategic Plan Goal of Mobility. The budgeted items include: \$3 million dollar project to begin the design process for improvements at the intersection of Ballinger Way (SR 104) and 40th Place NE that is grant funded; \$800,000 for the Capital Street Overlay Program; \$100,000 for safety improvements recommended by the Safe Streets Study; and \$100,000 to conclude the SR 522 Grade Separated Pedestrian Crossing study.

FIXED AND CAPITAL ASSETS

Sewer Capital Fund

Beach Drive Sewer Lift Stations design is projected to begin with \$365,000 budgeted in 2022. The sewer lift stations are anticipated to be under construction the following biennium in 2023.

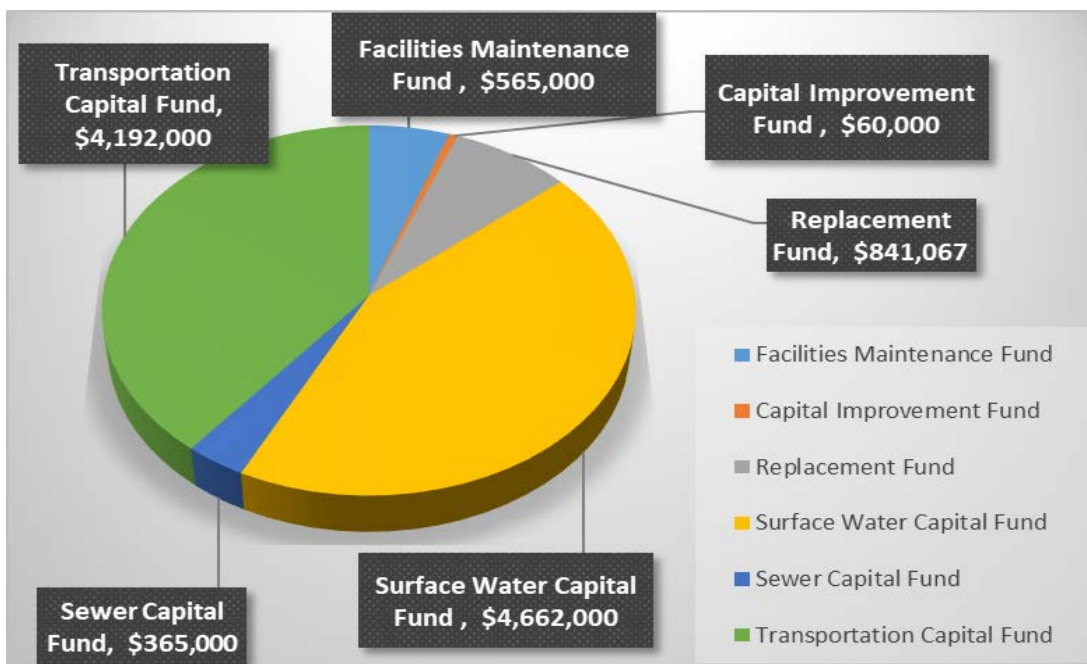
Surface Water Capital Fund

The Surface Water Capital Fund includes an identified \$4.7 million need for culvert replacement during the biennium for the L80 and L90 projects. The estimated construction of these improvements \$3.6 million is not a budgeted amount and will require an outside funding source for completion. The investment will replace aging and structurally deficient culverts and improve fish passage advancing the Strategic Plan Goal of Healthy Environment. The design for both culverts is currently underway and grant funded.

Animal Acres Park Restoration has been allocated \$30,000 for both years for slope mitigation. Material Bin Covers are budgeted at \$150,00 at the Public Works Facility to satisfy required surface water permit requirements. Study of Hillside Creek is budgeted at \$105,000 in 2022, and construction in the following biennium in 2023, to address the insufficient gradient in the channel that results in sediment buildup. An additional \$105,000 is allocated in the budget for miscellaneous surface water projects around the city. A significant portion of the surface water capital expenditures are expected to be funded from external sources.

The following graph shows the value of budgeted capital expenditures by fund.

Capital/Fixed Asset Budgeted Expenditures by Fund



FIXED AND CAPITAL ASSETS

The following schedule lists capital projects budgeted in the 2021-2022 biennium and includes the budgeted value and the funding source or fund that is financially responsible for the project.

| Schedule of 2021-2020 Capital Improvement Plan Projects | | |
|---|------------------------------|-------------------------------|
| Project Title | 2021-2020 Projected Value | Funding Source (Fund Name) |
| City Hall Facilities | 100,000 | Capital Facilities |
| City Hall Facilities, HVAC | 431,000 | Capital Facilities |
| Public Works Office Building | 10,000 | Capital Facilities |
| Public Works Facilities | 24,000 | Capital Facilities |
| Brookside Park Development | 20,000 | Capital Improvement |
| 5 Acre Woods Development | 40,000 | Capital Improvement |
| SR 522 Grade Separated Pedestrian Crossing | 100,000 | Transportation Capital |
| SR 104 & 40th PI NE Roundabout | 3,192,000 | Transportation Capital |
| Annual Street Overlay Program | 800,000 | Transportation Capital |
| Safe Streets, Early Action Investments | 100,000 | Transportation Capital |
| Beach Drive Sewer Lift Station | 365,000 | Sewer Capital |
| Animal Acres Park | 60,000 | Surface Water Capital |
| Material Bin Covers | 150,000 | Surface Water Capital |
| Culvert L80-L90 Replacement* | 4,242,000 | Surface Water Capital |
| Hillside Creek Pypass - Study & Development | 105,000 | Surface Water Capital |
| Micellaneous Surface Water Projects | 105,000 | Surface Water Capital |
| Total | 9,844,000 | |
| *Requires Grant Funding | | |

More information regarding fixed and capital asset expenditures can be found in the Capital Improvement Plan that is available on the City's website (cityoflfp.com) and in the department section titled Vehicle and Equipment Services and Replacement Fund.

APPENDIX

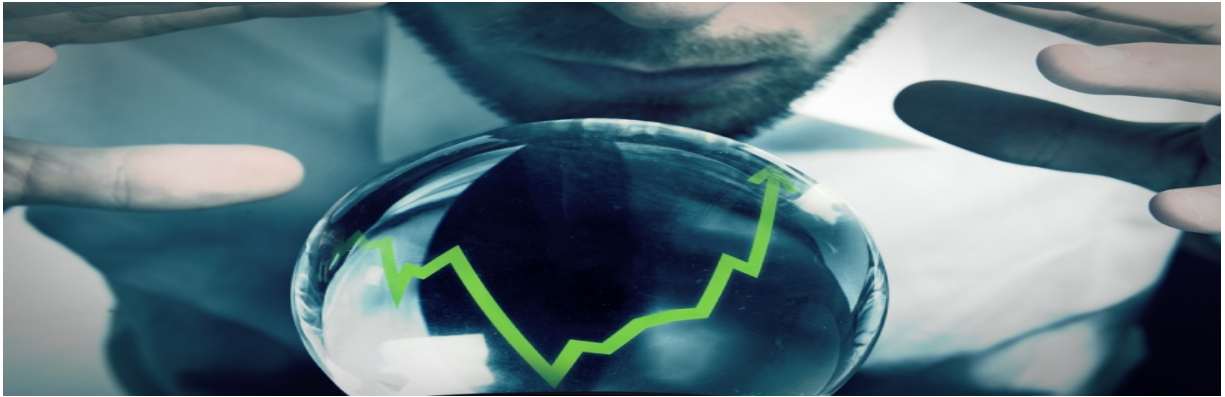
2021-2022 PROPOSED BUDGET

- ☐ Adopted Budget Calendar
- ☐ Six Year Financial Forecast
- ☐ Comprehensive Financial Management Policies
- ☐ Glossary and Acronyms

**City of Lake Forest Park
Budget Calendar, 2021-2022 Biennium**

| <u>Date</u> | | <u>Description</u> | <u>Time</u> | <u>Meeting Type</u> |
|-------------|----------|--|-------------|---|
| 26-May-20 | Tuesday | Call for Department Budget Requests Issued by Administration | - | NA |
| 26-Jun-20 | Friday | Department Budget Requests Due to Mayor | - | NA |
| 29-Jun-20 | Monday | Administration Considers Department Proposals and Formulates Budget Proposal | - | NA |
| 7-Jul-20 | Tuesday | Department Presentations to Mayor, City Administrator, & Finance Director | - | NA |
| 14-Jul-20 | Tuesday | Department Presentations to Mayor, City Administrator, & Finance Director | - | NA |
| 30-Jul-20 | Thursday | Expenditure & Revenue Projections Update | 5:30 PM | Special Budget Meeting, Open to the Public |
| 6-Aug-20 | Thursday | Department Presentations (Operations) | 5:30 PM | Special Budget Meeting, Open to the Public |
| 13-Aug-20 | Thursday | Community Partners (Human Services) Presentations | 5:30 PM | Special Budget Meeting, Open to the Public |
| 20-Aug-20 | Thursday | Department Presentations (Operations) Continued, if needed | 6:00 PM | Budget and Finance Committee, Open to the Public |
| 10-Sep-20 | Thursday | Mayor's Proposed Budget Presented to City Council | 7:00 PM | City Council Meeting, Open to the Public |
| 17-Sep-20 | Thursday | Detailed Presentation of Mayor's Proposal including Revenue Projections | 6:00 PM | Budget and Finance Committee, Open to the Public |
| 22-Sep-20 | Tuesday | Public Comment After the Mayor's Proposed 2021/2022 Biennial Budget is presented | 6:00 PM | Special Budget Meeting, Open to the Public |
| 24-Sep-20 | Thursday | Committee Budget Deliberations and Recommendations | 6:00 PM | Special Budget Meeting, Open to the Public |
| 15-Oct-20 | Thursday | Committee Budget Deliberations and Recommendations | 6:00 PM | Budget and Finance Committee, Open to the Public |
| 22-Oct-20 | Thursday | Public Hearings - Property Tax Levy, Rates, and Budget Related Items | 7:00 PM | City Council Meeting, Open to the Public |
| 29-Oct-20 | Thursday | Committee Budget Deliberations and Recommendations | 6:00 PM | Special Budget Meeting, Open to the Public |
| 5-Nov-20 | Thursday | Final Public Hearings - Property Tax Levy, Rates, and Budget Related Items | 6:00 PM | City Council Special Budget Meeting, Open to the Public |
| 12-Nov-20 | Thursday | Adoption of Budget, Property Tax Levy, Rates, and Related Items | 7:00 PM | City Council Meeting, Open to the Public |
| 19-Nov-20 | Thursday | Adoption of Budget, Property Tax Levy, Rates, and Related Items, if needed | 6:00 PM | City Council Special Budget Meeting, Open to the Public |

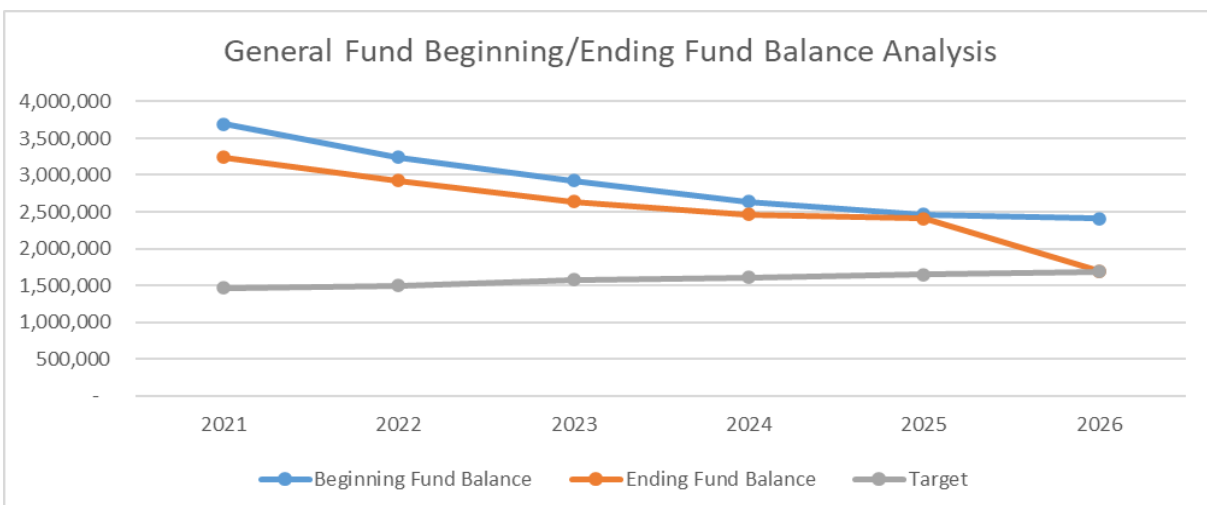
SIX YEAR FINANCIAL FORECAST



The City utilizes a six year financial forecast (the “forecast”) as one of its long range financial planning tools; the Comprehensive Financial Management Policies call for an update of the forecast during budget development and during the budget process. The Comprehensive Financial Management Policies state that prudent revenue and expenditure assumptions will be used in the development of the forecast.

The forecast displays line item level detail for all budgeted funds for a six year period. The forecast includes the line item detail used in the 2021-2022 biennial budget development and applies an annual “projection factor” to the 2021-2022 line items to estimate subsequent years’ revenue and expenditures. In most cases the projection factor is an inflationary percentage. Several items of revenue and expenditure, however, are expected to increase at a rate that differs from inflation and utilize a different projection factor.

Beginning and ending fund balances are included for each budgeted fund to show the effects of the prior year revenues and expenditures on fund balance; beginning fund balance is the first line item under each fund title.



SIX YEAR FINANCIAL FORECAST

ASSUMPTIONS

The following are notable assumptions used in the development of the forecast.

New Baseline: Expenditures used in the forecast assume that levels of service and the costs to provide services will remain constant throughout the six year period. Inflation is accounted for in the forecast. The new baseline represents the budgeted amount for the current biennium, after one-time items have been removed.

Capital Improvement Plan (CIP): Projects from the adopted CIP are included for all six years of the forecast.

Healthcare Costs: Healthcare costs are projected to grow at a rate above inflation for the six year period; this is accounted for in the forecast by applying an annual projection factor of 4% to all benefits.

Inflation: Inflation is accounted for in the forecast; the rate used is based on economist's estimates/projections for the six year period. The projected annual inflation was calculated as the average of economists' estimates for the six year period and is applied beginning with year three of the forecast (2019). The calculated annual value for inflation is 2.64%, the annual value is compounded and applied to the biennial amounts in the forecast, the compounded rate is 5.37%. The City is continuing to use the 2019 projection until more definitive data is known due to the worldwide pandemic known as COVID19.

One-Time Items: One-time items occurring during the 2021-2022 biennium have been removed and are not presented in subsequent years of the forecast.

Sales Tax and Related: Revenues from sales tax are projected to grow at a faster rate than inflation based on economist's estimates. The annual rate of increase used in the forecast is 3.5%.

FORECAST SCHEDULE NOTES

Rounding

The forecast displays a level of detail that is used in budget development, but is not adopted and not present elsewhere in the budget document. Due to the level of detail presented, the effects of rounding are present, as a result some amounts may differ slightly from other schedules in the budget document.

Capital Improvement Plan (CIP)

Amounts forecasted for capital funds are based on the adopted CIP and in some cases include operations, which are not included in the CIP. The complete adopted CIP document can be found on the City's website at www.cityofflp.com.

100% Projection Factor

Some line items in the schedule have a projection factor of 0.0% which indicates that the line item is either not reoccurring and/or is not expected to increase at the rate of inflation.

Six Year Financial Forecast

| Description | <u>2021-2022</u> | <u>One Time Items for</u> | | <u>2023-2024</u> | <u>2025-2026</u> | <u>Projection</u> |
|--------------------------------|------------------------|---------------------------|---------------------|------------------|------------------|-------------------|
| | <u>Proposed Budget</u> | <u>Removal for 6 Year</u> | <u>New Baseline</u> | | | <u>Factor</u> |
| General Fund | | | | | | |
| Beginning Fund Balance | 3,689,788 | | | 2,930,729 | 2,468,435 | |
| Property Tax | 6,830,442 | | 6,830,442 | 7,018,279 | 7,211,282 | 2.75% |
| Sales and Use Tax | 2,360,626 | | 2,360,626 | 2,528,703 | 2,708,746 | 7.12% |
| Local Criminal Justice / State | 764,224 | | 764,224 | 818,637 | 876,924 | 7.12% |
| Business Tax | 771,400 | | 771,400 | 826,324 | 885,158 | 7.12% |
| Solid Waste Collection Tax | 253,334 | | 253,334 | 266,938 | 281,272 | 5.37% |
| Utility Tax | 840,000 | | 840,000 | 840,000 | 840,000 | 0.00% |
| Sea. City Light Contract Fee | 1,090,922 | | 1,090,922 | 1,202,742 | 1,326,023 | 10.25% |
| Leasehold Excise Tax | 3,700 | | 3,700 | 3,700 | 3,700 | 0.00% |
| Admission Tax | 13,000 | | 13,000 | 13,000 | 13,000 | 0.00% |
| Cable Television Franchise Fee | 409,800 | | 409,800 | 431,806 | 454,994 | 5.37% |
| Telecommunication Franchise | 5,000 | | 5,000 | 5,269 | 5,551 | 5.37% |
| Business Licenses | 135,909 | | 135,909 | 135,909 | 135,909 | 0.00% |
| Construction Permits | 550,000 | | 550,000 | 563,750 | 577,844 | 2.50% |
| Land Use Permits | 180,000 | | 180,000 | 189,666 | 199,851 | 5.37% |
| Plumbing Permits | 50,000 | | 50,000 | 52,685 | 55,514 | 5.37% |
| Mechanical Permits | 78,000 | | 78,000 | 82,189 | 86,602 | 5.37% |
| Concealed Weapon Permit / City | 2,718 | | 2,718 | 2,864 | 3,018 | 5.37% |
| Development Tech. Surcharge | 47,045 | | 47,045 | 49,572 | 52,234 | 5.37% |
| Credit Card Fee | 10,455 | | 10,455 | 11,016 | 11,607 | 5.37% |
| Other Licenses / Permits | 30,000 | | 30,000 | 31,611 | 33,309 | 5.37% |
| Bulletproof Vest Partnership | 3,000 | | 3,000 | 3,161 | 3,331 | 5.37% |
| EMPG Grant | 40,800 | | 40,800 | 42,991 | 45,300 | 5.37% |
| Multimodal Transportation City | 36,124 | | 36,124 | 38,064 | 40,108 | 5.37% |
| Criminal Justice - Population | 8,895 | | 8,895 | 9,373 | 9,876 | 5.37% |
| CJ - Special Programs | 31,542 | | 31,542 | 33,236 | 35,021 | 5.37% |
| Marijuana Excise Tax Distrib. | 13,020 | | 13,020 | 13,719 | 14,455 | 5.37% |
| DUI Distribution | 3,756 | | 3,756 | 3,957 | 4,170 | 5.37% |
| Liquor Excise Tax | 152,585 | | 152,585 | 160,779 | 169,413 | 5.37% |
| Liquor Board Profits | 212,971 | | 212,971 | 224,408 | 236,459 | 5.37% |
| Local Hazardous Waste Grant | 18,270 | | 18,270 | 19,251 | 20,285 | 5.37% |
| KC Waste Reduction Recycling | 40,600 | | 40,600 | 42,780 | 45,078 | 5.37% |
| Court Administrative Fees | 2,639 | | 2,639 | 2,781 | 2,930 | 5.37% |
| Interfund Svc. From Fund (403) | 131,016 | | 131,016 | 138,051 | 145,465 | 5.37% |
| Interfund Svc. From Fund (401) | 247,360 | | 247,360 | 260,643 | 274,640 | 5.37% |
| Interfund Svc. From Fund (101) | 97,852 | | 97,852 | 103,107 | 108,643 | 5.37% |
| Interfund Svc. From Fund (302) | 42,570 | | 42,570 | 44,856 | 47,265 | 5.37% |
| Interfund Svc. From (301) | 10,442 | | 10,442 | 11,003 | 11,594 | 5.37% |
| Interfund Svc. From (501) | 12,636 | | 12,636 | 13,315 | 14,030 | 5.37% |
| Passport Rev. (Passport/Photo) | 325,000 | | 325,000 | 450,000 | 525,000 | 5.37% |
| Adult Probation Services | 99,945 | | 99,945 | 105,312 | 110,967 | 5.37% |
| Television/Cable Sub. Fee | 20,706 | | 20,706 | 21,818 | 22,990 | 5.37% |
| Support Service From TBD (104) | - | | - | - | - | 5.37% |
| Animal Control Reimbursement | 2,060 | | 2,060 | 2,171 | 2,287 | 5.37% |
| Other Civil Penalties | 412 | | 412 | 434 | 457 | 5.37% |
| Traffic Infraction Penalties | 121,272 | | 121,272 | 127,785 | 134,647 | 5.37% |
| Traffic Safety Camera Fines | 2,316,717 | | 2,316,717 | 2,900,000 | 2,958,580 | 2.02% |
| Legislative Assessment | 14,636 | | 14,636 | 15,422 | 16,250 | 5.37% |
| Civil Parking Infraction Penal | 4,060 | | 4,060 | 4,278 | 4,508 | 5.37% |
| DUI Fines | 10,455 | | 10,455 | 11,016 | 11,607 | 5.37% |
| Other Crim.Traffic Misdemeanor | 26,136 | | 26,136 | 27,540 | 29,019 | 5.37% |
| Other Crim. Non-Traffic Fines | 7,318 | | 7,318 | 7,711 | 8,125 | 5.37% |
| Court Fines & Forfeits | 20,909 | | 20,909 | 22,032 | 23,215 | 5.37% |
| Investment Interest | 40,000 | | 40,000 | 42,148 | 44,411 | 5.37% |
| Sales Tax Interest-State Treas | 4,466 | | 4,466 | 4,706 | 4,959 | 5.37% |
| Turner (Lakefront) Rent | 24,000 | | 24,000 | 24,000 | 24,000 | 0.00% |
| Facility Rental Fees | 1,000 | | 1,000 | 1,054 | 1,110 | 5.37% |
| City Forestry Account | 10,000 | | 10,000 | 10,537 | 11,103 | 5.37% |
| Sales of Surplus | 1,000 | | 1,000 | 1,054 | 1,110 | 5.37% |

Six Year Financial Forecast

| Description | <u>2021-2022</u> | <u>One Time Items for</u> | | <u>2023-2024</u> | <u>2025-2026</u> | <u>Projection</u> |
|--|------------------------|---------------------------|---------------------|-------------------|-------------------|-------------------|
| | <u>Proposed Budget</u> | <u>Removal for 6 Year</u> | <u>New Baseline</u> | | | <u>Factor</u> |
| P-Card Rebate | 28,854 | | 28,854 | 30,404 | 32,037 | 5.37% |
| Forfeits / Asset Seizure | 609 | | 609 | 642 | 676 | 5.37% |
| Restitution | 609 | | 609 | 642 | 676 | 5.37% |
| Cash Adjustments | 10 | | 10 | 11 | 11 | 5.37% |
| Fingerprinting Services | 180 | | 180 | 190 | 200 | 5.37% |
| Miscellaneous Revenue | 56,840 | | 56,840 | 59,892 | 63,109 | 5.37% |
| Police Miscellaneous Revenue | 10,455 | | 10,455 | 11,016 | 11,607 | 5.37% |
| Miscellaneous Court Fees | 200 | | 200 | 211 | 222 | 5.37% |
| Notary Fees | 4,060 | | 4,060 | 4,278 | 4,508 | 5.37% |
| FSA Forfeitures | 1,000 | | 1,000 | 1,054 | 1,110 | 5.37% |
| Emergency Services | 16,000 | | 16,000 | 16,859 | 17,765 | 5.37% |
| Local/JIS Account | 2,000 | | 2,000 | 2,107 | 2,221 | 5.37% |
| Total General Fund Revenue | 18,708,046 | - | 18,708,046 | 20,151,177 | 21,064,063 | |
| Internal Svc. To Fund (501) | 318,664 | | 318,664 | 335,776 | 353,807 | 5.37% |
| Transfer to Street Fund (101) | 310,000 | | 310,000 | 326,647 | 344,188 | 5.37% |
| Total General Fund Transfer Out | 628,664 | - | 628,664 | 662,423 | 697,995 | |
| Salaries | 101,000 | | 101,000 | 106,424 | 112,139 | 5.37% |
| Employee Benefits | 8,500 | | 8,500 | 9,194 | 9,944 | 8.16% |
| Supplies | 1,200 | | 1,200 | 1,264 | 1,332 | 5.37% |
| Professional Services | 10,000 | | 10,000 | 10,537 | 11,103 | 5.37% |
| Communication-Legislative Act. | 2,000 | | 2,000 | 2,107 | 2,221 | 5.37% |
| Total City Council Expense | 122,700 | - | 122,700 | 129,526 | 136,738 | |
| Salaries | 680,500 | | 680,500 | 717,043 | 755,548 | 5.37% |
| Employee Benefits | 261,500 | | 261,500 | 282,838 | 305,918 | 8.16% |
| Office/Operating Supplies | 2,000 | | 2,000 | 2,107 | 2,221 | 5.37% |
| Small Tools and Equipment | 400 | | 400 | 421 | 444 | 5.37% |
| Professional Services | 80,000 | | 80,000 | 84,296 | 88,823 | 5.37% |
| Communications | 11,400 | | 11,400 | 12,012 | 12,657 | 5.37% |
| Travel Exp. (lodging, meals) | 2,400 | | 2,400 | 2,529 | 2,665 | 5.37% |
| Dues / Subscriptions | 13,000 | | 13,000 | 13,698 | 14,434 | 5.37% |
| Volunteer & Staff Recognition | 6,000 | | 6,000 | 6,322 | 6,662 | 5.37% |
| Mayor's Reserve | 5,000 | | 5,000 | 5,269 | 5,551 | 5.37% |
| Total Executive Expense | 1,062,200 | - | 1,062,200 | 1,126,536 | 1,194,922 | |
| Other Legal Services | 300,000 | | 300,000 | 316,110 | 333,085 | 5.37% |
| Total Legal Services Expense | 300,000 | - | 300,000 | 316,110 | 333,085 | |
| Salaries | 687,000 | | 687,000 | 723,892 | 762,765 | 5.37% |
| Overtime | 1,000 | | 1,000 | 1,054 | 1,110 | 5.37% |
| Employee Benefits | 238,000 | | 238,000 | 257,421 | 278,426 | 8.16% |
| Office/Operating Supplies | 30,000 | | 30,000 | 31,611 | 33,309 | 5.37% |
| Taxes & Assessments (Passport) | 5,500 | | 5,500 | 5,795 | 6,107 | 5.37% |
| Professional Services | 16,000 | | 16,000 | 16,859 | 17,765 | 5.37% |
| LFP Code Update | 6,000 | | 6,000 | 6,322 | 6,662 | 5.37% |
| Communications | 30,000 | | 30,000 | 31,611 | 33,309 | 5.37% |
| Newsletter | 20,000 | | 20,000 | 21,074 | 22,206 | 5.37% |
| Communications / Internet | 14,000 | | 14,000 | 14,752 | 15,544 | 5.37% |
| Advertising | 3,000 | | 3,000 | 3,161 | 3,331 | 5.37% |
| Postage Equipment Rental | 4,600 | | 4,600 | 4,847 | 5,107 | 5.37% |
| Insurance | 145,700 | | 145,700 | 153,524 | 161,768 | 5.37% |
| Repairs & Maintenance | 1,000 | | 1,000 | 1,054 | 1,110 | 5.37% |
| Dues / Subscriptions | 2,000 | | 2,000 | 2,107 | 2,221 | 5.37% |
| Copier Rental | 9,000 | | 9,000 | 9,483 | 9,993 | 5.37% |
| Total Municipal Service Expense | 1,212,800 | - | 1,212,800 | 1,284,568 | 1,360,731 | |
| Election/Voter Costs | 100,000 | | 100,000 | 105,370 | 111,028 | 5.37% |
| Total Election Expense | 100,000 | - | 100,000 | 105,370 | 111,028 | |
| Association of WA Cities | 21,400 | | 21,400 | 22,549 | 23,760 | 5.37% |
| Puget Sound Regional Council | 12,500 | | 12,500 | 13,171 | 13,879 | 5.37% |
| Sound Cities Association | 18,500 | | 18,500 | 19,493 | 20,540 | 5.37% |
| SeaShore Transportation Forum | 1,000 | | 1,000 | 1,054 | 1,110 | 5.37% |
| Puget Sound Clean Air Agency | 23,907 | | 23,907 | 25,191 | 26,544 | 5.37% |

Six Year Financial Forecast

| Description | <u>2021-2022</u> | <u>One Time Items for</u> | | <u>2023-2024</u> | <u>2025-2026</u> | <u>Projection</u> |
|--|------------------------|---------------------------|---------------------|------------------|------------------|-------------------|
| | <u>Proposed Budget</u> | <u>Removal for 6 Year</u> | <u>New Baseline</u> | | | <u>Factor</u> |
| OMWBE | 400 | | 400 | 421 | 444 | 5.37% |
| NUHSA - N. Urban H.S. Alliance | 2,100 | | 2,100 | 2,213 | 2,332 | 5.37% |
| King County-Cities Climate | 1,900 | | 1,900 | 2,002 | 2,110 | 5.37% |
| Total Membership Expense | 81,707 | - | 81,707 | 86,095 | 90,718 | |
| Salaries | 955,000 | | 955,000 | 1,006,284 | 1,060,321 | 5.37% |
| Employee Benefits | 309,000 | | 309,000 | 334,214 | 361,486 | 8.16% |
| Office / Operating Supplies | 9,000 | | 9,000 | 9,483 | 9,993 | 5.37% |
| Professional Services | 58,000 | | 58,000 | 61,115 | 64,396 | 5.37% |
| Communications | 11,800 | | 11,800 | 12,434 | 13,101 | 5.37% |
| Dues / Subscriptions | 1,300 | | 1,300 | 1,370 | 1,443 | 5.37% |
| Municipal Auditor Expenses | 74,000 | | 74,000 | 77,974 | 82,161 | 5.37% |
| Total Finance and Audit Expense | 1,418,100 | - | 1,418,100 | 1,502,873 | 1,592,902 | |
| Salaries | 786,000 | | 786,000 | 828,208 | 872,683 | 5.37% |
| Employee Benefits | 310,000 | | 310,000 | 335,296 | 362,656 | 8.16% |
| Court Supplies | 11,000 | | 11,000 | 11,591 | 12,213 | 5.37% |
| Youth Court Supplies | 1,600 | | 1,600 | 1,686 | 1,776 | 5.37% |
| Prof. Svcs.-Security & Pro-tem | 26,000 | | 26,000 | 27,396 | 28,867 | 5.37% |
| Bank Charges | 4,000 | | 4,000 | 4,215 | 4,441 | 5.37% |
| Communications | 17,000 | | 17,000 | 17,913 | 18,875 | 5.37% |
| Travel Exp. (lodging, meals) | 3,000 | | 3,000 | 3,161 | 3,331 | 5.37% |
| Insurance | 34,600 | | 34,600 | 36,458 | 38,416 | 5.37% |
| Repair & Maintenance | 400 | | 400 | 421 | 444 | 5.37% |
| Dues - Subscriptions | 5,900 | | 5,900 | 6,217 | 6,551 | 5.37% |
| Training | 2,000 | | 2,000 | 2,107 | 2,221 | 5.37% |
| Jury Service | 3,000 | | 3,000 | 3,161 | 3,331 | 5.37% |
| Interpreters | 7,500 | | 7,500 | 7,903 | 8,327 | 5.37% |
| Salaries - Pro Tem | 16,000 | | 16,000 | 16,859 | 17,765 | 5.37% |
| Employee Benefits - Pro Tem | 3,000 | | 3,000 | 3,161 | 3,331 | 5.37% |
| Probation Supplies | 20,000 | | 20,000 | 21,074 | 22,206 | 5.37% |
| Copier Rental | 4,584 | | 4,584 | 4,830 | 5,090 | 5.37% |
| Machinery & Equipment | 500 | | 500 | 527 | 555 | 5.37% |
| Total Court Expense | 1,256,084 | - | 1,256,084 | 1,332,185 | 1,413,078 | |
| Prosecutor | 180,000 | | 180,000 | 189,666 | 199,851 | 5.37% |
| Public Defender | 192,000 | | 192,000 | 202,310 | 213,174 | 5.37% |
| Total Other CJ Expense | 372,000 | - | 372,000 | 391,976 | 413,026 | |
| Salaries | 4,408,000 | | 4,408,000 | 4,644,710 | 4,894,131 | 5.37% |
| Overtime | 245,000 | | 245,000 | 258,157 | 272,020 | 5.37% |
| Employee Benefits | 1,967,000 | | 1,967,000 | 2,127,507 | 2,301,112 | 8.16% |
| LEOFF 1 Expenses | 30,000 | | 30,000 | 31,611 | 33,309 | 5.37% |
| Disability Insurance | 3,600 | | 3,600 | 3,793 | 3,997 | 5.37% |
| Uniform Expenses | 35,000 | | 35,000 | 36,880 | 38,860 | 5.37% |
| Police - Dry Cleaning Contract | 2,000 | | 2,000 | 2,107 | 2,221 | 5.37% |
| Police - Badges & Vests | 10,500 | | 10,500 | 11,064 | 11,658 | 5.37% |
| Supplies - General | 19,920 | | 19,920 | 20,990 | 22,117 | 5.37% |
| Operations / Vehicle Supplies | 37,000 | | 37,000 | 38,987 | 41,080 | 5.37% |
| Fuel | 60,400 | | 60,400 | 63,643 | 67,061 | 5.37% |
| Small Tools & Equipment | 2,000 | | 2,000 | 2,107 | 2,221 | 5.37% |
| Professional Services | 30,500 | | 30,500 | 32,138 | 33,864 | 5.37% |
| Communications | 110,000 | | 110,000 | 115,907 | 122,131 | 5.37% |
| Travel Exp. (lodging, meals) | 12,000 | | 12,000 | 12,644 | 13,323 | 5.37% |
| Insurance | 189,650 | | 189,650 | 199,834 | 210,565 | 5.37% |
| Vehicle Repair & Maintenance | 62,000 | | 62,000 | 65,329 | 68,838 | 5.37% |
| Office Equip.- Repair & Maint. | 5,500 | | 5,500 | 5,795 | 6,107 | 5.37% |
| Operations Repair/Maintenance | 4,000 | | 4,000 | 4,215 | 4,441 | 5.37% |
| Dues / Subscriptions | 40,260 | | 40,260 | 42,422 | 44,700 | 5.37% |
| Training | 20,000 | | 20,000 | 21,074 | 22,206 | 5.37% |
| Marine Patrol | 26,000 | | 26,000 | 27,396 | 28,867 | 5.37% |
| Call Out Services - SWAT | 4,500 | | 4,500 | 4,742 | 4,996 | 5.37% |
| Copier Rental | 11,334 | | 11,334 | 11,943 | 12,584 | 5.37% |

Six Year Financial Forecast

| Description | <u>2021-2022</u> | <u>One Time Items for</u> | | <u>2023-2024</u> | <u>2025-2026</u> | <u>Projection</u> |
|--|------------------------|---------------------------|---------------------|------------------|------------------|-------------------|
| | <u>Proposed Budget</u> | <u>Removal for 6 Year</u> | <u>New Baseline</u> | | | <u>Factor</u> |
| Safe Harbor Expenses (DV) | 1,000 | | 1,000 | 1,054 | 1,110 | 5.37% |
| Computer Hardware/Software | 2,000 | | 2,000 | 2,107 | 2,221 | 5.37% |
| Machinery & Equipment | 6,000 | | 6,000 | 6,322 | 6,662 | 5.37% |
| Total Police Department Expense | 7,345,164 | - | 7,345,164 | 7,794,479 | 8,272,400 | |
| Dues / Subscriptions | 50,000 | | 50,000 | 52,685 | 55,514 | 5.37% |
| Total Police Technology Expense | 50,000 | - | 50,000 | 52,685 | 55,514 | |
| Supplies | 5,000 | | 5,000 | 5,269 | 5,551 | 5.37% |
| Comm. Oriented Policing Prog. | 4,000 | | 4,000 | 4,215 | 4,441 | 5.37% |
| Total Crime Watch Expense | 9,000 | - | 9,000 | 9,483 | 9,993 | |
| Office / Operating Supplies | 1,000 | | 1,000 | 1,054 | 1,110 | 5.37% |
| Professional Services | 101,333 | | 101,333 | 106,774 | 112,508 | 5.37% |
| Kenmore - EMPG | 20,400 | | 20,400 | 21,495 | 22,650 | 5.37% |
| Dues / Subscriptions | 100 | | 100 | 105 | 111 | 5.37% |
| Total Emergency Management Expense | 122,833 | - | 122,833 | 129,429 | 136,379 | |
| Traffic Camera Service Fee | 1,584,000 | | 1,584,000 | 1,669,061 | 1,758,689 | 5.37% |
| Total Traffic Camera Expense | 1,584,000 | - | 1,584,000 | 1,669,061 | 1,758,689 | |
| Equipment Maintenance | 124,000 | | 124,000 | 130,659 | 137,675 | 5.37% |
| Contracted Services | 207,000 | | 207,000 | 218,116 | 229,829 | 5.37% |
| Total Dispatch Expense | 331,000 | - | 331,000 | 348,775 | 367,504 | |
| Supplies | 500 | | 500 | 527 | 555 | 5.37% |
| Professional Services | 12,283 | | 12,283 | 12,943 | 13,638 | 5.37% |
| Travel Exp.(lodging, meals) | 1,400 | | 1,400 | 1,475 | 1,554 | 5.37% |
| Training | 400 | | 400 | 421 | 444 | 5.37% |
| Total Civil Service Expense | 14,583 | - | 14,583 | 15,366 | 16,191 | |
| Animal Control Services | 12,000 | | 12,000 | 12,644 | 13,323 | 5.37% |
| Tree Acct. Operating Supplies | 2,000 | | 2,000 | 2,107 | 2,221 | 5.37% |
| Tree Acct. Professional Svcs. | 2,000 | | 2,000 | 2,107 | 2,221 | 5.37% |
| Total Environmental Service Expense | 16,000 | - | 16,000 | 16,859 | 17,765 | |
| Jail Expenses | 220,000 | | 220,000 | 231,814 | 244,262 | 5.37% |
| Elec. Monitor/Wk. Release | 16,000 | | 16,000 | 16,859 | 17,765 | 5.37% |
| Total Detention Expense | 236,000 | - | 236,000 | 248,673 | 262,027 | |
| Salaries | 133,000 | | 133,000 | 140,142 | 147,668 | 5.37% |
| Overtime | 2,000 | | 2,000 | 2,107 | 2,221 | 5.37% |
| Employee Benefits | 49,500 | | 49,500 | 53,539 | 57,908 | 8.16% |
| Community Events - Supplies | 30,000 | | 30,000 | 31,611 | 33,309 | 5.37% |
| Youth Council | 1,000 | | 1,000 | 1,054 | 1,110 | 5.37% |
| Waste Reduction / Recycle Grant | 10,000 | | 10,000 | 10,537 | 11,103 | 5.37% |
| Office / Operating Supplies | 550 | | 550 | 580 | 611 | 5.37% |
| Senior Services | 36,000 | | 36,000 | 37,933 | 39,970 | 5.37% |
| Middle - After School Prog. | 28,000 | | 28,000 | 29,504 | 31,088 | 5.37% |
| Drug & Alcohol Prevention | 54,000 | | 54,000 | 56,900 | 59,955 | 5.37% |
| Recreation Programs | 35,200 | | 35,200 | 37,090 | 39,082 | 5.37% |
| Local Hazardous Waste Grant | 16,000 | | 16,000 | 16,859 | 17,765 | 5.37% |
| Coordinated Prevention Grant | 6,000 | | 6,000 | 6,322 | 6,662 | 5.37% |
| Community Events - Services | 40,000 | | 40,000 | 42,148 | 44,411 | 5.37% |
| Community Development | 57,000 | | 57,000 | 60,061 | 63,286 | 5.37% |
| Lake Forest Park Arts Council | 36,000 | | 36,000 | 37,933 | 39,970 | 5.37% |
| Communications | 2,000 | | 2,000 | 2,107 | 2,221 | 5.37% |
| Youth Services Co-Funding Rent | 6,000 | | 6,000 | 6,000 | 6,000 | 0.00% |
| Dues / Subscriptions | 2,000 | | 2,000 | 2,107 | 2,221 | 5.37% |
| Total Community Programs Expense | 544,250 | - | 544,250 | 574,535 | 606,559 | |
| King County Alcohol Program | 7,400 | | 7,400 | 7,797 | 8,216 | 5.37% |
| Total Public Health Expense | 7,400 | - | 7,400 | 7,797 | 8,216 | |
| Copier Rental | 4,000 | | 4,000 | 4,215 | 4,441 | 5.37% |
| Salaries | 714,500 | | 714,500 | 752,869 | 793,298 | 5.37% |
| Overtime | 4,000 | | 4,000 | 4,215 | 4,441 | 5.37% |
| Employee Benefits | 257,500 | | 257,500 | 278,512 | 301,239 | 8.16% |
| Office / Operating Supplies | 8,000 | | 8,000 | 8,430 | 8,882 | 5.37% |

Six Year Financial Forecast

| Description | <u>2021-2022</u> | <u>One Time Items for</u> | | | | <u>Projection</u> |
|--|------------------------|---------------------------|---------------------|-------------------|-------------------|-------------------|
| | <u>Proposed Budget</u> | <u>Removal for 6 Year</u> | <u>New Baseline</u> | <u>2023-2024</u> | <u>2025-2026</u> | <u>Factor</u> |
| Professional Services | 119,000 | | 119,000 | 125,390 | 132,124 | 5.37% |
| Engineering Services | 110,000 | | 110,000 | 115,907 | 122,131 | 5.37% |
| Communications | 8,800 | | 8,800 | 9,273 | 9,770 | 5.37% |
| Advertising | 10,000 | | 10,000 | 10,537 | 11,103 | 5.37% |
| Dues / Subscriptions | 3,000 | | 3,000 | 3,161 | 3,331 | 5.37% |
| Salaries | 269,000 | | 269,000 | 283,445 | 298,666 | 5.37% |
| Overtime | 2,000 | | 2,000 | 2,107 | 2,221 | 5.37% |
| Employee Benefits | 99,000 | | 99,000 | 107,078 | 115,816 | 8.16% |
| Office / Operating Supplies | 6,000 | | 6,000 | 6,322 | 6,662 | 5.37% |
| Professional Services | 12,000 | | 12,000 | 12,644 | 13,323 | 5.37% |
| Fire Marshall Inspections | 2,000 | | 2,000 | 2,107 | 2,221 | 5.37% |
| Communications | 1,650 | | 1,650 | 1,739 | 1,832 | 5.37% |
| Training | 1,000 | | 1,000 | 1,054 | 1,110 | 5.37% |
| Dues / Subscriptions | 1,045 | | 1,045 | 1,101 | 1,160 | 5.37% |
| Total Planning and Building Expense | 1,632,495 | - | 1,632,495 | 1,730,106 | 1,833,771 | |
| Salaries | 252,500 | | 252,500 | 266,059 | 280,347 | 5.37% |
| Overtime | 8,000 | | 8,000 | 8,430 | 8,882 | 5.37% |
| On-Call Services | 8,000 | | 8,000 | 8,430 | 8,882 | 5.37% |
| Employee Benefits | 105,500 | | 105,500 | 114,109 | 123,420 | 8.16% |
| Safety Clothing / Boots | 1,200 | | 1,200 | 1,264 | 1,332 | 5.37% |
| Office Supplies | 500 | | 500 | 527 | 555 | 5.37% |
| Operating Supplies | 17,000 | | 17,000 | 17,913 | 18,875 | 5.37% |
| Small Tools & Equipment | 3,400 | | 3,400 | 3,583 | 3,775 | 5.37% |
| Professional Services | 32,000 | | 32,000 | 33,718 | 35,529 | 5.37% |
| Communications | 6,600 | | 6,600 | 6,954 | 7,328 | 5.37% |
| Equipment Rental | 6,000 | | 6,000 | 6,322 | 6,662 | 5.37% |
| Insurance | 17,200 | | 17,200 | 18,124 | 19,097 | 5.37% |
| Utilities | 52,500 | | 52,500 | 55,319 | 58,290 | 5.37% |
| Repairs & Maintenance | 56,000 | | 56,000 | 59,007 | 62,176 | 5.37% |
| Dues / Subscriptions | 385 | | 385 | 406 | 427 | 5.37% |
| Total Park Expense | 566,785 | - | 566,785 | 600,165 | 635,577 | |
| Salaries | 55,000 | | 55,000 | 57,954 | 61,066 | 5.37% |
| Overtime | 2,000 | | 2,000 | 2,107 | 2,221 | 5.37% |
| On-Call Services | 1,600 | | 1,600 | 1,686 | 1,776 | 5.37% |
| Employee Benefits | 25,500 | | 25,500 | 27,581 | 29,831 | 8.16% |
| Safety Clothing / Boots | 700 | | 700 | 738 | 777 | 5.37% |
| Office Supplies | 400 | | 400 | 421 | 444 | 5.37% |
| Operating Supplies | 17,710 | | 17,710 | 18,661 | 19,663 | 5.37% |
| Small Tools & Equipment | 3,000 | | 3,000 | 3,161 | 3,331 | 5.37% |
| Property Assessments | 18,500 | | 18,500 | 19,493 | 20,540 | 5.37% |
| Janitorial Contract | 90,000 | | 90,000 | 94,833 | 99,926 | 5.37% |
| Professional Services | 30,000 | | 30,000 | 31,611 | 33,309 | 5.37% |
| Communications | 1,980 | | 1,980 | 2,086 | 2,198 | 5.37% |
| Equipment Rental | 800 | | 800 | 843 | 888 | 5.37% |
| Insurance | 4,250 | | 4,250 | 4,478 | 4,719 | 5.37% |
| Utilities - P.W. Facilities | 21,500 | | 21,500 | 22,655 | 23,871 | 5.37% |
| Utilities - City Hall | 134,500 | | 134,500 | 141,723 | 149,333 | 5.37% |
| Repairs & Maintenance | 43,500 | | 43,500 | 45,836 | 48,297 | 5.37% |
| Emergency Management | 2,000 | | 2,000 | 2,107 | 2,221 | 5.37% |
| Dues & Subscriptions | 400 | | 400 | 421 | 444 | 5.37% |
| Total Facilities Expense | 453,340 | - | 453,340 | 478,396 | 504,855 | |
| Total General Fund Expense | 19,467,105 | - | 19,467,105 | 20,613,471 | 21,829,663 | |
| Ending Fund Balance | 2,930,729 | | | 2,468,435 | 1,702,835 | |
| Street Fund | | | | | | |
| Beginning Fund Balance | 641,580 | | | 527,918 | 402,963 | |
| R.O.W. Permits - Construction | 158,000 | | 158,000 | 166,485 | 175,425 | 5.37% |
| ROW Rev. / Utility Franchise | 480,000 | | 480,000 | 505,776 | 532,936 | 5.37% |
| Gas Taxes (MVET Cities) | 541,056 | | 541,056 | 570,111 | 600,726 | 5.37% |
| Investment Interest | 15,000 | | 15,000 | 15,806 | 16,654 | 5.37% |

Six Year Financial Forecast

| Description | <u>2021-2022</u> | <u>One Time Items for</u> | | <u>2023-2024</u> | <u>2025-2026</u> | <u>Projection</u> |
|--|------------------------|---------------------------|---------------------|------------------|------------------|-------------------|
| | <u>Proposed Budget</u> | <u>Removal for 6 Year</u> | <u>New Baseline</u> | | | <u>Factor</u> |
| Miscellaneous Revenue | 2,000 | | 2,000 | 2,107 | 2,221 | 5.37% |
| Transfer From Gen. Fund (001) | 310,000 | | 310,000 | 326,647 | 344,188 | 5.37% |
| Total Street Fund Revenue | 1,506,056 | - | 1,506,056 | 1,586,931 | 1,672,149 | |
| Road Surface Maintenance | 45,000 | | 45,000 | 47,417 | 49,963 | 5.37% |
| Repairs & Maintenance | 2,750 | | 2,750 | 2,898 | 3,053 | 5.37% |
| Shoulder Maintenance | 26,000 | | 26,000 | 27,396 | 28,867 | 5.37% |
| Structure Maintenance | 15,400 | | 15,400 | 16,227 | 17,098 | 5.37% |
| Street Lighting Maintenance | 310,000 | | 310,000 | 326,647 | 344,188 | 5.37% |
| Sign Replacement | 8,800 | | 8,800 | 9,273 | 9,770 | 5.37% |
| Sign Maintenance | 46,200 | | 46,200 | 48,681 | 51,295 | 5.37% |
| Pavement Marking / Striping | 48,400 | | 48,400 | 50,999 | 53,738 | 5.37% |
| Snow Plowing / Sanding | 90,000 | | 90,000 | 94,833 | 99,926 | 5.37% |
| Roadside Maintenance | 78,000 | | 78,000 | 82,189 | 86,602 | 5.37% |
| Salaries | 426,500 | | 426,500 | 449,403 | 473,536 | 5.37% |
| Overtime | 10,000 | | 10,000 | 10,537 | 11,103 | 5.37% |
| On-Call Services | 14,000 | | 14,000 | 14,752 | 15,544 | 5.37% |
| Employee Benefits | 186,000 | | 186,000 | 201,178 | 217,594 | 8.16% |
| Safety Clothing / Boots | 1,980 | | 1,980 | 2,086 | 2,198 | 5.37% |
| Office Supplies | 1,540 | | 1,540 | 1,623 | 1,710 | 5.37% |
| Operating Supplies | 9,600 | | 9,600 | 10,116 | 10,659 | 5.37% |
| Small Tools & Equipment | 3,000 | | 3,000 | 3,161 | 3,331 | 5.37% |
| Professional Services | 66,000 | | 66,000 | 69,544 | 73,279 | 5.37% |
| Communications | 10,500 | | 10,500 | 11,064 | 11,658 | 5.37% |
| Equipment Rental | 5,500 | | 5,500 | 5,795 | 6,107 | 5.37% |
| Insurance | 28,750 | | 28,750 | 30,294 | 31,921 | 5.37% |
| Utilities | 13,000 | | 13,000 | 13,698 | 14,434 | 5.37% |
| Dues / Subscriptions | 550 | | 550 | 580 | 611 | 5.37% |
| Copier Rental | 1,400 | | 1,400 | 1,475 | 1,554 | 5.37% |
| Interfund Svc. To Fund (001) | 97,852 | | 97,852 | 103,107 | 108,643 | 5.37% |
| Interfund Svc. To (501) | 72,996 | | 72,996 | 76,916 | 81,046 | 5.37% |
| Total Street Fund Expense | 1,619,718 | - | 1,619,718 | 1,711,886 | 1,809,427 | |
| Ending Fund Balance | 527,918 | | | 402,963 | 265,685 | |
| Council Contingency Fund | | | | | | |
| Beginning Fund Balance | 738,058 | | | 750,058 | 762,702 | |
| Investment Interest | 12,000 | | 12,000 | 12,644 | 13,323 | 5.37% |
| Total CC Fund Revenue | 12,000 | - | 12,000 | 12,644 | 13,323 | |
| Ending Fund Balance | 750,058 | | | 762,702 | 776,026 | |
| Transportation Benefit District Fund | | | | | | |
| Beginning Fund Balance | 429,542 | | | 434,057 | 395,586 | |
| TBD Vehicle Fees-State | 805,000 | | 805,000 | 805,000 | 805,000 | 0.00% |
| Investment Interest | 4,000 | | 4,000 | 4,215 | 4,441 | 5.37% |
| Total TBD Revenue | 809,000 | - | 809,000 | 809,215 | 809,441 | |
| Support Service To G.F. (001) | 4,485 | | 4,485 | 4,726 | 4,980 | 5.37% |
| Transfer to Fund (302) | 800,000 | | 800,000 | 842,960 | 888,227 | 5.37% |
| Total TBD Expense | 804,485 | - | 804,485 | 847,686 | 893,207 | |
| Ending Fund Balance | 434,057 | | | 395,586 | 311,820 | |
| Budget Stabilization Fund | | | | | | |
| Beginning Fund Balance | 318,689 | | | 322,689 | 326,904 | |
| Interest | 4,000 | | 4,000 | 4,215 | 4,441 | 5.37% |
| Total Budget St. Fund Revenue | 4,000 | - | 4,000 | 4,215 | 4,441 | |
| Ending Fund Balance | 322,689 | | | 326,904 | 331,345 | |
| Strategic Opportunity Fund | | | | | | |
| Beginning Fund Balance | 1,500 | | | 4,500 | 24,520 | |
| Interest | 3,000 | | 3,000 | 3,161 | 3,331 | 5.37% |
| Transfer from Fund (301) | 500,000 | | 500,000 | 526,850 | 555,142 | 5.37% |
| Total Strat. Opportunity Fund Revenue | 503,000 | - | 503,000 | 530,011 | 558,473 | |
| Property Assessments | 16,000 | 16,000 | - | - | - | 5.37% |
| Turner Property | 484,000 | | 484,000 | 509,991 | 537,377 | 5.37% |
| Total Strat. Opportunity Expense | 500,000 | 16,000 | 484,000 | 509,991 | 537,377 | |

Six Year Financial Forecast

| Description | <u>2021-2022</u> | <u>One Time Items for</u> | | <u>2023-2024</u> | <u>2025-2026</u> | <u>Projection</u> |
|--|------------------------|---------------------------|---------------------|------------------|------------------|-------------------|
| | <u>Proposed Budget</u> | <u>Removal for 6 Year</u> | <u>New Baseline</u> | | | <u>Factor</u> |
| Ending Fund Balance | 4,500 | | | 24,520 | 45,616 | |
| Capital Improvement Fund | | | | | | |
| Beginning Fund Balance | 1,204,668 | | | 1,330,467 | 1,494,632 | |
| Real Estate Excise Tax I | 700,000 | | 700,000 | 737,590 | 777,199 | 5.37% |
| K.Co. Parks Levy | 268,241 | | 268,241 | 282,646 | 297,824 | 5.37% |
| Investment Interest | 17,000 | | 17,000 | 17,913 | 18,875 | 5.37% |
| Transfer from Fund (302) | 60,000 | | 60,000 | 63,222 | 66,617 | 5.37% |
| Total Capital Improv. Revenue | 1,045,241 | - | 1,045,241 | 1,101,370 | 1,160,514 | |
| Park Property Development, Sims | 20,000 | 10,000 | 10,000 | 10,537 | 11,103 | 5.37% |
| Park Property Development, SPU | 40,000 | 20,000 | 20,000 | 21,074 | 22,206 | 5.37% |
| Interfund Svc. To Fund (001) | 9,442 | | 9,442 | 9,949 | 10,483 | 5.37% |
| Transfer to Fund (303) | 350,000 | | 350,000 | 368,795 | 388,599 | 5.37% |
| Transfer to Fund (106) | 500,000 | | 500,000 | 526,850 | 555,142 | 5.37% |
| Total Capital Improv. Expense | 919,442 | 30,000 | 889,442 | 937,205 | 987,533 | |
| Ending Fund Balance | 1,330,467 | | | 1,494,632 | 1,667,613 | |
| Transportation Capital Improvement Fund | | | | | | |
| Beginning Fund Balance | 1,172,256 | | | 1,248,676 | 1,223,830 | |
| Real Estate Excise Tax II | 700,000 | | 700,000 | 737,590 | 777,199 | 5.37% |
| WSDOT Safe Routes to School | 650,000 | 650,000 | - | - | - | 5.37% |
| State Trans. Imp. Board-Design | 2,542,000 | 2,542,000 | - | - | - | 5.37% |
| Department of Commerce | 100,000 | 100,000 | - | - | - | 5.37% |
| Interfund Svc From S.Wtr (403) | 56,011 | | 56,011 | 59,019 | 62,188 | 5.37% |
| Interfund Svc. From Swr. (401) | 56,011 | | 56,011 | 59,019 | 62,188 | 5.37% |
| Roadway Maint. From Fund (DNU) | 800,000 | | 800,000 | 842,960 | 888,227 | 5.37% |
| Investment Interest | 16,000 | | 16,000 | 16,859 | 17,765 | 5.37% |
| Total Transportation Capital Revenue | 4,920,022 | 3,292,000 | 1,628,022 | 1,715,447 | 1,807,566 | |
| Lobbying Activity | 80,500 | | 80,500 | 84,823 | 89,378 | 5.37% |
| Interfund Svc. To GF (001) | 41,570 | | 41,570 | 43,802 | 46,154 | 5.37% |
| Interfund Svc. To Replacement (501) | 4,882 | | 4,882 | 5,144 | 5,420 | 5.37% |
| Professional Services | 50,000 | | 50,000 | 52,685 | 55,514 | 5.37% |
| Travel Exp. (lodging & meals) | 6,500 | | 6,500 | 6,849 | 7,217 | 5.37% |
| Salaries | 286,500 | | 286,500 | 301,885 | 318,096 | 5.37% |
| Overtime | - | | - | - | - | 5.37% |
| Employee Benefits | 113,000 | | 113,000 | 119,068 | 125,462 | 5.37% |
| Insurance | 8,050 | | 8,050 | 8,482 | 8,938 | 5.37% |
| Dues / Subscriptions | 600 | | 600 | 632 | 666 | 5.37% |
| Transfer to Fund (404) | - | | - | - | - | 5.37% |
| Roadway Overlays (REET 2) | 800,000 | | 800,000 | 842,960 | 888,227 | 5.37% |
| Roundabout | 3,192,000 | 3,192,000 | - | - | - | 5.37% |
| Safe Streets - Early Action | 100,000 | | 100,000 | 105,370 | 111,028 | 5.37% |
| Professional Services | 100,000 | | 100,000 | 105,370 | 111,028 | 5.37% |
| Transfer to Fund (301) | 60,000 | | 60,000 | 63,222 | 66,617 | 5.37% |
| Total Transportation Capital Expense | 4,843,602 | 3,192,000 | 1,651,602 | 1,740,293 | 1,833,747 | |
| Ending Fund Balance | 1,248,676 | | | 1,223,830 | 1,197,650 | |
| Capital Facilities Maintenance Fund | | | | | | |
| Beginning Fund Balance | 600,248 | | | 389,248 | 515,692 | |
| Investment Interest | 4,000 | | 4,000 | 4,215 | 4,441 | 5.37% |
| Trans. From Capital Fund (301) | 350,000 | | 350,000 | 368,795 | 388,599 | 5.37% |
| Total Capital Facilities Maint. Revenue | 354,000 | - | 354,000 | 373,010 | 393,040 | |
| City Hall Facilities Project | 531,000 | 331,000 | 200,000 | 210,740 | 222,057 | 5.37% |
| Misc Building Improvements | 34,000 | | 34,000 | 35,826 | 37,750 | 5.37% |
| Total Capital Facilities Maint. Expense | 565,000 | 331,000 | 234,000 | 246,566 | 259,806 | |
| Ending Fund Balance | 389,248 | | | 515,692 | 648,926 | |
| Sewer Utility Fund | | | | | | |
| Beginning Fund Balance | 983,426 | | | 1,130,304 | 1,278,973 | |
| Licenses and Permits | 34,000 | | 34,000 | 35,826 | 37,750 | 5.37% |
| Sewer Lien Filing/Removal Fee | 1,300 | | 1,300 | 1,370 | 1,443 | 5.37% |
| Utility Charges | 6,741,055 | | 6,741,055 | 7,103,050 | 7,484,483 | 5.37% |
| Late Charges - Utility Bills | 64,000 | | 64,000 | 67,437 | 71,058 | 5.37% |

Six Year Financial Forecast

| Description | <u>2021-2022</u> | <u>One Time Items for</u> | | <u>2023-2024</u> | <u>2025-2026</u> | <u>Projection</u> |
|--|------------------------|---------------------------|---------------------|------------------|------------------|-------------------|
| | <u>Proposed Budget</u> | <u>Removal for 6 Year</u> | <u>New Baseline</u> | | | <u>Factor</u> |
| Investment Interest | 16,000 | | 16,000 | 16,859 | 17,765 | 5.37% |
| Sewer Miscellaneous Revenue | 3,000 | | 3,000 | 3,161 | 3,331 | 5.37% |
| Total Sewer Utility Revenue | 6,861,355 | - | 6,861,355 | 7,229,810 | 7,618,051 | |
| Salaries | 500,000 | | 500,000 | 526,850 | 555,142 | 5.37% |
| Overtime | 9,900 | | 9,900 | 10,432 | 10,992 | 5.37% |
| On-Call Services | 5,500 | | 5,500 | 5,795 | 6,107 | 5.37% |
| Employee Benefits | 218,500 | | 218,500 | 236,330 | 255,614 | 8.16% |
| Safety Clothing / Boots | 2,000 | | 2,000 | 2,107 | 2,221 | 5.37% |
| Office Supplies | 1,980 | | 1,980 | 2,086 | 2,198 | 5.37% |
| Operating Supplies/Materials | 13,200 | | 13,200 | 13,909 | 14,656 | 5.37% |
| Small Tools & Equipment | 9,900 | | 9,900 | 10,432 | 10,992 | 5.37% |
| METRO Charges | 4,662,000 | | 4,662,000 | 4,912,349 | 5,176,143 | 5.37% |
| Professional Services | 121,000 | | 121,000 | 127,498 | 134,344 | 5.37% |
| Communications | 16,500 | | 16,500 | 17,386 | 18,320 | 5.37% |
| Travel Exp. (lodging, meals) | 220 | | 220 | 232 | 244 | 5.37% |
| Advertising | 1,100 | | 1,100 | 1,159 | 1,221 | 5.37% |
| Equipment Rental | 2,200 | | 2,200 | 2,318 | 2,443 | 5.37% |
| Insurance | 30,600 | | 30,600 | 32,243 | 33,975 | 5.37% |
| Utilities | 16,500 | | 16,500 | 17,386 | 18,320 | 5.37% |
| Repairs & Maintenance | 123,200 | | 123,200 | 129,816 | 136,787 | 5.37% |
| Dues & Subscriptions | 2,200 | | 2,200 | 2,318 | 2,443 | 5.37% |
| Training | 660 | | 660 | 695 | 733 | 5.37% |
| Taxes & Assessments | 52,800 | | 52,800 | 55,635 | 58,623 | 5.37% |
| Copier Rental | 1,540 | | 1,540 | 1,623 | 1,710 | 5.37% |
| Interfund Svc. To GF (001) | 246,360 | | 246,360 | 259,590 | 273,529 | 5.37% |
| Interfund Svs. To Fund (501) | 70,606 | | 70,606 | 74,398 | 78,393 | 5.37% |
| Interfund Svc.Trans. Cap.-302 | 56,011 | | 56,011 | 59,019 | 62,188 | 5.37% |
| Transfer To Sewer Cap. (402) | 200,000 | | 200,000 | 210,740 | 222,057 | 5.37% |
| Transfer To PWTF Repay. (407) | 350,000 | | 350,000 | 368,795 | 388,599 | 5.37% |
| Total Sewer Utility Expense | 6,714,477 | - | 6,714,477 | 7,081,141 | 7,467,991 | |
| Ending Fund Balance | 1,130,304 | | | 1,278,973 | 1,429,032 | |
| Sewer Capital Fund | | | | | | |
| Beginning Fund Balance | 3,109,793 | | | 2,984,793 | 2,853,081 | |
| Investment Interest | 40,000 | | 40,000 | 42,148 | 44,411 | 5.37% |
| Transfer From Sewer Fund (401) | 200,000 | | 200,000 | 210,740 | 222,057 | 5.37% |
| Total Sewer Capital Revenue | 240,000 | - | 240,000 | 252,888 | 266,468 | |
| Beach Dr. Sewer Lift Station | 365,000 | | 365,000 | 384,601 | 405,254 | 5.37% |
| Total Sewer Capital Expense | 365,000 | - | 365,000 | 384,601 | 405,254 | |
| Ending Fund Balance | 2,984,793 | | | 2,853,081 | 2,714,295 | |
| Surface Water Utility Fund | | | | | | |
| Beginning Fund Balance | 766,027 | | | 828,318 | 1,034,741 | |
| Utility Service Charges | 2,799,622 | | 2,799,622 | 3,079,584 | 3,387,543 | 10.00% |
| Investment Interest | 20,000 | | 20,000 | 21,074 | 22,206 | 5.37% |
| Miscellaneous Revenue | 3,000 | | 3,000 | 3,161 | 3,331 | 5.37% |
| Total Surface Water Utility Revenue | 2,822,622 | - | 2,822,622 | 3,103,819 | 3,413,079 | |
| State Lobbying Activities | 38,000 | | 38,000 | 40,041 | 42,191 | 5.37% |
| Copier Rental | 1,400 | | 1,400 | 1,475 | 1,554 | 5.37% |
| Salaries | 618,000 | | 618,000 | 651,187 | 686,155 | 5.37% |
| Overtime | 10,000 | | 10,000 | 10,537 | 11,103 | 5.37% |
| On-Call Services | 12,000 | | 12,000 | 12,644 | 13,323 | 5.37% |
| Employee Benefits | 273,500 | | 273,500 | 295,818 | 319,956 | 8.16% |
| Safety Clothing / Boots | 2,500 | | 2,500 | 2,634 | 2,776 | 5.37% |
| Office Supplies | 1,650 | | 1,650 | 1,739 | 1,832 | 5.37% |
| Operating Supplies | 15,400 | | 15,400 | 16,227 | 17,098 | 5.37% |
| Small Tools & Equipment | 6,600 | | 6,600 | 6,954 | 7,328 | 5.37% |
| Taxes & Assessments | 43,000 | | 43,000 | 45,309 | 47,742 | 5.37% |
| Prof. Services/Engineering | 306,616 | | 306,616 | 323,081 | 340,431 | 5.37% |
| Communications | 17,600 | | 17,600 | 18,545 | 19,541 | 5.37% |
| Equipment Rental | 1,100 | | 1,100 | 1,159 | 1,221 | 5.37% |

Six Year Financial Forecast

| Description | <u>2021-2022</u> | <u>One Time Items for</u> | | | | <u>Projection</u> |
|---|------------------------|---------------------------|---------------------|------------------|------------------|-------------------|
| | <u>Proposed Budget</u> | <u>Removal for 6 Year</u> | <u>New Baseline</u> | <u>2023-2024</u> | <u>2025-2026</u> | <u>Factor</u> |
| Insurance | 41,300 | | 41,300 | 43,518 | 45,855 | 5.37% |
| Utilities | 3,080 | | 3,080 | 3,245 | 3,420 | 5.37% |
| System Maintenance & Operation | 418,000 | | 418,000 | 440,447 | 464,099 | 5.37% |
| Street Drainage Maintenance | 121,000 | | 121,000 | 127,498 | 134,344 | 5.37% |
| Neighborhood Surface Water | 16,500 | | 16,500 | 17,386 | 18,320 | 5.37% |
| Repairs & Maintenance | 15,400 | | 15,400 | 16,227 | 17,098 | 5.37% |
| Dues / Subscriptions | 550 | | 550 | 580 | 611 | 5.37% |
| Training | 5,500 | | 5,500 | 5,795 | 6,107 | 5.37% |
| County Administration Billing | 44,000 | | 44,000 | 46,363 | 48,852 | 5.37% |
| Sweeper Principal | 109,527 | | 109,527 | 115,409 | 121,606 | 5.37% |
| Sweeper Interest | 13,501 | | 13,501 | 14,226 | 14,990 | 5.37% |
| Interfund Svc. To GF (001) | 126,824 | | 126,824 | 133,634 | 140,811 | 5.37% |
| Interfund Svc. To Fund (501) | 91,772 | | 91,772 | 96,700 | 101,893 | 5.37% |
| Interfund Svc. To T. Cap.(302) | 56,011 | | 56,011 | 59,019 | 62,188 | 5.37% |
| Transfer To Sur.Water Cap.-404 | 350,000 | | 350,000 | 350,000 | 350,000 | 0.00% |
| Total Surface Water Expense | 2,760,331 | - | 2,760,331 | 2,897,397 | 3,042,445 | |
| Ending Fund Balance | 828,318 | | | 1,034,741 | 1,405,375 | |
| Surface Water Capital Fund | | | | | | |
| Beginning Fund Balance | 1,080,637 | | | 675,137 | 494,599 | |
| Department of Commerce | 3,990,000 | 3,990,000 | - | - | - | 5.37% |
| Investment Interest | 14,000 | | 14,000 | 14,752 | 15,544 | 5.37% |
| Trans From Surface Water (403) | 350,000 | | 350,000 | 350,000 | 350,000 | 0.00% |
| Total Surface Water Capital Revenue | 4,354,000 | 3,990,000 | 364,000 | 364,752 | 365,544 | |
| Lobbying Activity | 80,500 | | 80,500 | 84,823 | 89,378 | 5.37% |
| Professional Services | 210,000 | | 210,000 | 221,277 | 233,160 | 5.37% |
| Travel Exp. (lodging & meals) | 7,000 | | 7,000 | 7,376 | 7,772 | 5.37% |
| K. Co. Town Center Pk. Demo | 60,000 | | 60,000 | 63,222 | 66,617 | 5.37% |
| PW Yard Materials Bin Covers | 150,000 | | 150,000 | 158,055 | 166,543 | 5.37% |
| Culvert L80-L90 | 4,242,000 | 4,242,000 | - | - | - | 5.37% |
| Professional Services | 10,000 | | 10,000 | 10,537 | 11,103 | 5.37% |
| Total Surface Water Capital Expense | 4,759,500 | 4,242,000 | 517,500 | 545,290 | 574,572 | |
| Ending Fund Balance | 675,137 | | | 494,599 | 285,571 | |
| Sewer Bond Reserve Fund | | | | | | |
| Beginning Fund Balance | 106,626 | | | 108,626 | 110,734 | |
| Investment Interest | 2,000 | | 2,000 | 2,107 | 2,221 | 5.37% |
| Total Sewer Bond Reserve Revenue | 2,000 | - | 2,000 | 2,107 | 2,221 | |
| Ending Fund Balance | 108,626 | | | 110,734 | 112,954 | |
| Public Works Trust Fund Repayment Fund | | | | | | |
| Beginning Fund Balance | 673,559 | | | 692,562 | 712,586 | |
| Excise Tax Revenue | 50,000 | | 50,000 | 52,685 | 55,514 | 5.37% |
| Connection Charges | 100,000 | | 100,000 | 105,370 | 111,028 | 5.37% |
| Investment Interest | 15,000 | | 15,000 | 15,806 | 16,654 | 5.37% |
| Transfer From Sewer Util.-401 | 350,000 | | 350,000 | 368,795 | 388,599 | 5.37% |
| Total PWTF Repayment Revenue | 515,000 | - | 515,000 | 542,656 | 571,796 | |
| Taxes and Assessments | 6,000 | | 6,000 | 6,322 | 6,662 | 5.37% |
| Repayment of PWTF Loan (Prin) | 479,214 | | 479,214 | 504,948 | 532,064 | 5.37% |
| Repayment of PWTF Loan (Int.) | 10,782 | | 10,782 | 11,361 | 11,971 | 5.37% |
| Total PWTF Repayment Expense | 495,996 | - | 495,996 | 522,631 | 550,697 | |
| Ending Fund Balance | 692,562 | | | 712,586 | 733,686 | |
| Replacement Fund | | | | | | |
| Beginning Fund Balance | 923,199 | | | 691,552 | 584,973 | |
| Interfund Svc. From Fund (001) | 318,664 | | 434,194 | 457,510 | 482,079 | 5.37% |
| Interfund Svc. From Fund (101) | 72,996 | | 77,119 | 81,260 | 85,624 | 5.37% |
| Interfund Svc. From Fund (403) | 91,772 | | 97,429 | 102,661 | 108,174 | 5.37% |
| Interfund Svc. From Fund (401) | 70,606 | | 74,323 | 78,314 | 82,520 | 5.37% |
| Interfund Svc. From Fund (302) | 4,882 | | 6,354 | 6,695 | 7,055 | 5.37% |
| Investment Interest | 12,000 | | 12,000 | 12,644 | 13,323 | 5.37% |
| Total Replacement Fund Revenue | 570,920 | - | 701,419 | 739,085 | 778,774 | |

Six Year Financial Forecast

| Description | <u>2021-2022</u> | <u>One Time Items for</u> | | <u>2023-2024</u> | <u>2025-2026</u> | <u>Projection</u> |
|---------------------------------------|-------------------------------|----------------------------------|----------------------------|-------------------------|-------------------------|--------------------------|
| | <u>Proposed Budget</u> | <u>Removal for 6 Year</u> | <u>New Baseline</u> | | | <u>Factor</u> |
| Interfund Svc. To General Fund | 15,980 | | 15,980 | 16,838 | 17,742 | 5.37% |
| Info.Svc. & Equip. Replacement | 260,354 | | 260,354 | 274,335 | 289,067 | 5.37% |
| Public Works - Fuel | 50,000 | | 50,000 | 52,685 | 55,514 | 5.37% |
| Public Works Equip. - Maint. | 145,000 | | 145,000 | 152,787 | 160,991 | 5.37% |
| PD Vehicle Replacement | 65,000 | | 65,000 | 68,491 | 72,168 | 5.37% |
| PW Equipment - Replacement | 157,264 | | 157,264 | 165,709 | 174,608 | 5.37% |
| PW Vehicles - Replacement | 108,969 | | 108,969 | 114,821 | 120,987 | 5.37% |
| Total Replacement Fund Expense | 802,567 | - | 802,567 | 845,665 | 891,077 | |
| Ending Fund Balance | 691,552 | | | 584,973 | 472,670 | |

City of Lake Forest Park

Comprehensive Financial Management Policies

February 13, 2020

**City of Lake Forest Park
Comprehensive Financial Management Policies**

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City of Lake Forest Park Comprehensive Financial Management Policies

The City's Comprehensive Financial Management Policies serves as a Mayor and Council-approved framework for the financial planning, budgeting accounting reporting and other financial management practices. The purpose of these policies is to ensure the City operates in a prudent manner, using sound fiscal policies to ensure the safekeeping of the City's assets and provide the delivery of services to the community.

A. Director of Finance

1. The Director of Finance is designated as the City's Chief Financial Officer and City Treasurer.
2. The Director of Finance is designated as the City's Auditing Officer pursuant to RCW 42.22.080 and as such will be responsible for the review of all claims and certification that the goods have been received or the services rendered and that the claims are valid and should be paid by the City.

B. City Funds

The City shall utilize "governmental fund accounting" as the organizational structure for its financial activities. The following funds have been established for budgeting, accounting and reporting.

OPERATING FUNDS

1. The *General Fund* is the general operating fund of the City. It accounts for all financial resources and transactions, except those required to be accounted for in another fund.
2. The *Street Fund* is required by state law to account for State-shared Motor Vehicle Fuel Tax revenue distributed on a per capita basis for transportation maintenance or capital improvements (RCW 47.24).
3. The *Surface Water Utility Fund* accounts for fees charged to all property owners for maintenance to the City's surface water drainage system (Ord. 459, Section 10 (1990)).
4. The *Sewer Utility Fund* accounts for collections from property owners connected to the City's sewer system. Expenditures include payment to King County and for City sewer system operating costs (Ord. 106, Section 5 (1966)).
5. The *Public Works Contract Fund*¹ – accounts for costs related to the agreement to provide services to Kenmore or other agency.

¹ The Public Works Contract Fund (Fund 450) was created administratively as part of the 2002 budget cycle, as referenced on page 152 of the 2002 City of Lake Forest Park Budget Book.

6. The *Transportation Benefit District Fund* accounts for revenues authorized by RCW 36.73 and supports the Street Overlay program, snow removal and street sweeping. It can be used to support local and regional transportation plans (Ord. 1003 (2009)).

DEBT SERVICE FUNDS

7. Periodically the City may administratively create one or more debt service funds to pursuant to a debt issuance. Any such funds are to be created administratively, are governed by the agreement necessitating the fund, and if created pursuant to a debt issuance approved by the City Council, do not require separate council action.

RESERVE FUNDS

8. The *Council Contingency Reserve Fund* is established per RCW 35A.33.45 for capital purchases or for operating shortfalls due to unforeseen cost increases or unanticipated revenue losses (Ord. 660 (1995)).
9. The *Budget Stabilization Fund* is established as a subsidiary fund to the General Fund and accounts for transfers from the General Fund in accordance with Ordinance No. 1071. The City Council may authorize transfers during Biennial Budget adoption or Mid-biennial Adjustment to the Adopted Budget between the parent and subsidiary fund to mitigate fluctuations in General Fund revenues and expenditures in order to provide for uninterrupted public services (Ord. 1071 (2014)).

CAPITAL FUNDS

10. The *Capital Improvement Fund* accounts for the excise tax on the sale of real property within the City, the Parks Levy, grants and other sources. Real Estate Excise Tax (REET) proceeds are restricted pursuant by State law. Expenditures from the Fund are for facility and parks capital projects (RCW 82.46.035).
11. The *Capital Facilities Reserve Fund*, established by Ordinance No. 1051 (2012), is for the purposes of providing a reserve account for anticipated major maintenance and repairs to City Hall and the Public Works Facility. Transfers to the account for City Hall maintenance and repairs shall be from REET. Transfers to the account for Public Works facility maintenance and repairs shall be made from various funds in rough proportion to the annual percentage of maintenance-worker hours dedicated to the work supported by those various funds.
12. The *Transportation Capital Fund* accounts for REET and other sources for transportation capital projects (RCW 82.46.035).
13. The *Surface Water Capital Fund* accounts for transfers of storm water fees for capital improvements to the City's surface water drainage system (Ord. 459, Section 10 (1990)).
14. The *Sewer Capital Fund* accounts for transfers from Sewer rates for capital improvements to the City's Sewer Capital Fund (Ord. 927 (2005)).

15. The *Vehicle/Equipment Replacement Fund* accounts for the expenditures for the repair, maintenance and replacement for the City's vehicles, the City's information technology equipment and licensing, and Fixed Assets (Ord. 659 (1995)).

AGENCY FUNDS

16. Periodically the City may administratively create one or more agency funds to support regional coalitions of two or more local entities where the City has agreed to act as the finance fiduciary. Any such funds are to be created administratively, are governed by the agreement creating the coalition, and if created pursuant to an interlocal agreement approved by the City Council, do not require separate council action.

C. Financial Planning and Budget

1. The Director of Finance shall develop a financial planning calendar that will provide for the timely update of the six-year financial forecasts for all City funds to adopt the City's biennial budget and Capital Improvement Plan. The six-year forecast will also be updated during the mid-biennial budget review and adjustment.
2. A six-year financial forecast shall be prepared and updated on a biennial basis for all City funds as a multi-year financial planning tool. The financial forecast shall be integrated in the City's biennial operating capital budgeting process.
3. The City will use prudent revenue and expenditure assumptions in the development of the six-year financial forecast and budgets for all City funds.
4. The City budget will implement City Council adopted goals and policies, long-range plans, the service choices for the community and revenue allocation policies of the Council.
5. When budgeting for the General Fund, the Recommended Biennial Budget proposed by the Mayor shall be a two-year balanced budget. For the purposes of this policy, a balanced budget is defined as total biennial resources (fund balance, plus projected revenue) that is greater than or equal to approved biennial expenditures, plus the calculated minimum fund balance, if applicable, for each fund. The published budget overview will identify whether the adopted budget is balanced.
6. The relationship between the General Fund and Capital Improvement Plan (CIP) budgets will be incorporated into the financial forecasts and the biennial Budget Process. Maintenance and operating costs associated with new CIP projects shall be estimated and included for each project within the CIP. Such costs should be included in the operating budgets when the projects are complete.
7. The City shall prepare and adopt its budget on a biennial basis and shall comply with the provisions of state law with respect to the biennial budget process. The adopted biennial budget will include one revenue and one expenditure amount for the biennium for each of the City's funds; budget appropriations unspent in the first year of the biennium will

automatically carry over to the second year of the budget unless adjusted by an ordinance adopted by the City Council. The Director of Finance shall be responsible for the management of the City's biennial budget development process. The Director of Finance shall provide timely and accurate budget monitoring reports to Department Directors on a regular basis and quarterly budget monitoring reports to the Budget and Finance Committee.

8. Department Directors have primary responsibility for the development, implementation, management, and monitoring of their respective budgets in accordance with direction from the Mayor. Any significant variances from the adopted budget shall be reported by department directors to the city administrator in a timely manner.
9. The biennial budget process and materials shall be developed in a manner to provide information in a readily understandable manner, and to the greatest extent possible avoid jargon, acronyms, and the like.
10. One-time resources shall be identified and should be used to support one-time expenditures. Ongoing expenditures should be supported by ongoing resources.
11. Budgeted staff positions (part-time, full-time, and temporary) will be included in the biennial Budget.
12. In accordance with State law, the City Council will adopt the biennial budget at the fund level. The Mayor is authorized to transfer budgeted amounts within any fund.
13. The City shall exhaust restricted funds to finance uses authorized by State or local law before General Fund resources are used to finance those activities. Restricted fund balance reserves should not be exhausted below the minimum fund balance reserve required by this policy.

D. Fund Balances and Reserves

1. Operating funds of the city have a minimum fund balance target equal to 30 days operating expense or eight percent (8%) except as noted below.²
 - General Fund, 60 days operating expense or 16 percent of total estimated current year revenue
 - Street Fund, 60 days operating expense or 16 percent of total estimated current year revenue
 - Sewer Fund, 60 days operating expense or 16 percent of total estimated current year revenue
 - Surface Water Utility Fund, 60 days operating expense or 16 percent of total estimated current year revenue.

Current year revenue is defined as total estimated (budgeted) resources less beginning fund balances and one time revenues. Projected variances from the minimum fund targets shall be disclosed during the biennial budget process or during the current year if unanticipated circumstances occur that negatively impact current year revenue and/or expenditure projections. Fund Balance targets may be modified by Council action.

2. The Council Contingency Reserve should be maintained in accordance with RCW 35A.33.145 to cover unforeseen issues.
3. The Budget Stabilization Fund should be maintained to provide for General Fund operating reserves in accordance with Ordinance 1071.

E. Accounting

1. The City will maintain an accounting and financial reporting system that fully meets governmental accounting professional standards and State of Washington budgeting, accounting, and reporting requirements as established in the cash basis Budgeting Accounting and Reporting System (BARS) Manual.
2. Financial procedures shall be maintained to assure appropriate internal controls are in place to protect city assets. This includes recording all purchased fixed assets in the fixed asset inventory system at the time of purchase. This enables the City to have timely and accurate financial reporting of its assets.
3. The City will report the results of operations using the cash basis of accounting allowed by the State for reporting.

Financial Reporting

² Operating funds, for the purpose of the minimum fund balance target, is any fund with payroll expense coded directly to the fund in the year that the target is calculated.

1. The City shall prepare and submit in a timely manner an annual financial report to the Washington State Auditor's Office in accordance with the standards established for such reports.

F. Revenues

4. The City will strive to maintain a diversified mix of revenues to provide for continuity and predictability of resources and to minimize the impacts of periodic economic cycles.
5. Where the City has authority to set fees and charges, all such fees and charges should be adjusted to reflect inflation and cost of services and should be reviewed and reported to the Budget and Finance Committee on a periodic basis.
6. Grant revenue shall be included in the financial forecasts and biennial budgets when it is deemed likely by staff that the City will receive the grant award. Should planned or budgeted grant revenue not be received, offsetting expenditure reductions shall be implemented or alternative revenue sources shall be identified.
7. Investment Interest shall be credited to the appropriate City funds based on the monthly cash balances.

G. Expenditures and Contract Management

1. The City shall implement procedures for purchasing, credit card usage, and contract management consistent with the policy framework established in this section.
2. The Department Directors have primary responsibility for purchasing and expenditures for their respective budgets in accordance with the adopted biennial budget. Any significant variances from the adopted budget shall be reported by department directors to the City Administrator in a timely manner.
3. Subject to competitive bidding requirements, the administration/staff is granted the authority to execute contracts for goods and services up to a contract value of \$50,000 for Public Works and \$30,000 for all others. Staff is allowed to exercise this authority only when the purchase is consistent with the type of acquisition routinely and regularly included in a line item in the current year adopted budget. Contracts or services that could reasonably be defined as carrying out policy provisions in the budget are not subject to the aforementioned contracting authority.
4. In the case of significant damage or threat to public infrastructure or public facilities that require immediate action to prevent significant future loss or threat to property or to public safety and meets the definition of "emergency" in RCW 39.04.280(3), a contract of up to \$100,000 is authorized. Reasonable attempts will be made to follow the Small Works Roster process authorized in Resolution No. 617.
5. City claims payments will be reviewed by a member of the City Council (Currently the Budget and Finance Committee Chair). The Councilmember review is intended to provide

for a general, high-level review of claims to assure that adequate documentation is being maintained and the initiating department along with the Finance Department are doing appropriate due diligence in their review activities.

6. The City will seek to optimize the efficiency and effectiveness of its services to reduce costs and improve service quality.

H. Debt

1. Debt may be utilized to address short-term cash flow needs. Debt may also be used to finance significant capital or other obligations. The City Council is required to approve the issuance of debt. Debt will not be used to fund long-term revenue shortages.
2. When evaluating the use of non-voted (councilmanic) debt and the associated debt service obligations, an analysis shall be performed to determine the City's ability to make debt service payments, taking into account revenue fluctuations associated with periodic economic cycles. Debt may be considered when there is sufficient projected discretionary revenue to service the debt.
3. Voted and non-voted (councilmanic) debt will be used prudently in a manner to avoid any adverse impact on the City's credit rating or ability to issue subsequent or additional debt.
4. Upon the issuance of any debt, the City will establish the appropriate procedures to assure compliance with bond/debt covenants and applicable federal, State and local laws, policies and regulations.

I. Investments

1. Purpose: To Invest the City of Lake Forest Park funds in a manner which will provide the highest investment return consistent with a high degree of security while meeting the necessary cash flow demands of the City and conforming to all state statutes governing the investment of public funds.
2. Investment Objective: The purpose of this document is to identify those funds that are considered available for investment, to invest funds to the fullest extent possible, and to formalize the investment-related activities to assure the highest return with maximum security. In order of priority to invest the City's funds are the following: safety, liquidity, and return on investment (yield).
 - a. Safety: Investments of the City will be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. Diversification is a key component to ensuring the safety of the City's investment portfolio.
 - b. Liquidity: The City's investments will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated.
 - c. Return on Investment (yield): The City's investment portfolio shall be designed with the objective of attaining a market rate of return given the City's risk constraints and cash flow requirements.

3. Delegation of Authority & Responsibility: The Designated Investment Officer will be the Finance Director. The Budget & Finance Committee must approve all investment strategies that are eventually implemented by the Finance Director. The Alternative Investment Officer in the event the Finance Director position is vacant, or in the event that the Finance Director is absent and/or unavailable to implement a Committee decision, will be the City Administrator. The Alternate Investment Officer will be required to follow the same guidelines as the Designated Investment Officer.
4. Authorized Investments types for Diversification:
 - a. Washington State Local Government Investment Pool (LGIP) – Max 100%
 - b. City's designated Bank – Max 100%
 - c. Government Agency Bonds – Max 60%, Target 50%

Diversifying funds using a balance of both short and longer term investment types enhances the investment portfolio of the City. For the longer term investments the maturity dates will be strategically laddered not to exceed a 5 year maturity date.

5. Reporting: The Finance Director, or designee, shall provide the Budget & Finance Committee a quarterly investment report for regular reporting.

J. Assets

1. Fixed assets are defined as land, buildings, equipment, and improvements to existing fixed assets costing more than \$5,000 and having a useful life in excess of one year. Assets with a value or cost under \$5,000, but more than \$500 are not defined as fixed assets and are subject to the Small and Attractive Asset Policy.
2. Small and Attractive Assets are safeguarded by a Small and Attractive Asset Policy designed to ensure controls over items that might not be noticed immediately after disappearance. The Policy maintains accountability for items that do not meet the criteria of a fixed asset. In certain cases the Administration may classify items below the threshold as small and attractive, despite having a value or cost below the threshold.

Appendix

City of Lake Forest Park Credit Card Policy

Purpose.

The purpose of this policy is to establish guidelines and rules for the use of credit cards by City officials and employees. This policy shall be interpreted to provide for the use of credit cards by authorized persons to the fullest extent allowed by law including RCWs 43.09.2855 and 42.24.115.

Definitions.

As used in this policy, the term "credit card" means a card or device issued under an arrangement pursuant to which the issuer (credit card company) gives to the card holder (the City) the privilege of obtaining credit from the issuer. Credit cards include cards imprinted with a specific named individual user, cards imprinted with a specific named city department, and cards issued for use by the City with a specific vendor.

Issuance, use and control of credit cards.

A. The City adopts the following system for the issuance, use and control of credit cards by City officials and employees. The Finance Director is authorized to obtain City credit cards under the following system, which provides for the distribution, authorization, control, credit limits and payment of bills through the use of the credit cards by City officials and employees.

- 1) Issuance and Use. Credit cards may be issued to the City of Lake Forest Park and used by authorized City officials and employees for purchasing goods, services, supplies and other items from vendors; incurring registration, training or travel expenses in connection with the performance of their duties on behalf of the City. Each card imprinted with the name of an individual must be "signed for" by that individual using the City's card user agreement.
- 2) Authorization and Control. Upon authorization from the Finance Director or designee, City officials and employees may obtain a credit card from the Finance Director who shall maintain a ledger of individuals and departments receiving credit cards, including the date the card was received. The Finance Director shall implement accounting controls to promote the proper use of credit cards and reduce the risk of loss or misuse.
- 3) Credit card limits shall be set administratively for each card, reflecting among other things purchases expected to be made during a typical billing cycle and additional credit capacity needed in an emergency or other contingency.
- 4) Payment of Bills. The Finance Director shall establish a procedure for the prompt payment of all credit card bills on or before the due date.
- 5) Unauthorized Charges. No official or employee shall use the City-issued credit card for non-City business purposes. No charge(s) shall exceed amounts established and available in the City budget.
- 6) Prohibited Uses. Cash advances on credit cards are prohibited.

B. Expenses incident to authorized travel may be charged to a City-issued credit card provided the official or employee returns to the City with credit card receipts in accordance with the City travel policies and procedures.

C. Failure to provide detailed documentation as required by the policy will result in the user being responsible for the charge. If certain credit charges are disallowed as a result of audit or City policy, such charge must be repaid to the City with the City having the right to withhold funds payable to the official or employee up to the amount of the disallowed charge including interest at the rate charged by the credit card company. Misuse of a City credit card may result in disciplinary action up to and including termination and legal action.

D. The Finance Director is authorized to revoke the use of any credit card issued and immediately require the surrender of the credit card. The Finance Director may deliver a revocation order to the credit card company with the City not being liable for any future costs incurred after the date of revocation. Credit cards are to be returned to the City immediately upon ending employment.

E. The Finance Director is authorized to adopt any additional rules or policies necessary to implement the provisions of this policy.

Glossary

ANNUAL BUDGET A budget applicable to a single fiscal year.

APPROPRIATION A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes.

ASSESSED VALUATION A valuation set upon real estate or other property by a government as a basis for levying taxes.

ASSETS Resources owned or held by a government which have monetary value.

BALANCED BUDGET A budget situation where budgeted resources are equal to or greater than budgeted expenditures (Comprehensive Financial Management Policies (2016)).

BIENNIUM A two year period.

BOND A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date or dates in the future, called the maturity date(s), together with periodic interest at a specified rate.

BUDGET A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them.

BUDGET ACCOUNTING AND REPORTING SYSTEM (BARS) The accounting guide issued by the Washington State Auditor's Office to guide accounting matters for local governments.

BUDGET ADOPTION The formal legislative process to approve a budget for the budgetary period.

BUDGET AMENDMENT A change to the adopted budget that is formally adopted by the City Council.

BUDGETED Included in the adopted budget.

BUDGET DOCUMENT The instrument used by the budget-making authority to present a comprehensive financial program to the appropriating body.

BUDGET MESSAGE A general discussion of the proposed budget as presented in writing by the budget-making authority to the legislative body, with certain portions required by law.

CAPITAL IMPROVEMENTS Expenditures related to the acquisition, expansion or rehabilitation of an element of the government's physical plant.

CAPITAL FACILITIES PLAN A plan for capital outlay to be incurred each year over a fixed number of years to meet capital needs arising from the government's long-term needs.

CAPITAL PROJECT FUNDS Funds used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds)

CAPITAL ASSETS Also known as fixed assets, are land buildings, equipment and improvements to existing fixed assets costing more than \$5,000 and having a useful life greater than one year.

CAPITAL PROJECT Major construction, acquisition, or renovation activities which add value to a government's physical assets or significantly increase their useful life. Also called capital improvements.

CASH BASIS A basis of accounting under which transactions are recognized only when cash is received or disbursed.

COMPREHENSIVE FINANCIAL MANAGEMENT POLICIES The document containing all of the adopted financial policies of the City.

CONSUMER PRICE INDEX (CPI) A statistical description of price levels provided by the U.S. Department of Labor. The index is used as measure of the increase in cost of living (i.e. economic inflation).

CONTINGENCY A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

COUNCILMANIC Councilmanic refer to action that can be taken with a majority vote of the City Council and not requiring a vote of the public.

DEBT LIMIT The maximum amount of gross or net debt which is legally permitted.

DEBT SERVICE The cost of paying principal and interest on borrowed money according to a predetermined payment schedule.

DEBT SERVICE FUND A fund used to account for the accumulation of resources for, and the payment of general long term debt principal and interest.

DEFICIT The excess of an entity's liabilities over its assets or the excess of expenditures or expenses over revenues during a single accounting period.

DIRECT COSTS Those expenses which can be charged directly as a part of the cost of a product, service, department, operating unit or activity, as distinguished from indirect costs (overhead)

which must be prorated among several products, services, departments, operating units or activities.

EMPLOYEE BENEFITS Contributions made by a government to meet commitments or obligations for employee fringe benefits. Included are the government's share of costs for Social Security and the various pension and medical plans.

ENDING FUND BALANCE The amount of money that a fund has at the end of a year or reporting period.

ENTERPRISE FUND An accounting entity which the City uses to record and report transactions for its business-type activities. All expenditures must be supported by income dedicated to the fund. The most common enterprise funds are utility funds.

EXPENDITURE/EXPENSE The amount of money actually spent or budgeted to be spent.

FIDUCIARY FUND TYPE The trust and agency funds used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other government units and/or other funds.

FIXED ASSETS Also known as capital assets, are land buildings, equipment and improvements to existing fixed assets costing more than \$5,000 and having a useful life greater than one year.

FRANCHISE A special privilege granted by a government permitting a monopoly or the continuing use of public property.

FULL-TIME EQUIVALENT POSITION (FTE) A part-time position converted to the decimal equivalent of a full-time position based on 2,080 hours per year.

FUND A fiscal entity with revenues and expenses which are segregated for the purpose of carrying out a specific purpose or activity.

FUND ACCOUNTING A system of accounting that is characterized by the use of accounting entities (funds) to account for resources who use has been limited by donor, grantor, governmental agencies, governing bodies, or by law.

FUND BALANCE The total amount of cash and investments available for spending at the end of a year or reporting period.

GENERAL FUND The primary operating fund of the local government. Most revenues accounted for in the General Fund are unrestricted and can be used for any lawful purpose of government. General Fund operating departments include: Police, Municipal Services, Parks, Facilities, Planning and Building and the Court, among others.

GRANTS External contributions or gifts of cash or other assets to be used or expended for a specified purpose, activity, or facility.

INDIRECT COST A cost necessary for the functioning of the organization as a whole, but which cannot be directly assigned to one service.

INFRASTRUCTURE The physical assets of a government (e.g. streets, water, sewer, public buildings and parks).

INTERFUND TRANSFER The movement of money between funds of the same governmental entity.

INTERFUND SERVICES Services provided by one fund of the local government for the benefit of another fund for compensation.

INTERGOVERNMENTAL REVENUE Funds received from federal, state and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes.

INTERNAL SERVICE FUND An accounting entity which the City uses to record and report transactions for goods and services provided by one department to other City departments on a cost reimbursement basis.

LEVY (Verb) To impose taxes, special assessments, or service charges for the support of governmental activities. (Noun) The total amount of taxes, special assessments, or service charges imposed by a government.

LIABILITIES Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed, or refunded at some future date.

LIMITED TERM EMPLOYEE An employment position that is not permanent and expires on a date certain.

LONG-TERM DEBT Debt with a maturity of more than one year after the date of issuance.

MAINTENANCE The upkeep of physical properties in condition for use or occupancy.

MAYOR'S PROPOSED BUDGET The budget submitted by the Mayor to the City Council that proposes a funding plan for the upcoming biennium for consideration by the City Council.

MINIMUM FUND BALANCE TARGET The minimum amount of cash and investments that, by policy, should be left in a fund at the close of the year or budget period.

MISSION STATEMENT A broad statement of the purpose, in terms of meeting public service needs, that a department is organized to meet.

NON-VOTED See Councilmanic

OBJECTIVE Something to be accomplished in specific, well-defined, and measurable terms and that is achievable within a specific time frame.

OBLIGATIONS Amounts which a government may be required legally to meet out of its resources.

OPERATING EXPENSES The cost for personnel, materials and equipment required for a department to function. The term excludes capital and project expenses.

OPERATING REVENUE Funds that the government receives as income to pay operating expenses. The term generally excludes one-time and capital revenues.

OTHER FINANCING SOURCES Governmental fund general long-term debt proceeds, operating transfers-in, and material proceeds of fixed asset dispositions. Such amounts are classified separately from revenues.

OTHER FINANCING USES Governmental fund operating transfers-out. Such amounts are classified separately from revenues.

POLICY A principle or course of action chosen to guide decision making.

PREPAID BATCH A batch of payments made in advance of City Council review and approval due to the City Council meeting schedule.

PROGRAM A group of related activities performed by one or more organizational units for the purpose of accomplishing a function for which the government is responsible.

PROJECTION A prediction of the future outcome of a budgetary item.

RESERVE An account used either to set aside budgeted revenues that are not required for expenditure in the current budget year or to earmark revenues for a specific future purpose.

RESERVED FUND BALANCE A fund balance that is subject to externally or internally imposed restrictions.

RESOURCES Total amounts available for appropriation including estimated revenues, fund transfers, and beginning balances.

REVENUE Sources of income financing the operations of government.

REVENUE FORECAST A set of predictions about future revenues that will be received by the City.

SIX YEAR FINANCIAL FORECAST A planning tool that forecasts revenues and expenditures six years into the future to demonstrate the long range impacts of current levels of services on financial sustainability.

SPECIAL REVENUE FUNDS Funds used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

STAFF All or any non-elected employees of the City of Lake Forest Park

STATUTORY DEBT LIMIT The limit set by State Statute that is the amount of total debt that a local government is allowed to have outstanding at any given time.

TAXES Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people. This term does not include user fees.

UNRESERVED FUND BALANCE The portion of fund's balance that is not restricted for a specific purpose and is available for spending on any lawful purpose of government.

USER FEES The payment of a fee for direct receipt of a public service by the party who benefits from the services.

Acronyms

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| <u>APA</u> | American Planning Association |
| <u>APWA</u> | American Public Works Association |
| <u>ARMA</u> | Association of Records Management Archives |
| <u>ASCE</u> | Associated Society of Civil Engineers |
| <u>AWC</u> | Association of Washington Cities |
| <u>BARS</u> | Budgeting Accounting and Reporting System |
| <u>CIP</u> | Capital Improvement Program |
| <u>CPI</u> | Consumer Price Index |
| <u>CSC</u> | Community Services Commission |
| <u>DOE</u> | Washington State Department of Ecology |
| <u>EDC</u> | Economic Development Commission |
| <u>ESA</u> | Endangered Species Act |
| <u>EOC</u> | Emergency Operations Center |
| <u>EQC</u> | Environmental Quality Commission |
| <u>ESHB</u> | Engrossed Substitute House Bill |
| <u>ETP</u> | Eastside Transportation Partnership |
| <u>FTE</u> | Full Time Equivalent |
| <u>GFOA</u> | Government Finance Officers Association |
| <u>GIS</u> | Geographic Information System |
| <u>GMA</u> | Growth Management Act |
| <u>IDP</u> | Interim Design Principles |

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| <u>IIMC</u> | International Institute of Municipal Clerks |
| <u>IT</u> | Information Technology Department |
| <u>ITE</u> | Institute of Transportation Engineers |
| <u>KCCA</u> | King County Clerks Association |
| <u>LID</u> | Low Impact Development |
| <u>NEMCo</u> | Northshore Emergency Management Coalition |
| <u>NRPA</u> | National Recreation and Parks Association |
| <u>PAW</u> | Planning Association of Washington |
| <u>PC</u> | Planning Commission |
| <u>PSAPCA</u> | Puget Sound Air Pollution Control Authority |
| <u>PSRC</u> | Puget Sound Regional Council |
| <u>REET</u> | Real Estate Excise Tax |
| <u>SAO</u> | State Auditor's Office |
| <u>SEPA</u> | State Environmental Policy Act |
| <u>SWAT</u> | Special Weapons and Tactics |
| <u>SWM</u> | Surface Water Management |
| <u>TC</u> | Transportation Commission |
| <u>TIB</u> | Transportation Improvement Board |
| <u>WCIA</u> | Washington Cities Insurance Authority |
| <u>WCPDA</u> | Washington Cities Planning Directors Association |
| <u>WFOA</u> | Washington Finance Officers Association |
| <u>WMCA</u> | Washington Municipal Clerks Association |
| <u>WRPA</u> | Washington Recreation and Parks Association |

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| <u>WSAMA</u> | Washington State Association of Municipal Attorneys |
| <u>WSEMA</u> | Washington State Emergency Management Association |
| <u>WSRA</u> | Washington State Recycling Association |