



Budget at a Glance

Fiscal Year 2021 - 2022

When the two-year City budget was adopted in June 2020, the country was consumed by a health crisis and a plummeting economy. Lakewood, like the rest of the nation, faced daunting challenges and a future full of uncertainties. Will the pandemic be under control? Will the economy recover? Will the City have the financial wherewithal to provide the services and programs promised in its budget?

A year later, the answer is a resounding YES. Lakewood, by all measures, is standing strong and meeting the needs of the community. Revenues are sound and municipal operations are running smoothly. The receding pandemic is no longer a drag on the economy, which is looking bright for the foreseeable future.

Lakewood's successful recovery is also a reflection of the City Council's fiscally conservative approach to budgeting and prudent policies. Equally important is the community's willingness to invest in the City. Residents' approval of Measure L last year was a timely shot in the arm for our finances and a vote of confidence for the direction and management of the City.



Better Than Expected in 2020–21

Our original budget for fiscal year 2020-21 had predicted much lower revenues due to expected decline in local spending and sales tax receipts. Accordingly, the City reduced its budget for capital improvements by 50% compared to the previous year. However, at this half way point of the two-year budget, revenues have exceeded our original estimate by over \$2.3 million. This is largely due to a much quicker turn around in our local economy. For example, sales tax revenue at this juncture is nearly \$1 million higher than anticipated. With the rebound in revenues, we are able to double our capital projects set aside to \$3 million, returning it more quickly to the level previously planned.

	FY 2020-2021*	
	Adopted	Final Estimate
Revenues	\$58,897,248	\$61,257,242
Expenditures	\$55,875,441	\$55,559,302
Capital Projects Set Aside	\$1,500,000	\$3,000,000
Total	\$57,375,441	\$58,559,302
Surplus	\$1,521,807	\$2,697,940

Solid Outlook for 2021–22

We expect revenues in fiscal year 2021-22 to be equally as robust as the previous year, increasing nearly \$2.5 million over the original budget estimate. Forecast during the the height of the pandemic in June 2020, the low initial revenue estimate was the right call given the gloomy economic outlook at the time. If our current expectations of a much stronger economy fully materialize, we will recover very close to the pre-pandemic revenue level expected for fiscal year 2021-22. Based on this positive forecast, we are increasing our capital projects set aside to the \$3 million projected prior to the pandemic.

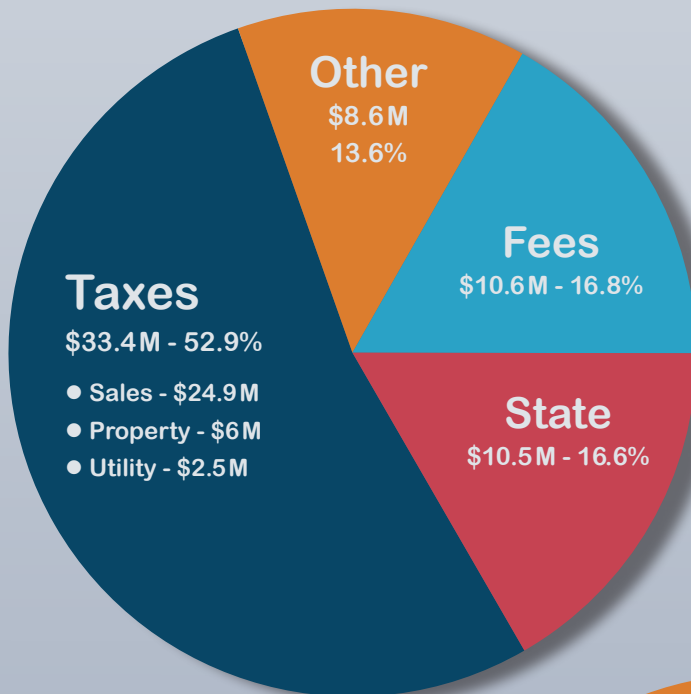
	FY 2021-2022*	
	Adopted	Revised
Revenues	\$60,611,164	\$63,082,372
Expenditures	\$58,243,040	\$59,361,412
Capital Projects Set Aside	\$1,500,000	\$3,000,000
Total	\$59,743,040	\$62,361,412
Surplus	\$868,124	\$720,960

** The City's total budget is over \$77 million, which includes special revenue and enterprise funds. However, the focus here is on the portion called the "General Fund," which finances most City services and improvement projects.*

Capital Projects Set Aside

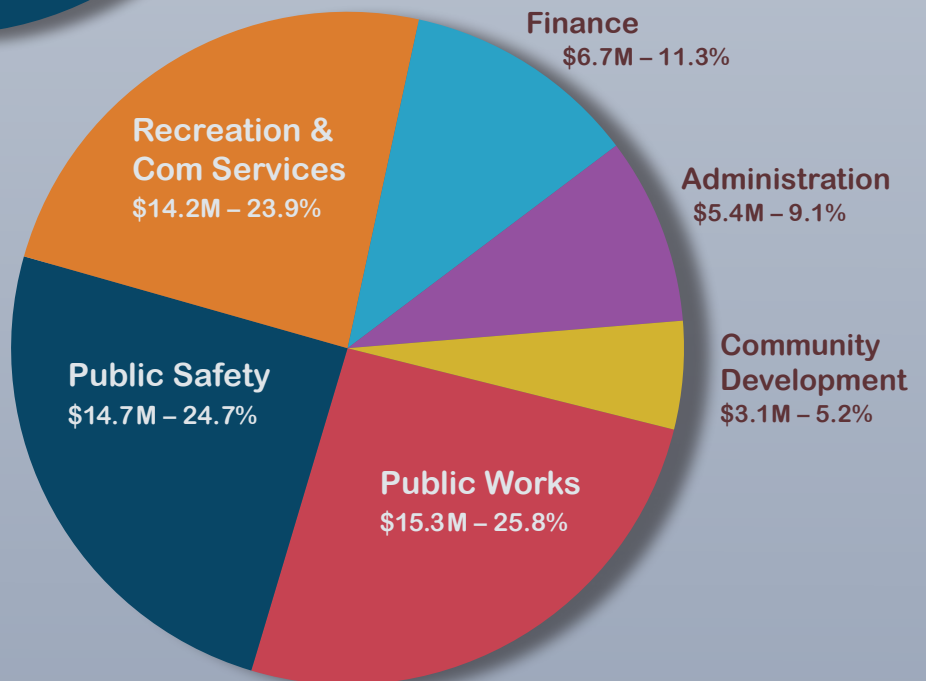
Recently, a study was done assessing the condition of City facilities such as parks and community centers. The study shows that over \$30 million is required to bring our facilities up to date. To accomplish this huge undertaking, the City Council has chosen to “save” for these expenditures instead of borrowing. Annually, a portion of revenues is “set aside” for this purpose. (See *tables on the previous page.*) In other words, improvements will only take place when sufficient funding has been accumulated. This funding approach aligns with the City Council’s belief in “living within our means” and is less costly and risky than debt financing.

Fiscal Year 2021–22



Revenues: \$63.1M

Department Expenditures: \$59.4M





Investing in Lakewood

Measure L, approved by voters in 2020, raised local sales tax by 0.75%. A big part of Measure L's revenues will be used to repair and upgrade the City's aging parks and community buildings. A number of Measure L projects will begin this summer and fall, which include new roofs, electrical panels, and playground equipment. However, this is only the beginning. The City will tackle many more improvement projects for years to come. Services will also be enhanced thanks to Measure L. For example, an additional deputy sheriff focusing on traffic safety is included in the 2021-22 budget. Additionally, the revised budget includes a new citywide multi-cultural event and additional maintenance resources dedicated to keeping our streets and rights-of-way clean and free of clutter.