



**CITY OF KIRKLAND**  
**Department of Finance & Administration**  
123 Fifth Avenue, Kirkland, WA 98033 425.587.3100  
[www.ci.kirkland.wa.us](http://www.ci.kirkland.wa.us)

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## MEMORANDUM

**To:** David Ramsay, City Manager

**From:** Tracey Dunlap, Director of Finance and Administration

**Date:** May 21, 2008

**Subject:** 2009-10 Budget – Revenue, Reserve, and Policy Tools

At the City Council Retreat in March, the Council requested that there be a series of meetings to discuss the budget outlook and tools available before the Mid-Year Budget Study Session scheduled for June 5. The first Study Session on May 7 included a review of additional information related to the expenditure tools and discussion of early policy issues, as well as a review of the communications strategy. At the May 29 Study Session, we will discuss the revenue, reserve and policy tools in more depth, as well as follow-up on the services matrix (a recap of the May 7 meeting is included at the end of this report).

### *Revenue Tools – Council Approved*

The following revenue tools require City Council approval to implement, but no public vote is required:

- As of year end 2007, the City has approximately \$145,000 in remaining **property tax banked capacity**, which is an on-going revenue source. Note that this amount can fluctuate based on prior year refunds, for example, the year end 2006 figure was \$190,000, but a large refund was issued due to a lawsuit settlement, resulting in the majority of the reduction to \$145,000 at year end 2007. Note that banked capacity cannot be maintained after a levy lid lift is implemented (in other words, it has to be used before a levy lid lift is voted upon or it is superseded by the new lid).
- The City can **increase utility taxes on City utilities** (water, sewer, surface water, and solid waste), which are currently set at 7.5%. Each 1% increase in the tax on City utilities would generate \$280,000. The upper portion of the table in Attachment A contains the utility tax rates of other jurisdictions on City utilities.
- The City's current **business license surcharge** generates approximately \$1 million in revenue to the general fund and the base fee generates \$400,000, for a total of about \$1.4 million. There are a variety of approaches to establishing business taxes, some of which could produce significant additional revenue to the City, including:
  - **Increasing the current surcharge structure** by a percentage – the current business license fee structure has not been increased since it was implemented in 2003. Since that time, inflation has increased by over 18% and the City's costs have increased at an even higher rate. Each 1% increase in the current structure, if applied to both the base fee and the surcharge, would generate an additional \$14,000. In addition, the Council may also want to consider annual inflation increases to help the revenues keep pace with cost growth.
  - **Replace the current structure with an alternative approach** such as a tax per full time equivalent employee (FTE) or a tax on revenues (B&O tax). Attachment B contains a comparison

of the business taxes of a variety of jurisdictions (last page), some of whom employ these alternate structures. The City of Kirkland has had success in attracting high technology employers, with a number of them planning to significantly increase their staffing. However, our current business license structure caps the amount that an employer with more than 100 employees pays at \$2,600. One option to address growing employment is to replace the current structure with a tax per FTE. As an illustration, Attachment B describes what the impact would be if Kirkland were to replace the current structure (base and surcharge) with Redmond's structure (\$90/FTE). A brief history of Redmond's tax is provided as part of the attachment. This approach would generate over \$700,000 in additional revenue to the City, with large employers seeing the most significant increase.

- An option to replacing the current structure would be to **modify the current structure to better address large employers**. The memorandum in Attachment B provides two options: applying a tax per FTE for all FTEs over 50 or adding a per FTE component for employers with over 100 employees. The revenue increase for the first option is comparable to replacing the entire system (slightly less than \$700,000) and the revenue generated by the second option is approximately \$400,000. A comparison of the revenues from various size customers under each option is provided in the attachment, with large employers seeing the largest increases.

To evaluate the business tax options, the City Council requested that the Tax Burden study, originally done by ECONorthwest in 2001, be updated. The consultant that performed that study has since joined Berk and Associates and the City has contracted with that firm to update the Tax Burden Study. The consultants will be at the May 29 session to provide a background and policy-level discussion. We are including the executive summary from the last tax burden study for reference (Attachment C). The consultants expect to complete the analysis by the end of June, with the results presented at the mid-July City Council meeting.

#### *Revenue Tools – Voter Approved*

Revenue options that require voter approval include a property tax levy lid lift and an increase in the private utility tax.

- **Getting a Measure on the Ballot** - A levy lid lift or private utility tax increase in Kirkland would require a simple majority vote or 50% + 1. To place a measure on the ballot the following timelines apply:
  - A resolution calling for a special election on a date other than the primary or general election must be presented to the county auditor at least fifty-two days prior to the election date.
  - A resolution calling for a special election on a primary or general election date must be presented to the county auditor at least eighty-four days prior to the election date.

To place a measure on the November 4, 2008 general election ballot, a resolution calling for a special election, the ballot title and a summary of the measure as it will appear on the ballot must be submitted to the county auditor by August 12, 2008. The first special election in 2009 is February 3, which would require the information to be submitted by December 13, 2008.

Other than for the primary and general election, the King County local voters' pamphlet is not automatically produced. To have a ballot measure included in the voters' pamphlet, it must be specifically requested by the City Council through an ordinance or resolution. For elections that are not the primary or general the City must fully pay for the voters' pamphlet. The City is responsible for preparing the explanatory statement and appointing committees to draft the arguments for and against.

The key dates for these elections are summarized in Attachment D. For the general election on November 4, 2008, the public hearing and resolution would need to take place no later than the August 5 City Council meeting and the statements for and against would need to be completed within two weeks thereafter. For the February 3, 2009 special election, the public hearing and resolution would need to be completed by the

first meeting in December. If other special election dates in 2009 are considered (March 10, April 28, May 19, or the primary August 18) the due dates would move accordingly.

- **Property Tax Levy Lid Lifts** - The property tax limit can be increased by a vote of the people using a levy lid lift. There are two types of levy lid lifts:
  - A **temporary lid-lift** allows a taxing district to increase its highest lawful levy by more than one percent for a particular purpose or a specific time period, or both. RCW 84.55.050(1) requires that these conditions be stated clearly in the ballot title. Once the time period has expired or the limited purpose fulfilled, the levy is calculated as if the lid-lift had not been approved and taxes had been raised at the maximum amount allowed each year during the lid lift.
  - A **permanent lid-lift** is not limited by a particular purpose or time period; thus, the levy limitation is calculated each year after the first year of the lid-lift with a new base amount. The levy lid lift measure is not limited to a particular purpose, although funds can only be used for services specifically listed on the ballot title.

Given the City's long-term structural gap, a permanent levy lid lift would be the preferred option. As shown in Attachment D, timing is critical for this option. To receive revenues in the next year, the election must be held before the next year's levy is due in November. A November 2008 election would produce additional revenues in 2009. Any election held in 2009 would impact tax receipts for 2010.

To provide some context and lessons learned, staff reviewed recent levy lid lift efforts by Redmond (in 2006 that failed and 2007 that succeeded) and Des Moines in 2006.

- In 2006, the **City of Redmond** submitted a ballot for a permanent levy lid lift in order to fund existing services. The City of Redmond requested a rate increase from \$1.23 to \$1.88, or \$0.65 per \$1000 of assessed valuation. This initial measure was set up to provide funding for public safety, parks and general operating costs. This measure failed and was voted down by 61.77%. In 2007, the City of Redmond submitted two ballot measures for a permanent levy lid lift. One measure was for public safety in the amount of \$0.35 per \$1000 of assessed valuation and the second measure was for parks operations and maintenance in the amount of \$0.05 per \$1000 of assessed valuation. Both propositions passed. Speaking with the City of Redmond there were a few reasons they cite as to why the second measure passed when the first had failed:
  - The 2007 measure was very targeted and did not include any general operating funds.
  - After the 2006 measure failed the City of Redmond had to pull Community Service Officers (CSO) out of the schools and move them to patrol for the safety of the whole City. The PTSA wanted the CSO's back in their schools and created a pro campaign for the measure in 2007.
  - The 2007 measure had two pro groups and no con group. The pro groups included the PTSA wanting CSO's back in the schools and youth wanting to increase the hours of the teen center.
  - The 2007 measure was very straight forward. The City provided a lot less outreach for the measure in 2007 than in 2006. They sent an oversized postcard with information about 3 weeks before the voters' pamphlet and provided an informational session for residents wanting to learn more. In 2006, they sent a full size color folder to residents with a lot of information and started outreach several months sooner than in 2007.
- The **City of Des Moines** placed a levy lid lift proposition on the May 16, 2006 ballot, asking voters if they would raise their property taxes to fund additional police officers and public safety technology enhancements. The Des Moines Leadership Summit, a collaborative effort of community leaders, formed a "Leadership Summit Enhanced Public Safety Committee" to

spearhead the request for the proposition and formed “Citizens for a Safer Des Moines” to coordinate a “vote yes” campaign. The levy lid lift passed.

- **Utility taxes on private utilities** - The City of Kirkland currently has a 6% tax on private utilities which include: electric, gas, telephone, and cable<sup>1</sup> utilities. For the City to increase the tax rate above the current 6%, voter approval would be required. If the City put a measure on the ballot and voters approved the ballot measure, the rate change for the tax on private utilities would not take effect until at least sixty days following the enactment of an ordinance establishing the tax. Each 1% increase in the private utility tax would generate \$1.2 million for the City of Kirkland. A comparison of utility tax rates for selected jurisdictions is contained in Attachment A. Federal Way and Olympia have both successfully passed measures to raise the tax on private utilities to 7.75% and 9% respectively:
  - The **City of Federal Way** imposes a tax on all utilities (except water and sewer) operating in the City at a rate of 7.75% (effective 2/4/07). This includes a 1.75% tax increase voters approved at the November 2006 general election to fund the Police and Community Safety improvement initiative consisting of 24 FTEs in police, prosecution, court, code enforcement, parks maintenance, and related support functions. The utility tax is also used to fund capital improvement projects, including related maintenance and operations, and general fund operations.
  - The **City of Olympia** approved a 3% increase in utility taxes (to a total rate of 9%) to fund parks and sidewalks in 2004. See Attachment E - Active Living by Design Case Study for more detailed information on the process and the efforts that were funded.
- **Voted Measure Observations** – Reviewing the requirements of the election process and the experiences of other jurisdictions produced a number of observations:
  - It would be difficult, but not impossible, to pursue a ballot measure in November 2008. However, it may not be possible to mobilize active “pro” groups, which appear to be one key factor in successful voted measures.
  - The levy lid lift measures that were approved by other jurisdictions were for increases in service levels rather than restoration of service reductions.
  - If a levy lid lift is pursued for increasing service levels (staffing), it does not contribute to “closing the gap” and since the revenue growth from the new levy rate is still limited to 1% and expenses would grow at a faster rate, it could, in fact, make the gap larger in the long-run.
  - The voted utility tax option has fewer limitations than the levy lid lift, both in terms of the timing of the revenue received and the growth in revenues over time.
  - One option to consider is to close the existing budget gap without use of the voted option, and save that option for potential future increases in service levels.

#### *Reserves and Other Policy Tools*

- The **revenue stabilization reserve** was established to “address temporary revenue losses due to economic cycles or other time-limited causes”. If scheduled replenishments take place and no uses of the reserve are required in 2008, the balance in this reserve for consideration in 2009/10 is estimated to be over \$2 million. Note that the City also has a General Fund Operating Contingency, with an estimated year end 2008 balance of \$2.7 million, which is also available “to provide funding for unforeseen expenditure needs for general city programs.” Staff would not recommend tapping both reserves, but if a significant portion of the revenue stabilization reserve was used, the City would still have the operating contingency to deal with unforeseen events. If some use of reserves is assumed in balancing the budget and revenues

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<sup>1</sup> Increasing the tax on cable does not require a vote but is subject to other rules that will be explored in more detail if this option is chosen.

exceed expectations, the first priority from the additional revenues should be to replenish reserves to target levels.

- The City's current policy is to budget sales tax revenues on a one-year lag, as a hedge against possible future economic events. At one time, the policy was to budget the sales tax revenue on a **two-year lag**, which provided an even greater hedge. It would be difficult to return to a two-year lag if events unfold as expected, because the transition would widen the 2009/10 shortfall. However, a return to a two-year lag may be worth considering if conditions develop more favorably. This change could also be accompanied by a policy of placing surplus receipts over the budgeted amounts into the CIP rather than using the growth to fund operating costs on a one-time basis, which can contribute to volatility in the operating budget.
- The City Council approved a proposal by staff to move the **CIP budget process** into the biennial budget year, rather than doing the CIP budget in the off budget year. Such a change should result in a variety of benefits, including better alignment of the operating and capital assumptions, efficiencies due to the current need to update the CIP within 6 months of its adoption, and the capability of evaluating options and trade-offs between operating and capital funding levels. The change also allows us to consider the option of a short-term reduction in the current policy-based CIP funding from General Fund resources:
  - \$770,000 in on-going sales tax (\$270,000 for transportation, \$400,000 for technology, and \$100,000 for neighborhood connection program) and
  - \$800,000 in interest earnings (\$250,000 for public safety, \$300,000 for the technology initiative, and \$250,000 for general government projects [technology and facilities]).

The direction regarding the IT CIP/Operating cost realignment discussed on May 7 will result in some reduction to the technology funding to offset the General Fund share of the costs.

In developing the CIP, the departments are evaluating projects that have already been funded but have not yet been completed and are considering whether it would be advantageous to focus on completion of these projects during 2009/10 rather than committing additional general fund resources for new projects. They have also been asked to look carefully at the operations and maintenance impacts of funded and proposed projects. Further recommendations regarding this option will be developed during the review of the department CIP budget submittals.

#### *Recap of May 7 Meeting*

The "Services Matrix" was provided, along with the list of one-time positions and programs. The services matrix is provided as Attachment F to this packet to facilitate further discussion and the one-time positions and programs have been placed in a separate matrix format, as requested at the May 7 meeting. These materials are Attachment G. As a reminder, some of the key policy questions regarding the expenditure tools are:

- Are there any expenditure reduction options that the Council does not want to pursue further (it's "off the table")?
- Is there a preferred expenditure reduction strategy or strategies and, if there is more than one that staff should pursue, which is the most preferred?
  - Should reductions be made by lowering levels of service "across the board" by cutting all department expenditures by a percentage?
  - Should level of service reductions be targeted in specific areas, and if so, which ones should be evaluated?
  - Should reductions be identified through the elimination of specific programs, and if so, which ones should be evaluated?

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- Does the Council want to develop criteria for staff to use in developing an expenditure reduction recommendation?

Staff requested early policy guidance on the following issues:

- *Fleet Reserve Funding* – Council gave direction to proceed with the implementation of the discounted replacement charge (20% discount on replacement charges) approach as part of the rate setting process during the 2009-2010 biennial budget process. Additional information was requested on whether any of the existing balance could be available to meet one-time needs. At this stage, we would not recommend removing any of the reserve balance until we are able to assess the impacts of the revised rate funding approach.
- *Recreation Revolving Fund (Fund 126) Restructuring* – The concept of restructuring Fund 126 to more clearly segregate revenues and expenditures was referred to the City Council Finance Committee for review and a recommendation.
- *Facilities Internal Service Fund* – Council gave direction to proceed with making the Facilities Maintenance Fund an internal service fund.
- *IT Operating/CIP Cost Alignment* – Council gave direction to proceed with moving IT operating costs that are budgeted in the CIP into the IT operating budget, along with sufficient revenue now shown in the CIP to pay the General Fund share of the cost (which will be about 60% of the cost).

Lastly, the City Council directed that staff proceed with the update of the last tax burden study and the communication strategy (adding two focus groups and deleting the on-line budget calculator), using sales tax funding available from the discontinued annexation service packages. At the meeting, the Council requested that the “key messages” be refined and simplified. A revised draft is included as Attachment H.

#### *Next Steps*

The Budget Kickoff is scheduled for July 2, with the City Council budget study sessions beginning in late October. Labor cost strategies will be discussed at Executive Sessions on June 3 and 17 and initial policy guidance will be addressed at the June 5 Special Study session. The tax burden study is expected to be complete by the end of June and presented at the mid-July City Council meeting.

At the June 5 special study session, we will have the mid-year budget review, which will include:

- 2008 budget adjustments,
- Report of Fire overtime,
- An update on the developing trends including development activity, year-to-date sales tax performance, and CPI,
- Updated forecast, including continuation of one-time positions and programs, and
- Discussion of Council guidance on mix of tools to pursue in budget development.

#### *Summary Scorecard*

To assist the City Council as it deliberates on the tools available to balance the budget, the “scorecard” on the following page has been developed that provides a rough estimate of the dollar impacts of incremental changes.

**Budget Scorecard - Estimated Annual Impact Matrix**

<b>Tool</b>	<b>2009</b>	<b>Notes</b>
<b>Expense</b>		
1% reduction in the general fund budget	\$590,000	
0% increase in base non-labor budgets	\$250,000	Eliminate 2% growth assumption
1% reduction in annual wage growth	\$310,000	2 <sup>nd</sup> Year \$644,000
1% reduction in annual benefit growth	\$100,000	2 <sup>nd</sup> Year \$220,000
<b>Policy</b>		
Revise Fleet Replacement Reserve	\$240,000	Direction to proceed with this option given at May 7 meeting
General Fund contribution to CIP		
Sales Tax	\$770,000	
Interest Income	\$800,000	
Revenue Stabilization Reserve Balance	\$2,082,380	Budgeted 2008 ending balance
<b>Revenue</b>		
Remaining property tax banked capacity	\$145,000	
1% increase property tax (voted after first 1%)	\$130,000	
1% increase City utility taxes	\$280,000	
1% increase private utility taxes (voted)	\$1,200,000	
1% increase business tax	\$14,000	
Head tax on businesses (in place of current business license structure)*	\$700,000	Replace with Redmond structure at \$90/FTE

\* Figure shown is estimated net new revenue.

**Utility Tax Rate Comparison  
2008**

	Kirkland	Bellevue (1)	Seattle	Bothell	Edmonds	Federal Way	Lake Forest Park	Lynnwood	Mercer Island	Olympia	Redmond	Renton
<b>Utilities provided by Kirkland:</b>												
Surface Water	7.50%	5.00%	11.50%	6.00%	6.00%	7.75%	No	No	No	7.00%	No	6.00%
Water	7.50%	5.00%	15.54%	5.00%	6.00%	N/A	N/A	No	No	7.00%	No	6.00%
Sewer	7.50%	5.00%	12.00%	5.00%	6.00%	N/A	No	No	No	7.00%	No	6.00%
Garbage	7.50%	4.50%	11.50%	6.00%	6.00%	7.75%	N/A	N/A	7.00%	7.00%	N/A	6.00%
Garbage - franchise fees				1.00%			2.75%					5.00%
<b>Utilities provided by Private:</b>												
Cable TV	6.00%	4.80%	10.00%	6.00%	1.00%	7.75%	No	No	7.00%	No	No	6.00%
Cable TV - franchise fees	5.00%	5.00%	5.00%			5.00%	5.00%	5.00%	5.00%		5.00%	5.00%
Gas	6.00%	5.00%	6.00%	6.00%	6.00%	7.75%	6.00%	No	6.00%	9.00%	6.00%	6.00%
Electric	6.00%	5.00%	6.00%	6.00%	6.00%	7.75%	No	No	6.00%	9.00%	6.00%	6.00%
Telephone	6.00%	6.00%	6.00%	6.00%	6.00%	7.75%	6.00%	3.00%	6.00%	9.00%	6.00%	6.00%
Cellular	6.00%	6.00%	6.00%	6.00%	6.00%	7.75%	6.00%	No	6.00%	9.00%	6.00%	6.00%
<b>Revenues</b>	\$ 8,004,268	\$ 19,650,000	\$ 148,282,222	\$ 6,605,600	\$ 4,352,000	\$ 12,105,484	\$ 615,000	\$ 900,000	\$ 3,032,000	\$ 7,600,000	\$ 8,981,633	\$ 8,153,747
<b>% of GF Revenues</b>	11.50%	15.00%	17.00%	18.00%	14.00%	30.30%	11.00%	2.40%	14.70% (2)	13.00%	13.50%	10.00%

(1) Bellevue also collects on behalf of point cities that they serve for utilities:

- Medina - 0%
- Clyde Hill - 10% water and sewer, 4% cable and garbage
- Hunts Point - 6.5% water, sewer and garbage
- Beaux Arts - 0%
- Yarrow Point - 5% water, sewer, cable and garbage

(2) Percentage reflects both B&O and utility tax, but is made up primarily of utility tax.

Note: N/A is no utility / No is no tax levied on these utilities.

**Franchise Fee Definition:**

Franchise fees are charges levied on private utilities to recoup city costs of administering the franchise and for the right to use city streets, alleys, and other public properties.

The franchise fees on light, natural gas, and telephone utilities are limited by statute to the actual administrative expenses incurred by the city directly related to receiving and approving a permit, license, or franchise; reviewing plans and monitoring construction; and preparing a detailed SEPA document.

Cable TV franchise fees are governed by federal rather than state law and are negotiated with the cable company. They may be levied at a rate of up to five percent of gross revenues, regardless of the costs of managing the franchise process.



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## MEMORANDUM

**To:** David Ramsay, City Manager

**From:** Tracey Dunlap, Director of Finance and Administration

**Date:** May 19, 2008

**Subject:** Employee Hours or Full Time Equivalent (FTE) Based Business License Fee

Redmond and Renton are the two cities in Western Washington that base their business license fees on employee hours worked or Full Time Equivalent (FTE) employees. A few cities including Seattle, Bothell and Lynwood base the business fees on a combination of base fee, square footage and employee FTE's or hours fee. Kirkland, Tukwila and Burien are among other cities which use the number of employees at various levels to determine the amount of fee or surcharge that must be paid by the business.

Similar to Kirkland, all persons or companies doing business in Redmond are required to obtain a business license to engage in business within the City of Redmond. Redmond uses annual hours worked in the calculation of a full time equivalent employee to address the issue of fees for temporary and part time workers. Redmond provides exemptions to the business license requirements similar to those of Kirkland. However, exempt businesses are not required to register as they are in Kirkland, creating more difficulties in tracking total number of businesses and number of employees working in the city. In addition, Redmond also does not exempt civic groups, service clubs or social organizations unless they fall into the category of an IRS 501(c)(3). Redmond's license fees are not prorated with all licenses expiring on December 31 each year and renewals due on January 1 as opposed to Kirkland's Business License fees which are paid the month the business is opened and renews on that month each year.

Redmond fees currently consist of a \$35 base fee and \$55 surcharge (see attached document summarizing the history of Redmond's fee structure). The base fee generates approximately \$2.7 million annually for the General Fund. The surcharge is designated for the Transportation Fund and has generated \$4.3 million for Redmond in 2007. Renton's fee is \$55 per FTE, which generated \$2.2 million for 2007. Renton's fee is designated 20% to support Fire and Police with the other 80% to Transportation.

As noted in the following table, Kirkland's Current Business License Fee Program generates approximately \$1.4 million annual revenue. Implementing a structure similar to Redmond while maintaining Kirkland's current exemptions and exempting the businesses with annual revenue less than \$2,000 would generate \$2.1 million in revenue.

Option 1: Replace Current Structure with Redmond

	Kirkland Current Business License Fees	FTE Based Fee at \$35 Base Fee and \$55 Surcharge per FTE
Base Fee	\$405,000	\$817,460
Surcharge	\$990,000	\$1,284,580
Total	\$1,395,000	\$2,099,340
	<b>Revenue Increase</b>	<b>\$704,340</b>

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A modified approach leaving the current program in place for businesses with less than 50 employees while applying an FTE fee for businesses with 50 or more employees similar to Redmond's fee structure would generate just over \$2 million. Keeping the current Business Licensing program in place for businesses with less than 100 employees and applying an FTE fee for businesses with more than 100 employees would generate approximately \$1.8 million.

## Option 2 &amp; 3: Keep Current Structure but Modify Top Tiers

Business	Fee	Current Business License	<b>Option 2</b> Modified FTE Based Fee for 50 and Greater Employees	<b>Option 3</b> Modified FTE Based Fee for 100 or more Employees
Fewer than 50 Employees	Base Fee Surcharge	\$395,700 \$821,500	\$395,700 \$821,500	\$395,700 \$821,500
50-99 Employees	Base Fee Surcharge	\$6,400 \$96,000	\$153,370 \$241,010	\$6,400 \$96,000
100 or more Employees	Base Fee Surcharge	\$2,900 \$72,500	\$184,905 \$290,565	\$184,905 \$290,565
Total		\$1,395,000	\$2,087,050	\$1,788,734
		<b>Revenue Increase</b>	<b>\$692,050</b>	<b>\$393,734</b>

A comparison of the impacts on selected business examples is provided below.

Business Size	Type	Kirkland Current		# EE	Kirkland with FTE Fee		Kirkland with FTE Fee	
		# EE	BL Fee		Option 1	Option 2	Option 3	
Small	Retail	1	\$ 100	1	\$ 90	\$ 100	\$ 100	
Small	Retail	2-5	\$ 325	4	\$ 360	\$ 325	\$ 325	
Medium	Professional	6-20	\$ 850	10	\$ 900	\$ 850	\$ 850	
Medium	Restaurant	6-20	\$ 850	18	\$ 1,620	\$ 850	\$ 850	
Large	Headquarters	21-100	\$ 1,600	70	\$ 6,300	\$ 6,300	\$ 1,600	
Large	Retail	21-100	\$ 1,600	90	\$ 8,100	\$ 8,100	\$ 1,600	
Large	Retail	100+	\$ 2,600	150	\$ 13,500	\$ 13,500	\$ 13,500	

In addition, the attached table from the City Council Retreat in March summarizes the business taxes of neighboring jurisdictions.

TO: City Council

FROM: Rosemarie Ives, Mayor

DATE: December 19, 2006

SUBJECT: Ordinance: Amending Section 5.04.080 of the Redmond Municipal Code Increasing Business License Fees

### **I. RECOMMENDED ACTION**

Adopt the attached ordinance increasing the business license tax effective January 1, 2007 to a total rate of \$ 90 per FTE and eliminating the sunset date, thereby establishing the tax on a permanent basis.

In its budget FY 07-08 deliberations, Council's final decision is to increase the business tax by \$ 6.75 to \$ 90 per FTE.

### **II. DEPARTMENT CONTACTS**

Lenda Crawford, Finance Director	(425) 556-2160
Jane Christenson, Assistant to the Mayor	(425) 556-2107
Helen Eckhart, Revenue and Consumer Affairs Manager	(425) 556-2182

### **III. DESCRIPTION**

In 1996, the City of Redmond approved a business license surcharge of \$55 per employee to be dedicated to transportation needs. Together with the then-base license fee of \$10, businesses in Redmond paid an annual business tax of \$65 per employee. While the \$55 surcharge was set to sunset in 2000, the City Council approved the surcharge for an additional four years, and increased the business license fee for inflation to \$12.50, for a total annual business tax of \$67.50. At that time, the City also revised the basis for computing the tax, from a per-employee basis to one based on full-time equivalent employees (FTEs) to address business concerns regarding temporary or part-time employees.

For the FY 05-06 budget, the administration proposed an inflationary increase for both the base fee (four years of inflation as it was adjusted in 2000) and the surcharge (eight years of inflation as it had not been adjusted since its adoption in 1996) for a total business tax of \$84 per FTE. Council subsequently revised the fee to \$83.25 in its budget deliberations. This inflationary increase was dedicated to the General Fund to ensure a stable funding source for the ongoing service needs generated by the business community. The surcharge of \$55 per FTE continued to be dedicated to transportation needs, as recommended by the Business Tax &

Transportation Improvements Committee and approved by the Council. The surcharge is due to sunset December 31, 2006 unless re-authorized by the Council.

For the FY 07-08 budget, the administration proposed a business tax increase of \$6.75 in the base budget, consistent with the Council's long term financial strategy discussions, its prior actions (Resolution 1223), and its budget policy document approved on July 11, 2006. In the budget supplemental package focused on increased services burdens due to business growth, the administration also proposed an additional \$30 increase to fund specific fire and police staff related to commercial needs. As proposed in both the base and budget and the supplemental package, the total business license fee would increase from \$83.25 to \$120 per FTE, effective January 1, 2007. The Council's final decision on December 14, 2006 was to increase the business tax by \$6.75 to a total of \$90 per FTE, and to eliminate the sunset provision, thereby establishing the tax on a permanent basis.

Beyond the major policy issues noted above, the proposed ordinance also includes an administrative change to ensure issuance of a business license is not delayed by the non-payment of fire alarm fees and penalties. This change was needed to expedite business licensing and allow businesses to continue to remain open and do business while fee and other penalty arrangements are otherwise worked out through other means.

#### **IV. IMPACT**

Increasing the City's business tax as proposed in the base budget would yield an estimated \$1 million in revenue for the General Fund over the 2007-08 biennium, and continue to generate approximately \$3.5 million annually or \$7 million over the biennium for transportation improvements. The estimated fiscal impact is an additional \$6.75 per FTE per year for local businesses. The additional \$30 per FTE proposal in the budget's supplemental package, which would have further supported police needs and provide additional staffing at the Overlake Fire Station was not approved by Council.

#### **V. TIME CONSTRAINTS**

The ordinance should be adopted immediately so that the new rates can take effect in 2007, and ensure an orderly business license renewal process for the new year.

#### **VI. ATTACHMENTS**

Proposed Ordinance

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/s/ Lenda Crawford, Finance/I.S. Director

DATE: 12/15/2006

APPROVED FOR COUNCIL AGENDA:

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/s/ Rosemarie Ives, Mayor

DATE: 12/15/2006

Business License/Fees Comparison Update February 2008

Business Size	Type	Kirkland		# EE	Edmonds	Bothell	Lynnwood	Renton	Redmond	B & O Tax				Est. Gross Rcpts or Sq ft.
		# EE	BL Fee							Mercer Island	Bellevue	Lake Forest Park	Seattle	
Small	Retail	1	\$ 100	1	\$ 25	\$ 34	\$ 107	\$ 55	\$ 90	\$ 30	\$ -	\$ 80	\$ 244	\$ 60,000
Small	Retail	2-5	\$ 325	4	\$ 25	\$ 114	\$ 150	\$ 220	\$ 360	\$ 310	\$ 419	\$ 300	\$ 792	\$ 280,000
Medium	Professional	6-20	\$ 850	10	\$ 25	\$ 141	\$ 237	\$ 550	\$ 900	\$ 930	\$ 1,197	\$ 820	\$ 4,075	\$ 800,000
Medium	Restaurant	6-20	\$ 850	18	\$ 25	\$ 207	\$ 353	\$ 990	\$ 1,620	\$ 1,130	\$ 1,646	\$ 1,120	\$ 2,905	\$ 1,100,000
Large	Headquarters	21-100	\$ 1,600	70	\$ 25	\$ 591	\$ 1,107	\$ 3,850	\$ 6,300	\$ 8,030	\$ 16,372	\$ 8,020	\$ 35,040	19,371 sq ft or \$8 m
Large	Retail	21-100	\$ 1,600	90	\$ 25	\$ 762	\$ 1,397	\$ 4,950	\$ 8,100	\$ 16,030	\$ 23,936	\$ 16,020	\$ 36,740	\$ 16,000,000
Large	Retail	100+	\$ 2,600	150	\$ 25	\$ 1,045	\$ 2,267	\$ 8,250	\$ 13,500	\$ 60,030	\$ 89,760	\$ 60,020	\$ 132,840	\$ 60,000,000

Business License/Tax Revenues	1,408,841	765,790	260,445	974,000	2,200,000	7,000,000	508,249	30,610,399	215,000	179,200,000
Percent of General Fund	2.6%	2.6%	0.8%	2.6%	2.6%	11.0%	2.5%	21.5%	3.4%	23.0%

(Note: Percent of General Fund revenues for illustrative purposes only. Several cities place business licenses/taxes to other funds.)

Year Enacted	Under Review	Sunset Clause	Business License Fees and Taxes Specific to each City
2003	No	No	<b>Kirkland</b> Businesses pay a base fee of \$100 and a surcharge based on the number of employees. The surcharge is eliminated and the base fee is reduced to \$25 for businesses with gross receipts under \$2,000. The surcharge is reduced for businesses with less than \$100,000 of gross receipts.
1996	No	No	<b>Edmonds</b> Businesses pay a \$65 initial registration fee and an annual \$25 renewal fee. Non-resident pays only \$25.
2006	No	No	<b>Bothell</b> Businesses pay a fee based on number of employees, type of business and square footage. The fee for type of business is eliminated for businesses with gross receipts under \$12,000.
2007	No	No	<b>Lynnwood</b> Businesses pay a base fee of \$92 (first time app is \$109) and \$14.50 per emp. Home occ. businesses pay a \$27 base fee. Businesses not located in the City pay \$148 annually. Certain business are subject to other fees.
2006	No	No	<b>Renton</b> Businesses pay per employee at \$55 per full time equivalent (1,920 hours worked per year).
2007	No	No	<b>Redmond</b> Businesses pay per employee at \$90 per FTE (1,920 hours worked per year). Previous sunset clause was removed 2 years ago.
2006	No	No	<b>Mercer Island</b> Businesses pay an annual fee of \$30 and are subject to a business and occupation tax of .001 of the gross receipts.
2004	No	No	<b>Bellevue</b> Businesses pay a one time fee of \$29 and are subject to two business and occupation taxes. A gross receipts tax of .001496 of the gross receipts and/or A square footage tax of .8452 times the square footage of the business.
2000	No	No	<b>Lake Forest Park</b> Businesses pay an annual fee of \$20 and are subject to a business and occupation tax of .002 of the gross sales.
2000	No	No	<b>Woodinville</b> Business are required to register with no fee therefore are not shown on the table above.
2005	No	No	<b>Kenmore</b> Does not require a business license for most businesses and is also not shown on the table above. D Certain Kenmore entertainment and amusement bus., pawnbrokers and second hand dealers are required to pay lic. fees.
Revised 2008	No	No	<b>Seattle</b> Business taxes are composed of 4 elements Annual fee of \$90 Employee hours tax - \$25 per year per FTE or .01302 per employee hour B & O tax ranging from .00215 to .00415 of the gross receipts Square footage tax - a replacement for the losses of B & O tax due to recent legislative changes in the B & O tax

# **CITY OF KIRKLAND TAX BURDEN ANALYSIS**

COMMISSIONED BY  
**CITY OF KIRKLAND, WASHINGTON**

**ECON**NORTHWEST

**300 MUTUAL LIFE BUILDING  
605 FIRST AVENUE  
SEATTLE, WA 98104  
(206) 622-2403**

MAY 2001

## SUMMARY OF ANALYSIS

During their 2001 budget deliberations, the Kirkland City Council approved a request to contract for a tax burden comparison study with the following three objectives in mind:

1. To compare the residential versus commercial tax burden in Kirkland and to identify trends or shifts in taxation levels.
2. To compare the relative residential and commercial tax burden in Kirkland to similar Puget Sound cities.
3. To highlight the strengths and weaknesses of the City's tax structure from an economic development perspective (i.e. business recruitment and retention) and from a fiscal integrity perspective (i.e. revenue stability and diversity).

In response to the Council's approval, City staff contracted with ECONorthwest to conduct the analysis presented here.

## Study Methodology

We approached this analysis by looking at tax burdens from the perspective of typical Kirkland taxpayers. We constructed hypothetical households and businesses with characteristics that are representative of Kirkland residents and businesses, and we looked, individually, at the burdens these hypothetical taxpayers face. In total, we looked at ten taxpayer units:

### Businesses

- Grocery Store
- Auto Dealer
- Small Furniture Store
- Small Consumer Electronics Store
- Restaurant
- Big Box Retail
- Mid-size Engineering Firm

### Households

- Household Living in a Single Family Dwelling
- Household Living in a Condominium
- Household Living in an Apartment

## All Reported Taxes are Estimates

The taxes reported in this analysis are estimates based on particular characteristics of the various taxpayer units. Property taxes, for instance, are based on the applicable levy rate multiplied by the assumed assessed value of the house or condo (or in the case of apartments and businesses, based on a pro-rata share of assumed total assessed value for the tax parcel). Taxpayers who rent their house or business space do not pay any direct property taxes. Regardless of who owns the property, however, property taxes *are* levied. In the long run, the costs of most, if not all, property taxes are ultimately passed on to renters

in the form of higher rents. For the sake of simplicity, we assume that the users of the property ultimately pay the full burden of property taxes.

Estimates of household expenditures on taxable retail sales are based on patterns identified by the United States Bureau of Labor Statistics' *Consumer Expenditure Survey*. Estimated business expenditures on taxable retail sales are based on the size of the business (in terms of gross revenues) and estimated statewide business taxable retail expenditures provided by the State Department of Revenue. Expenditures on things like phones and utilities are based on a variety of factors, including the physical size of a home or business, the number of persons in a household, and the number of employees employed by a business.

Annual changes in assessed values assumed for our hypothetical taxpayers represent citywide, average changes for different land-use categories. These assumed changes are based on ECONorthwest's analysis of King County assessors' records in which we identified citywide, average changes experienced by owners of existing single-family homes, condominium owners, apartments, and commercial properties. We assumed that each of our representative commercial payers experienced changes in assessed values that were commensurate with the citywide average change for all commercial property.

### Comparing Kirkland to Other Jurisdictions

In addition to looking at the way tax burdens have changed within Kirkland over recent years, we also looked at how taxes for our hypothetical payers would have changed if we were to pick up their household or business and put them down in one of six other jurisdictions:

- Bellevue
- Bothell
- Kent
- Redmond
- Renton
- Finn Hill

The only comparison jurisdiction that is not a city, of course, is Finn Hill—an unincorporated area immediately north of Kirkland. The City of Kirkland has identified Finn Hill as part of its Potential Annexation Area, which makes it an area of interest to City staff and residents.

In all instances, we tried to assess the relative tax burdens of our comparison cities through the eyes of our representative Kirkland households and businesses. The basic question that we asked was: "What taxes would this household or business pay if they lived or worked in another city?" This means that we assumed, for instance, that the household in question has the same income, lives in a house of comparable value, spends the same amount on retail expenditures, drives the same cars, etc.

## What Taxes Did We Look At?

The taxes included in this analysis are split into four major categories:

1. City;<sup>1</sup>
2. State;
3. School District; and
4. Other

For residents, taxes are broken down as follows:

<b>City Taxes</b>	
	<b>Property Taxes (City Portion)</b> <b>Retail Sales and Use Tax (City Portion)</b> <b>Criminal Justice Sales Tax (City Portion)</b> <b>Utility Taxes</b> <b>Franchise Fees</b> <b>Gas Taxes (City Portion)</b> <b>Vehicle License Fee (City Portion)</b> <b>Motor Vehicle Excise Tax (City Portion)</b> <b>Liquor Taxes (City Portion)</b> <b>Gambling Tax</b>
<b>State Taxes</b>	
	<b>Property Taxes (State Portion)</b> <b>Retail Sales and Use Tax (State Portion)</b> <b>Gas Taxes (Non-city Portion)</b> <b>Motor Vehicle Excise Taxes (Non-city Portion)</b> <b>Other Motor Vehicle Licensing Costs</b> <b>Liquor Taxes (Non-City Portion)</b>
<b>School District Taxes</b>	
	<b>Property Taxes (School District Portion)</b>
<b>Other Taxes</b>	
	<b>Property Taxes (e.g. Port, County, EMS)</b> <b>Retail Sales and Use Tax (Non-State-or-City Portion)</b> <b>Criminal Justice Sales Tax (County Portion)</b> <b>Vehicle License Fee (Non-City Portion)</b>

Many of the taxes that we count as part of residents' "city" tax burden are actually levied by the State, or in some instance, by King County. These include gas and liquor taxes, criminal

<sup>1</sup> To provide the most intuitive labeling, we refer to local tax burdens throughout this analysis as "city" taxes. In the case of Finn Hill, these so-called "city" taxes actually refer to local taxes that residents and businesses of Finn Hill pay to King County. As an unincorporated area, Finn Hill has a tax structure that differs from the other comparable cities. For example, residents and businesses of Finn Hill do not pay a city property tax levy; rather, they pay local taxes to the County in the form of a Road levy.

justice sales taxes, and until the passage of I-695, Motor Vehicle Excise Taxes. After the State or County collects these taxes, they distribute a portion of the revenues back to cities, with the relative size of the distribution typically based on a given city's population. We count the city portions of these shared taxes as part of the "city" burden, while we categorize the remaining portion as either "State" or "other."

Finally, readers who review the above list will note that property taxes are shared among all four of our identified tax levels. In fact, the city portion of property taxes represents only a small share of the total tax. In 2000, for example, many Kirkland residents and businesses paid property taxes of roughly \$12.25 per \$1,000 of taxable assessed value. Of that \$12.25, only \$1.84 went to the City of Kirkland.

The key characteristics assumed for the hypothetical households and hypothetical businesses are presented below in the following two tables. Assumed taxable assessed values are intended to roughly represent the average assessed value of a single-family house, condominium, or apartment in Kirkland for tax-year 2000. In fact, all three of the assumed assessed values for our hypothetical households are slightly higher than the Kirkland average by type. In year 2000, for example, Kirkland was home to slightly less than 10,000 single-family houses, with a combined assessed value of slightly less than \$2.6 billion. Dividing the latter by the former, average assessed value per house in 2000 was a little more than \$260,000. Hypothetical businesses are intended to be representative of typical businesses located in Kirkland, for each business category. The characteristics of each business are based on a review of existing Kirkland businesses.

### Assumed Characteristics of Hypothetical Households

	Single Family	Condo-Owner	Apartment-Renter
Taxable Assessed Value (per housing unit)	\$276,000	\$170,000	\$75,000
Square Footage Living	2100	980	840
Square Footage Basement	800		
Bedrooms	3.5	1	
HH Size	2.7	1.5	1.3
HH Income			
<i>Percent of Kirkland Average HH Income</i>	<i>120%</i>	<i>90%</i>	<i>40%</i>
2000	\$126,720	\$95,040	\$42,240
1999	\$117,696	\$88,272	\$39,232
1998	\$108,694	\$81,521	\$36,231
1997	\$97,676	\$73,257	\$32,559
1996	\$87,292	\$65,469	\$29,097
Vehicles Owned	2	1	1
New Value of First Vehicle	\$28,000	\$28,000	\$20,000
New Value of Second Vehicle	\$28,000		
Age of Primary Vehicle (years)	3	3	5
Age of Second Vehicle (years)	6		
Gallons of Gas Consumed (per year)	1240	620	620

### Assumed Characteristics of Hypothetical Businesses

	Number of Employees	Gross Annual Revenues	Building Square Footage
Grocery Store	65	\$13,000,000	22,750
Auto Dealer	75	\$37,500,000	26,250
Furniture Store	7	\$1,050,000	3,500
Consumer Electronics Store	8	\$2,400,000	4,000
Restaurant	57	\$2,280,000	17,100
Big Box Retail	165	\$82,500,000	132,000
Engineering Services Firm	44	\$5,720,000	13,200

### What Answers Did We Find?

#### Kirkland Tax Trends

- **From 1996 to 2000, taxes paid by Kirkland businesses went down (in real terms) while taxes paid by households went up.**

Taxes paid by our representative businesses steadily decreased from 1996 to 2000, in inflation-adjusted dollars.<sup>2</sup> The primary reason behind this decrease was a substantial reduction in commercial property taxes. From 1996 to 2000, Kirkland's property tax levy decreased from \$2.42 per \$1000 of taxable assessed value to \$1.84. When we adjust for inflation, this represents a 30 percent decrease in the levy rate. For the City as a whole, increases in assessed values made up for the reduced levy, but these citywide increases were not distributed evenly among payers.

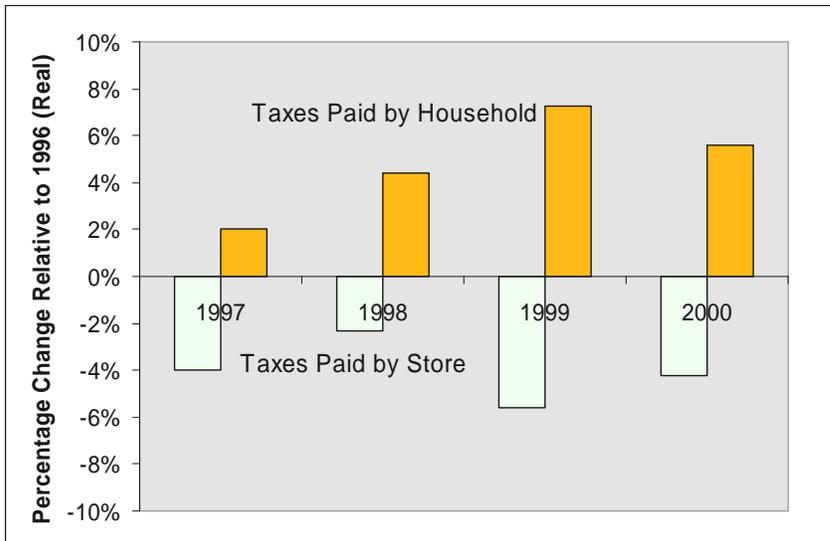
The taxpayers who experienced the largest increase in assessed values were households who live in single-family dwellings. Commercial property, by contrast, experienced relatively small increases in assessed values. The end result was a substantial tax cut for typical Kirkland businesses.

As an illustration of the point, taxes for a hypothetical small electronics store would have been 5.6 percent less in 1999 than in 1996, and 4.2 percent less in 2000 than in 1996 (as shown in the figure below). On the other hand, taxes for our hypothetical single-family household would have been 7.3 percent higher in 1999 and 5.6 higher in 2000 than in 1996.

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<sup>2</sup> Unless otherwise stated, all comparisons of tax payments over time in this analysis are presented in inflation-adjusted, 2001 dollars, using the Consumer Price Index for all urban purchasers for the Seattle-Tacoma-Bremerton statistical area. See Appendix.

**Percent Change in City Taxes Paid Since 1996  
(Consumer Electronics Store and Single-family household)**



In fact, when we broaden the scope to look at *total* city taxes, out of our ten hypothetical taxpayers, the single-family household was the only unit that ended up paying higher real taxes in 2000 than they did in 1996, with total real increases of 5 percent. This increase can be traced to two root causes:

1. Assessed values for single-family residences increased disproportionately

compared to condominiums, apartments, and commercial property. The single-family households received a tax break from falling property tax levy rates (in inflation-adjusted dollars), but on average, the tax break received by single-family households was much smaller than for other payers.

2. Our hypothetical single-family household experienced larger income growth (in total dollars) than did the condo and apartment households. This larger increase in income resulted in more expenditures on taxable retail sales, which in turn resulted in higher sales tax payments.

Putting all of these pieces together, we find that from 1996 to 2000, the burden of Kirkland's taxes has shifted steadily away from businesses and towards Kirkland residents, particularly single-family households.

- **For single-family households, the relative share of the City's tax burden also shifted among neighborhoods.**

Within the category of single-family houses, increases in assessed value were not distributed evenly among neighborhoods. A selected household in the West of Market neighborhood, for example, experienced an increase in assessed value from 1996 to 2000 that was 50 percent greater than the increase for a typical house in the Central Houghton neighborhood.

This uneven distribution of increases in assessed values means that not only has Kirkland's tax burden shifted towards single-family households, as previously discussed, but also, within single-family households, the burden has shifted onto households in certain neighborhoods.

## Comparison of Tax Burdens Among Jurisdictions

- **Kirkland residents pay lower taxes than they would if they lived in any of our comparison cities, with the exception of Bellevue.**

Primarily as a result of low City property tax levies, our hypothetical single-family and condo households paid less in city and total taxes in Kirkland than they would have if they lived in Bothell, Kent, Redmond, Renton, or even the unincorporated area of Finn Hill. The only city with lower city and total tax burdens than Kirkland was the City of Bellevue.

In contrast to the pattern for our single-family and condo households, our hypothetical apartment household faced a tax burden in Kirkland that fell in the mid-range of our comparison jurisdictions. In general, however, tax burdens on our apartment household showed little variation from jurisdiction to jurisdiction.

- **Kirkland businesses pay lower taxes in Kirkland than they would in any other comparison city.**

The only comparison jurisdiction where our hypothetical businesses paid less in taxes than they did in Kirkland was the unincorporated area of Finn Hill (which is governed by King County—a jurisdiction that is statutorily prohibited from levying business and utility taxes).

Kirkland's low business taxes are due to the City's combination of low city property taxes, non-existent business taxes, and extremely low business license fees.

Among the comparison cities, the City of Bellevue places the heaviest tax burden on businesses by far, with Renton, Redmond, and Kent all falling at an intermediate level.

- **Viewing residents and businesses in combination, Kirkland's total tax burden is significantly lower than that of any comparison city.**

Bellevue, the one comparison city with a lower residential tax burden than Kirkland, makes up for its low residential tax rates by levying taxes on businesses that are far higher than any of our other comparison cities.

In terms of a combined residential/commercial tax burden, the jurisdiction that comes closest to matching Kirkland's low tax burden is unincorporated King County/Finn Hill.

## City Revenue Sources

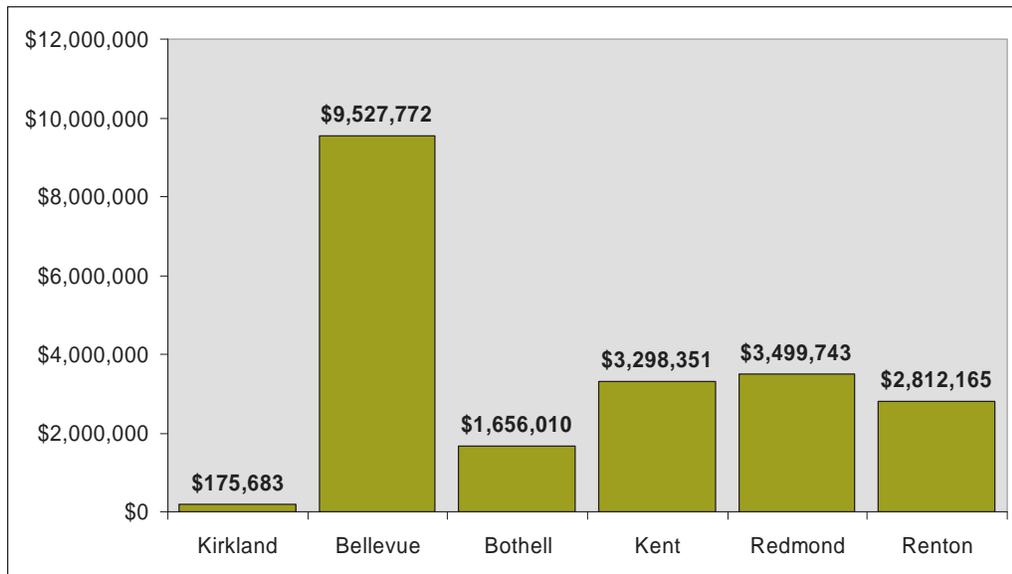
- **Kirkland generates a smaller portion of its operating tax revenues from commercial sources than any comparison city.**

The City of Kirkland generates 37 percent of its tax revenues from commercial sources. The five other comparison cities included in this analysis all generate between 40 and 50 percent of their revenues from commercial sources.

- **In addition to revenues from commercial sources, cities like Bellevue, Redmond, Renton, and Kent also generate substantial revenues from external sources; Kirkland does not.**

Beyond identifying commercial and residential contributions to city revenues, we also identified what we refer to as *external* revenue sources—which consist of hotel taxes and “net imports” of taxable retail sales from residents located outside the city. We estimate that Kirkland’s residents paid roughly \$7.2 million in city sales taxes in 2000, while the City received sales tax revenues from residential purchases of slightly less than \$7.4 million. This means that Kirkland *does* qualify as a net importer of residential sales tax revenues, but it imported only \$176,000 in sales tax revenues. In contrast, the Cities of Bellevue, Redmond, and Kent generated \$9.5 million, \$3.5 million, and \$3.4 million in external revenues respectively. Even the City of Bothell, which generates higher sales taxes per capita than Kirkland, with lower household incomes, imported more than \$1.6 million.

**2000 Revenues from External Sources by Jurisdiction**



**City Revenue Streams**

- **From 1996 through 2000, Kirkland’s operating revenues from taxes have increased by more than 12 percent in real dollars, while population has grown by 6.5 percent.**

The greatest contributor to Kirkland's revenue growth has been the steady increase in sales tax revenues. The second greatest contributor has been increasing utility taxes.

- **Kirkland has become increasingly reliant on a small set of fast-growing revenue streams.**

With the City holding revenues from its most stable revenue source (property tax) relatively constant, and state shared revenue entitlements taking a hit from the passage of I-695, the City of Kirkland has become increasingly reliant on a relatively small set of fast-growing revenue streams. These revenue streams include sales and use tax revenue from *auto sales* and *construction-related activities*.

Just as financial planners stress the importance of a diversified portfolio of investments to protect investors from asset-specific variations, it is in a city's interest to assess the diversity and reliability of its revenue streams.

While growth in sales tax revenues is a good thing for any city, the downside to such concentrated growth is reduced fiscal stability. With increased reliance on auto-sales and construction-related sales taxes, the City finds itself with a less diversified portfolio of revenue streams. All else being equal, this means Kirkland now faces greater risks in regard to its future revenues.

## Economic Development

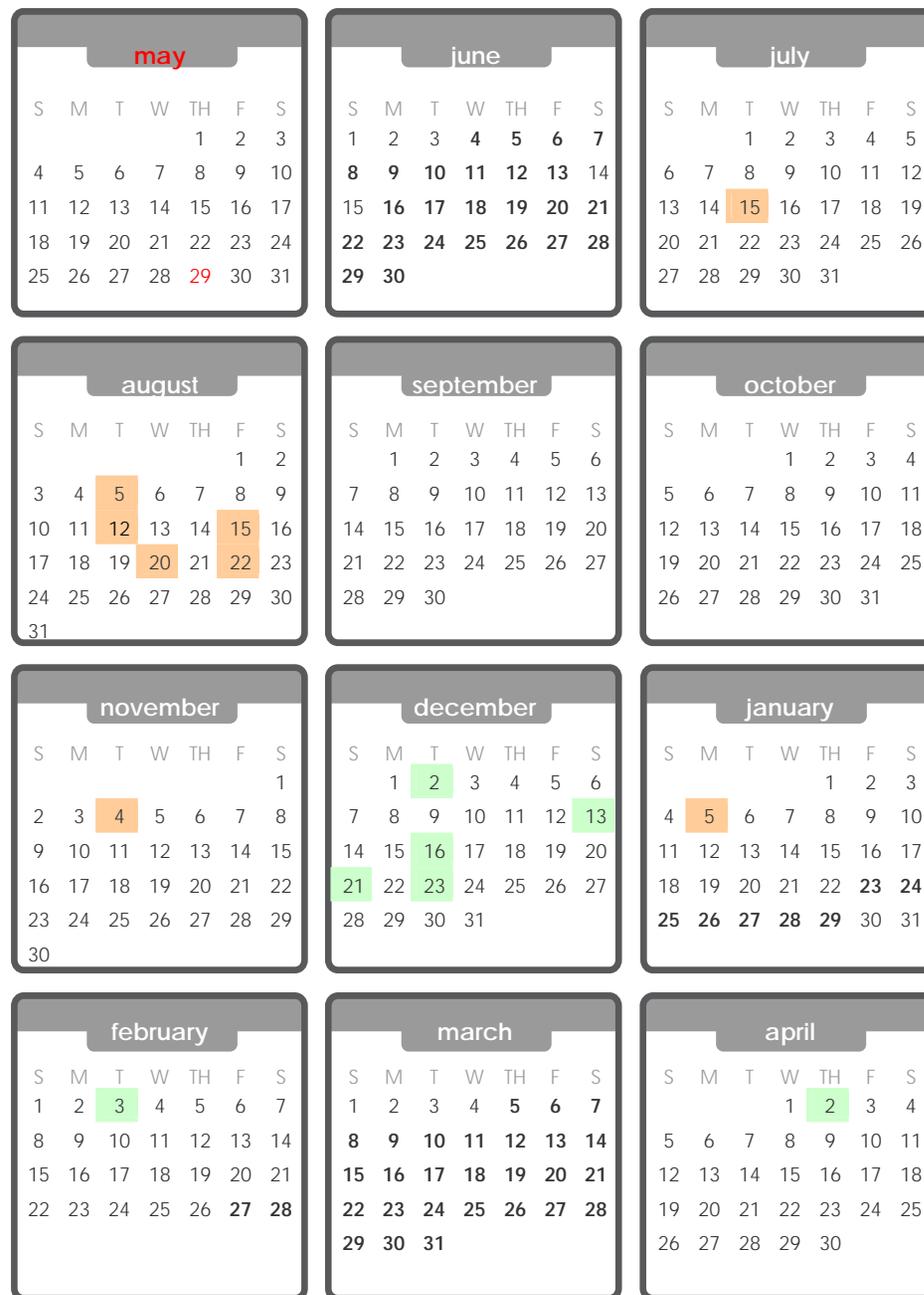
- **Kirkland's low business tax burden represents a potential asset in attracting and retaining businesses. Most evidence suggests, however, that for a city like Kirkland, the effect of any city tax advantages will be quite small.**

Most evidence from economic-development research indicates that changes in city taxes will have only a small, and likely immeasurable, effect on long-run economic activity. The evidence suggests, further, that especially for non-manufacturing firms, city taxes represent a relatively minor component of overall business costs—trailing well behind wages, land, energy, and occupancy expenses.

# BALLOT SCHEDULE PLANNER

# 2008-2009

GENERAL ELECTION NOVEMBER 4, 2008		DEADLINE
Last day to hold public hearing on proposed resolution (1)		07.15.08
Last day to approve resolution		08.05.08
General election resolution filed		08.12.08
Submit ballot title and a summary of the measure as it will appear on the ballot		08.12.08
Explanatory statement reviewed and approved by City Attorney describing effects of the measure if passed		08.15.08
Names of the persons selected to serve on the pro and con committees		08.15.08
Arguments for and against the measure written by the committees		08.20.08
Arguments prepared by the pro and con committees available to the opposing committee for rebuttal		08.22.08
Election Date		11.04.08
Begin receiving revenue from utility tax increase (2)		02.05.09
Begin receiving revenue from property tax levy lid lift		MAY 2009
SPECIAL ELECTION FEBRUARY 3, 2009		DEADLINE
Last day to hold public hearing on proposed resolution (1)		09.16.08
Last day to approve resolution		12.02.08
Special election resolution filed		12.13.08
Submit ballot title and a summary of the measure as it will appear on the ballot		12.13.08
Explanatory statement reviewed and approved by City Attorney describing effects of the measure if passed		12.16.08
Names of the persons selected to serve on the pro and con committees		12.16.08
Arguments for and against the measure written by the committees		12.21.08
Arguments prepared by the pro and con committees available to the opposing committee for rebuttal		12.23.08
Election Date		02.03.09
Begin receiving revenue from utility tax increase (2)		05.02.09
Begin receiving revenue from property tax levy lid lift		MAY 2010

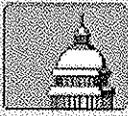


1) Assuming hearing is held at Council meeting. Could hold hearing up to the day the resolution is passed  
 2) Receipt of funding from utility tax increase accounts for a one month lag in revenue.



ACTIVE LIVING  
BY DESIGN

# CASE STUDY



POLICY

**MISSION:** Active Living by Design Case Studies provide an in-depth look at the tactics and strategies that increase physical activity through the built environment in communities across the United States.

**ACTIVE LIVING TACTICS:** Improve funding for pedestrian and bicycling-oriented capital improvements and public transit. Participate in local and regional decisions that improve funding and planning for parks, trails, and greenways.

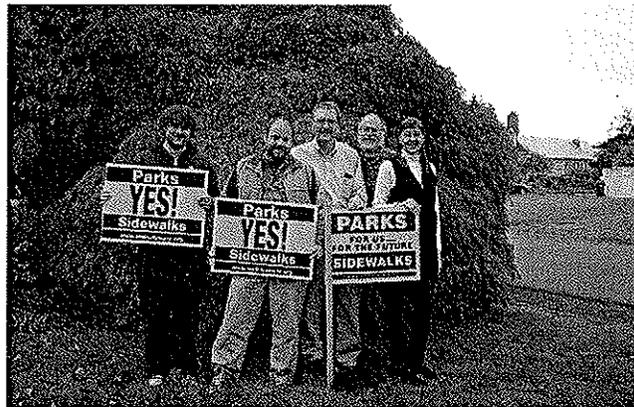
## Voters of Olympia, WA Approve a 3% Increase in Utility Taxes to Fund Parks and Sidewalks

**GOAL:** Increase Olympia voter support to approve a utility tax increase to fund parks and sidewalks.

In September 2004, voters of Olympia, Washington approved a 3 percent tax increase on natural gas, electricity, and telephone service to fund parks and sidewalks. With 2 percent of the increased revenue dedicated to parks, trails, and open space and the remaining 1 percent to the construction and maintenance of sidewalks, citizens in Olympia have made an ongoing commitment to participate in and fund community physical activity opportunities.

The park funding increase is projected to raise a total of \$1.5 million per year to augment existing park funds for the construction of 13 new community or neighborhood parks, acquisition of over 500 acres of open space, and the construction of ten hiking trails to be built within newly acquired open space over a 20 year time span. The additional revenue for sidewalks is expected to provide a five-fold increase in city funding from \$175,000 to \$925,000 annually.

Sidewalks in Olympia, the state capital of Washington, had become an important issue prior to the voter referendum. Home to roughly 40,000 citizens, the city historically had a sidewalk deficiency. While current city street standards require that all new roads built in Olympia have sidewalks, street lighting,



and other pedestrian-friendly amenities, more than half of the existing 155 miles of major roads within city limits were without sidewalks.

The City Council first addressed the sidewalk problem in 1999, two years after successfully implementing a bicycle improvement program that would fund and incorpo-

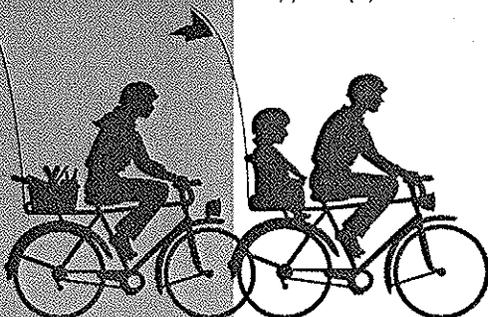
rate bicycle lanes and other amenities to all major road improvement projects. At that time, the city's Bicycle and Pedestrian Advisory Committee (BPAC) commissioned a four-year study of sidewalk needs and found that it would cost \$55 million to construct a sidewalk on at least one side of all major roadways. At current spending levels, this plan

would take over 100 years to complete. During the time that the BPAC was developing a sidewalk plan, the Olympia's Parks and Recreation Advisory Committee (PRAC) was developing a parks plan to increase the number of parks, trails, and other community facilities over a 20-year period. The PRAC had already planned

to recommend the 2 percent increase to the utility tax to fund the Parks Plan, but under state law could only be approved by voter referendum. Since Washington state law requires a 60 percent super-majority to pass bond measures, the Olympia City Council was forced to consider other funding mechanisms for the parks and sidewalk measures. In February 2004, the City Council began thinking about the possibility of combining the parks and sidewalk measure into one utility tax increase.

The success of the referendum is attributed to a number of factors, most notably the hard work of an ad-hoc citizen pedestrian group, Walkable Olympia Neighborhoods (WON!), which advocated for the inclusion of sidewalks measure into the parks funding plan.





continued

Thanks to a \$5,000 donation from a local charitable foundation, WON! was able to orchestrate a four-month campaign to distribute literature, create yard signs, and gather community support for the sidewalk measure.

Approval from the City Council to combine the parks and sidewalks measures into a voter referendum occurred following a survey showing that 49 percent of voters supported the 2 percent increase on the utility tax for parks, but that 57 percent supported the combined parks and sidewalk 3 percent tax increase, thus providing the additional support to pass the measure.

WON! and park advocates formally combined campaigns, including the formation of the committee Olympians for a Livable Community: Parks, Open Space, and Sidewalks, to use the remaining three months before election day to continue distributing literature, fundraising, and gathering citizen support. Members of the newly formed committee were able to prevent significant opposition by speaking at community meetings, sending over 50 supportive letters to the editor of the local newspaper, and obtaining the endorsements from more than 200 citizens. In the end, the combined parks and sidewalks measure passed with 57 percent voter support. (1).

### *ALbD Impact*

- The approved tax increase will accelerate the process to secure sidewalks and a park within a half-mile of 95 percent of the Olympia population. (1).
- The new sidewalks, parks, and trails will provide Olympian citizens increased opportunities for physical activity through walking and bicycling.

### *Lessons Learned*

- It is important to find an appropriate funding mechanism for sidewalks, parks, and trails. Since approving a bond measure requires a 60 percent super-majority in Washington, the utility tax increase worked well since it only requires a 50 percent majority to pass and would provide a continual source of revenue.
- The sidewalk and parks measures were complementary. Consolidating efforts allowed volunteers to extend the campaign's influence to a wider audience.
- Local citizen groups can positively affect voter outcomes even in short periods of time by quickly mobilizing support and producing campaign literature.
- A brief campaign period can help prevent opposition from organizing.
- Having a broad support base can help overcome opposition and increase resources for fundraising and campaigning.

### *Resources and Similar Efforts*

#### **Websites:**

- Olympia Parks, Arts, and Recreation Plan  
[www.ci.olympia.wa.us/par/about\\_us/plan/default.asp](http://www.ci.olympia.wa.us/par/about_us/plan/default.asp)
- Olympia Sidewalk Program  
[www.ci.olympia.wa.us/publicworks/transportation/images/pdf/City\\_of\\_Olympia\\_Sidewalk\\_Program\\_2003.pdf](http://www.ci.olympia.wa.us/publicworks/transportation/images/pdf/City_of_Olympia_Sidewalk_Program_2003.pdf)
- Walkable Olympia Neighborhoods (WON!)  
[www.walkolympia.org/](http://www.walkolympia.org/)

### *Contact Information*

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### *Sources and Citations*

#### **Citations:**

1. Email communication with Jim Lazar, 10/14/04.

The Active Living by Design Case Studies are examples of how communities across the country are increasing physical activity through Preparations, Promotions, Policies and Physical Projects (the 6 Ps). For more information about Active Living by Design's strategies and copies of the 6 Ps, please visit the ALbD Community Action Model on our website: [www.activelivingbydesign.org/cam/](http://www.activelivingbydesign.org/cam/)

**CITY OF KIRKLAND SERVICES MATRIX****FUND/DEPARTMENT: General Fund/Non-Departmental****DRAFT**

Mandated Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
ND-1	Puget Sound Clean Air Act	28,726	x			Mandatory per Washington State Clean Air Act RCW 70.94.093
ND-2	2% Liquor Excise Tax	10,512	x			2% based on yearly liquor sales
ND-3	LEOFF 1 Direct Medical Payments	35,000	x			Police and Fire LEOFF 1 Direct Medical Payments
ND-4	LEOFF 1 Medical Insurance	457,194	x			Police and Fire LEOFF 1 Insurance Premiums
ND-5	Mail Services - Postage	84,000	x			Citywide Postage
ND-6	Debt Service	620,070	x			Parking Garage and Teen Center
Essential Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
ND-7	Repairs and Maintenance - Copier Maintenance	4,000	x			Routine maintenance and repairs on copy machines
ND-8	Printing, Envelopes, Letterhead, Forms	15,062	x			Stationary supplies, forms for all departments
ND-9	Operating Supplies - Office	31,350	x			Paper products, toner
Discretionary Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
ND-10	Employee Transportation Program	30,000	x			Commuting incentive for city employees
ND-11	Credit Card Fees	50,000	x			Development Services Credit Card Fees
ND-12	Management Retreat	4,625	x			Yearly management retreat
ND-13	Office Furniture and Equipment - Breakage	12,500	x			Unforeseen breakage/loss of small office equipment
ND-14	Outside Agency Funding	61,000	x			Misc. - Ongoing amount for One-Time Agency Requests
ND-15	Misc Equipment & Supplies For Copy Room	3,100	x			Supplies Equipment
ND-16	Misc Repaires to Microfiche Reader/Printer	1,500	x			Microfiche Reader for Ord

**FUND/DEPARTMENT: General Fund/Non-Departmental****DRAFT**

<b>Discretionary Services continued</b>		<b>Expenditures</b>	<b>Revenue Offset?</b>		<b>FTE's</b>	<b>Notes</b>
			<b>None</b>	<b>Partial</b>		
ND-17	Youth in Government	1,500	x			Youth in Government Day
ND-18	Professional Services	20,000	x			Miscellaneous professional services
<b>100% Revenue-Supported Services</b>		<b>Expenditures</b>			<b>FTE's</b>	<b>Notes</b>
<b>Administration</b>		<b>Expenditures</b>	<b>Revenue Offset?</b>		<b>FTE's</b>	<b>Notes</b>
			<b>None</b>	<b>Partial</b>		
	MMS	298,288	x			MMS Charges
	Videographer	10,133	x			MMS Charges
	Insurance	3,386	x			Fidelity Bond
	Facility Charges	18,968	x			City Hall Annex
	<b>Total</b>	<b>1,800,914</b>			<b>-</b>	

**CITY OF KIRKLAND SERVICES MATRIX****FUND/DEPARTMENT: General Fund/City Council****DRAFT**

Mandated Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
CC-1	Mayor and Councilmembers	115,000	x		7.00	Salary and benefits
Essential Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
CC-2	Puget Sound Regional Council Dues	22,500	x			
CC-3	Association of Washington Cities Dues	30,000	x			
CC-4	Suburban Cities Association Dues	25,000	x			
CC-5	Eastside Transportation Partnership Dues	500	x			
CC-6	Kirkland Chamber Dues	500	x			
Discretionary Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
CC-7	All City Dinner	3,500	x			
CC-8	National League of Cities Dues	4,000	x			
CC-9	Sister City International Dues	500	x			
CC-10	City Council Meals	5,250	x			
CC-11	Neighborhood Council Meetings - printing and postage of notice to neighbors	6,200	x			
CC-12	City Council Travel and Training	16,600	x			\$4,600 in training and 12,000 for travel to national and state-wide conferences.
CC-13	Council Retreat	6,500	x			
100% Revenue-Supported Services		Expenditures			FTE's	Notes
Administration		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
	Telecom, Fax, IT Charges, Facilities Charges	77,650	x			
<b>Total</b>		<b>313,700</b>			<b>7.00</b>	

## CITY OF KIRKLAND SERVICES MATRIX

FUND/DEPARTMENT: General Fund/City Manager's Office

**DRAFT**

Mandated Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
CM-1	City Manager	203,900	x		1.00	Salary and Benefits
CM-2	Judicial Services	900,000		x	9.74	Assumes all fines and forfeits assigned to Court
Essential Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
CM-3	Council Support	78,000	x		1.00	Includes clerical support only, does not include policy-setting support services; .75 Exec. Asst. 1, .25 Exec. Asst. 2
CM-4	Court Security	40,000		x		Contracted
CM-5	Public Defender Screening	8,000		x	0.10	
Discretionary Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
CM-6	City Update	18,000	x			Currently 1 full page, 12 times per year in Courier
CM-7	On-Going KDA Funding	10,000	x			Funds KDA activities
CM-8	Grant Administration	9,300	x		0.10	Staff administration of community and business grants
CM-9	Intergovernmental and Regional Services	108,000	x		0.90	Includes staff support for legislative and regional programs, performance measurement, and special projects
CM-10	Neighborhood Services	71,000	x		0.58	Includes staff support, mailings and support services to neighborhoods and to the Neighborhood Connection Program
CM-11	Neighborhood Matching Grants	31,000	x			Grants to 9 neighborhoods
CM-12	Neighborhood Signs	8,000	x			Annual budget for refurbishing neighborhood entry signs
CM-13	Volunteer Services	44,500	x		0.50	This program coordinates over 20,000 hours of volunteer time annually, for a value to the City of approximately \$340,000
CM-14	Volunteer Appreciation Event	4,500	x			
CM-15	Economic Development Services	156,000	x		1.00	Includes staff support for the Economic development program, \$12,000 in professional services for the program, and other support services
CM-16	Economic Development Intern	7,000	x			

**FUND/DEPARTMENT: General Fund/City Manager's Office****DRAFT**

Discretionary Services continued		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
CM-17	Enterprise Seattle Dues	6,000	x			
CM-18	Alliance for Innovation Dues	3,500	x			
CM-19	Communications Services	102,250	x		1.00	Includes staff, mailings, and support services for communications program
CM-20	Cultural and Special Events Services	40,000	x		0.35	Includes staff support of Cultural Council and special event volunteers and \$5,000 for Cultural Council funding
100% Revenue-Supported Services		Expenditures			FTE's	Notes
CM-21	Probation	250,000			2.90	1.5 Probation Officer, 1 JSA II, .5 JSA I
Administration		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
	Asst. City Manager, Exec. Assts. 1 & 2	395,550	x		2.00	Includes salary; benefits; \$19,000 in professional services; supplies; printing; mailings; copies; dues, training and travel not associated with specific programs
	IT Charges	112,242				
	Facilities Charges	124,640				
	Insurance	20,133				
<b>Total</b>		<b>2,751,515</b>			<b>21.17</b>	

**DRAFT**

**CITY OF KIRKLAND SERVICES MATRIX**  
**FUND/DEPARTMENT: General Fund/Human Resources**

Mandated Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
HR-1	Labor Relations	84,600	x		0.64	Dir.30 FTE - \$50,700 HR Analyst & HR Coordinator .34 FTE - \$30,950 Supplies \$500, Operating Supplies \$1,000, Labor Relations Travel \$1,000 , Labor relations Trng \$450 Includes: Contract negotiations, Labor management mtgs w/bargaining units stipulated by contract, contract interpretation, mediations & arbitrations.
HR-2	Recruitments	136,281	x		0.71	Supplies- \$250; Advertising \$32,000; Printing \$1,500; Prof Svcs testing services mandated by contract (i.e. police, fire, etc.) \$31,800; Courier Svcs \$650; Fed ex mailings \$1,000; Test Scoring \$450, Management Recruitment \$2,500, relocation 1 management \$1,500, staff time - \$64,631
HR-3	Background checks	7,692		x	0.02	HR Coor .02 FTE - 1676 Background checks for finalist and volunteer positions consistent with RCW 43.43. \$10.00 fee per individual implemented June 2006 and privacy laws requiring notifying individuals of results, \$3,500 fees
HR-4	Safety Program	39,602	x		0.28	WAC mandated expenses: DOT exams & CDL Exams - \$1,300; Hearing Tests - \$1,500; Bloodborne Pathogen Trng - \$4,000; Hep B shots - \$3,300; Hep C shots Fire - \$1,500 First Aid Kits - \$500; Staff time - \$27,502
HR-5	Risk Management	35,359	x		0.36	Documentation of Claims consistent with WCIA guidelines Claims management staff time: \$35,359
HR-6	Monetary recovery - Claims	21,798	x		0.26	Monetary recovery, collections and follow-up staff time: \$21,798
HR-7	LEOFF / Disability Board	7,193	x		0.06	Prof Svcs - \$1000; Ofc Supplies - \$200 , Operating Sup - \$100 Travel/Training - \$2,300; staff time - \$5,893
HR-8	Civil Service	8,493	x		0.06	Ofc Supplies - Travel/Training - \$1,300; staff time - \$5,893
HR-9	Leave Administration	6,875	x		0.07	State and Federal Laws staff time: \$6,875
HR-10	Policy Administration	42,127	x		0.36	staff time: \$42,127 (staff time includes Director, Analyst & Coordinator time)
HR-11	Organizational Training	14,744	x		0.14	staff time:\$12,744 required training some very two years, Sexual Harassment Trng-\$2,000;
Essential Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
HR-12	Industrial Psychologist	2,000	x			Evaluations for employees, Goodenough Company.
HR-13	HR Employee Services	13,344	x		0.14	HRIS, Web Maintenance, EO Updates, Kirknet, Printing (PAF's) - \$600; Staff time: \$12,744

**DRAFT****FUND/DEPARTMENT: General Fund/Human Resources**

<b>Essential Services continued</b>		<b>Expenditures</b>	<b>Revenue Offset?</b>		<b>FTE's</b>	<b>Notes</b>
			<b>None</b>	<b>Partial</b>		
HR-14	HR Staff Training - new hire	5,869	x		0.07	staff time:\$5,869
HR-15	Orientation/Exit Interviews, ID Badges	25,488	x		0.28	Staff time: \$25,488 - supply costs to be determined
HR-16	Employee Relations and Communications	85,645	x		1.00	Employee Relations and communication documentation, verbal and written warnings, grievance, and employee confidential issues. Staff time: \$85,545.
HR-17	Re-Class/Reorg Salary Survey	62,172	x		0.54	Dir. .14 FTE -\$23,660 , HR Analyst & HR Coordinator .40 FTE - \$36,412, salary surveys internal and external, job description maintenance and certification, Salary survey publications \$2,100
HR-18	MEBT Retirement Plan Community Support	6,875	x		0.07	staff time: \$6,875
HR-19	Benefits Administration - Health & Retirement	41,154	x		0.46	staff time : \$41,154
HR-20	General Administration - Support	77,375	x		0.85	Budget Maintenance, PAF's, Personnel Files, AP/AR, IFAS, employee support, citizen inquiry staff time - \$77,375
<b>Discretionary Services</b>		<b>Expenditures</b>	<b>Revenue Offset?</b>		<b>FTE's</b>	<b>Notes</b>
			<b>None</b>	<b>Partial</b>		
HR-21	On-call / Pool Administration	5,869	x		0.07	HR On-call pool administration - staff time -\$5,869
HR-22	Diversity Program	9,546	x		0.03	Supplies - \$3,100; Speakers/Events - \$1,215; Trng - \$2,500; staff time - \$2,731
HR-23	Wellness Program	15,276	x		0.03	Supplies - \$4,600; Prof Svcs - \$1,500; Travel/Trng - \$845; Fitness Room - \$1,300; Flu Shots \$4,300 staff time - \$2,731
HR-24	Employee Assistance Program	6,000	x			The City has had 25% employee and family participation. This fee has doubled for 2008 this is running approximately \$18,000 for 2008
HR-25	Organizational Training	26,490	x			ECTC-\$4,500, Leadership Institute-\$2,400, Rocky Mountain-\$10,590, Cascade Mgmt (6 reg slots 1500) - \$,9000,
HR-26	Tuition Reimbursement	13,426	x		0.02	Reimbursement \$11,750 - Increased use over the past two years - staff time: \$1,676
HR-27	Special Projects for Director		x			Special projects for director, director support, council special requests, research committees
HR-28	Employee Recognition Program	14,676	x		0.02	Service Awards - \$13,000; staff time - \$1,676 this impacts 80 to 85 employees in 2008.
<b>100 % Revenue-Supported Services</b>		<b>Expenditures</b>			<b>FTE's</b>	<b>Notes</b>

**DRAFT****FUND/DEPARTMENT: General Fund/Human Resources**

Administration		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
	Director & Assistants	94,640	x		0.56	Director, strategic planning, meetings, budget approval
	IT and Facilities Charges	56,228	x			
	Insurance	6,286	x			
	<b>Total</b>	<b>973,123</b>			<b>7.10</b>	

## CITY OF KIRKLAND SERVICES MATRIX

FUND/DEPARTMENT: General Fund/City Attorney's Office

**DRAFT**

Mandated Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
CA-1	Public Defender	130,000		x		
CA-2	Prosecution	183,000		x		
CA-3	Witness Fees	5,000				
CA-4	Ordinances, instruments, and civil duties	82,000	x		0.60	e.g., "civil duties" might include legal actions brought by or against City, conducting investigations, responding to Auditor, and preparing franchises.
Essential Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
CA-5	Interpret statutes, Kirkland Municipal Code, rules, or contracts and review key documents	100,000	x		0.65	
CA-6	Code Enforcement	24,000		x	0.05	
CA-7	Legal process and recording fees	3,500	x			
Discretionary Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
CA-8	Advise City Council, Boards and Commissions, City Manager, and departments. Draft and review documents.	80,000	x		0.60	e.g., prepare legal memoranda and other documents relating to City business.
CA-9	Attend City Council meetings and review agenda packets	20,000	x			
CA-10	Information for service providers and WCIA requirements	30,000	x			e.g., assist WCIA outside counsel in defense of City.
CA-11	Negotiation and drafting of contracts	40,000	x		0.10	
CA-12	Outside legal counsel	26,800	x			e.g., outside counsel retained to assist with selected matters. Does not include legal services charged to the Litigation Reserve.
100% Revenue-Supported Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
CA-13	Utilities	24,000				e.g., prepare liens for non-payment, rate ordinances, and advise staff.

**FUND/DEPARTMENT: General Fund/City Attorney's Office*****DRAFT***

Administration		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
	Director and administrative staff	182,046	x		2.00	
	IT & Facilities charges and Insurance	37,779	x			
	<b>Total</b>	<b>968,125</b>			<b>4.00</b>	

**DRAFT**

**CITY OF KIRKLAND SERVICES MATRIX**  
**FUND/DEPARTMENT: General Fund/Parks and Community Services**

Mandated Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
PK-1	Inspections / installations	95,000	x		1.00	Inspect play areas, docks, lighting, repair and document, ADA accessibility
PK-2	Comprehensive Plan - Park Element	4,000	x		0.03	State Mandate
Essential Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
PK-3	Cemetery Operations	155,000		x	1.00	Cemetery labor, materials, and utilities
PK-4	Ballfield Maintenance	275,000		x	3.50	Ballfield prep, maintenance, scheduling, administration
PK-5	Park Mowing / turf maintenance	290,000	x		3.00	Mowing and turf maintenance, administration
Discretionary Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
PK-6	Pool Operations	278,000		x	1.35	Maintenance & Operations of pool, utilities, supplies, labor, training (Note Cheryl this does not include Carries #'s)
PK-7	Landscape Maintenance - Parks	193,820	x		1.25	Maintenance of Landscape areas - Parks
PK-8	Garbage / litter collection /park closure	205,000	x		1.50	Removal of garbage & litter, close parks and lock gates
PK-9	Restroom operations	285,000	x		2.25	Maintenance, repairs, labor
PK-10	Irrigation	235,000	x		1.50	Maintenance & operation of irrigation systems, utilities, supplies, labor, training
PK-11	Long-Range Park Planning	104,748	x		1.00	Includes Natural Resources team, neighborhood connection program, GIS user group, special projects, grant administration
PK-12	Human Service grants ongoing	414,280	x			Per capita: \$8.36, Doesn't include one time of 96,673
PK-13	CDBG & H.S. grant management, H.S. Advisory Committee	66,770		x	0.65	CDBG planning \$\$ support staff salary ( additional .15 per Council authority )
PK-14	Youth Council Management	78,600	x		0.75	Doesn't include one time, Youth summit: \$4000
PK-15	Teen Center Support and Management	190,750	x		0.30	Includes contract with Friends of Youth for 160,000
PK-16	Beach Lifeguards	96,200	x		0.20	Supv. / Rec. Coordinator plus additional seasonal employees

**FUND/DEPARTMENT: General Fund/Parks and Community Services**

# DRAFT

Discretionary Services continued		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
PK-17	Highland Center Specialized Recreation Program	10,000	x			Contract with Bellevue to provide specialized recreation
PK-18	NKCC Programs & Operations	186,000		x	1.65	Customer service, facilities management, program registration, supplies, drop-in programs, printing, advertising etc.. General fund operation of Community Services & Rec. Revolving fund
PK-19	Senior Center Operations	145,000	x		1.00	Includes health and social services, additional hourly employees
PK-20	Facility Rentals	36,000		x	0.30	FTE staff and additional hourly employees
PK-21	Community Service division administration	145,000		x	1.45	Customer service, facilities management, program registration, boat launch sales
PK-22	Senior Council Support	26,000	x		0.20	This includes \$4000 project money for Sr. Council
PK-23	Night and Weekend coverage	250,000		x	1.50	Staff for ballfield prep, garbage/litter, restroom maintenance after 5 pm Mon - Fri and all day Sat/Sun
PK-24	Art	17,000	x			Contracted cleaning service and staff maintenance/repairs
PK-25	Juanita bay Park Ranger Program	14,793	x		0.15	.15 FTE, supplies and training for volunteer park rangers
PK-26	Human Services: Regional Eastside Human Services Forum	38,000		x	0.20	This includes 12,500 for EHSF and other regional projects
PK-27	Youth Services: Assets, regional support, Teen mini grants, Teen traffic court, We've Got Issues	114,000	x		1.00	Misc. Grant funds support projects
PK-28	Summer Youth Outreach	33,500	x		0.15	Includes hourly employees
PK-29	Summer Concert Series	28,600		x	0.20	See Recreation Revolving Fund matrix
PK-30	Senior Center Van Service	32,000		x	0.70	See Recreation Revolving Fund matrix
PK-31	Senior Fitness, Lifelong learning, Enrichment programs	76,200		x	0.75	See Recreation Revolving Fund matrix
PK-32	Senior Community Evening Classes	35,000		x	0.25	See Recreation Revolving Fund matrix
PK-33	Senior Center Special Events	7,000		x		See Recreation Revolving Fund matrix
PK-34	Van Trips	4,000		x	0.05	See Recreation Revolving Fund matrix

## FUND/DEPARTMENT: General Fund/Parks and Community Services

**DRAFT**

Discretionary Services continued		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
PK-35	Business Services	157,400		X	1.15	This is a new functional area based on a recent reorganization. The goals of this position are to create consistencies, and efficiencies in our business practices. This position is charged with business partnerships, soliciting sponsorships and donations, etc. Includes hourly dock master and moorage attendants. Revenues for this position include concessions, moorage, private partnership sponsorships, boat launch. Revenues budgeted for 2008 include: 120,000, year end estimates are 155,000.
PK-36	Special Events	85,877		x	1.00	Transferred from CM's office and Includes: Special event coordination with organizers, permitting & grant administration. Impacts would be liability exposure for the City with events that are not permitted or coordinated. Loss of income from permits for events, block parties, and banners. Reduce the tourism potential of the community. In addition .25 FTE was added to Coordinate Friday Market at Juanita Beach. Revenue to support .25FTE=\$22,000
100% Revenue-Supported Services		Expenditures			FTE's	Notes
PK-37	CIP Project management	50,863			0.50	.25 FTE Planning Coordinator / .25 FTE Manager
Administration		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
	Department Administration	318,211	x		2.32	Department administration, supplies, and park board support, citizen information service, City website/Kirknet.
	Interfund charges - Technology, Fleet, Facilities	762,673	x			
	Insurance & Stormwater	102,757	x			Liability insurance and surface water fees
	Professional Services Intfnd	4,000	x			
<b>Total</b>		<b>5,647,042</b>			<b>33.80</b>	

**CITY OF KIRKLAND SERVICES MATRIX**  
**FUND/DEPARTMENT: General Fund/Public Works**

# DRAFT

Mandated Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
PW-1	Transportation Improvement Plan	\$ 6,690	x		0.05	5% Dave S.
PW-2	Utility Comprehensive Planning	\$ 7,791		x	0.05	5% Ray
PW-3	GMA Concurrency Planning	\$ 17,909	x		0.15	David
PW-4	Monitoring of Commute Trip Reduction (CTR) Employers	\$ 5,324	x		0.05	Thang
PW-5	Administer City's Trip Reduction Program	\$ 5,324	x		0.05	Thang
PW-6	SEPA Traffic Analysis	\$ 74,542		x	0.70	Thang
PW-7	Training (safety, pathogens, etc)	\$ -	x		0.00	Included in staff rates
Essential Services			Revenue Offset?			Notes
			None	Partial		
PW-8	Capital Improvement Program (CIP) Administration	\$ 126,944		x	0.85	60% Ray, 25% Dave S
PW-9	Public Works Mapping/GIS	\$ 101,466		x	1.05	Joe & 5% Ray
PW-10	PW Customer Service @ Front Counter	\$ 48,464	x		0.60	30% Amy, 20% Terri, 10% Katy
PW-11	Development Review Engineering	\$ 368,484		x	3.40	John, Phillip, Bill, 30% Terri, .10 Rob (should be development fee \$\$ per development services study)
PW-12	Development Surface Water Review	\$ -		x	0.00	Stacey Rush re: development services study
PW-12	Single Family Development Review	\$ -	x		0.00	
PW-13	Inspection for Development	\$ 288,690		x	3.00	3 inspectors
PW-14	Sidewalk clearance and sight distance	\$ 15,564	x		0.15	two neighborhood traffic
PW-15	PW Land Use Permit Review	\$ 42,794	x		0.30	30% Rob
PW-16	ROW Permit and ROW Vacations (non-user vacations) Administration	\$ 46,987		x	0.50	50% Katy
PW-17	Development Review Policy and Program Support/Administration	\$ 123,177	x		1.00	40% Katy, 60% Rob

**FUND/DEPARTMENT: General Fund/Public Works****DRAFT**

Essential Services continued			Revenue Offset?			Notes
			None	Partial		
PW-18	Performance/Maintenance Securities Processing	\$ 39,470	x		0.50	Terri
PW-19	Support for Parking Programs/PAB	\$ 27,144	x		0.20	Dave G, 5% Iris
PW-20	Traffic Accident Analysis & Records Management	\$ 10,728	x		0.10	10% Iris
PW-21	Engineering for Traffic Signing, Marking and Signals (including ITS)	\$ 91,837	x		0.75	45% Iris, 30% David
PW-22	Maintain BKR Traffic Model	\$ 5,324	x		0.05	5% Thang
PW-23	Transportation Engineering Support for CIP	\$ 10,728		x	0.10	10% Iris
PW-22	Traffic Counts	\$ -	x		0.00	now in discretionary
PW-23	Non-User Claim Processing	\$ -	x		0.00	
PW-24	Bike, Pedestrian, Transit issue coordination	\$ 29,040	x		0.20	Dave G
PW-25	PW Research & Analysis Support	\$ 5,364	x		0.05	Iris
PW-26	WSDOT Nickle coordination	\$ 27,382	x		0.25	25% Don A. (project engineer)
PW-27	Adjacent agency CIP project coordination	\$ 15,582	x		0.10	10% Ray
Discretionary Services			Revenue Offset?			Notes
			None	Partial		
PW-28	Traffic Counts	\$ 5,364	x		0.05	5% Iris
PW-29	Grant Writing and Accounting	\$ 11,182	x		0.13	Iris, Eileen
PW-27	General Development Review Engineering Support	\$ -	x		0.00	
PW-30	Kirkland Transportation Commission Support	\$ 14,520	x		0.10	10% David
PW-31	Neighborhood Traffic Control Program Coordination	\$ 93,559	x		0.90	85% Jim, 85% Noel
PW-32	PW Transportation Support for Neighborhood/Business District Planning	\$ 10,728	x		0.10	
PW-33	Regional Transportation Planning	\$ 14,520	x		0.10	10% David

**FUND/DEPARTMENT: General Fund/Public Works****DRAFT**

<b>Discretionary Services continued</b>			<b>Revenue Offset?</b>			<b>Notes</b>
			<b>None</b>	<b>Partial</b>		
PW-34	Pedestrian Flag Program	\$ 7,260		x	0.05	
PW-35	Commute Trip Reduction Program	\$ 12,585	x		0.10	
<b>100% Revenue-Supported Services</b>						<b>Notes</b>
PW-36	Emergency Sewer Program Administration	\$ 6,787		x	0.09	33% Eileen
PW-37	Capital Project Management-Engineers	\$ 840,777		x	7.50	6.75 project engineers, 70% Dave S., 5% Ray – capital project \$
PW-38	CIP Accounting	\$ 6,787		x	0.09	33% Eileen
<b>Administration</b>			<b>Revenue Offset?</b>			<b>Notes</b>
			<b>None</b>	<b>Partial</b>		
	Director, Admin Asst, Admin Mgr, Acct	\$ 448,776	x		3.55	Daryl, Lisa, Julie, 25% John M., 10% Mike, 15% Ray, 5% Teri
	DP, Fleet and Facilities Charges	\$ 325,018	x		0.00	IT, Fleet, Facilities, Insurance
	<b>Total</b>	<b>\$ 3,340,613</b>			<b>26.95</b>	

**CITY OF KIRKLAND SERVICES MATRIX****FUND/DEPARTMENT: General Fund/Finance & Administration****DRAFT**

Mandated Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
FA-1	Financial Reporting	132,756	x		1.37	.3 Angela, .5 Carol, .5 Teresa .07 Michael and Other Costs (Office Supplies, Travel, Training, Dues, Printing, Furniture and Misc)
FA-2	Accounts Payable	160,210	x		2.11	1.0 Lori, .95 Cheryl, .05 Teresa, .11 Michael and Other Costs
FA-3	Grant Accounting	21,455	x		0.21	Required as a condition of receiving grants .10 Angela, .10 Teresa, .10 Michael and Other Costs
FA-4	Payroll	204,699	x		2.64	1.0 Cheryl, 1.0 Doreen, .50 Diana K, .14 Michael and Other Costs (Office Supplies, Travel, Training, Dues)
FA-5	Tax Collections	49,048	x		0.53	.50 Angela, .03 Michael and Other Costs
FA-6	Debt Service and Cash Mgmt.	119,043	x		1.51	1.0 Diana Bruland, .08 Michael, .10 Sharon A, .33 Sharon S and Other Costs
FA-7	Budget Preparation	118,113	x		1.10	.2 Sandi, .3 Sri, .5 Neil
FA-8	Fixed Asset Management	27,061	x		0.32	.30 Carol, .02 Michael and Other Costs
FA-9	Annual Audit	106,282	x		0.58	Mandatory contract with State Auditor \$51,500 plus staff support .05 Cheryl, .2 Carol, .1 Angela, .2 Teresa, .08 Michael and Other Costs
FA-10	Records Management	163,454	x		1.00	Victoria 1.0 Professional Services related to Records Management \$85,000 Professional Services and Other Costs
FA-11	City Council Meetings & Support	128,141	x		1.45	Cheri 1.0 Kathi .45 and Other Costs
FA-12	Elections	111,300	x			Voter registration, primary and general election; voter pamphlet
Essential Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
FA-13	Financial Analysis and Monitoring	53,428	x		0.50	.2 Sandi, .1 Sri, .2 Neil and Other Costs
FA-14	Contract Costing	32,925	x		0.30	.1 Sandi, .2 Sri and Other Costs
FA-15	Special Analysis	54,443	x		0.50	.2 Sandi, .2 Sri, .1 Neil and Other Costs
FA-16	Financial System Op/Maint/IC	17,468	x		0.16	Teresa .15, .01 Michael and Other Costs
FA-17	Centralized Purchasing	185,193	x		2.00	Buying and contract/bid management Barry 1.0 Sheila 1.0 and Other Costs
FA-18	Cemetery Administration	20,610	x		0.26	Gloria/Patti .25, .01 Michael and Other Costs
FA-19	Staff & Public Support - Records Services	52,401	x		0.45	Kathi .45 and Other Costs

**FUND/DEPARTMENT: General Fund/Finance & Administration****DRAFT**

Discretionary Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
FA-20	Park Smart Support	20,610		x	0.26	Sales of permits and registration of businesses Gloria/Patti .25, .01 Michael and Other Costs
FA-21	Business License Administration	91,541		x	1.16	Needed to continue revenue stream Gloria/Patti 1.00, Sharon .10, Michael .06 and Other Costs
FA-22	Passport	35,449		x	0.53	Amy .50, .03 Michael and Other Costs
FA-23	False Alarm Administration	40,872		x	0.53	Patti .50, .03 Michael and Other Costs
FA-24	Capital Improvement Program	66,239	x		0.60	.2 Sandi, .2 Sri, .2 Neil and Other Costs
FA-25	Mail Services	78,231	x		1.10	Tina - Mail Clerk 1.00 FTE and Kathi - Supervisor .10 and Other Costs
FA-26	Information Desk	35,449	x		0.53	Amy .50, .03 Michael and Other Costs
FA-27	On-call / Hourly Wages	10,623	x			Used to cover Mail Clerk
<b>100% Revenue-Supported Services</b>		<b>Expenditures</b>			<b>FTE's</b>	<b>Notes</b>
FA-28	Utility Billing	581,678			6.82	Supported by utility charges Sharon A .80 Sharon S .67, .35 Michael and Other Costs
<b>Administration</b>		<b>Expenditures</b>	<b>Revenue Offset?</b>		<b>FTE's</b>	<b>Notes</b>
	Director and Admin Asst.	294,719	x		2.00	1.0 Tracey, 1.0 Karen, Other Costs
	Insurance	24,725	x			
	IT and Facilities Charges	274,332	x			
<b>Total</b>		<b>3,312,494</b>			<b>30.50</b>	

## CITY OF KIRKLAND SERVICES MATRIX

FUND/DEPARTMENT: General Fund/Planning and Community Development

**DRAFT**

Mandated Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
PL-1	Building, mechanical & sign permits	315,242		x	3.50	Ongoing staff only including overtime.
PL-2	State mandated land use permits	261,295		x	2.50	Includes subdivisions, shoreline, SEPA, ROW vacations, some zoning. Ongoing staff = \$206,028. Ongoing prof. services = \$12,000.
PL-3	Comprehensive planning, regulations & shoreline management (State mandated)	255,423		x	2.00	Includes comprehensive plan & zoning code updates. Ongoing staff = \$236,423. Ongoing prof. services = \$19,000.
PL-4	State mandated natural resource plans & regulations.	51,952	x		0.50	Ongoing staff only.
Essential Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
PL-5	Public regulatory information	192,033		x	2.50	Respond to counter and phone inquiries. Ongoing staff only.
PL-6	Code enforcement	212,664	x		2.00	Ongoing staff only including \$1,830 communications. (Note: Does not include additional one-time.5 FTE.)
PL-7	ARCH	55,000	x			Ongoing ARCH dues only (Note additional one time ARCH trust fund = \$216,000.)
PL-8	Comprehensive planning and regulations (non state mandated)	186,424	x		1.50	Includes some plan and code updates, affordable housing regs. Ongoing staff = \$170,434 Ongoing prof. services = \$4,000 for data & mapping & \$12,000 for code updates.
Discretionary Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
PL-9	Land use permits not mandated by State	189,005		x	2.00	Includes discretionary permits required by Zoning Code. Ongoing staff only. Reduction would require code amendments that would need short term staffing.
PL-10	Urban forestry services	42,538	x		0.50	Ongoing staff only (Note does not include additional one-time .25 FTE)
PL-11	Comprehensive planning and regulations (non state mandated)	207,806		x	2.00	Includes neighborhood plans; private amendment requests and optional plan/code amendments. Ongoing staff only.
PL-12	Natural Resource plans and regulations	51,952		x	0.50	Ongoing staff only.
PL-13	Planning Interns	32,958	x			Planning intern hourly wages (\$28,126) & benefits (\$4,832)
100% Revenue-Supported Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
PL-14	Third Party Review Planner	70,577			1.00	Ongoing staff for expedited permit review. This position is currently unfilled; however the work is being accomplished through overtime by the Planning Information Specialists.

**FUND/DEPARTMENT: General Fund/Planning and Community Development****DRAFT**

Administration		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
	Salaries & benefits	314,784		x	3.06	Ongoing staff for budgeting; personnel; departmental management; interdepartmental coordination; coordination with councils, boards & commissions; training; records (Director, Office Supv., Receptionist) including Director travel/medical allowance (\$2,700).
	Administrative on-call hourly wages	40,463	x			Ongoing administrative assistance for heavy workload and ongoing assistance (\$34,669) and benefits (\$5,794)
	Professional Services Administrative	13,114	x			Ongoing recording secretary services for PC, HCC, HE, DRB
	Office Supplies, operating supplies, furniture	19,800	x			Department office supplies (\$14,500), operating supplies (\$3,200), furniture (2,100)
	Overhead expenses	236,991		x		Operating rentals (e.g. IT charges, fleet, telecom); insurance; repairs
	Travel, training & dues for staff, PC, HCC and DRB	28,400	x			Staff and Planning Commission, Houghton Community Council and Design Review Board support. Travel (\$7,700), Training (\$11,700), Dues (\$9,000)
	Software, repairs/maintenance	1,850	x			All software purchases (\$1,600) and maintenance agreements (\$250)
	Advertising	21,400	x			Advertising for projects and permits
	Printing/postage/miscellaneous	27,500	x			Department printing (\$24,200), postage (\$2,500) and meeting packet delivery (\$800)
	<b>Total</b>	<b>2,829,171</b>			<b>23.56</b>	

**CITY OF KIRKLAND SERVICES MATRIX**  
**FUND/DEPARTMENT: General Fund/Police**

# DRAFT

Mandated Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
PD-1	Responding to Calls for Service - Patrol Division	3,846,740	x		37.00	A total of 36 FTE's are allocated to the Patrol Division with oversight of the division provided by two 0.50 Management Staff personnel (Lieutenant). Uniform costs are \$1,611 per Patrol FTE, Training costs are \$737 per Patrol FTE, and Overtime costs are \$3,954 per Patrol FTE. Costs for Management Staff are \$140,473.
PD-2	Public Safety Answering Point/911 Calls - Communications Division	1,525,913		x	19.50	A total of 19 FTE's are allocated to the Communications Division with oversight provided by 0.50 Management Staff personnel (Lieutenant). 4 FTE's funded by contracts from outside agencies (Medina = 1, Mercer Island = 3) with a total 2007 Revenue of \$299,184. Additional revenues are available from King County E911 for call taking, training, and equipment. Training costs are \$629 per FTE. Uniforms and all other supplies are provided within the total expenditures for this division. Costs for Management Staff are \$70,478.
PD-3	Training		x			Training expenditures have been allocated to the position/division where the FTE(s) are budgeted.
PD-4	Jail	823,633		x	10.90	Expenditures include salaries, benefits, uniform costs, and all Kirkland inmate expenditures. Revenues from Point Cities for Housing & Transport, total 2007 revenue received \$28,205. Training costs are \$629 per FTE. Unit is managed by Corrections Lieutenant (0.90 FTE) for a cost of \$104,930.
PD-5	Outside Agency Incarceration Costs	521,505	x			
PD-6	Records Maintenance	331,943	x		4.65	A total of 4.5 FTE's are allocated to Records with oversight provided by 0.15 Management Staff (Lieutenant). Uniform costs are \$385 per FTE and Training costs are \$629 per FTE. Overtime costs for the division are \$1,958. Costs for Management Staff are \$21,143.
PD-7	Evidence	83,519	x		1.10	Uniform costs are \$385 for this position, Training costs are \$629, and Overtime costs are \$435. Oversight is provided by the Corrections Manager (0.10 FTE) for a cost of \$11,659.
PD-8	Accreditation	69,877	x		0.50	This position is filled by Management Staff (Lieutenant) personnel who serves as our Accreditation Manager in addition to other staff responsibilities.

**FUND/DEPARTMENT: General Fund/Police****DRAFT**

Essential Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
PD-9	Investigations Division	885,984	x		7.15	A total of 7.0 FTE's are allocated to the Investigations Division with oversight provided by 0.15 Management Staff (Lieutenant). Uniform costs are \$1,061 per FTE, Training costs are \$1,000 per FTE, and Overtime costs are \$4,444 per FTE. Costs for Management Staff are \$20,963
PD-10	Management Staff	551,687	x		3.40	Management staff consists of 6 FTE's made up of 2 Captains and 4 Lieutenants. Portions of the Lieutenants' costs are allocated to provide oversight to other divisions within the department. Uniform costs are \$1,840 per FTE and Training costs are \$1,000 per FTE.
PD-11	Traffic Division	459,893		x	4.15	A total of 4.0 FTE's are allocated to the Traffic Division with oversight provided by 0.15 Management Staff (Lieutenant). The Traffic Division performs many mandated services such as investigation of fatal or serious injury traffic collisions. Revenues are available from the Traffic Safety Commission for reimbursement of costs associated with special emphasis and/or equipment. Uniform and Overtime costs are included in the total expenditures for the division, and Training costs are \$1,000 per FTE. Costs for Management Staff are \$20,832.
PD-12	Marine Patrol	39,000	x			Contract service with King County Sheriff's Office to provide for the routine patrol of waters to enforce laws and ordinances May through October of each year. Additionally, they may be called out to respond to serious emergency complaints or situations with a corresponding call out fee.
Discretionary Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
PD-13	School Resource Officer	107,699		x	1.00	Revenues from Lake WA School District partially support this position with the current contract calling for a yearly payment from LWSD in the amount of \$66,911. Uniform costs are \$1,611, Training costs are \$1,000, and Overtime costs are \$4,521. Oversight of this position is provided by the Community Services Unit Supervisor.
PD-14	Neighborhood Resource Officer	104,859	x		1.00	Uniform costs are \$1,611, Training costs are \$1,000, and Overtime costs are \$4,521. Oversight of this position is provided by the Community Services Unit Supervisor.
PD-15	Family Violence Detective	107,217	x		1.00	This position is assigned to the Investigations Division. Although listed as Discretionary, the position is responsible for all Domestic Violence incidents in the City. Elimination of the position would create a burden on the Investigations Division by the increased workload. Uniform costs are \$1,062, Training costs are \$1,000, and Overtime costs are \$4,442.

**FUND/DEPARTMENT: General Fund/Police****DRAFT**

Discretionary Services continued		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
PD-16	Family/Youth Advocate	80,528		x	1.00	Minimal revenues are generated from Advocacy services provided to the Point Cities. This position is assigned to the Investigations Division and reports to that Division's Sergeant. Although listed as Discretionary, the position is vital in providing assistance, intervention, and counseling to victims of domestic violence as well as providing immediate crisis intervention to those victims and appearing with them at court hearings. The position also oversees the DART (Domestic Abuse Response Team) volunteer program. Uniform costs are \$385, Training costs are \$629, and Overtime costs are \$435.
PD-17	Community Services Unit Supervisor	117,232	x		1.00	The position provides direct supervision to the School Resource Officer and the Neighborhood Resource Officer. The position also interacts with citizen and business groups and provides crime prevention information to the public. Uniform costs are \$1,611, Training costs are \$1,000, and Overtime costs are \$4,521.
PD-18	Eastside Domestic Violence Program	31,264		x		The department is planning to move funding for this program from its budget to the Parks Human Services budget in the 09-10 fiscal year. Partial funding is available through CTED.
PD-19	Special Response Team	15,100	x			It should be noted that although categorized as discretionary, the elimination of this service/program poses liability concerns. Personnel costs for FTE's assigned to this unit are budgeted within other divisions. Training costs are \$5,000.
PD-20	Crisis Negotiations Team	7,500	x			It should be noted that although categorized as discretionary, the elimination of this service/program poses liability concerns. Personnel costs for FTE's assigned to this unit are budgeted within other divisions. Training costs are \$4,000.
PD-21	Eastside Narcotics Task Force	117,688		x	1.00	Revenues are generated from seizure of property or money associated with illicit drug activity. Revenues must be used to fund narcotics related programs or equipment. Uniform costs are \$1,061, Training costs are \$1,000, and Overtime costs are \$4,450. Additionally, a narcotics investigation fund in the amount of \$7,500 is attached to this position.
PD-22	Crime Analysis	94,377	x		1.00	It should be noted that although categorized as discretionary, the position is responsible for mandated crime statistic reporting. The position also provides vital information on criminal activity (patterns, MO, etc.) that assists officers in the apprehension of criminals. Uniform costs are \$385, Training costs are \$629, and Overtime costs are \$435.
PD-23	K-9 Unit	106,146	x		1.00	Direct supervision provided by a Patrol Sergeant. Expenditures include necessary supplies for the police service dog as well as overtime for the officer. Uniform costs are \$1,611 and Training costs are \$1,000.

**FUND/DEPARTMENT: General Fund/Police****DRAFT**

Discretionary Services continued		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
PD-24	Explorer Program	3,150	x			Although listed as discretionary, the Explorers provide a variety of assistance to the City for Special Events, such as Traffic Control, etc. Budgeted expenditures pay for a small portion of their uniforms and training. The Post generates revenue from their assistance at City and regional events, using that revenue for purchases not funded by the General Fund Police budget.
PD-25	Chaplain's Program	1,000	x			The Police Chaplain performs a wide variety of volunteer services for the department and its' employees. The expenditures represent fees for attendance at a yearly training conference, a portion of which is funded by the FBI.
PD-26	Volunteer Program	1,250	x			Expenditures are for necessary clothing and uniform items utilized by our volunteers including our Speed Watch volunteers and DART volunteers.
PD-27	ProAct Unit	513,937	x		5.15	A total of 5 FTE's are assigned to this unit consisting of one Sergeant, three Officers, and one support position with oversight of the unit provided by 0.15 Management Staff (Lieutenant). Expenditures include salaries and benefits for the FTE's as well as uniforms and overtime. Training costs for the unit are \$4,629. Costs for Management Staff are \$21,308.
100% Revenue-Supported Services		Expenditures			FTE's	Notes
PD-28	Parking Enforcement	138,412			2.00	Expenditures include salaries and benefits for the FTE's as well as uniforms, overtime, and supplies associated with Parking Enforcement. Oversight is provided by the Traffic Sergeant. Training costs are \$1258.
PD-29	CJTC Instructor	109,390			1.00	All costs associated with this position are reimbursed by the Criminal Justice Training Commission. Overtime costs are \$3,950. Uniforms and Training for the position are provided by CJTC.
Administration		Expenditures	Revenue Offset?		FTE's	Notes
	Director and Staff Coordinator	275,398	x		2.00	Salaries and benefits for Chief and Staff Coordinator. Uniform costs for Chief are \$1,500 and Training costs are \$3,129 (\$2,500 Chief, \$629 Staff Coordinator).
	Support Staff	358,402	x		4.00	Staff consists of the Administrative Corporal, Training Officer, and two Administrative Support positions who provide Timekeeping & Payroll duties, register and arrange all department training and travel, and perform a wide variety of clerical support. Uniform costs total \$2,770 (\$1,000 each for sworn position and \$385 each for support position), Training costs total \$3,258 (\$1,000 each for sworn positions and \$385 for each support position), and Overtime costs are \$2,870 (\$950 for each sworn position and \$435 for each support position).
	IT Charges	977,429	x			Includes Operating, Replacement & Telecom for all department staff.

**FUND/DEPARTMENT: General Fund/Police*****DRAFT***

Administration continued		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
	Fleet & Radio Charges	816,351	x			Includes Fleet Operating & Replacement for all department vehicles and Radio Operating for all department radios.
	Facilities Charges	189,347	x			Internal charges for rental of City Hall and evidence space at the Maintenance Center and Kirkland Municipal Court.
	Liability Insurance	165,354	x			
	Department Supplies & Other Miscellaneous Fees	164,208	x			Includes department supplies consisting of firearms supplies (lethal & less lethal) and office & operating supplies, as well as fees for postage, repairs & maintenance of equipment, association dues, and a wide variety of professional fees that provide support for functions in both the Operations and Services Divisions.
	Communication Fees	62,190	x			Fees for all data lines, radio lines, pagers, and phones.
	Professional Fees	31,900	x			Provision of funds for costs related to grant consulting, annual leadership retreat, and regional records management data bases which provide vital criminal history information.
<b>Total</b>		<b>13,837,022</b>			<b>110.50</b>	

# CITY OF KIRKLAND SERVICES MATRIX

**FUND/DEPARTMENT: General Fund/Fire and Building**

# DRAFT

Mandated Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
FB-1	Emergency Management	98,698	x		0.50	50% Admin Deputy Chief + Operating cost = \$25,214
FB-2	Fire Training	430,502		x	2.20	20% Deputy Chief Salary/Benefits plus 2 Training Officers + Firefighter Training Costs
FB-3	Fire Inspection	357,072		x	2.90	ADC .20%, Fire Marshall (.90%), DFM (.80%), Inspector (100%), Operating Cost = \$26,558
FB-4	Fire Investigation	62,868	x		0.30	10% Fire Marshal, 20% Deputy FM, = Operating cost/OT Stand-by =\$41,700
FB-5	Safety Fund	2,560		x		Safety Committee, Admin Budget
FB-6	Fire/Bldg Records Management	67,587		x	1.60	85% Fire Clerk, 75% Building Clerk = Professional Services cost \$3,000
Essential Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
FB-7	Fire Suppression/EMS	519,585		x	3.80	80% Deputy Chief Salary/Benefits & Operating Costs plus 3 Shift Battalion Chiefs
FB-8	Station 21	1,332,916		x	12.00	Salary/Benefits + 15% of all Stations Operating Budget
FB-9	Station 22	1,636,079		x	15.00	Salary/Benefits + 20% of all Stations Operating Budget
FB-10	Station 24	515,546		x		10% of Budget plus Firefighter OT (12 Hrs)=327,442 (Conversion 4 Firefighters to OT)
FB-11	Station 25	1,332,916		x	12.00	Salary/Benefits + 15% of all Stations Operating Budget
FB-12	Station 26	1,652,507		x	15.00	Salary/Benefits + 20% all Stations Operating Budget
FB-13	Station 27	2,138,579		x	20.00	Salary/Benefits + 20% of all Stations Operating Budget
FB-14	Reserve Program	51,600		x		
FB-15	Trench Rescue and Training	8,100		x		
FB-16	Hazardous Materials	21,900		x		

**FUND/DEPARTMENT: General Fund/Fire and Building****DRAFT**

<b>Essential Services</b>		<b>Expenditures</b>	<b>Revenue Offset?</b>		<b>FTE's</b>	<b>Notes</b>
			<b>None</b>	<b>Partial</b>		
FB-17	Confined Space Rescue	6,450		x		
FB-18	Water Rescue	9,750		x		
FB-19	Motor Vehicle Rescue	11,520		x		
<b>Discretionary Services</b>		<b>Expenditures</b>	<b>Revenue Offset?</b>		<b>FTE's</b>	<b>Notes</b>
			<b>None</b>	<b>Partial</b>		
FB-20	Chaplain's Program	8,400		x		Funded from Reserve Program Budget Line Item. The Chaplain's Program provides a wide variety of services and support for employees as well as citizens in crisis.
FB-21	Public Education Coordination	104,493		x	1.00	Public Education Coordinator/Benefits/OT +operating cost \$11,308
FB-22	My Bldg. Permit.com	52,067		x	0.60	Transactional Credit Card -time for committees.
FB-23	Code Enforcement	72,345			0.85	Bldg. Inspectors, including landlord tenant resolution
<b>100% Revenue-Supported Services</b>		<b>Expenditures</b>	<b>Revenue Offset?</b>		<b>FTE's</b>	<b>Notes</b>
			<b>None</b>	<b>Partial</b>		
FB-24	Addressing	63,834			0.75	Permit Techs
FB-25	Plan Review	803,000			8.10	Bldg. Plans Examiners, 2 (vacant) third party review + Operating Costs
FB-26	Construction Inspection	544,910			5.85	Building Inspectors, Permit Transcriber + Operating Costs
FB-27	Permitting	346,960			3.63	Permits Techs + Operating Costs
<b>Administration</b>		<b>Expenditures</b>	<b>Revenue Offset?</b>		<b>FTE's</b>	<b>Notes</b>
			<b>None</b>	<b>Partial</b>		
	Director (1); ADC (.30); Admin Asst. (2); Admin Clerk (.15)	446,192		x	3.45	Salaries/Benefits/Benefits/OT/on-call + Operating Costs = \$69,606
	Internal Charges	2,521,179		x		Includes Fleet, IT, Norway Hill, and Communications (including Dispatch)
<b>Total</b>		<b>15,220,115</b>			<b>109.53</b>	

## CITY OF KIRKLAND SERVICES MATRIX

FUND/DEPARTMENT: Lodging Tax Fund/City Manager's Office

**DRAFT**

Mandated Services	Expenditures	Revenue Offset?		FTE's	Notes
		None	Partial		
Essential Services	Expenditures	Revenue Offset?		FTE's	Notes
Discretionary Services	Expenditures	Revenue Offset?		FTE's	Notes
100% Revenue-Supported Services	Expenditures			FTE's	Notes
Tourism Services	208,745			0.90	Includes program staff, tourism intern, professional services, grants, advertising, printing, and admin
Administration	Expenditures	Revenue Offset?		FTE's	Notes
<b>Total</b>	<b>208,745</b>			<b>0.90</b>	

**DRAFT****CITY OF KIRKLAND SERVICES MATRIX****DEPARTMENT: Public Works - Street Fund**

	Mandated Services	Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
ST-1	Bridges	2,252	x		0.20	Bridge Maintenance
ST-2	Sidewalk Grind	14,412	x		0.11	Sidewalk Offset Grinding
ST-3	Streetlight Maintenance	21,618	x		0.17	Streetlight Inspect/Repair
ST-4	Streetlight Operations	370,723	x			Budget Operational Costs - Streetlights; PSE
ST-5	Signal Maintenance	157,178	x		1.29	Signal Maintenance/Repair
ST-6	Electrical	72,058	x		0.05	Electrical Repair
ST-7	Crosswalk Maintenance/Inspection	19,141	x		0.15	Lighted Crosswalk Maintenance/Inspection
ST-8	Signal Operations	142,579	x			Budget Operational Costs - Signals
ST-9	Sign Shop	205,592	x		1.68	SignShop Operations
ST-10	Sign Shop Operations	187,194	x			Budget Operational Costs - Signs
	Essential Services	Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
ST-11	NTCP	52,903	x			Program Cost Budget handled by Traffic Engineering
ST-12	Parking Management	30,224		x	0.50	Program Cost Budget handled by Traffic Engineering; Tami White
ST-13	Shoulders	11,935	x		0.09	Shoulder Grading
ST-14	Curb/Gutter	7,206	x		0.05	Curb/Gutter Repair
ST-15	Temp Patch	19,141	x		0.15	Pothole Repair
ST-16	Hot Patch	299,718	x		2.46	Asphalt Hot Patching
ST-17	Saw Cuts	65,078	x		0.53	Asphalt Saw Cutting
ST-18	Extruded Curb	9,457	x		0.07	Extruded Curb Repair/Install
ST-19	Conc. Repair	40,983	x		0.33	Flat Concrete Repair

**DEPARTMENT: Public Works - Street Fund****DRAFT**

ST-20	Gravel Paths	7,206	x		0.05	Gravel Path Maintenance
ST-21	Paths/Trails	2,252	x		0.01	Paths/Trails Maintenance
ST-22	Paths/Trails Operations	16,329	x			Budget Operational Costs - Paths/Trails
ST-23	Parking Facilities	16,889	x		0.13	Parking Facilities Maintenance
ST-24	Parking Facilities Landscapes	4,729	x		0.03	Parking Facilities Landscapes Maintenance
ST-25	Parking Facilities Operations	74,639	x			Budget Operational Costs - Parking Facilities
ST-26	MC Import/Export	24,094	x		0.19	Spoils Loading
ST-27	MC Inventory	14,412	x		0.11	Inventory Taking
ST-28	MC Facility Operation	7,206	x		0.05	Yard Operations
ST-29	Street Sweeping	137,812	x		1.13	Street Sweeping
ST-30	Street Sweeping Operations	13,370	x			Budget Operational Costs - Street Sweeping
ST-31	Flail Mowing	50,667	x		0.41	Mowing activities
ST-32	Trees/Brush	84,443	x		0.69	Tree/Brush field work
ST-33	Medians	99,080	x		0.81	
ST-34	Median Operations	118,680	x			Budget Operational Costs - Medians
ST-35	Facility Maintenance - Grounds	45,937	x		0.37	City owned bldg landscape maintenance
ST-36	Public Grounds Operations	15,775	x		0.05	Budget Operational Costs - Public Grounds
	<b>Discretionary Services</b>	<b>Expenditures</b>	<b>Revenue Offset?</b>		<b>FTE's</b>	<b>Notes</b>
			<b>None</b>	<b>Partial</b>		
ST-37	Alleys	9,457	x		0.07	Alley Maintenance
ST-38	Crack Seal	16,889	x		0.13	Asphalt Crack Sealing
ST-39	Snow/Ice	16,889	x		0.13	Snow/Ice Control
ST-40	Snow/Ice Operations	1,056	x			Budget Operational Costs - Snow/Ice Removal

**DEPARTMENT: Public Works - Street Fund****DRAFT**

ST-41	Street Litter	7,206	x		0.05	Street Litter
ST-42	Spraying	14,412	x		0.11	Spray program
ST-43	Roadside Litter	4,729	x		0.03	Litter removal from roadside
ST-44	Ancillary Operations	6,267	x			Budget Operational Costs - Ancillary
ST-45	Graffiti	103,810	x		0.85	Graffiti Removal ROW and Parks
ST-46	CBD Appurtenance	36,255	x		0.29	CBD focus activities
<b>Administration</b>		<b>Expenditures</b>	<b>Revenue Offset?</b>		<b>FTE's</b>	<b>Notes</b>
			<b>None</b>	<b>Partial</b>		
	Admin. Operations	161,380	x		1.28	Budget Operational Costs
	Grounds Maintenance - Admin	67,555	x		0.60	Public Grounds Supervision
	Maint/Supv. Operations	275,001	x			Budget Operational Costs - Maint/Supervision
	IT Charges	99,230	x			
	Fleet Charges	311,152	x			
	Facility Charges	124,697	x			
	Insurance	81,808	x			
<b>Total</b>		<b>3,800,702</b>			<b>15.40</b>	

**DRAFT****CITY OF KIRKLAND SERVICES MATRIX****FUND/DEPARTMENT: Parks Maintenance Fund/Parks and Community Services**

<b>Mandated Services</b>		<b>Expenditures</b>	<b>Revenue Offset?</b>		<b>FTE's</b>	<b>Notes</b>
			<b>None</b>	<b>Partial</b>		
PM-1	Inspections / installations	8,100	x		0.10	Inspect play areas, docks, lighting, repair and document, ADA accessibility
<b>Essential Services</b>		<b>Expenditures</b>	<b>Revenue Offset?</b>		<b>FTE's</b>	<b>Notes</b>
			<b>None</b>	<b>Partial</b>		
PM-2	Ballfield Maintenance	215,200		x	3.00	Ballfield prep, maintenance, scheduling, administration
PM-3	Park & City/School partnership mowing	162,400	x		2.00	Mowing and turf maintenance, administration
<b>Discretionary Services</b>		<b>Expenditures</b>	<b>Revenue Offset?</b>		<b>FTE's</b>	<b>Notes</b>
			<b>None</b>	<b>Partial</b>		
PM-4	Garbage / litter collection /park closure	40,600		x	0.50	Removal of garbage & litter, close parks and lock gates
PM-5	Restroom operations	32,500		x	0.50	Maintenance, repairs, labor
PM-6	Irrigation	65,000		x	0.40	Maintenance & operation of irrigation systems, utilities, supplies, labor, training
PM-7	Night and Weekend coverage	66,500		x	1.00	Staff for ballfield prep, garbage/litter, restroom maintenance after 5 pm Mon - Fri and all day Sat/Sun
<b>Administration</b>		<b>Expenditures</b>	<b>Revenue Offset?</b>		<b>FTE's</b>	<b>Notes</b>
			<b>None</b>	<b>Partial</b>		
	Interfund Charges	118,785	x			
	Insurance	17,955	x			
<b>Total</b>		<b>727,040</b>			<b>7.50</b>	

## CITY OF KIRKLAND SERVICES MATRIX

FUND/DEPARTMENT: Recreation Revolving Fund/Parks and Community Services

**DRAFT**

Mandated Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
Essential Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
RR-1	Water Safety Instruction	118,352		x	0.45	Revenue supported program plus hourly employees. Revenue for this program is \$155,000.
Discretionary Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
RR-2	Youth Sports: programs and camps	118,120		x	0.60	Revenue supported program: Revenue=121,400
RR-3	Adult Sports	88,792		x	0.60	Revenue supported program. Revenue=94,600
RR-4	Outdoor programs	33,857		x	0.05	Revenue supported=40,000
RR-5	Swim/Dive Team	7,800		x	0.10	Revenue = 20,000
RR-6	Preschool Programs	106,000		x	0.40	Additional hourly employees. Revenue = 112,000
RR-7	Youth Programs & camps	92,000		x	0.30	Additional seasonal employees. Revenue = 123,500
RR-8	Adult General Programming	62,000		x	0.30	Contracted professional services. Revenue=48000
RR-9	Adult Fitness Programs	43,000		x	0.30	Contracted professional services. Revenue=57000
RR-10	Summer Concert Series	24,650		x		Seasonal employees. Split between General fund and 126. Revenue includes grants and donations. Revenue=30,000
RR-11	Recreation Brochure	60,000		x		Combined with General fund. Includes Sr. Center brochure, printing and postage
RR-12	Senior Fitness, Lifelong learning, enrichment programs	56,000		x		Combined with General Fund costs. Revenue=82000
RR-13	Senior Center Special Events	10,000		x		Combined with General Fund costs. Revenue=3500
RR-14	Senior Van Trips	17,300		x	0.15	Combined with General Fund costs. Revenue=15300
100% Revenue-Supported Services		Expenditures			FTE's	Notes

**FUND/DEPARTMENT: Recreation Revolving Fund/Parks and Community Services****DRAFT**

Administration		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
	Professional Services Interfund	54,000	x			
	Fleet interfund	10,500	x			
	Facility interfund	52,162	x			
	GIS interfund	23,149	x			
	Banking fees ( credit card usage )	24,500		x		These are added into Recreation fees.
	Insurance	10,360	x			
	PKCC Coordinator	41,140			0.50	.5 PKCC Coordinator authorized by Council in 2007/2008. Not hiring this coordinator. This represents salary, benefits, and inferfund charges
	<b>Total</b>	<b>1,053,682</b>			<b>3.75</b>	

**CITY OF KIRKLAND SERVICES MATRIX****FUND/DEPARTMENT: Facilities Maintenance Fund/Public Works****DRAFT**

Mandated Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
FM-1	ADA Code Compliance	24,000	x		0.10	Elevator & automatic door maintenance
FM-2	Ergonomics	18,000	x		0.25	Installation of keyboard trays, etc.
FM-3	Maintain Fire/Life & Safety Systems	51,000	x		0.15	Inspection, monitoring & maintenance of fire suppression & alarm systems (incl phone lines & Fire Station doors & alarm systems)
FM-4	L&I Compliance	5,000	x		0.05	Boiler certification, training, safety meetings
FM-5	Flags	2,000	x		0.02	Flags & conformance with "half-staff" schedule
FM-6	DOH Compliance -Backflow Tstg	1,000	x			Required testing of backflow prevention assemblies on boilers, etc.
FM-7	Pesticide Certification (Grounds)	1,000	x			Required certification and training for pesticide handling
Essential Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
FM-8	24 Hour Coverage/Emergency Response	19,000		x		Standby Pay & Overtime
FM-9	HVAC/Air Quality Issues & Energy Conservation	119,000		x	0.82	Maintenance of HVAC systems at all city buildings
FM-10	Emergency Systems Support	31,000		x	0.10	Inspection & maintenance of generators & UPS
FM-11	Public Building Infrastructure & Systems Maintenance	203,000		x	1.35	Maintenance of infrastructure & systems -painting, repair, plumbing, lighting, electrical, etc. (incl. supplies & gen prof svcs & rpr/maint)
FM-12	Security Systems	36,000		x	0.30	Maintenance, installation and purchase of locks, keys, security systems, etc.
FM-13	Pest Control	7,000		x	0.01	Contracted pest control services
FM-14	Life Cycle Projects	38,400		x	0.40	Coordination, review and management of building life cycle projects
FM-15	Rental Property Management & Maintenance	40,000		x	0.05	Coordination of rental properties & fees for contracted management & maintenance & leasehold excise taxes
FM-16	Janitorial	214,000		x		Cleaning services at all city buildings
FM-17	Janitorial -Supplies	16,000		x		Supplies for cleaning all city buildings

**FUND/DEPARTMENT: Facilities Maintenance Fund/Public Works****DRAFT**

<b>Essential Services continued</b>		<b>Expenditures</b>	<b>Revenue Offset?</b>		<b>FTE's</b>	<b>Notes</b>
			<b>None</b>	<b>Partial</b>		
FM-18	Janitorial -Carpet & Upholstery Cleaning	29,000		x		Carpet & upholstery cleaning @ all facilities
FM-19	Janitorial -Entry Mat Cleaning	2,000		x		Cleaning & replacement of entry mats
FM-20	Landscaping -City Facilities	67,000		x	0.55	Public Grounds staff landscaping
FM-21	Landscaping -City Facilities (hourly wages)	22,000		x		Public Grounds seasonal landscaping
<b>Discretionary Services</b>		<b>Expenditures</b>	<b>Revenue Offset?</b>		<b>FTE's</b>	<b>Notes</b>
			<b>None</b>	<b>Partial</b>		
FM-22	Janitorial -Window Cleaning	5,000		x		Exterior window cleaning
FM-23	Janitorial -Art Display Cleaning	1,000	x			Contracted City Hall art cleaning
FM-24	Janitorial -Restroom Deodorizer Svc	3,000		x		Contracted restroom deodorizer service (monthly at most buildings)
FM-25	Office Reconfiguration	8,000	x		0.14	Moving furniture, reconfiguring cubicles
FM-26	New Construction/Tenant Improvements	7,000	x		0.08	New hard-wall offices, etc.
FM-27	Training	8,000		x		Training needed for maintenance staff to keep level of knowledge & certifications - Travel & Subsistence included
FM-28	Inventory Control	11,000		x	0.13	Maintenance & distribution of supplies (esp. janitorial)
FM-29	Project Management	14,400		x	0.15	Management of non-Life Cycle projects
FM-30	Space Planning	8,000	x		0.04	Ongoing space planning efforts - largely coordination of consultants
FM-31	Work Order System	9,000	x		0.10	Maintenance of work order system
FM-32	City signage (maint. and repair, lighting and new signs)	2,000	x		0.01	Maintenance of large, wood signs at various facilities
<b>100% Revenue-Supported Services</b>		<b>Expenditures</b>			<b>FTE's</b>	<b>Notes</b>
FM-34	Admissions Tax to KPC	35,000				Portion of Admissions tax given to KPC per agreement. This payment is 100% covered by admissions tax revenue.

**FUND/DEPARTMENT: Facilities Maintenance Fund/Public Works****DRAFT**

Administration		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
	Facilities Admin	53,000	x		0.45	PW Facilities & Admin Mgr (40%); Maint & Inv (5%)
	Grounds Admin	41,000	x		0.40	Public Grounds Supervisor (35%); Street Division Manager (5%)
	Other Admin Costs -Facilities & Grounds	6,000	x			Office supplies, uniforms, etc.
	Interfund Transfers	830,100	x			Debt Svc (CH) - 347,294; Debt Svc (MC) - 346,358; Lifecycle project transfer - 136,400
	IT, Fleet, Radio & Telecom Charges	94,000	x			Internal service charges
	Municipal Court Lease	284,000	x			Lease & associated costs for Municipal Court space (rent, prop tax, prop ins, common area prof svcs)
	Insurance	102,000	x			Insurance on city building contents
	Utilities	482,000	x			Water, Sewer, Electricity, Gas for all city buildings
	Refuse Collection & Disposal	4,000	x			Trash removal at three fire stations outside Kirkland city limits
	Accounts Payable	22,000	x		0.25	Requisition activities, etc.
	Communication	4,000	x			Cell phones, pager
	False Alarm Charges	1,000	x			Kirkland PD
	<b>Total</b>	<b>2,979,900</b>			<b>5.90</b>	

**CITY OF KIRKLAND SERVICES MATRIX**  
**FUND/DEPARTMENT: Equipment Rental Fund/Public Works**

# DRAFT

Mandated Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
ER-1	Vehicle Licensing	10,036		x	0.05	Fleet Supervisor's time (0.05 FTE - \$6,036), and licensing fees (\$4,000).
ER-2	Vehicle Insurance	42,597		x	0.05	Fleet Supervisor's time (0.05 FTE - \$6036), insurance cost (\$36,561).
Essential Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
ER-3	Fuel/Fuel System & Tanks	488,257		x	0.40	Includes all fuel (\$446,940), system administration - Fleet Supervisor's time (0.20 FTE - \$24,144) Fleet Admin's time (0.20 FTE - \$12,773) , and fueling software support (\$4,400). Gasoline for all city vehicles.
ER-4	Vehicle/Equipment Maintenance	618,606		x	4.15	Includes staff labor (\$365,762) consisting (4.0 FTE) mechanics and (0.15 FTE) inventory control shared with Public Works. Plus parts, outside vendors, shop equipment, tools, tires (\$310,366). Removal would require negotiations of impacts with the Teamster Union.
ER-5	Vehicle/Equipment Acquisition	749,178		x	0.15	Fleet Supervisor's time (0.15 - \$18,108) plus amount budgeted for vehicle acquisition in 2008 (\$730,573), plus advertising of bids (\$497). Not replacing vehicles will increase the cost for repairs and maintenance.
ER-6	Vehicle/Equipment Disposition	6,036		x	0.05	Includes Supervisor's time (0.5 FTE - \$6,036) included in surplus and auction of equipment. Exclusion will impact maintenance and replacement costs.
ER-7	800 MHZ Radio/Access Repair	175,854		x	0.20	ESPCA access charges (\$108,510), repair contract (\$42,849), and Fleet Supervisor's time (0.15 FTE - \$18,108), and Admin Asst. time (0.05 - \$6387). Elimination would degrade our ability to operate with other governmental agencies as well as internally degrading the public safety communications for the City.
Discretionary Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
ER-8	Vehicle Cleaning	5,000		x		vehicle washing at vendor white Swan, 90% is Police vehicles conducted by officers. Impact would be the Police officers time to care for their vehicles which would take away public safety duties and increase the use of the wash station at the maintenance center.
100% Revenue-Supported Services		Expenditures			FTE's	Notes

**FUND/DEPARTMENT: Equipment Rental Fund/Public Works*****DRAFT***

Administration		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
	General Administration - Supervisor	24,144		x	0.20	Fleet Supervisor time (0.1 FTE)
	Accounting, Budgeting, Database	66,007		x	0.90	Fleet Supervisor time (0.15 FTE - \$18,108) Admin Asst (0.75 FTE - \$47,889).
	IT and Facilities Charges	213,273		x		IT and Facilities charges.
<b>Total</b>		<b>2,398,988</b>			<b>6.15</b>	

## CITY OF KIRKLAND SERVICES MATRIX

## FUND/DEPARTMENT: Information Technology Fund/Information Technology

**DRAFT**

Mandated Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
IT-1	Support for Finance systems	212,480		x	0.22	Mandated by the state and federal agencies (reporting to IRS, DRS, etc.). Includes all parts of finance systems (GL,AP,PY, timekeeping, etc.). .22 of an ongoing FTE (which is shown here) goes to support timekeeping. There are two one-time funded FTE's working on the other parts of this set of systems (those salaries are not shown here). Basic maintenance and operations takes 1.0 FTE, and forward progress to implement best practices, auditors recommendations, process improvement, etc., takes the other FTE. The work is shared to provide backup.
IT-2	Support for Document Management systems	142,691		x	0.30	New digital WAC mandates management of electronic records.
IT-3	City-wide desktop software licensing	106,300		x		We are in a contractual relationship with Microsoft for the next three years to keep software licenses up to date. Includes Microsoft enterprise agreement and Microsoft software assurance.
Essential Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
IT-4	PC support	520,577		x	2.96	Includes Help Desk, help desk system, help desk staff, training, Council meeting support, PC replacements, desktop management. PC replacement is done using one-time funded staff resources this budget.
IT-5	GIS	355,937		x	2.82	GIS also receives significant CIP funding as a separate revenue source. A large portion of the CIP funding for GIS is from utilities.
IT-6	Central server & network support	396,687		x	2.37	Includes staff costs, cabling and cable installation, backup tapes, network equipment maintenance, and software, network consulting and support. Replacement funding for servers and network equipment is in the CIP.
IT-7	Telecomm and support	122,741		x	0.58	Telephone system operation and maintenance, call accounting, bill management, voice mail, etc.
IT-8	Permit system and support	80,905		x	0.47	Includes permits and inspections, business licensing, and field mobility.
IT-9	Police system and support	321,484		x	1.23	Police CAD, RMS, mobility, field reporting, jail, evidence tracking, etc. Includes support for police technology systems for Medina and Mercer Island. Some of these costs will be shifted to NORCOM and we are contractually bound to do this. They are not expected to shift before the 09/10 budget.
IT-10	Fire system and support	34,542		x	0.23	Fire is dispatched through Bellevue and the majority of their system costs reside there and are paid through contract. We primarily support records management and inspection. Also expected to partially shift to NORCOM, but perhaps not until 2011 or 2012.

**FUND/DEPARTMENT: Information Technology Fund/Information Technology****DRAFT**

<b>Essential Services continued</b>		<b>Expenditures</b>	<b>Revenue Offset?</b>		<b>FTE's</b>	<b>Notes</b>
			<b>None</b>	<b>Partial</b>		
IT-11	Copier purchase and support	77,998		x		Lease and maintenance costs for city copiers.
IT-12	Telecommunications Franchising and Management	53,441		x	0.30	Negotiate and manage telecommunication franchise agreements granted by the City. Includes antenna siting and leases, cable franchise, and franchise management.
<b>Discretionary Services</b>		<b>Expenditures</b>	<b>Revenue Offset?</b>		<b>FTE's</b>	<b>Notes</b>
			<b>None</b>	<b>Partial</b>		
IT-13	Parks system and support	34,690		x	0.19	Includes recreation software support and staff assistance.
IT-14	Public Works system and support	63,963		x	0.33	Maintenance management system which tracks utility assets such as pipes and valves and management of public works work orders.
IT-15	Web system	152,780		x	1.11	Intranet and internet system and support.
IT-16	Print media Production	207,049		x	2.10	Supports communication to the community and within the organization. Design and create information signs that get used on park kiosks; design, create and produce brochures, posters, flyers, invitations, newsletters, manuals for the organization. Prepares graphics for use with television and for web. Includes on-call graphic support.
IT-17	City Council Meeting support	30,664		x	0.28	Produces live video of regularly scheduled Council meetings and study sessions. Includes preparation and test, actual filming and may include minor editing.
IT-18	Television Station Management	51,738		x	0.33	Draft, maintain, update and in some cases manage forms, packets, applications, resolutions, ordinances, manuals (e.g. Natural Resource, Planning Design Guidelines...) job descriptions, employee identification cards, labels, city telephone and contacts roster & contracts for the city.
IT-19	Document support services	45,421		x	0.60	Maintains Official City Documents, and prepares more complex word documents such as forms with fields, e-forms, creates style sheets, incorporate graphics throughout documents, multiple columns with section breaks, creating template and the blending of two or more documents.
IT-20	Other Video Services	20,340		x	0.15	Copy DVDs on request, video of debates and others special events, misc, video associated work. Includes time spent managing the video that we do. One-time funded (actual work is not reflected in this spreadsheet).
<b>100% Revenue-Supported Services</b>						<b>Notes</b>
IT-21	Utilities systems and support	44,781			0.19	Staff and maintenance for the utility billing systems.

**FUND/DEPARTMENT: Information Technology Fund/Information Technology*****DRAFT***

Administration	Expenditures	Revenue Offset?		FTE's	Notes
		None	Partial		
Director and Admin Assist	252,050		x	2.00	
Staff costs and supplies	6,146		x		Includes department van and advertising.
City-wide support	112,871		x		Includes repair shipping, internet circuit and services fees, Earthlink, PC hardware coverage/repairs, general printer maintenance and parts for checkout projectors and laptops.
<b>Total</b>	<b>3,448,276</b>			<b>18.75</b>	

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**CITY OF KIRKLAND SERVICES MATRIX**

**DEPARTMENT: Nondepartmental**

Mandated Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
Essential Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
Discretionary Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
	Employee Flex pass	21,630	x			
100% Revenue-Supported Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
Administration		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
	<b>Total</b>	<b>21,630</b>			-	

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**CITY OF KIRKLAND SERVICES MATRIX**

**DEPARTMENT: City Council**

Mandated Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
Essential Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
	Community Survey	25,000	x			
	Focus Groups	10,000	x			
Discretionary Services			Revenue Offset?		FTE's	Notes
			None	Partial		
100% Revenue-Supported Services		Expenditures			FTE's	Notes
Administration		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
	<b>Total</b>	<b>35,000</b>			<b>-</b>	

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**CITY OF KIRKLAND SERVICES MATRIX**  
**DEPARTMENT: City Managers Office**

Mandated Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
Essential Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
Discretionary Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
	Kirkland Downtown Association OT	42,000	x			
	Legislative Advocate - State	30,000	x			
	Legislative Advocate - Federal	20,000	x			
	Public Art	50,000	x			
	Celebrate Kirkland 4th of July Fireworks	30,000	x			
	Other Outside Agencies One-time	34,000	x			
	Admin Support	59,590	x		0.75	Communication Strategy on Finances
	ICMA Fellow	90,230	x		1.00	Communication Strategy on Finances
	Economic Development	114,200	x		-	Kirkland Chamber Professional Services, Marketing, Parmac Plan
100% Revenue-Supported Services		Expenditures			FTE's	Notes
	Kirkland Uncorked	15,000				Funded by LTAC
Administration		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
	<b>Total</b>	<b>485,020</b>			<b>1.75</b>	

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**CITY OF KIRKLAND SERVICES MATRIX**  
**DEPARTMENT: Human Resources One-Time Funded Position**

Mandated Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
Essential Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
	Human Resources Analyst	56,977.00	x		0.70	This position is essential to keep up with current service levels, addressing the difficult recruitment environment, special project assignments, employment law/ personnel policy (PPR) needs, while providing employee and management support to the City of Kirkland. This position has proven key to the day to day operation of the department. Departmental service demands will increase with anticipated labor relations, compensation and benefits challenges for the remainder of this year and the next biennium. The Human Resource Department is supporting 478 fulltime employees and approximately an additional 100 seasonal employees, with a lower HR/ employee ratio than the norm.
Discretionary Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
100% Revenue-Supported Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
Administration		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
	<b>Total</b>	<b>56,977</b>			<b>0.70</b>	

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**CITY OF KIRKLAND SERVICES MATRIX**  
**DEPARTMENT: PARKS & COMMUNITY SERVICES**

Mandated Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
Essential Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
	Human Services per capita	96,673	x		-	
	Environmental Stewardship Outreach	53,588	x		0.50	
	Rose Hill Meadows M&O	36,291	x		-	Originally scheduled for development in 2008. Construction postponed to '09 (renamed from "124th Ave Park-side M&O")
	Leash Law Enforcement	10,800	x		-	
Discretionary Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
	Kirkland Performance Center	50,000	x		-	
	Senior Council Support	9,500	x		-	
	EnhanceWellness Program for Older Adults	7,500	x		-	
	Operation School Bell	7,500	x		-	
	Waterfowl Management	7,306	x		-	(renamed from "Goose Patrol")
	All-City Youth Summit	4,000	x		-	Bi-annual event
100% Revenue-Supported Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
Administration		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
	<b>Total</b>	<b>283,158</b>			<b>0.50</b>	

**CITY OF KIRKLAND SERVICES MATRIX**

**DEPARTMENT: Public Works**

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Mandated Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
GF-01	Commute Trip Reduction Plan	50,000	X			Kirkland has sites that have entered into TMP (Transportation Management Plans with the Cit as a part of their SEPA mitigation).  Traffic Counts are a key element in calibrating the forecast models  In Jan 05 Kirkland entered into an interlocal agreement w/ Bellevue & Redmond. Through the interlocal agreement Kirkland agreed to share in the ongoing costs for the model.
GF-02	Transportation Mgt Plan Support	10,000	X			
GF-03	Traffic Counts (every other year)	30,000	X			
GF-04	BKR Model Support	10,000	X			
Essential Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
ST-01	Public Grounds Tech	81,956		X	0.40	Reallocate .10 FTE to Water, .50 FTE to Surface Water the additional .40 FTE to Street Operating Fund will be offset by seasonal dollars
ST-02	Field Arborist	53,789		X	0.50	Reallocate 1/2 (.25) FTE to Surface Water the additional .25 FTE will be funded by Street Operating Fund.
ST-03	Graffiti Specialist	82,791		X	1.00	Reallocate .10 FTE; .05 to Water, .05 to Sewer, the additional .90 of the FTE will be funded by Street Operating Fund
GF-05	NTCP Support	29,122		X	0.50	By reallocating the funding structure of current positions we have identified funding to cover this position. (75% of GIS FTE should be allocated to Utilities this = \$60,586)
Discretionary Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
F-01	Green Power	10,000	X			
<b>100% Revenue-Supported Services</b>		<b>Expenditures</b>			<b>FTE's</b>	<b>Notes</b>
Administration		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
<b>Total</b>		<b>257,658</b>			<b>2.40</b>	

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**CITY OF KIRKLAND SERVICES MATRIX**  
**DEPARTMENT: Finance and Administration**

Mandated Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
	Firefighters Pension Actuarial Study	16,000	x			Required to be completed biennially to be in compliance with the pronouncements of the Governmental Accounting Standards Board (GASB). The actuarial report provides financial information and required disclosures for the Comprehensive Annual Financial Report.
Essential Services		Expenditures	Revenue Offset?		FTE's	Notes
Discretionary Services		Expenditures	Revenue Offset?		FTE's	Notes
	Business Analyst	87,840	x		1.00	Backfilled position is in Customer Accounts for Document Management Project
100% Revenue-Supported Services		Expenditures	Revenue Offset?		FTE's	Notes
Administration		Expenditures	Revenue Offset?		FTE's	Notes
	<b>Total</b>	<b>103,840</b>			<b>1.00</b>	

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**CITY OF KIRKLAND SERVICES MATRIX**

**DEPARTMENT: Planning**

Mandated Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
	Development Review Subdivision	72,000	X			Funded for professional services to process subdivisions
Essential Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
	ARCH	216,000	X			Housing Trust Fund annual contribution.
Discretionary Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
	Urban Forester	24,295		X	0.25	Additional hours to existing .50 FTE. Reduction would require code amendments that would need short term staffing.
	Code Enforcement Officer	56,127	X		0.50	Continuation after end of Mercer Island contract
	Neighborhood Plans Update	20,000	X			
100% Revenue-Supported Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
Administration		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
	<b>Total</b>	<b>388,422</b>			<b>0.75</b>	

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**CITY OF KIRKLAND SERVICES MATRIX**  
**DEPARTMENT: POLICE**

Mandated Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
Essential Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
Discretionary Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
	Annexation/Norcom Captain	128,524	X		1.00	Temporary position funded through May of 2008 for Annexation related responsibilities and from May 2008 through December 2008 for NORCOM related responsibilities
	Police Accreditation Expenses	25,480	X		-	Fees for Accreditation conferences, supplies, and annual fee
100% Revenue-Supported Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
Administration		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
	<b>Total</b>	<b>154,004</b>			<b>1.00</b>	

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**CITY OF KIRKLAND SERVICES MATRIX**

**DEPARTMENT: Fire and Building**

Mandated Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
1	Emergency Prep Coordinator	103,566		X	1.00	.50 one-time service package funding, .50 one-time grant funding.
Essential Services		Expenditures	Revenue Offset?		FTE's	Notes
	Fire Training	50,000		X		
	Finn Hill Staffing OT	350,000		X		
Discretionary Services		Expenditures	Revenue Offset?		FTE's	Notes
	Think Again Program	4,488		X		
100% Revenue-Supported Services		Expenditures	Revenue Offset?		FTE's	Notes
	Plans Examiner	45,452			0.50	
	Building Permit Technician	63,394			1.00	
	Electrical Inspector	<i>None</i>			<i>none</i>	Backfill for Evergreen Hospital temp assignment; project completed, position not filled after permanent employee left.
<b>Total</b>		<b>508,054</b>			<b>2.50</b>	

**CITY OF KIRKLAND SERVICES MATRIX**  
**DEPARTMENT: Information Technology**

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Mandated Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
Essential Services		Expenditures	Revenue Offset?		FTE's	Notes
			None	Partial		
IT-1	Support for Finance systems	86,498		x	0.82	This is the portion a one-time funded FTE's being used to provide support to Finance (and support to other related systems, which are shown). This position has been one-time funded for four years. We obtained Council direction to move this position into rates and reduce the CIP at the early May meeting.
IT-3	Network Analyst for Wireless for Fieldworkers	97,688		x	1.00	This position was one-time funded during the 2007-08 mid-biennial process. Subsequently the duties of this position have been re-allocated to a permanent position and the one-time funded duties consist of help desk support for Council meetings, desktop management, and training. Additionally, in light of budget issues, we chose to only fill the one-time portion at .5 FTE so .5 FTE remains unfunded. Not funding will result in a lower level of internal service to city staff regarding day to day help with their computers.
IT-4	GIS	86,804		x	1.00	This position has been funded from the CIP for the past two years and is doing ongoing work to help maintain the GIS data layers built over the past few years. The strategy for funding this position is to take it from the CIP to operating budget. Not funding it will result in fewer regular updates to GIS data, and a reduction in the quality of GIS data.
IT-5	Central server & network support	11,762		x	0.10	This is the portion of time that the one-time Finance Systems support position spends supporting the SQL databases used to keep the network data up to date. The funding strategy is the same as mentioned above, and failure to fund this would result in someone else spending time helping Network and Operations with this, and thus affect someone else's workload.
IT-8	Police Systems Support	94,929		x	1.00	Police CAD, RMS, mobility, field reporting, jail, evidence tracking, etc. Includes support for police technology systems for Medina and Mercer Island. Some of these costs will be shifted to NORCOM, but the timing is not yet set in stone, and may not be before the 2009/2010 biennium.

**DEPARTMENT: Information Technology**

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	Lease of space in the Bellevue Data Center	33,300				We lease space in the Bellevue Data Center. Although originally funded for disaster recovery purposes, it looks like we will need some of this space for daily operations since we are outgrowing our server room. If we don't fund this we would have to buy rack space on the open market which would probably be less expensive but less secure.
	Copier Replacements	51,590				Average annual expense of \$50,000 per year on copier replacements
<b>Discretionary Services</b>		<b>Expenditures</b>	<b>Revenue Offset?</b>		<b>FTE's</b>	<b>Notes</b>
			<b>None</b>	<b>Partial</b>		
	Support for Document Management systems	8,637		x	0.08	Backup from the Finance Systems support position for this project. The strategy for funding this is movement from the CIP into operating as discussed above.
IT-14	Web system/Web production assistant	78,351		x	1.00	The 1.0 web assistant helps post information to the web for departments, does graphics for web communications, and provides some daily training and support. This is ongoing work that has been funded through one-time money for two and a half years. Our only funding strategy at this point for the web assistant is to request that departments allow us to build the position into rates.
AS-21	Other Video Services, including Currently Kirkland	51,296		x	0.50	Includes 0.5 of the videographer and an video intern position (hourly). Produces the Currently Kirkland News Magazine show, special videos such as the pedestrian safety video, the teen video, and the senior video, and manages extra demands that come up (such as taping training classes, etc.). The funding strategy is to build the intern into the MMS budget (finding offsetting cuts) and to use the ongoing funding for the vacant document support position to backfill this. There will still be a few thousand dollars gap, which we hope to fund by billing departments and/or outside agencies for video services.
	Downtown Wireless System	17,607		x		Includes the ongoing money necessary to keep the wireless program running. Does not include support (which is minor and has been absorbed by the Help Desk) or funding for capital replacement. Our strategy is to build this into our IT rates and look for offsetting cuts.
	Multimedia Support	10,000				On-call hourly support to address volatile workload.
<b>100% Revenue-Supported Services</b>						<b>Notes</b>
IT-17	We have no one-time funded revenue supported services	0			-	
<b>Administration</b>		<b>Expenditures</b>	<b>Revenue Offset?</b>		<b>FTE's</b>	<b>Notes</b>
			<b>None</b>	<b>Partial</b>		
IT-18	We have no one-time funded administration support	0		x	-	
<b>Total</b>		<b>628,462</b>			<b>5.50</b>	

## Projected Budget Gap: Key Messages

Kirkland faces a serious budget shortfall.

- Based upon financial forecasts, Kirkland is facing a \$6 million projected gap between its expenses and revenues in 2009-2010.

Kirkland's revenues have struggled to keep pace with expenses.

- Revenue has been negatively impacted by
  - Voter approved tax limiting initiatives
  - Current economic conditions
- Expenses have been negatively impacted by
  - Increasing employee wage and health care costs

Kirkland can no longer continue to provide the current level of services with existing revenue.

- The City must adopt a balanced budget

To balance the budget, Kirkland will need to reduce services and raise revenue.