



CITY OF KIRKLAND
Department of Finance & Administration
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www.ci.kirkland.wa.us

MEMORANDUM

To: David Ramsay, City Manager

From: Tracey Dunlap, Director of Finance and Administration
Sandi Hines, Financial Planning Manager

Date: December 3, 2008

Subject: **2008 YEAR-END BUDGET ADJUSTMENT**

RECOMMENDATION:

The City Council adopt the attached ordinance increasing the 2007-2008 budget appropriation for selected funds.

BACKGROUND DISCUSSION:

State law prohibits expenditures in excess of the budget appropriation for any fund. This budget adjustment allows for appropriation increases in those funds in which it is anticipated that total expenditures may be in excess of the current budget. Expenditure increases are funded by recognizing unanticipated revenues.

The proposed budget adjustments (Attachment A) consist of housekeeping adjustments, items previously approved by Council (for which fiscal notes were done) and new requests.

Housekeeping Adjustments:

- **Special Events Equipment Rental (\$11,000):** Recognize additional special event revenue and associated equipment expenses.
- **Emergency Preparedness Grant (\$50,472):** Recognize FEMA grant revenue for the Emergency Preparedness Coordinator position.
- **Lee Johnson Field Scoreboard (\$43,000):** Council accepted donations and the associated expense related to the scoreboard in June 2008. This housekeeping adjustment corrects an error made in which fund received the revenue and associated expense. This adjustment moves the amounts to the appropriate fund.

Previously Approved by Council:

- **Leasehold Excise Tax Credit Payment (\$250,339):** Council authorized payment from the Contingency Fund for a credit due to the Washington State Department of Revenue for overpayment of leasehold excise taxes by Evergreen Hospital.

- **Pavement Marking Project (\$84,295):** In late June, Council authorized additional funding for the 2008 Pavement Marking Project due to increased costs and changes in the scope of the project. Funded by the Street Improvement Fund.
- **Concours d' Elegance Donation to Evergreen Hospital charity (\$3,000):** In July, Council authorized the rebate of admissions tax received from the Concours d' Elegance event to the Evergreen Hospital Women's and Children's uncompensated care program.
- **Northshore Fire District Service Contract for IT services (\$39,010):** On June 17, 2008, Council authorized the agreement between the City and Northshore Fire District for the City's IT department to provide technology services to the District, which included approval of a temporary 0.5 Helpdesk position. Funded by the Northshore Fire District.
- **Verizon Franchise Negotiations and Title 26 Re-write (\$12,950):** At the Mid-Biennial Review in November 2007, Council authorized funding for legal services necessary to complete franchise negotiations with Verizon. In addition, earlier this year the City Manager authorized \$35,000 from the General Fund Contingency to assist with the re-write of Title 26, which references telecommunications, and was deemed necessary in light of the new franchise and recent FCC rulings. Costs for both the negotiations and the re-write are coming in higher than expected and additional funding of \$12,950 is needed to complete both projects. Funded from the General Fund Contingency.
- **2009-2010 Service Package Funding (\$1,000,000):** As part of the 2009-2010 budget strategy, \$1 million of the Revenue Stabilization Reserve was used to fund one-time service packages. To account for this funding in the least complicated manner, a transfer from the Revenue Stabilization Reserve into the General Fund is needed in 2008, so the funds can carry forward into 2009. Funded from the Revenue Stabilization Reserve.

New Requests:

- **Reserve Replenishment Backfill (\$400,308):** Interest revenue received in 2007 and to date in 2008 is lower than the planned amount needed to replenish reserves to the levels adopted by the Council as part of the 2007-2008 Budget. This adjustment recognizes telecommunications utility taxes received above budgeted amounts which be used to backfill the lower than expected interest revenue and replenish the reserves to the targeted amount.
- **Grants (\$68,004):** The City has received several grants during the year and this adjustment recognizes the grant revenue and associated expenses. The grants include:
 - Economic development grant from the CTED (\$45,000)
 - Homeland Security Grant for the Fire & Building Department from FEMA (\$13,814)
 - Health Department Grant for the Fire & Building Department (\$1,644)
 - Traffic Safety Commission grant for Fire Department training (\$7,546)
- **E-911 Reimbursements (\$330,059):** Recognize reimbursement for Dispatch overtime, training, and equipment as provided by the escrow account maintained by King County on the City's behalf.

This is the final adjustment to the 2007-2008 Budget.

**City of Kirkland
2007-2008 Budget
2008 Year-end Budget Adjustment Summary**

Adjustment Type	Dept.	Description	Uses	Funding Source				Funding Source Notes
				Reserves	Resources Forward	Operating Transfers	External Revenue	
General Fund								
Other Adj	Nondept	Leasehold Excise Tax Credit Payment	250,339			250,339		Contingency Fund
Other Adj	Nondept	2009-10 Service Package Funding	1,000,000			1,000,000		Revenue Stabilization Reserve
Other Adj	Nondept	2007-08 Interest Revenue Backfill to Reserves	400,308				400,308	Utility Taxes
Other Adj	CMO	Economic Development Grant	45,000				45,000	CTED Grant
Other Adj	Parks	Special Events Supplies and Equipment Rentals	11,000				11,000	Special Events Revenue
Other Adj	Police	Dispatch Overtime, Training and Equipment Reimbursement	330,059				330,059	Enhanced 911 Access Line Revenue
Other Adj	F&B	Emergency Preparedness Grant	50,472				50,472	Emergency Preparedness Grant
Other Adj	F&B	Homeland Security Grant	13,814				13,814	FEMA
Other Adj	F&B	Health Department Grant	1,644				1,644	Health Department Grant
Other Adj	F&B	Fire Training-Traffic Safety Commission	7,546				7,546	Traffic Safety Commission Grant
General Fund Total			2,110,182	-	-	1,250,339	859,843	
OTHER FUNDS								
Street Operating Fund								
Other Adj	PW	2008 Pavement Marking Project	84,295			84,295		Street Improvement Fund Reserve
Street Operating Fund Total			84,295	-	-	84,295	-	
Park and Municipal Reserve Fund								
Other Adj	Parks	Lee Lohnson Field Scoreboard	43,000			43,000		Housekeeping Adjustment
Park and Municipal Reserve Fund Total			43,000	-	-	43,000	-	
Facilities Maintenance Fund								
Other Adj	PW	Concours d'Elegance Donation to Evergreen Hospital Charity	3,000				3,000	Admissions Tax Rebate
Facilities Maintenance Fund Total			3,000	-	-	-	3,000	
Information Technology Fund								
Other Adj	IT	Northshore Fire District Service Contract	39,010				39,010	Contract Revenue
Other Adj	IT	Verizon Franchise Negotiation	12,950			12,950		General Fund Contingency Reserve
Information Technology Fund Total			51,960	-	-	12,950	39,010	
TOTAL OTHER FUNDS			182,255	-	-	140,245	42,010	
TOTAL ALL FUNDS			2,292,437	-	-	1,390,584	901,853	

ORDINANCE NO. 4159

AN ORDINANCE OF THE CITY OF KIRKLAND AMENDING THE BIENNIAL BUDGET FOR 2007-2008.

WHEREAS, the City Council finds that the proposed adjustments to the Biennial Budget for 2007-2008 reflect revenues and expenditures that are intended to ensure the provision of vital municipal services at acceptable levels;

NOW, THEREFORE, the City Council of the City of Kirkland do ordain as follows:

Section 1. The 2008 biennial-end adjustments to the Biennial Budget of the City of Kirkland for 2007-2008 are hereby adopted.

Section 2. In summary form, modifications to the totals of estimated revenues and appropriations for each separate fund and the aggregate totals for all such funds combined are as follows:

<u>Funds</u>	<u>Current</u> <u>Budget</u>	<u>Adjustments</u>	<u>Revised</u> <u>Budget</u>
General	113,636,653	2,110,182	115,746,835
Lodging Tax	561,841	0	561,841
Street Operating	9,600,236	84,295	9,684,531
Cemetery Operating	336,709	0	336,709
Parks Maintenance	2,144,266	0	2,144,266
Recreation Revolving	2,111,338	0	2,111,338
Facilities Maintenance	9,066,324	3,000	9,069,324
Contingency	2,940,790	0	2,940,790
Cemetery Improvement	549,500	0	549,500
Impact Fees	3,709,937	0	3,709,937
Park & Municipal Reserve	12,761,743	43,000	12,804,743
Off-Street Parking Reserve	69,564	0	69,564
Tour Dock	99,235	0	99,235
Street Improvement	3,222,265	0	3,222,265
Grant Control Fund	285,835	0	285,835
Excise Tax Capital Improvement	22,091,056	0	22,091,056
Limited General Obligation Bonds	4,966,356	0	4,966,356
Unlimited General Obligation Bonds	3,243,334	0	3,243,334
L.I.D. Control	9,647	0	9,647
General Capital Projects	33,808,550	0	33,808,550
Grant Capital Projects	16,379,729	0	16,379,729
Water/Sewer Operating	38,471,870	0	38,471,870
Water/Sewer Debt Service	3,758,988	0	3,758,988
Utility Capital Projects	17,305,570	0	17,305,570
Surface Water Management	12,094,573	0	12,094,573
Surface Water Capital Projects	10,140,676	0	10,140,676

<u>Funds</u>	<u>Current Budget</u>	<u>Adjustments</u>	<u>Revised Budget</u>
Solid Waste	17,233,322	0	17,233,322
Equipment Rental	12,367,189	0	12,367,189
Information Technology	10,692,354	51,960	10,744,314
Firefighter's Pension	1,382,725	0	1,382,725
	<u>365,042,175</u>	<u>2,292,437</u>	<u>367,334,612</u>

Section 3. This ordinance shall be in force and effect five days from and after its passage by the Kirkland City Council and publication, as required by law.

Passed by majority vote of the Kirkland City Council in open meeting this 16th day of December, 2008.

Signed in authentication thereof this 16th day of December 2008.

MAYOR

Attest:

City Clerk

Approved as to Form:

City Attorney