



CITY OF KIRKLAND

Department of Finance

123 Fifth Avenue, Kirkland, WA 98033 425.587.3000

www.ci.kirkland.wa.us

MEMORANDUM

To: David Ramsay, City Manager

From: Marilynne Beard, Director of Finance and Administration
Sandi Miller, Financial Planning Manager

Date: December 3, 2004

Subject: **2005-2006 MID-BIENNIAL BUDGET ADJUSTMENT**

RECOMMENDATION:

Council approve the attached ordinance adjusting the budget for the 2005-2006 biennium.

BACKGROUND DISCUSSION:

At the November 10th Council Study Session, the City Council was presented with a financial update and series of policy and funding recommendations to update the adopted 2005-2006 Budget. Following their review and a public hearing held on November 15th, the City Council made several changes from the original recommendation:

- The most significant change was the addition of **public safety staffing** to meet the most pressing needs in the fire and police departments. The City Council approved the addition of thirteen new positions including a five-person “proactive unit” in the Police Department and an additional medical aid unit at the Juanita/Totem Lake fire station (eight new positions are needed to staff a two-person aid car 24 hours per day, seven days per week, 365 days per year). Earlier this year, the Council approved a new operations lieutenant in the Police Department. A combination of a one percent increase in utility taxes and \$910,000 of banked property tax capacity were used to fund the public safety improvements.
- Council approved a proposal from the Public Works Department for a pilot program to lease a **paving vehicle** for performing smaller street overlays to supplement the annual street overlay program funded in the Capital Improvement Program. The final adjustment also reflects the **implementation of the Surface Water Master Plan** recommendations and includes the addition of 1.5 FTE’s (.50 education and outreach position and 1.0 surface water utility worker). The master plan implementation does not change the “bottom line” for the Surface Water Operating and Capital funds, but does transfer money between line items to achieve the operational improvements envisioned in the master plan.

- Although the Council approved the implementation of a **false alarm program** in concept, no adjustment is being made at this time since additional staff work is required to better define the scope and costs of the plan. It is anticipated that any program costs will be offset by new revenue.
- A late request was received from the **Downtown Action Team** for funding to continue implementation of the downtown strategic plan. The Council decided to make no budget adjustment at this time but to reconsider the request next year.

The City's budget is adopted at the fund level which sets the total expenditure authority for the biennium for each fund. A summary of the 2005-2006 adjusted budget by fund type is included in the table below:

Fund Type	Current 05-06 Budget	Adjustments	Revised 05-06 Budget
General Government:			
General Fund	94,245,813	4,641,348	98,887,161
Other Operating Funds	20,824,613	361,185	21,185,798
Internal Service Funds	18,781,275	1,959,290	20,740,565
Non-Operating Funds	81,771,914	8,344,919	90,116,833
Utilities:			
Water/Sewer	54,713,225	1,451,029	56,164,254
Surface Water	14,180,332	28,946	14,209,278
Solid Waste	15,490,445	148,996	15,639,441
Total Budget	300,007,617	16,935,713	316,943,330

Total adjustments of \$16,935,713 are recommended and reflect two types of adjustments:

- **Previously-approved and New Funding Requests** – Attachment A provides an updated summary of the adjustments approved by Council and incorporated within the authorizing ordinance. Items previously approved by Council relate to funding reviewed and approved by Council at a regular meeting held earlier in 2005. This ordinance simply makes the funding transfers needed to reflect the Council's actions. New funding requests reflect the most recent funding decisions made by Council as a result of the mid-biennial budget review process. It should be noted that the summary provided on Attachment A shows the dollar value of the item approved which does not necessarily translate to an increase in the overall budget. For example, Council approved the conversion of six development services staff from temporary status to regular status. In this case, most of the salary and benefit costs are already contained in the 2005-2006 Budget. The approval of the FTE's simply acknowledges a change in funding source from one-time to ongoing revenue sources. In this case, the "bottom line" of the fund only changes by a small amount to acknowledge the marginal cost of the regular positions approved compared to the temporary staff already budgeted.

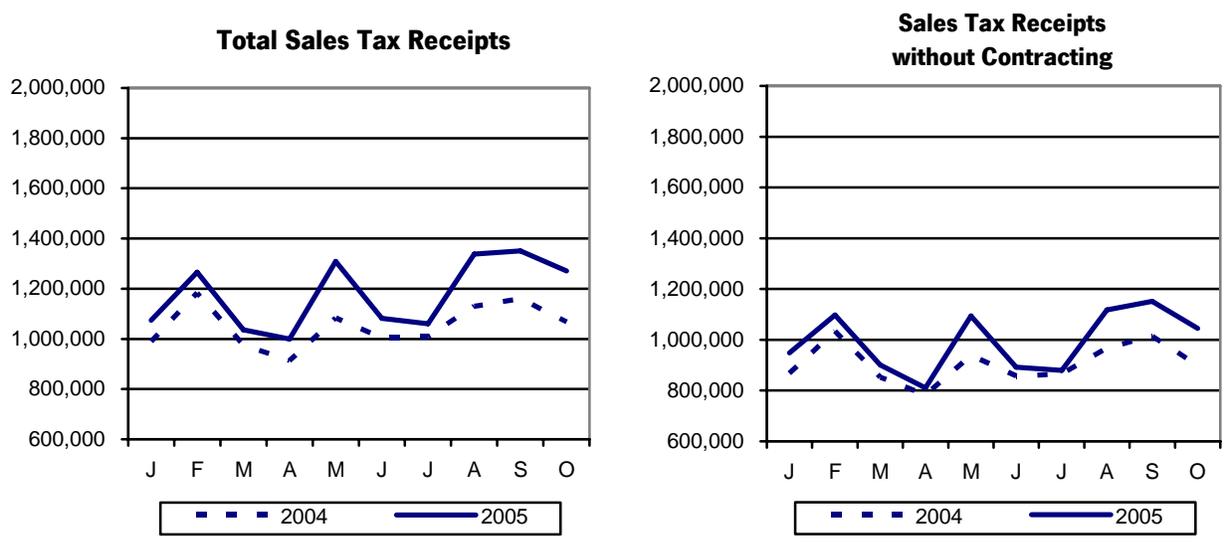
- Housekeeping** – These adjustments are primarily related to reconciling budgeted beginning fund balances to actual beginning fund balances, acknowledging the updated 2006 to 2011 Capital Improvement Program adopted in October and making corrections to acknowledge grants received and reorganizations that have occurred in the past six months. The housekeeping adjustments also acknowledge the estimated year-end transfer from the General Fund to reserves that will be brought back to Council after January 1st when the exact amounts are known. The year-end transfer will reflect the recommendation to replenish the General Capital Projects Contingency (\$1,000,000) and to establish a Development Services Reserve (estimated at \$860,000). Housekeeping adjustments are described on Attachment B and represent about \$10.97 million of the total recommended adjustment most of which is due to the updated CIP and the year-end transfer to reserves.

Follow-up Information

The City Council requested information on a variety of topics during their budget meetings.

Regarding the impact of current contracting trends on sales tax – *What does the comparison of year-to-year sales tax receipts look with and without contracting?*

The following two charts show year-to-year to comparisons of sales tax receipts with and without contracting. The overall trend remains very similar but with a lower overall total.



Regarding the level of support for the Kirkland Performance Center (KPC) – *How much has the City contributed to the Kirkland Performance Center in the past and how much do other local municipalities contribute towards performance center operations?*

Kirkland contributes to the KPC operations in several ways.

1. The KPC is not charged rent for the facility and the City is responsible for repair and replacement of major building systems such as HVAC and roofing. The KPC provides interior maintenance and janitorial and owns the furnishings contained within the Performance Center.

2. The City remits an amount equivalent to the admissions tax collected by the KPC back to the organization to help support operations. This has generally been about \$30,000 per year.
3. The KPC requests annual funding as an outside agency. Their requests are generally in the range of \$25,000 to \$50,000. The KPC has also received grants through the Lodging Tax Advisory Committee for promotional activities. The following table shows the historic annual General Fund grant support for the KPC:

	KPC General Fund Outside Agency Funding
2001	\$25,000
2002	\$25,000
2003	\$50,000
2004	\$50,000
2005	\$50,000

The Parks and Community Services Department compiled information comparing levels of operating subsidies provided in various communities. The following chart compares the KPC operating budget with six performing arts facilities in the region. All but one facility (Village Theatre in Issaquah) includes public funding as a source of revenue.

Comparison of Community Support for Performing Arts Centers

THEATRE	OPERATING BUDGET	CITY CONTRIBUTION	OTHER
Kirkland Performance Center	\$1,241,618	City funds \$50,000 (outside agency grant) and returns the amount of admission tax collected (\$30,000)	City owns and maintains structure, KPC maintains interior and janitorial services.
Carco Theatre Renton, WA	\$162,000 operating budget	The City of Renton owns, maintains and operates this theatre. Revenue \$45,000 General Fund Support \$115,200	City owns and maintains the building.
Washington Center for Performing Arts Olympia, WA	\$1.2 million	Funding comes from three different cities: Olympia provides \$300,000 Lacey provides \$16,000 Tumwater provides \$15,000	City of Olympia owns and maintains the building
Village Theatre Issaquah, WA	\$6.5 million	Not owned by the City No city sponsorship	This is owned and operated by a non-profit professional musical theatre company.

Meydenbauer Center Bellevue, WA	Revenue: \$196,000 Expenses: \$467,000 Hotel/Motel Tax makes up the difference. Tax subsidizes convention center and theatre.	The City of Bellevue is involved in the approval of the Board of Directors and the backing of bonds. There have also been grants provided by the City of Bellevue.	Owned by Public Development Authority
Knutzen Center Federal Way, WA	\$196,000	The City of Federal Way owns and manages this building. City earmarked \$100,000 from utility tax for theatre operations. \$96,000 from rental, user fees and tickets.	City maintains the theatre
Everett Performing Arts Center	\$290,387	Derives revenue from rental of the facility and general government property tax allocation. Owned and operated by the City of Everett. Contracts with Village Theatre for its management.	City provides telephone and computer service

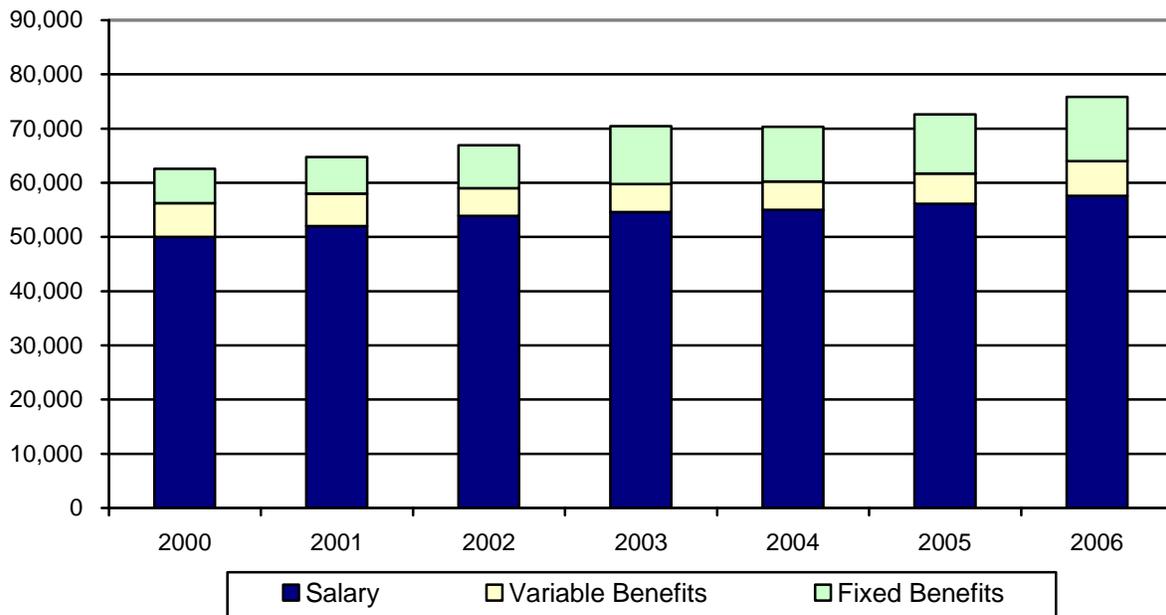
Regarding Friends of Youth funding request – How much funding has the City provided in the past to Friends of Youth?

The City contracts with Friends of Youth (FOY) to operate the Kirkland Teen Union Building. In addition to their annual contract (currently at \$100,000 per year), FOY has requested supplemental funding through the outside agency grant process. The following table shows the total amount of grant support provided to FOY in past years.

	FOY General Fund Outside Agency Funding
2001	\$25,000
2002	\$25,000
2003	\$25,000
2004	\$50,000
2005	\$55,000

Regarding increased cost of employee benefits – *What is the ratio between wages and benefits and how much has that changed over time?*

The following chart shows the average ratio between wages and benefits for the past seven years. Benefits include both fixed-rate costs such as health insurance premiums and variable rate costs such as retirement contributions that are assessed as a percentage of salary.



	2000	2001	2002	2003	2004	2005	2006
Total Benefit % of Salary	25.19%	24.38%	24.17%	29.00%	27.79%	29.38%	31.75%

Regarding special events support – *How much support does the City provide for special events and how much is reimbursed by grants, paid outright or received in in-kind services to outside agencies from the City?*

Sponsoring agencies secure a special events permit which may require City services such as traffic control, standby emergency medical and/or fire aid and facility set up. These services are charged back to the sponsoring agencies so that any new marginal costs incurred by the City (such as police overtime) do not impact the normal budget. The sponsoring agency may use the City's grant funds to pay for City services, although there may not be a one-to-one relationship between dollars granted and support provided. The City also provides in-kind support for special events. For instance, the cost for the Special Events Coordinator is not recouped from sponsoring agencies.

The City Manager's Office will work with the Finance Committee and City Council to review and revamp the outside agency granting process. As part of that effort, staff will be preparing a recommendation for a special event permit fee system that may streamline the process for sponsoring agencies and more clearly articulate the level of City support being provided for special events.

**City of Kirkland
2005-2006 Budget
Adjustments & New Funding Requests**

Fund & Adjustment Type	2005-2006 Department Request				2005-2006 City Council Approved				Funding Source					
	FTE	Ongoing	One-time	Total	FTE	Ongoing	One-time	Total	Available Fund Balance	External Source	Expenditure Offset	Fees/Charges	Taxes	Reserves
GENERAL FUND														
PREVIOUSLY APPROVED ADJUSTMENTS														
Public Safety Communications Strategy	-	-	35,000	35,000	-	-	35,000	35,000	35,000	-	-	-	-	-
Municipal Court Jurisdiction Case Legal Participation	-	-	1,000	1,000	-	-	1,000	1,000	1,000	-	-	-	-	-
Assessment of Cannery Building	-	-	10,000	10,000	-	-	10,000	10,000	-	-	-	-	-	10,000
Economic Development Mgr Recruitment	-	-	20,000	20,000	-	-	20,000	20,000	-	-	20,000	-	-	-
Off Leash Enforcement Program	-	-	7,200	7,200	-	-	7,200	7,200	-	-	-	-	-	7,200
Public Opinion Survey-Sidewalk Bond	-	-	26,000	26,000	-	-	26,000	26,000	-	-	-	-	-	26,000
Municipal Court - Pension Payout	-	-	30,293	30,293	-	-	30,293	30,293	-	-	-	-	-	30,293
Backfill for MultiMedia Staff Maternity Leave	-	-	6,791	6,791	-	-	6,791	6,791	6,791	-	-	-	-	-
Police Systems Analyst (2005 & 2006)	-	-	109,535	109,535	-	-	109,535	109,535	-	-	109,535	-	-	-
Early Firefighter Hire for Paramedic Backfill	-	-	8,000	8,000	-	-	8,000	8,000	8,000	-	-	-	-	-
Temporary Building Inspector (2005 & 2006)	-	-	92,061	92,061	-	-	92,061	92,061	-	-	-	92,061	-	-
General Fund Support for Recreation Pgms	-	39,000	-	39,000	-	39,000	-	39,000	-	-	-	-	39,000	-
Police Lieutenant (2005 & 2006)	1.00	189,866	62,224	252,090	1.00	189,866	62,224	252,090	-	-	-	-	252,090	-
NEW FUNDING REQUESTS														
Outside Agencies	-	-	196,500	196,500	-	-	196,500	196,500	196,500	-	-	-	-	-
KEP Contract Extension (month to month)	-	-	11,610	11,610	-	-	11,610	11,610	-	-	11,610	-	-	-
Legislative Advocacy Services	-	-	30,000	30,000	-	-	30,000	30,000	30,000	-	-	-	-	-
Currently Kirkland 2006 Video Production	-	-	30,000	30,000	-	-	30,000	30,000	30,000	-	-	-	-	-
Cable Franchise Negotiations	-	-	10,000	10,000	-	-	10,000	10,000	10,000	-	-	-	-	-
Graphic Artist - Additional Hours (2006)	-	-	16,745	16,745	-	-	-	-	-	-	-	-	-	-
Multimedia and Web Services Special Projects (2005)	-	-	19,000	19,000	-	-	19,000	19,000	10,892	4,608	3,500	-	-	-
Youth Work Program	-	-	32,039	32,039	-	-	-	-	-	-	-	-	-	-
Shoreline Master Plan Update	-	-	68,000	68,000	-	-	68,000	68,000	-	68,000	-	-	-	-
Jail Cost Overage	-	-	180,000	180,000	-	-	-	-	-	-	-	-	-	-
Backfill CDBG Funds-Human Svcs Coord.	-	23,292	-	23,292	-	23,292	-	23,292	-	-	-	-	23,292	-
Reception Desk Staffing/Passports	0.50	25,957	-	25,957	0.50	25,957	-	25,957	-	-	-	25,957	-	-
Convert Judge from .75 Contract to .85 FTE	0.85	28,000	-	28,000	0.85	28,000	-	28,000	-	-	-	-	28,000	-
False Alarm Program Staff Support	0.50	28,021	-	28,021	-	-	-	-	-	-	-	-	-	-
Convert Temp Development Engineer to FTE	1.00	83,907	-	83,907	1.00	83,907	-	83,907	-	-	-	83,907	-	-
Convert Temp Planning Info Specialist to FTE	1.00	71,320	-	71,320	1.00	71,320	-	71,320	-	-	-	71,320	-	-
Convert Temporary Building Staff to FTEs	4.00	341,636	-	341,636	4.00	341,636	-	341,636	-	-	-	341,636	-	-
ProAct Unit Staffing	5.00	442,304	189,127	631,431	5.00	442,304	189,127	631,431	189,127	-	-	-	442,304	-
Totem Lake Medical Aid Staffing	8.00	773,007	73,100	846,107	8.00	773,007	73,100	846,107	53,897	222,272	-	-	569,938	-
GENERAL FUND TOTAL	21.85	2,046,310	1,264,225	3,310,535	21.35	2,018,289	1,035,441	3,053,730	571,207	294,880	144,645	614,881	1,354,624	73,493

**City of Kirkland
2005-2006 Budget
Adjustments & New Funding Requests**

Fund & Adjustment Type	2005-2006 Department Request				2005-2006 City Council Approved				Funding Source					
	FTE	Ongoing	One-time	Total	FTE	Ongoing	One-time	Total	Available Fund Balance	External Source	Expenditure Offset	Fees/Charges	Taxes	Reserves
OTHER FUNDS														
LODGING TAX FUND														
NEW FUNDING REQUESTS														
Tourism Program	-	-	95,000	95,000	-	-	95,000	95,000	-	-	-	-	-	95,000
LODGING TAX FUND TOTAL	-	-	95,000	95,000	-	-	95,000	95,000	-	-	-	-	-	95,000
FACILITIES MAINTENANCE FUND														
NEW FUNDING REQUESTS														
South Rose Hill Rent & Operating Costs	-	-	44,000	44,000	-	-	44,000	44,000	44,000	-	-	-	-	-
Council Chamber AV Repairs	-	-	30,000	30,000	-	-	30,000	30,000	30,000	-	-	-	-	-
FACILITIES MAINTENANCE FUND TOTAL	-	-	74,000	74,000	-	-	74,000	74,000	74,000	-	-	-	-	-
PARK & MUNICIPAL RESERVE FUND														
PREVIOUSLY APPROVED ADJUSTMENTS														
Animal Sculpture Acquisition	-	-	212,160	212,160	-	-	212,160	212,160	-	212,160	-	-	-	-
Family Net Program	-	-	22,000	22,000	-	-	22,000	22,000	-	-	-	-	-	22,000
PARK & MUNICIPAL RESERVE FUND TOTAL	-	-	234,160	234,160	-	-	234,160	234,160	-	212,160	-	-	-	22,000
GENERAL CAPITAL PROJECTS FUND														
PREVIOUSLY APPROVED ADJUSTMENTS														
Maintenance Center Improvements-Phase II	-	-	60,000	60,000	-	-	60,000	60,000	-	-	-	-	-	60,000
Kirkland Avenue Sidewalk	-	-	24,000	24,000	-	-	24,000	24,000	-	-	-	-	-	24,000
Central Way Corridor Improvements	-	-	640,000	640,000	-	-	640,000	640,000	-	-	-	-	-	640,000
Central Way Utility Undergrounding	-	-	80,000	80,000	-	-	80,000	80,000	-	-	-	-	-	80,000
GENERAL CAPITAL PROJECTS FUND TOTAL	-	-	804,000	804,000	-	-	804,000	804,000	-	-	-	-	-	804,000
GRANT CAPITAL PROJECTS FUND														
PREVIOUSLY APPROVED ADJUSTMENTS														
Slater Avenue Roadway Improvements	-	-	853,536	853,536	-	-	853,536	853,536	-	-	-	-	-	853,536
GRANT CAPITAL PROJECTS FUND TOTAL	-	-	853,536	853,536	-	-	853,536	853,536	-	-	-	-	-	853,536
WATER/SEWER OPERATING FUND														
NEW FUNDING REQUESTS														
Sewer Comprehensive Plan	-	-	130,000	130,000	-	-	130,000	130,000	-	-	-	-	-	130,000
Utility Long Term Financial Study	-	-	75,000	75,000	-	-	75,000	75,000	-	-	-	-	-	75,000
WATER/SEWER OPERATING FUND TOTAL	-	-	205,000	205,000	-	-	205,000	205,000	-	-	-	-	-	205,000

**City of Kirkland
2005-2006 Budget
Adjustments & New Funding Requests**

Fund & Adjustment Type	2005-2006 Department Request				2005-2006 City Council Approved				Funding Source					
	FTE	Ongoing	One-time	Total	FTE	Ongoing	One-time	Total	Available Fund Balance	External Source	Expenditure Offset	Fees/Charges	Taxes	Reserves
WATER/SEWER CAPITAL PROJECTS FUND														
PREVIOUSLY APPROVED ADJUSTMENTS														
Emergency Sewer Program	-	-	400,000	400,000	-	-	400,000	400,000	-	-	-	-	-	400,000
I-405 Sewer Line Encasement	-	-	350,000	350,000	-	-	350,000	350,000	-	-	-	-	-	350,000
Watermain Replacement-2004 Surface Water Projects	-	-	20,000	20,000	-	-	20,000	20,000	-	-	-	-	-	20,000
18th Avenue Watermain Replacement	-	-	116,000	116,000	-	-	116,000	116,000	-	-	-	-	-	116,000
2005 Water System Improvements	-	-	111,500	111,500	-	-	111,500	111,500	-	-	-	-	-	111,500
WATER/SEWER CAPITAL PROJ. FUND TOTAL	-	-	997,500	997,500	-	-	997,500	997,500	-	-	-	-	-	997,500
SURFACE WATER OPERATING FUND														
PREVIOUSLY APPROVED ADJUSTMENTS														
Adoption of Updated Surface Water Management Plan	1.50	100,694	116,650	217,344	1.50	100,694	116,650	217,344	-	-	-	217,344	-	-
SURFACE WATER OPERATING FUND TOTAL	1.50	100,694	116,650	217,344	1.50	100,694	116,650	217,344	-	-	-	217,344	-	-
SURFACE WATER CAPITAL PROJECTS FUND														
PREVIOUSLY APPROVED ADJUSTMENTS														
NE 47th Place Surface Water Outfall	-	-	44,000	44,000	-	-	44,000	44,000	-	-	-	-	-	44,000
Sediment Pond Reclamation	-	-	10,000	10,000	-	-	10,000	10,000	-	-	-	-	-	10,000
SURFACE WATER CAPITAL PROJ. FUND TOTAL	-	-	54,000	54,000	-	-	54,000	54,000	-	-	-	-	-	54,000
EQUIPMENT RENTAL FUND														
PREVIOUSLY APPROVED ADJUSTMENTS														
Police Tactical Vehicle-Additional Funding	-	-	13,827	13,827	-	-	13,827	13,827	-	-	-	-	-	13,827
NEW FUNDING REQUESTS														
Fuel Overage (2005 & 2006)	-	-	218,310	218,310	-	-	218,310	218,310	218,310	-	-	-	-	-
Street Paver	-	-	85,000	85,000	-	-	85,000	85,000	-	-	85,000	-	-	-
EQUIPMENT RENTAL FUND TOTAL	-	-	317,137	317,137	-	-	317,137	317,137	218,310	-	85,000	-	-	13,827
INFORMATION TECHNOLOGY FUND														
NEW FUNDING REQUESTS														
Internet Communications Support	-	-	60,929	60,929	-	-	45,697	45,697	45,697	-	-	-	-	-
IT Strategic Plan	-	-	110,000	110,000	-	-	110,000	110,000	110,000	-	-	-	-	-
INFORMATION TECHNOLOGY FUND TOTAL	-	-	170,929	170,929	-	-	155,697	155,697	155,697	-	-	-	-	-
TOTAL OTHER FUNDS	1.50	100,694	3,921,912	4,022,606	1.50	100,694	3,906,680	4,007,374	448,007	212,160	85,000	217,344	-	3,044,863
TOTAL ALL FUNDS	23.35	2,147,004	5,186,137	7,333,141	22.85	2,118,983	4,942,121	7,061,104	1,019,214	507,040	229,645	832,225	1,354,624	3,118,356

**City of Kirkland
2006 GRANT REQUEST SUMMARY**

Event / Item	2005 Grant Award	2006 Grant Request	2006 Grant Recommend.	2006 Funding Source	Funding Recommendations/Source			
					LTAC	Community Event	Business Grants	One Time Funds
Kirkland Downtown Association-LTAC	8,000	5,500	8,000	LTAC	8,000			
Kirkland Downtown Association Business Grant		10,000	25,000	Bus. Grant			25,000	
Kirkland Downtown Association - Outside Agency		50,000	18,500	One Time				18,500
Kirkland Downtown on the Lake-Main Street A	18,500							
Kirkland Downtown on the Lake-Main Street B	16,500							
Kirkland Downtown on the Lake-Downtown Amenities	8,500							
Celebrate Kirkland 4th of July - Picnic	10,000	5,000	8,000	One Time				8,000
Celebrate Kirkland - 4th of July - Fireworks Show	30,000	50,000	30,000	One Time				30,000
Celebrate Kirkland - 4th of July Marketing - LTAC		5,000	5,000	LTAC	5,000			
Classic Car Show	3,500	5,200	3,500	One Time				3,500
Seven Hills of Kirkland	7,000	13,000	7,000	One Time				7,000
Chamber of Commerce Triathlon	6,000	3,000	3,000	One Time				3,000
Chamber of Commerce - 4th of July		3,000		n/a				
Jr. Softball World Series	10,000	10,000	10,000	Comm. Event		10,000		
Kirkland Performance Center	50,000	50,000	50,000	One Time				50,000
Kirkland Performance Center (brochure) LTAC	10,000	10,000	10,000	LTAC	10,000			
Friends of Youth	55,000	65,000	60,000	One Time				60,000
Heritage Society	2,000	2,000	2,000	One Time				2,000
Leadership Eastside	6,000	6,000	6,000	One Time				6,000
Feet First	1,000	1,000	1,000	One Time				1,000
KAST - LTAC		2,000	2,000	LTAC	2,000			
Kirkland Art Center - Gallery Brochure - LTAC		2,200	2,200	LTAC	2,200			
Summerfest	6,000	12,000	6,000	One Time				6,000
Summerfest - Marketing - LTAC		3,000	3,000	LTAC	3,000			
Green Theater		1,000	-	n/a				
Howard Mandeville (landscape show) - refer to LTAC	7,000	12,000	-	Ref. to LTAC				
Transportation Choices Coalition	1,500	1,500	1,500	One Time				1,500
Totals	\$ 256,500	\$ 327,400	\$ 261,700		\$ 30,200	\$ 10,000	\$ 25,000	\$ 196,500

**City of Kirkland
2005-2006 Budget
Housekeeping Adjustments**

Fund & Adjustment Description	Amount	Approved Adjustment
GENERAL FUND		
2005 Resources Forward Adjustment to Actual Balance	324,282	Fund new one-time requests and reduce transfer from Revenue Stabilization Reserve
2005 Police Grants for Overtime and Equipment	45,509	Acknowledge grant and appropriate related expenses
2005 Firefighter Deployment for Hurricane Katrina Relief	124,913	Acknowledge grant and appropriate related expenses
2006 Reserve Replenishment and Establishment	1,860,000	Replenish Capital Contingency and establish Dev. Services Reserve
TOTAL GENERAL FUND	2,354,704	

OTHER OPERATING FUNDS		
Lodging Tax		
2005 Resources Forward Adjustment to Actual Balance	(421)	Adjust reserve to rebalance
Street Operating		
2005 Resources Forward Adjustment to Actual Balance	67,786	Adjust working capital to rebalance
2005-2006 Move Arborist Service Package from General Fund	90,597	Correct original service package budget
Cemetery Operating		
2005 Resources Forward Adjustment to Actual Balance	6,704	Adjust working capital to rebalance
Parks Maintenance		
2005 Resources Forward Adjustment to Actual Balance	130,845	Adjust working capital to rebalance
Recreation Revolving Programs		
2005 Resources Forward Adjustment to Actual Balance	(12,374)	Adjust working capital to rebalance
Facilities Maintenance		
2005 Resources Forward Adjustment to Actual Balance	78,048	Fund one-time requests and adjust working capital to rebalance
Water/Sewer Operating		
2005 Resources Forward Adjustment to Actual Balance	731,435	Adjust working capital to rebalance
Surface Water Operating		
2005 Resources Forward Adjustment to Actual Balance	198,451	Adjust working capital to rebalance
Solid Waste		
2005 Resources Forward Adjustment to Actual Balance	148,996	Adjust working capital to rebalance

**City of Kirkland
2005-2006 Budget
Housekeeping Adjustments**

Fund & Adjustment Description	Amount	Approved Adjustment
Equipment Rental		
2005 Resources Forward Adjustment to Actual Balance	(565,295)	Adjust equipment rental replacement reserve to reflect greater than estimated vehicle purchases in 2004
2005 Tactical Command Vehicle Purchase	161,904	Correct original service package budget
2005 Pipeline Video Truck Purchase	148,426	Correct original service package budget
Information Technology		
2005 Resources Forward Adjustment to Actual Balance	1,137,201	Fund one-time requests and establish Major Systems Replacement Reserve
2006 Move MultiMedia Division from General Fund to IT Fund	379,532	Adjust for reorganization
TOTAL OTHER OPERATING FUNDS	2,701,835	

OTHER NON-OPERATING FUNDS		
Contingency		
2005 Resources Forward Adjustment to Actual Balance	4,650	Adjust reserve to rebalance fund
Cemetery Improvement		
2005 Resources Forward Adjustment to Actual Balance	4,237	Adjust reserve to rebalance fund
Impact Fee		
2005 Resources Forward Adjustment to Actual Balance	646,057	Adjust reserves to rebalance fund
Park & Municipal Reserve		
2005 Resources Forward Adjustment to Actual Balance	147,248	Adjust reserves to rebalance fund
2006 Development Services Reserve	860,000	Establish Development Services Reserve
Tour Dock		
2005 Resources Forward Adjustment to Actual Balance	5,375	Adjust reserve to rebalance fund
Street Improvement		
2005 Resources Forward Adjustment to Actual Balance	88,688	Adjust reserve to rebalance fund
2006 Adjust for Approved 2006-2011 CIP	(20,000)	Acknowledge adopted CIP funding sources
Grant Control		
2005 Resources Forward Adjustment to Actual Balance	(29,546)	Adjust working capital to rebalance fund
Excise Tax Capital Improvement		
2005 Resources Forward Adjustment to Actual Balance	509,650	Adjust reserves to rebalance fund
Unlimited GO Debt Service		
2005 Resources Forward Adjustment to Actual Balance	2,396	Adjust working capital to rebalance fund
LID Control		
2005 Resources Forward Adjustment to Actual Balance	(5,000)	Adjust reserve to rebalance fund

**City of Kirkland
2005-2006 Budget
Housekeeping Adjustments**

Fund & Adjustment Description	Amount	Approved Adjustment
General Capital Projects		
2005 Resources Forward Adjustment to Actual Balance	978,064	Acknowledge additional carryover of project costs from 2004
2006 Adjust for Approved 2006-2011 CIP	2,858,200	Acknowledge adopted CIP
2006 General Capital Contingency	1,000,000	Replenish contingency from General Fund
2006 Street Paver	(85,000)	Reduction to Street Preservation Program to fund Street Paver
Grant Capital Projects		
2005 Resources Forward Adjustment to Actual Balance	(138,707)	Acknowledge grant revenue for additional carryover of project costs from 2004 and adjust reserve to rebalance fund
2006 Adjust for Approved 2006-2011 CIP	204,000	Acknowledge adopted CIP
2005 Correct Carryover	194,657	Acknowledge additional grant revenue for carryover
Water/Sewer Debt Service		
2005 Resources Forward Adjustment to Actual Balance	(25,807)	Adjust reserve to rebalance fund
Water/Sewer Capital Projects		
2005 Resources Forward Adjustment to Actual Balance	643,201	Adjust reserve to rebalance fund
2006 Adjust for Approved 2006-2011 CIP	102,200	Acknowledge adopted CIP
Surface Water Capital Projects		
2005 Resources Forward Adjustment to Actual Balance	(265,205)	Adjust reserve to rebalance fund
2006 Adjust for Approved 2006-2011 CIP	95,700	Acknowledge adopted CIP
Firefighter's Pension		
2005 Resources Forward Adjustment to Actual Balance	254	Adjust reserve to rebalance fund
TOTAL OTHER NON-OPERATING FUNDS	7,775,312	
TOTAL ALL FUNDS	12,831,851	

ORDINANCE NO. 4027

AN ORDINANCE OF THE CITY OF KIRKLAND AMENDING THE BIENNIAL BUDGET FOR 2005-2006.

WHEREAS, the Kirkland City Council conducted a duly noticed public hearing on November 15, 2005, to take public comment with respect to the proposed adjustments to the Biennial Budget of the City of Kirkland for 2005-2006 and all persons wishing to be heard were heard; and

WHEREAS, the City Council finds that the proposed adjustments to the Biennial Budget for 2005-2006 reflects 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. Mid-biennial adjustments to the Biennial Budget of the City of Kirkland for 2005-2006 are hereby adopted.

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

<u>Funds</u>	<u>Current Budget</u>	<u>Adjustments</u>	<u>Revised Budget</u>
General	94,245,813	4,641,348	98,887,161
Lodging Tax	398,134	(421)	397,713
Street Operating	8,236,632	158,383	8,395,015
Cemetery Operating	305,024	6,704	311,728
Parks Maintenance	1,651,206	130,845	1,782,051
Recreation Revolving	1,863,341	(12,374)	1,850,967
Facilities Maintenance	8,370,276	78,048	8,448,324
Contingency	2,352,671	4,650	2,357,321
Cemetery Improvement	488,958	4,237	493,195
Impact Fees	2,810,455	646,057	3,456,512
Park & Municipal Reserve	9,583,351	1,219,408	10,802,759
Off-Street Parking Reserve	84,564	0	84,564
Tour Dock	205,538	5,375	210,913
Street Improvement	4,760,059	68,688	4,828,747
Grant Control Fund	369,047	(29,546)	339,501
Excise Tax Capital Improvement	13,508,785	509,650	14,018,435
Limited General Obligation Bonds	3,287,354	0	3,287,354
Unlimited General Obligation Bonds	3,234,553	2,396	3,236,949
L.I.D. Control	21,221	(5,000)	16,221
General Capital Projects	23,628,214	4,795,264	28,423,478
Grant Capital Projects	16,291,269	1,123,486	17,414,755
Water/Sewer Operating	34,403,942	731,435	35,135,377
Water/Sewer Debt Service	3,753,903	(25,807)	3,728,096

<u>Funds</u>	<u>Current Budget</u>	<u>Adjustments</u>	<u>Revised Budget</u>
Utility Capital Projects	16,555,380	745,401	17,300,781
Surface Water Management	9,753,865	198,451	9,952,316
Surface Water Capital Projects	4,426,467	(169,505)	4,256,962
Solid Waste	15,490,445	148,996	15,639,441
Equipment Rental	12,124,124	237,028	12,361,152
Information Technology	6,657,151	1,722,262	8,379,413
Firefighter's Pension	1,145,875	254	1,146,129
	<u>300,007,617</u>	<u>16,935,713</u>	<u>316,943,330</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 13th day of December, 2005.

Signed in authentication thereof this 13th day of December, 2005.

MAYOR

Attest:

City Clerk

Approved as to Form:

City Attorney