



CITY OF KIRKLAND
Department of Finance & Administration
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MEMORANDUM

To: Dave Ramsay, City Manager

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

Date: June 30, 2009

Subject: 2009 MID-YEAR BUDGET REVIEW & ADJUSTMENTS

RECOMMENDATION

City Council receive an update on the City's financial condition, receive and provide direction regarding policy issue papers, consider approving the ordinance adjusting the 2009-10 budget appropriation for selected funds during the regular meeting on July 7, and if needed, continue discussion of the core services matrix from the July 1 special study session.

BACKGROUND:

The Mid-Year Budget review addresses a variety of topics regarding the current budget biennium. This memo describes the various attachments included in the packet.

- **Financial Status** – Highlights of the May Dashboard Report (Attachment A) are included along with selected revenue data (i.e. June sales tax results).
- **Issue Papers** – The Council asked for two items to be brought back at Mid-year as issue papers, Court Security and Flexpass options (Attachment B and C respectively).
- **Budget Adjustments** - A recommendation concerning mid-year budget adjustments needed to meet unanticipated needs, annexation resources in preparation of the upcoming election, closing capital projects and housekeeping adjustments (Attachment D).

FINANCIAL STATUS

The Council received the first quarter Financial Management Report (FMR) as part of the June 2 Budget study session materials and the second quarter FMR is scheduled to be completed by August 15. The monthly dashboard report provides high level monitoring of the General Fund revenues and expenditures status, including a few key revenue and expenditure indicators across funds that are especially important to watch. The following are a few highlights from the May dashboard report (included as Attachment A):

- General Fund revenues (at 34% received) continue to lag the estimated percent-to-date collection (estimated at 42%). This is mostly due to sales tax, development fees and business license revenues continuing to come in weak.

- May sales tax was down 26.3%, for a year to date decline of 20.9% from May 2008, or about \$1.3 million. There was an anomaly in May's reporting that was corrected in the following month during 2008. Normalizing this anomaly changes the month to month comparison to 20.9% decrease from the same period last year.
- Development-related revenues continue to significantly lag 2008 revenues in all three areas, Building, Planning and Public Works Development Engineering. More information regarding development-related revenues and the steps being taken to address the shortfalls is discussed later in this memo.
- May business license revenues continue to lag estimates, specifically due to circumstances at two large employers (see Attachment A). We are continuing to pursue these situations, along with delinquent accounts and will continue to monitor trends closely.
- Two large revenue receipts, Fire District #41 payments and EMS levy revenue, should be received in late June/early July.
- General Fund expenditures are beginning to trail the budget, reflecting actions taken to date to slow spending.
- Fire Overtime was down in May compared to April and we are hopeful that the benefits of the additional staffing that came on-duty in April will continue to improve future results.

The data for June sales tax was received just days ago and does not provide much hope for improvement. June sales tax was down 16.1% from June 2008, with a year-to-date decline of 20.2%. Normalizing for the reporting error that occurred in May/June 2008, June 2009 would be down 22.5% compared to June 2008. In looking forward, the coming months will also see the impact on sales tax revenues of retailers closing, including Joe's Sporting Goods that closed in May, and car dealerships that were temporarily closed for several months with no sales.

Small signs of positive changes have begun to be seen on a national economic level, but as the Puget Sound area lagged into the recession, we are continuing this trend as we attempt to recover. There are not many positive signs to report on a regional level and the City itself has yet to see much improvement in areas that affect development and sales tax revenue. Pending plans for developments at Park Place and several downtown locations may begin to generate construction-related revenue late 2009 and into 2010, but the timing of these projects continues to be subject to change based on market conditions and financing uncertainties.

ISSUE PAPERS

Council requested information and/or recommendations be brought at the Mid-year review on the topics of Court security and Flexpass for employees. Attachment B is a report from the Police Chief and Judge outlining several options for providing part to full-time armed security at the Municipal Court. Two grants have been applied for that would provide funding for one option, utilizing a Corrections Officer on overtime. The decision on award of the grants is expected later this summer or early fall. The overtime option is the only option with a potential funding source at this time and would be the quickest to implement. This decision is expected to be brought back for Council consideration as part of the mid-biennial budget process later this fall.

At the June 2 Council meeting, staff presented background information about the costs of continuing the Flexpass program and other options to that program. Staff requested direction from the Council about what level of funding, if any, the City Council would be interested in putting toward an alternative program. A majority of the City Council thought it was important for the City to maintain some form of program in support of transit use to help reduce drive-alone trips and to meet our CTR mode split goal. Council directed staff to bring back options and a recommendation. Attachment C is a memo from Public

Works outlining options for programs at different funding levels, and a recommendation for a combination program of partially-subsidized passes for regular transit commuters and a "pool" of passes for official City use (i.e. taking the bus to Seattle for a meeting). If Council accepts the staff recommendation, funding for the \$7,500 that is needed is recommended to come from the Council Special Projects Reserve. Use of this reserve for the Flexpass proposal is incorporated into the mid-year adjustments ordinance that will be presented to Council at the regular meeting.

MID-YEAR BUDGET ADJUSTMENTS

State law prohibits expenditures from exceeding the budgeted appropriation for any fund and requires the City to adjust budget appropriations when:

1. Unanticipated revenue exists and will potentially be expended;
2. New funds are established during the budget year which were not included in the original budget; or
3. The City Council authorizes positions, projects, or programs not incorporated into the current biennial budget.

Unless there is an immediate need, budget adjustments that represent ongoing increases in the level of service are generally not introduced at mid-year. Rather, they are submitted as service package requests during the budget preparation process.

Carryovers and other one-time housekeeping adjustments to the 2009-2010 budget were presented and adopted by the Council on February 17 and March 17. As usual for the Mid-Year Adjustment process, adjustments are recommended for unexpected issues such as grant funding and Council use of reserves that have occurred since the last adjustment and resources previously approved for annexation work prior to the election in November (i.e. other adjustments). A reconciliation of beginning fund balances (i.e. resources forward) is included in order to match up budget with actual fund balances. Unusual to this point in the biennium, adjustments are necessary due to the continued negative effect the downturn in the economy has had on the budget. Adjustments are recommended that offset the decrease in revenues, both one-time and ongoing in nature (i.e. Development Services and Budget Balancing Strategies). Related to the capital program are adjustments that provide for the closing of completed projects that require additional funding, or have project savings to return to their original funding source (i.e. CIP).

Listed below is a summary of the recommended adjustments as they fit into the categories of Housekeeping and Other Adjustments, Resources Forward, Development Services, Budget Balancing Strategies, and CIP:

- **Housekeeping and Other Adjustments** – Recognizing additional grant revenue, previously approved uses of reserves, and other adjustments including:
 - Grants for Radar Equipment in the Police Department (\$6,928), Printing of Auto Theft Prevention brochures (\$9,383), Shoreline Master Plan (\$5,000), and Active Living Taskforce (\$1,000).
 - Use of the General Fund Contingency for the extension of the ICMA fellow position through May (13,500), Title 26 Telecomm Update (\$20,000) and Snow plow blades and de-icer (\$43,000).
 - Use of the General Fund Contingency for annexation resources needed to prepare for the upcoming election in November (\$177,000). Note that there is an additional \$23,000 in resources approved in the IT Fund, using year-end cash.
 - Recognizing revenue from the forfeit of a security deposit agreement in order to provide wetland buffer landscaping maintenance (\$10,647).

- Adjusting the Parks Human Services budget for corrected population estimates relating to the per capita human services funding (\$5,080)
 - Increasing the temporary Environmental & Education Outreach Specialist in the Parks & Community Services Department for work related to the Green Kirkland program (\$18,053). Funding for this increase comes from the Green Kirkland CIP project.
 - Adjusting for the 2008 transfer from the Development Services Reserve that was not completed previously (\$400,000).
- **Resources Forward** – 2009 resources forward, or beginning fund balance (cash), were estimated as part of the 2009-10 budget process during fall 2008. Now that 2008 is complete and the books have been closed, an analysis has been completed to reconcile the estimated resources forward with actual balances. All funds, where it is necessary, receive an adjustment (increase or decrease) to the budgeted beginning balance with a corresponding offset to the expenditure side. This offset is usually to a reserve account, but may be to other line items depending on the nature of the change in the beginning balance. A reconciliation by fund with notes concerning each adjustment is included as Attachment E. Total beginning fund balance for all funds is a net decrease of about \$3 million. This is due mostly to the capital funds where revenue did not finish as strong in 2008 as projected and adjustments due to carryovers previously adopted are necessary. The General Fund adjustment is an increase of \$1.8 million, of which \$1.5 million was expected and is part of the budget balancing strategies that will be discussed later in this memo.
 - **Development Services** – All three areas of development services (Building, Planning and Public Works Development Engineering) have seen significant declines in permit activity and revenue. We have been monitoring this closely all year and current revenue projections for the remainder of the year will be sufficiently below budget to warrant action at this point in the year. The reductions included as part of the mid-year adjustments are for 2009 only; however, the same reductions (annualized for those that are only a partial year in 2009) will be brought back to the Council as part of the mid-biennial update this fall. Additionally, if decreases in development activity continue, additional reductions may be needed. Likewise, significant increases in development activity may necessitate restoring some of these reductions. A complete summary of the reductions to each development area is included as Attachment F. Highlights of the reductions to development services include:

	Building		Dev. Engineering		Planning	
Rev. Shortfall Range	\$150,000 - \$300,000		\$150,000 - \$350,000		\$140,000 - \$180,000	
Reduction Target	\$230,000		\$215,000		\$150,000	
Reduction Examples:						
Vacant Positions	1 position	63,000	2 positions	71,700	0	
FTE Reductions	1.0 FTE	50,000	0		1.11 FTE	38,700
Staff Reallocations to Utilities	0		143,750		75,000	
Reduction of Supplies, Printing, Prof. Services	117,000		0		36,400	

- **Budget Balancing Strategies** – The 7 budget balancing strategies were first introduced to Council at the Council Retreat in March 2009. Several updates have been given to Council since then, with the latest at the June 2 budget study session where detailed information and staff recommendations or options were outlined. Based on Council input from that meeting, the framework has been updated to reflect Council direction for mid-year adjustments along with

more current estimates of savings. The updated framework is included as Attachment G. The following is a summary of the budget balancing strategy adjustments being brought forward.

- **Additional Reductions** – As outlined in the June 2 Council packet, staff previously identified all out-of-state training and travel/subsistence expenses in their department budgets. Council accepted staffs' recommendation to eliminate all out-of-state training and travel expenses that did not meet the identified criteria. Savings for the General Fund are \$29,000 for 2009 and \$35,000 for 2010.

Note that another item listed in 'Additional Reductions' on the framework is the Services Matrix. At this writing, Council is working through an exercise to identify core services by department and at the special study session on July 1 the results of the voting will be presented. This exercise will provide a starting point for assessing target areas to consider for reductions related to the voted private utility tax increase not passing. If more time is needed beyond the July 1 meeting, the discussion will be continued at the mid-year budget study session on July 7. No reductions from the service matrices are included with the mid-year adjustments.

- **Savings from Maintenance and Operations**
 - **Internal Service Rates** – Staff reviewed and updated salary, benefit and other underlying assumptions upon which the three internal service functions (Fleet, Information Technology and Facilities) built their 2009-10 rates. By updating these assumptions, rates charged to the operating departments were able to be reduced, thus capturing savings for the General Fund and other operating funds. Savings include:
 - Fleet – Along with COLA and benefit assumptions being updated, the estimate for fuel rates was reviewed. When the budget was built last fall, fuel prices were around \$4.50 per gallon but then dropped considerably after the first of the year and are still lower currently at around \$3 or under per gallon. Total 2009 savings from revised estimates is \$191,000, with the General Fund portion being \$118,000. Note that given the uncertainty in fuel prices, we are only adjusting to the lower cost per gallon for 2009.
 - Information Technology - For the operating portion of the IT budget, salary, benefit and maintenance contract assumptions were reviewed. Additionally, the impact of service package positions on the operating budget were incorporated into revised rates. Savings based on updated assumptions are about \$225,000 for all funds for 2009-10, with the General Fund savings at \$201,000 for both years (\$70,000 for 2009 and \$131,000 for 2010).

The IT Fund ended 2008 with an increase in unobligated cash balances of about \$400,000, bringing the total cash balance to approximately \$800,000, which exceeds the funds working capital needs. In light of this fact, the replacement charges in the IT Fund paid by all operating funds toward the future replacement of PC's were reviewed. The IT Fund has sufficient unobligated cash reserves to pay the remaining six months of 2009 and all of 2010 replacement charges for all operating funds which totals \$249,000 for 2009-10 (\$83,000 for 2009 and \$166,000 for 2010). The General Fund

portion of the savings is \$76,000 for 2009 and \$152,000 for 2010. These are one-time adjustments and are reflected as part of the mid-year adjustments.

- **Facilities Maintenance** – The impact of salary and benefit assumption changes to the Facilities Maintenance budget is negligible for 2009 and only yields a slightly higher amount of savings for 2010. At this time, staff is not recommending making changes to the Facilities internal rates due to the small amount of savings and due to the recent purchase of the Municipal Court building. By purchasing the building, the Facilities budget and the City Manager’s budget in the General Fund (the Court budget is part of the City Manager’s department budget) will need to be adjusted to remove the Court lease payments and adjust for maintenance and operations costs, add on sinking fund charges toward future replacement of major systems for the building, and capture the savings toward future facility expansion debt. As the purchase has just recently been completed, an analysis of these adjustments was not able to be completed in time for the mid-year adjustment process. Adjustments for updated assumptions (i.e. salary and benefit rates) and for the Court purchase will be brought to Council at the mid-biennial review later this fall.
- **Pension rates** – As part of the State budget balancing strategies, the contribution rates for state employee retirement plans were reduced for most plans, except for LEOFF (Law Enforcement Officers & Fire Fighters retirement plan), which had a slight increase. Although rates are expected to increase in the future, the Council agreed with staff’s recommendation to capture this savings as a one-time cost saving strategy measure for the 2009-10 budget. Net savings to the General Fund for all employee retirement plans is \$180,000 for 2009 and \$377,000 for 2010. As noted previously, the expectation is that the State will increase the rates in the future, so the savings is one-time for this budget cycle and future budget cycles will need to address any increases to the rates.
- **Reserves and Use of Cash** – Two of the three listed strategies on the framework for reserves and use of cash are incorporated in the mid-year adjustments. First, 2008 year-end cash for the General Fund was \$1.8 million, of which \$1.5 million was planned as a one-time offset to declining sales tax revenues. The \$1.5 million is incorporated in the mid-year adjustments as an increase to the beginning fund balance, with a like reduction to the budget for sales tax revenue. Second, the remaining \$1 million in the Revenue Stabilization Reserve will be transferred to the General Fund to further help offset declining revenues for 2009. Both of these measures are one-time in nature and are being used as a temporary measure to fill the gap in 2009, with the hope that the economy picks up and revenues such as sales tax begin to stabilize. The third strategy listed on the framework is use of the Rainy Day Reserve. This strategy is not being incorporated at this time as a hedge against continued decline in sales tax and other revenues and potential failure of the private utility tax increase vote. Needed use of this reserve will be revisited as part of the mid-biennial process this fall.
- **Compensation Savings (i.e. COLA savings)** – Negotiations with the bargaining units for contributions toward the budget problems have resulted in most units agreeing to a 0% COLA for 2010. In addition, the City Manager has recommended 0% COLA for the

Management and Confidential (MAC) unrepresented group. This represents ongoing savings for all bargaining units, except IAFF (Firefighters) whose agreement for the 2010 COLA is one-time in nature. Discussions continue with the Police Guild, which represents commissioned and non-commissioned support personnel, for agreement on like-kind cost saving measures. Note that the June-to-June CPI on which the 2010 COLA would have been based will be released on July 15. The agreed upon concessions are shown on the framework as an offset in 2010 towards the ongoing deficit. While the savings generated by the concessions are recognized in the framework, the COLA reserve savings adjustments will be brought back to the Council as part of the mid-biennial budget process this fall.

- **CIP Project Closures** - Another mid-year budget adjustment is related to the capital budget. As part of the Council directed work to look at CIP savings for the budget strategies, a review of all projects that are completed and need to be closed was done. This comprehensive review was across all CIP categories (i.e. Transportation, Surface Water Utility, Water/Sewer Utility, Parks, Public Safety and General Government) and projects to be closed that needed funding were assessed against those projects to be closed with savings to return within their own category. Many of the projects needing funding to be closed have been brought to the Council previously and this exercise concludes the closing of those projects. Attachment H is a complete listing of projects that are being recommended to be closed with their corresponding source of funding, if additional funds are needed, or the source to which savings would be returned. The net adjustment for all funding source categories is positive (i.e. a net savings), with the only exception being the "Other Sources" category. The shortage in this category is funded by appropriate sources outside the CIP, such as Neighborhood Connections funding and life cycle reserves, which are specific to those projects. Council approval of the comprehensive closure list will allow staff to complete the process of closing the projects from a financial standpoint and return unused funding to its original source. Further General Fund savings related to projects to be deferred will be brought forward in the fall as part of the CIP update process.

An ordinance adopting the mid-year budget adjustments is included as part of the regular agenda packet for the July 7 meeting. Staff will continue to monitor revenue and expenditures in the coming months and the next budget adjustment period will be the Mid-Biennial Review that will be presented to Council in November 2009.

May 2009 Financial Dashboard Highlights

June 25, 2009

- The May 2009 actual revenues and expenditures summarized in the dashboard represent five months of data, which is about 42 percent of the year complete. For selected line items, May shows normal levels (for example, utility tax), while we continue to be concerned with others, like development revenues and sales tax.
- Total General Fund revenues are below expectations due to the following:
 - The first quarterly payment from Fire District #41 is not expected until late June, with the second quarter payment to follow soon after in July. In addition, EMS Levy revenue is usually received in half-yearly installments with the first payment expected late June or in July.
 - Sales tax revenues declined 26.3% from May 2008, resulting in year-to-date revenues down 20.9%, or \$1.3 million dollars from last year. All business sectors continue to experience negative performance, with general merchandise/misc. retail, auto/gas retail and contracting down more than 24% for the month from the prior year.
 - May business license revenues continue to lag estimates due to business circumstances at two large employers: (1) the consolidation of IBM sites which moved revenue from February to November and (2) delay in registration by Nintendo's contract employment agencies, which we are actively pursuing. We are following up with delinquent accounts and will continue to monitor trends closely.
 - Development revenues are down across-the-board. Although Planning and Public Works permit revenues were stronger in May, they continue to be well below budgeted levels. Building related revenues saw a weak May after a strong April, and thus continue to be below targeted levels and show volatility. Departments are actively engaged in pursuing strategies to reduce costs to help mitigate the significant decreases in projected revenue. Further discussion of May development activity follows the dashboard.
- Total General Fund expenditures are within expectations.
 - General Fund expenditures are beginning to trail the budget, reflecting actions that have been taken to date to slow spending, such as leaving development services positions vacant or re-allocating resources to recognize the decline in permit fee revenue and eliminating out-of-state travel.
 - Fire Suppression overtime in May was \$54,807, which exceeded the projected monthly average of \$45,000 for May through December, but was significantly less than the \$94,000 in April. We are monitoring fire overtime closely and hope that the benefits of the additional staffing that started on-duty in April continues to improve future results.
 - Fuel costs are still substantially below budgeted levels, but prices are on the rise as we move into the summer travel season.

Attachments: May Dashboard
Development Services Highlights

City of Kirkland Budget Dashboard

Annual Budget Status as of **5/31/2009** (Note 1)
 Percent of Year Complete **41.67%**

	2009 Budget	Year-to-Date Actual	% Received/ % Expended	Status		Notes
				Current Month	Last Month	
General Fund						
Total Revenues	59,821,768	21,688,577	36.3%			Prop. tax/FD41/EMS spike in 2Q
Total Expenditures	61,552,551	24,549,946	39.9%			

Key Indicators (All Funds)

<i>Revenues</i>						
Sales Tax	14,700,801	5,049,095	34.3%			Prior YTD = \$6,380,699; Jan-May 2008 was 42% of budget
Utility Taxes	11,586,963	4,777,657	41.2%			
Business License Fees	3,077,720	1,145,287	37.2%			Following up on delinquent accounts
Development Fees	3,373,273	1,141,806	33.8%			Continue to be down substantially
Gas Tax	1,133,278	407,575	36.0%			
<i>Expenditures</i>						
GF Salaries/Benefits	42,645,103	17,340,902	40.7%			Excludes Fire Suppression Overtime
Fire Suppression Overtime	719,190	391,601	54.5%			New positions began April 2009; May higher number of disabilities
Contract Jail Costs	899,680	427,629	47.5%			
Fuel Costs	558,310	96,863	17.3%			Cost/gallon running at about half budgeted rate but rising

Status Key

Revenue is higher than expected or expenditure is lower than expected

Revenue/expenditure is within expected range

WATCH - Revenue/expenditure outside expected range



Note 1 - Report shows annual values during the first year of the biennium (2009).

na - not applicable

Development Services Report – May 2009

A review of the May 2009 permit data allows us to offer the following:

- The May 2009 statistics continue to follow the trend that we witnessed in the second half of 2008. New SFR (Single Family Residential) permit applications remain low (1 application received compared to 6 in May of last year). However looking ahead at June, 7 new SFR permits have been received so far compared to 5 in June of last year. In the past when we have seen a downturn in new development permits, we have seen an increase in commercial tenant improvement permits and single-family remodel permits but that is not the case so far this year (101 applications compared to 172 last year). At this point it is too early to tell if that trend will repeat itself during this downturn.
- The total number of permits received in May 2009 (174) is lower than the monthly average for 2008 (222), and lower than May 2008 (286).
- Building Department revenue for May 2009 was \$118,953, below our projected monthly revenue average of \$200,292 for 2009. Year to date total revenue projected for the first 5 months falls short by \$124,638.
- We expect to issue the Lake Washington Technical College Addition (\$127,537) in July and the Holy Family Parish Addition and Kirkland Transit Center project later this summer.
- Public Works Department development revenue for May 2009 was \$119,000 which was above our monthly projected revenue average of \$61,239. The majority of this revenue spike was attributed to the Lake Washington High School Land Surface Modification Permit.
- The redesigned McLeod project is proceeding with design review and should complete the process in October. We expect their building permit application shortly thereafter.
- Touchstone has begun the design review process for the redevelopment of Park Place. The Conceptual Design conference was held in January. At the meeting the DRB identified key issues and discussed the process for review. There have been three subsequent Design Response Conferences. The DRB will hold a series of additional meetings as they work their way through the development and give their approval by end of summer.

The applicant has indicated a desire to apply for the first permits (demolition and grading) possibly by the end of 2009. Permits for buildings will be phased, probably beginning in 2010. Meanwhile Development Review Services is in preliminary discussions with the Park Place design team to provide review services during the design process. This approach has the potential of generating substantial fees prior to the actual submittal of their permit applications and a shorter review period once they submit.



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MEMORANDUM

To: David Ramsay, City Manager

From: Judge Michael Lambo
Chief Eric Olsen

Date: June 15, 2009

Subject: Court Security Position

Due to increased arrests and other enforcement activities, the Kirkland Municipal Court is experiencing security concerns which are outside the capabilities and expectations of the current unarmed contracted civilian security employee. These concerns are best mitigated by supplementing this civilian security officer with a highly visible, uniformed, armed court security officer who has received specialized training in court security. Other local courts with similar security positions include Bothell, Lynnwood, Kent, Seattle, and King County.

Although the court's security concerns are a daily issue, examination of historical court security issues indicate that Mondays and Tuesdays are the areas of greatest concern. These specific days are utilized by the court to address cases involving warrant arrests and for criminal first appearance advisements. The security concerns are heightened on these particular days as there is a noted increase in court attendance by family members, friends, and criminal associates. There are also heightened concerns as the Kirkland Municipal Court conducts an abundance of domestic violence hearings in which the victim, the batterer, and their families may be comingled in the same courtroom.

Historically, the presence of a uniformed police employee will garner greater defendant compliance and offer a greater sense of security and protection for the public as well as the court employees. The following numbers show the need for additional security.

- From 2005-2008 the civilian court security officer seized 61 knives, 26 box cutters, 8 pair of scissors and 7 screwdrivers from people entering the court building.
- In 2008 alone the police responded to the court a total of 232 times for a wide range of incidents to include warrant arrests, disturbances and escapes from custody.

Options:

The following options for providing armed court security have been analyzed and would provide a short term solution and/or a permanent solution.

Kirkland Corrections Officer Utilizing Grant Funding for Overtime - Funding via the Byrne/JAG grant has been identified as a funding source. The Police Department has submitted

applications for two Byrne/Jag grants. The first is in the amount of \$52,536 and the second is in the amount of \$12,272. These grants will be administered by King County and Seattle Police who would charge administrative costs which at this time have not been determined; the table below is based on 100% of the funding. The total hours per week would be reduced when the administrative costs are known. If awarded, this is one time funding that is expected to start in the fall of 2009. It is not known if this funding will continue in future years. However, if it does, it is anticipated these grants will continue to be used for court security. This option provides for an immediate, but temporary, solution. The terms of the grant provide for only a small portion of the benefits paid by the city which equates to \$41.98 per hour eligible to be claimed for reimbursement under the grant. The actual hourly overtime rate paid by the City would be \$47.94, a difference of \$5.96 per hour. If all 1,544 hours were worked during the period funded by the grant, the unfunded, or matching, cost for this option would be approximately \$9200. These matching funds are not currently available in either the Court or Police Department budget and the City would have to provide this match. Additionally, the grant was written and requested to fund overtime for court security and the funds cannot be used to supplement any of the additional options listed in this memo.

Hourly Overtime Rate Eligible for Funding	Total Funding Requested	Total Hours
\$41.98	\$64,808	1,544
Total hours available per week if 100% funding received		30

Hourly Overtime Rate to be Paid	Matching Funds Required per hour	Total Match Required for 1,544 Hours
\$47.94	\$5.96	\$9,202

Full Time Court Security/Corrections Officer for Court Security - Total yearly costs (first year) would be \$81,420 plus one time costs of \$12,750. No ongoing funding stream has been identified.

Salary	Benefits	Ongoing	One Time	Total First Year
\$46,422	\$24,131	\$10,867	\$12,750	\$94,170

Two Part-time Court Security Officers - This option is one currently used by the City of Kent and favored by the Kirkland Municipal Court. It utilizes one part-time officer (a .53 FTE) and one hourly employee. The .53 FTE (#1) works three days a week and the hourly position (#2) works approximately 14 hours per week. The first year total costs would be \$63,336 plus one time costs of \$25,500. No ongoing funding stream has been identified.

	Salary	Benefits	Ongoing	One Time	Total First Year
Officer #1-.53 FTE	\$ 24,604	\$ 12,790	\$ 5,280	\$ 12,750	\$ 55,424
Officer #2-Hourly	\$ 16,249	\$ 2,184	\$ 2,229	\$ 12,750	\$ 33,412
Totals	\$ 40,853	\$ 14,974	\$ 7,509	\$ 25,500	\$ 88,836

Recommendation and Implementation:

The above options have been reviewed by the police and the court, and in order to meet the needs of the court the following are listed in the court's preference.

Kirkland Corrections Officer Utilizing Grant Funding for Overtime - It is anticipated the grant will be awarded and available by the fall of 2009. While waiting for the grant to be awarded, details such as bargaining the position with the Guild, updating the job description, and establishing the General Orders and Standard Operating Procedures need to be completed. This is a temporary solution to meet the needs of the Court, however it is an option that can be implemented fairly soon and has some funding.

Two Part-time Court Security Officers for Court Security - The same issues pertain to this option as the one above. However, there currently is no funding attached to this option. The benefit to this option is that there would be two part-time court security officers who would be able to fill in for each other.

Full-time Court Security Officer for Court Security - This option is similar to the one above, however funding is for one full-time employee. When the officer was absent there would be no one to backfill. No funding stream has been identified.

In conclusion, a temporary solution has been identified to provide part-time security for the Kirkland Municipal Court. However, this is only a temporary solution and further consideration must be made to finding and funding a future permanent solution to meet the security concerns of the Court.


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To: Tracey Dunlap, Director of Finance and Administration

From: Daryl Grigsby, Public Works Director
David Godfrey, P.E., Transportation Engineering Manager

Date: June 24, 2009

Subject: FLEXPASS UPDATE

Background

City of Kirkland Employees currently receive Metro Transit Flexpasses as a part of the City's Commute Trip Reduction program. The current passes will expire at the end of August 2009. The service package for Flexpass was not approved during the 2009-2010 budget process. The cost of providing transit passes to all employees is approximately \$39,000 per year. At the June 2 City Council meeting the majority of the council members thought it was important for the City to continue to support transit use to help reduce drive-alone trips and meet our CTR mode split goal. The City Council requested that staff determine how much it would cost to provide transit passes to those that regularly use them for work trips and also have available a few passes for staff to use for official City business.

The following options build upon those staff provided to the City Council at its June 2 meeting:

OPTION 1: An ORCA passport card is most similar to the current Flexpass. Metro's current estimate for this type of card is \$126/pass or a total of \$39,000 for 310 passes for one 12 month period. These passes would allow employees to ride at no additional cost on any of the region's transit systems. It would also subsidize 100% of vanpool costs.

OPTION 2: Discontinue subsidized bus trips for employees.

OPTION 3: Fund transit passes for those who commute by transit regularly and provide a number of "community" transit passes that can be shared by other employees for official business use. This option would cost \$7,500 in new funding. The \$7,500 would subsidize (at 30%) the cost of transit trips for employees who commute regularly by bus. It would also provide 11 passes with \$60 value each for use by employees who travel for business during the day; for example going from Kirkland to Seattle for a meeting. These 11 passes would be in a "pool" that employees could check out. Passes would be located at City Hall and at satellite facilities.

OPTION 3A: This option is the same as Option 3 except that no new revenue would be needed. Instead the current incentives provided to employees that use alternative commute options would be reduced. The current budget for the incentive program is approximately \$30,000 annually and the maximum payment is \$30 per month. If the maximum incentive were reduced from \$30 to \$20, approximately \$7,500 would be available to fund the transit passes.

Any option that reduces subsidized bus trips may have to be negotiated with employee bargaining groups.

Memorandum to Tracey Dunlap

June 25, 2009

Page 2

Recommendation

Staff recommends Option 3. Given the budget situation it doesn't seem prudent to select Option 1. On the other hand Option 2 too drastically reduces the City's overall CTR program. Option 3A moves benefits from walkers, bikers and carpoolers to transit users and that was not necessarily Council's intent.

City of Kirkland
2009-2010 Budget
2009 Mid-Year Budget Adjustment Summary

Adjustment Type	Dept.	Description	Uses	Appropriation Adjustment	Funding Source				Funding Source Notes
					Internal Transf./Chrg.	Reserves	Resources Forward	External Revenue	
General Fund									
Annexation	FA	Temporary Budget Analyst	50,000	-		(50,000)			General Fund Contingency
Annexation	ND	Outside Legal Counsel/Financial Consulting Support	10,000	-		(10,000)			General Fund Contingency
Annexation	CM	Administrative Support	32,000	-		(32,000)			General Fund Contingency
Annexation	CM	Communications Support	10,000	-		(10,000)			General Fund Contingency
Annexation	PCD	Planner Reallocation	75,000	(75,000)		(75,000)		(75,000)	Plng. Rev. Reduction/Use of GF Contingency
Housekeeping	PCS	2010 Human Services Per Capita-adjust for 2010 pop. est.	5,080	-		(5,080)			General Fund Contingency
Housekeeping	ND	Development Services Reserve-Backfill 2008 Revenue	400,000	400,000		400,000			Development Services Reserve
Housekeeping		Return 2008 Interest Backfill made to other Op Funds	227,089	227,089	227,089				
Other Adjustment	CM	ICMA Fellow Extension	13,500	-		(13,500)			General Fund Contingency
Other Adjustment	PCD	Wetland Buffer Landscaping Maintenance Enforcement	10,647	10,647				10,647	Deposit Forfeiture
Other Adjustment	PD	Auto Theft Prevention Brochures - Printing Cost	9,383	9,383				9,383	WASPC Grant
Other Adjustment	CM	Active Living Task Force	1,000	1,000				1,000	City Manager Honorarium Award Donation
Other Adjustment	PK	Green Kirkland Program-Increased Staffing from CIP	18,053	18,053	18,053				Green Kirkland CIP
Other Adjustment	CM	Federal Lobbyist	31,000	26,000	5,000	26,000			Council Special Projects Rsv/Economic Dev Bdgt
Other Adjustment	ND	KMC Telecommunications Update	20,000	-		(20,000)			General Fund Contingency Xfr to IT Fund
Other Adjustment	ND	Snow Plow Blades/De-Icer	43,000	-		(43,000)			General Fund Contingency Xfr to Street Oper.
Other Adjustment	PCD	Shoreline Master Plan	5,000	5,000				5,000	Department of Ecology Grant
Other Adjustment	PD	Radar Equipment	6,928	6,928				6,928	Traffic Safety Commission Grant
Other Adjustment	ND	Reduce Transfer to Litigation Reserve	(265,000)	-		265,000			General Fund Contingency
Development Svcs	FB	Building Services Reductions	(230,000)	(230,000)				(230,000)	Reduce Building-related Permit Fees
Development Svcs	PCD	Planning Department Reductions	(75,100)	(75,100)				(75,100)	Reduce Planning-related Development Revenues
Development Svcs	PW	Development Engineering Staff Reallocations to Utilities	(71,700)	(71,700)	143,750			(215,450)	Reallocate Staff to Utilities/Reduce Revenue
Budget Bal Strategy	Var.	Eliminate Out-of-State Training & Travel/Subsistence	(64,000)	(64,000)				(64,000)	Reduce Sales Tax
Budget Bal Strategy	Var.	Reduce Fleet Operating Internal Charges	(129,120)	(129,120)				(129,120)	Reduce Sales Tax
Budget Bal Strategy	Var.	Reduce Information Technology Op Internal Charges	(201,046)	(201,046)				(201,046)	Reduce Sales Tax
Budget Bal Strategy	Var.	Reduce Information Tech. Computer Repl. Charges	(228,770)	(228,770)				(228,770)	Reduce Sales Tax
Budget Bal Strategy	Var.	COLA Reserve Savings for Pension Rate Reductions	(557,806)	(557,806)				(557,806)	Reduce Sales Tax
Budget Bal Strategy	ND	Use of Revenue Stabilization Reserve	1,000,000	1,000,000		1,000,000			Revenue Stabilization Reserve
Budget Bal Strategy	Var.	Reduce GF Contingency to offset Sales Tax Decline	(400,000)	(400,000)				(400,000)	Reduce Sales Tax
Resources Forward		2009 Res. Fwd - Use of Cash for KMC Telecom Update	20,000	20,000			20,000		
Resources Forward		2009 Res. Fwd - Use of Cash for Snow/De-icer Equip.	43,000	43,000			43,000		

Adjustment Type	Dept.	Description	Uses	Appropriation Adjustment	Funding Source				Funding Source Notes
					Internal Transf./Chrg.	Reserves	Resources Forward	External Revenue	
General Fund continued									
Resources Forward		2009 Res. Fwd - Use of Cash for Interest Backfill 09-10	350,000	350,000			350,000		
Resources Forward		2009 Res. Fwd - Use of Cash for FTE Red/Unempl. Exp.	300,000	300,000			300,000		
Resources Forward		2009 Resources Forward Adjustment to Actual Balance	(1,176)	(1,176)			(1,176)		
Resources Forward		2009 Res. Fwd - Use of Cash to Offset Sales Tax Rev.	-	-			1,100,000	(1,100,000)	Reduce Sales Tax and Increase Resources Fwd
General Fund Total			456,962	383,382	393,892	1,432,420	1,811,824	(3,243,334)	

OTHER FUNDS									
Lodging Tax Fund									
Resources Forward		2009 Resources Forward Adjustment to Actual Balance	(66,786)	(66,786)			(66,786)		
Lodging Tax Fund Total			(66,786)	(66,786)	-	-	(66,786)	-	

Street Operating Fund									
Other Adjustment		Snow Plow Blades/De-Icer	43,000	43,000	43,000				
Resources Forward		2009 Resources Forward Adjustment to Actual Balance	448,315	448,315			448,315		
Street Operating Fund Total			491,315	491,315	43,000	-	448,315	-	

Cemetery Operating Fund									
Resources Forward		2009 Resources Forward Adjustment to Actual Balance	10,864	10,864			10,864		
Cemetery Operating Fund Total			10,864	10,864	-	-	10,864	-	

Parks Maintenance Fund									
Resources Forward		2009 Resources Forward Adjustment to Actual Balance	73,837	73,837			73,837		
Parks Maintenance Fund Total			73,837	73,837	-	-	73,837	-	

Recreation Revolving Fund									
Resources Forward		2009 Resources Forward Adjustment to Actual Balance	11,371	11,371			11,371		
Recreation Revolving Fund Total			11,371	11,371	-	-	11,371	-	

Contingency Fund									
Resources Forward		2009 Resources Forward Adjustment to Actual Balance	3,545	3,545			3,545		
Contingency Fund Total			3,545	3,545	-	-	3,545	-	

Cemetery Improvement Fund									
Resources Forward		2009 Resources Forward Adjustment to Actual Balance	(11,954)	(11,954)			(11,954)		
Cemetery Improvement Fund Total			(11,954)	(11,954)	-	-	(11,954)	-	

Adjustment Type	Dept.	Description	Uses	Appropriation Adjustment	Funding Source				Funding Source Notes
					Internal Transf./Chrg.	Reserves	Resources Forward	External Revenue	
Impact Fees Fund									
Resources Forward		2009 Resources Forward Adjustment to Actual Balance	(1,055,157)	(1,055,157)			(1,055,157)		
Impact Fees Fund Total			(1,055,157)	(1,055,157)	-	-	(1,055,157)	-	
Park and Municipal Reserve Fund									
Budget Bal Strategy		Use of Revenue Stabilization Reserve	1,000,000	-		(1,000,000)			Transfer to General Fund
Resources Forward		2009 Resources Forward Adjustment to Actual Balance	710,331	710,331			710,331		
Park and Municipal Reserve Fund Total			1,710,331	710,331	-	(1,000,000)	710,331	-	
Tour Dock Fund									
Resources Forward		2009 Resources Forward Adjustment to Actual Balance	3,600	3,600			3,600		
Tour Dock Fund Total			3,600	3,600	-	-	3,600	-	
Street Improvement Fund									
Resources Forward		2009 Resources Forward Adjustment to Actual Balance	219,927	219,927			219,927		
Street Improvement Fund Total			219,927	219,927	-	-	219,927	-	
Grant Control Fund									
Resources Forward		2009 Resources Forward Adjustment to Actual Balance	6,466	6,466			6,466		
Grant Control Fund Total			6,466	6,466	-	-	6,466	-	
Real Estate Excise Tax Fund									
Other Adjustment		Transfer Out to Gen Capital Fund for Court Bldg Purchase	2,667,639	-		(2,667,639)			REET 1 Reserve
Resources Forward		2009 Resources Forward Adjustment to Actual Balance	(1,642,905)	(1,642,905)			(1,642,905)		
Real Estate Excise Tax Fund Total			1,024,734	(1,642,905)	-	(2,667,639)	(1,642,905)	-	
LTGO Debt Service Fund									
Resources Forward		2009 Resources Forward Adjustment to Actual Balance	6	6			6		
LTGO Debt Service Fund Total			6	6	-	-	6	-	
UTGO Debt Service Fund									
Resources Forward		2009 Resources Forward Adjustment to Actual Balance	(16,193)	(16,193)			(16,193)		
UTGO Debt Service Fund Total			(16,193)	(16,193)	-	-	(16,193)	-	
General Capital Projects Fund									
Other Adjustment		Municipal Court Building Purchase	2,667,639	2,667,639		2,667,639			REET 1 Reserve
Resources Forward		2009 Resources Forward Adjustment to Actual Balance	1,413,830	1,413,830			1,413,830		
General Capital Projects Fund Total			4,081,469	4,081,469	-	2,667,639	1,413,830	-	

Adjustment Type	Dept.	Description	Uses	Appropriation Adjustment	Funding Source				Funding Source Notes
					Internal Transf./Chrg.	Reserves	Resources Forward	External Revenue	
Grant Capital Projects Fund									
Resources Forward		2009 Resources Forward Adjustment to Actual Balance	(1,087,022)	(1,087,022)			(1,087,022)		
Grant Capital Projects Fund Total			(1,087,022)	(1,087,022)	-	-	(1,087,022)	-	
Water/Sewer Utility Operating Fund									
Resources Forward		2009 Resources Forward Adjustment to Actual Balance	(517,450)	(517,450)			(517,450)		
Water/Sewer Utility Operating Fund Total			(517,450)	(517,450)	-	-	(517,450)	-	
Water/Sewer Capital Fund									
Resources Forward		2009 Resources Forward Adjustment to Actual Balance	(2,938,350)	(2,938,350)			(2,938,350)		
Water/Sewer Capital Fund Total			(2,938,350)	(2,938,350)	-	-	(2,938,350)	-	
Surface Water Operating Fund									
Resources Forward		2009 Resources Forward Adjustment to Actual Balance	155,381	155,381			155,381		
Surface Water Operating Fund Total			155,381	155,381	-	-	155,381	-	
Surface Water Capital Fund									
Other Adjustment		Local Government Stormwater Program OPW 0801	70,642	70,642				70,642	Department of Ecology Grant
Resources Forward		2009 Resources Forward Adjustment to Actual Balance	(570,229)	(570,229)			(570,229)		
Surface Water Capital Fund Total			(499,587)	(499,587)	-	-	(570,229)	70,642	
Solid Waste Fund									
Resources Forward		2009 Resources Forward Adjustment to Actual Balance	(174,961)	(174,961)			(174,961)		
Solid Waste Fund Total			(174,961)	(174,961)	-	-	(174,961)	-	
Equipment Rental Fund									
Budget Bal Strategy		Reduce Fleet Operating Internal Charges Revenue	(191,068)	(191,068)	(191,068)				
Resources Forward		2009 Resources Forward Adjustment to Actual Balance	(21,279)	(21,279)			(21,279)		
Equipment Rental Fund Total			(212,347)	(212,347)	(191,068)	-	(21,279)	-	
Information Technology Fund									
Annexation		Temporary Systems Staff Resources	23,000	-		23,000			IT Cash Reserves
Housekeeping		Other Agency New World Costs transferred to NORCOM	(73,023)	(73,023)				(73,023)	
Other Adjustment		KMC Telecommunication Update	20,000	20,000	20,000				
Budget Bal Strategy		Reduce Information Technology Op Internal Charges Revenue	(225,429)	(225,429)	(225,429)				

Adjustment Type	Dept.	Description	Uses	Appropriation Adjustment	Funding Source				Funding Source Notes
					Internal Transf./Chrg.	Reserves	Resources Forward	External Revenue	
Information Technology Fund continued									
Budget Bal Strategy		Reduce Information Tech. Computer Repl. Charges Revenue	(248,632)	(248,632)	(248,632)				Backfilled with IT Cash Reserves
Resources Forward		2009 Resources Forward Adjustment to Actual Balance	418,574	418,574			418,574		
Information Technology Fund Total			(85,510)	(108,510)	(454,061)	23,000	418,574	(73,023)	
Facilities Maintenance Fund									
Resources Forward		2009 Resources Forward Adjustment to Actual Balance	(186,853)	(186,853)			(186,853)		
Facilities Maintenance Fund Total			(186,853)	(186,853)	-	-	(186,853)	-	
FireFighters' Pension Fund									
Resources Forward		2009 Resources Forward Adjustment to Actual Balance	(1,884)	(1,884)			(1,884)		
FireFighters' Pension Fund Total			(1,884)	(1,884)	-	-	(1,884)	-	
TOTAL OTHER FUNDS			938,792	(2,751,847)	(602,129)	(977,000)	(4,814,976)	(2,381)	
TOTAL ALL FUNDS			1,395,754	(2,368,465)	(208,237)	455,420	(3,003,152)	(3,245,715)	

**City of Kirkland
2009-2010 Budget
Mid-Year 2009 Budget Adjustment Summary**

ATTACHMENT E

Comparison of Budgeted 2009 Resources Forward to Actual 2009 Beginning Cash Balance

Fund	Budgeted Resources Forward	Actual Cash Forward	Cash Over (Under) Resources Forward	Adjustment Notes
General Fund	4,095,894	5,907,718	1,811,824	Revenue higher/expenditures lower than estimated
Lodging Tax	340,494	273,708	(66,786)	Revenue lower/expenditures higher than estimated
Street Operating	1,510,105	1,958,420	448,315	Revenue higher/expenditures lower than estimated
Cemetery Operating	91,298	102,162	10,864	Revenue higher/expenditures lower than estimated
Parks Maintenance	475,024	548,861	73,837	Revenue higher/expenditures lower than estimated
Rec Revolving	60,940	72,311	11,371	Revenue lower/expenditures lower than estimated
Contingency	2,324,515	2,328,060	3,545	Revenue higher than estimated
Cemetery Improvement	468,928	456,974	(11,954)	Revenue lower/expenditures higher than estimated
Impact Fees	2,192,037	1,136,880	(1,055,157)	Revenue lower/expenditures higher than estimated
Parks & Muni Reserve	9,155,152	9,865,483	710,331	Expenditures lower than estimated
Off-Street Parking	43,610	43,610	-	
Tour Dock	51,675	55,275	3,600	Revenue lower/expenditures lower than estimated
Street Improvement	994,576	1,214,503	219,927	Revenue higher/expenditures higher than estimated
Grant Control	216,458	222,924	6,466	Revenue lower/expenditures lower than estimated
REET	16,636,692	14,993,787	(1,642,905)	Revenue higher/expenditures higher than estimated
LTGO Debt	172,364	172,370	6	
UTGO Debt	324,819	308,626	(16,193)	Revenue lower than estimated
General CIP	15,912,828	17,326,658	1,413,830	Revenue higher/expenditures higher than estimated
Grant CIP	7,730,990	6,643,968	(1,087,022)	Rev lower/exp higher than estimated/carryover adj.
Water/Sewer Operating	6,252,824	5,735,374	(517,450)	Revenue lower/expenditures lower than estimated
Water/Sewer Debt	822,275	822,275	-	
Water/Sewer CIP	12,096,769	9,158,419	(2,938,350)	Rev lower/exp higher than estimated/carryover adj.
Surface Water Mgt	2,169,184	2,324,565	155,381	Expenditures lower than estimated
Surface Water CIP	8,006,796	7,436,567	(570,229)	Rev lower/exp higher than estimated/carryover adj.
Solid Waste	1,513,509	1,338,548	(174,961)	Revenue lower/expenditures lower than estimated
Equipment Rental	7,079,108	7,057,829	(21,279)	Revenue lower/expenditures lower than estimated
Information Technology	2,466,319	2,884,893	418,574	Revenue higher/expenditures lower than estimated
Facilities	3,639,043	3,452,190	(186,853)	Expenditures higher than estimated
Fire Pension	1,415,881	1,413,997	(1,884)	Revenue lower than estimated
Total	108,260,107	105,256,955	(3,003,152)	

2009-10 Budget
2009 Mid-year Budget Reductions
Development Services Reduction Summary

Development Area		Reduction	
Proposed Reduction		Amount	Notes
Building			
Revenue Shortfall Range	\$ 150,000 - 300,000		
Reduction Target	\$ 230,000		
Vacant Permit Technician position	\$	63,000	Effective 3/11/09
Cut 1.0 FTE (5 months)		50,000	
Reduce use of hourly personnel		10,000	
Reduce use of overtime		8,000	
Reduce office supplies		4,000	
Reduce professional services		83,000	
Reduce communications		3,000	
Reduce travel & subsistence		4,000	
Reduce training		3,000	
Reduce printing		1,000	
Reduce software		1,000	
		<u>\$ 230,000</u>	All effective as mid-year adjustments
Draw on Building Reserve	\$	70,000	Hold for use at mid-bi if necessary
Development Engineering			
Revenue Shortfall Range	\$ 150,000 - 350,000		
Reduction Target	\$ 215,000		
Vacant Office Specialist position	\$	16,100	Effective 4/1/09
Allocate Eng Analyst to Surf. Water		23,300	Effective 2/1/09
Allocate Dev Eng to Surface Water		74,950	Effective 2/1/09
Allocate Permit Tech to Utilities		45,500	Effective 4/1/09
Vacant Development Inspector		55,600	
		<u>\$ 215,450</u>	
Planning			
Revenue Shortfall Range	\$ 140,000 - 180,000		
Reduction Target	\$ 150,000		
Annexation funding for a Planner	\$	75,000	Effective 4/1/09
Reduce Admin Supervisor FTE		10,700	From 1.06 to .85 FTE, eff 7/1/09
Reduce Dev Review Manager FTE		28,000	From 1.0 to .60 FTE, eff 7/1/09
Cut high school intern		3,800	Effective 7/1/09
Cut .5 FTE Planner		20,600	Effective 8/1/09
Reduce supplies		1,000	
Reduce advertising		5,000	
Reduce training		3,000	
Reduce printing		3,000	
		<u>\$ 150,100</u>	

Budget Balancing Strategy - General Fund
Framework - 7/7/09 Mid-Year Budget Review Study Session

Dollars in thousands

	Potential Savings Available	One-Time		Ongoing		Total
		2009	2010	2009	2010	
Projected Near-Term Shortfall due to Economy		(2,772)	(3,055)	-	-	(5,827)
Projected Ongoing Shortfall due to Utility Tax		-	-	-	(2,240)	(2,240)
Total (Shortfall)		(2,772)	(3,055)	-	(2,240)	(8,067)
Strategies						
1. 8% Adjustment List Remainder	1 year - 2,622	-	-	-	-	-
2. Additional Reductions						
Line Item Budgets						
Dues & Memberships	47	-	47	-	-	47
Training and Travel & Subsistence	64	29	35	-	-	64
Services Matrix	TBD	-	-	-	-	-
3. Savings from M&O						
Internal Service Rates						
Fleet Rates (mostly due to fuel savings)	129	129	-	-	-	129
IT Operating Rates	201	70	131	-	-	201
IT Replacement Rates	228	76	152	-	-	228
Facilities Operating Rates	TBD	-	-	-	-	-
Governor's Pension Rate Reductions	557	180	377	-	-	557
4. Reserves/Year End Cash						
Revenue Stabilization Reserve	1,000	1,000	-	-	-	1,000
Rainy Day Reserves	2,700	-	1,350	-	-	1,350
2008 Year-end Cash	1,500	1,500	-	-	-	1,500
5. Capital Improvement Program						
Projects Funded not Started	447	229	-	-	-	229
Projects to be Closed/Funds Repurposed	88	88	-	-	-	88
6. Compensation Savings						
AFSCME/Teamsters	344	-	-	-	344	344
MAC	270	-	-	-	270	270
IAFF	339	-	339	-	-	339
PSEU (Police Lts.)	20	-	-	-	20	20
Police Commissioned & Support Guild	296	-	-	-	-	-
7. Work Schedule Reductions						
Furlough	56/day	-	-	-	-	-
Reduced Work Week (1 hour/week)	375	-	-	-	-	-
24/7 Operations Equivalent-Furlough	TBD	-	-	-	-	-
24/7 Operations Equivalent-Wrk Wk Red.	TBD	-	-	-	-	-
Total Potential Savings		3,301	2,431	-	634	6,366
Net Surplus/(Shortfall) - Annual		529	(624)	-	(1,606)	(1,701)
Net Surplus/(Shortfall) - Biennial			(95)		(1,606)	

Shaded items indicate Mid-Year Budget adjustment recommendations.

2009-10 Budget
2009 Mid-Year Budget Review
CIP Project Closures as of April 30, 2009

JL #	Project Description	Balance	REET 1	REET 2 Reserve	Transport. Impact Fees	Surface Water Transportation	Surface Water Contingency	Water/Sewer Utility Reserve	General Capital Contingency	Fire District #41	Gen. Purpose Revenues (Sales Tax & Interest)	Other Sources (see notes)	Notes
TRANSPORTATION													
CST0058000	NE 132nd St. Roadway Improvement	15,681		15,681									Project postponed to 2012 - close project and return funding
CST0059000	124th Ave NE Roadway Improvements - North	371,317		260,000	111,317								Project postponed to future years -- close project and return funding
CST0706000	2007 Street Preservation Program	31,090		31,090									Project complete - transfer balance to CST0806000 and -001
CST0806001	2008 Street Preservation Capital Expense	(14,446)		(14,446)									Project complete - close from CST0706000
CNM0049000	112th Ave NE Sidewalk Improvements	(35,967)										(35,967)	Project complete - NCIP & Street Operating Funded
CNM0657000	2006 Sidewalk Maintenance Program	25,708		25,708									Project complete. Funds to go to 2007 program CNM0757
CNM0712000	2007 Crosswalk Upgrade Program	(82)		(82)									Project complete
CNM0757000	2007 Sidewalk Maintenance Program	36,142		36,142									Project complete
CTR0091000	124th St/124th Ave Int. Phase 3	200,000		200,000									Postponed to 2011 - close project and return funding
TOTAL TRANSPORTATION PROJECTS TO BE CLOSED		629,445	-	554,093	111,317	-	-	-	-	-	-	(35,967)	
SURFACE WATER UTILITY													
CST0059423	124th Ave NE Roadway Improvements (SWM)	1,166,500				1,166,500							Project postponed - close and return funds to SWM Transportation Reserve
CST0069423	NE 128th @ I-405 Overpass (SWM)	(1,159)				(1,159)							Project complete
CTR0091423	124th St/124th Ave Int Ph 3 (SWM)	100,000				100,000							Project postponed until 2011; close project & return funding to SWM Transp Rsv
CSD0033000	NE 90th/120th Ave Sediment Control	173,120					173,120						Project complete
CSD0043000	124th Ave/NE 100th Drainage Improvements	73,830					73,830						Project complete
CSD0051000	Forbes Cr/KC Access Road Culvert	144,108					144,108						Project postponed to 2013 - close and return funds to Surface Water Capital Rsv
CSD0053000	Forbes Cr/Coors Pond Channel Grade	176,053					176,053						Project postponed to 2012 - close and return funds to Surface Water Capital Rsv
CSD0054000	Forbes Ck/RR Fish Passage Improvements	51,285					51,285						Project postponed to 2012 - close and return funds to Surface Water Capital Rsv
CSD0059000	Totem Lake Blvd Flood Control Measure	7,646					7,646						Project moved to unfunded category-close project and return funds
CSD0060000	Juanita Ck/NE 121st Bank Stabilization	32,801					32,801						Project complete
CSD0063000	Everest Creek-Slater Ave/Alex St.	167,841					167,841						Project postponed to 2012 - close and return funds to Surface Water Capital Rsv
CSD0537000	2005 Streambank Pgm/NE 86th St.	28,772					28,772						Project moved to unfunded category-close project and return funds
TOTAL SURFACE WATER UTILITY PROJECTS TO BE CLOSED		2,120,797	-	-	-	1,265,341	855,456	-	-	-	-	-	
WATER/SEWER UTILITY													
CWA0051000	7th Ave/114th Ave Watermn Replacement	571						571					Project complete
CWA0061000	Central Way Watermain Replacement	(39,800)						(39,800)					Project complete
CWA0078000	NE 85th/132nd Ave. Watermain Replacement	(67,733)						(67,733)					Project complete
CWA0101000	108th Ave Watermain Replacement	21,822						21,822					Project complete
CWA0105000	124th Ave Watermain Replacement	(12,243)						(12,243)					Project complete
CWA0110000	105th Ave/106th Ave Wtrmn Replacement	4,242						4,242					Project complete
CWA0118000	112-114th Ave/67-68th St. Wtmn Replacement	(554)						(554)					Project postponed - close project
CWA0790000	2007 ESP Water Repl Program	48,965						48,965					Project complete
CSS0050000	NE 80th St. Sewerline Replacement	(57,132)						(57,132)					Project complete
CSS0053000	Waverly Beach Lift Station Improvements	(1,559)						(1,559)					Project complete
CSS0054WTR	Telemetry System Upgrades-Water	(61,023)						(61,023)					Project complete
CSS0060000	Trend Lift Station Elimination	532,593						532,593					Project complete
CSS0063000	NE 53rd St. Sewermain Replacement	297,554						297,554					Project postponed - close project and return funds
CSS0756000	2007 Emergency Sewer Program	162,587						162,587					Project complete
TOTAL WATER/SEWER UTILITY PROJECTS TO BE CLOSED		828,291	-	-	-	-	-	828,291	-	-	-	-	
PARKS													
CPK0043000	Forbes Valley Trail Development	(14,753)	(14,753)										Project complete; close project & fund shortage from CPK0070000
CPK0063000	Marina Park Restroom Replacement	(47,455)	(47,455)										Project complete; close project & fund shortage from CPK0070000
CPK0067000	Neighborhood Park Acquisition	(1,000)	(1,000)										Project complete; close project & fund shortage from CPK0070000
CPK0068000	Kirkland Performance Center	212	212										Project complete; close and transfer to CPK0085 & CPK0088
CPK0070000	Neighborhood Park Restrooms	80,480	80,480										Project complete; close & transfer funds to CPK0043, CPK0063, CPK0067, CPK0130
CPK0073000	Crestoods Park Field Renovation	266,376	266,376										Project completed with CPK0078300; close funds to CPK0078300
CPK0076000	Teen Center	1,363	1,363										Project complete; close and transfer funds to CPK0084

2009-10 Budget
 2009 Mid-Year Budget Review
 CIP Project Closures as of April 30, 2009

JL #	Project Description	Balance	REET 1	REET 2 Reserve	Transport. Impact Fees	Surface Water Transportation	Surface Water Contingency	Water/Sewer Utility Reserve	General Capital Contingency	Fire District #41	Gen. Purpose Revenues (Sales Tax & Interest)	Other Sources (see notes)	Notes
PARKS (Continued)													
CPK0078100	Lakeview Elementary Playfields Improvements	1,747	1,747										Project complete; close and transfer funds to CPK0088000 & CPK0084000
CPK0078200	Lake Wa. High Playfields Improvements	33,250	33,250										Project complete; close and transfer funds to CPK0078990
CPK0078990	Mark Twain Playfield Improvements	(7,559)							(7,559)				Project complete; close and fund with funds from CPK0078200
CPK0079000	Best School Site Park Development	112,458							112,458				Project complete; close & transfer funds to CPK0082000 & CPK0084000
CPK0082000	Land Acquisition Opportunity Fund	(64,160)							(64,160)				Project complete; close with funds from CPK0079000
CPK0084000	South Rose Hill Park Acquisitions	(2,193)	(2,193)										Project complete; close with funds from CPK0079000
CPK0085000	Forbes Lake Property Acquisitions	(109)	(109)										Project complete; close with funds from CPK0068000
CPK0088000	Best High School Gym Improvements	(929)	(929)										Project complete; close with funds from CPK0068000
CPK0118000	Everest Pk/Rotary Picnic Shelter	(1,558)	(1,558)										Project complete; no further donations; close with funds from CPK0079000
CPK0130000	Everest Park Greenbelt	(1,921)	(1,921)										Project complete; close with from CPK0070000
CPK0132000	YB Wetlands/Irvine Property Purchase	164,160	164,160										Project complete; close & transfer funds to CPK0110000 & CPK0118000
TOTAL PARKS PROJECTS TO BE CLOSED		518,410	477,670	-	-	-	-	-	40,739	-	-	-	
PUBLIC SAFETY													
CPS0024000	Fire Boat	67,055								67,055			City funds repurposed in 09-14 CIP; bal. is FD #41 funds
CPS0040000	Fire/Bldg Emergency Fueling	(8,283)								(8,283)			Project complete; close with funding from FD #41
CPS0041000	Holmes Pt. Fire St. #25 Upgrade	(1,882)								(1,882)			Project complete; close with funding from FD #41
CPS0044000	Houghton FS #22 Emerg. Generator	18,515									18,515		Project complete; close & transfer balance to CPS0040000 & CPS0041000
CPS0048000	Juanita/Totem Lk FS #27 Upgrade	18,645									18,645		Project complete; close & transfer funds to CPS0050000
CPS0049000	Apparatus Bay Exhaust Fans	101,862									101,862		Project complete; close & transfer funds to CPS0050000 & CPS0053000
CPS0050000	Automatic Vehicle Locators	(66,753)								(66,753)			Project complete; close with funding from FD #41
CPS0051000	Self Contained Breathing Appl	(3,998)								(3,998)			Project complete; close with funding from FD #41
CPS0053000	St. 26 Driveway on 100th	(47,370)								(47,370)			Project complete; close with funding from FD #41
CPS0055000	Fire Paging & Alerting Systems	80,364									80,364		Project complete; close
CPS0058000	Special Operations Vehicle	80,217								80,217			Project complete; close
CPS0060000	Defibrillators	35,544									35,544		Project complete; close
TOTAL PUBLIC SAFETY PROJECTS TO BE CLOSED		273,915	-	-	-	-	-	-	-	18,986	254,930	-	
FACILITIES													
CGG0013000	Public Safety Bldg - Site Plan	39,563										39,563	Close project & transfer balance to CGG0013001 & CGG0035000
CGG0013001	Public Safety Campus PH 1	(37,075)										(37,075)	Close with funds from CGG0013000
CGG0022000	Neish House Renovation	10,079										10,079	Project complete
CGG0024000	City Hall/505 Market Relocaton	91,110										91,110	Project complete; close & transfer \$30k to CGG0029000 & balance to CGG0028000
CGG0025000	Facilities Relocation to Rose Hill	16,473										16,473	Project complete; close & transfer to CGG0029000
CGG0026000	NKCC Lift	84,910									84,910		Project complete; close & transfer to CGG0029000
CGG0027000	Building Security	2,257									2,257		Project complete; close & transfer to CGG0029000
CGG0028000	Municipal Court Relocation	(63,295)										(63,295)	Project complete; close with funds GG0024000
CGG0029000	Maintenance Center Space Improv/Relocation	(232,458)									(87,167)	(145,291)	Project complete; close with funds from CGG24, CGG25, CGG26 & CGG27 & Lifecycle Reserves
CGG0033001	IT Dept. Reconfiguration Phase I	42,721										42,721	Project complete; close
TOTAL FACILITIES PROJECTS TO BE CLOSED		(45,715)	-	-	-	-	-	-	-	-	-	(81,682)	
TOTAL BALANCE BY FUNDING SOURCE		4,325,143	477,670	554,093	111,317	1,265,341	855,456	828,291	40,739	18,986	254,930	(81,682)	