



**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  
**Date:** July 27, 2009  
**Subject:** Utility Tax/Budget Follow Up

### **Recommendation**

Review and provide direction on the recommended reductions in the event the voted private utility tax increase does not pass.

### **Background**

#### *Utility Tax Recommendations*

At the July 1 and 7, 2009 Study Sessions, the Council reviewed the results of the "top-down" evaluation of core services to assist in identifying what service levels would need to be reduced in the event the voted private utility tax increase does not pass. The results of those discussions were then used by staff to develop specific service level reductions for City Council consideration at the August 4 Study Session. Once direction is received on these recommendations, staff will craft communication materials in advance of the November election. At the regular meeting on August 4, the City Council will consider the resolution placing the voted private utility tax increase on the ballot, which must be received by King County Elections by August 11.

The staff recommendations are presented in two separate attachments:

- Attachment A is a "report card", which presents the Non-Core and Partial Core items identified by the City Council and the resulting staff recommendations. For the majority of line items, the Council ratings matched up with the staff recommendations. In some cases, departments proposed alternative reductions, which are described further below. In addition, several departments proposed more than was identified on the Non-Core and Partial Core lists and departments that had no items on those lists proposed reductions as well. The total recommended reductions is \$1.63 million, consistent with the \$1.61 million on-going shortfall identified on the July 7 budget reduction framework. The first page of the attachment shows the Non-Core items and the second page shows the Partial Core items and the additional reductions identified. A table comparing the results is included on the following page.

<b>List</b>	<b>Council Core-Exercise Reductions</b>	<b>Recommended Reductions*</b>
Non-Core	870,359	772,859
Partially Core	989,765	474,291
Subtotal Non-Core & Partially Core	1,860,124	1,247,150
Additional Reductions Identified by Staff		381,601
<b>TOTAL</b>	<b>1,860,124</b>	<b>1,628,751</b>

Note:

\* Includes alternative reductions

- Attachment B provides the specifics on the recommended budget reductions, along with descriptions of the expected service level impacts. Brief highlights of the recommendations by department are provided below.

**City Council** – Eliminating memberships and reducing travel and training to \$500 per Council member, moving to electronic advertising and communications for Neighborhood Council meetings, and reductions to selected line items.

**City Manager's Office** – Reducing neighborhood matching grants to \$1,000 per year, reducing support to cultural and special events, reallocating existing resources toward tourism program support (rather than filling a vacant position), for an overall net reduction of 0.5 FTE. Court reductions include reducing on-call probation hours and reductions to selected line items.

**Human Resources** – Since elimination of tuition reimbursement must be negotiated with the labor unions, the department recommended a series of alternate reductions including reducing training, recruitment advertising, relocation expenses for new management, introducing a co-pay for flu shots, and reductions in several other line items.

**City Attorney's Office** – Lowering the replenishment of the Litigation Reserve (budgeted in Nondepartmental) from \$50,000 to \$20,000 and reduction to selected line items.

**Parks and Community Services** – Due to the magnitude of the non-core/partial core items in P&CS, the department looked at the needs of the department programmatically and recommended the following:

- Parks Planning and CIP – Eliminating the Parks Project Coordinator position (1.0 FTE) and reallocating a portion of the Park Planning and Development Manager to the CIP.
- Consolidated Maintenance Plan – Reducing 5,000 seasonal hours and 1.5 FTE grounds positions, reducing the level of grounds maintenance throughout the system, as described in Attachment B.
- Community Services Division – Reorganizing the Community Services Division, resulting in a net reduction of 0.75 FTE, as described in the memorandum from the Parks Department contained in Attachment C.
- Further reductions in other programs, including reducing the liaison activity of Special Events by 0.25 FTE and adjusting beach lifeguard hours.
- In addition to the General Fund reductions, the elimination of the General Fund subsidy to the Parks Maintenance Fund (Fund 125) reduces the number of seasonal hours available in that fund by 500 hours.

**Public Works (General Fund)** – Reducing Neighborhood Traffic Control funding (eliminating 0.5 FTE), updating/reallocating staffing to other funds, reducing on-call funding.

**Finance & Administration** – Further reductions in selected line items and reallocation of CIP-related accounting support (0.25 FTE) to CIP-related funds.

**Planning** – Additional reductions in selected line items.

**Police** – Eliminating the Community Services Unit Supervisor (1.0 FTE) and reductions in uniform replacement and other supply budgets.

**Fire & Building** – The department proposed alternative reductions to eliminating the Public Education Coordination function. These reductions are a combination of one-time reductions (\$60,000 - elimination of the Volunteer Firefighter compensation) and on-going reductions (\$49,180 – eliminating selected vehicles and other line item reductions). The on-going reductions fund 0.45 FTE. By applying one-time funds to the remainder 0.55 FTE of the Community Education and Information Specialist will be funded for 2010 only. If the utility tax rate increase does not pass, that portion of the position will not be funded in 2011 unless new on-going sources or grants can be identified.

**Streets** – Eliminating capital funding for the Neighborhood Traffic Control program and the remaining seasonal funding (5,000 hours). Reallocating costs that can be rationally charged to the Surface Water Utility.

**Equipment Rental** – Eliminating non-Public Safety General Government 800 MHz radios, except 10 units for emergency operations purposes.

**Information Technology** – Reducing Multimedia Services staff and management (0.75 FTE) and reductions in other line items.

**Facilities** – Eliminating all seasonal funding for maintenance (931 hours) and reductions in other maintenance services.

The specific service level reductions for all services are described in Attachment B. In total, a General Fund reduction of 6.5 FTEs (including 0.9 FTE allocated to other funds) plus seasonal/hourly wages equivalent to an additional 3.5 FTEs are recommended. Note that a successful increase in the private utility tax increase would be used to restore these reductions, so as to maintain 2009 service levels. The tax would *not* generate sufficient additional revenue to restore reductions already taken as part of the 2009/2010 budget process, such as elimination of park lawn irrigation, reduced seasonal road maintenance, reduced passport hours, and reductions to the Neighborhood Connections program.

### *Budget Update*

As a reminder, the overall budget issue we have been addressing totaled \$8.07 million, made up of the one-time shortfall in sales tax (\$5.83 million) and the on-going shortfall if the voted utility tax increase does not pass (\$2.24 million). Unfortunately, based on the results for the first 6 months of 2009, we are recommending that we increase the projected shortfall to recognize three items:

- As discussed at the 6/2 and 7/7 study sessions, utility tax receipts have been lagging. In 2008, utility taxes were at 54% of budget through June and we are currently at 48% and the difference has been growing in recent months. Staff has completed a detailed analysis of the utility tax revenues by sector and has projected that the total revenues for 2009 will fall short of the budget by at least \$500,000, due to two primary factors:
  - Telecommunications tax is falling about \$400,000 short driven by changes in consumer habits due to economic conditions and the full impact of a federal legal decision that exempted selected services from local tax, and
  - Net electric/gas tax revenues are down about \$100,000 because the budget assumed that PSE would increase rates (electric +9%/gas +5%) based on estimates

at the time of budget development. In reality, both rates decreased slightly resulting in a net decrease from budgeted levels. We are recommending that we increase the shortfall by \$500,000 for 2009 and 2010, recognizing that the 2010 budget assumed some growth from the 2009 budgeted level and it is likely that revenues cannot fully recover that quickly.

- Business license revenues have continued to lag estimates due, in part, 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. However, adjusting for these events, we are projecting that these revenues are likely to fall short of budget by at least \$200,000 in 2009, driven by the decline in employment due to the overall economic downturn. We assumed 27,000 FTE’s in the budgeted amount based on 2008 licenses and are falling at least 2,000 short (7.4%), which is not unexpected due to the increase in unemployment since the budget was established. We are following up with delinquent accounts and are monitoring trends closely and we will be preparing a more detailed analysis for an upcoming Council reading file.
- Fire Suppression overtime continues to exceed the projected monthly average budget of \$45,000 for May through December. The Fire department has prepared a discussion of the overtime trends and strategies to address the overage, which is included as Attachment D. However, the Department’s estimate is that overtime will be over budget by \$300,000-350,000 in 2009 and, barring implementation of a reduction in minimum staffing as described in the memo, that trend is likely to continue into 2010.

As a result, the shortfall scenario that we are including in the budget balancing framework (Attachment E) has increased by \$2 million, to \$10.07 million.

**Framework - 8/4/09 Budget Followup Study Session**

Dollars in thousands

	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)
<b>Projected Shortfall in Baseline Utility Tax</b>	<b>(500)</b>	<b>(500)</b>	-	-	<b>(1,000)</b>
<b>Projected Shortfall in Business License Fees</b>	<b>(200)</b>	<b>(200)</b>	-	-	<b>(400)</b>
<b>Projected Overspending in Fire Overtime</b>	<b>(300)</b>	<b>(300)</b>	-	-	<b>(600)</b>
<b>Total (Shortfall)</b>	<b>(3,772)</b>	<b>(4,055)</b>	-	<b>(2,240)</b>	<b>(10,067)</b>

In addition to these changes, we also updated the framework to reflect:

- Receipt of the June-to-June CPI of -0.7%. This moved the IAFF COLA savings into the on-going category. We have not moved the Police Guild COLA out of the potential column, as their collective bargaining agreement is currently open, so savings are shown as potential pending negotiations.
- We added potential categories for fire minimum staffing reductions, one-time savings from the Court Building purchase, and revenues from a potential \$10 increase in parking tickets.

We are also providing the June Dashboard as Attachment F. The Financial Management Report (FMR) for the period ending June 30, 2009 is expected to be available by August 15.

To address the remaining projected shortfall, not related to the potential failure of the private utility tax increase vote, staff is pursuing the following options:

- During the Non-Core/Partial Core exercise, staff identified a series of additional potential reductions for consideration, described in Attachment G. The ramifications of these reductions are under evaluation and will be brought back to the City Council for further discussion.
- Options for addressing the fire overtime issue might include consideration of reducing minimum staffing from 18 to 17, some use of the Contingency reserve (which is set aside for unforeseen expenditures), or possibly some combination of these and other approaches identified in the Fire department's memo.
- Consideration of using a portion of the Court lease savings in 2009-2010, although this is not an on-going source since it is intended to fund debt service once debt is issued for the Court purchase and Public Safety expansion to City Hall.
- Consideration of a parking fine increase of \$10 per ticket. Note that the average overtime parking fine of several of our neighboring cities is approaching \$30 (Attachment H) and our current fine is \$20.
- Returning to the discussion of work schedule reductions with the bargaining units. As you may recall, there was an interest expressed by the bargaining units in understanding the service level reductions necessary before beginning a discussion of furloughs, work week reductions, or other compensation adjustments.
- Considering some type of voluntary termination incentive (similar to a recent action by the City of Issaquah – see Attachment I).

As time is of the essence to place the voted private utility tax increase on the ballot, staff recommends focusing the bulk of the discussion at the August 4 Study Session on determining the service level reductions related to that aspect of the shortfall. Any remaining time can be used to further discuss these additional tools and additional information can be brought back for Council consideration at a future meeting.

**City of Kirkland  
Budget Reduction List - Report Card  
Services Matrix -- Core Exercise  
Ongoing Services Rated as Non-Core or Partially Core (by Council at 7/1/09 & 7/7/09 Study Session)**

**Non-Core List**

Department/Fund	Number	Service	Adjusted Service Cost	Recommended Amount	Notes
City Council	CC-5	Eastside Transportation Partnership Dues	500	500	See BR-1
City Council	CC-6	Kirkland Chamber Dues	500	500	See BR-2
City Council	CC-8	National League of Cities Dues	4,000	3,700	Adjusted to reflect earlier reductions (BR-3)
CMO	CM-8	Economic Development/Coordinator	11,000	10,871	Adjusted to actual costs (BR-10)
CMO	CM-11	Neighborhood Matching Grants	27,500	14,500	Smaller reduction recommended (BR-11)
CMO	CM-12	Neighborhood Signs	3,500	3,500	See BR-12
CMO	CM-16	Economic Development Intern	8,000	8,000	See BR-13
CMO	CM-17	Enterprise Seattle Dues	6,000	6,000	See BR-14
CMO	CM-20	Cultural and Special Events Services	26,000	26,680	Adjusted to actual costs BR-15
CMO	CM-21	Cultural Council Professional Services	5,000	5,000	See BR-16
Human Resources	HR-24	Tuition Reimbursement	16,569	36,657	} Recommended alternative reductions proposed (BR-23 through BR-32)
Human Resources	HR-26	Organizational Training	15,540		
Human Resources	HR-27	Special Projects for Department	4,548		
Parks GF	PK-12	Long-Range Park Planning	98,475	79,820	Smaller reduction recommended (BR-37)
Parks GF	PK-25	Maintenance of Public Art (formerly called "Art")	17,000	9,013	Smaller reduction recommended (BR-40)
Parks GF	PK-26	Juanita bay Park Ranger Program	15,846	15,846	See BR-39
Parks GF	PK-38	Summer Concert Series	20,607	20,607	See BR-40
Parks GF	PK-43	Senior Center Special Events	10,992	10,992	See BR-46
Public Works GF	PW-19	Support for Parking Programs/PAB	33,311	33,311	Recommended alternative reductions proposed (BR-54)
Public Works GF	PW-28	Traffic Counts	6,988	6,988	Recommended alternative reductions proposed (BR-55 and BR-56)
Public Works GF	PW-31	Neighborhood Traffic Control Program Coordination	130,804	120,442	Smaller reduction recommended (BR-52 and BR-87)
Planning		Professional Services - Annual Retreat	1,400	1,400	See BR-63
Police	PD-17	Community Services Unit Supervisor	124,470	104,098	Smaller reduction that more accurately reflects the outcome of this reduction (BR-65)
Fire & Building	FB-21	Public Education Coordination	109,116	109,180	Recommended alternative reductions proposed (BR-73 through BR-85)
Parks Maintenance (Non-Departmental)	ND-14	Fund 125 Subsidy	50,000	50,000	See BR-51
Street Fund	ST-44	Ancillary Operations	3,044	3,044	See BR-86
Street Fund	ST-46	CBD Appurtenance	25,211	25,211	Recommended alternative reductions proposed (BR-91)
IT Fund	IT-20	Other video services	85,328	60,300	Recommended alternative reductions proposed (BR-96 through BR-97)
Facilities	FM-23	Janitorial -Art Display Cleaning	1,272	1,230	Adjusted to GF portion (BR-98)
Facilities	FM-30	Space Planning	7,840	5,469	Recommended alternative reductions proposed (BR-99 through BR-100)
<b>Subtotal Non-Core</b>			<b>870,359</b>	<b>772,859</b>	

**City of Kirkland**  
**Budget Reduction List - Report Card**  
**Services Matrix -- Core Exercise**  
**Ongoing Services Rated as Non-Core or Partially Core (by Council at 7/1/09 & 7/7/09 Study Session)**

**Partially Core List**

Department/Fund	Number	Service	Adjusted Service Cost	Recommended Amount	Notes
City Council	CC-12	City Council Travel and Training	14,000	11,070	Smaller reduction recommended (BR-4)
Parks GF	PK-8	Consolidated maintenance plan (formerly Landscape Maintenance - Parks)	176,293	261,582	} Recommended alternative (Consolidated maintenance plan) proposed (BR-42 through BR-44)
Parks GF	PK-11	Irrigation	169,860		
Parks GF	PK-24	Night and Weekend coverage	170,986	120,257	} Recommended alternative proposed (BR-47 and BR-48)
Parks GF	PK-22	Community Service division administration	151,814		
Parks GF	PK-23	Senior Council Support	15,255		
Parks GF	PK-28	Youth Services	112,342	17,592	} Smaller reduction recommended (BR-45)
Parks GF	PK-30	Special Events	92,427		
Planning		Printing/postage/miscellaneous	24,500	21,500	Smaller amount reflects reductions already taken (BR-64)
Non-Departmental	ND-15	Litigation Reserve Fund 157	50,000	30,000	Smaller reduction recommended (BR-36)
Street Fund	ST-42	Spraying	12,290	12,290	Recommended alternative offsets cost of this service (BR-91)
<b>Subtotal Partially Core</b>			<b>989,765</b>	<b>474,291</b>	
<b>Total Non-Core &amp; Partially Core</b>			<b>1,860,124</b>	<b>1,247,150</b>	

**Additional Reductions List**

Department/Fund	Recommended Amount
City Council	6,595
CMO	24,506
Court	10,133
Human Resources	6,495
City Attorney's Office	2,000
Parks GF	33,000
Public Works GF	47,696
Finance & Administration	33,866
Planning & Comm. Development	-
Police	33,526
Fire & Building	1,200
Non-Departmental	-
Street Fund	96,199
Equipment Rental	24,523
IT Fund	48,800
Facilities	13,062
<b>Total Additional Reductions</b>	<b>381,601</b>

**Grand Total of Recommended Budget Reductions (General Fund) | 1,628,751**

Note: In addition to General Fund impact, other funds will see reductions totaling: 50,970

**Summary of Reductions**

List	Council Core-Exercise Reductions	Recommended Reductions*
Non-Core	870,359	772,859
Partially Core	989,765	474,291
Subtotal Non-Core & Partially Core	1,860,124	1,247,150
Additional Reductions Identified by Staff		381,601
<b>TOTAL</b>	<b>1,860,124</b>	<b>1,628,751</b>

Note:

\* Includes alternative reductions

**City of Kirkland  
Recommended Budget Reduction List**

Department/Fund	Number	Core Exercise Number	Service	Non-Core		Partially Core		Additional Reductions		TOTAL		Notes
				Reduction Amount	FTE Reduction	Reduction Amount	FTE Reduction	Reduction Amount	FTE Reduction	Reduction Amount	FTE Reduction	
City Council	BR-1	CC-5	Eastside Transportation Partnership Dues	500						500	-	This would eliminate the City of Kirkland's membership in the Eastside Transportation Partnership potentially reducing the City's regional presence on transportation matters.
City Council	BR-2	CC-6	Eliminate Kirkland Chamber of Commerce Membership	500						500	-	This would eliminate the City of Kirkland's membership in the Kirkland Chamber of Commerce.
City Council	BR-3	CC-8	National League of Cities Dues	3,700						3,700	-	This would eliminate the City of Kirkland's membership in the National League of Cities.
City Council	BR-4	CC-12	City Council Travel and Training (Reduce to \$500 per Council member per year)			11,070				11,070	-	The travel and training budget was already reduced to eliminate all out of state travel. The remaining budget of \$3,500 provides for attendance at AWC conferences, regional meetings and Suburban Cities meetings. This reduction may reduce Kirkland's presence in the region or require that Council members pay their own expense.
City Council	BR-5		Eliminate Subscriptions					245		245	-	This would eliminate the City Council's subscriptions for the Municipal Research and Services Directory and the Washington Directory of City Officials. The City would need to relay on alternatives methods such as the internet for contact information.
City Council	BR-6		Eliminate Replacement Furniture					450		450	-	This would require reliance on existing furniture.
City Council	BR-7		Reduce Replacement Phone/Handheld Devices					400		400	-	City Council would need to retain existing hand held devices longer and may not have the ability to switch technologies (e.g. from Blackberry to I-Phone or visa versa) as quickly. Remaining budget is \$400.
City Council	BR-8		Eliminate Home Fax Maintenance (\$500)					500		500	-	Fax repairs may be delayed with the potential for reduced access to City documents.
City Council	BR-9		Eliminate Neighborhood Council meeting printing & postage					5,000		5,000	-	Neighborhood Council meetings are advertised through websites, reader boards, list serv subscriptions and postcards that are mailed to every household in the neighborhood. This reduction would eliminate the postcards creating greater reliance on electronic notification and potentially reducing the number of questions asked in advance of the meeting.
<b>Subtotal City Council</b>				<b>4,700</b>	<b>-</b>	<b>11,070</b>	<b>-</b>	<b>6,595</b>	<b>-</b>	<b>22,365</b>	<b>-</b>	
CMO	BR-10	CM-8	Tourism Coordinator (formerly Economic Development Coordinator)	10,871	0.10					10,871	0.10	This position coordinates all tourism activities for the City. The General Fund portion (0.10 FTE) provides support for program activities that are not directly related to tourism and that cannot be funded from Lodging Tax revenues. This will decrease support for tourism coordination by 10%. The position is currently vacant.
CMO	BR-11	CM-11	Neighborhood Matching Grants	14,500						14,500	-	Reduce maximum amount of neighborhood matching grants from \$3,500 per neighborhood per year to \$1,000 per neighborhood per year. Neighborhood matching grants are used for neighborhood websites, neighborhood picnics, neighborhood clean-up projects and special projects such as the Juanita neighborhood banners and pedestrian safety projects. The reduction would limit the scope of projects that could be completed and/or require more contributions and donations from other sources.
CMO	BR-12	CM-12	Neighborhood Signs	3,500						3,500	-	Neighborhood entry signs become worn and damaged due to vandalism, automobile accidents or other incidents. Whenever possible, the City will seek restitution from individuals or from insurance providers to replace or repair signs that were damaged by vandals or as a result of an insured accident. Neighborhood signs need to be refurbished periodically due to the normal wear and tear. This reduction would eliminate the ability to perform periodic maintenance. Sign repair or replacement would need to be funded through individual requests to Council during the year. Eventually, neighborhood signs would be eliminated as they passed their useful life and became too worn or damaged.
CMO	BR-13	CM-16	Economic Development Intern	8,000						8,000	-	This would eliminate funding for intern hours used to support special projects for the economic development program and support for the Business Roundtable events. The intern has provided research support and consultant oversight for projects such as Kirkland First, the business sustainability study and focused projects regarding such as retail signage. Without intern assistance, projects will take longer to complete.
CMO	BR-14	CM-17	Enterprise Seattle Dues	6,000						6,000	-	Enterprise Seattle provides economic development networking opportunities and promotional services for business sector in King County. This would eliminate the City's ability to participate in Enterprise Seattle activities.
CMO	BR-15	CM-20	Cultural and Special Events Services	26,680	0.25					26,680	0.25	The Special Projects Coordinator currently manages the volunteer program (0.50 FTE) and also provides staff support to the Cultural Council and special event volunteer coordination. This reduction would eliminate support for special events volunteers and transfer Cultural Council support to Economic Development Manager. This would retain 0.50 FTE dedicated to Volunteer Program. The reduced 0.25 FTE would be replaced by transferring the equivalent FTE for administration of Tourism program which is partial replacement of the vacant Tourism Coordinator.
CMO	BR-16	CM-21	Cultural Council Professional Services	5,000						5,000	-	This reduction will eliminate funding for outside consulting or grants to other organizations made by the Cultural Council. Examples of special projects completed by the Cultural Council include development and distribution of an informational DVD on public art and grants to local arts organizations.
CMO	BR-17		Eliminate City Payment of Monthly Phone/Handheld Service for Intergovernmental Relations Manager					1,625		1,625	-	The IG Manager will use their personal cell phone as needed and seek reimbursement for extraordinary charges incurred for City business. This may reduce the City's ability to reach the IG Manager when out of the office.
CMO	BR-18		Reallocate .15 of Economic Development Manager to Tourism					22,881	0.15	22,881	0.15	In 2008, the Tourism Program was merged with Economic Development and placed under the management of the Economic Development Manager. Since then, the Tourism Coordinator position has become vacant requiring additional from the Economic Development Manager. This budget change allocates a portion of the Economic Development Manager to the Lodging Tax fund to acknowledge her direct support of the Tourism program which is considered a component of the City's economic development program.
<b>Subtotal CMO</b>				<b>74,551</b>	<b>0.35</b>	<b>-</b>	<b>-</b>	<b>24,506</b>	<b>0.15</b>	<b>99,057</b>	<b>0.50</b>	

**City of Kirkland  
Recommended Budget Reduction List**

Department/Fund	Number	Core Exercise Number	Service	Non-Core		Partially Core		Additional Reductions		TOTAL		Notes
				Reduction Amount	FTE Reduction	Reduction Amount	FTE Reduction	Reduction Amount	FTE Reduction	Reduction Amount	FTE Reduction	
Court	BR-19		Operating Supplies \$1,500; Office Supplies \$1,00 (\$6,500 remains)					2,500		2,500	-	This reduction will require the Court to reuse old file folders which will create additional work because the paperwork and labels need to be removed prior to reuse. It should also be noted that even though we are proposing an office supply cut, the State Administrative Office of the Courts (AOC) has announced that the state may no longer supply the tractor-fed paper, labels, thermal receipt paper, and printer ribbons used in daily court operations beyond 2010. These costs will be transferred to the local jurisdictions.
Court	BR-20		Printing (\$5,500 remains)					1,500		1,500	-	The Court is in the process of changing vendor-printed court forms. Staff has identified 2-3 forms that can be printed "in-house" and not as a multi-part form.
Court	BR-21		Repairs and Maintenance (eliminate)					1,000		1,000	-	This funding provides maintenance as needed on the Court's recording system used to record all courtroom proceedings (FT R Gold). The Court will continue to use an older version of FTR Gold recording program. There may be implications if technology changes and does not support the older version. Court rule mandates recording of all court hearings.
Court	BR-22		On-Call Probation 150 Hours @ \$29.31 = \$4,397 + \$736 benefits = \$5133 (350 hrs remain)					5,133		5,133	-	On-Call probation officers have been used to cover peak workloads, vacation and sick leave time for full-time staff. In 2008, regular probation officer time (PO) was increased from 1.5 FTE to 2.0 FTE based on the volume of cases which will help to provide vacation and sick coverage. The on-call probation officer (PO) will be limited to 8 hours per week to conduct intake appointments only. This means less appointment spaces will be available to meet with defendants. Therefore, the length between defendant appointments will increase, or the appointment will have to be rescheduled when a PO is sick.
<b>Subtotal Court</b>				-	-	-	-	<b>10,133</b>	-	<b>10,133</b>	-	
Human Resources	BR-23		Service Award (Replaces HR-24: Tuition Reimbursement and HR-27: Special Projects)	3,000						3,000	-	A \$3,000 reduction leaves an on-going balance of \$2,000 a year for the Service Award Program. In anticipation of further budget reductions the Service Award Program was re-worked to come in at \$2,000 a year beginning in 2009. The revised program recognizes 20 year and above employees with an award style plaque, all other employees are recognized with a City Sealed Certificate.
Human Resources	BR-24	HR-26	Organizational Training	12,000				2,470		14,470	-	Training reductions include: \$3,500 ECTC program eliminated, \$3,000 Cascade Management program eliminated, \$2,500 Diversity Training program funding eliminated. Reduce In-house Training by \$3,000 leaves a remaining balance of \$2,000 a year.
Human Resources	BR-25		Recruitment - Advertising (Replaces HR-24 and HR-27)	6,000						6,000	-	New on-line advertising and recruitment strategies have yielded a cost savings in this area. Advertising options will include City Website, NW Jobs Banner Ad, Craig's List, or any no-cost professional organization, (ex: AWC). Other advertising at the Department's selection and cost. The remaining balance on this line item would be \$23,250 per year.
Human Resources	BR-26		Blood borne Pathogen Consultant (Replaces HR-24 and HR-27)	4,000						4,000	-	Blood borne Pathogen Training would shift to In-house training increasing time demands on the Safety Management Risk Analyst and other HR Staff. Eliminates line item, (Professional Services dollars).
Human Resources	BR-27		EAP (Replaces HR-24 and HR-27)	1,500						1,500	-	Previously reduced from 8 to 5 sessions. Need to maintain reduced levels to meet the needs of the City's employees and Federal & State CDL and Drug requirements. The adjusted cost in this line item is \$8,000 per year.
Human Resources	BR-28		CPS-Standardized Job Tests (Replaces HR-24 and HR-27)	4,000						4,000	-	Reduction in the number of tests per year. The remaining balance in this line item is \$4000 which allows for only 5 tests per year for selected positions.
Human Resources	BR-29		Flu Shots Co-pay (Replaces HR-24 and HR-27)	2,580						2,580	-	Employee Co-Pay \$15.00
Human Resources	BR-30		Applicant Travel (Replaces HR-24 and HR-27)	1,750						1,750	-	Eliminate line item. Future needs will to be met by a mid-year budget adjustment or from department.
Human Resources	BR-31		Relocation for new management (Replaces HR-24 and HR-27)	1,500						1,500	-	Eliminate line item. Future needs will to be met by a mid-year budget adjustment or from department.
Human Resources	BR-32		Office Supplies (Replaces HR-24 and HR-27)	327				4,025		4,352	-	Reduction includes -Office Supplies - \$1,902, postage - \$500, Misc operating - \$500, Labor Relations Support \$1,000, Training Tapes -\$450. (Leaves approximately \$4,100 in the budget)
<b>Subtotal Human Resources</b>				<b>36,657</b>	-	-	-	<b>6,495</b>	-	<b>43,152</b>	-	
CAO	BR-33		Cancel Cell phone/PDA service					1,800		1,800	-	The CAO staff will use their personal cell phone as needed and seek reimbursement for extraordinary charges incurred for City business. Immediate legal questions or emergencies may now have longer response times.
CAO	BR-34		Repairs and Maintenance					110		110	-	Department equipment will not be maintained. CAO may have to use other department's equipment.
CAO	BR-35		Miscellaneous					90		90	-	
<b>Subtotal CAO</b>				-	-	-	-	<b>2,000</b>	-	<b>2,000</b>	-	
CAO (Non-Departmental)	BR-36	ND-15	Litigation Reserve Fund 157			30,000				30,000	-	Based on expenditures to date, reduced replenishment from \$50,000 to \$20,000.
<b>Subtotal CAO (Non-Departmental)</b>				-	-	<b>30,000</b>	-	-	-	<b>30,000</b>	-	

City of Kirkland  
Recommended Budget Reduction List

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				Reduction Amount	FTE Reduction	Reduction Amount	FTE Reduction	Reduction Amount	FTE Reduction	Reduction Amount	FTE Reduction	
Parks GF	BR-37	PK-12	Long-Range Park Planning	35,684	0.35					35,684	0.35	Eliminate Park Project Coordinator position (note: this position also affiliated with PK-26 Juanita Ranger Program). Impact: reduced department support for special projects, eliminates department GIS mapping capabilities; reduces ability to provide timely response to citizen inquiries and requests; reduced department support for Neighborhood Connection Program, Green Team and other inter-department service teams; may require reduced public participation plans for park planning projects; reduces ability to seek and pursue grant opportunities; reduces staff support for Park Board; reduced participation in inter-governmental local and regional intergovernmental planning efforts.
Parks GF	BR-38		Reallocate portion of Park Planning & Development Manager position to CIP	44,136	0.50					44,136	0.50	Re-allocate additional 0.35 FTE of Park Planning and Development Manager from General Fund to CIP to reflect anticipated time spent managing CIP projects. (note: requires corresponding elimination of CIP-funded .50FTE Project Coordinator position in order to minimize budgetary impact to CIP)
Parks GF	BR-39	PK-26	Juanita Bay Park Ranger Program	15,846	0.15					15,846	0.15	Eliminate the Park Ranger Program
Parks GF	BR-40	PK-25	Maintenance of Public Art (formerly called "Art")	9,013						9,013	-	Contracted cleaning service and staff maintenance/repairs
Parks GF	BR-41	PK-38	Summer Concert Series	20,607						20,607	-	This program was cut in 2009. This amount reflects an expenditure that was tied to revenues, however with the 2009 staff cut, there is not staffing to build partnerships to obtain sponsorships/revenue. It is important to note that if these funds are left in the budget, it doesn't bring back the concert series. It could be used to produce some concerts, but not the full series.
Parks GF	BR-42	PK-8	Landscape Maintenance-Parks (addressed through the Consolidated Maintenance Plan)			261,582	1.50			261,582	1.50	Reduction includes eliminating 5,000 seasonal labor hours in addition to eliminating 1.5 grounds positions, Reduction in staff resources will impact the level of maintenance of park system: Remove garbage cans from neighborhood parks, reduce irrigation to athletic fields and landscape beds, reduce number of labor hours to clean restrooms and pick up litter, reduce responsiveness to requests to support volunteer projects, reduce the amount of turf maintenance performed annually.
Parks GF	BR-43	PK-11	Irrigation (addressed through the Consolidated Maintenance Plan)									
Parks GF	BR-44	PK-24	Night & Weekend Coverage (addressed through the Consolidated Maintenance Plan)									
Parks GF	BR-45	PK-30	Special Events Liaison (formerly Special Events)			17,592	0.25			17,592	0.25	Eliminate 0.25 FTE for administration of Friday Night Market by contracting management of market. 0.25 of this position was funded by revenue from the Market, with no general fund support. By contracting the management of the market, the general fund will net revenue.
Parks GF	BR-46	PK-43	Senior Center Special Events	10,992						10,992	-	Eliminates events such as holiday celebrations, Steppers lunches and themed walks, baby boomers health fair, etc.
Parks GF	BR-47		Reorganize Community Services Division (Replaces PK-22: Community Service Division Administration, PK-23: Senior Council Support, and PK-28: Youth Services)			100,257	0.75			100,257	0.75	Impacts will be to Youth Services, Senior Services, Recreation, and 505 administrative offices. Eliminate Northwest Senior Games, Senior Council Health fair, educational videos, pedestrian safety, reduce support for Senior stepper program, reduce Youth Council service projects, We've Got Issues programs, eliminate Blue Fish Festival, eliminate participation with Eastside Refugee and Immigrant Coalition, Eastside Healthy Start, Reduce participation with Myparksandrecreation.com, close parks administration office at 4:00 p.m. Monday through Friday. Please see attached organization chart, and memo for further explanation of impacts.
Parks GF	BR-48		Increase revenue to senior van service (Replaces PK-22: Community Service Division Administration, PK-23: Senior Council Support, and PK-28: Youth Services)			20,000				20,000	-	Currently van service is fully subsidized, this alternative will ask riders to share cost of service from full subsidy to partial-subsidy. Will build in a sliding-scale for riders in need. Currently, we provide 10,000 trips per year. This proposal will add a cost to the rider of \$2.50 for each trip. This would add an estimated \$25,000 revenue, but with attrition, sliding scale for those who cannot afford it, and taxes, a realistic revenue target is \$20,000.
Parks GF	BR-49		Eliminate mutt mitts					10,000		10,000	-	Eliminate pet waste bags. Pet owners will need to provide their own dog waste bags, potential for increase dog waste in parks.
Parks GF	BR-50		Reduce lifeguard hours at beaches					23,000		23,000	-	Reduce lifeguard services to guard during peak times only ( according to 3 years of data ). Begin guard program two weeks later in the summer, and provide guarding during times when the most people are in the water. Open July 1- Labor Day, guard Waverly 1-5 PM Monday-Friday, 2-5 PM Saturday & Sunday; guard Houghton 1-6 PM Monday-Sunday. Reduces hourly staffing by 350 hours/year.
<b>Subtotal Parks GF</b>				<b>136,278</b>	<b>1.00</b>	<b>399,431</b>	<b>2.50</b>	<b>33,000</b>	<b>-</b>	<b>568,709</b>	<b>3.50</b>	
Parks Maintenance (Non-Departmental)	BR-51		Eliminate Fund 125 subsidy	50,000						50,000	-	Reduced level of maintenance to athletic fields, including reduction in irrigation, turf maintenance, frequency of attending to garbage, litter and repairs. Reduce the amount of time allocated for preparing fields for practice and games. Reduces hourly staffing by 500 hours/year.
<b>Subtotal Parks Maintenance (Non-Departmental)</b>				<b>50,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,000</b>	<b>-</b>	

**City of Kirkland  
Recommended Budget Reduction List**

Department/Fund	Number	Core Exercise Number	Service	Non-Core		Partially Core		Additional Reductions		TOTAL		Notes
				Reduction Amount	FTE Reduction	Reduction Amount	FTE Reduction	Reduction Amount	FTE Reduction	Reduction Amount	FTE Reduction	
Public Works GF	BR-52	PW-31	Neighborhood Traffic Control Program funding (see also BR-87 in Street Fund)	70,442	0.50					70,442	0.50	Eliminate Neighborhood Traffic Control Program Coordinator (.50 FTE), and Transportation Engineering on call funding. Elimination of 47% of the NTCP; the NTCP is also responsible for the pedestrian flag program. Traffic solutions to mitigate speeding and other ongoing safety issues would be limited to only phase I solutions (low cost solutions) even where phase II solutions are warranted. No additional Pedestrian flag locations will be added, inspection of in pavement flashers will be on a complaint basis, and the indication time necessary to deploy VMB (Variable Message Boards) will increase. Reduces hourly staffing by 650 hours/year.
Public Works GF	BR-53		Allocating remainder of Solid Waste Coordinator to Solid Waste					26,277		26,277	-	This position does not do any General Fund activities and should be charged to Solid Waste.
Public Works GF	BR-54		Update CIP Model (Replaces PW-19: Support for Parking Programs/PAB)	33,311				21,318		54,629	-	Aggressively charge to CIP projects and update the CIP charge model to reflect current allocation factor.
Public Works GF	BR-55		Policy & Programs on call funding (Replaces PW-28: Traffic Counts)	1,745						1,745	-	Elimination of hourly staff as backup for Public Works Director Admin. Assistant. Existing staff will absorb duties formerly completed by hourly staff. Impacts would be potential and minor delays in overall completion dates and response times as existing staff absorb additional duties. Reduces hourly staffing by 113 hours/year.
Public Works GF	BR-56		Development Engineering on-call funding (Replaces PW-28: Traffic Counts)	5,243				101		5,344	-	Elimination of hourly staff as backup for Public Works Counter. Existing staff will absorb duties formerly completed by hourly staff. Impacts would be potential and minor delays in overall completion dates and response times as existing staff absorb additional duties. Reduces hourly staffing by 348 hours/year.
<b>Subtotal Public Works GF</b>				<b>110,741</b>	<b>0.50</b>	<b>-</b>	<b>-</b>	<b>47,696</b>	<b>-</b>	<b>158,437</b>	<b>0.50</b>	
Finance & Admin	BR-57		Reduce Professional Services					1,500		1,500	-	Eliminates department retreat. Less opportunity to have department-wide training and development
Finance & Admin	BR-58		Reduce Operating Supplies					2,000		2,000	-	Eliminates department retreat. Less opportunity to have department-wide training and development
Finance & Admin	BR-59		Eliminate General Financial Consulting Professional Services					5,500		5,500	-	May delay or limit ability to respond to special analysis requests; requests will need to be funded as needed.
Finance & Admin	BR-60		Travel & Training Reduction from out-of-state travel reductions list					3,265		3,265	-	Reductions not taken during 2009 Mid-Year process
Finance & Admin	BR-61		Reallocate Accounting Support Associate-IV position to CIP					20,401	0.25	20,401	0.25	Allocate percentage of time actually spent on CIP projects to be funded by CIP
Finance & Admin	BR-62		Reduce Department Wide Office Supplies					1,200		1,200	-	Additional conservation of supplies department-wide
<b>Subtotal Finance &amp; Admin</b>				<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,866</b>	<b>0.25</b>	<b>33,866</b>	<b>0.25</b>	
Planning	BR-63		Professional Services - Annual Retreat	1,400						1,400	-	The annual retreat would be cancelled or scaled back. The funds are typically used for facility rental and supplies and for a training facilitator or professional education.
Planning	BR-64		Printing/postage/miscellaneous			21,500				21,500	-	The City would not be able to print amendments to the Zoning Code and Comprehensive Plan (Code Publishing). Postcard and mail out notices would not be sent out to surrounding property owners for development applications or long range planning projects (would require change to Zoning Code). Packet delivery and preparation may be delayed. The bulk of this budget is for printing. Miscellaneous items include meeting packet preparation and delivery for the Planning Commission, Hearing Examiner, HCC and DRB. Electronic methods of delivery would need to be used.
<b>Subtotal Planning</b>				<b>1,400</b>	<b>-</b>	<b>21,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,900</b>	<b>-</b>	
Police	BR-65	PD-17	Community Services Unit Sergeant (Supervisor)	104,098	1.00					104,098	1.00	This position supervises 2 FTE's (School Resource Officer & Neighborhood Resource Officer); supervision of those positions would be reassigned to other divisions within the department. Elimination of the Sergeant would reduce our ability to establish and maintain positive communication and working relationships with community members and business owners by at least half. It would also reduce our ability to provide community education on crime prevention and participation in community sponsored events, activities, and festivities. Internal programs such as the Citizens' Police Academy would likely be discontinued.
Police	BR-66		Reduction of current overtime budget					10,458		10,458	-	Elimination of attendance at community and neighborhood meetings and other events where Police attendance is requested; reduction in Crime Prevention education to businesses and citizens
Police	BR-67		Reduction of current uniform budget					19,948		19,948	-	Postpone replacement of worn-out uniforms
Police	BR-68		Reduction of current operating supplies budget					800		800	-	None; historically, Parking Enforcement has under spent. Also reduce supplies purchased for in-house training.
Police	BR-69		Reduction of current ammunition budget					1,020		1,020	-	Reduction in firearms training for Special Response Team
Police	BR-70		Reduction of current Special Response Team operating supplies budget					650		650	-	None; no new items will be authorized for purchase and the team will be directed to conserve current supplies when training
Police	BR-71		Reduction of current Crisis Negotiation Team operating supplies budget					650		650	-	None; no new items will be authorized for purchase and the team will be directed to conserve current supplies
<b>Subtotal Police</b>				<b>104,098</b>	<b>1.00</b>	<b>-</b>	<b>-</b>	<b>33,526</b>	<b>-</b>	<b>137,624</b>	<b>1.00</b>	

**City of Kirkland  
Recommended Budget Reduction List**

Department/Fund	Number	Core Exercise Number	Service	Non-Core		Partially Core		Additional Reductions		TOTAL		Notes	
				Reduction Amount	FTE Reduction	Reduction Amount	FTE Reduction	Reduction Amount	FTE Reduction	Reduction Amount	FTE Reduction		
<p><b>Fire &amp; Building: Alternative reductions are a combination of one-time (\$60,000) and on-going (\$49,180) reductions. By applying one-time funds, 0.55 FTE of the Community Education and Information Specialist will be funded for 2010 only. If the utility tax rate increase does not pass, that portion of the position will not be funded in 2011 unless new on-going sources or grants can be identified.</b></p>													
Fire & Building	BR-72	(Replaces FB-21: Public Education Coordination)	Eliminate the Volunteer Firefighter Compensation	60,000						60,000	-	This is one-time funded in 2010. Impact would be determined by Volunteer participation.	
Fire & Building	BR-73		Office supplies, Operating supplies, Office equipment, computer hardware, Repairs & maintenance, Miscellaneous, Software, Dues	7,800							7,800	-	Delay in purchasing
Fire & Building	BR-74		Reduction in Communication, Advertising, Printing, and Professional services	2,300							2,300	-	Reduction of methods to communicate to the public and ability to contract for plan development or renewal.
Fire & Building	BR-75		Reduction in Training and Travel	8,300							8,300	-	Reduction of Staff training and development and ongoing training for systems currently used (Decon, Telestaff, GIS)
Fire & Building	BR-76		Reduction in Administrative OT	1,000							1,000	-	No longer reserve rooms at the fire stations for the public, reorganize staff workload.
Fire & Building	BR-77		Office supplies, Operating supplies, Small tools, Office equipment, Repairs & maintenance, Miscellaneous, Software	3,900							3,900	-	Delay in purchasing, issues will arise if a large fire investigation occurs or if the number of fires increase, we will not have the funds to supply/restock supplies.
Fire & Building	BR-78		Reduction in Communication, Printing	1,400							1,400	-	Reduction of methods to communicate to the public
Fire & Building	BR-79		Professional services	4,000							4,000	-	Reduction in ability to hire a Fire engineer specialist for larger building projects
Fire & Building	BR-80		Office supplies, Operating supplies, Small tools, Office equipment	2,600							2,600	-	Delay in purchasing, issues will arise if a disaster occurs and more supplies are needed or to restock EOC supplies.
Fire & Building	BR-81		Reduction in Communication, Printing	1,200							1,200	-	Reduction of methods to communicate to the public
Fire & Building	BR-82		Reduction in Training and Travel	1,700				1,200			2,900	-	Reduction of Staff training and development
Fire & Building	BR-83		Eliminate the 2 Aid vehicles reserved for disaster response	4,560							4,560	-	This will eliminate the use of these 2 vehicles for treatment and transport of injured people above and beyond the standard aid fleet
Fire & Building	BR-84		Eliminate the Vehicle used by the Community education and information specialist position (Fire Prevention)	6,720							6,720	-	This will cause this position to coordinate with fleet and other staff to get supplies and equipment to community educational events
Fire & Building	BR-85		Eliminate Overtime for GIS work for Dept. personnel	3,700							3,700	-	The department will not have "off-duty" participation to assist GIS in department needs.
<b>Subtotal Fire &amp; Building</b>				<b>109,180</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,200</b>	<b>-</b>	<b>110,380</b>	<b>-</b>		
Street Fund	BR-86	ST-44	Ancillary Operations	3,044						3,044	-	Used to fund unexpected services and repairs that fall outside the established budget. Costs incurred are expected to be reimbursed by insurance or direct payment from responsible parties.	
Street Fund	BR-87		Neighborhood Traffic Control Program funding (see also BR-52 in Public Works GF)	50,000						50,000	-	Eliminate capital funding for phase II (physical changes and projects) traffic control measures.	
Street Fund	BR-88		Allocation of 10% of Grounds Crew to Surface Water					15,275		15,275	-	Revisions to the General Requirements of the Clean Water act include strict NPDES regulations. To meet imposed federal requirements, the grounds crew work tasks have shifted to concentrate on Surface Water related tasks and are now charging time to the Surface Water fund.	
Street Fund	BR-89		Allocation of Arborist to Surface Water					9,518		9,518	-	Due to the benefits of the urban landscape to water quality, erosion control and flooding. The surface water fund should be charged the full cost of the Arborist.	
Street Fund	BR-90		Allocation of 75% of street sweeping to Surface Water					53,581		53,581	-	Recent studies indicate street sweeping is a vital component of the Surface Water system. Street sweeping helps make waterways cleaner and healthier for people and fish. Street sweeping reduces the amount of pollutants discharged and minimizes the potential for contaminated sediments to reach bodies of water. Street sweeping is also cost effective compared to treating storm water prior to discharge. FTE shift to Surface Water equivalent to .25.	
Street Fund	BR-91		Streets & Grounds Seasonal Funding (Replaces ST-46: CBD Appurtenance and ST-42: Spraying)	25,211		12,290		17,825		55,326	-	Eliminate all of the seasonal funding for weed control, path and trails, aesthetic maintenance, curb painting, and other grounds, street and city facility seasonal work. Reduces hourly staffing by 3,600 hours/year.	
<b>Subtotal Street Fund</b>				<b>78,255</b>	<b>-</b>	<b>12,290</b>	<b>-</b>	<b>96,199</b>	<b>-</b>	<b>186,744</b>	<b>-</b>		
Equipment Rental	BR-92		EPSCA Radios					24,523		24,523	-	Currently 102 General Government 800MHz radios (includes all departments except Fire and Police), 18 portable, 76 vehicles, 8 base stations. This will affect Emergency Operations Readiness. Reduction of 92 General Government 800 MHz radios, (each radio has annual EPSCA charges of \$368.76 access, and \$135.63 for repair; total of \$504.39). 10 Radios will be retained for emergency operation purposes. Of the \$46,404 savings identified only \$24,523 is a reduction to the General Fund.	
<b>Subtotal Equipment Rental</b>				<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,523</b>	<b>-</b>	<b>24,523</b>	<b>-</b>		

**City of Kirkland  
Recommended Budget Reduction List**

Department/Fund	Number	Core Exercise Number	Service	Non-Core		Partially Core		Additional Reductions		TOTAL		Notes
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IT Fund	BR-93		Phone system hardware warranty coverage					14,100		14,100	-	Phone system hardware now gets its warranty coverage built into its replacement cycle (five years) similar to network servers, which get warranty coverage for their replacement lifecycle built in at purchase too. This should have virtually no affect on service over the next few years. Of the \$17,000 savings identified only \$14,100 is a reduction to the General Fund.
IT Fund	BR-94		Fully implement Backup to Disk					18,200		18,200	-	Once we have fully implemented Backup to Disk, we will no longer need to purchase tapes or pay maintenance on backup to tape software. Of the \$21,906 savings identified only \$18,200 is a reduction to the General Fund.
IT Fund	BR-95		Reduce training, professional services, office supplies, etc.					16,500		16,500	-	Reduces flexibility when completing system projects since this reduces funding for outside resources. Decreases staff readiness to deal with new technologies. Of the \$19,930 savings identified only \$16,500 is a reduction to the General Fund.
IT Fund	BR-96		Reduce Senior Graphics Design Specialist by 0.50 FTE (Full layoff of this position). (Replaces IT-20: Other Video Services)	35,200	0.50					35,200	0.50	This would severely impact the amount of professional graphics that we produce for the city. We have already cut this function so far that we are losing the ability to approve and manage all of the public-facing graphics. Printed matter (signs, brochures, flyers, posters, banners, etc.) that we produce would probably look less coherent and linked, and some would have a lower quality. Also may shift costs as this work will in most cases need to be done anyway. Of the \$44,015 savings identified only \$35,200 is a reduction to the General Fund.
IT Fund	BR-97		Reduce Multimedia Communications Manager by 0.25 FTE. (Replaces IT-20: Other Video Services)	25,100	0.25					25,100	0.25	This staff position is responsible for overseeing all of our graphics and television communication tools. In addition, this individual helps with franchises, telecommunications leases, complaints from cable customers and other misc. tasks. The first 0.25 cut in these duties would result in lower levels of services for telecommunication providers wanting to relocate to the city of Kirkland and for citizens who are unhappy with their cable services. Of the \$31,351 savings identified only \$25,100 is a reduction to the General Fund.
<b>Subtotal IT Fund</b>				<b>60,300</b>	<b>0.75</b>	<b>-</b>	<b>-</b>	<b>48,800</b>	<b>-</b>	<b>109,100</b>	<b>0.75</b>	
Facilities	BR-98		Janitorial - Art Display Cleaning	1,230						1,230	-	Eliminates contract service for cleaning of wall art and lobby art throughout City Hall.
Facilities	BR-99		Maintenance Center janitorial reduction (Replaces FM-30: Space Planning)	5,469						5,469	-	Janitorial contract reduced from 5 days to 3 days per week at the Maintenance Center. Of the \$8,200 savings identified, \$5,469 is a reduction to the General Fund.
Facilities	BR-100		Facility Grounds Crew seasonal funding					13,062		13,062	-	Eliminate all of the seasonal funding for weed control, path and trails, aesthetic maintenance, curb painting, and other grounds, street and city facility seasonal work. Of the \$14,304 savings identified, \$13,062 is a reduction to the General Fund. Reduces hourly staffing by 931 hours/year.
<b>Subtotal Facilities</b>				<b>6,699</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,062</b>	<b>-</b>	<b>19,761</b>	<b>-</b>	
<b>TOTAL Budget Reductions (General Fund)</b>				<b>772,859</b>	<b>3.60</b>	<b>474,291</b>	<b>2.50</b>	<b>381,601</b>	<b>0.40</b>	<b>1,628,751</b>	<b>6.50</b>	

**Reallocation of General Fund FTEs to Other Funds: (0.90)** Of the 6.5 FTE reduction to the General Fund, 0.9 FTE is not a reduction, but a reallocation to other funds.  
**Hourly and seasonal staffing reductions as FTEs (across all funds): 3.49**  
**Total FTE reduction across all funds: 9.09**

<u>Note:</u> In addition to General Fund impact, other funds will see reductions totaling:	50,970
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**CITY OF KIRKLAND**  
 Department of Parks & Community Services  
 505 Market Street, Suite A, Kirkland, WA 98033 425.587.3300  
 www.ci.kirkland.wa.us

## MEMORANDUM

**To:** David Ramsay, City Manager

**From:** Carrie Hite, Deputy Director  
 Jennifer Schroder, Director

**Date:** July 23, 2009

**Subject:** 2010 Budget Proposal: Community Services Reorganization and Reductions

### Background

The Community Services Division of the Parks and Community Services Department oversees the operation of the following areas: Youth & Family Services, Human Services, Peter Kirk Community Center (PKCC)/Senior Services, North Kirkland Community Center (NKCC), Business Services, Recreation and division administration.

Council identified areas to reduce funding within Senior Services, Youth Services and Community Service division administration as either non-core or partial core. To address reductions in this area, staff recommends implementing a reorganization plan to carry out the programs and services that will remain in the Community Services division should reductions occur.

### Discussion

The proposed position changes that would be implemented as part of a reorganization of the Community Services Division include the following:

<b>Position</b>	<b>FTE Change</b>	<b>Budget Impacts</b>
Eliminate Youth & Family Services Supervisor position	-1.00	(\$114,357)
Eliminate Recreation Supervisor (PKCC) position	-1.00	(\$111,863)
Reclass Recreation Supervisor (NKCC) position to Recreation Coordinator	0	(\$17,644)
Create new position of Human Services Manager to oversee Youth, Human and Senior Services	+1.00	\$123,485
Reclass Program Assistant (PKCC) to Recreation Coordinator	0	\$5,821
Create new position of .5 FTE Program Assistant (PKCC)	+0.50	\$34,846
Reduce Community Services Recreation Systems Administrator from 1.0 FTE to .75 FTE	-0.25	(\$20,545)
<b>Net Budget Impact</b>		<b>(\$100,257)</b>

July 24, 2009

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### **Impact of Reorganization and Reductions**

Listed below are some of the foreseen impacts to the proposed reorganization and reduction:

#### Youth and Family Services

- Reduce amount of Youth Council service projects
- Reduce number of We've Got Issues video programs
- Eliminate Blue Fish Festival
- Reduce amount of regional partnerships: Alliance for Eastside Agencies, East King County Network, School District youth support
- Eliminate partnership with Eastside Refugee and Immigrant Coalition and Eastside Healthy Start

#### Peter Kirk Community Center

- Eliminate participation in Northwest Senior Games
- Reduce staff support of Senior Council. This would eliminate the Senior Council related projects: Health Fair, Educational videos, pedestrian safety, Universal design
- Reduce participation on regional East King County Network on Aging, partnership with Area Agency on Aging
- Reduce Senior Steppers program

#### Recreation and division administration

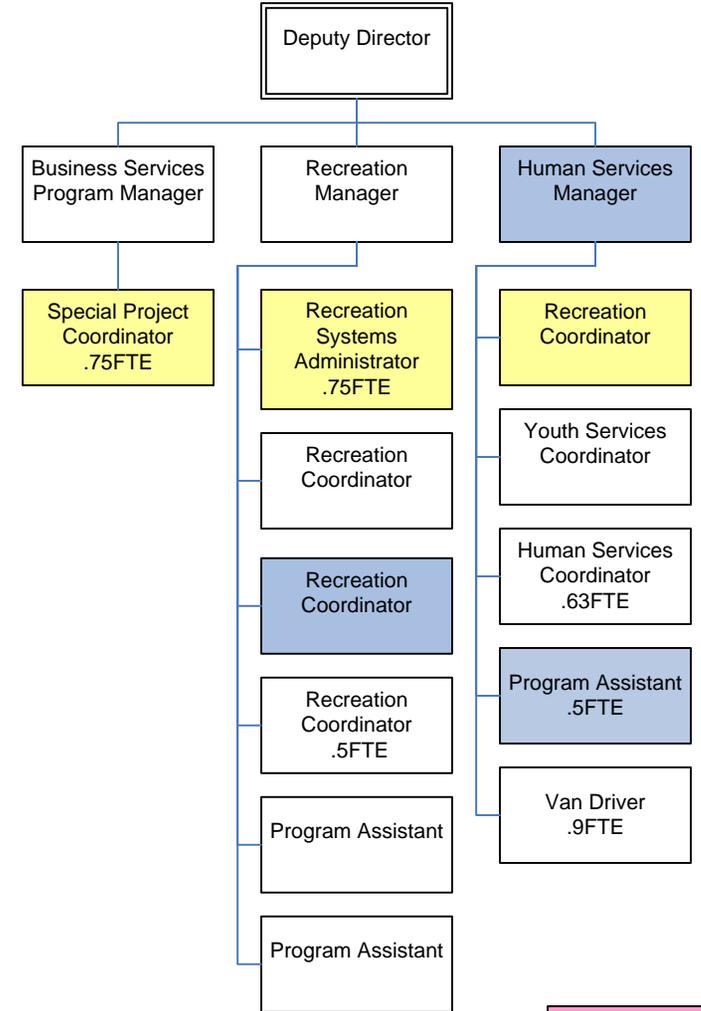
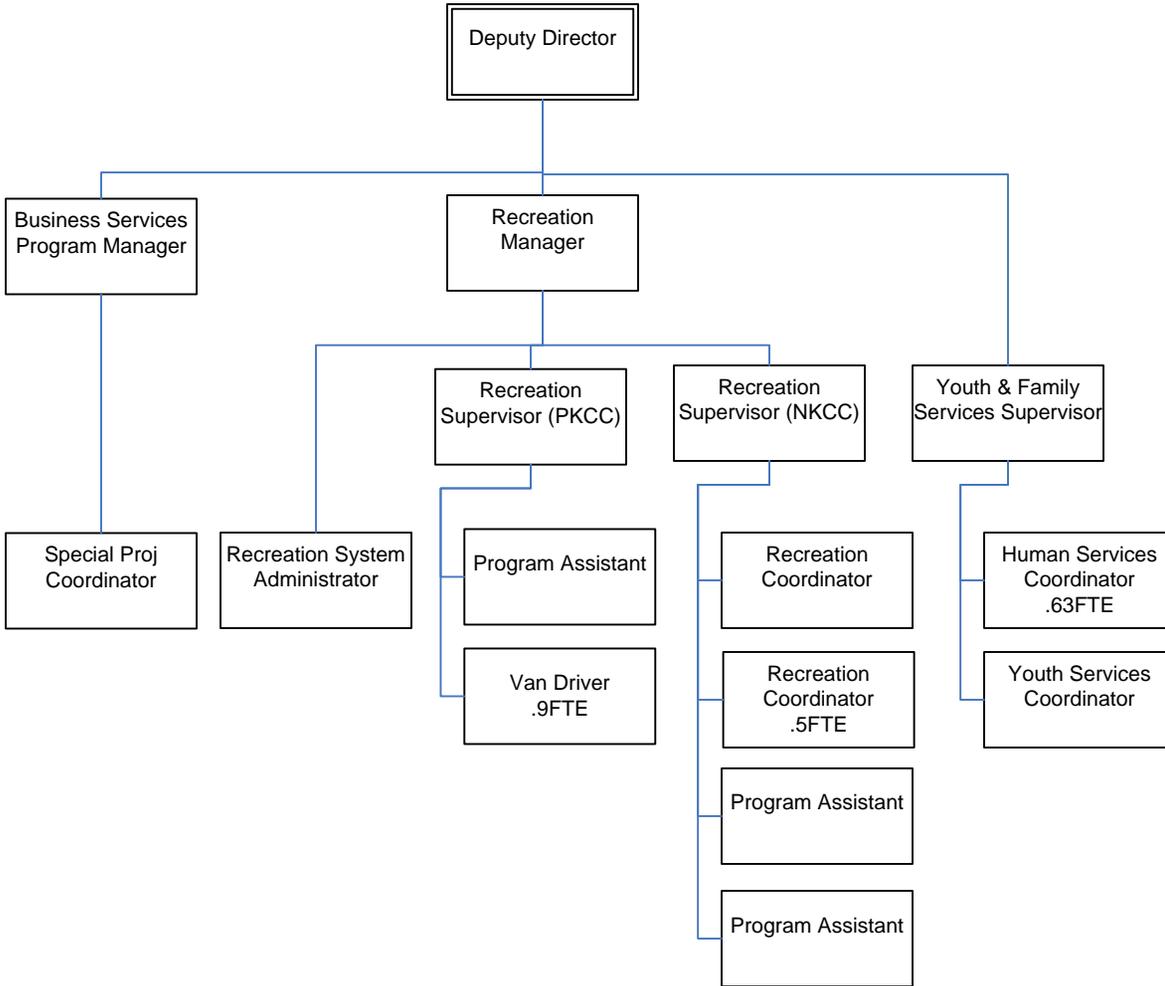
- Close Parks administrative offices (505 Market Street) to customers at 4:00 p.m. to allow time for financial reconciliation, online registration to compensate for reduced staffing
- Reduces hours of availability to service registration and boat launch customers
- Reduced participation on Myparksandrecreation.com
- Reduced time for special projects (i.e., GIS mapping of recreation trends, recreation registration efficiencies, contractual templates)
- Reduces administrative support to Community Services Division
- Reduces response time to customers (i.e., requests for online registration access, boat launch renewals, return phone calls/emails)

While the reductions associated with the reorganization will lower service levels in some areas, there will also be some areas where levels of service will be maintained or improved. We will continue to produce our two recreation brochures; we will offer reasonably the same number of programs at NKCC and PKCC; and this will create business efficiencies at the NKCC, PKCC and Parks administrative offices.

Attachment: Proposed organization chart

**Current Community Services Division Organization**

**Proposed Community Services Division Organization**



Community Services Division FTEs	Current	Proposed	Change
AFSCME	9.03	10.03	1.00
MAC	6.00	4.00	-2.00
<b>Total</b>	<b>15.03</b>	<b>14.03</b>	<b>-1.00</b>

Add position

Position change

Eliminate posititon

Recreation Supervisor (NKCC)-vacant

Recreation Supervisor (PKCC)

Youth & Family Services Supervisor



## CITY OF KIRKLAND

### Fire & Building Department

123 Fifth Avenue, Kirkland, WA 98033 425.587.3000

[www.ci.kirkland.wa.us](http://www.ci.kirkland.wa.us)

## MEMORANDUM

**To:** Public Safety Committee  
 Dave Ramsay, Kirkland City Management  
 Kevin Nalder, Director Fire & Building Department

**From:** Jack Henderson, Deputy Chief (operations)

**Date:** July 23, 2009

**Subject:** Fire Department Overtime

This report will cover:

- Fire Department Overtime Status
- Agency comparisons
- Strategies to reduce overtime.

At the July 7<sup>th</sup> City Council budget study session the Fire Department was requested to have a report for the Public Safety Committee July 16<sup>th</sup> meeting giving the Fire Department overtime status to the Committee. A comparison of overtime with our neighboring agencies and strategies to reduce overtime was also requested.

The 2009 overtime budget is \$719,190. As of June 30<sup>th</sup> the actual budget is \$510,971, or 71% of 2009 budget. If our disability use remains consistent for the second half of the year we will have an overtime budget actual exceeding our \$719,190 of between \$300,000 and \$360,000.

Kirkland Fire Department staffing consists of 81 Line Personnel assigned to 3 Shifts:

- ❖ "A" Shift 27 Line Personnel
- ❖ "B" Shift 27 Line Personnel
- ❖ "C" Shift 27 Line Personnel

Negotiated contractual obligations allow for:

- ❖ 4 Personnel off on "K – Day" each shift (contracted to obtain 48 hour work week)
- ❖ 4 Personnel off on contracted leave, vacation, routine vacation, physical fitness, community service day, holiday, wellness/fitness leave, and FMLA.

This leaves 19 personnel to cover 18 minimum staffing positions per 24 hour shift.

### Workweek Hours and Leave Hours:

A Firefighter 5 (Top Step) with an average of 15 years service earns a total of 760 hours of all types of contracted leaves annually.

Leave Accruals	Monthly	Annual	Work days
Vacation	20.50	246.00	10.25
Sick Leave	24.00	288.00	12
FF Holiday	--	144.00	6
Physical Fitness	--	24.00	1
Community Service	--	10.00	.42
<u>Bereavement Leave</u>		<u>48.00</u>	<u>2.</u>
	TOTAL	760.00	31.67 days

- *Section 11.1.a. The workweek for the bargaining unit line personnel shall be no more than 48.0 hours per week on an average annual basis. This shall be accomplished by providing one Kelly shift off every six scheduled shifts, prescheduled on an annual basis.*
- *Section 14.1 Under the terms of this collective bargaining agreement the employee is entitled to sick leave and/or other paid time off. The employer must allow an employee to use any or all of the employee's choice of sick leave or other paid time off to care for:*
  - *Personal illness or physical incapacity which renders the employee unable to perform the duties of his/her position;*
  - *A child of the employee with a "Health condition" that requires treatment or supervision;*
  - *any other "immediate family" member, as defined in Article 1 of the employee who is incapable of self-care;*
  - *Upon appointment as Firefighter I, shift personnel shall have 288 hours of paid sick leave credited to him/her.*
  - *Employee's sick leave with pay shall accrue at the rate of 24 hours per month beginning with the 13<sup>th</sup> month. Sick leave shall be cumulative to a maximum of 1440 hours.*
  - *Dependent Leave: 48 hours of sick leave may be used per occurrence for the birthing process, the receiving of an adopted child; or foster care placement. If an Employee must leave while on duty, the hours absent will not be counted against the leave allowed in this section.*
  - *Well Child Sick Leave may be used for the care of a newborn or adopted child or foster care placement. An employee requesting to use Sick Leave to care for a well child after birth, adoption, or foster care placement shall comply with the following rules:*
    - *The employee must take the leave within one year of the birth, adoption, or placement of the child.*
    - *Employees will not be eligible for intermittent usage of Well Child Sick Leave to care for a well child after birth, adoption, or foster care placement.*
    - *An employee can request up to 12 weeks of leave.*
    - *In order to use sick leave as noted in this section, an employee must maintain a minimum sick leave bank equal to 18 months of their accrual rate.*
  - *Family Medical Leave shall be governed by Article 15, the provisions of the Family Medical Leave Act of 1993 and applicable state laws.*

- *Bereavement Leave: At the request of the Employee, leave due to death in the immediate family shall be granted by the Employer. Such leave shall not exceed two shifts (48 hours) for any one incident.*
  - *Court and Jury Leave: Employees called to jury duty for Superior or District Court shall be granted leave for those hours the court requires them. Unless otherwise required by the court, Employees will work their normal shifts on Fridays, Saturdays, and Sundays. Employees shall also report for their assigned duties on other days when released by the court prior to 1000 hours, but shall be released from job duties at 2100 if they are scheduled for jury duty the following day. Employees on jury duty leave will receive full pay. Jury duty pay received by the Employee, while acting as a juror on their regularly scheduled duty day, shall be turned over to the City.*
- Section 22.1 Bargaining unit Employees working the 24-hour shift shall accrue vacation at the following rates:

<u>YEARS OF EMPLOYMENT</u>	<u>MONTHLY ACCRUAL HOURS</u>	<u>ANNUAL VACATION HOURS</u>
1st - 2nd year of employment-----	10-----	120
3rd - 5th year of employment-----	12-----	144
6th - 9th year of employment-----	15-----	180
10th - 13th year of employment-----	19-----	228
14th - 17th year of employment-----	20.5-----	246
18th - 21st year of employment -----	22.5-----	270
22nd - 24th year of employment-----	23.5-----	282
25th year or more of employment-----	24-----	288

- *Employees shall not be allowed to carry over more than 300 hours of vacation leave from December 31st to January 1st of the following year unless specifically authorized by the Fire Chief.*
- *Employees may use vacation leave on an emergency basis to attend to family matters of an emergent nature. If the Employer must replace the Employee utilizing emergency leave with personnel on overtime, the amount deducted from their leave account will be at one and one-half times the hours used.*
- *Holiday Leave: Employees on the 24-hour shift shall receive 120 hours off in lieu of Holidays. Holiday time will be credited to the employee on 1/1 of each calendar year.*
- *Community Service Day: Employees shall receive 10 hours of Community Service Day Leave a year.*
- *Physical Fitness: Employees can receive up to 24 hours of Physical Fitness Leave a year.*

2009 Callback Staffing:

During the period from 1/1/09 to 7/13/09, 195 days, there were 36 days that did not require overtime to meet the minimum staffing level of 18 personnel on duty each day, 159 days that did require call back staffing. During these 195 days from 1/1/09 to 7/13/09 128 days had a disability leave and 67 days did not. This equates to 76.86 Disability/Light Duty days a month for the period.

Cost of Disabilities:

"Off-Duty" disabilities account for 61.66 % (150 shifts) of disabilities used from 1/1/09 to 7/13/09 and "On-duty" disabilities account for 38.34% (94 shifts) of disabilities used during this period for a cost of \$356,240.00.

Effect of Hiring Personnel:

The Council authorized hiring 4 personnel to "off-set" overtime. The new hire firefighters were assigned to shifts to bring all shifts to 27 personnel. They started shift work on April 6<sup>th</sup>. During the period from April 6, 2009 to July 13, 2009 the new personnel worked an average of 26 (24 hour) shifts a month that had multiple overtimes and reduced the number of overtime shifts to meet the "minimum staffing" each of those days for a total of 91 "24 hour shifts". The difference between their regular salaries and paying overtime for this period was a savings of \$13,600.

Comparison Agencies:

City	Daily Minimum Staffing	Full-time Employees, Suppression	Budgeted Overtime 2009	2009 overtime year to date
Bellevue	49 (9)	204	1,448,363	784,124 (54%)
Eastside	28 (9)	123	480,000	264,221 (55%)
Redmond	23 (6)	116	812,840	517,686 (63%)
Woodinville	15 (4)	60	493,500	260,034 (53%)
Northshore	9 (2)	40	275,000	116,804 (42%)
South King	27 (7)	121	658,916	491,342 (75%)
Kent	30 (8)	135	483,416	447,501 (92%)
Everett	35 (7) 25 MDS by contract	140	700,000	695,000 (99%)
Renton	desire 30, using 25 (6)	125	86,700	177,155 (200%+)
Shoreline	21 (3)	88	555,100	146,338 (26%)
Kirkland	18 (5)	81	719,190	510,971 (71%)

Renton's 2008 overtime budget was \$85,000; actual \$1,146,777, +\$1,061,777 (1349%)

Kent's 2008 overtime budget was \$483,416; actual \$1,016,494, +\$533,078 (210%)

Bellevue's 2008 overtime budget was \$1,482,473; actual \$1,581,267, +\$98,794 (107%)

Eastside's 2008 overtime budget was \$600,000; actual \$826,000, +\$262,000 (137%)

Redmond's 2008 overtime budget was \$1,026,198; actual \$801,856, -\$224,342 (under 22%)

Woodinville's 2008 overtime budget was \$460,500; actual \$691,039, +\$230,539 (150%)  
Northshore's 2008 overtime budget was \$230,800; actual \$273,373, +\$42,573 (119%)  
Everett's 2008 overtime budget was \$576,920; actual \$564,821, (-) \$12,099 (under 3%)  
South King County's 2008 overtime budget was \$689,834; actual \$704,913 +\$15,079 (102%)  
Kirkland's 2008 overtime budget was \$1,121,535; actual \$1,342,786 +\$221,251 (120%)

I had asked 7 other questions of each department and their answers as follows:

- Do you have some number of on & off disabilities for 2008, sick leave also?
  - *Average Sick Leave usage 109.43 hrs/FF (better than 07 & 08)*
  - *177 shifts totaling 3632 hours. 5 of these caused 2-300 hrs time loss.*
  - *There were 14 Persons with Job related injuries, totaling 226 shifts. No extensive Off Duty related injuries or Disabilities in 2008 to report.*
- Any strategy for controlling overtime?
  - *Minimal staffing – Hired more uniformed personnel.*
  - *Reduce events and meetings that are not critical to the running of Ops*
  - *Budget cut and units have been placed out of service.(Renton)*
  - *For 2010 we may be looking at not back filling sick leave vacancy's*
  - *Thinking about some sort of reward system for not using sick leave*
  - *Promoted two officers per shift to reduce OT*
- Is your dept. using “station brownouts”, furloughs, or other ways to reducing OT?
  - *No, most departments*
  - *Units out of service as staffing drops due to illness or injury (Renton)*
  - *No plans for that at this time*
  -
- Do you have a Wellness/Fitness Program? Formal/ informal? Cross fit?
  - *Yes, formal, mandatory program, 70% does Cross fit.*
  - *Yes, fitness coordinators, time allotted, participation required.*
  - *Yes, formal, Cross Fit an option.*
  - *Yes, informal.*
- At what level is it funded by your department or agency?
  - *Fund annual physicals*
  - *Fund annual physicals, equipment and supplies*
  - *Fund physicals every other year*
  - *All departments allowed “work out” time.*
  - *per contract City pays \$10/month and the employee pay \$5/month into Health and Wellness Program (IAFF Local 864 members only)*
  - *Yearly Physicals \$25,000*
  - *Flu shots, TB test and Hepatitis screening \$3,500, Hearing test \$5,000, Peer Fitness trainers \$6,000, and Overtime for off duty physicals \$10,000*
  - *Annual physicals – fully paid for. Matching \$10 per month, per member for equip & fitness budget. Annual budget for equip. & fitness is \$240 per year, per employee.*
- If any programs do you have information on a reduction in disabilities/ injuries or shorter time to return to work? I'm interested in any local experience.
  - *All information was anecdotal however did detect heart issue sand cancer issues that were caught early and did save the Cities money.*

- And finally, from our Public Safety Committee directly; do you have an “off-duty” safety program to reduce “off-duty” injuries or disabilities?
  - *No, not sure how the City “could require such a thing”.*
  - *Historically, this is the category with the highest use (hours) for unscheduled absences.*
  - *Part of our fitness program is education on healthy choices and lifestyles*

#### Strategies to Reduce Overtime:

Our strategies/options include short and long term considerations. In September of 2008 we talked about establishing a reserve for overtime expenditures of the annual overtime budget. I don't believe this is an option at this time however I believe it would be prudent to examine this approach for the 2011/2012 budget. We could look at balancing evenly throughout the year the number of personnel allowed off each shift for contracted leave as a short term approach to be considered. If this approach was determined to reduce overtime, the process of opening Memorandum of Understanding discussions with Local 2545 would need to take place prior to implementation.

That leaves us with three basic options for the reduction of overtime costs in order to maintain fire and emergency medical services in our community are:

- Hire firefighters, in place of overtime costs
- Fully participate in the IAFC/IAFF Health & Wellness program
- Reduction of service levels by reducing daily minimum staffing

The City has used hiring of FTE's and additional overtime funding in various combinations in the past, with varying levels of success. Our ability to predict the level of leave use is dependent on the circumstances our employees experience at work and at home. This has resulted in an over expenditure of our budget to maintain our minimum daily staffing level. In our 2009/2010 budget deliberation Fire Administration discussed hiring 7 firefighters instead of 4. At the time we could not show a clear savings. As it turned out, there would have been a savings due to disabilities experienced in this first half of 2009.

A long term strategy to help reduce overtime costs would be to implement a comprehensive health and wellness program for firefighters. The International Association of Fire Chiefs and the International Association of Fire Fighters has developed such a program to address health, wellness and safety in the fire service. Both of the association's goals are to reduce firefighter deaths and injuries; the result of this program is lower overtime costs in the long term. Funding this program is a long term commitment to reducing death and injuries thereby lower operating costs for the city. Implementing the health and wellness program is much like the budget process we are going through now; we are looking for changes now that will have a long term effect.

The third option to match the funding level with expenditures is the reduction of service levels. The danger in doing this is that we have, and will continue to have, an increasing demand for service and would have fewer personnel to respond to emergencies; the outcomes of incidents will result in lower survival rates on medical emergencies and greater life and property loss from fire. In addition, having fewer firefighters on incidents could result in greater numbers of injuries and disabilities which would have the opposite effect of reducing overtime costs.

The department's recommendation would be to:

- Hire three firefighters to reduce total expenditures for maintaining daily minimum staffing levels.
- Implement the IAFC/IAFF Health and Wellness program to begin the process to achieve long term reduction or cost avoidance of operational costs.
- As a last resort and when all other options have been exhausted, carefully examine the impacts of service level reductions, before making any reductions of this nature.

Impact of Reduced Service Levels:

❖ **Staffing July 2009, total of 18 personnel on duty each day.**

Station 27 Totem Lake;

5 Firefighters (1 Officer and 4 firefighters)

Staff Engine 27 (3) & Aid 27 (2)

- Engine 27 (3) can respond to fire or EMS without transport.
- Aid 27 (2) can respond to EMS with transport

or

Aid 27 (2) can respond to other emergencies for staff or other support

❖ **Reduce staffing to a total of 17 personnel on duty each day.**

Station 27 Totem Lake;

4 Firefighters (1 Officer and 3 firefighters)

Cross staff Engine 27 & Aid 27

- Engine 27 (4) Fire, Haz Mat, Rescue
- Aid 27 (0) out of service

or

- Engine 27 (2) can respond to fire (support only no fire fighting until other units arrive or EMS without transport.
- Aid 27 (2) can respond to EMS with transport.

❖ **Reduce staffing to a total of 16 personnel on duty each day.**

Station 27 Totem Lake;

3 Firefighters (1 Officer and 2 firefighters)

Cross staff Engine 27 & Aid 27

- Engine 27 (3) Fire, Haz Mat, Rescue
- Aid 27 (0) out of service

or

- Aid 27 (3) EMS with Transport
- Engine 27 (0) out of service

- ❖ Station 27 response times range from 2:11 to 11:00 for medical aid. Response times from Mutual/Automatic Aid stations are from 5 to 12 minutes (increased response times could be experienced due to traffic and weather conditions)
- ❖ Using 2008 total call numbers at Station 27 there will be at least 1.5 calls a day that will be responded to by Mutual/ Automatic Aid units.

**Budget Balancing Strategy - General Fund  
Framework - 8/4/09 Budget Follow-up Study Session**

Attachemnt E

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)
<b>Projected Shortfall in Baseline Utility Tax</b>		<b>(500)</b>	<b>(500)</b>	-	-	<b>(1,000)</b>
<b>Projected Shortfall in Business License Fees</b>		<b>(200)</b>	<b>(200)</b>	-	-	<b>(400)</b>
<b>Projected Overspending in Fire Overtime</b>		<b>(300)</b>	<b>(300)</b>	-	-	<b>(600)</b>
<b>Total (Shortfall)</b>		<b>(3,772)</b>	<b>(4,055)</b>	-	<b>(2,240)</b>	<b>(10,067)</b>
<b>Strategies</b>						
<b>1. Budget Reduction List/Services Matrix</b>	1,615	-	348	-	1,267	1,615
<b>2. Additional Reductions</b>						
Line Item Budgets						
Dues & Memberships	47	-	47	-	-	47
Out-of-State Training/Travel & Subsistence	64	29	35	-	-	64
Fire Minimum Staffing Reduction	369	-	-	-	-	-
<b>3. Savings from M&amp;O/Additional Revenues</b>						
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
Governor's Pension Rate Reductions	557	180	377	-	-	557
Court Building Lease Savings	TBD	-	-	-	-	-
Revenue - Parking Fine Increase (\$10/ticket)	100	-	-	-	-	-
<b>4. Reserves/Year End Cash</b>						
2008 Year-end Cash	1,500	1,500	-	-	-	1,500
Revenue Stabilization Reserve	1,000	1,000	-	-	-	1,000
Rainy Day Reserves	2,700	-	1,350	-	-	1,350
Contingency	2,325	-	-	-	-	-
<b>5. Capital Improvement Program</b>						
Projects Funded not Started	447	229	-	-	-	229
Projects to be Closed/Funds Repurposed	253	88	-	-	-	88
<b>6. Compensation Savings</b>						
AFSCME/Teamsters	344	-	-	-	344	344
MAC	270	-	-	-	270	270
IAFF	339	-	-	-	339	339
PSEU (Police Lts.)	20	-	-	-	20	20
Police Commissioned & Support Guild*	296	-	-	-	-	-
<b>7. Work Schedule Reductions</b>						
Furlough	56/day	-	-	-	-	-
Reduced Work Week (1 hour/week)	375	-	-	-	-	-
24/7 Operations Equivalent-Furlough	TBD	-	-	-	-	-
24/7 Operations Equivalent-Wrk Wk Red.	TBD	-	-	-	-	-
<b>Total Potential Savings</b>		<b>3,301</b>	<b>2,440</b>	-	<b>2,240</b>	<b>7,981</b>
<b>Net Surplus/(Shortfall) - Annual</b>		<b>(471)</b>	<b>(1,615)</b>	-	-	<b>(2,086)</b>

**NOTES**

\* Collective bargaining agreement is currently open, so savings are shown as potential pending negotiations.

Shaded items indicate approved Mid-Year Budget adjustments.

*Italicized items are changes from last version*

## June 2009 Financial Dashboard Highlights

July 23, 2009

- The June 2009 actual revenues and expenditures summarized in the dashboard represent six months of data, which is 50% of the year complete.
- Total General Fund revenues are below expectations due to the following:
  - The first and second quarterly payments from Fire District #41 were received in early July (\$1.9 million) and are not reflected in the June dashboard. In addition, EMS Levy revenue is usually received in half-yearly installments with the first payment expected in July.
  - Sales tax revenue is down 16.1% from June 2008. Year-to-date sales tax revenue is down 20.2% or \$1.5 million dollars from last year. However, receipts for a key retailer were double-posted in May 2008 and corrected in the following month. Normalizing for this correction changes the June monthly comparison to 22.5% down from June 2008 and does not change the annual comparison. All business sectors continue to experience negative performance, with general merchandise/misc. retail, auto/gas retail and contracting down more than 23% for the month from the prior year.
  - June 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. Adjusting for these events, we are projecting that these revenues are likely to fall short of budget by at least \$200,000 in 2009, driven by the decline in employment due to the overall economic downturn. We assumed 27,000 FTE's in the budgeted amount based on 2008 licenses and are falling at least 2,000 short (7.4%), which is not unexpected due to the increase in unemployment since the budget was established. We are following up with delinquent accounts and are monitoring trends closely and we will be preparing a more detailed analysis for an upcoming Council reading file.
  - As discussed at the 6/2 and 7/7 study sessions, utility tax receipts have been lagging. In 2008, utility taxes were at 54% of budget through June and we are currently at 48%; the difference has been growing in recent months and at this stage we are changing the status to "red". Staff has completed a detailed analysis of the utility tax revenues by sector and has projected that the total revenues for 2009 will fall short of the budget by at least \$500,000, due to two primary factors:
    - Telecommunications tax is falling about \$400,000 short driven by changes in consumer habits due to economic conditions and the full impact of a federal legal decision that exempted selected services from local tax, and
    - Net electric/gas tax revenues are down about \$100,000 because the budget assumed that PSE would increase rates (electric +9%/gas +5%) based on estimates at the time of the budget. In reality, both rates decreased slightly resulting in a net decrease from budgeted levels.
  - Development revenues are down across-the-board. Although Planning and Public Works permit revenues were stronger in May and June, they continue to be well below budgeted levels. Building related revenues saw June improve slightly after a weak May, and continue to be below targeted levels and show volatility. The City Council adopted mid-year reductions on July 7 to reduce costs to help mitigate the significant decreases in projected revenue. Further discussion of June development activity follows the dashboard.

- Total General Fund expenditures are within expectations.
  - General Fund expenditures are trailing the budget, reflecting actions that have been taken to date to slow spending. In 2008, expenditures were at 48.8% through June and we are currently at 48.6%.
  - Fire Suppression overtime in June was \$66,494, which again exceeded the projected monthly average of \$45,000 for May through December. July appears to be increasing even more (overtime for the first half of July was about \$53,000). We are monitoring fire overtime closely and the Fire department is evaluating strategies to address the overage. However, the Department's estimate is that overtime will be over budget by \$300,000-350,000 in 2009, so we are also changing the status of Fire overtime to "red".
  - Jail Contract Costs are currently at 62% of budget. The Police Department is under expending in other categories to help offset the overage but we continue to monitor this cost closely.
  - Fuel costs are still substantially below budgeted levels, but prices are on the rise during summer travel season. The City Council adopted a reduction in the Fleet budget to reflect this dynamic on July 7.

Attachments: June Dashboard  
Development Services Highlights

## Development Services Report – June 2009

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

- The June 2009 statistics continue to follow the trend that we witnessed in the second half of 2008. New SFR (Single Family Residential) permit applications remain flat for the year (in June 6 applications were received 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 (131 applications year to date compared to 211 last year).
- The total number of permits received in June 2009 (261) is higher than the monthly average for 2008 (222), and higher than June 2008 (248).
- Building Department revenue for June 2009 was \$184,759, below our projected monthly revenue average of \$200,292 for 2009. Year to date total revenue collected for the first 6 months falls short of budget by \$140,170.
- 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 June 2009 was \$111,540 which is above our monthly projected revenue average of \$61,239, due to two large permits (\$53,000) in June (Holy Family & Merrill Gardens).
- Planning Department revenue for June 2009 was \$24,805 which is below our projected monthly revenue average of \$28,458 for 2009. Year to date total revenue collected for the first 6 months falls short of budget by \$63,507. Planners are noting a spike in wireless communication pre-submittals that may indicate future permit applications.
- The redesigned McLeod project is proceeding with design review and should complete the process in October. We expect their building permit application shortly thereafter.

**City of Kirkland Budget Dashboard**

**Annual Budget Status as of 6/30/2009** (Note 1)  
**Percent of Year Complete 50.00%**

	2009 Budget	Year-to-Date Actual	% Received/ % Expended	Status		Notes
				Current Month	Last Month	
<b>General Fund</b>						
Total Revenues	59,821,768	25,655,952	42.9%			excludes transfers in from other funds
Total Expenditures	61,552,551	29,929,434	48.6%			

**Key Indicators (All Funds)**

<i>Revenues</i>						
Sales Tax	14,700,801	5,949,725	40.5%			Prior YTD = \$7,453,768; Jan-June 2008 was 49.59% of budget
Utility Taxes	11,586,963	5,596,810	48.3%			
Business License Fees	3,077,720	1,355,519	44.0%			Following up on delinquent accounts
Development Fees	3,373,273	1,451,062	43.0%			Continue to be down substantially
Gas Tax	1,133,278	492,564	43.5%			
<i>Expenditures</i>						
GF Salaries/Benefits	42,645,103	20,868,574	48.9%			Excludes Fire Suppression Overtime
Fire Suppression Overtime	719,190	458,095	63.7%			New positions began 4/09; May/June disabilities high
Contract Jail Costs	899,680	558,871	62.1%			Underexpending in other categories to offset
Fuel Costs	558,310	134,290	24.1%			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

**City of Kirkland**  
**Budget Reduction List**  
**Additional Potential Reductions**

<b>Department/Fund</b>	<b>Service</b>	<b>Amount</b>	<b>FTE</b>	<b>Comments</b>
Finance	Park Smart Program	19,489	0.25	Support of Police and Public Works function. Would need to eliminate program or this work would have to move to one of those departments
Police	Park Smart Program	33,407	0.50	Current staffing is 2 PEOs working a total of 80 hours per week - 60 hours of enforcement time and 20 hours contacting businesses and citizens concerning parking issues and concerns and performing duties related to the Park Smart Program. Reducing one position to half-time would eliminate the Police involvement with the Park Smart Program and PEOs would perform enforcement duties only. With no reduction in enforcement hours, there should be little, if any, impact to revenue generated by enforcement.
Fire	Reduce Minimum Daily Staffing from 18 to 17 to address Overtime	369,380		Reduce minimum daily staffing from 18 on duty firefighters to 17 on duty firefighters. Overtime reduction, possible impact of reducing Aid Car 27 from a dedicated Aid Car to a crossed staff unit with Engine 27.
<b>Additional Potential Reductions Total</b>		<b>422,276</b>	<b>0.75</b>	

Parking Enforcement Fine Comparison		
City	Parking Fine*	Note
Bothell	20.00	
Everett	20.00	Progressive up to \$50, depending on number of violation
Federal Way	20.00	Looking at an increase
<b>Kirkland</b>	<b>20.00</b>	
Lake forest Park	20.00	Looking at an increase
Auburn	25.00	Up to \$40, depending on number and type of violation
Bellevue	25.00	
Kent	25.00	
Issaquah	30.00	
Lynnwood	30.00	
Mercer Island	35.00	
Renton	35.00	
Seattle	38.00	
Tukwila	42.00	
Redmond	45.00	
<b>Average Fine</b>	<b>29.29</b>	

\*Fines are the base amount issued for the first infraction

**CITY OF ISSAQAUH**  
**VOLUNTARY SEPARATION PROGRAM**

**Severance Incentive for Voluntary Separation**

An employee who voluntarily resigns or retires from the City effective August 31, 2009 will receive the following:

- Four months severance pay and
- One additional month of severance pay for each ten years of city service (pro-rated) up to a maximum of six months total severance pay.

**Parameters of the Voluntary Separation Program are:**

Participation in the program is entirely voluntary. To be minimally eligible for this program, the employee must be a regular full-time non-probationary employee.

Participation is subject to the review of the employee's department director and the recommendation of the City Administrator.

The Washington State Employment Security Department will not consider this separation a qualifying event for purposes of filing for unemployment benefits

If an employee returns to City service as a City employee within five years, they would be required to repay the separation payment.

The lump sum payment issued will have all applicable withholdings (FICA and Federal Income Tax) taken from the payment.

Employees will have a maximum of 45 days to make their decision to participate in the Voluntary Separation Program and seven days from their written decision to revoke it. **A decision to participate must made by or before August 15.** Once this decision is made by signing the Voluntary Separation Agreement an employee will have seven calendar days to revoke their decision.

The City will cash out any leave accruals per applicable City policy.

All recommendations for acceptance of an application for voluntary separation will be reviewed and must be approved by the Mayor. The Mayor's decision regarding acceptance is final.

Final approval for any employee utilizing this program is conditioned upon execution of a written agreement between the city and the employee acknowledging the terms and conditions of the program including a hold harmless agreement.