



## **MEMORANDUM**

**To:** Dave Ramsay, City Manager

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

**Date:** June 29, 2009

**Subject:** 2009 MID-YEAR BUDGET ADJUSTMENTS

### **RECOMMENDATION:**

The City Council adopt the attached ordinance adjusting the 2009-2010 budget appropriation for selected funds.

### **BACKGROUND DISCUSSION:**

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

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

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

A summary list of the proposed adjustments is included as attachment A. Please refer to the July 7<sup>th</sup> Council Study Session packet for the 2009 Mid-Year Budget Review and Adjustments for more detailed information.

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

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

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

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

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

<b>Cemetery Operating Fund</b>									
Resources Forward		2009 Resources Forward Adjustment to Actual Balance	10,864	10,864			10,864		
<b>Cemetery Operating Fund Total</b>			<b>10,864</b>	<b>10,864</b>	<b>-</b>	<b>-</b>	<b>10,864</b>	<b>-</b>	

<b>Parks Maintenance Fund</b>									
Resources Forward		2009 Resources Forward Adjustment to Actual Balance	73,837	73,837			73,837		
<b>Parks Maintenance Fund Total</b>			<b>73,837</b>	<b>73,837</b>	<b>-</b>	<b>-</b>	<b>73,837</b>	<b>-</b>	

<b>Recreation Revolving Fund</b>									
Resources Forward		2009 Resources Forward Adjustment to Actual Balance	11,371	11,371			11,371		
<b>Recreation Revolving Fund Total</b>			<b>11,371</b>	<b>11,371</b>	<b>-</b>	<b>-</b>	<b>11,371</b>	<b>-</b>	

<b>Contingency Fund</b>									
Resources Forward		2009 Resources Forward Adjustment to Actual Balance	3,545	3,545			3,545		
<b>Contingency Fund Total</b>			<b>3,545</b>	<b>3,545</b>	<b>-</b>	<b>-</b>	<b>3,545</b>	<b>-</b>	

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

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

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

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

ORDINANCE NO. 4201

AN ORDINANCE OF THE CITY OF KIRKLAND AMENDING THE BIENNIAL BUDGET FOR 2009-2010.

WHEREAS, the City Council finds that the proposed adjustments to the Biennial Budget for 2009-2010 reflect revenues and expenditures that are intended to ensure the provision of vital municipal services at acceptable levels;

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

Section 1. The Mid-year 2009 adjustments to the Biennial Budget of the City of Kirkland for 2009-2010 are hereby adopted.

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

<u>Funds</u>	<u>Current Budget</u>	<u>Adjustments</u>	<u>Revised Budget</u>
General	125,811,628	383,382	126,195,010
Lodging Tax	858,434	(66,786)	791,648
Street Operating	9,361,677	491,315	9,852,992
Cemetery Operating	199,498	10,864	210,362
Parks Maintenance	2,203,287	73,837	2,277,124
Recreation Revolving	2,825,090	11,371	2,836,461
Contingency	2,324,515	3,545	2,328,060
Cemetery Improvement	598,528	(11,954)	586,574
Impact Fees	7,165,555	(1,055,157)	6,110,398
Park & Municipal Reserve	10,482,545	710,331	11,192,876
Off-Street Parking Reserve	217,610	0	217,610
Tour Dock	122,675	3,600	126,275
Street Improvement	2,613,576	219,927	2,833,503
Grant Control Fund	216,458	6,466	222,924
Excise Tax Capital Improvement	24,039,092	(1,642,905)	22,396,187
Limited General Obligation Bonds	2,735,723	6	2,735,729
Unlimited General Obligation Bond	2,703,581	(16,193)	2,687,388
General Capital Projects	38,420,794	4,081,469	42,502,263
Grant Capital Projects	18,450,524	(1,087,022)	17,363,502
Water/Sewer Operating	46,519,119	(517,450)	46,001,669
Water/Sewer Debt Service	3,505,639	0	3,505,639
Utility Capital Projects	22,737,681	(2,938,350)	19,799,331
Surface Water Management	12,671,384	155,381	12,826,765
Surface Water Capital Projects	11,588,104	(499,587)	11,088,517
Solid Waste	18,753,863	(174,961)	18,578,902
Equipment Rental	13,971,736	(212,347)	13,759,389

<u>Funds</u>	<u>Current Budget</u>	<u>Adjustments</u>	<u>Revised Budget</u>
Information Technology	10,304,192	(108,510)	10,195,682
Facilities Maintenance	9,867,036	(186,853)	9,680,183
Firefighter's Pension	1,635,961	(1,884)	1,634,077
	<u>402,905,505</u>	<u>(2,368,465)</u>	<u>400,537,040</u>

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

Passed by majority vote of the Kirkland City Council in open meeting this 7<sup>th</sup> day of July 2009.

Signed in authentication thereof this 7<sup>th</sup> day of July, 2009.

\_\_\_\_\_  
MAYOR

Attest:

\_\_\_\_\_  
City Clerk

Approved as to Form:

\_\_\_\_\_  
City Attorney