



**CITY OF KIRKLAND**  
Department of Finance & Administration  
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## MEMORANDUM

**To:** David Ramsay, City Manager

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

**Date:** February 6, 2009

**Subject:** **2009-2010 BUDGET ADJUSTMENT: 2007-2008 OPERATING CARRYOVERS & OTHER ADJUSTMENTS**

### **RECOMMENDATION:**

The City Council adopts the attached ordinance increasing the 2009-2010 budget appropriations for selected funds.

### **BACKGROUND DISCUSSION:**

State law prohibits expenditures from exceeding the budgeted appropriation for any fund and requires the City to adjust 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 year's budget.

This budget adjustment allows for appropriation increases where it is anticipated that total expenditures may be in excess of the adopted 2009-2010 budget.

There are two types of adjustments in the proposed 2009-2010 budget amendment totaling \$2.3 million—carryovers and other adjustments. Following is a recap of major items requested in this budget adjustment:

1. **Carryovers** relate to uncompleted projects, contracts, or purchases that were authorized but not spent in the prior biennial budget. In order to complete these items, both the funding and the expenditure authority need to be "carried over" from the 2007-2008 Budget to the 2009-2010 Budget. Accordingly, the 2009-2010 Adopted Budget needs to be amended. Carryovers from the 2007-2008 Budget represent about \$1.9 million of the total requested amendment. Funding for carryovers primarily comes from recognizing cash that was obligated but not spent in the prior biennium (i.e. Resources Forward).

Capital projects carryovers are not included in this budget adjustment and will be presented at the March 17<sup>th</sup> Council meeting. Carryovers included in this adjustment are for operating budgets only.

Carryover requests in the operating funds primarily consist of service packages and other one-time projects or activities. About \$1.1 million in carryover requests are recommended in the General Fund. Of this total, about \$490,000 relates to the Planning Work Program (including ARCH funding of \$431,993—the budget for this program is being moved out of the General Fund to the Parks & Municipal Reserve Fund in 2009). Other examples in the General Fund include the following:

- **Waterfront Parks Irrigation Systems Water Rights (\$101,370)**. The 2007-08 Budget included a service package for the acquisition of water rights from Water District #1 for irrigation at eight waterfront parks. This project is expected to be completed in early 2009.
  - **Electronic Ticketing (\$63,805) and Patrol Tablet PC's (\$35,850)**. These two service packages for Police Department technology are expected to be completed in 2009.
  - **2008 Invoice Payments** – The end of the fiscal period always sees some outstanding invoices where the goods or services were received before the period ended but the vendor does not invoice the City in time to pay during that period. The budget to pay for the goods and services received in 2008 needs to be carried over to pay for the invoices in 2009, so as not to adversely impact the department's 2009 budget.
2. **Other Budget Adjustments** include items that have been identified since the 2009-10 Budget preparation process and housekeeping adjustments and corrections. In total, they represent a positive adjustment of \$436,109.
- The adjustment for the Planning Information Specialist and reception position switch approved by Council at the budget adoption meeting was accomplished within the adopted budget appropriation. No further adjustment is needed.
  - Acknowledge the transfer of ARCH Housing Trust Fund from the General Fund to the Parks & Municipal Reserve Fund (\$431,993).
  - Use of Council Special Projects Reserve to partially fund the Neighborhood Connections program in 2010 (\$25,000) and provide a facilitator for the 2009 Council Retreat (\$2,000).
  - Recognize prior year sign deposit revenue received in 2009 (\$4,100).
  - Housekeeping correction to the Water/Sewer Debt Service Fund.
  - Housekeeping adjustment for the boat launch bollard replacement service package funding.

All proposed budget adjustments are summarized in Attachment A.

Parks & Community Services will be presenting a staff recommendation in the near future that reflects the Human Services Advisory Committee's recommendation to establish a human services emergency fund.

February 2009 Budget Adjustment Summary--Operating Funds Carryovers & Other Adjustments

Adjustment Type	Dept.	Description	Uses	Funding Source				Funding Source Notes
				Reserves	Resources Forward	Operating Transfers	External Revenue	
<b>General Fund</b>								
Carryover	CM	Economic Development Supplies and Services	17,800		17,800			Fund Balance
Carryover	CM	Public Art Strategic Planning	24,000		24,000			Fund Balance
Carryover	CM	Neighborhood Matching Grant Funds	16,700		16,700			Fund Balance
Carryover	CM	Jail Study	6,000		6,000			Fund Balance
Carryover	CM	Outside Agency Pending Contract Payments	8,550		8,550			Fund Balance
Carryover	CM	Court-Office Supplies/Equipment	4,979		4,979			Fund Balance
Carryover	HR	Automate Personnel Action Form	6,360		6,360			Fund Balance
Carryover	HR	Healthcare Benefit Consulting	10,000		10,000			Fund Balance
Carryover	HR	Fire Chief Recruitment	23,000		23,000			Fund Balance
Carryover	PCS	2008-Human Service Contracts and Projects	74,324		74,324			Fund Balance
Carryover	PCS	Waterfront Parks Irrigation Project	101,370		101,370			Fund Balance
Carryover	PCS	Rose Hill Meadows Project Operations and Maintenance	42,950		42,950			Fund Balance
Carryover	PCS	Teen Center (Friends of Youth) Pending Invoice	13,300		13,300			Fund Balance
Carryover	PCS	Kirkland Performance Center Pending Invoice	8,400		8,400			Fund Balance
Carryover	PCS	Parks & Recreation Open Space (PROS) Plan Update	5,900		5,900			Fund Balance
Carryover	PCS	Dock/Pier Material Supplies	6,000		6,000			Fund Balance
Carryover	PCS	Houghton Beach Restroom Roofing Material	7,500		7,500			Fund Balance
Carryover	PCS	Youth Services Grants	2,100		2,100			Fund Balance
Carryover	PCS	Senior Council Special Projects (Vial of Life)	5,294		5,294			Fund Balance
Carryover	PCS	Peter Kirk Community Center Furniture/Equipment	4,600		4,600			Fund Balance
Carryover	PCS	Special Recreation Program Pending Invoice	4,000		4,000			Fund Balance
Carryover	PCS	Playground Playchip Surfacing	10,000		10,000			Fund Balance
Carryover	PW	Non Motorized Plan	30,000		30,000			Fund Balance
Carryover	PW	Permit Process Review Phase 2 Fee Study	18,360		18,360			Fund Balance
Carryover	PW	Scanner	20,000		20,000			Fund Balance
Carryover	F&A	Annexation Analysis Support	30,000		30,000			Fund Balance
Carryover	F&A	Park Place and Annexation Professional Services	20,000		20,000			Fund Balance
Carryover	PCD	Regulatory Changes – Affordable Housing Incentives	10,000		10,000			Fund Balance

Adjustment Type	Dept.	Description	Uses	Funding Source				Funding Source Notes
				Reserves	Resources Forward	Operating Transfers	External Revenue	
<b>General Fund continued</b>								
Carryover	PCD	ARCH Housing Trust Fund	431,993		431,993			Fund Balance-xf to Parks & Muni Rsv Fund
Carryover	PCD	Green Team/Community Conversations	15,000		15,000			Fund Balance
Carryover	PCD	Review for Permits in Process	8,167		8,167			Fund Balance
Carryover	PCD	Capacity Model Maintenance/Data Management	6,000		6,000			Fund Balance
Carryover	PCD	Downtown Plan	3,000		3,000			Fund Balance
Carryover	PCD	Green Building Program	4,000		4,000			Fund Balance
Carryover	PCD	Pending Downtown EIS Invoice	1,183		1,183			Fund Balance
Carryover	PD	E-ticketing Project	63,805		63,805			Fund Balance
Carryover	PD	Table PC's Hardware and Software	35,850		35,850			Fund Balance
Carryover	PD	King County Marine Patrol Pending Invoice	39,000		39,000			Fund Balance
Carryover	PD	Leased Vehicle Pending Invoice	1,200		1,200			Fund Balance
Other Adj.	CC	Council Retreat Facilitator	2,000	2,000				Council Special Projects Reserve
Other Adj.	PCD	Planning Signs	4,100				4,100	Sign deposit revenue
Other Adj.	PCS	Boat Launch Bollard Replacement Project	(22,500)			(22,500)		Housekeeping-service package funding
<b>General Fund Total</b>			<b>1,124,285</b>	<b>2,000</b>	<b>1,140,685</b>	<b>(22,500)</b>	<b>4,100</b>	
<b>OTHER FUNDS</b>								
<b>Street Operating Fund</b>								
Carryover	PW	Intelligent Transportation System	6,530		6,530			Fund Balance
Carryover	PW	Neighborhood Traffic Control Program	41,828		41,828			Fund Balance
Carryover	PW	Lakeview Elementary Lighted Crosswalk Repair	12,000		12,000			Fund Balance
Carryover	PW	100th Ave Fiber Connection	17,268		17,268			Fund Balance
Carryover	PW	Parking Garage Lighting	15,000		15,000			Fund Balance
Carryover	PW	Annual Striping Program	31,697		31,697			Fund Balance
Carryover	PW	Replacement Trees	21,000		21,000			Fund Balance
Carryover	PW	Street Improvement/Utility Underground Opportunity Funds	41,361		41,361			Fund Balance
Carryover	PW	Parking Pay Stations	50,925		50,925			Fund Balance
Carryover	PW	Snow Removal Equipment/Supplies	37,000		37,000			Fund Balance
<b>Street Operating Fund Total</b>			<b>274,609</b>	<b>-</b>	<b>274,609</b>	<b>-</b>	<b>-</b>	

Adjustment Type	Dept.	Description	Uses	Funding Source				Funding Source Notes
				Reserves	Resources Forward	Operating Transfers	External Revenue	
<b>Park and Municipal Reserve Fund</b>								
Other Adj	PCD	ARCH Housing Trust Fund	431,993			431,993		Transfer from General Fund
<b>Park and Municipal Reserve Fund Total</b>			<b>431,993</b>	<b>-</b>	<b>-</b>	<b>431,993</b>	<b>-</b>	
<b>General Capital Projects Fund</b>								
Other Adj	ND	Neighborhood Connections Program	25,000	25,000				Council Special Projects Reserve
<b>General Capital Projects Fund Total</b>			<b>25,000</b>	<b>25,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Water/Sewer Operating Fund</b>								
Carryover	PW	Telemetry-Improvements and Water Analysis	25,358		25,358			Fund Balance
Carryover	PW	Mobile Computers	14,718		14,718			Fund Balance
<b>Water/Sewer Operating Fund Total</b>			<b>40,076</b>	<b>-</b>	<b>40,076</b>	<b>-</b>	<b>-</b>	
<b>Water/Sewer Debt Service Fund</b>								
Housekeeping	PW	Debt Service	(4,484)			(4,484)		Adjust operating transfer
<b>Water/Sewer Debt Service Fund Total</b>			<b>(4,484)</b>	<b>-</b>	<b>-</b>	<b>(4,484)</b>	<b>-</b>	
<b>Surface Water Operating Fund</b>								
Carryover	PW	ESA Regulatory Costs	20,214		20,214			Fund Balance
Carryover	PW	Shoreline Inventory	17,274		17,274			Fund Balance
Carryover	PW	Index of Biotic Integrity Sampling	5,670		5,670			Fund Balance
Carryover	PW	UW Soils Map	30,000		30,000			Fund Balance
Carryover	PW	Forbes Lake Monitoring	10,810		10,810			Fund Balance
Carryover	PW	Juanita Creek Hydraulic Study	40,000		40,000			Fund Balance
Carryover	PW	Nature Vision School Program	1,810		1,810			Fund Balance
Carryover	PW	Stormwater Focus Groups	7,000		7,000			Fund Balance
Carryover	PW	Mobile Computers	23,000		23,000			Fund Balance
<b>Surface Water Operating Fund Total</b>			<b>155,778</b>	<b>-</b>	<b>155,778</b>	<b>-</b>	<b>-</b>	
<b>Information Technology Fund</b>								
Carryover	IT	Disaster Recovery	50,000		50,000			Fund Balance
Carryover	IT	Microsoft Enterprise Agreement (Software Licensing)	75,891		75,891			Fund Balance
Carryover	IT	Owest SmartNet Maintenance	54,755		54,755			Fund Balance
Carryover	IT	Multimedia Services Pending Invoices	2,390		2,390			Fund Balance
Carryover	IT	ESRI Special Programming for GIS/Pending Invoice	10,000		10,000			Fund Balance
<b>Information Technology Fund Total</b>			<b>193,036</b>	<b>-</b>	<b>193,036</b>	<b>-</b>	<b>-</b>	

Adjustment Type	Dept.	Description	Uses	Funding Source				Funding Source Notes
				Reserves	Resources Forward	Operating Transfers	External Revenue	
<b>Facilities Maintenance Fund</b>								
Carryover	PW	Peter Kirk Community Center Floor Maintenance	2,000		2,000			Fund Balance
Carryover	PW	Parks Maintenance move to KCHA building	16,095		16,095			Fund Balance
Carryover	PW	Inventory Control Specialist in lieu of Contracted Services	44,498		44,498			Fund Balance
<b>Facilities Maintenance Fund Total</b>			<b>62,593</b>	<b>-</b>	<b>62,593</b>	<b>-</b>	<b>-</b>	
<b>TOTAL OTHER FUNDS</b>			<b>1,178,601</b>	<b>25,000</b>	<b>726,092</b>	<b>427,509</b>	<b>-</b>	
<b>TOTAL ALL FUNDS</b>			<b>2,302,886</b>	<b>27,000</b>	<b>1,866,777</b>	<b>405,009</b>	<b>4,100</b>	

ORDINANCE NO. 4180

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. February 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	124,687,343	1,124,285	125,811,628
Lodging Tax	794,424	0	794,424
Street Operating	9,087,068	274,609	9,361,677
Cemetery Operating	199,498	0	199,498
Parks Maintenance	2,203,287	0	2,203,287
Recreation Revolving	2,825,090	0	2,825,090
Contingency	2,324,515	0	2,324,515
Cemetery Improvement	598,528	0	598,528
Impact Fees	7,165,555	0	7,165,555
Park & Municipal Reserve	10,050,552	431,993	10,482,545
Off-Street Parking Reserve	217,610	0	217,610
Tour Dock	122,675	0	122,675
Street Improvement	2,613,576	0	2,613,576
Grant Control Fund	216,458	0	216,458
Excise Tax Capital Improvement	24,039,092	0	24,039,092
Limited General Obligation Bonds	2,735,723	0	2,735,723
Unlimited General Obligation Bond	2,703,581	0	2,703,581
General Capital Projects	26,142,349	25,000	26,167,349
Grant Capital Projects	5,307,113	0	5,307,113
Water/Sewer Operating	46,479,043	40,076	46,519,119
Water/Sewer Debt Service	3,510,123	(4,484)	3,505,639
Utility Capital Projects	18,837,106	0	18,837,106
Surface Water Management	12,515,606	155,778	12,671,384
Surface Water Capital Projects	6,765,553	0	6,765,553
Solid Waste	18,753,863	0	18,753,863
Equipment Rental	13,971,736	0	13,971,736

<u>Funds</u>	<u>Current Budget</u>	<u>Adjustments</u>	<u>Revised Budget</u>
Information Technology	10,111,156	193,036	10,304,192
Facilities Maintenance	9,804,443	62,593	9,867,036
Firefighter's Pension	1,635,961	0	1,635,961
	<u>366,418,627</u>	<u>2,302,886</u>	<u>368,721,513</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 17<sup>th</sup> day of February 2009.

Signed in authentication thereof this \_\_\_\_\_ day of February, 2009.

\_\_\_\_\_  
MAYOR

Attest:

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

Approved as to Form:

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