



CITY OF KIRKLAND
Department of Finance & Administration
123 Fifth Avenue, Kirkland, WA 98033 425.587.3100
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MEMORANDUM

To: David Ramsay, City Manager

From: Tracey Dunlap, Director of Finance & Administration
Sandi Hines, Financial Planning Manager
Sri Krishnan, Sr. Financial Analyst

Date: March 6, 2009

Subject: **2009-2010 BUDGET ADJUSTMENT: 2007-2008 CAPITAL AND OTHER CARRYOVERS, AND THE JANUARY 2009 DASHBOARD**

RECOMMENDATION:

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

BACKGROUND DISCUSSION:

The Council approved the operating budget carryovers at the February 17th meeting and at that time it was indicated that the adjustments to the 2009-2010 Budget for the 2007-2008 capital carryovers would be brought back in March. This memo addresses the capital carryover adjustments as well as carryovers in the Lodging Tax Fund that were not done in February. In addition, this memo serves as a means to provide the Council with an update on the budget by including the January Dashboard report.

2007-2008 Capital and Lodging Tax Carryovers

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.

The budget amendment totals \$34.2 million for the capital and Lodging Tax Fund carryovers. Following is a recap of major items requested in this budget adjustment:

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. Funding for carryovers primarily comes from recognizing cash that was obligated but not spent in the prior biennium (i.e. Resources Forward) and from external sources such as grants. In some funds (e.g. Water/Sewer Capital and Surface Water Capital) carryovers are funded by reserves in recognition that

appropriated reserves are adequate to fund such items. Note, carryovers funded from reserves do not require an appropriation change as they are line item adjustments within the funds' appropriation.

Capital carryovers consist of capital projects approved but not completed in 2007-2008. These requests total \$34.1 million and include the following categories:

- **Transportation projects** (\$15.1 million in the General Capital and Grant Capital Funds and \$2.7 million included in the Surface Water Fund for transportation projects with Surface Water elements)
- **Surface Water projects** (\$2.2 million, excluding the transportation-related projects budgeted in the Surface Water Capital Fund)
- **Water and sewer projects** (\$3.9 million)
- **Parks projects** (\$2.8 million)
- **Public Safety projects** (\$1.0 million)
- **Technology projects** (\$2.2 million)
- **Facilities projects** (\$4.0 million)
- **Neighborhood Connections Program projects** (\$0.3 million)

All proposed budget adjustments are summarized in detail by project and fund in Attachment A. During the capital carryover review process, projects were identified that have been completed. These projects will be reviewed and balanced, with any project savings being dispositioned. To the extent that the funds remaining came from General Fund sources, these amounts could be available to address near-term revenue shortfalls. The results of the closure analysis will be presented to the City Council when completed.

The Lodging Tax Fund carryovers were identified after the operating budget adjustments were presented to Council. In total, this represents an adjustment of \$64,010. Attachment B is a memo from the Special Projects Coordinator, Sheila Cloney, and provides additional information regarding the carryover adjustments.

The January 2009 Dashboard

The January 2009 dashboard was reviewed with the Finance Subcommittee on February 27, 2009. The actual revenues and expenditures summarized in the dashboard and supporting documents (Attachment C) represent only one month of data, so for many line items it is difficult to assess the trend. Total General Fund revenues are below expectations primarily due to the decline in sales tax revenue and development fee revenues. Total General Fund expenditures are within expectations and we continue to monitor fire overtime because of its significant impact on the budget historically.

Attachments

March 2009 Budget Adjustment Summary--CIP & Lodging Tax Fund Carryovers

Adjustment Type	Dept.	Description	Uses	Appropriation Adjustment	Funding Source				Funding Source Notes
					Resources Forward	Operating Transfers	External Revenue	Reserves	
Lodging Tax Fund									
Carryover	CM	Media Kit Materials	1,614	-				1,614	Existing Reserves
Carryover	CM	Wayfinding Sign near Heathman Hotel	3,350	-				3,350	Existing Reserves
Carryover	CM	Update of Tourism Marketing Plan	25,000	-				25,000	Existing Reserves
Carryover	CM	Agency Grant -Concours	6,000	-				6,000	Existing Reserves
Carryover	CM	Agency Grant -Heritage Society	3,000	-				3,000	Existing Reserves
Carryover	CM	Hosting Press Trips	13,096	-				13,096	Existing Reserves
Carryover	CM	Advertising	11,950	-				11,950	Existing Reserves
Lodging Tax Fund Total			64,010	-	-	-	-	64,010	
General Capital Projects Fund									
Carryover	CM	Neighborhood Connections Program GG0023	341,481	341,481	341,481				Fund Balance
Carryover	Parks	Shoreline Restoration PK0006	82,242	82,242	82,242				Fund Balance
Carryover	Parks	Forbes Lake Park Development PK0056	4,347	4,347	4,347				Fund Balance
Carryover	Parks	N. Rosehill Woodlands Park PK0057	105,725	105,725	105,725				Fund Balance
Carryover	Parks	Park Play Area Enhancements PK0066	77,656	77,656	77,656				Fund Balance
Carryover	Parks	Neighborhood Park Restrooms PK0070	80,480	80,480	80,480				Fund Balance
Carryover	Parks	Everest Park Restroom/Storage Building PK0071	349,670	349,670	254,070		95,600		Fund Balance/External Revenue
Carryover	Parks	Crestwoods Park Field Renovation PK0073	100,000	100,000	100,000				Fund Balance
Carryover	Parks	Lake Wash High Playfields PK0078200	33,250	33,250	33,250				Fund Balance
Carryover	Parks	Rose Hill Elementary Playfield Improvements PK0078400	75,000	75,000	75,000				Fund Balance
Carryover	Parks	Ben Franklin Elem Playfields PK0078700	24,600	24,600	24,600				Fund Balance
Carryover	Parks	B.E.S.T. School Park Development PK0079	112,458	112,458	112,458				Fund Balance
Carryover	Parks	So. Juanita Park Site Development PK0083	212,349	212,349	212,349				Fund Balance
Carryover	Parks	Ben Franklin School Park Development PK0089	3,097	3,097	3,097				Fund Balance
Carryover	Parks	Rose Hill Meadows Development PK0091	291,916	291,916	291,916				Fund Balance
Carryover	Parks	Juanita Bay Park Wetland Rest. PK0109	182,141	182,141	182,141				Fund Balance
Carryover	Parks	Skate Park PK0111	200,000	200,000	200,000				Fund Balance
Carryover	Parks	Everest Park A-Field Bleachers PK0112	164,141	164,141	164,141				Fund Balance
Carryover	Parks	Juanita Beach Park Development PK0119	77,521	77,521	27,521		50,000		Fund Balance/External Revenue
Carryover	Parks	Green Kirkland Forest Restoration Program PK0121	91,164	91,164	91,164				Fund Balance
General Capital Projects Fund Continued									

Adjustment Type	Dept.	Description	Uses	Appropriation Adjustment	Funding Source				Funding Source Notes
					Resources Forward	Operating Transfers	External Revenue	Reserves	
Carryover	Parks	Community Recreation Facility -- Site Planning PK0122	72,023	72,023	72,023				Fund Balance
Carryover	Parks	Peter Kirk Pool Upgrades PK0123	158,128	158,128	158,128				Fund Balance
Carryover	Parks	Dock Renovations PK0125	100,000	100,000	100,000				Fund Balance
Carryover	Parks	Park and Open Space Acquisition Program PK0131	64,853	64,853	64,853				Fund Balance
Carryover	Parks	Property Acquisition PK0132	100,000	100,000	100,000				Fund Balance
Carryover	PW	Facilities Life Cycle Projects-Ceiling/Lighting GG0008	15,450	15,450	15,450				Fund Balance
Carryover	PW	Facilities Life Cycle Projects-Mechanical/HVAC GG0009	203,506	203,506	203,506				Fund Balance
Carryover	PW	Facilities Life Cycle Projects-Painting GG0010	89,854	89,854	89,854				Fund Balance
Carryover	PW	Facilities Life Cycle Projects-Flooring GG0012	434,747	434,747	434,747				Fund Balance
Carryover	PW	Council Chamber Remodel-AV Equipment GG0030	150,000	150,000	150,000				Fund Balance
Carryover	PW	Public Safety Site Plan GG0013	9,863	9,863	9,863				Fund Balance
Carryover	PW	Public Safety Campus (Phase 1) GG0013001	742,625	742,625			742,625		External Revenue
Carryover	PW	Building Security GG0027	10,344	10,344	10,344				Fund Balance
Carryover	PW	Police Dept. Evidence Lab GG0031001	957,686	957,686	957,686				Fund Balance
Carryover	PW	Police Dept. Safety Improvements GG0032001	26,831	26,831	26,831				Fund Balance
Carryover	PW	City Hall Annex Renovation GG0034	1,321,309	1,321,309	1,321,309				Fund Balance
Carryover	PW	NE 73rd Street Sidewalk NM0052	56,565	56,565	56,565				Fund Balance
Carryover	PW	2006 Annual Sidewalk Maint NM0657	25,708	25,708	25,708				Fund Balance
Carryover	PW	2007 Crosswalk Upgrade NM0712	346	346	346				Fund Balance
Carryover	PW	2008 Sidewalk Maint. Program NM0757	177,453	177,453	177,453				Fund Balance
Carryover	PW	NE 132nd St Roadway Improvements ST0058	16,566	16,566	16,566				Fund Balance
Carryover	PW	NE 85th St Undergrounding ST0075	1,438,149	1,438,149	1,438,149				Fund Balance
Carryover	PW	State Street Utilities Undergrounding ST0076	45,071	45,071			45,071		External Revenue
Carryover	PW	124th St/124th Ave Int Ph 3 TR0091	200,000	200,000	200,000				Fund Balance
Carryover	IT	Geographic Information System GG0006100	791,552	791,552	791,552				Fund Balance
Carryover	IT	Records Management System GG0006110	124,776	124,776	124,776				Fund Balance
Carryover	IT	Wireless Access for Field Workers GG0006150	130,781	130,781	130,781				Fund Balance
Carryover	IT	Finance and HR System Modules GG0006160	143,534	143,534	143,534				Fund Balance
Carryover	IT	Timekeeping System GG0006180	7,943	7,943	7,943				Fund Balance
Carryover	IT	Facilities Work Order System GG0006190	20,000	20,000	20,000				Fund Balance
Carryover	IT	Police Automatic Vehicle Locators GG0006201	144,600	144,600	144,600				Fund Balance-for NORCOM

Adjustment Type	Dept.	Description	Uses	Appropriation Adjustment	Funding Source				Funding Source Notes
					Resources Forward	Operating Transfers	External Revenue	Reserves	
General Capital Projects Fund Continued									
Carryover	IT	Local and Wide Area Networks GG0006300	246,177	246,177	246,177				Fund Balance
Carryover	IT	Disaster Recovery System Improvements GG0006301	144,854	144,854	144,854				Fund Balance
Carryover	IT	Help Desk Clientele System Replacement GG0006302	100,000	100,000	100,000				Fund Balance
Carryover	IT	Permit Plan System Replacement GG0006501	41,262	41,262	41,262				Fund Balance
Carryover	IT	Electronic Public Access to Information GG0006600	165,810	165,810	165,810				Fund Balance
Carryover	IT	Maintenance Management System Upgrade GG0006702	79,600	79,600	79,600				Fund Balance
Carryover	IT	Parks Work Order System GG0006801	53,000	53,000	53,000				Fund Balance
Carryover	IT	Wireless Systems in Parks GG0006802	37,841	37,841	37,841				Fund Balance
Carryover	F&B	Fireboat PS0024	248,350	248,350	248,350				Fund Balance - To Repurpose in 2009
Carryover	F&B	Water Rescue Boat PS0025	109,450	109,450	109,450				Fund Balance
Carryover	F&B	NKCC Emergency Power PS0046	143,956	143,956	143,956				Fund Balance
Carryover	F&B	EOC Upgrade PS0054	19,721	19,721	19,721				Fund Balance
Carryover	F&B	Fire Paging & Alerting System PS0055	79,764	79,764	79,764				Fund Balance
Carryover	F&B	Disaster Supply Storage Units PS0056	58,722	58,722	58,722				Fund Balance
Carryover	F&B	Disaster Response Vehicle PS0057	59,967	59,967	59,967				Fund Balance
Carryover	F&B	Special Ops Vehicle PS0058	80,217	80,217	80,217				Fund Balance - To Repurpose in 2009
Carryover	F&B	Defibrillators PS0060	35,544	35,544	35,544				Fund Balance - To Repurpose in 2009
Carryover	F&B	RFTD Office Space PS0064	9,709	9,709	9,709				Fund Balance
Carryover	F&B	Disaster Response Portable Generators PS0065	150,000	150,000	150,000				Fund Balance
General Capital Projects Fund Total			12,253,445	12,253,445	11,320,149		-	933,296	-
Grant Capital Projects Fund									
Carryover	PW	116th Ave Nonmotorized Fac NM0001	280,423	280,423	30,914			249,509	Fund Balance/External Revenue
Carryover	PW	Rose Hill Bus Dist Sidewalks NM0051	2,415,483	2,415,483	885,483			1,530,000	Fund Balance/External Revenue
Carryover	PW	100th Ave/99th Pl NE Sidewalk NM0060	154,684	154,684	134,684			20,000	Fund Balance/External Revenue
Carryover	PW	Park Lane Ped Corridor Enhance NM0064	24,844	24,844	24,844				Fund Balance
Carryover	PW	NE 120th St Roadway ext ST0057	1,197,755	1,197,755	197,755			1,000,000	Fund Balance/External Revenue
Carryover	PW	124th Ave Roadway Improvements ST0059	385,103	385,103	385,103				Fund Balance
Carryover	PW	NE 128th Street @ I-405 Overpass ST0069	1,457,679	1,457,679	613,500			844,179	Fund Balance/External Revenue
Carryover	PW	Signal-Kirkland Ave & 3rd St TR0004	218,896	218,896				218,896	External Revenue
Carryover	PW	NE 124th/124th NE Intersection Improvements TR0070	1,530,181	1,530,181	1,080,181			450,000	Fund Balance/External Revenue
Carryover	PW	NE 85th/132nd NE Intersection Improvements TR0078	1,722,265	1,722,265	844,665			877,600	Fund Balance/External Revenue
Grant Capital Projects Fund Continued									

Adjustment Type	Dept.	Description	Uses	Appropriation Adjustment	Funding Source				Funding Source Notes
					Resources Forward	Operating Transfers	External Revenue	Reserves	
Carryover	PW	NE 85th/114th NE Intersection Improvements TR0079	2,162,224	2,162,224	1,858,324		303,900		Fund Balance/External Revenue
Carryover	PW	NE 85th/124th NE Intersection Improvements TR0080	1,148,881	1,148,881	250,181		898,700		Fund Balance/External Revenue
Carryover	PW	NE 68th/108th Ave Intersection Improvements TR0085	444,993	438,331	338,331		100,000	6,662	Fund Balance/External Rev/Existing Rsvs
Grant Capital Projects Fund Total			13,143,411	13,136,749	6,643,965	-	6,492,784	6,662	

Water/Sewer Capital Projects Fund										
Carryover	PW	Market Street Sewermain Repl SS0046	667,013	667,013	667,013					Fund Balance
Carryover	PW	NE 53rd St Sewermain Replacmnt SS0063	297,554	297,554	297,554					Fund Balance
Carryover	PW	NE 75th St/130th Av Wtrmn Rep WA0058	293,336	293,336	293,336					Fund Balance
Carryover	PW	101st Avenue NE Watermain Repl WA0059	147,267	65,421	65,421			81,846		Fund Balance/Existing Reserves
Carryover	PW	10th Ave Watermain Repl WA0060	764,071	-				764,071		Existing Reserves
Carryover	PW	Supply Station #2 Improvements WA0065	90,507	-				90,507		Existing Reserves
Carryover	PW	NE 110th St Watermain Replacmnt WA0077	370,803	-				370,803		Existing Reserves
Carryover	PW	Vulnerability Analysis WA0093	59,995	-				59,995		Existing Reserves
Carryover	PW	North Reservoir Painting WA0094	759,797	-				759,797		Existing Reserves
Carryover	PW	Alexander Ave Watermain Repl WA0099	236,870	-				236,870		Existing Reserves
Carryover	PW	Telemetry Upgrades WA0115	145,515	-				145,515		Existing Reserves
Carryover	PW	NE 73rd St Sidewalk-WM Portion NM0052413	67,847	-				67,847		Existing Reserves
Water/Sewer Capital Projects Fund Total			3,900,575	1,323,324	1,323,324	-	-	2,577,251		

Surface Water Capital Projects Fund										
Carryover	PW	NE 85th St Detention SD0025	548,682	548,682	548,682					Fund Balance
Carryover	PW	Totem Lake Water Quality SD0029	600,996	600,996	600,996					Fund Balance
Carryover	PW	NE 90th St/120th Ave Sediment Control SD0033	173,120	173,120	173,120					Fund Balance
Carryover	PW	NE 126/94th Channel Restoration SD0039	24,587	24,587	24,587					Fund Balance
Carryover	PW	NE 125th Pl/95th Ave Sediment Pond Restoration SD0041	94,425	94,425	94,425					Fund Balance
Carryover	PW	124th Ave NE/NE 100th Drainage Improv. SD0043	73,830	73,830	73,830					Fund Balance
Carryover	PW	Forbes Creek/KC Access Road Culvert Enhanc. SD0051	35,808	35,808			35,808			Fund Balance/External Revenue
Carryover	PW	Forbes Creek/Coors Pond Channel Grade Controls SD0053	176,053	176,053	176,053					Fund Balance
Carryover	PW	Forbes Creek/RR Fish Passage Improvements SD0054	51,285	41,220	41,220			10,065		Fund Balance/Existing Reserves
Carryover	PW	Totem Lake Blvd Flood Control SD0059	7,646	-				7,646		Existing Reserves
Carryover	PW	Everest Cr-Slater Ave-Alex. St SD0063	167,841	-				167,841		Existing Reserves
Carryover	PW	2005 Streambank Prgm NE 86th St SD0537	28,772	-				28,772		Existing Reserves
Surface Water Capital Projects Fund Continued										

Adjustment Type	Dept.	Description	Uses	Appropriation Adjustment	Funding Source				Funding Source Notes
					Resources Forward	Operating Transfers	External Revenue	Reserves	
Carryover	PW	2007 Repl Aging/Failing Infrastructure SD0747	29,437	-				29,437	Existing Reserves
Carryover	PW	2008 Repl Aging/Failing Infrastructure SD0847	158,671	-				158,671	Existing Reserves
Carryover	PW	116th Ave Non-Motorized Facilities NM0001423	150,000	150,000	150,000				Fund Balance
Carryover	PW	116th Ave NE Improvements NM0042423	320,807	320,807	320,807				Fund Balance
Carryover	PW	116th Ave Sidewalk NM0044423	101,800	101,800	101,800				Fund Balance
Carryover	PW	Rose Hill Business District NM0051423	335,000	335,000	335,000				Fund Balance
Carryover	PW	124th Ave Roadway Improvements ST0059423	1,166,500	1,166,500	1,166,500				Fund Balance
Carryover	PW	NE 124th/124th NE Intersection Improv TR0070423	308,291	308,291	308,291				Fund Balance
Carryover	PW	NE 85th/132nd Ave Intersection Improv TR0079423	23,000	23,000	23,000				Fund Balance
Carryover	PW	NE 85th/114th Ave Intersection Improv TR0079423	30,000	30,000	30,000				Fund Balance
Carryover	PW	NE 85th/124th Ave Intersection Improv TR0080423	16,000	16,000	16,000				Fund Balance
Carryover	PW	NE 68th /108th Ave Intersection Improv TR0085423	100,000	32,200	32,200			67,800	Fund Balance/Existing Reserves
Carryover	PW	124th St/124th Av Intersection Improv Ph 3 TR0091423	100,000	-				100,000	Existing Reserves
Surface Water Capital Projects Fund Total			4,822,551	4,252,319	4,216,511	-	35,808	570,232	
TOTAL ALL FUNDS			34,183,992	30,965,837	23,503,949	-	7,461,888	3,218,155	


CITY OF KIRKLAND
City Manager's Office
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MEMORANDUM

To: David Ramsay, City Manager

From: Sheila Cloney, Special Project Coordinator
Erin Leonhart, Intergovernmental Relations Manager

Date: February 27, 2009

Subject: LODGING TAX CARRYOVERS TO BE FUNDED FROM RESERVES

The following table of approved Tourism work plan items has not been completed and need to be funded from the Lodging Tax reserve amount.

LODGING TAX FUND (112)		
Media Kit Materials	1120905730*5310100	\$ 1,614
Wayfinding Sign near Heathman Hotel	1120905730*5310200	\$ 3,350
Update of Tourism Marketing Plan	1120905730*5410100	\$ 25,000
Agency Grant -Concours	1120905730*5410100	\$ 6,000
Agency Grant -Heritage Society	1120905730*5410100	\$ 3,000
Hosting press trips	1120905730*5430100	\$ 13,096
Advertising	1120905730*5440100	\$ 11,950
SUBTOTAL		\$ 64,010

- Media Kit Materials:** Information about Kirkland that is provided to journalists and media outlets. Project approved in 2007-2008 budget. Planned completion 2008. Expected completion 2009 and 2010. Project not completed due to Special Projects Coordinator training new Event Coordinator and working part time through July of 2008.
- Wayfinding Sign near Heathman Hotel:** Large outdoor signage and directory. Originally approved in the 2006-2007 budget. The signs are part of an overall downtown wayfinding program. Reason for delay: Construction delays at Heathman Hotel. Management did not want to install sign until hotel was complete. Project approved in 2007-2008 budget, planned completion 2008. Expected completion 2009.
- Update of Tourism Marketing Plan:** Marketing update for tourism program. Portions of the study were approved and funded in the 2007-2008 and 2009-2010 budgets. The project will not be complete until August 2009.

- **Agency Grant –Concours:** Marketing funding for Concours Special Event. Applicant did not submit request for reimbursement for work performed in 2008 by 12-31-08. Project approved in 2008, planned completion 2008. Expected completion 2009.
- **Hosting press trips:** Travel writers visit Kirkland and are provided with familiarization tours. Project approved in 2007-2008 budget, planned completion 2008. Expected completion 2009.
- **Advertising:** Targeted ad buys in national and regional publications with wide circulation featuring Kirkland as a destination. Project approved in 2007-2008 budget, planned completion 2008. Expected completion 2009.

January 2009 Dashboard Highlights

February 27, 2009

- The January 2009 actual revenues and expenditures summarized in the dashboard represent only one month of data, so for many line items it is difficult to assess the trend. There are a number of reasons why January results may not be indicative of expectations including:
 - Finance is in the final stages of closing out 2008 in the financial system which can impact January, and
 - Some payments that would ordinarily have been received in January were not received until February due to weather and other factors highlighted below.

- Total General Fund revenues are below expectations due to the following:
 - 19% decline in sales tax revenues from January 2008.
 - Utility tax revenues reflect December billings, which do not include the public utility tax increase effective 1/1/09.
 - Selected utility tax and franchise fee payments expected in January were actually received in February (\$295,000).
 - Business License renewals for January could not be sent out until after the new fee structure was adopted on December 16, 2008, which resulted in extending the due date from January 31 to February 15, substantially impacting January receipts.
 - Development revenues, especially for Planning and Public Works, are down dramatically. Building-related revenues are also reduced. Further discussion of the January development activity follows the dashboard.
 - Revenues for January do not reflect planned transfers into the General Fund including funds from Recreation Revolving (Fund 126 - over \$60,000 in revenues for January) and the Development Services Reserve (\$465,000 for the year).
 - Selected large General Fund revenues are received in periodic increments including property tax (mostly received in April/May and October/November) and Fire District 41 and King County EMS payments (quarterly or semi-annually).

- Total General Fund expenditures are within expectations. We are monitoring fire overtime, although the first January payroll reflects the last two weeks of December that included holiday leave, the final 2 weeks of overtime staffing at the North Finn Hill station, and the snow storms. In addition, the additional positions added will not be on-duty until April 2009. Fire has prepared a memorandum discussing their estimate for the year, which is attached.

Attachments: January Dashboard
Development Services Highlights
Fire Overtime Memorandum

City of Kirkland Budget Dashboard

Annual Budget Status as of **1/31/2009** (Note 1)Percent of Year Complete **8.33%**

	2009 Budget	Year-to-Date Actual	% Received/ % Expended	Status		Notes
				Current Month	Last Month	
General Fund						
Total Revenues	59,838,168	2,628,833	4.4%		na	Property tax/FD41/EMS spike in 2Q
Total Expenditures	60,428,266	5,167,552	8.6%		na	

Key Indicators (All Funds)

<i>Revenues</i>						
Sales Tax	14,700,801	994,151	6.8%		na	Prior YTD = \$1,227,855; January was 8.17% in 2008
Utility Taxes	11,586,963	787,254	6.8%		na	January reflects billings before increases
Business License Fees	3,077,720	132,227	4.3%		na	January billings delayed until new fees adopted
Development Fees	3,373,273	128,806	3.8%		na	Planning/PW revenues down significantly
Gas Tax	1,133,278	82,813	7.3%		na	
<i>Expenditures</i>						
GF Salaries/Benefits	42,484,480	3,360,518	7.9%		na	Excludes Fire Suppression Overtime
Fire Suppression Overtime	677,267	140,137	20.7%		na	New positions will not be on-duty until 4/1/09
Contract Jail Costs	899,680	77,776	8.6%		na	Jail days exceeding budget estimate
Fuel Costs	558,310	19,482	3.5%		na	Cost/gallon running at about half budgeted rate

Status Key

Revenue is higher than expected or expenditure is lower than expected

Revenue/expenditure is within expected range

WATCH - Revenue/expenditure outside expected range



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

na - not applicable

Development Services Report – January 2009

When comparing January 2009 to January 2008 it is difficult because January 2008 was an anomaly in that Transportation Impact Fees were significantly increased on February 1, 2008 causing a spike in applications for new Single Family Residential (SFR), multifamily, and commercial permits in January 2008. A review of the January 2009 permit data allows us to offer the following:

- The January 2009 statistics continue to follow the trend that we witnessed in the second half of 2008. New SFR permits applications remain low (4 applications received while commercial (tenant improvements) remain relatively healthy in numbers (15 applications). 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. At this point it is too early to tell if that trend will repeat itself during this downturn.
- Although the total number of permits in January 2009 (187) is lower than the monthly average of 2008 (222), it is higher than the preceding two months (November & December 2008).
- Valuation of all projects this January is significantly lower than January 2008 because of the spike in permits in January 2008 mentioned above.
- Revenue for January 2009 was \$125,352. We projected a monthly revenue average of \$200,292 for 2009. The January revenue is not too alarming as most months are typically below the yearly average with two or three very large months due to large commercial projects being issued.
- We still expect to issue four large commercial projects this year; Lake Washington High School, Merrill Gardens II, the McLeod project, and the Kirkland Transit Center.
- Verizon has met with the Public Works Department to discuss an anticipated spike in Right-of-way Permits as Kirkland residents choose to take cable television service from Verizon (Verizon Cable Franchise was approved in October of 2008). Verizon is anticipating approximately 500 Right-of-way Permit applications. If their forecast is correct, the issuance of these Right-of-way Permits will generate approximately \$53,000 in permit fees. Although this is not a large revenue source, it was not anticipated in the 2009 budget.
- Touchstone has begun the design review process for the redevelopment of Park Place. The Conceptual Design conference was held earlier this week. At the meeting the DRB identified key issues and discussed the process for review. The first Design Response Conference will be held in mid March. The DRB will hold a series of additional meetings as they work their way through the development and give their approval by July. The applicant has indicated a desire to apply for the first permits (demolition and grading) possibly by the end of 2009. Permits for buildings will be phased, probably beginning in 2010.
- As staff discusses pending projects with local developers, most developers seem optimistic about developing in Kirkland versus developing in other outlying areas and are finding that their major hurdle is the ability to secure funding to move forward with a project.


CITY OF KIRKLAND
Fire & Building Department
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MEMORANDUM

To: Tracey Dunlap, Director of Finance & Administration
Jeff Blake, Director Fire & Building Department

From: Jack Henderson, Deputy Chief Operations

Date: February 18, 2009

Subject: January Overtime

The January 2009 Overtime report shows the department using almost 20% of the total overtime budget for 2009 for the first four weeks of the budget (the January payroll periods). The drivers for our overtime usage for the two pay periods covered are as follows.

December 16th to December 31st

Station #24 Staffing (2 career firefighters 12 hours each Includes Acting Officer's pay)	384 hours	16 shifts
Weather related staffing (December 2008, this is over Staffing for snow response Issues)	137.5 hours	5.73 shifts
Sick Leave coverage (to maintain minimum staffing (includes Sick Family Member, FMLA-sick, Bereavement, Disability Off-Duty)	1031 hours	43 shifts
Disability On-Duty	168 hours	7 shifts
Family Medical Leave – Vacation	24 hours	1 shift
*Short shift	72 hours	3 shifts
Emergency Leave	76 hours	3 shifts
Acting Officers pay (OT in addition to station #24)	<u>51.5</u>	
Total hours	1,944	

January 1st to January 15th

Sick Leave coverage (to maintain minimum staffing (includes Sick Family Member, FMLA-sick, Bereavement, Disability Off-Duty)	553.5 hours	23.06 shifts
Disability On-Duty	51.5 hours	2.14 shifts

Family Medical Leave	24 hours	1 shift
Emergency Leave	14 hours	.58 shift
*Short shift	6 hours	.25 shift
Acting Officers pay	<u>62 hours</u>	
Total hours	711 hours	

*Short Shift; One shift has 25 personnel and the other two shifts have 26. With minimum staffing of eighteen personnel per day, four annual vacation days and four Kelly days (K-Days) available each shift the "short shift" would have one overtime each shift that this occurs.

We expect February and March to be approximately \$100,000 dollars (\$50,000 each month). We have four Off-Duty disabilities and one On-Duty disability from November 10, 2008. All five of these disabilities are expected to last through March and at least two possibly into April. The new Firefighters (now in the Fire Academy) will be "on shift" within the first full week of April 2009. We should see no "short shifts" with the first of the four new firefighters going to "C" shift which will give that shift 26 firefighters(as "A" & "B" shifts) with one firefighter added to each shift for a total of 27 firefighters per shift.

The estimated overtime for April 2009 thru December 2009 is \$402,900 with the estimated cost of February and March 2009 at \$100,000 and the overtime expenditure of January 2009 of \$140,137 is a 2009 total of \$643,037, compared with \$677,267 being budgeted for 2009.

ORDINANCE NO. 4187

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. March 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	0	125,811,628
Lodging Tax	794,424	64,010	858,434
Street Operating	9,361,677	0	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	10,482,545	0	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	26,167,349	12,253,445	38,420,794
Grant Capital Projects	5,307,113	13,143,411	18,450,524
Water/Sewer Operating	46,519,119	0	46,519,119
Water/Sewer Debt Service	3,505,639	0	3,505,639
Utility Capital Projects	18,837,106	3,900,575	22,737,681
Surface Water Management	12,671,384	0	12,671,384
Surface Water Capital Projects	6,765,553	4,822,551	11,588,104
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	10,304,192	0	10,304,192
Facilities Maintenance	9,867,036	0	9,867,036
Firefighter's Pension	1,635,961	0	1,635,961
	368,721,513	34,183,992	402,905,505

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 17th day of March 2009.

Signed in authentication thereof this 17th day of March, 2009.

MAYOR

Attest:

City Clerk

Approved as to Form:

City Attorney