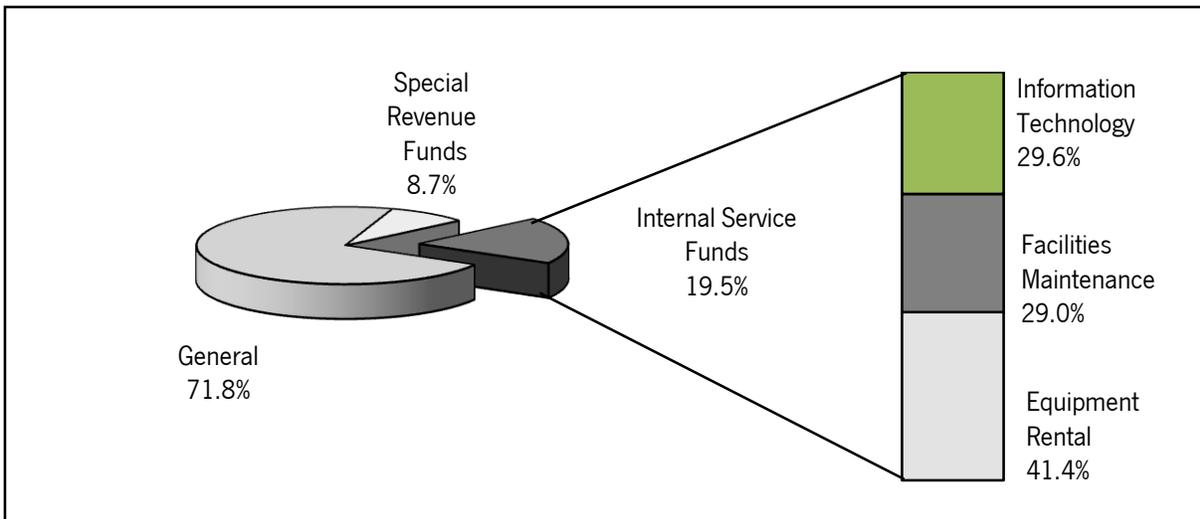


**CITY OF KIRKLAND  
GENERAL GOVERNMENT OPERATING  
2009-2010 BUDGET SUMMARY: BY FUND TYPE/FUND**



Expenditures for the general government operations of the City are presented in nine separate operating funds. This pie shows the total operating budget by fund type. The General Fund makes up the largest portion of the operating budget and accounts for general purpose expenditures that do not have a dedicated funding source such as public safety and general government. State law requires that Washington cities adopt a balanced budget for each of their operating funds. These funds finance the normal non-utility service delivery functions of the municipality. The following pages summarize the various operating funds and how they are budgeted.

**Analysis of Change**

Fund	2007-2008 Budget	2009-2010 Budget	Percent Change
<b>General Fund</b>			
010 General	115,746,835	124,687,343	7.72%
<b>Special Revenue Funds</b>			
112 Lodging Tax	561,841	794,424	41.40%
117 Street Operating	9,684,531	9,087,068	-6.17%
122 Cemetery Operating	336,709	199,498	-40.75%
125 Parks Maintenance	2,144,266	2,203,287	2.75%
126 Recreation Revolving	2,111,338	2,825,090	33.81%
<b>Total Special Revenue Funds</b>	<b>14,838,685</b>	<b>15,109,367</b>	<b>1.82%</b>
<b>Internal Service Funds</b>			
521 Equipment Rental	12,367,189	13,971,736	12.97%
522 Information Technology	10,744,314	10,111,156	-5.89%
527 Facilities Maintenance	9,069,324	9,804,443	8.11%
<b>Total Internal Service Funds</b>	<b>32,180,827</b>	<b>33,887,335</b>	<b>5.30%</b>
<b>Total General Government Operating Funds</b>	<b>162,766,347</b>	<b>173,684,045</b>	<b>6.71%</b>

**CITY OF KIRKLAND**  
**CHANGE IN FUND BALANCE (Beginning 2007 to Ending 2010)**  
**GENERAL GOVERNMENT OPERATING FUNDS**

	<b>General<sup>1</sup></b>	<b>Lodging Tax</b>	<b>Street Operating<sup>2</sup></b>	<b>Cemetery Operating</b>
<b>2007 Actual Beginning Fund Balance</b>	<b>5,865,784</b>	<b>199,182</b>	<b>1,587,329</b>	<b>133,889</b>
<i>Reserved</i>	<i>15,000</i>	<i>175,120</i>	<i>0</i>	<i>0</i>
<i>Unreserved Working Capital</i>	<i>5,850,784</i>	<i>24,062</i>	<i>1,587,329</i>	<i>133,889</i>
Plus: 2007-08 Estimated Revenues	107,826,764	474,023	8,195,548	162,736
Less: 2007-08 Estimated Expenditures	108,917,214	367,070	8,441,504	205,327
Less: 2007-08 Amount Avail. for Year-End Transfer	784,178	N/A	N/A	N/A
<b>2007-08 Estimated Ending Fund Balance</b>	<b>3,991,156</b>	<b>306,135</b>	<b>1,341,373</b>	<b>91,298</b>
Less: Funding for Carryovers to 2009	1,028,528	29,651	105,877	0
Less: Funding for 2009-10 Service Packages	1,690,209	0	0	0
<b>2009 Budgeted Beginning Fund Balance</b>	<b>1,265,000</b>	<b>276,484</b>	<b>1,235,496</b>	<b>91,298</b>
Plus: 2009-10 Budgeted Revenues	121,732,134	517,940	7,851,572	108,200
Less: 2009-10 Budgeted Expenditures	123,054,850	570,644	8,392,117	70,853
<b>2010 Budgeted Ending Fund Balance</b>	<b>1,632,493</b>	<b>223,780</b>	<b>694,951</b>	<b>128,645</b>
<i>Reserved</i>	<i>782,493</i>	<i>223,780</i>	<i>0</i>	<i>0</i>
<i>Unreserved Working Capital</i>	<i>850,000</i>	<i>0</i>	<i>694,951</i>	<i>128,645</i>
<b>Change in Fund Balance: Beginning 2007 to Ending 2010</b>	<b>(4,233,291)</b>	<b>24,598</b>	<b>(892,378)</b>	<b>(5,244)</b>

**Notes:**

In 1998, the City Council adopted a policy to budget all estimated fund balances. Fund balance is comprised of the following: operating reserve, capital reserve, and unreserved working capital. Reserved fund balance is dedicated for a specific purpose such as equipment replacement or an operating contingency for unforeseen expenditures. Unreserved working capital represents excess operating resources brought forward from the prior year to fund one-time "service package" costs and equipment purchases as well as to cover the cash flow needs of the fund.

<sup>1</sup> The only reserve included in the City's General Fund is an operating reserve, which is used for unplanned expenditures. At the end of each year, only that portion of the ending fund balance needed to fund one-time projects and equipment as well as to meet cash flow needs during the year is left in the General Fund. The remaining fund balance is transferred to general purpose reserves in the non-operating budget (the "year-end" transfer). The City's Fiscal Policies include conservative budgeting practices that provide the ability at year-end to replenish or build reserves toward targeted levels. The significant reduction in fund balance reflects the change in carryovers, some one-time funded service packages (i.e. projects) for 2009-2010 and 2007-2008 mid-biennial adjustments.

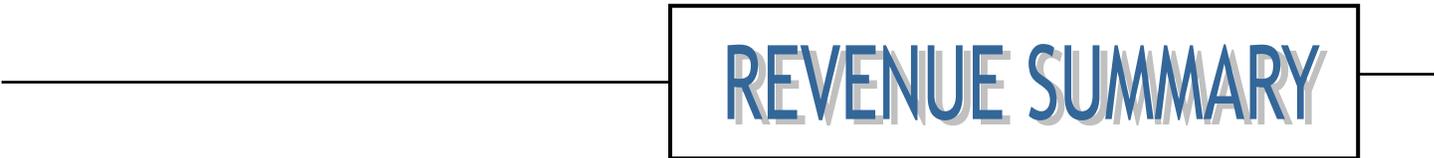
<b>Parks Maintenance<sup>2</sup></b>	<b>Recreation Revolving</b>	<b>Equipment Rental<sup>3</sup></b>	<b>Information Technology<sup>3</sup></b>	<b>Facilities Maintenance<sup>3</sup></b>	<b>Total</b>
<b>519,960</b>	<b>17,115</b>	<b>5,749,717</b>	<b>2,553,766</b>	<b>2,418,808</b>	<b>19,045,550</b>
<i>89,012</i>	<i>0</i>	<i>5,749,717</i>	<i>1,496,801</i>	<i>2,225,300</i>	<i>9,750,950</i>
<i>430,948</i>	<i>17,115</i>	<i>0</i>	<i>1,056,965</i>	<i>193,508</i>	<i>9,294,600</i>
1,674,867	2,043,339	7,081,227	8,127,306	7,057,352	<b>142,643,162</b>
1,719,803	1,999,514	5,636,551	8,241,789	5,724,187	<b>141,252,959</b>
N/A	N/A	N/A	N/A	N/A	<b>784,178</b>
<b>475,024</b>	<b>60,940</b>	<b>7,194,393</b>	<b>2,439,283</b>	<b>3,751,973</b>	<b>19,651,575</b>
0	0	115,285	166,000	175,523	<b>1,620,864</b>
0	0	0	0	0	<b>1,690,209</b>
<b>475,024</b>	<b>60,940</b>	<b>7,079,108</b>	<b>2,273,283</b>	<b>3,576,450</b>	<b>16,333,083</b>
1,728,263	2,764,150	6,892,628	7,837,873	6,227,993	<b>155,660,753</b>
1,924,390	2,527,020	5,900,653	8,465,777	6,121,941	<b>157,028,245</b>
<b>278,897</b>	<b>298,070</b>	<b>8,071,083</b>	<b>1,645,379</b>	<b>3,682,502</b>	<b>16,655,800</b>
<i>92,420</i>	<i>0</i>	<i>6,698,417</i>	<i>1,121,457</i>	<i>1,812,031</i>	<i>10,730,598</i>
<i>186,477</i>	<i>298,070</i>	<i>1,372,666</i>	<i>523,922</i>	<i>1,870,471</i>	<i>5,925,202</i>
<b>(241,063)</b>	<b>280,955</b>	<b>2,321,366</b>	<b>(908,387)</b>	<b>1,263,694</b>	<b>(2,389,750)</b>

**Notes:**

<sup>2</sup> In the Street Operating Fund, the significant reduction in fund balance reflects the use of unreserved working capital (i.e. cash) due to the structural imbalance of the fund – the growth in revenues (i.e. property tax and gas tax) does not keep pace with the increase in expenditures. A similar imbalance exists in the Parks Maintenance Fund and is due to the fact that property tax revenues in the funds grow slower than the rate of cost growth.

<sup>3</sup> In the Facilities Maintenance, Equipment Rental, and Information Technology Funds, reserved fund balance primarily represents cash earmarked for facilities renovations, vehicle replacements, and computer replacements respectively. Increases in fund balance reflect the accumulation of capital reserves. Decreases in fund balance reflect the use of unobligated cash to fund one-time projects and/or the use of capital reserves for facilities renovations, to purchase vehicle replacements, or to purchase computer replacements.

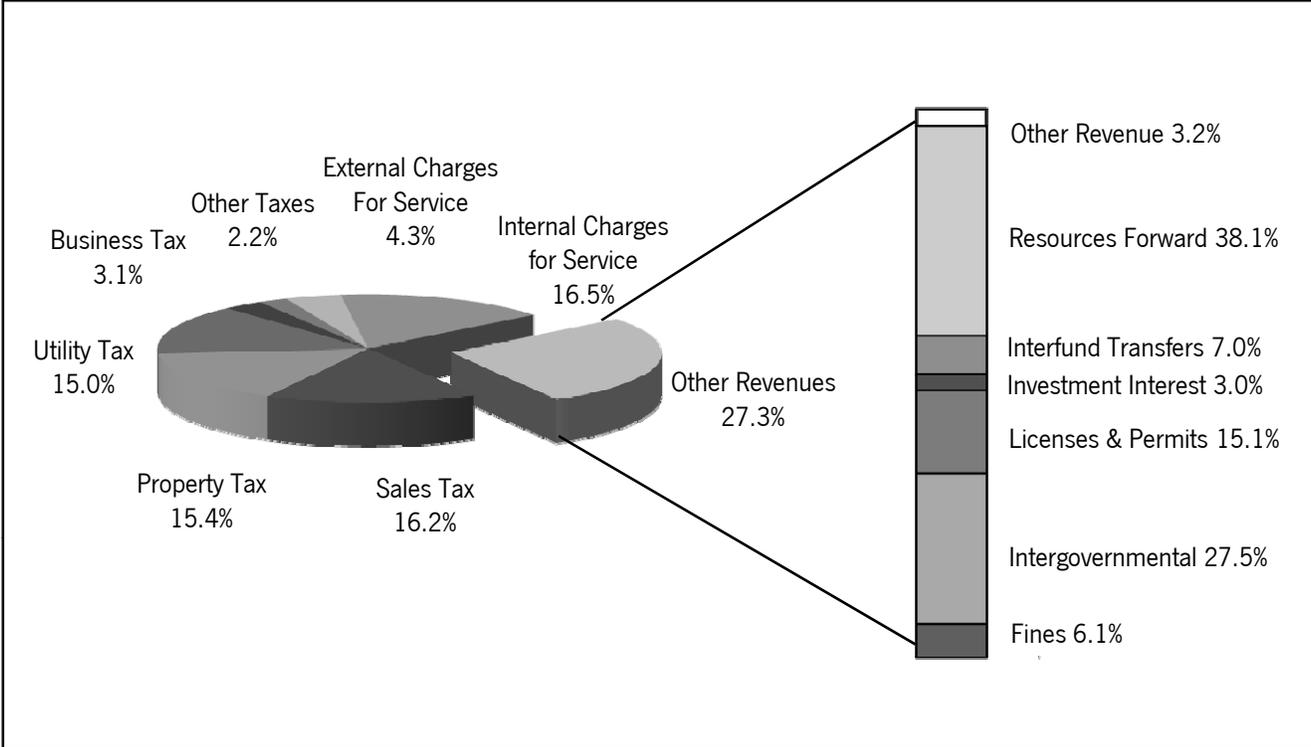




## REVENUE SUMMARY



**CITY OF KIRKLAND  
 GENERAL GOVERNMENT OPERATING  
 2009-2010 REVENUE SUMMARY  
 \$173,684,045**



Taxes comprise about 52% of all General Government Operating revenues, with sales tax being the single largest revenue category. They are a general purpose revenue source which are used to support basic government services such as public safety, street maintenance, and park maintenance. Internal charges for service reflect payments from one operating fund to another primarily for information technology, fleet, general administration, facilities maintenance, engineering, and billing services provided "in-house." Resources forward represents the collective beginning fund balance for all General Government Operating Funds, and is composed primarily of capital reserves, operating reserves, and unreserved working capital. In addition, resources forward is used to fund one-time service packages.



**CITY OF KIRKLAND  
GENERAL GOVERNMENT OPERATING  
2009-2010 REVENUE SUMMARY: BY REVENUE TYPE**

<b>Revenue Sources</b>	<b>2005-06 Actual</b>	<b>2007-08 Estimate</b>	<b>2007-08 Budget</b>	<b>2009-10 Budget</b>	<b>Percent Change</b>
<b><i>Taxes:</i></b>					
Property Tax	21,727,242	24,996,977	25,046,428	26,773,394	6.90%
Sales Tax:					
General	29,197,824	29,937,247	31,675,781	28,215,218	-10.92%
Criminal Justice	2,002,397	2,266,379	2,164,253	2,236,140	3.32%
Utility Taxes:					
Electric	3,963,276	5,103,069	4,587,526	6,975,601	52.06%
Gas	1,954,960	2,311,153	2,723,727	2,693,399	-1.11%
Television Cable	1,542,430	2,008,068	1,585,000	2,275,000	43.53%
Telephone	5,436,894	6,103,411	5,677,308	7,782,938	37.09%
Garbage	971,863	1,201,665	1,192,206	1,851,161	55.27%
Sewer	986,380	1,236,771	1,217,837	1,996,824	63.96%
Water	1,008,333	1,187,732	1,110,008	1,694,253	52.63%
Surface Water	588,785	723,968	761,201	738,675	-2.96%
Admissions Tax	202,132	256,694	236,000	275,000	16.53%
Revenue Generating Regulatory License	1,907,501	2,031,237	1,926,671	5,363,038	178.36%
Hotel/Motel Tax	288,680	449,368	362,659	500,000	37.87%
Gambling & Other Taxes	897,625	992,385	1,127,310	847,800	-24.79%
<b>Total Taxes</b>	<b>72,676,322</b>	<b>80,806,124</b>	<b>81,393,915</b>	<b>90,218,441</b>	<b>10.84%</b>
<b><i>Licenses and Permits:</i></b>					
Building/Structural	4,678,379	3,544,551	4,241,886	3,359,200	-20.81%
Franchise Fees	1,786,240	2,125,862	2,016,610	2,506,137	24.27%
Business & Other Licenses	1,224,082	1,376,055	1,236,924	1,278,935	3.40%
<b>Total Licenses and Permits</b>	<b>7,688,701</b>	<b>7,046,468</b>	<b>7,495,420</b>	<b>7,144,272</b>	<b>-4.68%</b>
<b><i>Intergovernmental:</i></b>					
Emergency Medical Services	970,708	1,305,275	1,297,399	1,703,169	31.28%
Fire District Revenue	6,108,554	6,654,881	6,671,738	7,476,005	12.05%
Gas Tax	1,514,477	1,161,286	1,317,206	1,201,368	-8.79%
Liquor Taxes	1,005,226	1,119,921	1,100,404	1,206,910	9.68%
Grants & Other Intergovernmental	1,574,678	1,917,372	1,714,460	1,457,693	-14.98%
<b>Total Intergovernmental</b>	<b>11,173,643</b>	<b>12,158,735</b>	<b>12,101,207</b>	<b>13,045,145</b>	<b>7.80%</b>
<b><i>Charges for Services:</i></b>					
Planning Fees	3,835,970	3,095,205	4,022,297	2,244,963	-44.19%
Engineering Development Fees	1,155,331	1,206,926	1,245,000	1,140,000	-8.43%
Recreation Charges	1,846,496	1,937,178	1,980,649	2,104,030	6.23%
Internal Charges	20,420,107	24,077,328	24,178,101	28,647,661	18.49%
Other Charges	1,499,487	1,847,482	1,734,234	1,968,427	13.50%
<b>Total Charges for Services</b>	<b>28,757,391</b>	<b>32,164,119</b>	<b>33,160,281</b>	<b>36,105,081</b>	<b>8.88%</b>
<b><i>Fines and Forfeits</i></b>	<b>2,250,731</b>	<b>2,759,712</b>	<b>2,449,860</b>	<b>2,867,000</b>	<b>17.03%</b>
<b><i>Miscellaneous</i></b>	<b>3,235,679</b>	<b>4,247,310</b>	<b>3,689,483</b>	<b>2,981,041</b>	<b>-19.20%</b>
<b><i>Interfund Transfers</i></b>	<b>3,001,975</b>	<b>3,460,694</b>	<b>3,430,631</b>	<b>3,299,773</b>	<b>-3.81%</b>
<b><i>Resources Forward</i></b>	<b>21,227,092</b>	<b>19,045,550</b>	<b>19,045,550</b>	<b>18,023,292</b>	<b>-5.37%</b>
<b>General Government Operating Total</b>	<b>150,011,534</b>	<b>161,688,712</b>	<b>162,766,347</b>	<b>173,684,045</b>	<b>6.71%</b>

**CITY OF KIRKLAND  
GENERAL GOVERNMENT OPERATING  
2009-2010 REVENUE SUMMARY: BY REVENUE TYPE ACROSS FUNDS**

<b>Revenue Sources</b>	<b>General Fund</b>	<b>Lodging Tax Fund</b>	<b>Street Operating Fund</b>	<b>Cemetery Operating Fund</b>
<b><i>Taxes:</i></b>				
Property Tax	18,810,872	0	6,336,659	0
Sales Tax:				
General	28,215,218	0	0	0
Criminal Justice	2,236,140	0	0	0
Utility Taxes:				
Electric	6,975,601	0	0	0
Gas	2,693,399	0	0	0
Television Cable	2,275,000	0	0	0
Telephone	7,782,938	0	0	0
Garbage	1,851,161	0	0	0
Sewer	1,996,824	0	0	0
Water	1,694,253	0	0	0
Surface Water	738,675	0	0	0
Admissions Tax	275,000	0	0	0
Revenue Generating Regulatory License	5,363,038	0	0	0
Hotel/Motel Tax	0	500,000	0	0
Gambling & Other Taxes	847,800	0	0	0
<b>Total Taxes</b>	<b>81,755,919</b>	<b>500,000</b>	<b>6,336,659</b>	<b>0</b>
<b><i>Licenses and Permits:</i></b>				
Building/Structural	3,359,200	0	0	0
Franchise Fees	2,506,137	0	0	0
Business & Other Licenses	1,269,015	0	0	0
<b>Total Licenses and Permits</b>	<b>7,134,352</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><i>Intergovernmental:</i></b>				
Emergency Medical Services	1,703,169	0	0	0
Fire District Revenue	7,476,005	0	0	0
Gas Tax	0	0	1,201,368	0
Liquor Taxes	1,206,910	0	0	0
Grants & Other Intergovernmental	1,183,391	0	0	0
<b>Total Intergovernmental</b>	<b>11,569,475</b>	<b>0</b>	<b>1,201,368</b>	<b>0</b>
<b><i>Charges for Services:</i></b>				
Planning Fees	2,244,963	0	0	0
Engineering Development Fees	1,140,000	0	0	0
Recreation Charges	0	0	0	0
Internal Charges	8,761,677	0	48,345	0
Other Charges	1,825,527	0	53,200	65,000
<b>Total Charges for Services</b>	<b>13,972,167</b>	<b>0</b>	<b>101,545</b>	<b>65,000</b>
<b><i>Fines and Forfeits</i></b>	<b>2,867,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><i>Miscellaneous</i></b>	<b>1,323,421</b>	<b>17,940</b>	<b>212,000</b>	<b>43,200</b>
<b><i>Interfund Transfers</i></b>	<b>3,109,800</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><i>Resources Forward</i></b>	<b>2,955,209</b>	<b>276,484</b>	<b>1,235,496</b>	<b>91,298</b>
<b>Fund Total</b>	<b>124,687,343</b>	<b>794,424</b>	<b>9,087,068</b>	<b>199,498</b>

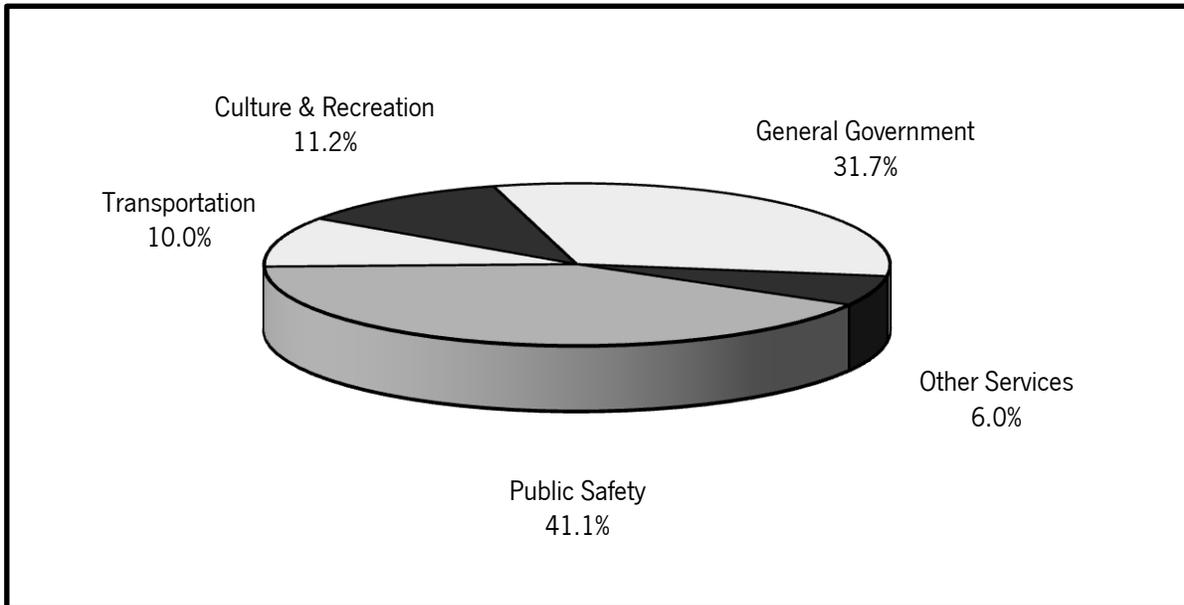
<b>Parks Maintenance Fund</b>	<b>Recreation Revolving Fund</b>	<b>Equipment Rental Fund</b>	<b>Information Technology Fund</b>	<b>Facilities Maintenance Fund</b>	<b>Revenue Total</b>
1,625,863	0	0	0	0	<b>26,773,394</b>
0	0	0	0	0	<b>28,215,218</b>
0	0	0	0	0	<b>2,236,140</b>
0	0	0	0	0	<b>6,975,601</b>
0	0	0	0	0	<b>2,693,399</b>
0	0	0	0	0	<b>2,275,000</b>
0	0	0	0	0	<b>7,782,938</b>
0	0	0	0	0	<b>1,851,161</b>
0	0	0	0	0	<b>1,996,824</b>
0	0	0	0	0	<b>1,694,253</b>
0	0	0	0	0	<b>738,675</b>
0	0	0	0	0	<b>275,000</b>
0	0	0	0	0	<b>5,363,038</b>
0	0	0	0	0	<b>500,000</b>
0	0	0	0	0	<b>847,800</b>
<b>1,625,863</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>90,218,441</b>
0	0	0	0	0	<b>3,359,200</b>
0	0	0	0	0	<b>2,506,137</b>
0	9,920	0	0	0	<b>1,278,935</b>
<b>0</b>	<b>9,920</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,144,272</b>
0	0	0	0	0	<b>1,703,169</b>
0	0	0	0	0	<b>7,476,005</b>
0	0	0	0	0	<b>1,201,368</b>
0	0	0	0	0	<b>1,206,910</b>
0	0	0	274,302	0	<b>1,457,693</b>
<b>0</b>	<b>0</b>	<b>0</b>	<b>274,302</b>	<b>0</b>	<b>13,045,145</b>
0	0	0	0	0	<b>2,244,963</b>
0	0	0	0	0	<b>1,140,000</b>
0	2,104,030	0	0	0	<b>2,104,030</b>
0	0	6,289,961	7,528,465	6,019,213	<b>28,647,661</b>
0	23,700	1,000	0	0	<b>1,968,427</b>
<b>0</b>	<b>2,127,730</b>	<b>6,290,961</b>	<b>7,528,465</b>	<b>6,019,213</b>	<b>36,105,081</b>
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,867,000</b>
<b>2,400</b>	<b>626,500</b>	<b>572,800</b>	<b>0</b>	<b>182,780</b>	<b>2,981,041</b>
<b>100,000</b>	<b>0</b>	<b>28,867</b>	<b>35,106</b>	<b>26,000</b>	<b>3,299,773</b>
<b>475,024</b>	<b>60,940</b>	<b>7,079,108</b>	<b>2,273,283</b>	<b>3,576,450</b>	<b>18,023,292</b>
<b>2,203,287</b>	<b>2,825,090</b>	<b>13,971,736</b>	<b>10,111,156</b>	<b>9,804,443</b>	<b>173,684,045</b>



# EXPENDITURE SUMMARY



**CITY OF KIRKLAND  
GENERAL GOVERNMENT OPERATING  
2009-2010 EXPENDITURE SUMMARY: BY PROGRAM**



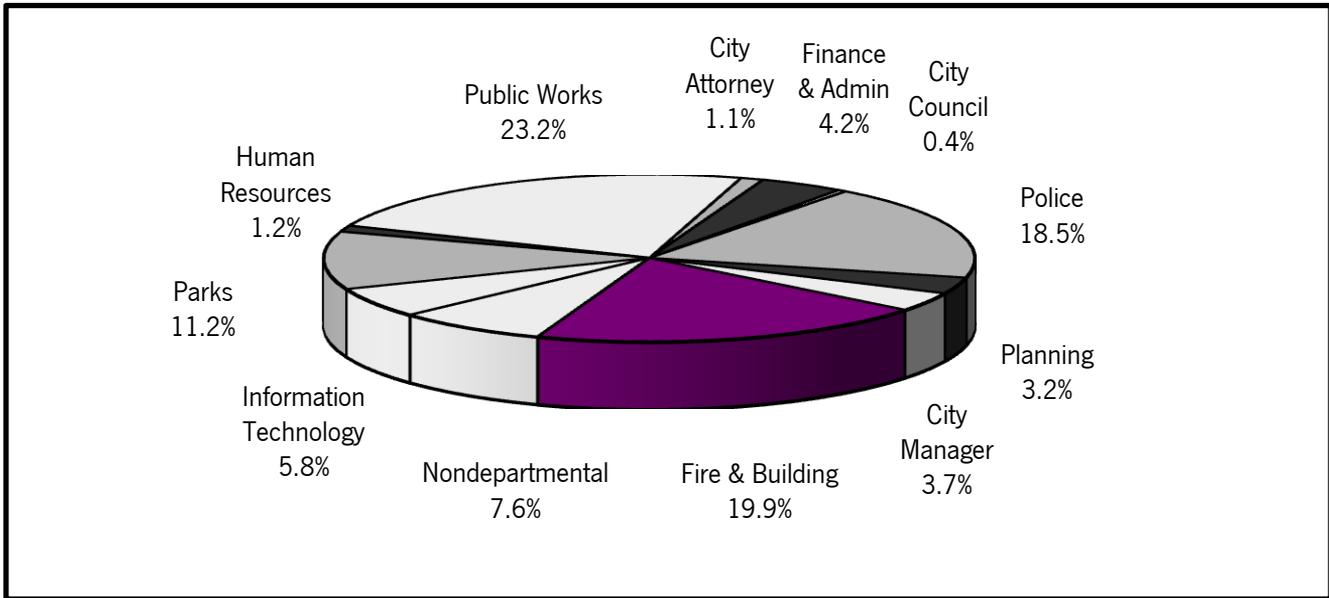
The General Government Operating Funds account for over 47 percent of the City's total budget. The largest program area is Public Safety comprising police, fire, building inspection, and municipal court services. General Government represents the next largest program area, which includes legislative, executive, legal, administrative, financial, community planning, technology, and fleet services. Noteworthy budget changes from 2007-2008 to 2009-2010 include the following: (1) 48.18% increase in Other Services, the majority of which is due to undistributed salaries and benefits for employee cost of living increases (over \$4 million); (2) 18.35% increase in Culture & Recreation, primarily due to an accounting change that results in the same costs appearing twice in the budget (without the accounting change, the increase would be 3.6%); (3) 7.63% increase in Public Safety due to increased costs for additional firefighters and corrections officers, contracted jail costs, and implementation of a regional dispatch agency; (4) 1.73% decrease in Transportation due to expenditure reductions, and (5) 0.40% decrease in General Government also due to expenditure reductions.

**Analysis of Change**

Program	2005-2006 Actual*	2007-2008 Budget	2009-2010 Budget	Percent Change
Public Safety	55,771,991	66,457,510	71,527,066	7.63%
Transportation	13,316,206	17,724,870	17,418,980	-1.73%
Culture & Recreation	13,123,695	16,383,196	19,389,361	18.35%
General Government	36,577,774	55,203,862	54,980,523	-0.40%
Other Services	8,130,185	6,996,909	10,368,115	48.18%
<b>Program Total</b>	<b>126,919,851</b>	<b>162,766,347</b>	<b>173,684,045</b>	<b>6.71%</b>

\*2005-2006 actual does not include reserves.

**CITY OF KIRKLAND  
GENERAL GOVERNMENT OPERATING  
2009-2010 EXPENDITURE SUMMARY: BY DEPARTMENT**



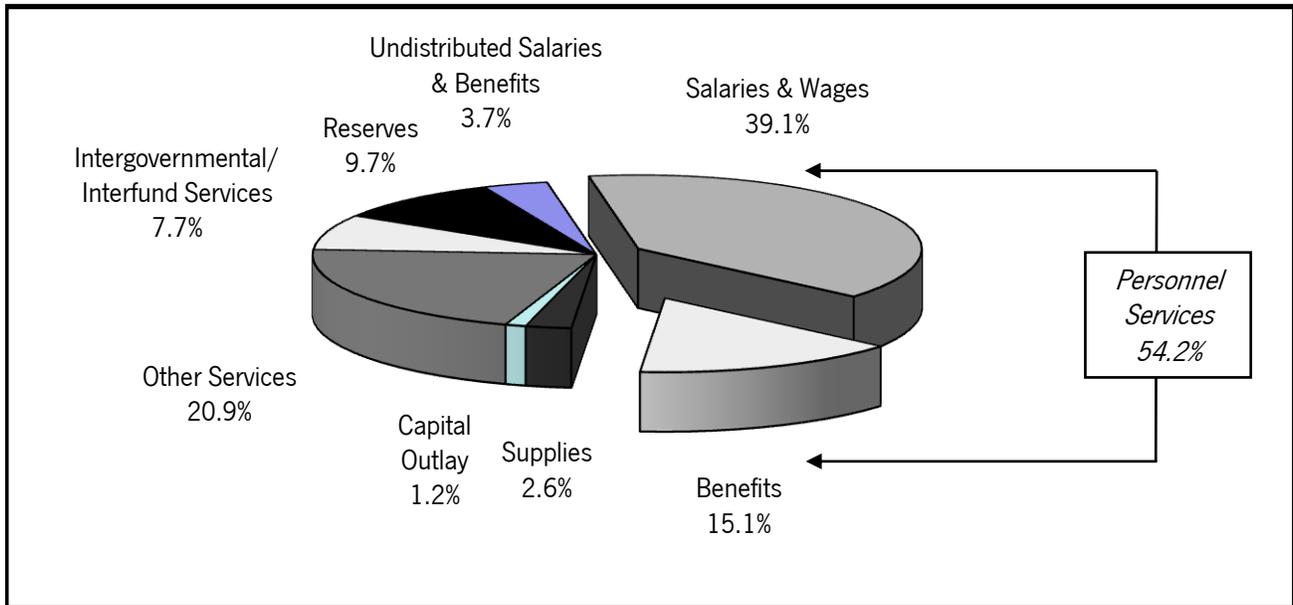
The largest department in the General Government Operating Funds is Public Works, consisting of engineering, transportation, facilities maintenance, and fleet management services. Public safety services, Fire & Building and Police, are the next two largest departments. Noteworthy changes from 2007-2008 to 2009-2010 include: (1) 51.67% increase in Nondepartmental due to undistributed salaries and benefits for employee cost of living increases (over \$4 million) and accounting changes that moved costs into this category (over \$1 million); (2) 18.60% increase in Parks & Community Services primarily due to an accounting change that results in the same costs appearing twice in the budget (without the change, the increase would be 3.6%); (3) 9.70% increase in Police due to adding corrections officers, regional dispatch costs, and contracted jail services; (4) 5.30% increase in Public Works due to increased staffing for capital projects and new leased maintenance space; (5) 5.18% increase in Fire & Building due to additional firefighters and regional dispatch costs; (6) 26.09% decrease in Planning & Community Development and 10.67% decrease in the City Manager's Office due to one-time projects budgeted in 2007-2008 and expenditure reductions (note that ARCH moved from Community Development to Nondepartmental); and (7) 5.89% decrease in IT due to expenditure reductions.

**Analysis of Change**

Department	2005-2006 Actual*	2007-2008 Budget	2009-2010 Budget	Percent Change
Nondepartmental	9,726,225	8,622,233	13,077,419	51.67%
City Council	611,099	678,426	728,611	7.40%
City Manager	4,545,580	7,203,967	6,434,982	-10.67%
Human Resources	1,716,148	2,162,355	2,096,224	-3.06%
City Attorney	1,704,115	1,949,445	1,973,878	1.25%
Parks & Community Services	13,110,229	16,382,529	19,429,603	18.60%
Public Works	25,625,614	38,343,170	40,376,834	5.30%
Finance & Administration	5,942,360	7,116,615	7,305,068	2.65%
Planning & Community Development	5,907,732	7,487,063	5,533,929	-26.09%
Police	24,437,606	29,268,240	32,108,264	9.70%
Fire & Building	27,738,818	32,807,990	34,508,077	5.18%
Information Technology	5,854,325	10,744,314	10,111,156	-5.89%
<b>Department Total</b>	<b>126,919,851</b>	<b>162,766,347</b>	<b>173,684,045</b>	<b>6.71%</b>

\*2005-2006 actual does not include reserves.

**CITY OF KIRKLAND  
GENERAL GOVERNMENT OPERATING  
2009-2010 EXPENDITURE SUMMARY: BY CATEGORY**



The largest category of expense in the General Government Operating Funds is Personnel Services (including Salaries & Wages and Benefits), over half of which is for public safety personnel. Other Services & Charges is the next largest category and includes mostly contracted direct services (such as jail and human services), contracted support services (such as consulting, printing, and repairs/maintenance services), and internal charges from one City fund to another (for information technology, fleet, facilities, and other internal services). Noteworthy changes from 2007-2008 to 2009-2010 include: (1) 331.32% increase in Undistributed Salaries & Benefits for undistributed salaries and benefits for employee cost of living increases; (2) 59.36% increase in Intergovernmental/Interfund Services due to implementation of a regional dispatch agency and accounting changes that result in the same costs appearing two places in the budget; (3) 15.85% increase in Reserves due to additions to reserves; (4) 8.63% increase in Benefits due to increases in medical insurance and state retirement rates for employees; (5) 30.14% decrease in Capital Outlay primarily due to reductions in scheduled vehicle replacements and new vehicle and equipment purchases; (6) 1.74% decrease in Salaries & Wages due to implementation of a contracted regional dispatch agency and expenditure reductions; and (7) 1.04% decrease in Other Services & Charges due to expenditure reductions, which would have been a decrease of over 5% without an accounting change in Facilities costs.

**Analysis of Change**

Category	2005-2006 Actual*	2007-2008 Budget	2009-2010 Budget	Percent Change
Salaries & Wages	57,089,343	69,060,036	67,859,871	-1.74%
Benefits	17,396,147	24,150,956	26,236,240	8.63%
Supplies	4,591,982	5,448,896	4,511,464	-17.20%
Other Services & Charges	30,415,438	36,708,809	36,325,994	-1.04%
Intergovernmental/Interfund Services	13,535,568	8,438,563	13,447,652	59.36%
Capital Outlay	3,891,373	2,916,593	2,037,459	-30.14%
Reserves	0	14,558,789	16,865,776	15.85%
Undistributed Salaries & Benefits	0	1,483,705	6,399,589	331.32%
<b>Category Total</b>	<b>126,919,851</b>	<b>162,766,347</b>	<b>173,684,045</b>	<b>6.71%</b>

\*2005-2006 actual does not include reserves.

**CITY OF KIRKLAND  
GENERAL GOVERNMENT OPERATING  
2009-2010 EXPENDITURE SUMMARY: ACROSS FUNDS**

***By Program***

<b>Program</b>	<b>General Fund</b>	<b>Lodging Tax Fund</b>	<b>Street Operating Fund</b>
Public Safety	71,527,066	0	0
Transportation	8,331,912	0	9,087,068
Culture & Recreation	14,360,984	0	0
General Government	21,093,188	0	0
Other Services	9,374,193	794,424	0
<b>Fund Total</b>	<b>124,687,343</b>	<b>794,424</b>	<b>9,087,068</b>

***By Department***

<b>Department</b>	<b>General Fund</b>	<b>Lodging Tax Fund</b>	<b>Street Operating Fund</b>
Nondepartmental	12,282,995	794,424	0
City Council	728,611	0	0
City Manager	6,434,982	0	0
Human Resources	2,096,224	0	0
City Attorney	1,973,878	0	0
Parks & Community Services	14,360,984	0	0
Public Works	7,513,587	0	9,087,068
Finance & Administration	7,145,812	0	0
Planning & Community Development	5,533,929	0	0
Police	32,108,264	0	0
Fire & Building	34,508,077	0	0
Information Technology	0	0	0
<b>Fund Total</b>	<b>124,687,343</b>	<b>794,424</b>	<b>9,087,068</b>

***By Category***

<b>Category</b>	<b>General Fund</b>	<b>Lodging Tax Fund</b>	<b>Street Operating Fund</b>
Salaries & Wages	59,729,269	176,216	2,018,973
Benefits	22,833,140	57,996	919,109
Supplies	1,494,088	4,000	764,555
Other Services & Charges	24,411,178	319,432	4,378,462
Intergovernmental/Interfund Services	8,716,110	0	3,210
Capital Outlay	16,500	0	100,808
Reserves	7,487,058	236,780	901,951
<b>Fund Total</b>	<b>124,687,343</b>	<b>794,424</b>	<b>9,087,068</b>

Cemetery Operating Fund	Parks Maintenance Fund	Recreation Revolving Fund	Equipment Rental Fund	Information Technology Fund	Facilities Maintenance Fund	Program Total
0	0	0	0	0	0	71,527,066
0	0	0	0	0	0	17,418,980
0	2,203,287	2,825,090	0	0	0	19,389,361
0	0	0	13,971,736	10,111,156	9,804,443	54,980,523
199,498	0	0	0	0	0	10,368,115
<b>199,498</b>	<b>2,203,287</b>	<b>2,825,090</b>	<b>13,971,736</b>	<b>10,111,156</b>	<b>9,804,443</b>	<b>173,684,045</b>

Cemetery Operating Fund	Parks Maintenance Fund	Recreation Revolving Fund	Equipment Rental Fund	Information Technology Fund	Facilities Maintenance Fund	Department Total
0	0	0	0	0	0	13,077,419
0	0	0	0	0	0	728,611
0	0	0	0	0	0	6,434,982
0	0	0	0	0	0	2,096,224
0	0	0	0	0	0	1,973,878
40,242	2,203,287	2,825,090	0	0	0	19,429,603
0	0	0	13,971,736	0	9,804,443	40,376,834
159,256	0	0	0	0	0	7,305,068
0	0	0	0	0	0	5,533,929
0	0	0	0	0	0	32,108,264
0	0	0	0	0	0	34,508,077
0	0	0	0	10,111,156	0	10,111,156
<b>199,498</b>	<b>2,203,287</b>	<b>2,825,090</b>	<b>13,971,736</b>	<b>10,111,156</b>	<b>9,804,443</b>	<b>173,684,045</b>

Cemetery Operating Fund	Parks Maintenance Fund	Recreation Revolving Fund	Equipment Rental Fund	Information Technology Fund	Facilities Maintenance Fund	Category Total
0	802,051	0	873,682	3,513,228	746,452	67,859,871
0	411,136	0	362,295	1,308,358	344,206	26,236,240
33,000	87,560	0	1,531,702	401,393	195,166	4,511,464
33,653	545,943	0	927,759	2,318,698	3,390,869	36,325,994
200	1,700	2,527,020	245,064	602,100	1,352,248	13,447,652
4,000	0	0	1,890,151	0	26,000	2,037,459
128,645	354,897	298,070	8,141,083	1,967,379	3,749,502	23,265,365
<b>199,498</b>	<b>2,203,287</b>	<b>2,825,090</b>	<b>13,971,736</b>	<b>10,111,156</b>	<b>9,804,443</b>	<b>173,684,045</b>



**CITY OF KIRKLAND  
GENERAL GOVERNMENT OPERATING FUNDS  
2009-2010 BUDGET ANALYSIS**

<b>2007-08 Approved Budget</b>		<b>162,766,347</b>
<b>Less Reserves</b>		<b>(15,994,534)</b>
<b>2007-08 Approved Budget (Excluding Reserves)</b>		<b>146,771,813</b>
<b>2009-10 Basic Budget Increases:</b>		
Technology, Fleet, Radio & Facilities Maintenance Internal Charges	4,064,992	
Employee Benefits (Relates to Settled Labor Contracts & Reflects Increase in State Retirement Rates for All Employees)	3,223,298	
Salaries & Wages	3,369,466	
Recreation Revolving Fund Accounting Change (no actual net cost increase)	2,098,806	
Fire & Building Overtime	1,622,992	
Transfers to Capital Improvement Program (Facilities/System Repl.)	956,660	
Inmate Housing & Medical Services	826,733	
City Hall and Parking Garage Debt Service/Municipal Court Lease	545,634	
Operating Subsidy & Rsrv Transfers (Parks Maint., Rec. Revolving & Litigation Rsrv)	435,000	
Accounting Change to Move Recreation Revolving to General Fund	434,923	
Fuel (Unleaded Gasoline & Diesel)	400,460	
Utilities/Janitorial	359,378	
Contracted Services (Develop. Review, Recreation & Human Svcs, Legal, LTAC)	325,850	
eCityGov Alliance Dues/Dues & Memberships	198,595	
Central Services Internal Charge/Engineering Charges	185,396	
Net Miscellaneous Increases	94,727	
Northshore Contracted IT Services	120,480	
<b>Total Basic Budget Increases</b>		<b>19,263,390</b>
<b>2009-10 Basic Budget Decreases:</b>		
One-Time Adjustments & Carryovers	(13,070,655)	
City Hall Debt Transfer to General Fund/Maintenance Center Final Debt Transfer	(1,045,313)	
Interfund Landscaping Charge/Other Internal Charges	(459,757)	
Scheduled PC Replacements/IT Maintenance & Support/Computer Equip.	(380,947)	
Replacement Capital	(322,863)	
Office & Operating Supplies, Furniture & Equipment, Tools, Inventory Supplies	(237,395)	
Long Range Planning/LTAC/General Professional Services	(161,504)	
Program Changes Between Funds/Recreation Revolving Subsidy	(156,950)	
<b>Total Basic Budget Decreases</b>		<b>(15,835,384)</b>
<b>2009-10 Basic Budget</b>		<b>150,199,819</b>
<b>2009-10 Expenditure Reductions (Net of Revenue Enhancements)</b>		<b>(4,321,147)</b>
<b>2009-10 Service Packages (Net of Expenditure Savings)</b>		<b>4,540,008</b>
<b>2009-10 Final Budget (Excluding Reserves)</b>		<b>150,418,680</b>
<b>Plus Reserves</b>		<b>23,265,365</b>
<b>2009-10 Final Budget</b>		<b>173,684,045</b>
<b>Percent Change: 2007-08 Approved Budget (Excluding Reserves) to 2009-10 Final Budget (Excluding Reserves)</b>		<b>2.48%</b>

Note: See "2009-2010 Budget Analysis" for each operating department in the General Government Operating section for more detail.

