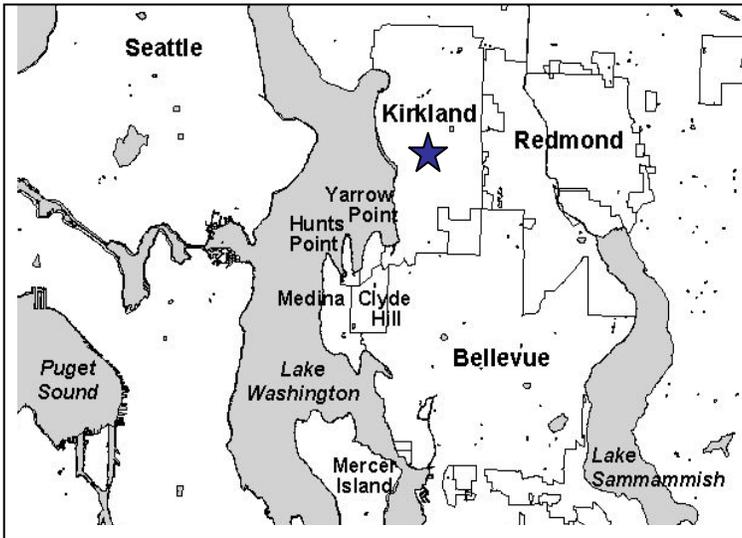


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BUDGET

Building a Sustainable Budget





Kirkland at a Glance

Founded	1888
Incorporated	1905
Population	48,410
Elevation	14 to 500 feet
Land Area	11 square miles
Average Temperature	46.8 degrees
Average Annual Precipitation	38.6 inches
Miles of City Streets	149
Miles of City Sewers	116
Miles of Water Lines	167
Residential Dwellings	23,784
City Retail Sales Tax	9.0%
Fire Department Rating Class	4
City Employees (Full-Time Equivalents)	468
General Obligation Bond Rating:	
Moody's	Aa2
Standard and Poor's	AA

City Council

- Mayor, James L. Lauinger ♦ Deputy Mayor, Joan McBride ♦ David Asher ♦ Mary-Alyce Burleigh
 Jessica Greenway ♦ Tom Hodgson ♦ Bob Sternoff

Administrative Staff

- City Manager*
David Ramsay
- Assistant City Manager*
Marilynne Beard
- City Attorney*
Robin Jenkinson
- Director of Finance & Administration*
Tracey Dunlap
- Director of Fire & Building*
Jeff Blake
- Director of Human Resources*
William Kenny
- Chief Information Officer*
Brenda Cooper
- Director of Parks & Community Services*
Jennifer Schroder
- Director of Planning & Community Development*
Eric Shields
- Chief of Police*
Eric Olsen
- Director of Public Works*
Daryl Grigsby

The City of Kirkland is located on the eastern shore of Lake Washington. It is a suburban city, surrounded by other suburban cities and pockets of unincorporated King County. The City is near several major transportation routes including Interstate 405, State Route 520, and Interstate 5. These routes connect the City economically and socially to the greater Seattle area.

At the time of incorporation in 1905, the City of Kirkland's population was approximately 530. On April 1, 2008, the estimated population was 48,410. Kirkland is the nineteenth largest city in the State of Washington and the ninth largest in King County.

Since its incorporation, Kirkland has grown in geographic size to eleven square miles – approximately twelve times its original size. This growth occurred primarily through the consolidation of the cities of Houghton and Kirkland in 1968 and the annexations of Rose Hill and Juanita in 1988.

Kirkland operates under a Council-Manager form of government. The City Council is the policy-making branch of Kirkland's government and consists of seven members elected at large to staggered, four-year terms. The Mayor is elected from within the Council. The City Council is supported by several advisory boards and commissions and the City Manager. The City Manager is appointed by the City Council and serves as the professional administrator of the organization, coordinating its day-to-day activities.

The City government offers a full range of municipal services which are provided by ten operating departments. The City boasts forty parks, including eleven that are located on the waterfront, as well as a community center, senior center, swimming pool, and teen center. The broad range of recreational facilities provides year-round services for citizens of all ages.

2009 - 2010 Budget

KIRKLAND

WASHINGTON



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Director of Finance and Administration

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Kirkland
Washington**

For the Biennium Beginning

January 1, 2007

Charles S. Cox

President

Jeffrey R. Enos

Executive Director



CITY OF KIRKLAND

2009-2010 BUDGET

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2009-2010 BUDGET
BUDGET MESSAGE

INTRODUCTION

While the 2007-2008 biennium began on a cautiously optimistic note, it draws to a close in the midst of significant economic upheaval at the national, state, and local levels. Major highlights of 2007 included increases in sales and utility tax revenues and robust development activity. These trends reversed in 2008 with declines in development-related sales tax and fee revenues and falling interest rates, coupled with higher inflation and increases in gasoline and commodities prices. When viewed in the context of the current economic downturn, the outlook for 2009-2010 is sobering. Looking ahead, the negative impacts are further magnified by business decisions by two large sales tax producers that are expected to reduce the City's on-going receipts during the upcoming biennium.

The weakness in the overall economy and specific events in the City of Kirkland presented a substantial challenge in developing the 2009-2010 budget. The City's conservative fiscal strategy, including replenishing reserves in 2007-2008, provided tools for balancing the budget. However, the magnitude of the impact of these events resulted in a budget balancing strategy that included the use of all of the tools available: expenditure reductions, revenue increases, and use of reserves. The specific actions associated with each tool are discussed in greater detail later in this message:

- During these difficult times, we focused on making sure that our **resources match our workload**, which is best illustrated by development services. With the downturn in development activity and fee revenues, Building, Planning, and Public Works anticipate changes in workload, which have already begun in 2008. To address these changes, there will be staffing and other cost

reductions in the building division, planning, and public works.

- **Service level reductions** are a substantial component to the strategy. The budget reflects tough decisions based on the City's priorities that result in reductions that are not "across the board" but impact different City services to varying degrees. The reductions focused on preserving the City's highest priority service, Public Safety, to the largest degree possible. To that end, reductions in Public Safety are less than 2% overall, while reductions in other functions are as high as 8%.
- In addition, **high priority activities** that had previously been funded with discretionary (one-time) funds, such as the graffiti specialist, field arborist, and videographer, are recommended on-going by making reductions in other base budget activities. A total of 7 FTEs are converted from one-time to on-going funding.
- While several high priority activities were absorbed into the basic budget, there are substantial **reductions in discretionary, one-time funded activities**, to recognize that the service levels that those positions and programs represent are not sustainable from the City's existing revenues. A total of 8.45 temporary positions are eliminated.
- The final categories of reductions include **conservation and efficiency measures, absorbing increases** in non-labor costs within the basic budget, a change in fleet reserve practice, and reductions in discretionary items like travel, training, and supplies.

- Another budget balancing tool was **cost reallocations**. Departments took a hard look at their costs and identified areas where costs were incurred that benefitted the utilities, but those costs were not charged to the utilities. In addition, operating costs that had been funded by the CIP using general fund sources were moved to the operating fund with the related revenues.
- Departments also examined the **revenue sources** related to their services to ensure that opportunities to recover costs from fees or outside sources are fully utilized. A series of changes in the City's **fund structure** resulted in increased availability of cable utility tax revenue growth that benefitted the General Fund.
- Council directed staff to assume the following **tax increases** in developing the preliminary budget: a 3% increase in the utility tax on the water, sewer, and solid waste utilities in 2009; a 1.5% increase in the utility tax on private utilities in 2010 (subject to a vote in 2009); use of the remaining banked property tax capacity; and a restructuring of the business license fee.
- The preliminary budget assumes that \$1 million of the **revenue stabilization reserve** and \$700,000 of **one-time cash** resources are available to fund high priority discretionary activities.

The preliminary budget also assumes that **carryovers** from the 2007-2008 biennium will be limited to activities that are already under way. As a result, there are items that have been carried over in the past that are no longer funded, such as the cannery consultant and Totem Lake Mall planning artist, that will need to be brought back to Council for approval as the need arises.

There were a number of **service packages** submitted. The majority of those recommended for funding came with their own funding sources (new revenues or expenditure offsets) or addressed high priority needs and are discussed later in this message.

In the midst of these challenges, the City continues to pursue a number of initiatives:

- As the culmination of over 4 years of planning and development, a new regional dispatch agency, **NORCOM**, the North King County Regional Public Safety Communications Center, was created effective November 1, 2007. It is expected to become operational on July 1, 2009 and the budget reflects the one-time and on-going impacts of the change. The consolidated dispatch function is expected to improve fire response time. In addition, the transition provides an opportunity to make further progress on another unmet need by the addition of 4 **corrections officers** to come close to 2 officers 24/7 for the jail facility and to meet records-related functions not assumed by NORCOM.
- **Fire Station consolidation** continues to be discussed with Fire District #41. In the past two biennial budgets, the City provided bridge funding to support maintaining coverage at the North Finn Hill station using overtime. Given the current budget challenges, this bridge funding will no longer be available for 2009-2010. While construction of the consolidated station has not begun at this point, design and permitting activities are underway.
- An in-depth study of the potential impacts of annexation of the **City's Potential Annexation Area** was completed in late 2007. Based on the budget challenges, the City Council decided in early 2008 not to proceed with annexation at this time, pending resolution of the 2009-2010 budget deliberations. The annexation fiscal analysis will be updated in early 2009 to reflect the revenue and service level decisions in the budget and the decision of whether to proceed will be revisited.
- Another on-going discussion is the City's **large unfunded capital needs**. One of these needs is additional space in City facilities. The existing public safety facilities require upgrading and additional space will be required for other City functions. Funding sources have been identified for a portion of

these needs, but a detailed funding strategy will need to be developed once more detailed needs have been defined.

The City continues to have numerous plans, such as the strategic plans developed for Police and Fire and master plans in Parks that it is unable to fully implement because of the ongoing financial resources and staff time that are both in short supply. While this budget makes progress on absorbing some of the new program mandates without on-going funding sources, such as graffiti abatement, there are still on-going activities without on-going funding sources, such as emergency preparedness.

In addition, a number of programs were not recommended that may require funding if and when needs develop, such as the Commute Trip Reduction Program and the Comprehensive Plan Update in 2010. Given the reductions, additional programs and activities will not be able to be “absorbed” by existing resources. This means that staff will need to bring these activities before the City Council more frequently for funding from reserves.

While many of these budget balancing actions make progress toward a more sustainable budget, the structural imbalance in the City’s financial picture remains and will continue to be a primary topic of discussion and decision-making.

BUDGET OVERVIEW

In keeping with the biennial budget format, most of the descriptions and comparisons we present in the budget reflect two-year totals. In some cases, annual changes are shown to illustrate trends.

The total biennial budget for 2009-2010 is \$362,541,179 which is a 1.34% increase from the 2007-2008 budget of \$357,737,159. Factors contributing to the change include increases in overall costs due to inflation, offset in part by the retirement of debt, deferral of capital projects, and expenditure reductions. **The general government operating budget totals \$172,063,487**, which represents a two-year increase of 7.19% over the previous two-year period. It should be kept in mind that this increase represents two years of salary and benefits

adjustments. The following table shows the relative change in the budget’s major components:

	07-08 Budget	09-10 Budget	% Change
GENERAL GOV'T			
General Fund	113,637	123,189	8.41
Other Operating	14,754	15,100	2.34
Internal Service Funds	32,126	33,774	5.13
Non-Operating Funds	99,207	86,625	-12.68
UTILITIES			
Water/Sewer	58,592	65,817	12.33
Surface Water	22,188	19,281	-13.10
Solid Waste	17,233	18,754	8.82
TOTAL BUDGET	357,737	362,541	1.34

Of the increase in the General Fund, over 40% is related to accounting changes that result in the same costs appearing in two places in the budget. For example, the costs of facilities will now be budgeted in a separate internal service fund which is fully charged out to other funds, which duplicates the costs in the total. This is a common approach in municipal budgeting and provides for better cost segregation and tracking. Normalizing for the accounting changes, the General Fund increase would be 4.88%.

The typical focus for the Council’s discussion relates to the operating budget which accounts for basic services to the public. The most important (and largest) component of the operating budget is the General Fund which accounts for the majority of general government services and most of the City’s general purpose revenue sources. The following sections describe overall revenue and expenditure trends that influenced this budget recommendation and provide a context for understanding this budget and for future financial planning decisions.

REVENUE TRENDS

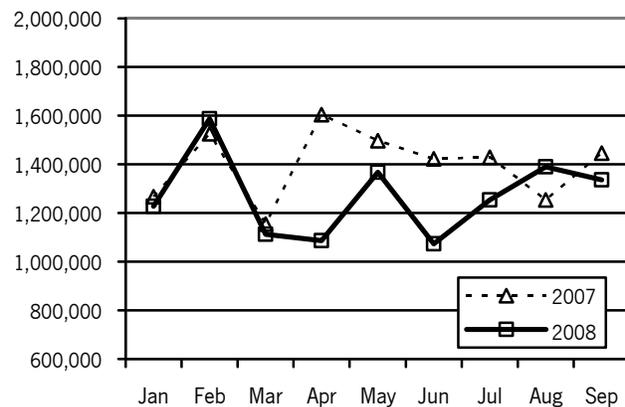
After several years of revenue growth, the uncertain economic times have negatively impacted a number of the City's major revenue sources. In 2008, sales tax collections and development fee revenues have declined, reflecting a downturn in new construction as well as reduced consumer spending. Revenue generated by taxes on utilities has increased reflecting the increases in utility costs, especially in the areas of electric and telecommunications.

Another area of concern is the interest earned on the City's investments. In 2007-2008, the interest earned reached levels that had not been seen in several years. However, interest rates have declined in recent months, resulting in lower projected interest revenues for 2009-2010. This revenue source can be volatile and the City's policy of using the revenues for discretionary purposes, rather than relying on them as an on-going component of the budget, continues to be prudent.

A number of revenue increases have been reflected in the preliminary budget as part of the budget balancing strategy. The increases are focused in categories that tend to grow with inflation (utility taxes) and with economic development (the business license fee), which should result in a more sustainable revenue stream for on-going costs. In general terms, the City's revenue base will not markedly differ from most other cities of a similar size and service scope. Although comparisons with other cities are interesting, they should not necessarily guide revenue decisions. Rather, it is more important that the revenue base reflects the values of this community and its preferred land use which, in turn, will help focus economic development efforts.

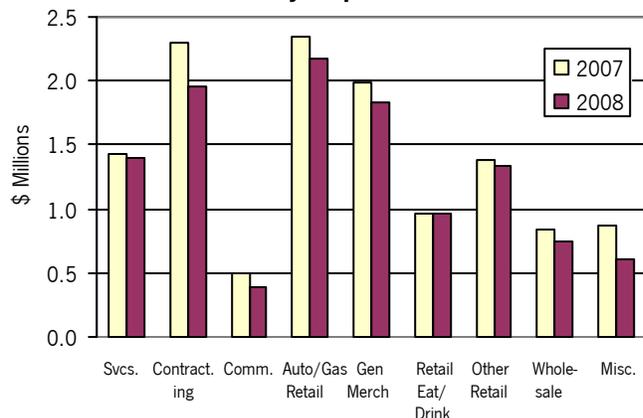
Sales tax revenue continues to be the City's largest source of general purpose revenue and is one that has proven volatile over the past year. The following chart shows a month-by-month comparison of 2008 sales tax revenue relative to 2007. By the end of 2008, we expect that sales tax revenue will have declined by about 10% over 2007 levels.

**2007-2008 Monthly Sales Tax Receipts
January - September**



While decreases have occurred in all major sectors, except retail eating and drinking, the overall result is most influenced by a 15% decline in contracting over 2007 reflecting the decline in development activity, a 7% decline in auto/gas retail that is cyclical based on consumer confidence, and a 30% decline in the miscellaneous category that reflects a large one-time revenue in 2007. The graph below illustrates the performance by sector.

**2007-2008 Sales Tax Receipts by Business Sector
January - September**



The 2008 budgeted revenues reflected the City's one-year "lag" budget strategy, which set 2008 sales tax revenues equal to the actual 2007 revenues. For the baseline revenues in 2009, we are budgeting at the estimated 2008 revenues reflecting the expected decline of 10%. For 2010, we are projecting a modest increase of 2% from 2009. These numbers have been adjusted further to reflect the impacts of business decisions by two of our large sales tax producers that are expected to have a negative impact on revenues in 2009-2010. Costco is planning to open two stores at

the end of 2009 (in Redmond and Bellevue), which they estimate will reduce same store sales in Kirkland by up to 33%. In addition, a major auto dealer is planning to move its sales operation outside the City limits sometime during 2009. Factoring in these events, budgeted sales tax is expected to decline by 2% in 2009 and 1% in 2010.

Property tax is another major source of revenue for the operating budget and supports services in the General Fund, Street Operating Fund and the Parks Maintenance Fund. A two percent new construction increase was assumed along with a one percent optional increase in the levy, consistent with the assumptions used in the long-term forecasting model. In addition, use of the remaining banked property tax capacity (about \$145,000 per year) is assumed as part of the budget balancing strategy.

As in prior years, the projected growth in property tax revenues to the Street Operating Fund is not expected to keep pace with the increase in street maintenance costs. In addition, gas tax revenues in the Street fund have declined significantly. To balance the Street fund, an additional \$150,000 per year in property tax revenue has been diverted from the General Fund. This transfer was made possible by using part of the increased revenue from the business license fee restructure to backfill the General Fund.

Similar to the Street Operating Fund, there is a need to transfer additional tax revenue to the Parks Maintenance Fund which has property tax as its sole source of income, which is legally restricted to new construction growth plus one percent. It is now necessary to supplement property tax with other tax revenue (\$70,000 in 2007-2008). To stabilize this fund, the preliminary budget reflects an on-going subsidy amount from increased utility taxes (\$100,000 for 2009-2010) to support the labor and operating expenses in the fund that are projected to grow at a faster rate than the dedicated revenue source. Given the property tax growth limitations, this required transfer is expected to grow in future years.

Utility taxes are a growing share of the General Fund revenue base, particularly in the electric and telecommunications utility sectors. Those two sectors are expected to grow by 18% and 7% respectively between the 2007 and 2008, although gas revenues

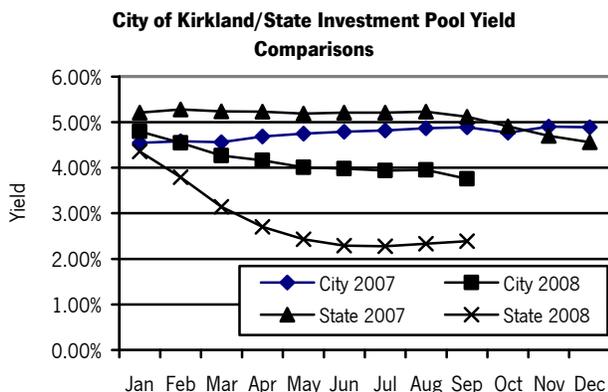
are expected to decrease. Changes in budget estimates from one year to the next reflect anticipated rate increases, changes in consumption, and adjustments to utility revenue estimates. The budget also reflects the proposed utility tax increase of 3% on water, sewer, and solid waste beginning in 2009 and 1.5% on private utilities in 2010 (assuming a successful vote in 2009). In fact, utility taxes surpass property taxes as the second largest revenue source for the first time in 2009-2010. The telecommunications sector continues to be worth watching as the regulatory environment (and potentially our taxing authority) changes to reflect current technology.

Business license fees reflect the proposed restructuring, which is expected to replace the current fee with a revised approach. The new structure would maintain the current base fee of \$100 that is shown in the license and permit category and the revenue generating regulatory license fee, proposed to be based on the number of full time equivalent employees (FTEs), which is shown in the tax category. The revised structure will generate additional revenue of approximately \$1.36 million per year (assuming that the fee per FTE is set at \$90). The preliminary budget assumes that this source of revenue will become a permanent part of the City's revenue structure. The specific options examined, expected impacts, and policy considerations are summarized in an issue paper.

Development fees revenues in 2008 are expected to fall over \$1 million dollars short of the 2008 budgeted amount. The 2009-2010 budgeted revenues assume that the level of development activity will remain flat at this reduced level. At the end of 2005, the City established the Development Services reserve to recognize that development revenues associated with building activities are often collected in advance of the time that the work is conducted (for example, required inspections may occur in a subsequent budget period). In periods where revenues are reduced, the reserve is there to help maintain staff to get the workload completed and to help retain critical skills. The preliminary budget assumes that \$400,000 of the reserve balance will be used to backfill part of the revenue shortfall in 2008 and that \$425,000 will be used toward the workload backlog in 2009. An issue paper is included that describes how the reserve fits into the overall building division staffing model. Given the reduced level of development activity, all of the

departments that provide development services are reducing costs to better align resources with anticipated workload. There is also an issue paper that describes the resource needs if two major projects, the redevelopment of Totem Lake and Park Place, occur. If these projects get underway, the resource needs will be brought back to the Council for action.

Interest income Interest income is expected to decline in the next biennium due to the decline in the economy. Earnings which are currently just under 4% as seen in the graph that follows are expected to level out between 2.5% and 3% for 2009-2010. During periods of declining rates investment portfolio duration is kept short in order have the funds available to purchase securities at higher rates when interest rates increase.



In accordance with the City Investment Policy and Washington state statutes, available funds are invested in a manner which provides maximum security with the highest investment return while meeting the daily cash flow requirements. Portfolio investments are primarily limited to the Washington State Local Government Investment Pool, Government Sponsored Enterprises (GSE's) such as Federal Home Loan Bank (FHLB) and state or local government bonds with the highest credit ratings.

EXPENDITURE TRENDS

The effects of inflation (the consumer price index is a factor in wage and cost increases), benefit costs, and commodity costs (gasoline, steel, concrete, asphalt) have impacted both the operating and capital costs in the City budget. The City's labor contracts escalate

based on the June to June Seattle-Tacoma-Bremerton consumer price index, which is 6.19% as of June 2008 (the basis for 2009). This figure was much higher than expected and put additional pressure on the budget. Sharp increases in gasoline prices have continued through the 2007-2008 biennium and are expected to continue at historic highs in 2009-2010. As part of the expenditure reductions, staff will undertake the challenge of cutting fuel usage by 11.5% during the biennium.

In addition, jail contract costs and fire overtime increased substantially in 2007-2008 and are expected to continue at higher levels in 2009-2010. Strategies for addressing both items are discussed in issue papers.

Benefit increases have moderated from the double digit growth of prior years, but still are growing well in excess of inflation. The medical benefits task force established as part of prior budget processes continues to meet to determine how we can best meet our long-term health care insurance needs, how to do so at an affordable price and how to have more direct control over our costs through proactive health promotion activities. This effort has taken on a greater degree of urgency since the Association of Washington City's Benefit Trust has notified its members that it will replace its existing programs with new offerings beginning in 2011.

The City strives to provide competitive wages and benefits to attract and retain quality employees. Part of this process includes comparing like positions in similar organizations in the Puget Sound area to those in Kirkland. In addition to periodic market adjustments, cost of living increases are provided for in contracts with the City's bargaining units. The commissioned police and police support staff contracts have been settled for 2009 and the firefighter's contract is settled through 2010. The Teamsters and the AFSCME (administrative, technical and professional workers) contracts are currently under negotiation. Reserves representing the budgeted wage settlements have been set aside.

The City made a number of adjustments to the fund structure in an attempt to simplify the overall budget structure. These changes impact the comparison of 2007-2008 to 2009-2010 because we rearranged the costs that had been budgeted in separate funds in a manner that increased the general fund total, but do not

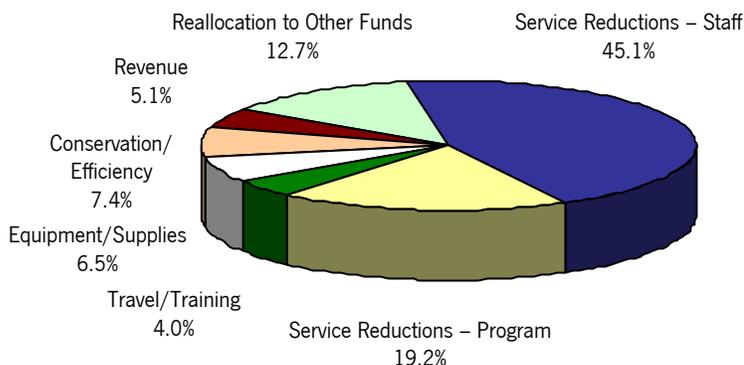
represent new costs to the City. These fund changes address a variety of issues (summarized in an issue paper) and result in an increase to the general fund budget of approximately \$4 million, but do not increase the City's costs.

EXPENDITURE REDUCTIONS

As discussed in the Introduction, a series of expenditure and service level reductions are an integral part of the budget balancing strategy. In addition, City departments identified cost reallocations and revenue adjustments to help close the budget gap. As indicated in the introduction, reductions were not applied on an across-the-board basis but impact different City services to varying degrees. The reductions focused on preserving the City's highest priority service, Public Safety, to the greatest degree possible. To that end, reductions in Public Safety are less than 2% overall, while reductions in other functions are as high as 8%, resulting in a weighted average of 3.3% for the general fund. Summary tables and detailed listings of the proposed 8% adjustments by department and the City Manager's recommended reductions are contained later in the budget document.

The pie chart below classifies the specific reductions recommended in the following categories: Service Reductions-Workforce, Service Reductions-Program Costs, Conservation and Efficiency Measures, Reductions in Travel & Training and Equipment & Supplies, Enhancements to Revenue, and Reallocations to Other funds.

Expenditure Reductions by Type



- **Service Reductions-Workforce** includes reductions in regular positions, interns, hourly staff, and seasonal employees. The reductions include 8.2 regular FTEs, 14,892 hourly/seasonal hours (equivalent to over 7 FTEs) and the equivalent of about 2.5 FTEs in reduced intern funding. While some of these reductions reflect a downturn in workload (such as planning development review), others reflect a reduced level of service (such as reduced seasonal grounds maintenance), and reduced internal support (fewer high school interns to maintain files at the Municipal Court).
- To expand on the workforce discussion above, a downturn in the revenue and workload related to **development services** necessitated a series of cost reductions, including the elimination of 2.5 temporary FTEs and reduction in the use of consultants and hourly staff in the building division, reduction of 2 regular FTEs and professional services in planning, and elimination of 1 FTE in public works.
- **Service Reductions-Program Costs** includes reductions in non-labor costs associated with City programs, ranging from changes that will be visible to the public, such as discontinuing the watering of lawns in Parks, to internal human resources programs such as diversity and wellness.
- **Conservation and Efficiency Measures** include reductions that are made possible by technology enhancements, for example, part of a finance position where data entry work is eliminated by using system capabilities, power and fuel conservation measures, and reductions in printing (budget documents, City Update, etc) through expanded use of electronic tools.
- **Reductions in Travel/Training and Equipment/Supplies.** Most departments took some level of reduction in these categories. Travel and training reductions entail sending fewer individuals to training or conferences, eliminating some discretionary

training opportunities, and significantly reducing out-of-state travel. Examples of reductions in equipment and supplies include delaying the replacement of office furniture and operating equipment, reduction in office supply purchases, eliminating meals during meetings, etc.

- **Enhancements to revenue** included negotiating an increase in Court filing fees with the Points Cities and increases in the revenues from recreation programs, moorage, advertising and concessions.
- **Reallocations to Other funds** included a close examination of costs currently budgeted in the general fund that benefit the utility funds, such as supervision of utility programs and subsidized development services efforts necessary to protect utility infrastructure.

SERVICE PACKAGES

The guidance provided to departments for preparation of the 2009-2010 Budget indicated that very limited funding would be available for service packages and that those packages requested were most likely to be considered if there was an identified revenue source or expenditure reduction available to fund them. A pool of one-time funding sources from cash resources and reserves was identified, although it is much smaller than the amount available in 2007-2008. This necessitated that a number of discretionary, one-time funded activities previously funded in 2007 and 2008 would not continue unless other basic budget reductions were made as trade-offs to absorb higher priority activities.

In addition, the “go live” of **NORCOM** expected on July 1, 2009 presents a unique set of service packages to recognize the costs and positions that will be eliminated by the change (19.0 FTEs in police communications and fire dispatch payments to Bellevue), the addition of NORCOM operating costs and of **4 Corrections officers** to meet jail coverage needs and perform records functions that will not be provided by NORCOM, and the elimination of revenues that Kirkland received for services provided to Medina and Mercer Island.

In addition to the position changes related to NORCOM, departments requested 21.62 ongoing positions because they felt that it was important to identify the needs, even if they could not be funded. In many cases, recommended positions were funded by new revenues or by expenditure reductions in the basic budget. A total of 13.12 positions (excluding NORCOM) were recommended on an on-going basis and 3.6 positions are recommended to continue from one-time resources. The following discussion provides highlights of the service package recommendations included in the 2009-2010 preliminary budget.

Positions recommended for funding include:

- **A 4.0 FTE increase in Firefighters.** One FTE completes the staffing of the aid car at the Totem Lake Station (funded by the EMS levy). The three additional FTEs are funded through reductions in overtime in the base budget. The additional funds from the EMS levy also restored the proposed reductions in minimum staffing that has been recommended as an expenditure reduction and contributed a portion of the NORCOM one-time costs to recognize that NORCOM will reduce response times.
- Conversion of a temporary **Permit Technician** to a regular 1.0 FTE funded by the elimination of a 1.0 FTE office technician and 0.25 FTE transcriber to provide flexibility to respond to development needs.
- Creation of a 0.5 FTE **Office Technician** in Planning and Community Development funded by reducing the hourly labor budget.
- Conversion of the temporary **NTCP Program Support** to a 0.5 FTE funded by funding made available by reallocations and basic budget expenditure reductions in Public Works.
- Addition of 2.5 FTEs in Public Works Engineering to provide resources for the CIP. Two of the positions (**project inspector and administrative support**) will be charged directly to the CIP and the 0.5 FTE **project outreach specialist** is funded by eliminating a vacant 0.5 FTE project engineer from the basic budget.

- In Parks and Community Services, the half-time **Environmental & Outreach Specialist** continues with one-time grant funding.
- Increase in **Neighborhood Services** support by 0.12 FTE to recognize the current workload of the program and come from expenditure reductions in other parts of the program.
- Conversion of temporary positions in the Street fund to 2.5 FTE using basic budget reductions for funding: 1.0 FTE **Graffiti Abatement**, 1.0 FTE **Grounds Technician**, and 0.5 FTE **Arborist** funded by eliminating 1.0 FTE Utility Person and reducing seasonal hours.
- In the **Surface Water Utility**, addition of 1.0 FTE Utility Engineer to support the requirements of the NPDES II permit and add 0.5 FTE for the Urban Forester for support of surface water projects.
- In **Information Technology**, the temporary portion of the Videographer position is recommended as 0.5 FTE, funded by reducing a vacant Multimedia Services position. In addition, the Web Assistant continues with temporary funding at three-quarter time. Most of the Currently Kirkland intern was absorbed in the basic budget, with the remainder funded using one time resources.
- Note that the 3.0 FTEs added in the 2007-2008 budget for **Expedited Review services** in building and planning are eliminated in this budget to recognize elimination of the program due to improvements to the workflow to reduce review time.

Other recommended service packages include:

- The **business retention specialist** program has been recommended on an on-going basis, using a part of the additional revenues from the restructured business license fee.
- **Human services funding** is recommended in two pieces. The one time

funding is recommended at \$200,000 for the biennium, which is slightly lower than the one-time funding in the 2007-2008 budget of \$213,000. The per capita on-going funding level remains at the 2008 level of \$8.61, although the dollar amount increases due to the increase in population. An issue paper is provided with the budget that contains a table summarizing the Human Services Advisory Committee recommendations for human services funding levels and the 2009-2010 requests.

- A Regional Coalition for Housing (**ARCH**) funding is recommended to continue at the 2007-2008 level of \$216,000 per year (\$432,000 for the biennium).
- Funding for the one-time and transition costs associated with **NORCOM** implementation is recommended, offset in part by the use of \$200,000 in the E-911 account balance at King County. Note that these one-time costs were lower than anticipated due to the receipt of two large technology grants by NORCOM.
- The **traffic counts, BKR model support, and transportation management plans support** are all funded on-going through reductions in lower priority items in the basic budget.
- Required **Fire costs** related to replacement of personal protective equipment and pandemic EMS protection are funded with one-time resources. The **emergency preparedness coordinator** continues, funded half with grants and half with one-time funding.
- Continuation of the **state legislative advocate** is recommended for the biennium (\$30,000 per year), however funding for the federal legislative advocate is not recommended at this time.
- **Facilities costs** related to the maintenance and operations of the City Hall Annex and the recently approved lease of the King County Housing Authority building for maintenance center expansion are recommended for funding.
- Several Parks and Community Services programs are recommending for one-time

funding, including **Senior Support, Enhanced Wellness for Older Adults,** and the **Northwest Senior Games** from contributions; discussions are currently underway with Evergreen Hospital about sponsoring these programs. One-time City funding is recommended for the **Youth Council Summit.**

Once again, service packages that are **not recommended for funding** are as important as those that are recommended. Most notably, bridge funding to continue to maintain both the North Finn Hill Overtime Staffing is not recommended for funding due to limited one-time resources. The other unfunded service packages are contained in the “2009-2010 Service Package Requests and Recommendations” table elsewhere in this document. As noted earlier, a number of costs that may require funding in the future were not recommended at this time. This may result in staff returning to Council to fund these items as the need arises.

Any revenue growth anticipated over the next few years will be needed to fund existing service levels. The City Council has discussed a variety of possible voted tax measures for the future including a sidewalk bond, another parks bond and a public safety levy. The prioritization and coordination of these measures will be important to their success. Realistic planning for service enhancements needs to take place with the community so that they are informed about service deficiencies and can make choices about whether they should be funded from new revenue sources.

OUTSIDE AGENCIES

Each year the City Council receives requests for funding from outside agencies. Funding for these agencies comes from the community grant program and lodging tax (as allocated by the Lodging Tax Advisory Committee). Of the \$317,325 requested for 2009, \$217,500 is being recommended for funding, which is \$68,875 less than the 2008 funding level. The Kirkland Performance Center and Friends of Youth are funded at current levels. The on-going funding level to the Kirkland Downtown Association is reduced by \$2,500 per year, with the remainder of the reduction due to limited one-time funds. Specific

funding recommendations have been made for 2009; new requests will need to be filed by outside agencies for 2010. An issue paper and matrix summarizing the specific funding recommendations is included with this document.

UTILITIES

The City operates three utilities – a water/sewer utility, a solid waste utility and a surface water utility. Each of these utilities operates independently with its own rate structure. Annual rate changes are needed to acknowledge the general cost of operations, any new debt service obligations incurred in the previous year and “pass-through” increases from other agencies.

In addition to these cost elements, the City also has a series of financial policies in place that ensure that the utilities are managed in a prudent and sustainable manner. These policies fall in several categories, including reserves for working capital, operating contingencies, and unanticipated system failures, a debt coverage policy to provide flexibility and maintain the utilities’ strong credit rating, and policies to ensure that the level of reinvestment is adequate to maintain the system in a manner that provides a consistent level of service over time. These policies were established in 1998 and the City has succeeded in meeting them in the intervening years. The level of reinvestment in infrastructure since 1998 has significantly reduced water main breaks and sewer overflows and continues to be an important part of keeping the system sound as it ages.

No rate adjustment is recommended for the surface water utility. Staff is recommending two changes to the surface water operating and capital funds for the 2009-2010 biennium. The first is a reduction in the transfer from the operating fund to the capital fund related to the 2009-2011 CIP (a reduction in new projects) to allow staff to reduce the backlog of previously-funded CIP projects. The second is a reduction to the minimum operating balance from 310 days to 180 days based on a review of the cash flow needs of the fund. These changes provide the necessary funding for the additional costs of meeting Phase II National Pollutant Discharge Elimination System (NPDES) permit requirements and recognize the proper allocation of services that benefit the utility, enhance water quality and reduce runoff and erosion. Staff will return to

Council in 2009 with an updated Capital Plan for 2012 and beyond, as well as rate scenarios to finance the Surface Water capital program.

The overall rate increase for solid waste rates is 1.71%, however, different cart sizes will experience increases or decreases. A linear rate structure is recommended for the solid waste utility to encourage recycling, which will result in an increase in the average rate of 4.71% for the multi-family/commercial sector and a 2.28% decrease for single-family customers. This adjustment includes cost of living adjustments in the City's contract with Waste Management and implementation of the new rate structure to encourage recycling and waste reduction. No additional increase is recommended for 2010 at this time.

The City purchases water through the Cascade Water Alliance, which is projecting increases in the charges to the City of Kirkland of 14.66% in 2009 and 8.00% in 2010. This pass-through increase, taken together with normal increases in operating costs and compliance with capital reinvestment needs, results in recommended rate increases of 6.00% each year for 2009 and 2010.

The City purchases sewer treatment services from King County/Metro who will be passing on a 14% percent rate increase to cities. Sewage treatment costs represent a large portion of the sewer utility budget and this pass-through cost, increases in normal operating costs and compliance with capital reinvestment needs will require an 8.04% percent rate increase in 2009 and a 2.99% increase in 2010.

Looking at the impact of the proposed increases on the typical single family residence, the total utility cost would increase approximately 4.1% in 2009 and 1.8% in 2010. Note that these increases are in addition to the proposed 3% increase in the public utility tax on the water, sewer, and solid waste utilities.

NON-OPERATING BUDGET

The non-operating budget is composed of capital projects, debt service and reserves. The capital project budget results from development of the six-year capital improvement program (CIP). The CIP is prepared every other year. Prior to this cycle, the six-

year CIP cycle started with an even year (i.e. 2008-2013 being the most recently adopted CIP) and was produced during the prior odd year. This timing was intentional to offset with the biennial budget cycle and allowed the CIP to be completed in the "off year" of the budget process. This offset created challenges with keeping the CIP and operating budget aligned. Beginning with this 2009-14 CIP, the CIP cycle will now coincide with the budget process, which will allow staff to more effectively resolve policy issues affecting the CIP and operating budgets. The 2009-14 preliminary CIP as presented on August 5, 2008 is incorporated into this document. The final CIP is expected to be adopted with the operating budget in December 2008. Note that there will be revisions from the preliminary CIP to the final to reflect the reduction in impact fee collections due to the downturn in development and other modifications.

The City's debt service budget does not change significantly from year to year unless new debt is issued or old debt is retired. At the end of 2007, the debt used to purchase the 505 Market Street building was retired and the 1989 Maintenance Center General Obligation Bond will be retired in 2009. In addition, 1989 Parks Voted General Obligation Bond will be retired in 2009, which will reduce the excess property tax levy. In 2009, the Public Works Trust Fund loan related to assumption of the Rose Hill Water District will be retired.

While the budget assumes that the City will tap a portion of the revenue stabilization reserve, the City is fortunate to have replenished that and other reserves during the last two years, so the funds are there for the intended purpose. It will be important that, if the reserves are used, they be replenished when economic conditions improve.

CONCLUSION

Balancing the 2009-2010 budget has been very challenging, but we believe that the measures taken can help place the City on a more sustainable budget footing. Unfortunately, the economy continues to be in turmoil and we have no way to know what will happen to the broader economy over the next two years and how it will impact Kirkland.

There is some contingency planning reflected in the budget, in that we have not fully programmed the

expected revenues from the voted utility tax and we did not take the full 8% in reductions. We expect that we will be revisiting the budget with the City Council frequently during the biennium and making adjustments as conditions warrant. At a minimum, we expect to provide an update at the Council Retreat in March, with the mid-year budget in June, and with the mid-biennium budget update in November. We also expect to discuss longer-term budget strategies at the Council Retreat, including a structural strategy where we identify "core" revenues to support ongoing services and use the variable increment above the core toward CIP and discretionary needs.

The development of this preliminary budget has proven a particularly arduous task for the City staff, especially the Financial Planning staff. We have every reason to be proud of the work done day in and day out by all City staff. With the support of the City Council, it is their efforts that make the City work and make Kirkland an exceptional place to live.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "David Ramsay". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

David Ramsay
City Manager

A handwritten signature in black ink, appearing to read "Tracey Dunlap". The signature is cursive and elegant, with a long horizontal stroke extending to the right.

Tracey Dunlap
Director of Finance and Administration

POSTSCRIPT

In October through December 2008, the City Council held a series of study sessions and a public hearing to review the 2009-2010 Preliminary Budget proposed by the City Manager. After making a number of changes, the City Council adopted the 2009-2010 Final Budget on December 16, 2008. Overall, the 2009-2010 Final Budget totals \$366.4 million, which represents a 0.25 percent decrease compared to the 2007-2008 Budget. Increases in the General Fund and Water/Sewer and Solid Waste utilities were offset in part by decreases in new spending for capital improvements to allow progress to be made on the current backlog of funded projects. The 2009-2010 Final Budget is summarized in the following table by fund type:

(\$ in thousands)	07-08 Budget	09-10 Budget	% Change
GENERAL GOV'T			
General Fund	115,747	124,687	7.72
Other Operating	14,839	15,110	1.82
Internal Service Funds	32,181	33,887	5.30
Non-Operating Funds	105,564	85,874	-18.65
UTILITIES			
Water/Sewer	59,536	68,826	15.60
Surface Water	22,235	19,281	-13.29
Solid Waste	17,233	18,754	8.82
TOTAL BUDGET	367,335	366,419	-0.25

The total General Fund budget is \$124.7 million, which represents an increase of 7.72% from the 2007-2008 Budget. It should be noted that the increase is for a two year period and is primarily the result of accounting changes (to recreation revolving and facilities, which moved about \$4 million of costs from other funds to the General Fund), employee wage and benefit growth, and approved service packages.

The final budget incorporates changes made by the City Council and housekeeping adjustments, which increased the final budget by \$3.9 million from the preliminary budget. The City Council restored expenditure reductions recommended in the preliminary budget, totaling almost \$900,000, primarily in the areas of public safety and economic

development. Highlights are listed below and the changes were funded by increasing the business license fee per FTE to \$100, suspending the Neighborhood Connections Program for two years, and using one-time cash resources:

- Restoring the Traffic Officer (1.0 FTE) and ProAct Unit Administrative Support (0.5 FTE) in the Police department (\$289,000).
- Restoring the Reserve Firefighter Program (\$120,000).
- Restoring all reductions to the Economic Development Program (\$36,400) and funding the Kirkland Downtown Association at the requested level with on-going sources.
- Funding the Commute Trip Reduction Program (\$100,000).
- Restoring the Parks Maintenance Night Shift (\$45,000).
- Restoring part of the FTE reductions to the Front Desk and Graphics Support (\$108,000).
- Funding the Citizen Survey (\$30,000) from the Council Contingency.
- Restoration of other selected one-time and on-going reductions, as summarized in the table following the postscript.

Other changes from the preliminary to the final budget include:

- Increasing lodging tax funding by \$7,250 based on the LTAC recommendation to add funding to three events: Kirkland Classic Car Show, Seven Hills of Kirkland and the Junior Softball World Series.
- Recognizing the commitment of \$12,000 by Evergreen Hospital to be used toward Human Services funding.
- Acknowledging the appointment of one Police Captain to the Criminal Justice Training Center (CJTC). This adjustment has no net cost to the City.
- Restoring the Planning Information Specialist position by eliminating the vacant Planning Receptionist position and further reducing the professional services budget.
- Adjusting the Fire District revenue to the General Fund based on the updated budget and contract and reflect the EMS levy revenue to its full levy amount.

- Adjusting the General Capital and Water/Sewer Utility Capital Funds to reflect the Council's decision to suspend the Neighborhood Connection Program for two years and the revisions made to the Preliminary 2009-2014 CIP to address the reduced impact fees for transportation and parks. The net impact of the CIP changes is \$2.3 million for 2009-1010.
- Adjusting the Tour Dock Fund to reflect updated information.
- A report on the viability of offering community service hours for downtown maintenance.
- A report on permit processing times.

In addition, Council directed staff to bring back a budget adjustment during the first quarter of 2009 to include one Neighborhood Connections project for 2010 from Council Contingency (\$25,000).

Consistent with the preliminary budget, the final budget reflects the General Fund operating reserve (in Nondepartmental) at \$580,000 as a contingency against adverse financial conditions.

Lastly, Council requested follow-up on a number of issues, including:

- Recommendations on establishing a Human Services Emergency Fund from Council Contingency.
- A request that LTAC consider fully funding the Junior Softball World Series.
- A report on Performance Budgeting.
- A discussion on Revenue Diversification at the Council Retreat.
- Ongoing review of cost allocation to utilities ("institutionalize").
- A more detailed look at the Tourism program.
- Options to combine All City Dinner and volunteer celebrations.
- Further discussion on methods for allocating Council travel and training costs.
- Study ways to have community self-select to receive printed City Update.
- Additional information on Court Security.
- A report on funding water/oil separators from Surface Water Management Fund.
- A report on the status of communicating the impacts of reductions to the community.
- A report on energy usage of City facilities and vehicle fuel savings.

**2009-2010 Budget
Council Changes to Preliminary Budget**

Budget Item	One-Time		Ongoing		Funding Source Options
	Adds Resources	Uses Resources	Adds Resources	Uses Resources	
Neighborhood Connections Program Eliminate Program			200,000		
One Neighborhood per Year			0		0 Was \$50,000
Eliminate Neighborhood Grants			0		Was \$55,000
Business Head Tax - Option 2C			531,360		
Undesignated Evergreen Sponsorship for Human Services	12,000	12,000			
Delay Tree Canopy Analysis	28,000				
Property Tax Shortage for Banked Capacity				73,128	\$36,000 reduction/yr due to credit
Human Services					
Human Services Advisory Committee - Option 1		15,561			Undesignated Evergreen funds
Emergency Fund		TBD		TBD	Council Special Projects Reserve
Economic Development Program					
Restore Budget Reductions				36,400	Business License Tax
Commute Trip Reduction Program				100,000	Business License Tax
Downtown Maintenance		25,000			One-Time Revenue (Was \$50,000)
Kirkland Downtown Association Funding					
Restore Partner Funding & Fund at Requested Amount	21,000			22,000	Business License Tax
Change One-time Partner Funding to Ongoing	30,000			65,000	Business License Tax
Add Citizen Survey		30,000			Council Special Projects Reserve
Restore Cultural Council Funding		5,000			
Increase Environ. Outreach Specialist by .37 to Full Time				0	Was \$75,318
Restore Parks Maintenance Night Shift (Seasonal Hours)			9,000	45,201	Assumes User Fee Increases
Restore Front Desk Position (.5 FTE)				35,335	Restore only .25 FTE
Restore ProAct Unit Administrative Support (.50 FTE)				83,152	
Restore Traffic Officer Position (1.0 FTE)				205,736	
Restore Graphic Support Position (.75 FTE)				72,408	Restore Hourly On-Call or .4 FTE
City Update					
Limited Mailing on Request (1,000) - 3 Editions per Year					
OR Full Page Ad in Reporter (no color) - 3 Ads per Year					0 Was \$7,500
Volunteer Dinner plus All-City Dinner					
Low End of Range - Cake and Coffee				2,000	Included in Low End Totals
OR High End of Range - Hors d'oeuvres				0	Included in High End Totals
General Fund Resources Freed Up by:					
Softball World Series (to be funded by Lodging Tax)	2,340				
Classic Car Show (to be funded by Lodging Tax)	1,640				
Restore Reserve Firefighter Program	120,000				
Total Adds/Uses - Low End of Range	214,980		740,360		Contingency (\$89,280)/FD #41 (\$30,720)
Total Adds/Uses - High End of Range	N/A				
				740,360	
				N/A	
Net Available - Low End of Range		7,419			
Net Available - High End of Range		N/A			



Summary of 2009-2010 Budget Reductions by Department/Function

Department/ Function	Reduction Basis ¹	Proposed		Adopted	
		Dollars	%	Dollars	%
GENERAL FUND					
City Council	755,948	62,900	8.3%	44,300	5.9%
CMO	2,975,453	236,676	8.0%	150,510	5.1%
Court	3,333,273	273,887	8.2%	71,850	2.2%
Human Resources	2,177,411	173,345	8.0%	73,915	3.4%
CAO	2,052,545	164,208	8.0%	73,708	3.6%
Parks & Comm. Svc.	14,445,884	1,144,598	7.9%	793,747	5.5%
PW - Engineering	7,350,248	614,838	8.4%	614,838	8.4%
Finance & Administration ²	6,005,762	492,427	8.2%	285,011	4.7%
Planning & Community Development	6,177,602	492,823	8.0%	492,823	8.0%
Police	31,395,371	2,556,709	8.1%	263,130	0.8%
Fire ³	29,555,516	2,381,904	8.1%	70,224	0.2%
Building	4,481,300	321,904	7.2%	131,004	2.9%
SUBTOTAL GENERAL FUND (excl. Non-Dept.)	110,706,313	8,916,219	8.1%	3,065,060	2.8%
Non-Departmental ⁴	3,969,716	72,520	1.8%	70,520	1.8%
SUBTOTAL GENERAL FUND	114,676,029	8,988,739	7.8%	3,135,580	2.7%
OTHER FUNDS					
Streets	8,477,775	678,875	8.0%	509,012	6.0%
Fleet	3,606,956	288,560	8.0%	180,350	5.0%
Facilities	4,616,040	369,424	8.0%	214,533	4.6%
Information Technology	7,191,048	571,130	7.9%	271,430	3.8%
SUBTOTAL OTHER FUNDS	23,891,819	1,907,989	8.0%	1,175,325	4.9%
GRAND TOTAL	138,567,848	10,896,728	7.9%	4,310,905	3.1%

¹ Note that the adjustment basis reflects the preliminary budget target issued to the departments in July 2008.

² Basis excludes functions that are 100% utility funded.

³ Recommended dollars are net of revenue loss from Fire District 41.

⁴ Most costs are fixed: debt service, retiree medical, intergovernmental professional services, interfund transfers, etc.

Summary of 2009-2010 Budget Reductions by Type

Reduction Type	Adopted Dollars
Service Reductions - Staff	1,582,188
Service Reductions - Program	910,894
Travel/Training	200,249
Equipment/Supplies	326,428
Conservative/Efficiency	372,274
Revenue	277,043
Reallocation to Other Funds	641,829
GRAND TOTAL	4,310,905

**City of Kirkland
2009-2010 Budget
8% Adjustments List**

Department
Fund

\$ 755,948 Adjustment Basis
\$ 60,476 = 8% of Adjustment Basis

Code Legend:
E - Expenditure/Service Level Reductions
R - Revenue Enhancements
F - Funding Reallocation

No.	Code	Division	Brief Description	PROPOSED		ADOPTED		Brief Explanation of Impact
				Dollar Amount	FTE Reduction if Any	Dollar Amount	FTE Reduction	
1	E	Legislative	Reduce Lodging & Meals - National Conferences	6,600		6,600		Reduce National Conference Lodging & Meals by 50% (from \$13,200)
1	E	Legislative	Reduce Training - National League of Cities Conference	1,200		1,200		Reduce from 4 attendees to 3 per year
			Subtotal of First 1%	7,800	-	7,800		
2	E	Legislative	Eliminate Council Meeting Meals	15,000		15,000		Annual Budget = 26 meals @ \$350 each
			Subtotal of Second 1%	15,000	-	15,000		
3	E	Legislative	Lodging & Meals - Misc. Professional Development	4,400		4,400		Eliminate Misc Professional Development Travel & Meals
			Subtotal of Third 1%	4,400	-	4,400		
4	E	Legislative	Council Retreat In-City Not Overnight	10,000		10,000		Reduce from \$12,000 to \$2000/biennium
			Subtotal of Fourth 1%	10,000	-	10,000		
			Total of 1-4% of Adjustment Basis	37,200	-	37,200	-	
5	E	Legislative	Eliminate National League of Cities	7,400		0		NLC = \$7,400/biennium
6	E	Legislative	Eliminate Sister City Memberships	1,100		1,100		Sister Cities Int'l = \$1000/biennium, Kirkland Sister City = \$100/biennium
7	E	Legislative	Eliminate Remaining Out-of-State Training	3,600		0		
8	E	Legislative	Eliminate Remaining Out-of-State Travel & Meals	6,600		0		
9	E	Legislative	Eliminate All-City Dinner	7,000		6,000		
			-Proposed to reduce All-City Dinner by \$7,000, adopted budget reduces by \$6,000 leaving funds for small event combined with volunteer appreciation.					
			Total of Additional 4%	25,700	-	7,100	-	
			Total of 5-8% of Adjustment Basis	25,700	-	7,100	-	
			Total of All Adjustments	62,900	-	44,300	-	

**City of Kirkland
2009-2010 Budget
8% Adjustments List**

City Manager's Office (excl. Court)
General Fund

\$ 2,975,453 Adjustment Basis
\$ 238,036 = 8% of Adjustment Basis

Code Legend:
E - Expenditure/Service Level Reductions
R - Revenue Enhancements
F - Funding Reallocation

No.	Code	Division	Brief Description	PROPOSED		ADOPTED		Brief Explanation of Impact
				Dollar Amount	FTE Reduction if Any	Dollar Amount	FTE Reduction	
1	E	Executive	Eliminate General CMO Intern (1400 hours/biennium)	18,900		18,900		Eliminate Intern assistance for special projects or research
1	E	Executive	Eliminate General CMO Intern -benefits	3,318		3,318		Eliminate Intern assistance for special projects or research
2	E	Executive	Eliminate Replacement Furniture - reduced to meet basic budget target	1,400		1,400		Reliance upon existing furniture
3	E	Executive	City Update Printing (\$2,166 per issue) and Postage (\$4,080 per issue)-Reduce from 4 to 1 printed issues per year, other 3 electronic only	23,618		23,618		Greater dependence on electronic forms of communication, limiting citizen contact
			Subtotal of First 1%	37,476		37,476		
4	E	Executive	Miscellaneous Professional Services (Reduced from \$38K/biennium)	8,000		8,000		Reduced ability to provide unanticipated studies and other consulting services
5	E	Executive	Employee Appreciation BBQ -Eliminate	4,000		4,000		Will eliminate a way to demonstrate citywide employee appreciation & opportunity for employees to socialize across departmental/location boundaries
6	E	Neighborhood Services	Neighborhood Signs -reduce maint. & damage repair/replacement from \$16,000	9,000		9,000		May reduce visibility of neighborhoods, particularly if significant damage occurs
7	E	Volunteer Program	Volunteer Recognition -Proposed to reduce volunteer recognition by \$8,400, adopted budget reduces by \$7,400 leaving funds for small event.	8,400		7,400		Less visible means to show appreciation for volunteer efforts
			Subtotal of Third 1%	29,400		28,400		
8	E	Economic Development	Reduce Cultural Council Support from \$10,000/biennium to \$9,000/biennium	1,000		0		May limit Cultural Council opportunities for outside consulting and grants
9	E	Economic Development	Reduce Non-specific Econ. Dev. Professional Services from \$14,000/biennium	1,000		0		Limit use of consulting and other services for unexpected Econ. Dev. projects
10	E	Neighborhood Services	Reduce neighborhood services postage from \$13,400 to \$10,400/biennium, and printing from \$44,000 to \$34,000/biennium, move to more web-based communications	4,000		4,000		Greater dependence on electronic forms of communication, reducing citizen contact
11	E	Executive	Reduce CMO Executive Assistant II's hours by 25%-salary	25,902	0.25	25,902	0.25	Reduce support availability for CMO and Council to 1.75 FTE
11	E	Executive	Reduce CMO Executive Assistant II's hours by 25%-benefits	12,364		12,364		Reduce support availability for CMO and Council to 1.75 FTE
			Subtotal of Fourth 1%	44,266	0.25	42,266	0.25	
			Total of 1-4% of Adjustment Basis	134,760	0.25	131,760	0.25	
12	E	Economic Development	Reduce KDA Ongoing Funding by 25% from \$20,000 to \$15,000 per biennium	5,000		0		Potential reduction of visitor support in the downtown core
13	E	Executive	Further reduce CMO Executive Assistant II's hours to 50%-salary	25,902	0.25	0		Reduce support availability for CMO and Council to 1.5 FTE
14	E	Executive	Further reduce CMO Executive Assistant II's hours to 50%-benefits	12,364		0		Reduce support availability for CMO and Council to 1.5 FTE
15	E	Economic Development	Reduced enterprise Seattle Membership to \$5,400/biennium	6,600		0		Reduction would result in loss of seat on enterprise Seattle Board of Directors
15	E	Economic Development	Reduce Business Roundtable Professional Svcs. from \$10,000 to \$4,000/biennium	6,000		0		Limit consultant fees or other services for the Business Roundtable
15	E	Economic Development	Eliminate Non-specific Economic Development Professional Services	13,000		0		Eliminate ability to use outside professionals for unexpected projects
15	E	Economic Development	Reduce Econ. Dev. Presentation Boards & Roundtable Printing from \$8,000/biennium	6,000		0		Keep Business Roundtable printing to a minimum
15	E	Economic Development	Eliminate City Payment of Monthly Handheld/Phone Service for Econ. Dev. Mgr.	2,400		2,400		May reduce ability to contact Economic Development Mgr when outside the office
15	E	Economic Development	Eliminate Econ. Dev. Mgr's Attendance at Chamber of Commerce Lunches -Proposed to reduce attendance at Chamber of Commerce lunches by \$1,100, adopted budget reduced by \$400.	1,100		0		Reduce City's visibility with the Chamber of Commerce members
15	E	Economic Development	Economic Development Food - eliminate food for meetings	1,700		0		Eliminate food not associated w/Business Roundtable
16	E	Economic Development	Reduce Econ. Dev. Mgr's Professional Development from \$2,000/biennium	1,000		0		Will reduce opportunities to attend relevant conferences and training sessions
16	E	Executive	Reduce Volunteer Coord. Training from \$1,000/biennium to \$600/biennium	400		400		May reduce opportunities however most relevant training is free or inexpensive
16	E	Executive	Reduce Intergovernmental Relations Manager Training from \$1,500/biennium	750		750		Will reduce opportunities to attend relevant conferences and training sessions
16	E	Executive	Eliminate Out-of-State Professional Development Conference (GM & ACW)	3,200		3,200		Will reduce opportunities to attend relevant conferences, training
16	E	Executive	Eliminate Out-of-State Travel & Training (GM & ACW)	2,000		2,000		Will reduce opportunities to attend relevant conferences or Congressional visits to Wash. DC
17	E	Neighborhood Svcs.	Reduce Neighborhood Grant Program from \$63,000 to \$58,500 per biennium	4,500		0		Reduce Neighborhood Matching Grant Program from \$3500 to \$3250 per neighborhood per year
18	E	Executive	Reduce CMO Miscellaneous Professional Services to \$20,000/biennium	10,000		10,000		Reduced ability to provide unanticipated studies and other consulting services
			Total of 5-8% of Adjustment Basis	101,916	0.25	18,750		
			Total of All Adjustments	236,676	0.50	150,510	0.25	

**City of Kirkland
2009-2010 Budget
8% Adjustments List**

City Manager's Office Department
General Fund Fund

\$ 3,333,273 Adjustment Basis
\$ 266,662 = 8% of Adjustment Basis

Code Legend:
E - Expenditure/Service Level Reductions
R - Revenue Enhancements
F - Funding Reallocation

No.	Code	Division	Brief Description	PROPOSED		ADOPTED		Brief Explanation of Impact
				Dollar Amount	FTE Reduction if Any	Dollar Amount	FTE Reduction	
19	R	Municipal Court	Increase in Filing Fee Revenue	33,000	-	33,000	-	
			Subtotal of First 1%	33,000	-	33,000	-	Use existing furniture
20	E	Municipal Court	Office Furniture & Equipment	5,000	-	5,000	-	Eliminate handheld device/phone-no access to Judge or Administration when they are out of the office
21	E	Municipal Court	Communication	3,240	-	3,240	-	
22	E	Municipal Court	Hourly HS Interns - 500 hours/biennium Salaries & Benefits	5,322	-	5,322	-	From 2500 hours/yr to 2250 hours/yr - Reduce reliability and integrity of case files, reduce employee satisfaction
23	E	Municipal Court	Hourly HS Interns - 500 hours/biennium Salaries & Benefits	5,322	-	5,322	-	From 2250 hours/yr to 2000 hours/yr - Reduce reliability and integrity of case files, reduce employee satisfaction
24	E	Municipal Court	Training	2,000	-	2,000	-	Reduce staffs opportunities to attend relevant conferences and training regarding changes in law and procedures
25	E	Municipal Court	Travel and Subsistence	2,000	-	2,000	-	Reduce staffs opportunities to attend relevant conferences and training regarding changes in law and procedures
26	E	Municipal Court	Hourly HS Interns - 500 hrs/biennium Salaries & Benefits Proposed to reduce High School Interns by 500 hrs, adopted reduced by 250 hrs	5,322	-	2,661	-	From 2000 hours/yr to 1750 hours/yr - Reduce reliability and integrity of case files, reduce employee satisfaction
27	E	Municipal Court	Hourly HS Interns - 500 hrs/biennium Salaries & Benefits Proposed to reduce High School Interns by 500 hrs, adopted reduced by 250 hrs	5,322	-	2,661	-	From 1750 hours/yr to 1500 hours/yr - Reduce reliability and integrity of case files, reduce employee satisfaction
			Subtotal of Second 1%	33,528	-	28,206	-	
28	E	Municipal Court	Hourly HS Interns - 500 hrs/biennium Salaries & Benefits Proposed to reduce High School Interns by 500 hrs, adopted reduced by 250 hrs	5,322	-	2,661	-	From 1500 hours/yr to 1250 hours/yr - Reduce reliability and integrity of case files, reduce employee satisfaction
29	E	Municipal Court	Hourly HS Interns - 500 hrs/biennium Salaries & Benefits Proposed to reduce High School Interns by 500 hrs, adopted reduced by 250 hrs	5,322	-	2,661	-	From 1250 hours/yr to 1000 hours/yr - Reduce reliability and integrity of case files, reduce employee satisfaction
30	E	Municipal Court	On-Call Probation Officer - 400 hours/biennium Salaries & Benefits	12,784	-	0	-	Increase the liability of the probation department by increasing caseload per probation officer
31	E	Municipal Court	Hourly HS Interns - 500 hrs/biennium Salaries & Benefits Proposed to reduce High School Interns by 250 hrs	5,322	-	2,661	-	From 1000 hours/yr to 750 hours/yr - Reduce reliability and integrity of case files, reduce employee satisfaction
32	E	Municipal Court	Hourly HS Interns - 500 hrs/biennium Salaries & Benefits Proposed to reduce High School Interns by 500 hrs, adopted reduced by 250 hrs	5,322	-	2,661	-	From 750 hours/yr to 500 hours/yr - Reduce reliability and integrity of case files, reduce employee satisfaction
			Subtotal of Third 1%	34,072	-	10,644	-	
33	E	Municipal Court	Judicial Support Associate II (\$17,174 (2009 S/B) + \$17,492 (2010 S/B) + \$1,321 (2009 IT) + \$1,389 (2010 IT) = \$37,376 **IT Rental charges show difference in .74FTE and .5FTE	37,376	0.24	0	0	Reduce support availability for public access and fairness, reduce reliability and integrity of case files, reduce collection of monetary penalties, and reduce employee satisfaction
			Subtotal of Fourth 1%	37,376	0.24	0	0	
			Total of 1-4% of Adjustment Basis	137,976	0.24	71,850	-	
34	E	Municipal Court	Judicial Support Associate I Salaries & Benefits (2009-\$62,446 and 2010-\$66292) 2-.5FTE Employees, 1 Court & 1 Probation. IT Rates (\$7,173)	135,911	1.00	0	0	Reduce support availability for public access and fairness, reduce reliability and integrity of case files, reduce collection of monetary penalties, and reduce employee satisfaction
			Total of 5-8% of Adjustment Basis	135,911	1.00	0	0	
			Total of All Adjustments	273,887	1.24	71,850	-	

Summary	Budget	Proposed	Recommend.	Remaining
HS Intern Hours	5,000	4,000	2,500	2,500
HS Intern Cost	57,825	36,000	22,500	22,500
Summary of HS Interns: Assist Municipal Court support staff in performing routine clerical work to contribute to the effective operation of the Court. Clerical duties include: filing correspondence, copying, labeling, preparing mailings, and general receptionist duties, which may include answering a telephone and retrieving messages from voice mail.				

**City of Kirkland
2009-2010 Budget
8% Adjustments List**

Department
Fund

\$ 2,177,411 Adjustment Basis
\$ 174,193 - 8% of Adjustment Basis

Code Legend:
E - Expenditure/Service Level Reductions
R - Revenue Enhancements
F - Funding Reallocation

No. Code	Division	Brief Description	PROPOSED		ADOPTED		Brief Explanation of Impact
			Dollar Amount	FTE Reduction if Any	Dollar Amount	FTE Reduction	
1	E Human Resources	Service Award reduction - re-define program	10,000		10,000		current budget \$13,000 per year
2	E Human Resources	Eastside Leadership discontinue program	4,800		4,800		100% reduction - discontinue program
3	E Human Resources	Cascade Management reduce by 2 supervisor a year	6,000		6,000		current budget \$9,000 per year
4	E Human Resources	Diversity trainer fees - reduce by 20%	1,000		-		current budget \$2,500 per year
5	E Human Resources	ECTC Training - reduce by 11%	1,000		1,000		current budget \$4,500 per year
		Subtotal of First 1%	22,800		21,800		
6	E Human Resources	Diversity Program office supplies 16.7% reduction	200		200		current budget \$600 per year allows program to continue
6	E Human Resources	Diversity Program events, lunches & reimbursements 20% reduction	1,000		1,000		current budget \$2,500 per year allows program to continue
6	E Human Resources	Diversity Program speakers and events 17.7% reduction	430		430		current budget \$1,215 per year allows program to continue
7	E Human Resources	Wellness awards, Wellness games 11% reduction	1,000		1,000		current budget \$4,500 per year allows program to continue
8	E Human Resources	Industrial Psychologist 25% reduction	1,000		1,000		current budget \$2,000 per year - reduces service funding if service needed
9	E Human Resources	Safety Consultant Blood borne Pathogen Training 50% reduction	4,000		-		current budget \$4,000 per year
9	E Human Resources	Safety Travel Program 50% reduction	1,800		1,800		current budget \$1,800 per year
10	E Human Resources	HR Director Travel 50% reduction	800		800		current budget \$800 per year
11	E Human Resources	Civil Service Fall conference 40% reduction	200		200		current budget \$250 per year
12	E Human Resources	HR Staff travel 50% reduction	450		450		current budget \$450 per year
13	E Human Resources	Applicant Travel 12.5% reduction	500		500		current budget \$2,000 per year
14	E Human Resources	Labor Relations travel 50% reduction	1,000		1,000		current budget \$1,000 per year
15	E Human Resources	LEOFF 1 Disability board travel 25% reduction	800		800		current budget \$1,600 per year
16	E Human Resources	Advertising - 14.2% reduction	8,500		-		current budget \$30,000 per year
		Subtotal of Second 1%	21,680		9,180		
17	E Human Resources	Service Awards total reduction 53.8% redefine program	4,000		4,000		Program redefined- certificate & annual recog. dinner - budget \$13k/yr
18	E Human Resources	Job Standardized Tests 30% reduction	4,800		-		current budget \$8,000 per year
19	E Human Resources	Courier service 100% reduction	700		700		This service 100% reduction service discontinued
20	E Human Resources	Rocky Mtn reduce by 1 attendee each year (1 attendee remaining/year)	8,080		8,080		current budget \$8,080 per year
21	E Human Resources	ECTC additional reduction	1,000		1,000		current budget \$4,500 per year allows program to continue
22	E Human Resources	In-house training 20% reduction	2,000		2,000		current budget \$5,000 per year
23	E Human Resources	Wellness Academy 100% reduction	600		600		This service 100% reduction service discontinued
24	E Human Resources	Advertising additional reduction	1,500		1,500		current budget \$30,000 per year allows service to continue
		Subtotal of Third 1%	22,680		17,880		
25	E Human Resources	Diversity Program office supplies additional reduction: 50% total	400		400		current budget \$600 per year allows program to continue
26	E Human Resources	Diversity Program events, lunches, etc. add'l reduction: total 50%	1,500		1,500		current \$2500 per year allows program to continue
27	E Human Resources	Service awards additional reduction total reduction (69.23%) -Proposed to reduce funding of service awards to \$9,000 per year, adopted budget reduced funding service awards to \$11,000	4,000		2,000		current budget \$13,000 per year
28	E Human Resources	Diversity speakers and events additional reduction	785		785		current budget \$1,215 per year allows program to continue
29	E Human Resources	Wellness Seminars, workshops & speakers	1,500		1,500		current budget \$1,500 per year
30	E Human Resources	Test scoring 50% reduction	500		-		current budget \$450 per year allows service to continue
31	E Human Resources	Industrial Psychologist additional reduction 50% total reduction	1,000		-		This service 100% reduction discontinue service
32	E Human Resources	LEOFF 1 Disability research 100% reduction	2,000		-		This service 100% reduction discontinue service
33	E Human Resources	BCC rental for assessments 100% reduction	3,600		-		current budget \$450 per year
34	E Human Resources	Labor relations training 50% reduction	450		450		current budget \$550 per year
35	E Human Resources	Safety Prima Risk Mgt training 50% reduction	550		550		current budget \$325 per year
36	E Human Resources	WAPLERLA training 50% reduction	325		325		current budget \$2,500 allows program to continue
37	E Human Resources	Diversity Trainer fees additional reduction	1,500		-		current budget \$1,830 per year
38	E Human Resources	HR staff training 50% reduction	1,830		1,830		current budget \$5,000 per year allows program to continue
39	E Human Resources	In house training additional reduction	2,000		2,000		
		Subtotal of Fourth 1%	21,940		11,340		
		Total of 1-4% of Adjustment Basis	89,100		60,200		

**City of Kirkland
2009-2010 Budget
8% Adjustments List**

City Attorney's Office
General Fund

Department
Fund

Code Legend:
E - Expenditure/Service Level Reductions
R - Revenue Enhancements
F - Funding Reallocation

\$ 2,052,545 Adjustment Basis
\$ 164,204 = 8% of Adjustment Basis

No. Code	Division	Brief Description	PROPOSED		ADOPTED		Brief Explanation of Impact
			Dollar Amount	FTE Reduction if Any	Dollar Amount	FTE Reduction	
1 E		Legal Intern	23,541	-	23,541	-	
		Subtotal of First 1%	23,541	-	23,541	-	
2 E		Storage	2,400	-	2,400	-	
3 E		Postage and Printing	550	-	550	-	
4 E		Computer Hardware and Software	1,200	-	1,200	-	
5 E		Office Furniture	3,000	-	3,000	-	
6 E		Office Supplies	1,000	-	1,000	-	
7 E		Travel	5,400	-	5,400	-	Required continuing education for attorneys
8 E		On-Call Support	2,917	-	2,917	-	
9 E		Training	3,000	-	3,000	-	Required continuing education for attorneys
		Subtotal of Second 1%	19,467	-	11,067	-	
10 E		Outside Counsel - HCC representation	10,000	-	10,000	-	loss of ability to provide outside counsel to HCC
11 E		Outside Counsel - Perkins Coie	10,000	-	10,000	-	loss of outside legal expertise on employment law
		Subtotal of Third 1%	20,000	-	20,000	-	
12 E		Outside Counsel - Perkins Coie	10,000	-	10,000	-	loss of outside legal expertise on employment law
13 E		Outside Counsel specialized matters	9,100	-	9,100	-	loss of ability to consult outside counsel in select matters such as municipal finance and private/public projects
		Subtotal of Fourth 1%	19,100	-	19,100	-	
		Total of 1-4% of Adjustment Basis	82,108	-	73,708	-	
14 E		Outside Counsel specialized matters	24,500	-	-	-	loss of ability to consult outside counsel in select matters such as municipal finance and private/public projects
15 E		Prosecution/Public Defender Services	57,600	-	-	-	would require renegotiation of current contracts or a new request for proposals
		Total of 5-8% of Adjustment Basis	82,100	-	-	-	
		Total of All Adjustments	164,208	-	73,708	-	

**City of Kirkland
2009-2010 Budget
8% Adjustment List**

Parks and Community Services
General Fund

Department
Fund

Code Legend:
E - Expenditure/Service Level Reductions
R - Revenue Enhancements
F - Funding Reallocation

\$ 14,445,884 Adjustment Basis
\$ 1,155,671 = 8% of Adjustment Basis

No. Code	Division	Brief Description	PROPOSED		ADOPTED		Brief Explanation of Impact
			Dollar Amount	FTE Reduction if Any	Dollar Amount	FTE Reduction	
1	R Community Services	Increase in Recreation Program Fees	164,530	-	164,530	-	Increase \$1 per instruction hour across the board
2	R Business Services	Increase fees for Moorage	164,530	-	164,530	-	Increase fees
3	R Business Services	Contract out second tour dock	24,000	-	24,000	-	This would be the Southside of the Marina dock, and contingent upon Ferry district.
4	R Business Services	Increase Advertising Revenue	24,000	-	24,000	-	Promote advertising at kiosks/Marina Park
5	R Business Services	Increase Concessions Revenue	6,600	-	6,600	-	Offer additional concessions in the Parks
6	F Community Services	Outsource Destination Kirkland	6,000	-	6,000	-	Kirkland Reporter would take over this publication
7	E Park Maintenance	Discontinue offering Mutt mitts at Parks	40,000	-	40,000	-	Citizens would need to bring bags from home or will pursue sponsor
8	E Park Maintenance	Significantly reduce tree/shrub/flower program	19,000	-	20,000	-	No proactive planting, no annuals
9	E Parks Maintenance	Discontinue watering lawns in 18 neighborhood parks	20,000	-	20,000	-	Grass would become dormant for the summer months
10	E Parks Maintenance	Discontinue watering lawns in 5 community parks	139,600	-	79,346	-	Grass would become dormant for the summer months
		Subtotal of First 1%	79,346	-	83,136	-	
		Subtotal of Second 1%	83,136	-	162,482	-	
11	E Community Services	Highland Center Specialized Recreation	162,482	-	162,482	-	Reduce contract by 30% based on actual experience, limits specialized recreation opportunities for citizens.
12	E Community Services	Reduce Lifeguards at beaches	6,000	-	6,000	-	Beaches would be guarded from 1-7pm, instead of 11-7
13	F Community Services	Outsource Youth Outreach Program (Part 1, see also #23)	35,516	-	35,516	-	Contract this service out to a Youth Services Agency
14	E Community Services	Reduce amount of Summer Concerts	14,977	-	14,977	-	Eliminate one concert night per week, or find additional sponsors
15	E Community Services	Reduce contribution to Regional Human Services	9,825	-	9,825	-	Cut membership dues to EHSF and AEA
16	E Park s Maintenance	Reduce Cemetery seasonal hours 50% (500 hrs.)	5,000	-	5,000	-	Cut down on trimming, edging, cleaning and general care
17	E Community Services	Combine Fall/Winter Recreation Brochure	19,433	-	19,433	-	Will impact marketing ability, may impact enrollments, revenue.
		Subtotal of Fourth 1%	39,800	-	39,800	-	
		Subtotal of Fourth 1%	130,551	-	130,551	-	
		Total of 1-4% of Adjustments Basis	597,163	-	578,163	-	
18	E Parks Maintenance	Change Garb. Structure / trip reduction (2) / day. (900 hrs)	32,783	-	-	-	Restrict garbage and recycle to 1 per waterfront park. Garbage could overflow, restroom supplies be empty sometimes.
19	E Parks Maintenance	Reduce landscape services by 25% (1,325 seasonal hrs)	48,616	-	48,616	-	Cut down on weeding, pruning, raking, mowing
20	E Parks Maintenance	Reduce night operations 50% (1,900 seasonal hours)	45,201	-	-	-	Garbage, restrooms, ball field/athletic, and event services all significantly impacted.
21	E Parks Maintenance	Reduce support seasonal hours 50% (900 hrs)	126,600	-	48,616	-	Painting, staining, light carpentry, and other preventative maintenance.
22	E Parks Maintenance	Reduce seasonal athletic field staff 30% (800 hrs)	32,164	-	32,164	-	Field prep limited to paying customers
23	E Community Services	Eliminate Youth Outreach Program (Part 2)	25,251	-	25,251	-	Possible increase of youth crime and loitering during summer months.
24	E Community Services	Reduce Youth Mini grants	18,000	-	18,000	-	Reduce funding for youth council to grant funds for community projects by 15%
25	E Community Services	Eliminate Lifeguards at beaches	3,000	-	3,000	-	This would decrease safety levels at swimming beaches.
26	E Community Services	Reduce KTUB funding	78,415	-	78,415	-	This would have an impact on various programs the KTUB runs.
		Subtotal of Sixth 1%	105,314	-	-	-	
		Subtotal of Seventh 1%	165,314	-	-	-	
27	E Community Services	Reduce recreation services Proposed to reduce recreation services by 1.0 FTE, adopted reduces by .5 FTE.	177,106	1.00	88,553	0.50	This would eliminate summer concerts, movies in the park, drop in programs, Snakespire in the park, free community wide programs (Egg hunt, polar plunges, etc), hiring and supervision of lifeguards during the summer, etc. If Lifeguards are not eliminated and this option is, then we would need to add back \$60,000 to hire, train, supervise, and manage lifeguards for the summer.
		Subtotal of Eighth 1%	177,106	1.00	88,553	0.50	
		Total of 5-8% of Adjustments Basis	547,435	1.00	215,584	0.50	
		Total of All Adjustments	1,144,598	1.00	793,747	0.50	

**City of Kirkland
2009-2010 Budget
8% Adjustments List**

Department: Public Works Engineering
Fund: General Fund

\$ 7,350,248 Adjustment Basis
\$ 588,020 = 8% of Adjustment Basis

Code Legend:
E - Expenditure/Service Level Reductions
R - Revenue Enhancements
F - Funding Reallocation

No.	Code	Division	Brief Description	PROPOSED		ADOPTED		Brief Explanation of Impact
				Dollar Amount	FTE Reduction if Any	Dollar Amount	FTE Reduction	
1	F	PW Dev Eng	28% of development services costs are not recouped through permits. This 28% should be allocated to the utilities @ 25% of the 28% to each. GF, SW, Water, & Sewer - Surface Water Portion	97,186		97,186		The same level of service will still be provided to the public. Previously General fund was paying the benefit to the Surface Water Utility. With the reallocation Surface Water will be paying for the cost of ensuring any connections to existing infrastructure are adequate.
			Subtotal of First 1%	97,186	-	97,186		
1	F	PW Dev Eng	28% of development services costs are not recouped through permits. This 28% should be allocated to the utilities @ 25% of the 28% to each. GF, SW, Water, & Sewer - Water Portion	97,185		97,185		The same level of service will still be provided to the public. Previously General fund was paying the benefit to the Water Utility. With the reallocation Water will be paying for the cost of ensuring any connections to existing infrastructure are adequate.
			Subtotal of Second 1%	97,185	-	97,185		
1	F	PW Dev Eng	28% of development services costs are not recouped through permits. This 28% should be allocated to the utilities @ 25% of the 28% to each. GF, SW, Water, & Sewer - Sewer Portion	97,185		97,185		The same level of service will still be provided to the public. Previously General fund was paying the benefit to the Sewer Utility. With the reallocation Sewer will be paying for the cost of ensuring any connections to existing infrastructure are adequate.
			Subtotal of Third 1%	97,185	-	97,185		
			(Accounted for in 1-3%)	-	-	-	-	
			Subtotal of Fourth 1%	-	-	-	-	
			Total of 1-4% of Adjustment Basis	291,556	-	291,556	-	
2	F	PW Dev Eng	Reallocate 10% of the Development Engineering Manager/Surface Water Manager to the Surface Water Utility	31,719	0.10	31,719	0.10	The same level of service will be provided. The manager currently manages the Surface Water Utility but does not charge any time to this fund.
			Subtotal of Fifth 1%	31,719	0.10	31,719	0.10	
3	F	PW GIS	Reallocate the GIS position, allocating an equal portion to all funds that have a GIS component. GF, SW, Water & Sewer - Water Portion*	52,440	0.25	52,440	0.25	Currently the GIS position is paid from the General fund, but a portion of the work done by GIS is support for the Water Utility. This reallocation will ensure Water is paying for the benefit of GIS, i.e.: Mapping of the Water system.
4	F	PW Dev Eng	Reallocate 5% of the Development Engineering Manager/Surface Water Manager to the Solid Waste Utility. The current reorg of the development Engineering group to Development and Environmental Services moved the Solid Waste Utility to be managed by the Development Engineering Manager	16,114	0.05	16,114	0.05	The same level of service will be provided to the public. The Solid Waste personnel will just report to a different manager.
			Subtotal of Sixth 1%	68,554	0.30	68,554	0.30	
5	E	PW Dev Eng	Cut 1 FTE Development Services Construction Inspector	223,009	1.00	223,009	1.00	Customer Service will be impacted.
			Subtotal of Seventh 1%	223,009	1.00	223,009	1.00	
			(Accounted for in Seventh 1%)	-	-	-	-	
			Subtotal of Eighth 1%	-	-	-	-	
			Total of 5-8% of Adjustment Basis	323,282	1.40	323,282	1.40	
			Total of All Adjustments	614,838	1.40	614,838	1.40	

*Only 1/3 of the GIS reallocation is listed as a cut. 1/3 is listed on the BKR/Traffic Counts service package and 1/3 is listed on the NTPC Support Service Package

**City of Kirkland
2009-2010 Budget
8% Adjustments List**

Finance & Administration
General Fund

Department
Fund

7,254,345 2009-2010 Basic Budget Total
 (1,248,583) less functions paid 100% from utilities
 6,005,762 Adjustment Basis
 480,461 = 8% of Adjustment Basis

Code Legend:
 E - Expenditure/Service Level Reductions
 R - Revenue Enhancements
 F - Funding Reallocation

No.	Code	Division	Brief Description	PROPOSED		ADOPTED		Brief Explanation of Impact
				Dollar Amount	FTE Reduction if Any	Dollar Amount	FTE Reduction	
1	E	City Clerk/ Records	Professional Services - Off-site Records	40,000		40,000		Less frequent access to offsite records - rather than daily deliveries, requests will be batched; also reflects cost reduction due to contract negotiated with new vendor
2	E	Accounting	Reduce ASA III position to .75	37,996	0.25	37,996	0.25	Process improvements - automate/redistribute data entry for journal entries
3	E	Accounting	Data Binders	500		500		No longer needed, obsolete due to electronic archiving of documents.
4	E	Accounting	CAFR Printing	1,000		1,000		Printing fewer CAFR documents; available electronically/on web
5	E	Financial Planning	Reduce document printing	5,600		5,600		Fewer hard copy documents produced/distributed
6	E	Department-wide	Reduce department-wide (excl. UB) office supplies up to 20%	5,000		5,000		Consolidate/conservse supplies department-wide
7	E	Accounting	Reduce ASA III position to .5	37,996	0.25	37,996	0.25	Workload will need to be redistributed to other staff, capacity to do the work will be accomplished by using the capacity freed up by the planned elimination of selected processes (eliminate travel advance process, eliminate accounting support of NORCOM) which would otherwise have been used to perform other system enhancements.
8	E	Accounting	Subtotal of Second 1%	50,096	0.25	50,096	0.25	
			Eliminate remaining ASA III .5 FTE	75,994	0.50	75,994	0.50	Workload will need to be redistributed to other staff (check generation/ mailing, etc.)
9	E	Administration	Subtotal of Third 1%	75,994	0.50	75,994	0.50	
			Eliminate Communications Budget	7,500		7,500		Eliminate all management Blackberries/Treos
10	E	Department-wide	Reduce department-wide (excl. UB) travel/training by 10%	6,528		6,528		Less opportunity for staff development/participation in regional forums \$2,692 Travel \$1,150 Training
11	E	City Clerk/ Records	Reduce Records Specialist to 0.8 FTE	31,562	0.20	31,562	0.20	Slower Boards/Commissions recruitments, send out more copying for public disclosures
			Subtotal of Fourth 1%	45,590	0.20	45,590	0.20	
			Total of 1-4% of Adjustment Basis	249,676	1.20	249,676	1.20	
12	E	Customer Accounts	Reduce front desk position Proposed to reduce front desk position to .75	70,669	0.50	35,335	0.25	Reduce passport acceptance hours to 4 hours/day from current 7 hrs/day. Reduced service level to public, increased work for all main street staff - phones and walk up customers.
13	E	Payroll	Eliminate 0.5 FTE ASA IV	70,669	0.50	35,335	0.25	Reduced capacity and backup to process payroll changes, will result in delays in contract implementation/retro's and eliminate flexibility to process transactions after set
14	E	Department-wide	Subtotal of Sixth 1%	85,970	0.50	-	-	
			Reduce department-wide (excl. UB) travel/training by additional 10%	85,970	0.50	-	-	Less opportunity for staff development/participation in regional forums
15	E	Purchasing	Reduce Buyer position to 0.8 FTE	37,127	0.20	-	-	Eliminate support of SPP by purchasing agent to provide capacity, assistance in obtaining quotes will revert back to departments
16	E	Financial Planning	Subtotal of Seventh 1%	43,656	0.20	-	-	
			Reduce Professional Services - no GFOA budget award fee	1,000		-	-	No GFOA budget award
17	E	Financial Planning	Reduce Budget Analyst to 0.8 FTE	41,456	0.20	-	-	Reduce FMR to twice per year, reduce detail of sales tax reporting, discontinue GFOA budget award and remove budget sections only required for award qualification
			Subtotal of Eighth 1%	42,456	0.20	-	-	
			Total of 5-9% of Adjustment Basis	242,751	1.40	35,335	0.25	
			Total of All Adjustments	492,427	2.60	285,011	1.45	

**City of Kirkland
2009-2010 Budget
8% Adjustments List**

Department
Fund

\$ 6,177,602 Adjustment Basis
\$ 494,208 - 8% of Adjustment Basis

Code Legend:
E - Expenditure/Service Level Reductions
R - Revenue Enhancements
F - Funding Reallocation

No.	Code	Division	Brief Description	PROPOSED		ADOPTED		Brief Explanation of Impact
				Dollar Amount	FTE Reduction if Any	Dollar Amount	FTE Reduction	
1	E	Policy & Planning	Eliminate portion of unfilled Associate Planner position	66,370	0.33	66,370	0.33	Reduces long-range planning capability
			Subtotal of First 1%	66,370	0.33	66,370	0.33	
2	E	Policy & Planning	Eliminate portion of unfilled Associate Planner position	66,370	0.33	66,370	0.33	Reduces long-range planning capability, for example neighborhood plans, natural resources, plan & code updates
			Subtotal of Second 1%	66,370	0.33	66,370	0.33	
3	E	Policy & Planning	Eliminate portion of unfilled Associate Planner position	69,827	0.34	69,827	0.34	Reduces long-range planning capability, for example neighborhood plans, natural resources, plan & code updates
			Subtotal of Third 1%	69,827	0.34	69,827	0.34	
4	E	Policy & Planning	Eliminate professional services for Comp. Plan & Zoning	28,000		28,000		Reduces long-range planning capability, for example neighborhood plans, natural resources, plan & code updates
4	E	Policy & Planning	Reduce Intern Services	15,156		15,156		Reduces long-range planning capability, for example neighborhood plans, natural resources, plan & code updates
			Subtotal of Fourth 1%	43,156	-	43,156	-	
			Total of 1-4% of Adjustment Basis	245,723	1.00	245,723	1.00	
5	E	Policy & Planning	Reduce Intern Services	65,394		65,394		Support work transfers to planners. Reduces productivity either slowing permit review or long range planning.
			Subtotal of Fifth 1%	65,394	-	65,394	-	
6	E	Land Use Management	Eliminate portion of Planning Information Specialist position	61,290	0.35	-	-	Reduces front counter service. Requires shifting of job duties to other planners, slowing permit processing and/ or shifting work from long range projects to permits.
			Subtotal of Sixth 1%	61,290	0.35	-	-	
7	E	Land Use Management	Eliminate portion of Planning Information Specialist position	61,290	0.35	-	-	Reduces front counter service. Requires shifting of job duties to other planners, slowing permit processing and/ or shifting work from long range projects to permits.
			Subtotal of Seventh 1%	61,290	0.35	-	-	
8	E	Land Use Management	Eliminate remaining portion of Planning Information Specialist position	57,956	0.30	-	-	Reduces front counter service. Requires shifting of job duties to other planners, slowing permit processing and/ or shifting work from long range projects to permits.
			Subtotal of Eighth 1%	57,956	0.30	-	-	
8	E	Land Use Management	Eliminate Professional Services for permit review	1,170		1,170		Consultant work transfers to planners. Reduces productivity, slows permit processing or requires redirecting work from long range projects to permits.
9	E	Land Use Management	Eliminate Receptionist position*			124,532	1.00	In Lieu of Planning Information Specialist
10	R	Land Use Management	Increase Planning fee revenue*			18,913		In Lieu of Planning Information Specialist
11	E	Land Use Management	Eliminate Planning consulting budget*			37,091		In Lieu of Planning Information Specialist
			Subtotal of Eighth 1%	59,126	0.30	181,706	1.00	
			Total of 5-8% of Adjustment Basis	247,100	1.00	247,100	1.00	
			Total of All Adjustments	492,823	2.00	492,823	2.00	

*Planning Department chose to eliminate Receptionist position and consulting budget and increase fee revenue, rather than eliminate initially proposed Planning Information Specialist position.

**City of Kirkland
2009-2010 Budget
8% Adjustments List**

Police	Department
General Fund	Fund

\$ 31,395,371 Adjustment Basis
\$ 2,511,630 = 8% of Adjustment Basis

Code Legend:
E - Expenditure/Service Level Reductions
R - Revenue Enhancements
F - Funding Reallocation

No.	Code	Division	Brief Description	PROPOSED		ADOPTED		Brief Explanation of Impact
				Dollar Amount	FTE Reduction if Any	Dollar Amount	FTE Reduction	
1	E	Administration	Office Furniture Replacement Budget	10,000		10,000		Continued use of outdated furnishings; may create ergonomic issues
2	E	Administration	Management Training	10,000		10,000		Reduction in management training for management and supervisory staff
3	E	Administration	Grant Consultant	20,000		20,000		Reduces ability to research, obtain and manage grant funding for services and equipment
4	E	Training	Travel & Subsistence	25,000		25,000		Reduction in training which could increase liability exposure
5	E	Training	Training Registration Fees	30,000		30,000		Reduction in training which could increase liability exposure
6	E	Investigations	Photo Processing Fees	4,000		4,000		Potential budget shortfall for reproduction of photos for prosecuting and/or defense attorneys
7	E	Investigations	Video Enhancement Equipment	5,500		5,500		Continued use of outdated or inadequate equipment
8	E	Investigations	Infrared Camera Technology	13,080		13,080		Continued use of outdated or inadequate equipment
9	E	Investigations	Upgrade Camera Equipment	4,500		4,500		Continued use of outdated or inadequate equipment
10	F	Investigations	Background Investigation Fees	25,000		25,000		Reassignment to Detective which will reduce case follow up abilities. Victims of felony crimes will be directly impacted due to lack of time to assist them with additional background assignments given to Detectives.
11	E	Investigations	Narcotics Investigations Funds	5,000		5,000		Reduction of information on narcotics activity from informants
12	E	Investigations	Detectives Special Investigations Funds	4,000		4,000		Reduction of information on criminal activity from informants
13	E	Patrol	Uniforms	25,000		25,000		Postpone replacement of worn-out uniforms
14	E	Patrol	Less Lethal Equipment	6,650		6,650		Continued use of outdated or inadequate equipment
15	E	Patrol	Weapons Replacement	12,000		12,000		Continued use of outdated or inadequate equipment
16	E	Patrol	Replacement Tasers	7,100		7,100		Continued use of outdated or inadequate equipment
17	E	K9	Equipment for Alternate K9 Vehicle	7,800		7,800		No K9 officer on duty when primary vehicle down for service
18	E	SRT/CNT	Operating Supplies for SRT	2,000		2,000		Potential budget shortfall if replacement supplies are needed due to usage on callouts
19	E	SRT/CNT	Operating Supplies for CNT	2,000		2,000		Potential budget shortfall if replacement supplies are needed due to usage on callouts
20	E	SRT/CNT	Active Shooter Response Equipment	3,500		3,500		Potential for delay to response to a school shooting or other incident where an active shooter is involved
21	E	SRT/CNT	Command Console for CNT	10,000		10,000		Continued use of outdated or inadequate equipment
22	E	ProAct	Uniforms	2,000		2,000		Postpone replacement of worn-out uniforms
23	E	Traffic	Uniforms	5,000		5,000		Postpone replacement of worn-out uniforms
24	E	Parking Enforcement	Overtime	5,000		5,000		Potential for reduction in coverage for vacation and other leave
25	E	Parking Enforcement	Printing Fees	3,000		3,000		Potential budget shortfall should supply of parking tickets run low
26	E	Corrections	Inmate Medical Expenses	10,000		-		Reduced ability to provide necessary medical care for inmates in Kirkland Jail necessitating the transfer of some to King County Jail
27	E	Communications	Uniforms	8,000		8,000		Postpone replacement of worn-out uniforms
28	E	Crime Prevention	Overtime	10,000		-		No attendance at community/neighborhood meetings
29	E	Crime Prevention	Uniforms	8,000		8,000		Postpone replacement of worn-out uniforms
Subtotal of First 1%				283,130		263,130		

**City of Kirkland
2009-2010 Budget
8% Adjustments List**

Police	Department
General Fund	Fund

\$ 31,395,371 Adjustment Basis
\$ 2,511,630 = 8% of Adjustment Basis

Code Legend:
E - Expenditure/Service Level Reductions
R - Revenue Enhancements
F - Funding Reallocation

No.	Code	Division	Brief Description	PROPOSED		ADOPTED		Brief Explanation of Impact
				Dollar Amount	FTE Reduction if Any	Dollar Amount	FTE Reduction	
30	E	Crime Prevention	Elimination of School Resource Officer position	82,180	1.00	-	-	Calls for service at high schools redirected to Patrol, reducing response times by Patrol to other calls for service. Reduction of services to parents & children (e.g., counseling, education of students, training of school staff, etc.)
31	E	Parking Enforcement	Elimination of one Parking Enforcement Officer Position	166,260	1.00	-	-	Reduced coverage on parking enforcement due to scheduling. "Free" parking days because of lack of coverage. "Park Smart" program would be stopped or have to be absorbed by Business Licensing.
			Subtotal of Second 1%	248,440	2.00	-	-	Reduced training for employees which could increase liability exposure
32	E	Administration	Elimination of Training Officer Position	175,138	1.00	-	-	No victim assistance/crisis intervention/referral services to victims of domestic violence. Volunteer DART may be discontinued.
33	E	Support	Elimination of Domestic Violence Advocate Position	202,443	1.00	-	-	
			Subtotal of Third 1%	377,581	2.00	-	-	
34	E	Traffic	Elimination of one Traffic Officer Position	205,736	1.00	-	-	Reduction of school zone enforcement, neighborhood traffic problems, seat belt enforcement, DUI enforcement and other traffic enforcement activities by at least 1/3 the current productivity of the Traffic Division. Patrol would be tasked with these enforcement duties and may not be able to make up the difference due to current calls for service. At least 1/3 of collisions normally handled by Traffic Unit will also be redirected to Patrol. All these items will reduce response time by Patrol to other calls for service or the lack of any response at all, depending on priorities. Contributions and participation in Special Event planning by the Traffic Sergeant would be discontinued.
35	E	ProAct	Elimination of .5 ProAct Police Support Associate	83,152	0.50	-	-	Reduction in ability of ProAct Unit to investigate crimes due to more time spent in office on-line developing investigative leads
			Subtotal of Fourth 1%	288,888	1.50	-	-	
			Total of 1-4% of Adjustment Basis	1,198,039	5.50	263,130	-	
36	E	ProAct	Elimination of the ProAct Unit	1,165,790	4.00	-	-	Reduction will result in fewer targeted investigations; fewer recovered stolen vehicles, less recovered stolen property, increased criminal activity with fewer criminals apprehended, increased downtown concerns with Peter Kirk Park and juveniles, slower response times by Patrol to other calls for service because of increased activity and concerns.
37	E	ProAct	*Elimination/reduction of the ProAct Police Support Associate	91,999	0.50	-	-	The first half of this position, which provides direct support to the unit, was included in our 1% incremental reductions. This portion of the FTE's responsibilities include state mandated validation of reported stolen property and other records functions. Those functions would be transferred to the Records Unit and would result in a decreased level of service to citizens who come to the front window for assistance.
38	E	Support	Reduction of the Crime Analysis FTE	100,881	0.50	-	-	A portion of this position's responsibilities are directly tied to this unit in the research and provision of crime statistics and mapping geographical locations where high crime activity occurs in the City of Kirkland. The elimination of the ProAct Unit would result in a partial reduction of this position. A portion of this position must be retained to perform state and federal mandated reporting of crime.
			Subtotal of Additional 4%	1,358,670	5.00	-	-	
			Total of All Adjustments	2,556,709	10.90	263,130	-	

* It should be noted that .5 of the ProAct Support Position was included in our 1% reduction increments

**City of Kirkland
2009-2010 Budget
8% Adjustments List**

Fire Admin/Prevent./Suppression/Trng. Department
General Fund Fund

\$ 29,555,516 Adjustment Basis
\$ 2,364,441 = 8% of Adjustment Basis

Code Legend:
E - Expenditure/Service Level Reductions
R - Revenue Enhancements
F - Funding Reallocation

No. Code	Division	Brief Description	PROPOSED*		ADOPTED		Brief Explanation of Impact
			Dollar Amount	FTE Reduction if Any	Dollar Amount	FTE Reduction	
1	E Administration	Organizational Development/ Safety Research & Development	21,120		15,714		decreased organizational development and no money for research of safety equip.
2	E Fire Suppression	Leadership Training Officer Conf. Program and Officer Development Academy	20,000		14,880		Deletes a training component of our Succession Plan training
3	E Fire Suppression	Command Chief Officer Conferences	6,668		4,960		Decreased organizational development & contact
4	E Fire Suppression	Eliminate the Reserve Firefighter Compensation	120,000				Impact would be determined by volunteer participation.
5	E Fire Suppression	Reduce 4th quarter minimum staffing from 18 on-duty Firefighters to 17 on-duty Firefighters.	113,320				Overtime reductions, possible impact of reducing Aid Car 27 from a dedicated unit to cross staff with Engine 27.
6	E Fire Suppression	Reduce second quarter minimum staffing from 18 on-duty Firefighters to 17 on-duty Firefighters.	281,108		119,864		Overtime reductions, possible impact of reducing Aid Car 27 from a dedicated unit to cross staff with Engine 27.
7	E Administration	Microfiche, printing, office furniture	257,803		7,738		savings from efficiencies, not being able to use printing as a means of communicating to the public.
8	E Fire Suppression	Reduce third quarter minimum staffing from 18 on-duty Firefighters to 17 on-duty Firefighters.	268,203		7,738		Overtime reductions, possible impact of reducing Aid Car 27 from a dedicated unit to cross staff with Engine 27.
9	E Administration	Hourly - On Call	260,636				Reduction in Admin support
9	E Administration	Overtime	12,748		9,484		Reduction in Reports for management
10	E Administration	Training	7,252		5,396		Reduction in staff training
10	E Administration	Travel	1,514		1,126		Reduction in staff training
10	E Administration	Uniforms	3,660		2,724		Reduction in staff training
10	E Administration	Vehicle Extrication Academy	3,500		3,500		Send two personnel to vehicle extrication (jaws of life) instead of 4 (2009 and 2010)
11	E Fire Sup/Trng	Vehicle Extrication Academy	6,320		4,702		Overtime reductions, possible impact of reducing Aid Car 27 from a dedicated unit to cross staff with Engine 27.
12	E Fire Suppression	Reduce first quarter minimum staffing from 18 on-duty Firefighters to 17 on-duty Firefighters.	295,630		26,932		Overtime reductions, possible impact of reducing Aid Car 27 from a dedicated unit to cross staff with Engine 27.
13	E Fire Suppression	Reduce second quarter minimum staffing from 17 on-duty Firefighters to 16 on-duty Firefighters.	84,990				Overtime reductions, possible impact of reducing Aid Car 27 from a dedicated unit to cross staff with Engine 27.
		Subtotal of Fourth 1%	257,803		63,232		
		Total of 1-4% of Adjustment Basis	1,187,734	-	217,766	-	
14	E Fire Suppression	Reduce third quarter minimum staffing from 17 on-duty Firefighters to 16 on-duty Firefighters.	260,636				Overtime reductions, impact of reducing Aid Car 27 from a dedicated unit to cross staff with Engine 27.
15	E Fire Suppression	Reduce fourth quarter minimum staffing from 17 on-duty Firefighters to 16 on-duty Firefighters.	260,636				Overtime reductions, impact of reducing Aid Car 27 from a dedicated unit to cross staff with Engine 27.
		Subtotal of Fifth 1%	56,660				
16	E Fire Suppression	Reduce first quarter minimum staffing from 17 on-duty Firefighters to 16 on-duty Firefighters.	56,660				Overtime reductions, impact of reducing Aid Car 27 from a dedicated unit to cross staff with Engine 27.
		Subtotal of Sixth 1%	42,495				
17	E Suppression	Lay off four (4) Firefighters; 2009 =407,902; 2010 =426,477	42,495	4.00			reduce daily staffing from 18 to 17. This would eliminate Aid Car 27 as a dedicated Aid Car at station #27, one firefighter per shift.
		Subtotal of Seventh 1%	834,379	4.00			
		Subtotal of Eighth 1%	834,379	4.00			
		Total of 5-8% of Adjustment Basis	1,194,170	4.00			
		Total of All Adjustments	2,381,904	4.00	70,224		

* Proposed reductions do not take into account loss in revenue. Adopted amounts are net of the loss in revenue.

**City of Kirkland
2009-2010 Budget
8% Adjustments List**

Department
Fund

Code Legend:
E - Expenditure/Service Level Reductions
R - Revenue Enhancements
F - Funding Reallocation

\$ 4,481,300 Adjustment Basis
\$ 358,504 = 8% of Adjustment Basis

No.	Code	Division	Brief Description	PROPOSED		ADOPTED		Brief Explanation of Impact
				Dollar Amount	FTE Reduction if Any	Dollar Amount	FTE Reduction	
18	E	Building	Overtime	40,000		40,000		Processing times will increase during vacation
18	E	Building	Operating Supplies	3,000		3,000		
18	E	Building	Computer Hardware	2,000		2,000		
			Subtotal of First 1%	45,000	-	45,000		
19	E	Building	Hourly wages	35,004		35,004		Processing times will increase during vacation and sick
19	E	Building	Training	7,500		7,500		
			Subtotal of Second 1%	42,504	-	42,504		
20	E	Building	Professional Consultant	43,500		43,500		Structural and electrical review
			Subtotal of Third 1%	43,500	-	43,500		
21	E	Building	1 FTE Effective 1-1-10 (includes benefits)	43,500	1.00	-		Office Technician. Will affect customer service at front counter
			Subtotal of Fourth 1%	43,500	1.00	-		
			Total of 1-4% of Adjustment Basis	174,504	1.00	131,004		
22	E	Building	Plans Examiner 1 (includes benefits)	142,000	1.00	-		Max affect front counter assistance
22	E	Building	Office Supplies	3,000		-		
22	E	Building	Travel	2,400		-		
			Total of 5-8% of Adjustment Basis	147,400	1.00	-		
			Total of All Adjustments	321,904	2.00	131,004		

**City of Kirkland
2009-2010 Budget
8% Adjustments List**

Department
Fund

\$ 3,969,716 Adjustment Basis
\$ 39,697 = 8% of Adjustment Basis

Code Legend:
E - Expenditure/Service Level Reductions
R - Revenue Enhancements
F - Funding Reallocation

No.	Code	Division	Brief Description	PROPOSED		ADOPTED		Brief Explanation of Impact
				Dollar Amount	FTE Reduction if Any	Dollar Amount	FTE Reduction	
1	E	Non-departmental	Professional Services	40,000		40,000		Eliminate Professional Services - less flexibility to respond to unanticipated projects/ needs
2	E	Non-departmental	Youth in Government Day Supplies	40,000	-	40,000		
3	E	Non-departmental	Management Retreat -Proposed to reduce management retreat 100% for \$9,250, adopted budget reduced management retreat by \$7,250	9,250		7,250		Eliminate Supplies for Youth in Government Day Eliminate Management Retreat <i>Recommendation: do locally/ leave \$2,000</i>
4	E	Non-departmental	Office Furniture and Equipment	12,500		12,500		
5	E	Non-departmental	Operating Supplies	6,270		6,270		Reduce by 50% (from \$12,500 per year to \$6,250 per year)
6	E	Non-departmental	Small Tools and Minor Equipment	1,500		1,500		Reduce by 10% (from \$31,350 per year to \$28,215 per year)
			Subtotal of Second 1%	32,520	-	30,520		Reduce by 50% (from \$1,500 per year to \$750 per year)
			(Majority of the other expenditures are fixed: debt service, retiree medical, intergovernmental professional services, and interfund transfers)					
Total of All Adjustments				72,520	-	70,520	-	

**City of Kirkland
2009-2010 Budget
8% Adjustments List**

Department
Fund

\$ 8,477,775 Adjustment Basis
\$ 678,222 = 8% of Adjustment Basis

Code Legend:
E - Expenditure/Service Level Reductions
R - Revenue Enhancements
F - Funding Reallocation

No.	Code	Division	Brief Description	PROPOSED		ADOPTED		Brief Explanation of Impact
				Dollar Amount	FTE Reduction if Any	Dollar Amount	FTE Reduction	
1	F	Street Operating Fund	Transfer 1/2 of the Striping program to CIP	125,000	-	125,000	-	The same level of service will still be provided to the public.
			Subtotal of First 1%	125,000		125,000		
1	F	Street Operating Fund	Transfer 1/2 of the Striping program to CIP	125,000	-	125,000	-	The same level of service will still be provided to the public.
			Subtotal of Second 1%	125,000		125,000		
2	E		Cut Opportunity Fund	50,000	-	50,000	-	This funding has been used in the past in cases where developers are constructing sidewalks or undergrounding utilities along with development the opportunity may arise where we can take advantage and complete a gap in the system. Without these funds, we will have to leave the gaps (primarily sidewalks) as is.
			Subtotal of Third 1%	50,000		50,000		
3	E		Cut seasonals by 2,570 hours. Total seasonal budget = \$355,994 for the biennium. \$127,075 or 8,287 hours was cut to fund the one-time grounds tech.	39,412	2570 hours	39,412	-	Seasonal cut will decrease curb painting done throughout the city. Only high priority areas will get done.
			Subtotal of Fourth 1%	39,412		39,412		
			Total of 1-4% of Adjustment Basis	339,412	-	339,412	-	
3	E		Cut additional seasonals from \$189,515 (originally \$355,994), to \$104,715 a cut of 5,530 hours	84,800	5530 hours	84,800	5530 hours	Seasonal cut will result in a 70% reduction to the landscapes and trees in the ROW, Curb painting throughout the city and the maintenance of the path and trail systems. These would be very visible reductions to the Level of Service.
			Subtotal of Fifth 1%	84,800		84,800		
4	E	Street Operating Fund	Base Budget reductions to NTCP, Downtown Parking Management, Maint., Supervision, General Admin, Snow & Ice, Street Cleaning, Roadway Maintenance, Sidewalk Maintenance, Special Purpose Paths, Roadside Maintenance, Median Maintenance, Street Lighting, Traffic Control and Parking Facilities.	84,800	-	84,800	-	Money will be tight and purchases will have to be scrutinized. Funds will be limited and we may run out of money for projects.
			Subtotal of Sixth 1%	84,800		84,800		
5	E		Cut additional seasonals from \$104,715 to \$19,915 a reduction of 5,530 hours	84,800	5530 hours	-	-	Seasonal cut will result in little to no maintenance of the landscapes of city owned facilities (city hall, 505 market, maint. center and all fire stations), and maintenance of public Right of Ways.
			Subtotal of Seventh 1%	84,800		-		
6	E		Cut all seasonal money/ A reduction of 1,299 hours	19,915	1299 hours	-	-	All responsibilities of the Grounds crew will have to be prioritized and all tasks will be impacted. Work will be done reactively and very little work will be done on a regular schedule.
			Subtotal of Eighth 1%	65,148		-		
7	E		Base Budget Reductions to Neighborhood Traffic Control Program (NTCP), Street Cleaning, Street Lighting, and Traffic Control.	85,063	-	-	-	NTCP funding cut in 1/2. CBD funding cut out 1/3. Assume no utility rate increase in 2010. Decrease traffic signal interconnection program.
			Total of 5-8% of Adjustment Basis	339,463	-	169,600	-	
			Total of All Adjustments	678,875	-	509,012	-	

**City of Kirkland
2009-2010 Budget
8% Adjustments List**

Department
Fund

\$ 3,606,956 Adjustment Basis*
\$ 288,556 = 8% of Adjustment Basis

Code Legend:
E - Expenditure/Service Level Reductions
R - Revenue Enhancements
F - Funding Reallocation

No.	Code	Division	Brief Description	PROPOSED		ADOPTED		Brief Explanation of Impact
				Dollar Amount	FTE Reduction if Any	Dollar Amount	FTE Reduction	
1	E	Fleet Management	Fuel Conservation Savings = 2.86% of \$1,260,900 Fuel Budget	\$ 36,070	-	\$ 36,070	-	User Dept. Conservation of Fuel and/or Vehicle Reduction
			Subtotal of First 1%	\$ 36,070	-	\$ 36,070	-	
1	E	Fleet Management	Fuel Conservation Savings = 2.86% of \$1,260,900 Fuel Budget	\$ 36,070	-	\$ 36,070	-	User Dept. Conservation of Fuel and/or Vehicle Reduction
			Subtotal of Second 1%	\$ 36,070	-	\$ 36,070	-	
1	E	Fleet Management	Fuel Conservation Savings = 2.86% of \$1,260,900 Fuel Budget	\$ 36,070	-	\$ 36,070	-	User Dept. Conservation of Fuel and/or Vehicle Reduction
			Subtotal of Third 1%	\$ 36,070	-	\$ 36,070	-	
1	E	Fleet Management	Fuel Conservation Savings = 2.86% of \$1,260,900 Fuel Budget	\$ 36,070	-	\$ 36,070	-	User Dept. Conservation of Fuel and/or Vehicle Reduction
			Subtotal of Fourth 1%	\$ 36,070	-	\$ 36,070	-	
			Total of 1-4% of Adjustment Basis	144,280	-	144,280	-	
2	E	Fleet Management	Outside Vendor Vehicle Repairs = 14.71% of Budget Line	\$ 36,070	-	\$ 36,070	-	Vehicle Reduction/Delay of Repairs
			Subtotal of Fifth 1%	\$ 36,070	-	\$ 36,070	-	
3	E	Fleet Management	Reduce EPSCA Charges - eliminated 75 of 102 Gen. Gov Radios	\$ 36,070	-	-	-	Gen. Govt. Radios are Park, PW, etc. Not Police & Fire
			Subtotal of Sixth 1%	\$ 36,070	-	-	-	
4	E	Fleet Management	Reduce Vehicle Repair Parts = 13.29% of Budget Line	\$ 36,070	-	-	-	Vehicle Reduction/Delay of Repairs
			Subtotal of Seventh 1%	\$ 36,070	-	-	-	
5	E	Fleet Management	Fuel Conservation Savings = 2.86% of \$1,260,900 Fuel Budget	\$ 36,070	-	\$ 36,070	-	User Dept. Conservation of Fuel and/or Vehicle Reduction
			Subtotal of Eighth 1%	\$ 36,070	-	\$ 36,070	-	
			Total of 5-8% of Adjustment Basis	144,280	-	36,070	-	
			Total of All Adjustments	288,560	-	180,350	-	

* Adjustment basis does not include vehicle replacement

**City of Kirkland
2009-2010 Budget
8% Adjustments List**

Department
Fund

\$ 4,616,040 Adjustment Basis*
\$ 369,283 = 8% of Adjustment Basis

Code Legend:
E - Expenditure/Service Level Reductions
R - Revenue Enhancements
F - Funding Reallocation

No.	Code	Division	Brief Description	PROPOSED		ADOPTED		Brief Explanation of Impact
				Dollar Amount	FTE Reduction if Any	Dollar Amount	FTE Reduction	
1	E	Facilities Admin	Other Improvements	50,000		50,000		There have been occasions when projects have run over budget or emergency repairs have been necessary. We are currently determining if there are any projects we can do this year that may be expensive on the front end but would save money in the long run.
			Subtotal of First 1%	50,000	-	50,000		
1	E	Facilities Admin	Other Improvements	50,000		50,000		There have been occasions when projects have run over budget or emergency repairs have been necessary. We are currently determining if there are any projects we can do this year that may be expensive on the front end but would save money in the long run.
			Subtotal of Second 1%	50,000	-	50,000		
2	E	City Hall	Installed a Direct Digital Control System at City Hall; this controls Heating, Ventilation and Air Conditioning. The last 2 bills have shown a 10% savings over the previous year.	29,352		29,352		Initial cost of installation is high, we are looking at other city facilities to identify cost effective energy conservation measures.
3	E		Maintenance Center Janitorial reduced from daily to 3 days per week. (Includes main bldg, bldg B and bldg C)	16,400		-		Bathroom sanitation levels will be reduced by the level of frequency, and internal staff service level reduction.
			Subtotal of Third 1%	45,752	-	29,352		
4	E	All Divisions - Janitorial	Cut Window Cleaning from 2X per year to 1X per year \$2755; Cut floor stripping and waxing from 4X per year to 2X per year \$2584.80; Cut Dayporter completely at PKCC & City Hall \$17,832	46,344		46,344		Aesthetic reduction to both the interior and exterior of the building. Decrease in bathroom sanitation level. The internal tech III will be picking up some of this; resulting in an internal staff service level reduction.
			Subtotal of Fourth 1%	46,344	-	46,344		
Total of 1-4% of Adjustment Basis				192,096	-	175,696		

**City of Kirkland
2009-2010 Budget
8% Adjustments List**

Department
Fund

\$ 4,616,040 Adjustment Basis*
\$ 369,283 = 8% of Adjustment Basis

Code Legend:
E - Expenditure/Service Level Reductions
R - Revenue Enhancements
F - Funding Reallocation

No.	Code	Division	Brief Description	PROPOSED		ADOPTED		Brief Explanation of Impact
				Dollar Amount	FTE Reduction if Any	Dollar Amount	FTE Reduction	
*Adjustment Basis does not include								
5	E	All Divisions	Sinking Fund Xfr to CIP of \$1,003,791 or Maintenance Center Debt Xfr of \$343,688	5,780		5,780		Aesthetic reduction. Mats may look dingy and worn.
			Purchase entry mats from Citras for City Hall and the Court and have janitorial Vacuum					
5	E	Multiple Divisions	Cut watering of turf zones at the depts., maintenance center and community centers.	5,000		5,000		Consistent with the City's mission to be "green", results in water conservation and reduced emissions from less mowing. Esthetics reduced, grass will go dormant and will not be green. With the reductions in seasonals to both the facilities and street budgets we will not have the manpower to regularly mow.
5	E	Utility savings	Ban Water coolers, Space heaters, fans, microwaves, personal refrigerators.	4,000		4,000		Because appliances use energy even when not operating, banning all personal items that use energy will reduce energy expenditures, this will effect personal comfort and convenience.
5	E		Cut Seasonals	48,113		24,057		Cutting all Grounds Crew seasonals that maintain the city facilities would result in the grounds not being maintained regularly. Aesthetics of city facilities would be greatly reduced.
			-Proposed to reduce all City Facilities seasonal grounds crews, adopted budget reduced seasonals grounds crew in half.					
6	E		At the Municipal Court Facilities cut HVAC Contract and do more work in house. Please note Restroom deodorizing and some HVAC R&M was cut in the base budget in order to absorb increasing costs.	6,150		-		Internal staff will take over the HVAC contract, resulting in an internal staff service level reduction of 16 hours per year. Techs will have less time to do service calls and non emergency repairs and maintenance.
7	E		At all City Rental Properties we will Cut operating supplies in 1/2, and decrease professional services such as landscaping.	13,699		-		Esthetics will be reduced. It is also being assumed that the properties will not be rented as they become vacant.
8	E		At city hall facilities, includes 505 Market cut Art Display cleaning, completely cut out wall repairs and painting at City hall and Police Dept., decrease plumbing repair budget and do more work in house, revise contract for the service and maintenance of the UPS system. Please note Restroom deodorizing and some HVAC R&M was cut in the base budget in order to absorb increasing costs.	17,354		-		Internal staff will take over the HVAC contract, resulting in an internal staff service level reduction of 40 hours per year. Techs will take longer to address service calls and non emergency repairs and maintenance. The reduction to window cleaning budget and wall repairs and painting will reduce the appearance of city hall.
9	E		Facilities Admin will cut uniform budget by 56%, and reduce the budgets for the following: office supplies, small tools & equip, travel, R&M of the Energy Management System, staff training. The following will be completely cut from the budget: facilities pager, Internal charges for rental of radios, and repairs and maintenance.	25,932		-		Training opportunities for field staff will be reduced. Staff will only maintain required certifications. We will take longer to replace supplies, tools and equipment causing potential for failure.
10	E		Fire Station Facilities - cuts will be made to the following: operating supplies, carpet cleaning will be reduced from 2X per year to 1X, more HVAC work will be done in house, cut to emergency repair and maintenance fund, and painting. Please note janitorial, and some HVAC R&M was cut in the base budget in order to absorb increasing costs.	31,650		-		Internal staff will take over the HVAC contract, resulting in an internal staff service level reduction of 48 hours per year. Techs will take longer to address service calls and non emergency repairs and maintenance. Lifecycle of appliances will be extended most likely causing failure.
11	E		Maintenance Center - more HVAC repairs and maintenance will be done in house, repair of downspouts will be eliminated and bird netting repairs will be cut in 1/2.	14,140		-		Internal staff will take over the HVAC contract, resulting in an internal staff service level reduction of 8 hours per year. Techs will take longer to address service calls and non emergency repairs and maintenance. Reduction to the maintenance of facility Infrastructure.
12	E		PKCC- Pest Control will be cut in 1/2	1,400		-		Internal staff will take over the pest control, resulting in an internal staff service level reduction of 24 hours for City Wide Pest Control.
13	E		NKCC - cut to operating supplies, and cut pest control in 1/2	4,110		-		Internal staff will take over the pest control, resulting in an internal staff service level reduction of 24 hours for City Wide Pest Control.
Total of 5-8% of Adjustment Basis				177,328	-	38,837	-	
Total of All Adjustments				369,424	-	214,533	-	

**City of Kirkland
2009-2010 Budget
8% Adjustments List**

Information Technology
IT (522) Department
Fund

\$ 7,191,048 Adjustment Basis
\$ 575,284 = 8% of Adjustment Basis

Code Legend:
E - Expenditure/ Service Level Reductions
R - Revenue Enhancements
F - Funding Reallocation

No.	Code	Division	Brief Description	PROPOSED		ADOPTED		Brief Explanation of Impact
				Dollar Amount	FTE Reduction if Any	Dollar Amount	FTE Reduction	
1	E		Reduce level of Informix support, stop paying support on unimplemented modules	42,409	-	42,409	-	Reduces options for the future implementation of modules the City paid for but have not installed. May take slightly longer to resolve IFAS calls related to the database software INFORMIX
2	E		Reduce graphics support by .25 FTE	44,422	0.25	-	-	We will no longer be able to produce any internal graphic support for City events like retreats, volunteer and all-city dinners etc.
			Subtotal of First 1%	86,831	0.25	42,409	-	
3	E		Reduce graphics support by additional .50 -Proposed to reduce graphics support to .25, adopted reduces to .4	89,144	0.50	61,158	0.35	This will seriously affect our ability to do work we have traditionally supported. Almost half of our work may have to be paid for or done by departments, or simply re-use the graphic design from previous years. To some extent, this will shift work rather than reduce it.
			Subtotal of Second 1%	89,144	0.50	61,158	0.35	
4	E		Reduce a 1.0 Help Desk Position to a .75 Help Desk Position	45,864	0.25	45,864	0.25	Reduce initial response to 5 hours for Help Desk, and generally reduce the number of calls we are able to resolve. This may also reduce our service level capabilities for Northshore, which are contracted (or else they'll receive a higher service level than we do)
			Subtotal of Third 1%	45,864	0.25	45,864	0.25	
5	E	GIS	Reduce GIS Analyst by .25 percent to a .5 FTE.	49,680	0.25	49,680	0.25	Reduces a type of staffing we just funded by moving CIP money. This would move 10 map book titles' publication cycle from 1 yr to 2 yrs. It would delay our delay in responses to GIS requests (e.g. custom maps, GIS analysis, mailing labels, etc.) by 25%
6	E		Reduction in Repairs and Maintenance support	16,000		16,000		Potential budget shortfall if unexpected services are needed or higher costs are incurred
			Subtotal of Fourth 1%	65,680	0.25	65,680	0.25	
			Total of 1-4% of Adjustment Basis	287,519	1.25	215,111	0.85	
7	E	Network and Operations	Reduce Help Desk an additional .25 percent to a .5 FTE	45,864	0.25	-	-	Help Desk calls will take longer to get answered
8	E	GIS	Reduce GIS Analyst by .25 per cent to a .5 FTE	49,680	0.25	-	-	Reduces the position we just funded by moving CIP money. GIS data refresh to Advantage, Hansen, NewWorld delay by 50%; Delay in response to GIS request (e.g. custom maps, GIS analysis, mailing labels, etc.) by 30 - 40%; Core database maintenance cycle doubled.
			Subtotal of Fifth 1%	95,544	0.50	-	-	
9	E	Network and Operations and Applications	Eliminate on-call support for weekends once PD support moves to NORCOM	56,319	-	56,319	-	Cut dependent on NORCOM taking over all NEW WORLD support effective 7/1/09. Means computers and phones may not get fixed one weekends or evenings and could affect productivity of other staff. Would probably have to be bargained.
			Subtotal of Sixth 1%	56,319	-	56,319	-	
10	E	Administration	Reduce CIO by .2 FTE to .8	78,731	0.20	-	-	Less oversight of IT department. Will particularly impact the applications group, which does not have a manager but reports directly to the CIO.
			Subtotal of Seventh 1%	78,731	0.20	-	-	
11	E	Multimedia Services	Reduce Multimedia Services Manager by .2 FTE to .8 FTE	53,017	0.20	-	-	Reduces oversight over graphics and TV work, and would result in further delays in handling senior citizen discounts for COMCAST, franchises, and telecommunications
			Subtotal of Eighth 1%	53,017	0.20	-	-	
			Total of 5-8% of Adjustment Basis	283,611	0.90	56,319	-	
			Total of All Adjustments	571,130	2.15	271,430	0.85	



**City of Kirkland
2009-2010 Final Budget
Biennial Service Package Requests**

GENERAL FUND	2009-10 Department Request				2009-10 City Council Adopted				Funding Source						
	FTE	Ongoing	One-time	Total	FTE	Ongoing	One-time	Total	Available Fund Balance	External Source	Expenditure Offset	Fees/Charges	Taxes	CIP	Reserves
Nondeparmental															
Fliepass	-	-	98,522	98,522	-	-	-	-	-	-	-	-	-	-	-
Subtotal Nondeparmental	-	-	98,522	98,522	-	-	-	-	-	-	-	-	-	-	-
City Council															
Citizen Survey	-	-	30,000	30,000	-	-	30,000	30,000	-	-	-	-	-	-	30,000
Subtotal City Council	-	-	30,000	30,000	-	-	30,000	30,000	-	-	-	-	-	-	30,000
City Manager															
Slate Legislative Advocate	-	-	60,000	60,000	-	-	60,000	60,000	60,000	-	-	-	-	-	-
Federal Legislative Advocate	-	-	40,000	40,000	-	-	-	-	-	-	-	-	-	-	-
Marketing - Buy Local Campaign	-	-	15,000	15,000	-	-	-	-	-	-	-	-	-	-	-
Business Retention Consultant	-	-	98,400	98,400	-	98,400	-	98,400	-	-	-	-	98,400	-	-
Increased Intern Support-Economic Development	-	-	8,252	8,252	-	-	30,500	30,500	-	30,500	-	-	-	-	-
Sustainable Economy Study - Phase 2	-	-	30,500	30,500	-	-	-	-	-	-	-	-	-	-	-
Court Security	1.00	158,083	5,500	163,583	-	-	-	-	-	-	8,000	-	-	-	-
Neighborhood Services Support	0.12	23,843	-	23,843	0.12	23,843	-	23,843	-	-	-	-	-	15,843	-
Private Funding for the Arts	-	25,000	-	25,000	-	-	-	-	-	-	-	-	-	-	-
Outside Agency Funding (Incl. KPC budgeted in P&CS)	-	-	164,825	164,825	-	-	65,000	78,020	78,020	-	-	-	65,000	-	-
Subtotal City Manager	1.12	206,926	422,477	629,403	0.12	187,243	168,520	355,763	138,020	30,500	8,000	-	163,400	15,843	-
Human Resources															
Temp HR Analyst & Admin Support	-	-	75,981	75,981	-	-	-	-	-	-	-	-	-	-	-
Subtotal Human Resources	-	-	75,981	75,981	-	-	-	-	-	-	-	-	-	-	-
Parks & Community Services															
Human Services Per Capita Funding	-	300,758	-	300,758	-	-	227,561	227,561	200,000	27,561	-	-	-	-	-
Environmental Stewardship & Outreach Specialist	-	-	139,245	139,245	-	-	139,245	139,245	-	113,084	-	-	-	26,161	-
Senior Support	-	-	19,000	19,000	-	-	19,000	19,000	-	19,000	-	-	-	-	-
Enhance Wellness Program	-	-	15,000	15,000	-	-	15,000	15,000	-	15,000	-	-	-	-	-
All-City Youth Summit	-	-	4,000	4,000	-	-	4,000	4,000	-	4,000	-	-	-	-	-
Northwest Senior Games	-	-	20,000	20,000	-	-	20,000	20,000	-	20,000	-	-	-	-	-
Boat Launch Ballard Replacement	-	-	22,500	22,500	-	-	22,500	22,500	-	20,000	-	-	-	-	2,500
Subtotal Parks & Community Services	-	300,758	219,745	520,503	-	-	447,306	447,306	200,000	198,645	-	-	-	26,161	22,500
Public Works															
CIP Administrative Support	1.00	149,032	7,475	156,507	1.00	149,032	7,475	156,507	7,475	-	-	-	-	149,032	-
CIP Project Inspector	1.00	215,066	34,324	249,390	1.00	215,066	34,324	249,390	34,324	-	-	-	-	215,066	-
Neighborhood Traffic Control Program Support	0.50	79,910	-	79,910	0.50	79,910	-	79,910	-	-	79,910	-	-	-	-
Commute Trip Reduction	-	100,000	-	100,000	-	-	100,000	100,000	-	-	-	-	100,000	-	-
Traffic Courts & BKR Model Support	-	50,000	-	50,000	-	-	50,000	50,000	-	-	50,000	-	-	-	-
Transportation Management Plans Support	-	20,000	-	20,000	-	-	20,000	20,000	-	-	20,000	-	-	-	-
CIP Project Outreach Specialist	0.50	104,820	-	104,820	0.50	104,820	-	104,820	-	-	112,706	-	-	(7,886)	-
Subtotal Public Works	3.00	718,828	41,799	760,627	3.00	718,828	41,799	760,627	41,799	100,000	262,616	-	100,000	356,212	-
Finance & Administration															
Special Election Costs	-	-	90,000	90,000	-	-	202,154	202,154	-	-	-	-	-	-	-
Document Management System Implementation & Support	-	-	202,154	202,154	-	-	202,154	202,154	-	-	-	-	-	202,154	-
Subtotal Finance & Administration	-	-	292,154	292,154	-	-	202,154	202,154	-	-	-	-	-	202,154	-
Planning & Community Development															
Code Enforcement Officer	0.50	109,035	-	109,035	-	-	-	-	-	-	70,543	-	-	-	-
Office Technician	0.50	70,543	-	70,543	0.50	70,543	-	70,543	-	-	70,543	-	-	-	-
ARCH Housing Trust Fund (budgeted in Fund 157)	-	-	432,000	432,000	-	-	432,000	432,000	432,000	-	-	-	-	-	-
Comprehensive Plan Update	-	-	45,000	45,000	-	-	25,000	25,000	-	-	-	-	-	-	-
Shoreline Master Plan Update	-	-	25,000	25,000	-	-	5,000	5,000	-	-	-	-	-	-	-
CLC Agenda Cities Program	-	-	5,000	5,000	-	-	5,000	5,000	-	-	-	-	-	-	-
Tree Canopy Analysis	-	-	28,000	28,000	-	-	28,000	28,000	-	-	-	-	-	-	-
Subtotal Planning & Community Development	1.00	179,578	535,000	714,578	0.50	70,543	462,000	532,543	462,000	-	70,543	-	-	-	-

**City of Kirkland
2009-2010 Final Budget
Biennial Service Package Requests**

	2009-10 Department Request				2009-10 City Council Adopted				Funding Source						
	FTE	Ongoing	One-time	Total	FTE	Ongoing	One-time	Total	Available Fund Balance	External Source	Expenditure Offset	Fees/Charges	Taxes	CIP	Reserves
Police															
Accreditation Expenses	-	33,260	7,500	40,760	-	-	10,000	10,000	10,000	-	-	-	-	-	-
Strategic Plan	-	-	60,000	60,000	-	-	60,000	60,000	60,000	-	-	-	-	-	-
Corrections & NORCOM On-Going Costs (Police share)	4.00	2,931,598	49,200	2,980,798	4.00	2,931,598	49,200	2,980,798	49,200	(720,811)	2,836,033	-	816,376	-	
NORCOM One-Time Costs (Police share)	-	-	587,079	587,079	-	-	470,446	470,446	270,446	200,000	-	-	-	-	
Subtotal Police	4.00	2,964,858	703,779	3,668,637	4.00	2,931,598	589,646	3,521,244	389,646	(520,811)	2,836,033	-	816,376	-	
Fire & Building															
NORCOM On-Going Costs (Fire share)	-	573,923	-	573,923	-	573,923	-	573,923	-	51,792	371,611	-	150,520	-	
NORCOM One-Time Costs (Fire share)	-	-	155,865	155,865	-	-	124,900	124,900	92,926	31,974	-	-	-	-	
Emergency Preparedness Coordinator	-	-	209,705	209,705	-	-	209,705	209,705	109,705	100,000	-	-	-	-	
Firefighter - Tolem Lake BLS Unit	1.00	207,659	18,975	226,634	1.00	207,659	18,975	226,634	-	(73,257)	286,160	-	226,634	-	
Personal Protective Equipment	-	70,380	186,390	256,770	-	-	186,390	186,390	138,674	47,716	-	-	-	-	
Pandemic EMS Protection	-	-	60,689	60,689	-	-	-	-	-	-	-	-	-	-	
Health, Wellness & Fitness Program	-	-	99,840	99,840	-	-	-	-	-	-	-	-	-	-	
Prevention Fire Inspector	1.00	141,919	34,963	176,882	-	-	-	-	-	-	-	-	-	-	
North Finn Hill Station 24 Overtime	-	-	1,065,800	1,065,800	-	-	-	-	-	-	-	-	-	-	
3 Firefighters for Overtime Reduction	3.00	622,973	49,425	672,398	3.00	622,973	49,425	672,398	36,772	(21,847)	757,740	-	-	-	
Additional 3 Firefighters for Overtime Reduction	3.00	622,973	49,425	672,398	-	-	-	-	-	-	-	-	-	-	
Restore Minimum Staffing Levels (1st & 4th Quarter)	-	198,310	-	198,310	-	-	198,310	198,310	-	-	-	-	198,310	-	
Permit Technician	1.00	151,344	-	151,344	1.00	151,344	-	151,344	-	-	151,344	-	-	-	
Subtotal Fire & Building	9.00	2,589,481	1,931,077	4,520,558	5.00	1,754,209	589,395	2,343,604	378,077	136,378	1,566,855	-	575,464	-	
GENERAL FUND TOTAL	18.12	6,960,429	4,350,534	11,310,963	12.62	5,662,421	2,530,820	8,193,241	1,609,542	(155,288)	4,744,047	-	1,655,240	600,370	52,500
OTHER FUNDS															
Lodging Tax Fund															
Tourism Web Re-design (ExploreKirkland.com)	-	-	30,000	30,000	-	-	30,000	30,000	30,000	-	-	-	-	-	-
Tourism Marketing Plan Update	-	-	25,000	25,000	-	-	25,000	25,000	25,000	-	-	-	-	-	-
Subtotal Lodging Tax Fund	-	-	55,000	55,000	-	-	55,000	55,000	55,000	-	-	-	-	-	-
Street Operating Fund															
Graffiti Program	1.00	147,394	9,436	156,830	1.00	147,394	9,436	156,830	-	12,000	131,705	13,125	-	-	
Arborist	0.50	103,637	-	103,637	0.50	103,637	-	103,637	-	-	21,367	82,270	-	-	
Grounds Tech	1.00	155,596	-	155,596	1.00	155,596	-	155,596	-	-	124,475	31,121	-	-	
Subtotal Street Operating Fund	2.50	406,627	9,436	416,063	2.50	406,627	9,436	416,063	-	12,000	277,547	126,516	-	-	
Surface Water Management Fund															
Surface Water Utility Engineer	1.00	220,081	4,675	224,756	1.00	220,081	4,675	224,756	4,675	-	-	220,081	-	-	
Urban Forester	0.50	100,667	-	100,667	0.50	100,667	-	100,667	-	-	-	100,667	-	-	
Subtotal Surface Water Management Fund	1.50	320,748	4,675	325,423	1.50	320,748	4,675	325,423	4,675	-	-	320,748	-	-	
Information Technology Fund															
Web Assistant	1.00	164,636	-	164,636	-	-	123,478	123,478	123,478	-	-	-	-	-	
Videographer	0.50	90,692	0.50	90,692	0.50	90,692	-	90,692	-	-	90,692	-	-	-	
Multimedia Services Intern	-	10,106	-	10,106	-	-	10,106	10,106	10,106	-	-	-	-	-	
Comcast Audit	-	-	25,000	25,000	-	-	25,000	25,000	25,000	-	-	-	-	-	
Applications Analyst	1.00	193,502	-	193,502	-	-	-	-	-	-	-	-	-	-	
Help Desk Position	0.50	79,710	-	79,710	-	-	-	-	-	-	-	-	-	-	
Subtotal Information Technology Fund	3.00	538,646	25,000	563,646	0.50	90,692	158,584	249,276	158,584	-	90,692	-	-	-	
Facilities Maintenance Fund															
City Hall Annex M&O	-	48,630	-	48,630	-	-	48,630	48,630	-	-	-	-	48,630	-	
Inventory Specialist	0.50	94,676	-	94,676	-	-	26,000	264,576	26,000	-	232,481	-	6,095	-	
Lease KCHA Property for Maintenance Center (net)	-	-	26,000	264,576	-	-	26,000	264,576	26,000	-	232,481	-	-	-	
Maintenance Center Reallocation	-	232,481	-	232,481	-	-	-	232,481	-	-	232,481	-	-	-	
Subtotal Facilities Maintenance Fund	0.50	1,880,384	26,000	2,000,495	4.50	1,337,754	253,695	1,591,449	244,259	12,000	600,720	232,481	54,725	-	
TOTAL OTHER FUNDS	7.50	1,880,384	120,111	2,000,495	4.50	1,337,754	253,695	1,591,449	244,259	12,000	600,720	232,481	54,725	-	
TOTAL ALL FUNDS	25.62	8,840,813	4,470,645	13,311,458	17.12	7,000,175	2,784,515	9,784,690	1,853,801	(143,288)	5,344,767	679,745	1,709,965	600,370	52,500

**City of Kirkland
2009-2010 Final Budget
2009 Service Package Requests**

	2009 Department Request				2009 City Council Adopted				Funding Source						
	FTE	Ongoing	One-time	Total	FTE	Ongoing	One-time	Total	Available Fund Balance	External Source	Expenditure Offset	Fees/Charges	Taxes	CIP	Reserves
GENERAL FUND															
Nondepartmental															
Flexpass	-	-	43,788	43,788	-	-	-	-	-	-	-	-	-	-	-
Subtotal Nondepartmental	-	-	43,788	43,788	-	-	-	-	-	-	-	-	-	-	-
City Council															
Citizen Survey	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal City Council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
City Manager															
State Legislative Advocate	-	-	30,000	30,000	-	-	30,000	30,000	30,000	-	-	-	-	-	-
Federal Legislative Advocate	-	-	20,000	20,000	-	-	-	-	-	-	-	-	-	-	-
Marketing - Buy Local Campaign	-	-	7,500	7,500	-	-	-	-	-	-	-	-	-	-	-
Business Retention Consultant	-	-	49,200	49,200	-	49,200	-	49,200	49,200	-	-	-	49,200	-	-
Increased Intern Support-Economic Development	-	-	4,129	4,129	-	-	-	-	-	-	-	-	-	-	-
Sustainable Economy Study - Phase 2	-	-	30,500	30,500	-	-	30,500	30,500	30,500	30,500	-	-	-	-	-
Court Security	1.00	77,354	4,500	81,854	-	-	-	-	-	-	-	-	-	-	-
Neighborhood Services Support	0.12	11,846	-	11,846	0.12	11,846	-	11,846	11,846	-	4,000	-	-	7,846	-
Private Funding for the Arts	-	25,000	-	25,000	-	-	-	-	-	-	-	-	-	-	-
Outside Agency Funding (Incl. KPC budgeted in P&CS)	-	-	164,825	164,825	-	32,500	78,020	110,520	78,020	-	-	-	32,500	-	-
Subtotal City Manager	1.12	114,200	310,654	424,854	0.12	93,546	138,520	232,066	108,020	30,500	4,000	-	81,700	7,846	-
Human Resources															
Temp HR Analyst & Admin Support	-	-	75,981	75,981	-	-	-	-	-	-	-	-	-	-	-
Subtotal Human Resources	-	-	75,981	75,981	-	-	-	-	-	-	-	-	-	-	-
Parks & Community Services															
Human Services Per Capita Funding	-	150,158	-	150,158	-	-	113,781	113,781	100,000	13,781	-	-	-	-	-
Environmental Stewardship & Outreach Specialist	-	-	67,906	67,906	-	-	67,906	67,906	-	55,175	-	-	-	12,731	-
Senior Support	-	-	9,500	9,500	-	-	9,500	9,500	-	9,500	-	-	-	-	-
Enhance Wellness Program	-	-	7,500	7,500	-	-	7,500	7,500	-	7,500	-	-	-	-	-
All-City Youth Summit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Northwest Senior Games	-	-	10,000	10,000	-	-	10,000	10,000	-	10,000	-	-	-	-	-
Boat Launch, Bollard Replacement	-	-	22,500	22,500	-	-	22,500	22,500	-	-	-	-	-	-	22,500
Subtotal Parks & Community Services	-	150,158	117,406	267,564	-	-	231,187	231,187	100,000	95,956	-	-	-	12,731	22,500
Public Works															
CIP Administrative Support	1.00	72,577	7,475	80,052	1.00	72,577	7,475	80,052	7,475	-	-	-	-	72,577	-
CIP Project Inspector	1.00	104,637	34,324	138,961	1.00	104,637	34,324	138,961	34,324	-	-	-	-	104,637	-
Neighborhood Traffic Control Program Support	0.50	39,617	-	39,617	0.50	39,617	-	39,617	-	39,617	-	-	-	-	-
Commute Trip Reduction	-	50,000	-	50,000	-	50,000	-	50,000	-	-	-	-	50,000	-	-
Traffic Counts & BKR Model Support	-	25,000	-	25,000	-	25,000	-	25,000	-	25,000	-	-	-	-	-
Transportation Management Plans Support	-	10,000	-	10,000	-	10,000	-	10,000	-	10,000	-	-	-	-	-
CIP Project Outreach Specialist	0.50	52,093	-	52,093	-	52,093	-	52,093	-	-	-	-	-	(3,947)	-
Subtotal Public Works	3.00	353,924	41,799	395,723	2.50	353,924	41,799	395,723	41,799	130,657	-	-	50,000	173,267	-
Finance & Administration															
Special Election Costs	-	-	90,000	90,000	-	-	-	-	-	-	-	-	-	-	-
Document Management System Implementation & Support	-	-	100,378	100,378	-	-	100,378	100,378	-	-	-	-	-	100,378	-
Subtotal Finance & Administration	-	-	190,378	190,378	-	-	100,378	100,378	-	-	-	-	-	100,378	-
Planning & Community Development															
Code Enforcement Officer	0.50	54,131	-	54,131	-	-	-	-	-	-	-	-	-	-	-
Office Technician	0.50	34,788	-	34,788	0.50	34,788	-	34,788	34,788	-	34,788	-	-	-	-
ARCH Housing Trust Fund (budgeted in Fund 157)	-	-	216,000	216,000	-	-	216,000	216,000	216,000	-	-	-	-	-	-
Comprehensive Plan Update	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Shoreline Master Plan Update	-	-	25,000	25,000	-	-	25,000	25,000	25,000	-	-	-	-	-	-
CLC Agenda Cities Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tree Canopy Analysis	-	-	28,000	28,000	-	-	-	-	-	-	-	-	-	-	-
Subtotal Planning & Community Development	1.00	88,919	269,000	357,919	0.50	34,788	241,000	275,788	241,000	34,788	-	-	-	34,788	-

**City of Kirkland
2009-2010 Final Budget
2009 Service Package Requests**

	2009 Department Request				2009 City Council Adopted				Funding Source						
	FTE	Ongoing	One-time	Total	FTE	Ongoing	One-time	Total	Available Fund Balance	External Source	Expenditure Offset	Fees/Charges	Taxes	CIP	Reserves
Police															
Accreditation Expenses	-	16,630	7,500	24,130	-	-	5,000	5,000	5,000	-	-	-	-	-	-
Strategic Plan	-	-	60,000	60,000	-	-	60,000	60,000	60,000	-	-	-	-	-	-
Corrections & NORCOM On-Going Costs (Police share)	4.00	916,467	49,200	965,667	4.00	916,467	49,200	965,667	49,200	(273,604)	912,482	-	277,589	-	
NORCOM One-Time Costs (Police share)	-	-	470,446	470,446	-	-	470,446	470,446	270,446	200,000	-	-	-	-	-
Subtotal Police	4.00	933,097	587,146	1,520,243	4.00	916,467	584,646	1,501,113	384,646	(73,604)	912,482	-	277,589	-	-
Fire & Building															
NORCOM On-Going Costs (Fire share)	-	173,916	-	173,916	-	173,916	-	173,916	-	12,812	123,870	-	37,234	-	-
NORCOM One-Time Costs (Fire share)	-	-	124,900	124,900	-	-	124,900	124,900	92,926	31,974	-	-	-	-	-
Emergency Preparedness Coordinator	-	-	103,321	103,321	-	-	103,321	103,321	53,321	50,000	-	-	-	-	-
Firefighter - Totem Lake BLS Unit	1.00	101,976	16,075	118,051	1.00	101,976	16,075	118,051	-	(32,517)	127,020	-	118,051	-	-
Personal Protective Equipment	-	35,190	89,501	124,691	-	-	89,501	89,501	66,589	22,912	-	-	-	-	-
Pandemic EMS Protection	-	-	60,689	60,689	-	-	-	-	-	-	-	-	-	-	-
Health, Wellness & Fitness Program	-	-	99,840	99,840	-	-	-	-	-	-	-	-	-	-	-
Prevention Fire Inspector	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
North Finn Hill Station 24 Overtime	-	-	532,900	532,900	-	-	-	-	-	-	-	-	-	-	-
3 Firefighters for Overtime Reduction	3.00	305,926	40,725	346,651	3.00	305,926	40,725	346,651	30,299	(3,152)	334,340	-	-	-	-
Additional 3 Firefighters for Overtime Reduction	3.00	305,926	40,725	346,651	-	-	-	-	-	-	-	-	-	-	-
Restore Minimum Staffing Levels (1st & 4th Quarter)	-	96,110	-	96,110	-	96,110	-	96,110	-	-	-	-	96,110	-	-
Permit Technician	1.00	73,415	-	73,415	1.00	73,415	-	73,415	-	-	73,415	-	-	-	-
Subtotal Fire & Building	8.00	1,092,459	1,108,676	2,201,135	5.00	751,343	374,522	1,125,865	243,135	82,029	658,645	-	251,395	-	-
GENERAL FUND TOTAL	17.12	2,732,757	2,744,828	5,477,585	12.12	2,150,068	1,712,052	3,862,120	1,118,600	134,881	1,740,572	-	660,684	294,222	22,500
OTHER FUNDS															
Logging Tax Fund															
Tourism Web Re-design (ExploreKirkland.com)	-	-	30,000	30,000	-	-	30,000	30,000	30,000	-	-	-	-	-	-
Tourism Marketing Plan Update	-	-	25,000	25,000	-	-	25,000	25,000	25,000	-	-	-	-	-	-
Subtotal Logging Tax Fund	-	-	55,000	55,000	-	-	55,000	55,000	55,000	-	-	-	-	-	-
Street Operating Fund															
Graffiti Program	1.00	71,851	9,436	81,287	1.00	71,851	9,436	81,287	-	12,000	62,906	6,381	-	-	-
Arborist	0.50	51,361	-	51,361	0.50	51,361	-	51,361	-	-	10,592	40,769	-	-	-
Grounds Tech	1.00	75,716	-	75,716	1.00	75,716	-	75,716	-	-	60,571	15,145	-	-	-
Subtotal Street Operating Fund	2.50	198,928	9,436	208,364	2.50	198,928	9,436	208,364	-	12,000	134,069	62,295	-	-	-
Surface Water Management Fund															
Surface Water Utility Engineer	1.00	106,881	4,675	111,556	1.00	106,881	4,675	111,556	4,675	-	-	106,881	-	-	-
Urban Forester	0.50	48,959	-	48,959	0.50	48,959	-	48,959	-	-	48,959	-	-	-	-
Subtotal Surface Water Management Fund	1.50	155,840	4,675	160,515	1.50	155,840	4,675	160,515	4,675	-	-	155,840	-	-	-
Information Technology Fund															
Web Assistant	1.00	81,676	-	81,676	-	-	61,258	61,258	61,258	-	-	-	-	-	-
Videographer	0.50	44,074	-	44,074	0.50	44,074	-	44,074	-	-	44,074	-	-	-	-
MultiMedia Services Intern	-	5,056	-	5,056	-	5,056	-	5,056	5,056	-	-	-	-	-	-
Comcast Audit	-	-	25,000	25,000	-	-	25,000	25,000	25,000	-	-	-	-	-	-
Applications Analyst	1.00	93,983	-	93,983	-	-	-	-	-	-	-	-	-	-	-
Help Desk Position	0.50	38,839	-	38,839	-	-	-	-	-	-	-	-	-	-	-
Subtotal Information Technology Fund	3.00	263,628	25,000	288,628	0.50	44,074	91,314	135,388	91,314	-	44,074	-	-	-	-
Facilities Maintenance Fund															
City Hall Annex M&O	-	22,921	-	22,921	-	22,921	-	22,921	-	-	-	-	22,921	-	-
Inventory Specialist	0.50	46,920	-	46,920	-	-	26,000	143,520	26,000	-	113,323	-	4,197	-	-
Lease KCHA Property for Maintenance Center (net)	-	117,520	25,000	143,520	-	117,520	26,000	143,520	26,000	-	113,323	-	-	-	-
Maintenance Center Reallocation	-	113,323	-	113,323	-	113,323	-	113,323	-	-	-	-	113,323	-	-
Subtotal Facilities Maintenance Fund	0.50	300,684	26,000	326,684	-	253,764	26,000	279,764	26,000	-	113,323	113,323	27,118	-	-
TOTAL OTHER FUNDS	7.50	919,080	120,111	1,039,191	4.50	652,606	186,425	839,031	176,989	12,000	291,466	331,458	27,118	-	-
TOTAL ALL FUNDS	24.62	3,651,837	2,864,939	6,516,776	16.62	2,802,674	1,898,477	4,701,151	1,295,589	146,881	2,032,038	331,458	687,802	294,222	22,500

**City of Kirkland
2009-2010 Final Budget
2010 Service Package Requests**

	2010 Department Request				2010 City Council Adopted				Funding Source						
	FTE	Ongoing	One-time	Total	FTE	Ongoing	One-time	Total	Available Fund Balance	External Source	Expenditure Offset	Fees/Charges	Taxes	CIP	Reserves
GENERAL FUND															
Nondepartmental															
Flexpass	-	-	54,734	54,734	-	-	-	-	-	-	-	-	-	-	-
Subtotal Nondepartmental	-	-	54,734	54,734	-	-	-	-	-	-	-	-	-	-	-
City Council															
Citizen Survey	-	-	30,000	30,000	-	-	30,000	30,000	-	-	-	-	-	-	30,000
Subtotal City Council	-	-	-	-	-	-	30,000	30,000	-	-	-	-	-	-	30,000
City Manager															
State Legislative Advocate	-	-	30,000	30,000	-	-	30,000	30,000	30,000	-	-	-	-	-	-
Federal Legislative Advocate	-	-	20,000	20,000	-	-	-	-	-	-	-	-	-	-	-
Marketing - Buy Local Campaign	-	-	7,500	7,500	-	-	-	-	-	-	-	-	-	-	-
Business Retention Consultant	-	-	49,200	49,200	-	49,200	-	49,200	-	-	-	-	49,200	-	-
Increased Intern Support-Economic Development	-	-	4,123	4,123	-	-	-	-	-	-	-	-	-	-	-
Sustainable Economy Study - Phase 2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Court Security	-	80,729	1,000	81,729	-	-	-	-	-	-	-	-	-	-	-
Neighborhood Services Support	-	11,997	-	11,997	-	11,997	-	11,997	-	-	4,000	-	-	7,997	-
Private Funding for the Arts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Outside Agency Funding (incl. KPG budgeted in P&CS)	-	-	-	-	-	-	-	-	-	-	-	-	32,500	-	-
Subtotal City Manager	-	92,726	111,823	204,549	-	93,697	30,000	123,697	30,000	-	4,000	-	81,700	7,997	-
Human Resources															
Temp HR Analyst & Admin Support	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Human Resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Parks & Community Services															
Human Services Per Capita Funding	-	150,600	-	150,600	-	-	113,781	113,781	100,000	13,781	-	-	-	-	-
Environmental Stewardship & Outreach Specialist	-	-	71,339	71,339	-	-	71,339	71,339	-	57,909	-	-	-	13,430	-
Senior Support	-	-	9,500	9,500	-	-	-	-	-	9,500	-	-	-	-	-
Enhance Wellness Program	-	-	7,500	7,500	-	-	7,500	7,500	-	7,500	-	-	-	-	-
All-City Youth Summit	-	-	4,000	4,000	-	-	4,000	4,000	-	4,000	-	-	-	-	-
Northwest Senior Games	-	-	10,000	10,000	-	-	10,000	10,000	-	10,000	-	-	-	-	-
Boat Launch Bollard Replacement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Parks & Community Services	-	150,600	102,339	252,939	-	-	216,120	216,120	100,000	102,690	-	-	-	13,430	-
Public Works															
CIP Administrative Support	-	76,455	-	76,455	-	76,455	-	76,455	-	-	-	-	-	76,455	-
CIP Project Inspector	-	110,429	-	110,429	-	110,429	-	110,429	-	-	-	-	-	110,429	-
Neighborhood Traffic Control Program Support	-	40,293	-	40,293	-	40,293	-	40,293	-	40,293	-	-	-	-	-
Commute Trip Reduction	-	50,000	-	50,000	-	50,000	-	50,000	-	-	-	-	50,000	-	-
Traffic Counts & BKR Model Support	-	25,000	-	25,000	-	25,000	-	25,000	-	-	-	-	-	-	-
Transportation Management Plans Support	-	10,000	-	10,000	-	10,000	-	10,000	-	-	-	-	-	-	-
CIP Project/Outreach Specialist	-	52,727	-	52,727	-	52,727	-	52,727	-	-	-	-	-	(3,939)	-
Subtotal Public Works	-	364,904	-	364,904	-	364,904	-	364,904	-	-	131,959	-	50,000	182,945	-
Finance & Administration															
Special Election Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Document Management System Implementation & Support	-	-	101,776	101,776	-	-	101,776	101,776	-	-	-	-	-	101,776	-
Subtotal Finance & Administration	-	-	101,776	101,776	-	-	101,776	101,776	-	-	-	-	-	101,776	-
Planning & Community Development															
Code Enforcement Officer	-	54,904	-	54,904	-	-	-	-	-	-	-	-	-	-	-
Office Technician	-	35,755	-	35,755	-	35,755	-	35,755	-	-	35,755	-	-	-	-
ARCH Housing Trust Fund (budgeted in Fund 157)	-	-	216,000	216,000	-	216,000	-	216,000	216,000	-	-	-	-	-	-
Comprehensive Plan Update	-	-	45,000	45,000	-	-	-	-	-	-	-	-	-	-	-
Shoreline Master Plan Update	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CLC Agenda Cities Program	-	-	5,000	5,000	-	-	5,000	5,000	5,000	-	-	-	-	-	-
Tree Canopy Analysis	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Planning & Community Development	-	90,659	266,000	356,659	-	35,755	221,000	256,755	221,000	-	35,755	-	-	-	-

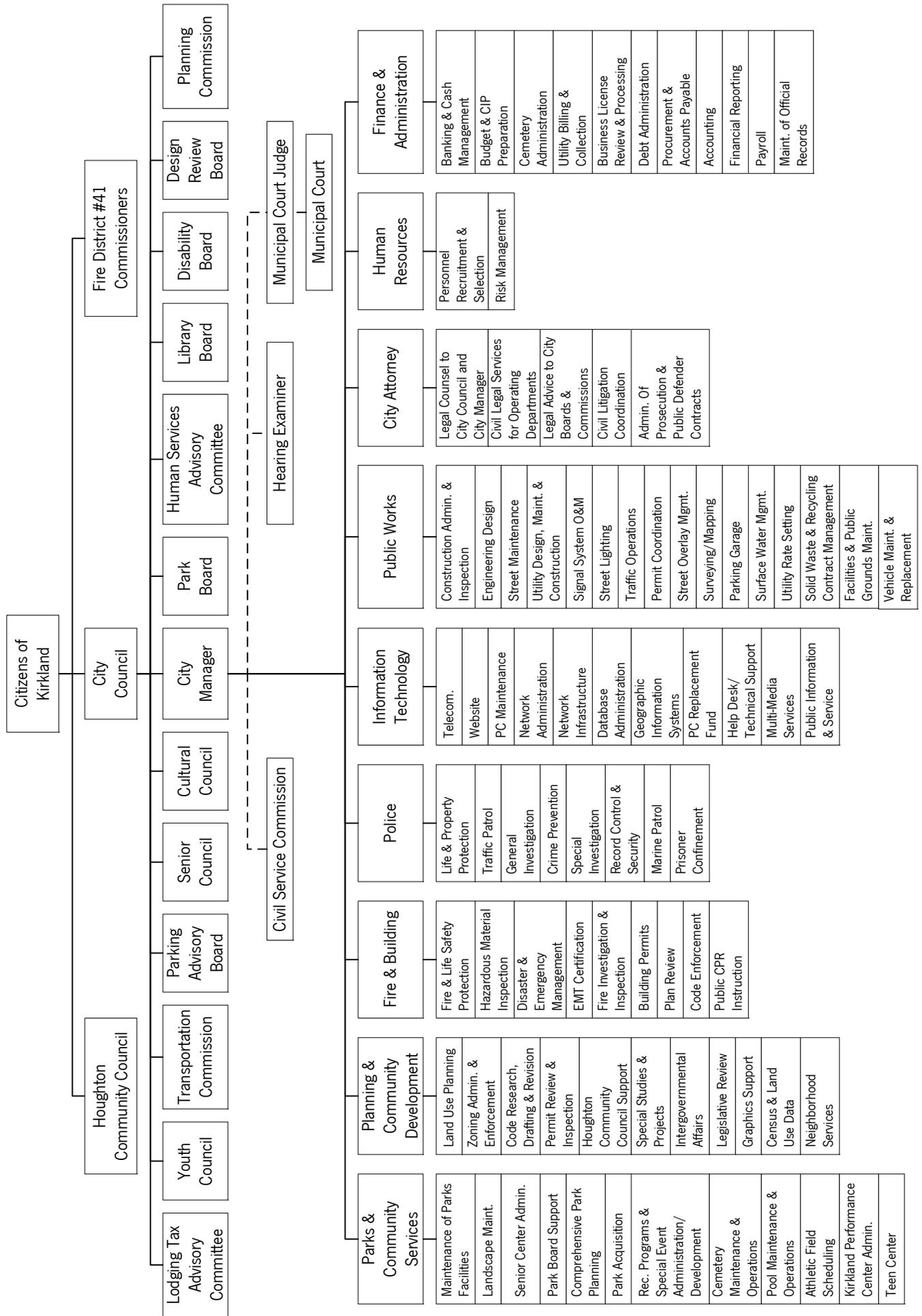
**City of Kirkland
2009-2010 Final Budget
2010 Service Package Requests**

	2010 Department Request				2010 City Council Adopted				Funding Source						
	FTE	Ongoing	One-time	Total	FTE	Ongoing	One-time	Total	Available Fund Balance	External Source	Expenditure Offset	Fees/Charges	Taxes	CIP	Reserves
Police															
Accreditation Expenses	-	16,630	-	16,630	-	-	5,000	5,000	5,000	-	-	-	-	-	-
Strategic Plan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corrections & NORCOM On-Going Costs (Police share)	-	2,015,131	-	2,015,131	-	2,015,131	-	2,015,131	-	(447,207)	1,923,551	-	538,787	-	
NORCOM One-Time Costs (Police share)	-	-	116,633	116,633	-	-	-	-	-	-	-	-	-	-	
Subtotal Police	-	2,031,761	116,633	2,148,394	-	2,015,131	5,000	2,020,131	5,000	(447,207)	1,923,551	-	538,787	-	
Fire & Building															
NORCOM On-Going Costs	-	400,007	-	400,007	-	400,007	-	400,007	-	38,980	247,741	-	113,286	-	
NORCOM One-Time Costs (Fire share)	-	-	30,965	30,965	-	-	-	-	-	-	-	-	-	-	
Emergency Preparedness Coordinator	-	-	106,384	106,384	-	-	106,384	106,384	56,384	50,000	-	-	-	-	
Firefighter - Totem Lake BLS Unit	-	105,683	2,900	108,583	-	105,683	2,900	108,583	-	(40,740)	159,140	-	108,583	-	
Personal Protective Equipment	-	35,190	96,889	132,079	-	-	96,889	96,889	72,085	24,804	-	-	-	-	
Pandemic EMS Protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Health, Wellness & Fitness Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Prevention Fire Inspector	1.00	141,919	34,963	176,882	-	-	-	-	-	-	-	-	-	-	
North Finn Hill Station 24 Overtime	-	-	532,900	532,900	-	-	-	-	-	-	-	-	-	-	
3 Firefighters for Overtime Reduction	-	317,047	8,700	325,747	-	317,047	8,700	325,747	6,473	(18,695)	423,400	-	-	-	
Additional 3 Firefighters for Overtime Reduction	-	317,047	8,700	325,747	-	-	-	-	-	-	-	-	-	-	
Restore Minimum Staffing Levels (1st & 4th Quarter)	-	102,200	-	102,200	-	102,200	-	102,200	-	-	-	-	102,200	-	
Permit Technician	-	77,929	-	77,929	-	77,929	-	77,929	-	-	77,929	-	-	-	
Subtotal Fire & Building	1.00	1,497,022	822,401	2,319,423	-	1,002,866	214,873	1,217,739	134,942	54,349	908,210	-	324,069	-	
GENERAL FUND TOTAL	1.00	4,227,672	1,575,706	5,803,378	-	3,512,353	818,769	4,331,122	490,942	(290,169)	3,003,475	-	994,556	306,148	
OTHER FUNDS															
Lodging Tax Fund															
Tourism Web Re-design (ExploreKirkland.com)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tourism Marketing Plan Update	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Lodging Tax Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Street Operating Fund															
Graffiti Program	-	75,543	-	75,543	-	75,543	-	75,543	-	-	68,799	6,744	-	-	
Arborist	-	52,276	-	52,276	-	52,276	-	52,276	-	-	10,775	41,501	-	-	
Grounds Tech	-	79,880	-	79,880	-	79,880	-	79,880	-	-	63,904	15,976	-	-	
Subtotal Street Operating Fund	-	207,699	-	207,699	-	207,699	-	207,699	-	-	143,478	64,221	-	-	
Surface Water Management Fund															
Surface Water Utility Engineer	-	113,200	-	113,200	-	113,200	-	113,200	-	-	-	113,200	-	-	
Urban Forester	-	51,708	-	51,708	-	51,708	-	51,708	-	-	-	51,708	-	-	
Subtotal Surface Water Management Fund	-	164,908	-	164,908	-	164,908	-	164,908	-	-	-	164,908	-	-	
Information Technology Fund															
Web Assistant	-	82,960	-	82,960	-	-	62,220	62,220	62,220	-	-	-	-	-	
Videographer	-	46,618	-	46,618	-	46,618	-	46,618	-	46,618	-	-	-	-	
MultiMedia Services Intern	-	5,050	-	5,050	-	5,050	-	5,050	-	-	-	-	-	-	
Comcast Audit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Applications Analyst	-	99,519	-	99,519	-	-	-	-	-	-	-	-	-	-	
Help Desk Position	-	40,871	-	40,871	-	-	-	-	-	-	-	-	-	-	
Subtotal Information Technology Fund	-	275,018	-	275,018	-	46,618	67,270	113,888	67,270	-	46,618	-	-	-	
Facilities Maintenance Fund															
City Hall Annex M&O	-	25,709	-	25,709	-	25,709	-	25,709	-	-	-	-	25,709	-	
Inventory Specialist	-	47,756	-	47,756	-	-	-	-	-	-	-	-	-	-	
Lease KCHA Property for Maintenance Center (net)	-	121,056	-	121,056	-	121,056	-	121,056	-	119,158	1,898	-	-	-	
Maintenance Center Reallocation	-	119,158	-	119,158	-	119,158	-	119,158	-	-	-	119,158	-	-	
Subtotal Facilities Maintenance Fund	-	73,465	-	313,679	-	265,923	67,270	752,118	67,270	-	119,158	348,287	27,607	-	
TOTAL OTHER FUNDS	-	721,090	-	961,304	-	685,148	67,270	752,118	67,270	-	309,254	348,287	27,607	-	
TOTAL ALL FUNDS	1.00	4,948,762	1,575,706	6,764,682	-	4,197,501	886,039	5,083,540	558,212	(290,169)	3,312,729	348,287	1,022,163	306,148	
															30,000

KIRKLAND PROFILE



CITY OF KIRKLAND



COUNCIL PHILOSOPHY

UNIQUE COMMUNITY CHARACTER

We recognize that Kirkland is a special place. The City is endowed with a beautiful physical setting, a strong sense of history, attractive neighborhoods, vibrant business districts and an exceptional park system.

A SAFE COMMUNITY

We place a strong emphasis on ensuring that all those who live, shop, work and play in Kirkland feel safe. This is done through a community-based approach that focuses on the prevention of police, fire, emergency medical and code enforcement related problems.

ENVIRONMENTAL STEWARDSHIP

We commit to the proactive protection of our environment. An integrated system of natural resource management focuses on the preservation of wetlands, trees, open space and other sensitive areas, water quality, clean air and waste reduction.

COMMUNITY INVOLVEMENT

We value the meaningful participation of the community in City decision-making processes and services. By providing information in a variety of formats, key stakeholder groups and individual residents are encouraged to get involved.

INVESTMENT IN THE INFRASTRUCTURE

We recognize that high-quality infrastructure is fundamental to our quality of life. An integrated system of a balanced transportation strategy, comprehensive parks program, city buildings and water and sewer facilities require both a commitment to significant capital expenditures and on-going maintenance costs.

HUMAN SERVICES

We care about the well being of all those in our diverse community. In addition to providing high quality services to all of Kirkland, there is particular attention focused on those with special needs including seniors, youth, minorities, disabled, low-income and the challenge of affordable housing.

FINANCIAL STABILITY

We endorse a set of fiscal policies that ensure the prudent management of City resources. By proactively planning for the City's needs, establishing sound budgetary practices, focusing on business retention and encouraging responsible economic development, the city is able to provide both high quality infrastructure and services.

ORGANIZATIONAL VALUES

We believe that our employees are the City's most important assets in the provision of high quality services to the community. In addition to providing them with the needed resources, a workplace environment is maintained that values effective communication, mutual respect, inclusion, and integrity. We develop proactive strategies for issues that emphasize effective planning, participation and results.

KIRKLAND'S CITY MANAGEMENT

City departments are involved in a number of long-range planning efforts to assure that community growth supports the balance of livability and prosperity. Financial planning occurs as an integral part of operating department initiatives. Examples of some of the more important planning tools that contribute to the City's financial strength are:

- **Fiscal Policies** which are adopted by the City Council and provide guidance in the areas of budgeting, capital improvements, reserves, debt, cash management and investments and financial reporting.
- **Investment Policies** that dictate the manner in which excess funds will be invested.
- The **Six-Year Capital Improvement Program (CIP)** which provides a long-term plan for building, enhancing, and maintaining the City's infrastructure. The CIP, which includes a financing plan and is adopted biennially, reflects other major capital plans including the Six-Year Transportation Improvement Plan, the Comprehensive Sanitary Sewer Plan, the Surface Water Management Master Plan, and the Water Distribution Master Plan.

Kirkland's Comprehensive Plan is updated annually. As required by the Growth Management Act (GMA), the 10 year major update process was completed in 2002 and 2003 to update Kirkland's vision statement and Comprehensive Plan.

Among the several elements included in the Comprehensive Plan as required by the GMA, a **Capital Facilities Element** is completed in coordination with the Six-Year CIP. A **Transportation Element** identifies needed transportation improvements, and an **Economic Development Element** was completed in 1998 that links community economic health with land use and growth policies.

Other master planning efforts, such as the **Fire Strategic Plan, Police Strategic Plan, Neighborhood Plans,** and **Kirkland's Comprehensive Park, Open Space and Recreation Plan** provide further examples of Kirkland's efforts to respond to the changing needs of the community through careful planning and community involvement.

The City's mission statement and basic values summarize the qualities that are an integral part of its management efforts:

We are committed to the enhancement of Kirkland as a community for living, working, and leisure with an excellent quality of life, which preserves the city's existing charm and natural amenities.

Basic Values

Integrity

Excellence

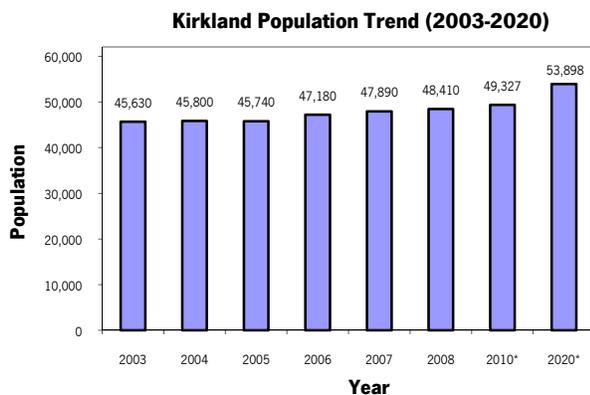
Respect for the Individual

Responsiveness

ECONOMIC ENVIRONMENT AND REVENUE TRENDS

POPULATION

Following the annexation of Juanita, North Rose Hill and South Rose Hill in 1988, population growth has generally been modest, but steady. It increased moderately between 2007 and 2008. Future projections for growth assume no major annexations. The following chart presents actual population data for the past six years and projections for 2010 and 2020.



* Projected by Puget Sound Regional Council

EMPLOYMENT BASE

A diverse range of businesses comprise Kirkland's employment base. Key factors contributing to Kirkland's attraction include the following:

- High quality of life, housing, and local amenities.
- Availability of high quality human resources.
- Proximity to other major business centers.
- Availability of high quality office space.

Approximately 32,000 individuals are employed within the City limits. The following table presents the City's top 10 employers as of 2008.

Kirkland's Major Employers

Employer	# Persons Employed
Evergreen Hospital	2,850
City of Kirkland	581
Nintendo of America Inc.	515
Lake Washington School District	428
Kenworth Truck Co	427
Clearwire Corporation	400
Wireless Data Services	390
Evergreen Pharmaceutical LLC	269
Ciber, Inc.	200
Google Inc.	200

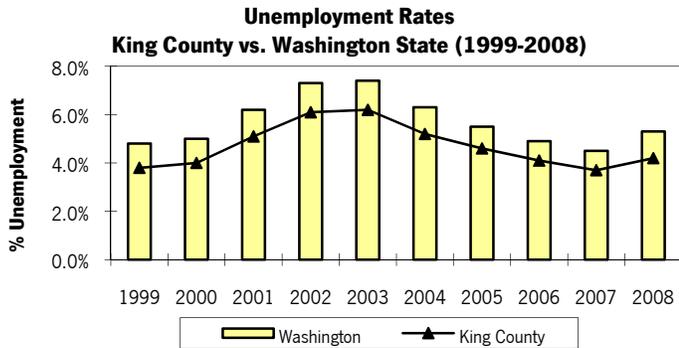
UNEMPLOYMENT RATE

With the exception of 2001 through 2003, unemployment rates in King County generally run parallel to state and national rates but at a lower level. The recession changed this trend in 2001 with the unemployment rate in King County surpassing the national unemployment rate until 2004. Since then, King County's unemployment rate has been consistently below the national rate, although it is escalating in the last quarter of 2008 in response to local economic conditions. The following table and chart provide comparative unemployment rate data for the past 10 years.

Unemployment Rates¹

Year	King County	Washington State	United States
1999	3.8	4.8	4.2
2000	4.0	5.0	4.0
2001	5.1	6.2	4.7
2002	6.1	7.3	5.8
2003	6.2	7.4	6.0
2004	5.2	6.3	5.5
2005	4.6	5.5	5.1
2006	4.1	4.9	4.6
2007	3.7	4.5	4.6
2008 ²	4.2	5.3	5.8

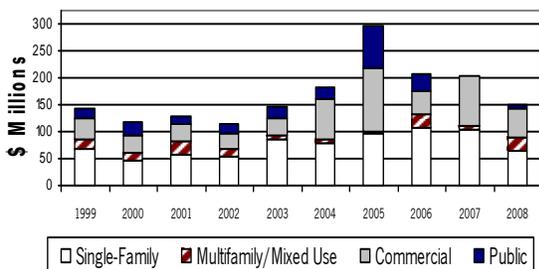
¹ The King County and Washington State rates are per the Washington State Dept. of Labor & Industries. The U.S. rate is per the U.S. Bureau of Labor Statistics. ² King County 2008 Preliminary Annual Average through November.



BUILDING ACTIVITY

Kirkland's local economy is, in many respects, a microcosm of the regional economy. The strong economy in the Puget Sound area beginning in 2004 is reflected in Kirkland's statistics for valuation of new construction (as shown in the following chart and table). Construction activity skyrocketed in 2005. Building permit valuation for 2006 and 2007 was down compared to 2005, but higher than historical trends. Activity in 2008 declined further compared to 2007 in response to local economic conditions.

Permit Valuations (1999- 2008)



Permit Valuations* (in 000's)

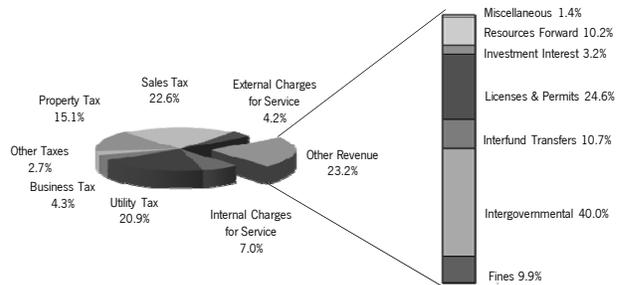
Year	Single Family	Multi-Family/ Mixed Use	Com- mercial	Public	Total
1999	66,180	19,596	38,373	18,112	142,261
2000	45,732	13,919	31,928	27,401	118,980
2001	57,922	25,917	30,274	13,816	127,929
2002	55,190	14,095	28,518	15,720	113,523
2003	87,048	4,240	32,229	22,312	145,829
2004	77,401	9,774	75,076	19,451	181,702
2005	98,192	2,858	116,233	79,572	296,855
2006	108,539	22,001	44,367	31,008	205,915
2007	105,031	7,229	90,042	1,991	204,293
2008	63,229	27,793	52,221	6,622	149,865

* Based on building permits issued by the City of Kirkland Building Division.

GENERAL PURPOSE REVENUES

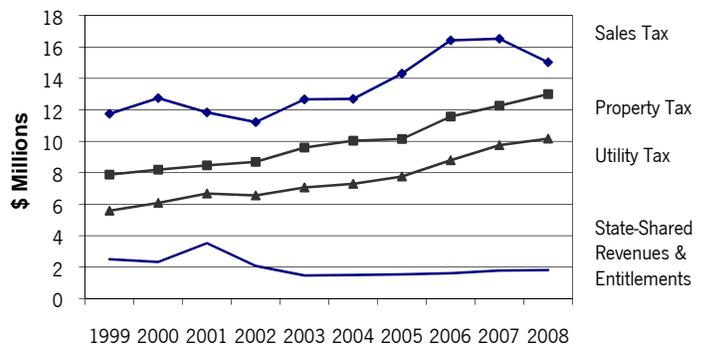
General purpose revenues can be used for any public purpose. In the General Fund, which accounts for most of the City's basic services, about 63 percent of the revenue received comes from taxes (see pie chart below).

2009-10 Budgeted General Fund Revenue



Across all funds used to account for the City's operating activities, the four primary sources of general purpose revenue are sales tax, property tax, utility tax, and state-shared revenues and entitlements. Historical trends for these revenues over the past 10 years are displayed below.

Major Sources of General Purpose Revenue (1999-2008)

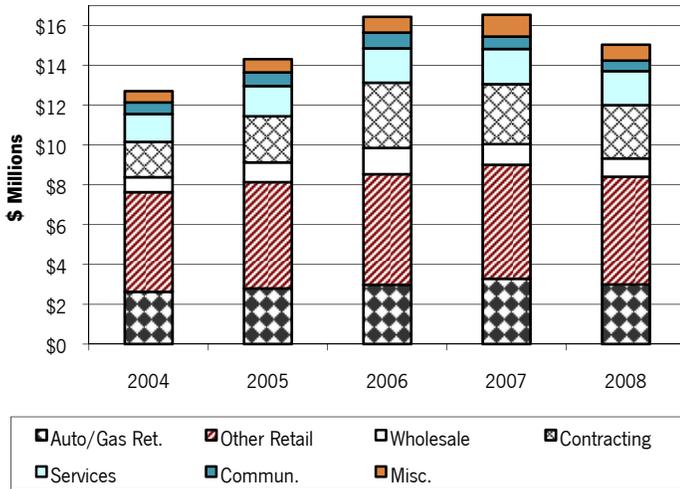


General Purpose Revenues (\$Millions)

Year	Sales Tax	Property Tax	Utility Tax	State Shared
1999	11.75	7.88	5.58	2.50
2000	12.75	8.19	6.08	2.33
2001	11.84	8.47	6.65	2.05
2002	11.22	8.69	6.55	2.08
2003	12.67	9.60	7.06	1.47
2004	12.70	10.04	7.29	1.50
2005	14.31	10.16	7.76	1.54
2006	16.43	11.57	8.79	1.61
2007	16.53	12.26	9.75	1.78
2008	15.03	13.00	10.17	1.81

The City's largest general purpose revenue source is sales tax. For the period of 2004-2008, sales tax revenue generated by business sector is displayed in the following chart and tables.

Sales Tax Revenue by Business Sector



Bus. Sector	Sales Tax Revenue (\$Millions)				
	2004	2005	2006	2007	2008
Auto/Gas Retail	2.72	2.80	2.97	3.28	2.99
Other Retail:					
<i>Gen Merch/Misc</i>	2.22	2.37	2.52	2.60	2.37
<i>Eating/Drinkng</i>	1.11	1.18	1.23	1.29	1.29
<i>All Other Retail</i>	1.58	1.79	1.80	1.83	1.75
Other Retail Total	4.91	5.34	5.55	5.72	5.41
Wholesale	0.65	0.99	1.32	1.04	0.92
Contracting	1.78	2.32	3.28	3.01	2.68
Services	1.35	1.52	1.72	1.77	1.71
Communications	0.58	0.69	0.79	0.62	0.52
Miscellaneous	0.72	0.668	0.787	1.092	0.801
Total	12.70	14.31	16.43	16.53	15.03

Bus. Sector	Percentage Change				
	03-04	04-05	05-06	06-07	07-08
Auto/Gas Retail	7.5%	2.8%	6.3%	10.1%	-8.7%
Other Retail:					
<i>Gen Merch/Misc</i>	-6.6%	6.6%	6.7%	3.1%	-8.8%
<i>Eating/Drinkng</i>	7.6%	6.5%	3.9%	5.4%	-0.7%
<i>All Other Retail</i>	25.3%	13.3%	0.7%	1.4%	-4.3%
Other Retail Total	5.1%	8.7%	4.1%	3.1%	-5.5%
Wholesale	-41.3%	50.9%	34.0%	-21.6%	-10.7%
Contracting	18.7%	30.3%	41.6%	-8.2%	-11.1%
Services	5.5%	12.7%	13.4%	2.8%	-3.2%
Communications	-38.4%	19.5%	15.1%	-22.0%	-16.5%
Miscellaneous	11.2%	-7.2%	17.7%	38.9%	-26.6%
Total	0.2%	12.6%	14.8%	0.6%	-9.0%

In analyzing the City's annual sales tax receipts from 2003 to 2008 the following is worth noting:

- After the recession of 2001-2002, sales tax revenue rebounded in 2003 primarily due to the opening of two automobile dealerships and field audit recoveries by the Washington State Department of Revenue which amounted to about \$770,000 in one-time revenue. The 0.2 percent growth in sales tax receipts in 2004 is deceiving because of the one-time field audit recoveries in 2003. Factoring out the one-time 2003 receipts, 2004 was up 6.6 percent. In 2005 and 2006, development-related sales tax was primarily responsible for most of the increase in sales tax revenue, which was up 12.6 percent between 2004 and 2005 and up 14.8 percent between 2005 and 2006. Slowing development-related sales tax was primarily responsible for the flat performance between 2006 and 2007. However, retail sectors performance helped offset the impact of declining development activity. Sales tax receipts in 2008 were down 9 percent compared to 2007 as result of the continuing slow-down in development activity as well as the overall decline in business activity due to the general economic downturn. Sales tax revenue was down \$1.5 million dollars between 2007 and 2008, with all business sector experiencing negative performance.

- The “Contracting” business sector increased between 2003 and 2004 due to large commercial projects at Evergreen Hospital, Lake Washington Technical College and a large mixed-used development, as well as significant single family residential construction activity. Activity in this sector surged between 2004 and 2006, with continued activity at Evergreen Hospital, several large office and mixed-used/condominium projects, two hotels, the I-405 expansion, as well as significant single family construction activity. While revenue for this business sector declined between 2006 and 2007, it remained robust compared to historic trends. This sector continued to decline between 2007 and 2008 in response to the general economic conditions, ending the year down 11.1 percent compared to the prior year.
- The “Automotive/Gas Retail” business sector experienced respectable growth between 2003 and 2004 and stagnant performance was experienced between 2004 and 2005. Major expansion at one key dealership and a generally strong performance by others improved performance between 2005 and 2006. Two additional dealerships opened in 2007, which contributed to the gain between 2006 and 2007. In 2008, the loss of one dealership and the severe decline in sales (especially the last quarter) in response to economic conditions contributed to this sector declining 8.7 percent compared to 2007.
- The “Other Retail” business sector was up in 2003 primarily due to the opening of a large furniture store. Receipts in 2004 were up compared to 2003 due to an improving economy and several new businesses. Moderately strong performance continued in 2005 and 2006. Growth between 2006 and 2007 was flat due to the loss of two major retailers. In 2008, the economic conditions experienced both locally and nationally have impacted this sector, which is down 4.3 percent comparing 2008 to 2007.
- The “Services” business sector improved in 2004 primarily due to improvement in business services. This sector was significantly impacted by development-related activity in 2005 and 2006. Slowing development activity is evident in the performance between 2006 and 2007. For 2008, receipts were down 3.2 percent compared to 2007 due slowing development activity and despite strong performance in the accommodations sector.
- The “Wholesale” business sector performance has been volatile over the last several years, largely due to one-time recoveries and development-related activity. In 2003, receipts were up over the previous year mostly due to significant one-time recoveries. Actual receipts in 2004 were down compared to 2003, skewed by the one-time recovery in 2003. This sector has also been significantly impacted by development-related activity in recent years. Receipts in 2008 are down 10.7 percent compared to 2007 largely due to declining development-related activity.
- The “Communications” business sector performance has also been volatile over the last several years, largely due to one-time recoveries and development-related activity. In 2003, this business sector was up primarily due to significant field audit recoveries. The significant one-time recoveries in 2003 skew the comparison to 2004 actual receipts. This sector is yet another impacted by development-related activity, which is entirely responsible for the the increases between 2004 and 2005 and between 2005 and 2006. Receipts in 2008 were down 16.5 percent compared to 2007 largely due to declining development activity and despite moderate growth in cellular phone services.



BUDGET GUIDE

A user's guide to understanding Kirkland's budget document



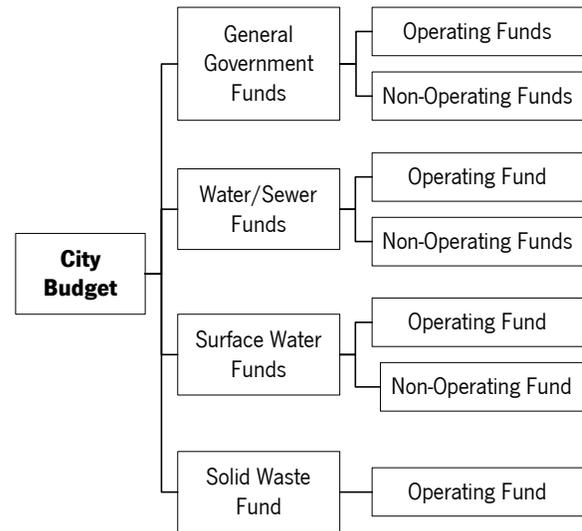
GUIDE TO BUDGET FUND STRUCTURE

The City Budget is composed of 29* separate funds that are each balanced independently – revenues equal expenditures. The City’s budget is divided into four primary sections – General Government, Water/Sewer Utility, Surface Water Utility and Solid Waste Utility. Within each of these primary sections there are operating and non-operating funds, with the exception of the Solid Waste Utility which is comprised of an operating fund only.

The general government operating funds include the General Fund, six special revenue funds, and two internal service funds. General government operating funds account for services to the public including public safety, street maintenance, land use, parks and administrative functions. Taxes, fees and charges, and contributions from other governments are the primary finance sources for general government functions. The general government non-operating funds account for debt service, capital improvements and reserves related to these operating funds.

Like the general government funds, the Water/Sewer Utility and the Surface Water Utility both have operating and non-operating components. The Solid Waste Utility consists of only an operating fund. All utility operating funds account for the cost of providing and maintaining services to its customers. Distinct from the general government funds, each of the utilities operate much the same as a business (enterprise), with customer charges (rates) supporting all costs. Resources of the utilities cannot be used to subsidize general government functions.

The budget document is presented in a manner that acknowledges these components as shown on the following chart.

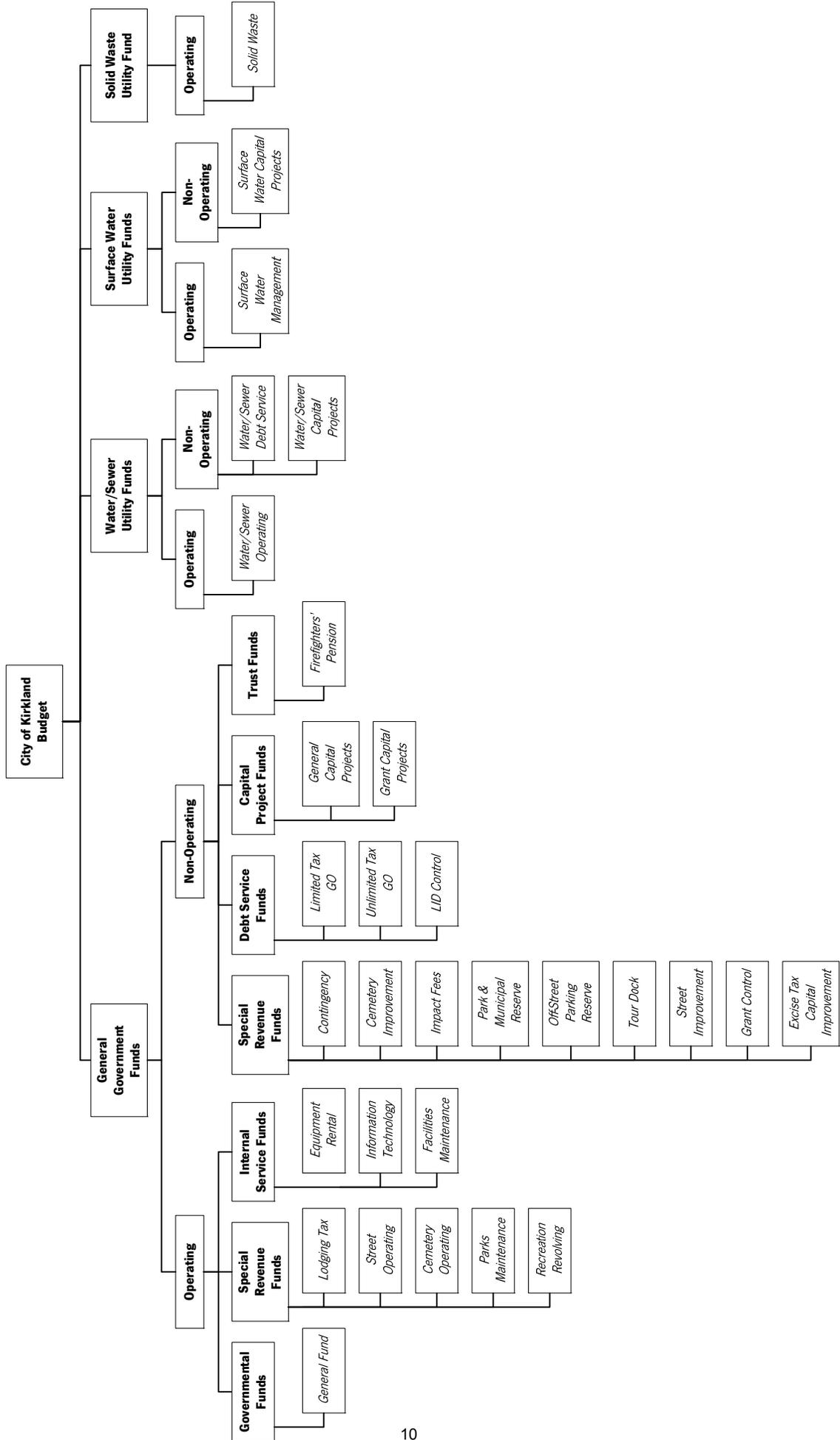


The chart on the following page illustrates the organization of funds in greater detail.

*The LID Control Fund was closed as of December 31, 2008.

CITY OF KIRKLAND

Organization of Funds



BUDGETING, ACCOUNTING AND REPORTING BASIS

The City's financial structure is consistent with Washington State's required Budgeting, Accounting, and Reporting System (BARS). This system provides for a uniform chart of accounts and procedures for all Washington local governments. While each agency has minor differences, this system provides useful comparative data to the state regarding local spending.

BUDGETARY BASIS

Budget projections for revenues and expenditures are prepared on a cash basis.

Cash basis of accounting means that transactions are recognized at the point when cash is received or paid. This method matches the cash projected to be available to the cash projected for necessary payments.

Revenues are prepared at the "line-item" or source-of-revenue level (e.g., gas utility tax, amusement license, plumbing permit, etc.). General government operating revenues are summarized by revenue type (e.g., taxes, licenses and permits, charges for services, etc.) and across funds. Major revenue sources and trends are highlighted in the Budget Summary section.

Expenditure budgets, like revenues, are prepared at the "line-item" or object-of-expense level (e.g., regular wages, uniforms and clothing, office supplies, professional services, etc.). Summary totals are provided for "object groups" (e.g., wages, benefits, supplies, capital outlay etc.). Subtotals are provided by organizational units (divisions) within each department which represent costs by function. The financial overview page contained within each department section provides summary level financial data with data for comparative bienniums.

Non-operating fund expenditures are presented at the "by purpose" level (reserve, debt service, capital improvement and other).

ACCOUNTING AND REPORTING BASIS

The financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) as applied to governmental units.

Generally Accepted Accounting Principles are minimum standards and guidelines for financial accounting and reporting. Reporting in accordance with GAAP assures that financial reports of all state and local governments contain the same types of financial statements and disclosures, for the same categories and types of funds and account groups, based on the same measurement and classification criteria.

Governmental funds use the modified-accrual basis of accounting.

Under this basis, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be reasonably determined. "Available" means collectible within the current fiscal year or soon thereafter to pay for expenditures incurred during the fiscal year. Expenditures are recognized when the related obligations (goods have been purchased or services have been received) are incurred (two exceptions are employee leave benefits and long-term debt which are recognized when due).

Proprietary operations of the City - enterprise and internal service functions - use the accrual basis of accounting.

Under this method, revenues are recorded when earned (e.g., revenues for water/sewer utility services are recognized when billed) and expenses are recorded at the time obligations are incurred. This method is similar to private business enterprises.

BUDGET PROCESS

BUDGET PREPARATION PROCESS

Beginning in 2004, Kirkland changed from an annual to a biennial budget process. State law requires that the first year of a biennial budget be an odd numbered year. Accordingly, the preparation of the biennial budget occurs during an even numbered year, beginning in June and continuing through the end of the year. The following are key steps that the City takes to prepare its budget. (See the next page for a diagram of this process.)

1. The City Council holds its mid-year budget review meeting in June and receives a status report on the current biennial budget and an updated six-year financial forecast, with an emphasis on the coming biennium. In addition, the City Manager requests input from the City Council about budget priorities and overall direction.
2. In July, the Director of Finance & Administration (F&A) makes the official “budget call” to all department directors requesting expenditure and revenue estimates for the current year and the coming two years.
3. The F&A Department prepares all general purpose revenue estimates, which mostly consist of taxes, state shared revenues and entitlements, and intergovernmental service revenues, during the first half of August. In addition, the F&A Department receives and reviews all departmental revenue estimates during the same time period. All departmental expenditure estimates for the current year and “basic budget” requests for the coming biennium, which represent the estimated cost of maintaining the current service level, are received and reviewed by the F&A Department during the second half of August.
4. In late August, the F&A Director meets with each department to review their basic budget requests.
5. In early September, departments submit additional funding requests (called “service packages”) for new positions, equipment, and projects which are over and above their basic budgets. The F&A Department reviews all service package requests by mid-September. In years when funding is limited, departments may also be asked to submit proposed expenditure reductions.
6. In mid-September, the City Manager meets with each department to review their basic budget and service package requests. In addition, the City holds a public hearing in mid-September to gather citizen input on proposed revenue sources for the coming biennium.
7. The City Manager finalizes the preliminary budget proposal, which includes recommended service packages, by the end of September. In early October, the City Manager and F&A Director brief the Council Finance Committee on the preliminary budget proposal.
8. In October, the F&A Department prepares and prints the preliminary budget document for the coming biennium. By November 1st, the preliminary budget document is filed with the City Clerk, distributed to the City Council and the departments, and made available to the public.
9. The City Council meets in November for a series of budget study sessions to review the City Manager’s proposed budget and to determine if there are any changes they wish to make.
10. The City holds a public hearing in mid-November to gather citizen input on the preliminary budget as well as on any changes made by the City Council during their budget deliberations.
11. In December, the City Council adopts the final property tax levy for the coming year and the final budget for the coming biennium each by ordinance via a simple majority of the members present. The appropriation approved by the City Council is at the individual fund level.
12. The F&A Department publishes the final budget document during the first quarter of the following year, distributes the document to the City Council

and the departments, and makes copies available to the public.

BUDGET ADJUSTMENT PROCESS

There are two types of adjustments related to the adopted budget: 1) transfers between line items or between departments within the same fund; and 2) changes to an individual fund's total appropriation. The former is handled administratively when needed with the approval of the F&A Director. The latter can take place at various times during the biennium and requires Council approval by ordinance.

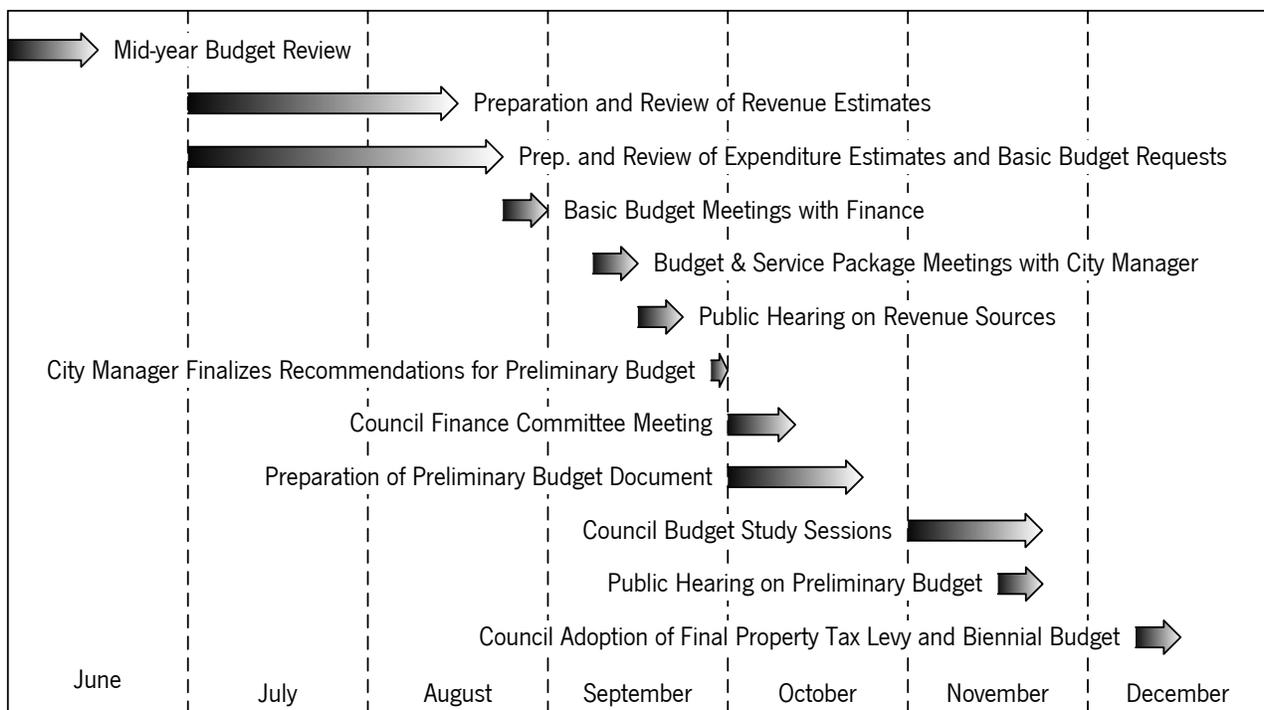
The first opportunity to adjust a fund's total appropriation generally occurs in March of the first year of the biennium. Typically, this is when funding for projects and other significant purchases that were not completed during the prior biennium is "carried over" to the new biennium. The second opportunity takes place during the mid-biennial budget review which culminates in December of the first year of the biennium. This adjustment primarily relates to the following: 1) outside agency and new service package funding requests for the second year of the biennium; and 2) any unanticipated needs, events, or revenue sources. The final opportunity to adjust a fund's total appropriation occurs at the end of the

biennium in December. This is the last time that adjustments for unanticipated needs, events, and revenue sources can be recognized and approved. Also, this is when the General Fund's total appropriation is adjusted, if necessary, to provide the budgetary authority to transfer excess net resources to other funds in order to replenish or build-up reserves and to fund one-time service packages in the coming biennium. In addition to the three adjustment processes described above, other adjustments may occur during the biennium as needed.

The process for changing a fund's total appropriation is as follows:

1. Requests for budget adjustments are submitted in writing to the F&A Director.
2. If approved, requests are consolidated in an ordinance and presented to the City Council at a regular meeting.
3. The City Council approves adjustments to a fund's total appropriation for the biennium by a simple majority of the members present.
4. Approved adjustments are incorporated into the existing biennial budget resulting in a revised appropriation for the current biennium.

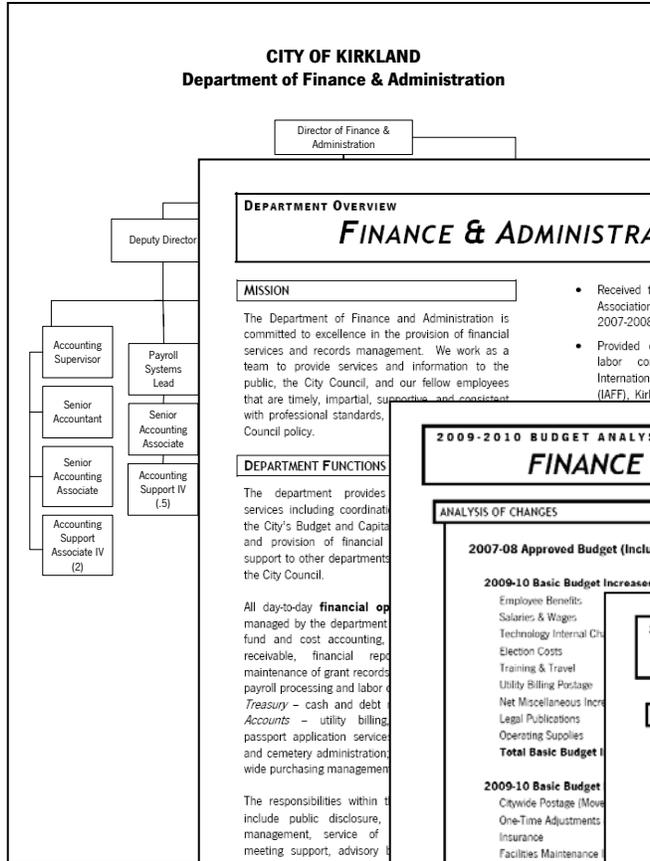
BIENNIAL BUDGET PREPARATION TIMELINE



GUIDE TO KIRKLAND'S BUDGET DOCUMENT

OPERATING FUND AND DEPARTMENT SECTIONS

The following sections are organized by fund and department. Within each fund, organization charts, department overviews, budget analyses and financial overviews are provided for each department as well as detailed schedules of revenues. Line item expenditure detail reports are provided in an ancillary document titled, "Budget Line Item Detail."



The reporting relationships are delineated in each department section. Positions that are funded by a different fund are indicated by a double-lined box.

DEPARTMENT OVERVIEW
FINANCE & ADMINISTRATION

MISSION

The Department of Finance and Administration is committed to excellence in the provision of financial services and records management. We work as a team to provide services and information to the public, the City Council, and our fellow employees that are timely, impartial, superior, and consistent with professional standards, Council policy.

- Received the Government Finance Officers Association Distinguished Budget award for 2007-2008 Budget.
- Provided contract costing support during labor contract negotiations with the International Association of Firefighters (IAFF), Kirkland Police Guild and the Public

The mission and functional areas are described in each department's overview along with accomplishments from the prior biennium and major goals to be accomplished in the coming biennium.

DEPARTMENT FUNCTIONS

The department provides services including coordinating the City's Budget and Capital and provision of financial support to other departments the City Council.

All day-to-day financial operations managed by the department include fund and cost accounting, receivable, financial reporting, maintenance of grant records, payroll processing and labor. Treasury - cash and debt Accounts - utility billing, passport application service and cemetery administration, wide purchasing management.

The responsibilities within the department include public disclosure, management, service of meeting support, advisory mail services.

2009-2010 BUDGET ANALYSIS
FINANCE & ADMINISTRATION

ANALYSIS OF CHANGES

2007-08 Approved Budget (Including Carryovers) **5,824,533**

2009-10 Basic Budget Increases:

- Employee Benefits
- Salaries & Wages
- Technology Internal Ch.
- Election Costs
- Training & Travel
- Utility Billing/Postage
- Net Miscellaneous Incre
- Legal Publications
- Operating Supplies

2009-2010 FINANCIAL OVERVIEW
FINANCE & ADMINISTRATION

FINANCIAL SUMMARY BY OBJECT

	2005-2006 Actual*	2007-2008 Estimate**	2007-2008 Budget**	2009-2010 Budget***	Percent Change
Salaries and Wages	3,911,824	2,833,535	3,643,533	3,740,145	2.65%
Benefits	1,130,572	980,464	1,321,102	1,563,555	18.35%
Supplies	71,825	54,340	59,101	45,073	-23.74%
Other Services	1,718,265	883,300	1,366,321	1,349,050	-1.26%
Government Services	141,710	113,693	251,745	210,500	-16.38%
Capital Outlay	0	0	0	0	n/a
TOTAL	6,974,196	4,865,332	6,641,802	6,908,323	4.01%

The Budget Analysis describes major increases and decreases that resulted in the Budget.

2009-10 Service Packages

- Utility Billing/ Customer
- Off-site Records/ Storage
- Building Fee Study Upd
- Actuarial Study of Fire
- Mail Services Clerk to F

2009-10 Preliminary Budget

COMPARISON OF 2007-08 BUDGET

2007-08 Approved Budget

FINANCIAL SUMMARY BY DIVISION

	2005-2006 Actual*	2007-2008 Estimate**	2007-2008 Budget**	2009-2010 Budget***	Percent Change
Financial Planning & Admin.	1,250,796	1,417,010	1,749,460	2,016,602	15.27%
Treasury/Customer Services	1,665,467	1,351,280	2,008,932	1,773,358	-11.73%
Financial Operations	1,560,460	1,362,671	1,717,648	2,011,032	17.08%
City Clerk	1,430,725	734,371	1,165,762	1,107,331	-5.01%
TOTAL	5,907,448	4,865,332	6,641,802	6,908,323	4.01%

The Financial Overview contains financial summaries by category of expense and program area and also includes a summary of budgeted positions.

POSITION SUMMARY BY DIVISION

	2005-2006 Actual*	Adjustments	2007-2008 Budget**	Adjustments	2009-2010 Budget***
Financial Planning & Admin.	6.12	-1.12	5.00	0.00	5.00
Treasury/Customer Services	9.00	2.00	11.00	1.00	12.00
Financial Operations	8.50	0.00	8.50	0.00	8.50
City Clerk	7.05	-3.10	3.95	0.05	4.00
TOTAL	30.67	-2.22	28.45	1.05	29.50

* Reflects realization of functions from the Administrative Services Department, which was eliminated as of January 1, 2004.
 ** Reflects realization of functions to Human Resources, which was re-classified as a department as of January 1, 2005.
 *** Reflects realization of Municipal Court functions to the City Manager's Office, effective January 1, 2006.

GUIDE TO KIRKLAND'S BUDGET DOCUMENT

Revenue needed to support fund activities is presented in detail with summaries at the revenue category level. For each revenue item, data is presented for the prior biennium actual amount received, the total estimated for the current biennium, the current biennial budget, and the budgeted amount for the coming biennium.

City of Kirkland 2009-10 Budget Revenue						
		2005-06 Actual	2007-08 Estimate	2007-08 Budget	2009-10 Budget	Percent Change
Fund: General Fund (010)						
Taxes						
General Property Taxes						
Property Tax-Real & Personal	3111001	15,034,596	17,650,006	17,827,796	18,884,000	5.92 %
Total for General Property Taxes:		15,034,596	17,650,006	17,827,796	18,884,000	5.92 %
Retail Sales & Use Taxes						
Retail Sales/Use Tax	3131001	29,197,824	29,937,247	31,675,781	28,015,218	-11.55 %
Crim Justice-Local Sales Tax	3137101	2,002,397	2,266,379	2,164,253	2,236,140	3.32 %
Total for Retail Sales & Use Taxes:		31,200,221	32,203,626	33,840,034	30,251,358	-10.60 %
Business Taxes						
Rev Generating Regulatory Lic	3161001	1,907,501	2,031,237	1,926,671	4,831,678	150.77 %
Admissions Tax	3162001	0	0	0	275,000	0.00 %
Electric Utility Tax-Private	3164101	3,963,276	5,103,069	4,587,526	6,975,601	52.05 %
Gas Utility Tax-Private	3164301	1,954,960	2,311,153	2,723,727	2,693,399	-1.11 %
Television Cable-Private	3164601	0	0	0	2,275,000	0.00 %
Telephone Utility Tax-Private	3164701	5,436,894	6,103,411	5,277,000	7,782,938	47.48 %
Water Customer Utility Tax	3167201	971,863	1,201,665	1,192,206	1,851,161	55.27 %
Sewage Customer Utility Tax	3167401	986,380	1,236,771	1,217,837	1,996,824	63.96 %
Garb/Solid Waste Cust Util Tax	3167501	1,008,333	1,187,732	1,110,008	1,694,253	52.63 %
Surface Water Cust Utility Tax	3167801	588,785	723,968	761,201	738,675	-2.95 %
Total for Business Taxes:		16,817,992	19,899,006	18,796,176	31,114,529	65.53 %
Excise Tax						
Leasehold Excise Tax	3172001	285,120	165,535	201,154	120,000	-40.34 %
Enhanced 911 Access Lines	3174101	15,682	295,152	55,197	200,000	262.33 %
Punch Boards and Pull Tabs	3175101	588,551	519,149	532,000	520,000	-2.25 %
Bingo and Raffles	3175201	2,037	3,535	1,000	4,000	300.00 %
Amusement Games	3175301	1,247	1,140	1,000	800	-20.00 %
Business Tax Penalty/Interest	3196001	4,988	5,243	6,900	3,000	-56.52 %
Total for Excise Tax:		897,625	989,754	797,251	847,800	6.34 %
Total for Taxes:		63,950,434	70,742,392	71,261,257	81,097,687	13.80 %
License and Permits						
Business Licenses & Permits						
Pool Table License	3217001	3,700	2,100	3,150	2,000	-36.50 %
Juke Box License	3217002	650	300	450	100	-77.77 %
Cabaret License	3217003	6,775	5,225	5,000	5,500	10.00 %
Electronic Games	3217004	4,600	3,050	3,300	3,500	6.06 %
Amusement License	3217009	40	712	0	400	0.00 %
Penalties on Business Licenses	3218001	19,640	22,547	20,000	20,000	0.00 %



FISCAL POLICIES



FISCAL POLICIES

BACKGROUND AND PURPOSE

The stewardship of public funds is one of the greatest responsibilities given to the officials and managers of the City of Kirkland. Therefore, the establishment and maintenance of wise fiscal policies enables city officials to protect public interests and ensure public trust.

This document incorporates past financial practices in defining the current policies to be used by the City to meet its obligations and operate in a financially prudent manner. These policies have been established to provide general fiscal guidelines and are intended to provide sound direction in the management of the City's financial affairs.

OPERATING BUDGET POLICIES

The municipal budget is the central financial planning document that embodies all operating revenue and expenditure decisions. It establishes the level of services to be provided by each department within the confines of anticipated municipal revenues.

- The City Council will adopt a biennial budget which will reflect estimated revenues and expenditures for the ensuing two years. A mid-biennium review and update will take place as prescribed by law during the first year of the biennium.
- The City Council will establish municipal service levels and priorities for the ensuing two years prior to and during the development of the preliminary budget.
- The City Manager shall incorporate the Council's priorities in the formulation of the preliminary and final budget proposal.
- Adequate maintenance and replacement of the City's capital plant and equipment will be provided for in the biennial budget.

- The biennial budget will be balanced with resources in that biennium.

REVENUE AND EXPENDITURE POLICIES

Annual revenues are conservatively estimated as a basis for preparation of the biennial budget and city service programs.

Expenditures approved by the City Council in the biennial budget define the City's spending limits for the upcoming biennium. Beyond legal requirements, the City will maintain an operating philosophy of cost control and responsible financial management.

- The City will maintain revenue and expenditure categories according to state statute and administrative regulation.
- Current revenues will be sufficient to support current expenditures.
- All revenue forecasts will be performed utilizing accepted analytical techniques.
- All fees for services shall be reviewed and adjusted (where necessary) at least every three years to ensure that rates are equitable and cover the total cost of service, or that percentage of total service cost deemed appropriate by the City.
- Revenues of a limited or indefinite term will be used for capital projects or one-time operating expenditures to ensure that no ongoing service program is lost when such revenues are reduced or discontinued.
- Grant applications to fund new service programs with state or federal funds will be reviewed by the City, as they become available, with due consideration being given to whether locally generated revenues will be required to support these programs when outside funding is no longer available.

- The City of Kirkland will establish and maintain Special Revenue Funds which will be used to account for proceeds from specific revenue sources to finance designated activities which are required by statute, ordinance, resolution or executive order.
- Biennial expenditures will be maintained within the limitations of biennial revenues. The City will not use short-term borrowing to finance current operating needs without full financial analysis and prior approval of the City Council.
- In order to ensure the continuity of services, the City will budget no more sales tax revenue than was received in the prior year as a hedge against possible future economic events.
- Interest income revenue will be used to finance one-time capital or time-limited goods or services including debt service on councilmanic bond issues.
- All authorized positions will be budgeted for a full year (or biennium) unless specifically designated by the City Council as a partial-year position.
- In the event that budget reductions are needed in order to balance revenues and expenditures, the City Council will provide policy direction to staff as to the priority order and combination for using the following strategies:
 - Raise revenue
 - Reduce expenditures
 - Use reserves
- The use of reserves to balance the budget will only be used to address short term temporary revenue shortfalls and expenditure increases.
- The biennial budget will be formally amended by the City Council as needed to acknowledge unforeseen expenditures. All requests for funding will be analyzed by the Finance and Administration Department.

The Council will be provided with a discussion of the legality and/or policy basis of the expenditure, the recommended funding source, an analysis of the fiscal impact and a review of all reserves and previously approved amendments since budget adoption.

- A request will not be approved at the same meeting at which it is introduced unless it is deemed an urgent community issue by a supermajority vote of the City Council. Requests made to Council outside of the formal budget adjustment process will be analyzed and presented to the Council for approval at the next regular Council meeting that allows sufficient time for staff to prepare an analysis and recommendation.

ENTERPRISE FUND POLICIES

The City will establish enterprise funds for city services when 1) the intent of the City is that all costs of providing the service should be financed primarily through user charges; and/or 2) the City Council determines that it is appropriate to conduct a periodic review of net income for capital maintenance, accountability, or other public policy purposes.

- Enterprise funds will be established for city-operated utility services.
- Enterprise fund expenditures will be established at a level sufficient to properly maintain the fund's infrastructure and provide for necessary capital development.
- Each enterprise fund will maintain an adequate rate structure to cover the costs of all operations, including maintenance, depreciation, capital and debt service requirements, reserves (as established by fiscal policy or bond covenant), and any other cost deemed necessary.
- Rates may be offset from available fund cash after requirements are met for cash flow and scheduled reserve contributions.
- Enterprise fund services will establish and maintain reserves for general contingency and capital purposes consistent with those

maintained for general governmental services.

- Revenue bonds shall be issued only when projected operating revenues are insufficient for the enterprise's capital financing needs.
- The City will insure that net operating revenues of the enterprise constitute a minimum of 1.5 times the annual debt service requirements.
- The City will limit the maturities of all utility revenue bond issues to 25 years or less.

CASH MANAGEMENT AND INVESTMENT POLICIES

Careful financial control of the City's daily operations is an important part of Kirkland's overall fiscal management program. Achieving adequate cash management and investment control requires sound financial planning to ensure that sufficient revenues are available to meet the current expenditures of any one operating period. Once steps are taken to ensure that the City maintains a protected cash position in its daily operations, it is to the municipality's advantage to prudently invest idle funds until such time as they are required to make expenditures.

- The City's idle cash will be invested on a continuous basis in accordance with the City's adopted investment policies.
- The City will maintain a formal investment policy which is reviewed and endorsed by state and national professional organizations.
- The City will invest all funds (in excess of current requirements) based upon the following order of priority: 1) legality; 2) liquidity; 3) safety; and 4) yield.
- Investments with City funds shall not be made for purposes of speculation.
- The City is prohibited from investing in derivative financial instruments for the City's managed investment portfolio.
- Proper security measures will be taken to safeguard investments. The City's

designated banking institution will provide adequate collateral to insure City funds.

- The City's investment portfolio will be reviewed every two years by a qualified portfolio valuation service to assess the portfolio's degree of risk and compliance with the adopted investment policies.
- An analysis of the City's cash position will be prepared at regular intervals throughout the fiscal year.
- The City Council will be provided with quarterly reports on the City's investment strategy and performance.
- Sufficient cash shall be maintained to provide adequate funds for current operating expenditures.
- Where permitted, the City will pool its cash resources from various funds ("Treasurer's Cash") for investment purposes.
- Net investment income from Treasurer's Cash will be allocated in accordance with KMC 5.24.060 considering 1) average cash balance of the participating fund and 2) the minimum cash balance needs of each fund as determined by the Finance and Administration Director. Net investment income is the amount of annual investment proceeds after an allocation is made to any enterprise funds and Council-directed obligations are met for General Fund purposes.
- The City of Kirkland will select its official banking institution through a formal bidding process in order to provide the City with the most comprehensive, flexible, and cost-effective banking services available.

ACCOUNTING, FINANCIAL REPORTING AND AUDITING POLICIES

The City of Kirkland will establish and maintain a high standard of accounting practices. Accounting and budgetary systems will, at all times, conform to Generally Accepted Accounting Principles, the State of Washington Budgeting Accounting Reporting System (BARS) and local regulations.

- A comprehensive accounting system will be maintained to provide all financial information necessary to effectively operate the City.
- The City will meet the financial reporting standards set by the Governmental Accounting Standards Board.
- Full disclosure will be provided in all City financial reports and bond representations.
- An annual audit will be performed by the State Auditor's Office and include the issuance of a financial opinion.

RESERVE AND FUND BALANCE POLICIES

Adequate fund balance and reserve levels are a necessary component of the City's overall financial management strategy and a key factor in external agencies' measurement of the City's financial strength.

Maintenance of fund balance for each accounting fund assures adequate resources for cash flow and to mitigate short-term effects of revenue shortages.

City and state regulations have been established to allow the City of Kirkland to create and maintain specific reserve funds. Prudent use of reserve funds enables the City to defray future costs, take advantage of matching funds, and beneficial (but limited) opportunities. Reserve funds provide the City with the ability to exercise flexible financial planning in developing future capital projects. Reserve funds are necessary to enable the City to deal with unforeseen emergencies or changes in condition.

- The City will establish minimum fund balance targets for each fund based on the cash flow requirements of the fund. The City will include all fund balances in the biennial budget.
- The minimum fund balance will be attained and maintained through expenditure management, revenue management and/or contributions from the General Fund.
- All expenditures drawn from reserve accounts shall require prior Council approval

unless previously authorized by the City Council for expenditure in the biennial budget.

- A Contingency Reserve Fund shall be maintained in accordance with RCW 35A.33.145 to meet any municipal expense, the necessity or extent of which could not have been reasonably foreseen at the time of adopting the biennial budget. The target balance will be consistent with state law at \$.375 per \$1,000 of assessed valuation. Annual contributions to the Contingency Fund will be budgeted from interest income and General Fund resources.
- The City will maintain a General Operating Reserve at an amount equivalent to five percent of the tax-supported general government budgets (General Fund, Street Operating Fund and Parks Maintenance Fund) for the second year of the biennium. The General Operating Reserve is available to address unforeseen revenue shortfalls or expenditure needs that occur during the current biennium. Annual contributions will be budgeted from General Fund resources as available to attain and maintain an established reserve level.
- The City will maintain a Revenue Stabilization Reserve to address temporary revenue losses due to economic cycles or other time-limited causes. The Revenue Stabilization Reserve will be maintained at ten percent of selected General Fund revenue sources which, in the judgment of the Finance and Administration Director, are subject to volatility. The Revenue Stabilization Reserve may be used in its entirety; however, replenishing the reserve will constitute the first priority for use of year-end General Fund resources in excess of those needed to maintain the fund balance at the target level.
- The City will maintain a General Capital Contingency to address unforeseen project expenditures or external revenue shortfalls in an amount equivalent to ten percent of the funded six-year CIP, less proprietary fund

projects. Contributions will be made from General Fund resources as they are available.

- The City Manager may authorize the use of capital funding reserves up to an aggregate total of \$100,000 per year in increments not to exceed \$25,000. The City Manager will provide regular reports to the City Council at a regular Council meeting if this authorization is used. Capital funding reserves include: General Capital Contingency, Street Improvement Reserve, REET Reserves, Impact Fee Reserves, Water/Sewer Capital Contingency, Water/Sewer Construction Reserve, Surface Water Capital Contingency, and Surface Water Construction Reserve.
- The City will maintain a Capital Improvement Project Grant Match Reserve as a means of assuring the availability of cash resources to leverage external funding when the opportunity arises. The reserve will be maintained in the Real Estate Excise Tax Capital Reserve Fund and maintained through excise tax revenue received over and above the annual allocation to the Capital Improvement Plan.
- The City will maintain fully funded reserves for the replacement of vehicles and personal computers. Contributions will be made through assessments to the using funds and maintained on a per asset basis.
- Additional reserve accounts may be created by Council to account for monies for future known expenditures, special projects, or other specific purposes.
- All reserves will be presented in the biennial budget.

DEBT MANAGEMENT POLICIES

The amount of debt issued by the city is an important factor in measuring its financial performance and condition. Proper use and management of borrowing can yield significant advantages. From a policy perspective, the City of Kirkland uses debt in two ways: (1) as a mechanism to equalize the costs of

needed improvements to both present and future citizens; and (2) as a mechanism to reduce the immediate costs of substantial public improvements.

- City Council approval is required prior to the issuance of debt.
- An analytical review shall be conducted prior to the issuance of debt.
- The City will continually strive to maintain its bond rating by improving financial policies, budget forecasts and the financial health of the City so its borrowing costs are minimized and its access to credit is preserved.
- All debt issued by the City will include a written opinion by bond counsel affirming that the City is authorized to issue the proposed debt.
- The City of Kirkland will not use long-term debt to support current operations.
- Long-term borrowing will only be used for capital improvements that cannot be financed from current revenues.
- Non-capital furnishings, supplies, and personnel will not be financed from bond proceeds.
- Interest, operating and/or maintenance expenses will be capitalized only for enterprise activities; and will be strictly limited to those expenses incurred prior to actual operation of the facilities.
- The general obligation debt of Kirkland will not exceed an aggregated total of 7.5% of the assessed valuation of the taxable property within the City.
- The following individual percentages shall not be exceeded in any specific debt category:
 - General Debt – 2.5% of assessed valuation
 - Non-Voted – 1.5% Limited Tax General Obligation (LTGO) Bonds
 - Voted – 1.0% Unlimited Tax General Obligation Bonds

- Utility Debt – 2.5% of assessed valuation
- Open Space and Park Facilities – 2.5% of assessed valuation
- The City’s policy is to plan and direct the use of debt so that debt service payments will be a predictable and manageable part of the Operating Budget.
- Short-term borrowing will only be used to meet the immediate financing needs of a project for which long-term financing has been secured but not yet received.
- Assessment bonds will be considered in place of general obligation bonds, where possible, to assure the greatest degree of public equity.
- Limited Tax General Obligation (LTGO) bonds will be issued only if:
 - A project requires funding not available from alternative sources;
 - Matching fund monies are available which may be lost if not applied for in a timely manner; or
 - Emergency conditions exist.
- The issuance of bonds shall be financed for a period not to exceed a conservative estimate of the asset’s useful life.
- General Obligation bonds will be issued with maturities of 30 years or less unless otherwise approved by Council.
- The maturity of all assessment bonds shall not exceed statutory limitations. RCW 36.83.050.
- The City will use refunding bonds, where appropriate, when restructuring its current outstanding debt.

CAPITAL IMPROVEMENT POLICIES

Kirkland's city government is accountable for a considerable investment in buildings, parks, roads, sewers, equipment and other capital investments. The preservation, maintenance, and future

improvement of these facilities are a primary responsibility of the City. Planning and implementing sound capital improvement policies and programs today will help the City avoid emergencies and major costs in the future, therefore:

- The City will establish and implement a comprehensive multi-year Capital Improvement Program.
- The Capital Improvement Program will be prepared biennially concurrent with the development of the biennial budget. A mid-biennium review and update will take place during the first year of the biennium.
- The City Council will designate annual ongoing funding levels for each of the major project categories within the Capital Improvement Program.
- Financial analysis of funding sources will be conducted for all proposed capital improvement projects.
- A Capital Improvement Budget will be developed and adopted by the City Council as part of the biennial budget and will be amended during the mid-biennial budget review process (during the first year of the biennium) to reflect any changes in the updated Capital Improvement Program.
- The Capital Improvement Program will be consistent with the Capital Facilities Element of the Comprehensive Plan.
- The City Manager may authorize the reallocation of CIP project funds between CIP projects within a CIP category up to \$50,000 per instance. Funding may only be reallocated within a CIP category (i.e. between Transportation projects, or Parks projects, or Public Safety projects, etc.) when one project is over budget and, in the same period, a second project within the same CIP category has been completed and is closing out under budget. The City Manager will provide regular reports to the City Council at a regular Council meeting if this authorization is used.