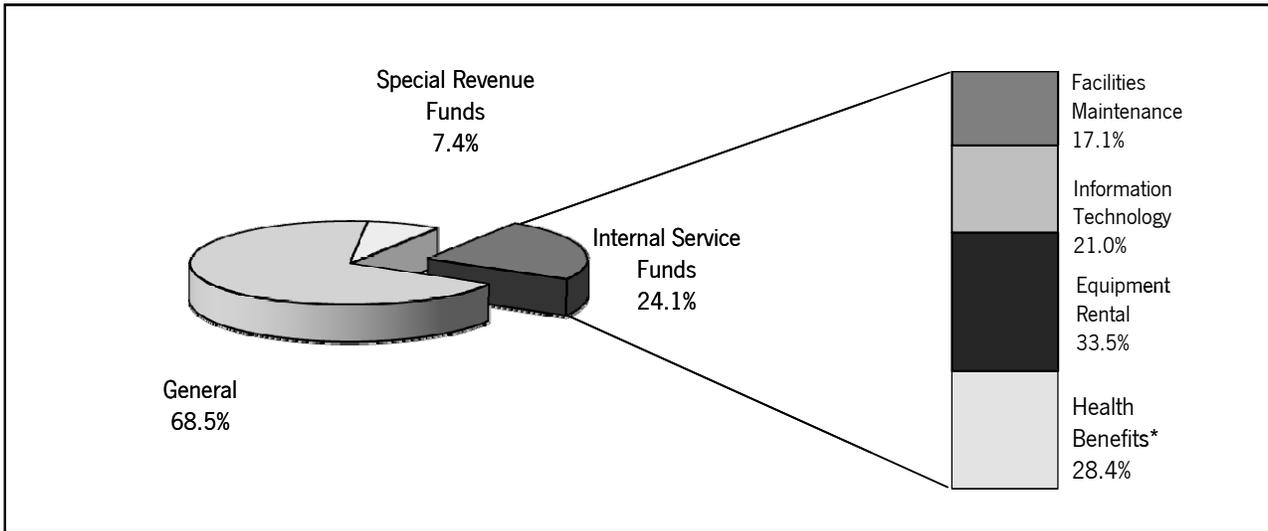


# CITY OF KIRKLAND GENERAL GOVERNMENT OPERATING 2011-2012 BUDGET SUMMARY: BY FUND TYPE/FUND



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

## Analysis of Change

Fund	2009-10 Budget	2011-12 Budget	Percent Change
<b>General Fund</b>			
010 General	121,338,605	158,468,558	30.60%
<b>Special Revenue Funds</b>			
112 Lodging Tax	798,648	495,989	-37.90%
117 Street Operating	9,705,917	13,867,939	42.88%
122 Cemetery Operating	210,362	733,281	248.58%
125 Parks Maintenance	2,227,124	2,133,563	-4.20%
126 Recreation Revolving <sup>1</sup>	2,897,797	-	-100.00%
<b>Total Special Revenue Funds</b>	<b>15,839,848</b>	<b>17,230,772</b>	<b>8.78%</b>
<b>Internal Service Funds</b>			
511 Health Benefits Fund <sup>2</sup>	-	15,735,691	N/A
521 Equipment Rental	13,667,679	18,540,173	35.65%
522 Information Technology	10,167,580	11,647,485	14.56%
527 Facilities Maintenance	9,373,036	9,887,410	5.49%
<b>Total Internal Service Funds</b>	<b>33,208,295</b>	<b>55,810,759</b>	<b>68.06%</b>
<b>Total General Government Operating Funds</b>	<b>170,386,748</b>	<b>231,510,089</b>	<b>35.87%</b>

<sup>1</sup> Fund activity moved to General Fund in 2011-12 as part of fund restructuring

<sup>2</sup> Fund created as of 2011 for Self-insurance of Health Benefits

**CITY OF KIRKLAND**  
**CHANGE IN FUND BALANCE (Beginning 2009 to Ending 2012)**  
**GENERAL GOVERNMENT OPERATING FUNDS**

	<b>General<sup>1</sup></b>	<b>Lodging Tax</b>	<b>Street Operating<sup>2</sup></b>	<b>Cemetery Operating</b>
<b>2009 Actual Beginning Fund Balance</b>	<b>5,907,718</b>	<b>273,708</b>	<b>1,958,420</b>	<b>102,162</b>
<i>Reserved</i>	<i>50,000</i>	<i>50,000</i>	<i>-</i>	<i>-</i>
<i>Unreserved Working Capital</i>	<i>5,857,718</i>	<i>122,835</i>	<i>1,958,420</i>	<i>102,162</i>
Plus: 2009-10 Estimated Revenues	115,274,401	380,269	7,692,254	130,221
Plus: 2009-10 Fund Structure Transfers	8,517,090	-	1,226,470	437,338
Less: 2009-10 Estimated Expenditures	118,074,603	537,428	7,926,516	60,240
<b>2009-10 Estimated Ending Fund Balance</b>	<b>11,624,606</b>	<b>116,549</b>	<b>2,950,628</b>	<b>609,481</b>
Less: Funding for Carryovers to 2011	500,000	-	33,878	-
Less: Funding for 2011-12 Service Packages	976,484	-	-	-
<b>2011 Budgeted Beginning Fund Balance</b>	<b>10,148,122</b>	<b>116,549</b>	<b>2,916,750</b>	<b>609,481</b>
Plus: 2011-12 Budgeted Revenues	147,343,952	379,440	10,951,189	123,800
Less: 2011-12 Budgeted Expenditures	145,709,410	383,194	11,431,129	140,888
<b>2012 Budgeted Ending Fund Balance</b>	<b>12,759,148</b>	<b>112,795</b>	<b>2,436,810</b>	<b>592,393</b>
<i>Reserved</i>	<i>11,909,148</i>	<i>50,000</i>	<i>1,686,810</i>	<i>-</i>
<i>Unreserved Working Capital</i>	<i>850,000</i>	<i>62,795</i>	<i>750,000</i>	<i>592,393</i>
<b>Change in Fund Balance: Beginning 2009 to Ending 2012</b>	<b>6,851,430</b>	<b>(160,913)</b>	<b>478,390</b>	<b>490,231</b>

**Notes:**

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

<sup>1</sup> Prior to the 2011-12 biennium, the only reserve included in the City's General Fund was an operating reserve, which was used for unplanned expenditures. Because of an accounting standard change, several general reserves that were previously budgeted in separate funds are now included in the General Fund. The City's Fiscal Policies include conservative budgeting practices that provide the ability at year-end to replenish or build reserves toward targeted levels. The significant increase in fund balance is largely due to the accounting change, but also reflects the change in carryovers, and one-time funded service packages (i.e. projects) for 2011-2012.

<b>Parks Maintenance<sup>3</sup></b>	<b>Recreation Revolving</b>	<b>Equipment Rental<sup>4</sup></b>	<b>Information Technology<sup>4</sup></b>	<b>Facilities Maintenance<sup>4</sup></b>	<b>Total</b>
<b>548,861</b>	<b>72,311</b>	<b>7,057,829</b>	<b>2,884,893</b>	<b>3,452,190</b>	<b>22,258,092</b>
<i>105,045</i>	-	<i>6,750,994</i>	<i>1,157,904</i>	<i>1,854,082</i>	<i>9,968,025</i>
<i>443,816</i>	<i>72,311</i>	<i>306,835</i>	<i>1,726,989</i>	<i>1,598,108</i>	<i>12,189,194</i>
1,694,545	2,890,183	6,763,955	7,561,045	5,946,752	<b>148,333,625</b>
-	(396,188)	-	-	-	<b>9,784,710</b>
1,801,881	2,566,306	5,099,919	8,006,371	5,491,305	<b>149,564,569</b>
<b>441,525</b>	-	<b>8,721,865</b>	<b>2,439,567</b>	<b>3,907,637</b>	<b>30,811,858</b>
-	-	142,014	-	343,624	<b>1,019,516</b>
-	-	-	232,106	14,000	<b>1,222,590</b>
<b>441,525</b>	-	<b>8,579,851</b>	<b>2,207,461</b>	<b>3,550,013</b>	<b>28,569,752</b>
1,692,038	-	9,960,322	9,207,918	6,323,397	<b>185,982,056</b>
1,913,560	-	9,136,107	10,389,790	4,952,035	<b>184,056,113</b>
<b>220,003</b>	-	<b>9,404,066</b>	<b>1,257,695</b>	<b>4,935,375</b>	<b>31,718,285</b>
<i>96,644</i>	-	<i>7,605,470</i>	<i>775,102</i>	<i>3,001,704</i>	<i>25,124,878</i>
<i>123,359</i>	-	<i>1,798,596</i>	<i>482,593</i>	<i>1,933,671</i>	<i>6,593,407</i>
<b>(328,858)</b>	<b>N/A</b>	<b>2,346,237</b>	<b>(1,627,198)</b>	<b>1,483,185</b>	<b>9,532,504</b>

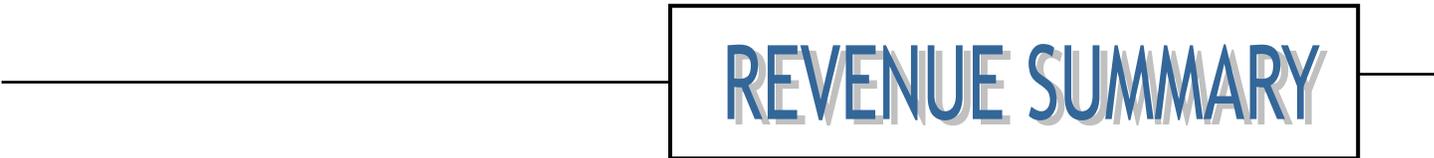
**Notes:**

<sup>2</sup> The increase in the Street Operating Fund reflects the accounting change which moved the Street Improvement reserve (for capital projects) and the Off-Street Parking reserve into this fund. However, the increase from the accounting change was offset by the use of unreserved working capital (i.e. cash) as part of a strategy to balance the 2011-12 budget.

<sup>3</sup> The Parks Maintenance Fund experienced a significant decline in fund balance due to a structural imbalance caused by the fact that property tax revenues in the funds grow slower than the rate of cost growth.

<sup>4</sup> In the Facilities Maintenance, Equipment Rental, and Information Technology Funds, reserved fund balance primarily represents cash earmarked for facilities renovations, vehicle replacements, and computer replacements respectively. Increases in fund balance reflect the accumulation of capital reserves. Decreases in fund balance reflect the use of unobligated cash to fund one-time projects and/or the use of capital reserves for facilities renovations, to purchase vehicle replacements, or to purchase computer replacements. The significant decrease in Information Technology is due to the planned use of most of the major systems reserve as well as the use of this fund's cash balance to fund technology capital projects due to a shortfall in interest income, which normally funds these projects.

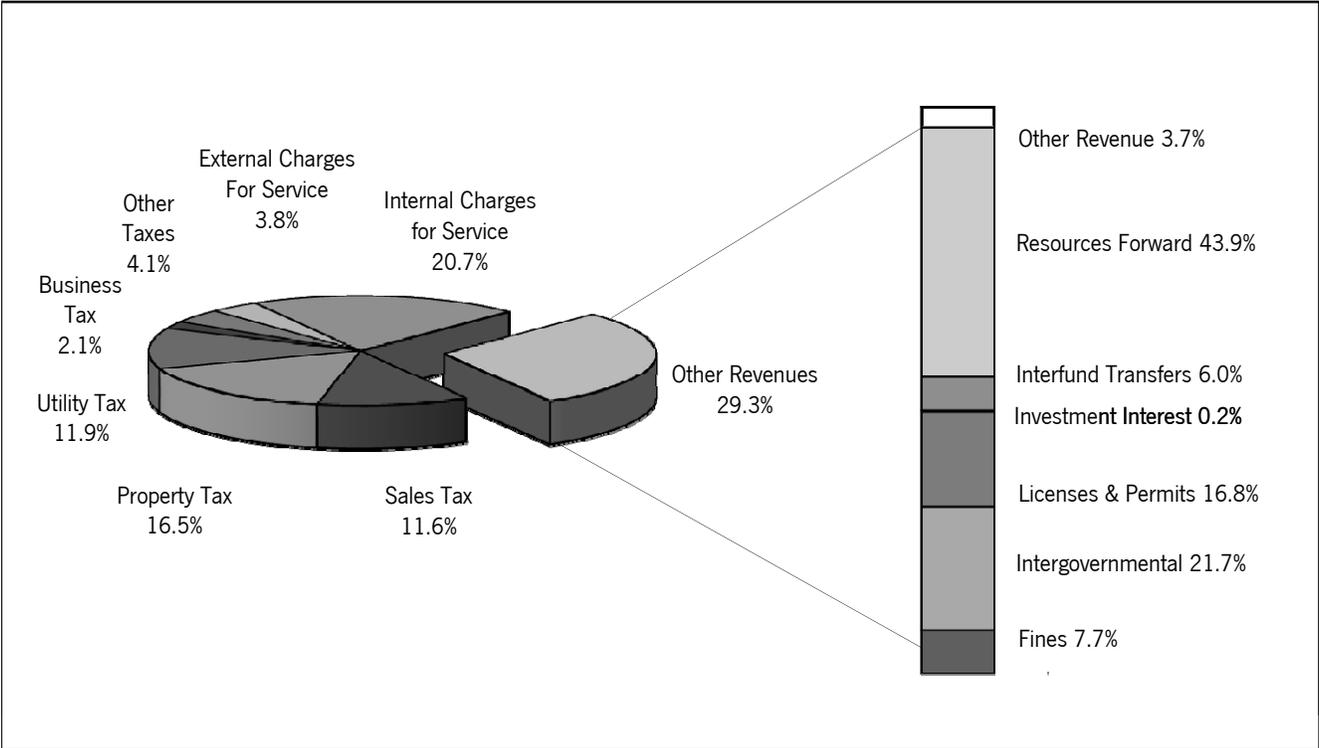




## REVENUE SUMMARY



**CITY OF KIRKLAND  
 GENERAL GOVERNMENT OPERATING  
 2011-2012 REVENUE SUMMARY  
 \$231,510,089**



Taxes comprise over 46% of all General Government Operating revenues, with other revenues being the single largest revenue category. They are a general purpose revenue source which are used to support basic government services such as public safety, street maintenance, and park maintenance. Internal charges for service reflect payments from one operating fund to another primarily for information technology, fleet, general administration, facilities maintenance, engineering, and billing services provided "in-house." Resources forward represents the collective beginning fund balance for all General Government Operating Funds, and is composed primarily of capital reserves, operating reserves, and unreserved working capital. In addition, resources forward is used to fund one-time service packages.



**CITY OF KIRKLAND  
GENERAL GOVERNMENT OPERATING  
2011-2012 REVENUE SUMMARY: BY REVENUE TYPE**

<b>Revenue Sources</b>	<b>2007-08 Actual</b>	<b>2009-10 Estimate</b>	<b>2009-10 Budget</b>	<b>2011-12 Budget</b>	<b>Percent Change</b>
<b><i>Taxes:</i></b>					
Property Tax	25,259,893	26,909,309	26,747,292	38,237,263	42.96%
<b>Sales Tax:</b>					
General	30,017,654	24,241,129	23,028,730	27,397,909	18.97%
Annexation Sales Tax Credit	0	0	0	4,539,657	N/A
Criminal Justice	2,298,592	1,900,704	2,236,140	2,718,109	21.55%
<b>Utility Taxes:</b>					
Electric	5,037,060	5,386,104	5,534,298	7,303,604	31.97%
Gas	2,262,324	2,042,981	2,076,882	2,365,263	13.89%
Television Cable	2,014,868	1,797,252	1,923,307	2,314,257	20.33%
Telephone	6,123,075	5,885,533	5,902,968	7,817,512	32.43%
Garbage	1,201,686	1,830,034	1,799,349	2,338,062	29.94%
Sewer	1,227,644	1,855,055	1,915,088	2,155,954	12.58%
Water	1,187,598	1,653,974	1,681,473	2,250,949	33.87%
Surface Water	733,910	750,032	736,837	1,056,312	43.36%
Admissions Tax	0	220,549	253,904	216,000	-14.93%
Revenue Generating Regulatory License	2,245,627	3,929,386	5,167,388	4,855,010	-6.05%
Hotel/Motel Tax	452,363	363,757	500,000	375,550	-24.89%
Gambling & Other Taxes	1,109,362	702,995	804,004	1,101,738	37.03%
<b>Total Taxes</b>	<b>81,171,656</b>	<b>79,468,794</b>	<b>80,307,660</b>	<b>107,043,149</b>	<b>33.29%</b>
<b><i>Licenses and Permits:</i></b>					
Building/Structural	3,435,765	2,513,382	3,082,590	4,172,217	35.35%
Franchise Fees	2,138,258	2,498,995	2,506,137	5,864,025	133.99%
Business & Other Licenses	1,289,364	1,329,367	1,238,567	1,371,140	10.70%
<b>Total Licenses and Permits</b>	<b>6,863,387</b>	<b>6,341,744</b>	<b>6,827,294</b>	<b>11,407,382</b>	<b>67.08%</b>
<b><i>Intergovernmental:</i></b>					
Emergency Medical Services	1,305,275	1,704,628	1,703,169	1,733,458	1.78%
Fire District Revenue	6,624,188	7,544,214	7,448,315	5,110,639	-31.39%
Gas Tax	1,203,274	1,061,296	1,201,368	2,707,841	125.40%
Liquor Taxes	1,114,547	1,228,876	1,206,910	1,818,436	50.67%
Grants & Other Intergovernmental	1,995,290	2,753,915	2,854,372	3,338,549	16.96%
<b>Total Intergovernmental</b>	<b>12,242,574</b>	<b>14,292,929</b>	<b>14,414,134</b>	<b>14,708,923</b>	<b>2.05%</b>
<b><i>Charges for Services:</i></b>					
Planning Fees	1,296,584	748,491	492,577	958,840	94.66%
Plan Check Fees	1,888,148	981,808	928,252	1,930,263	107.95%
Engineering Development Fees	1,147,898	596,245	582,134	923,530	58.65%
Recreation Charges	1,934,457	2,236,697	2,156,866	2,432,412	12.78%
Internal Charges	23,733,616	28,578,829	28,159,542	47,831,005	69.86%
Other Charges	2,282,393	2,095,981	1,707,561	2,616,040	53.20%
<b>Total Charges for Services</b>	<b>32,283,096</b>	<b>35,238,051</b>	<b>34,026,932</b>	<b>56,692,090</b>	<b>66.61%</b>
<b>Fines and Forfeits</b>	<b>2,774,975</b>	<b>3,136,424</b>	<b>2,946,863</b>	<b>5,216,659</b>	<b>77.02%</b>
<b>Miscellaneous</b>	<b>4,351,044</b>	<b>2,716,201</b>	<b>3,094,973</b>	<b>2,605,625</b>	<b>-15.81%</b>
<b>Interfund Transfers</b>	<b>3,312,512</b>	<b>7,177,420</b>	<b>6,510,800</b>	<b>4,057,919</b>	<b>-37.67%</b>
<b>Resources Forward</b>	<b>0</b>	<b>0</b>	<b>22,258,092</b>	<b>29,778,342</b>	<b>33.79%</b>
<b>General Government Operating Total</b>	<b>142,999,244</b>	<b>148,371,563</b>	<b>170,386,748</b>	<b>231,510,089</b>	<b>35.87%</b>

**CITY OF KIRKLAND**  
**GENERAL GOVERNMENT OPERATING**  
**2011-2012 REVENUE SUMMARY: BY REVENUE TYPE ACROSS FUNDS**

<b>Revenue Sources</b>	<b>General Fund</b>	<b>Lodging Tax Fund</b>	<b>Street Operating Fund</b>	<b>Cemetery Operating Fund</b>
<b><i>Taxes:</i></b>				
Property Tax	29,377,729	-	7,181,896	-
Sales Tax:				
General	26,857,909	-	540,000	-
Annexation Sales Tax Credit	4,539,657	-	-	-
Criminal Justice	2,718,109	-	-	-
Utility Taxes:				
Electric	7,303,604	-	-	-
Gas	2,365,263	-	-	-
Television Cable	2,314,257	-	-	-
Telephone	7,817,512	-	-	-
Garbage	2,338,062	-	-	-
Sewer	2,155,954	-	-	-
Water	2,250,949	-	-	-
Surface Water	1,056,312	-	-	-
Admissions Tax	216,000	-	-	-
Revenue Generating Regulatory License	4,855,010	-	-	-
Hotel/Motel Tax	-	375,550	-	-
Gambling & Other Taxes	1,101,738	-	-	-
<b>Total Taxes</b>	<b>97,268,065</b>	<b>375,550</b>	<b>7,721,896</b>	<b>-</b>
<b><i>Licenses and Permits:</i></b>				
Building/Structural	4,172,217	-	-	-
Franchise Fees	5,864,025	-	-	-
Business & Other Licenses	1,371,140	-	-	-
<b>Total Licenses and Permits</b>	<b>11,407,382</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><i>Intergovernmental:</i></b>				
Emergency Medical Services	1,733,458	-	-	-
Fire District Revenue	5,110,639	-	-	-
Gas Tax	0	-	2,707,841	-
Liquor Taxes	1,818,436	-	-	-
Grants & Other Intergovernmental	3,158,454	-	-	-
<b>Total Intergovernmental</b>	<b>11,820,987</b>	<b>-</b>	<b>2,707,841</b>	<b>-</b>
<b><i>Charges for Services:</i></b>				
Planning Fees	958,840	-	-	-
Plan Check Fees	1,930,263	-	-	-
Engineering Development Fees	923,530	-	-	-
Recreation Charges	2,432,412	-	-	-
Internal Charges	11,503,650	-	10,000	-
Other Charges	2,481,788	-	63,452	66,000
<b>Total Charges for Services</b>	<b>20,230,483</b>	<b>-</b>	<b>73,452</b>	<b>66,000</b>
<b><i>Fines and Forfeits</i></b>	<b>5,216,659</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><i>Miscellaneous</i></b>	<b>1,224,882</b>	<b>3,890</b>	<b>448,000</b>	<b>57,800</b>
<b><i>Interfund Transfers</i></b>	<b>175,494</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><i>Resources Forward</i></b>	<b>11,124,606</b>	<b>116,549</b>	<b>2,916,750</b>	<b>609,481</b>
<b>Fund Total</b>	<b>158,468,558</b>	<b>495,989</b>	<b>13,867,939</b>	<b>733,281</b>

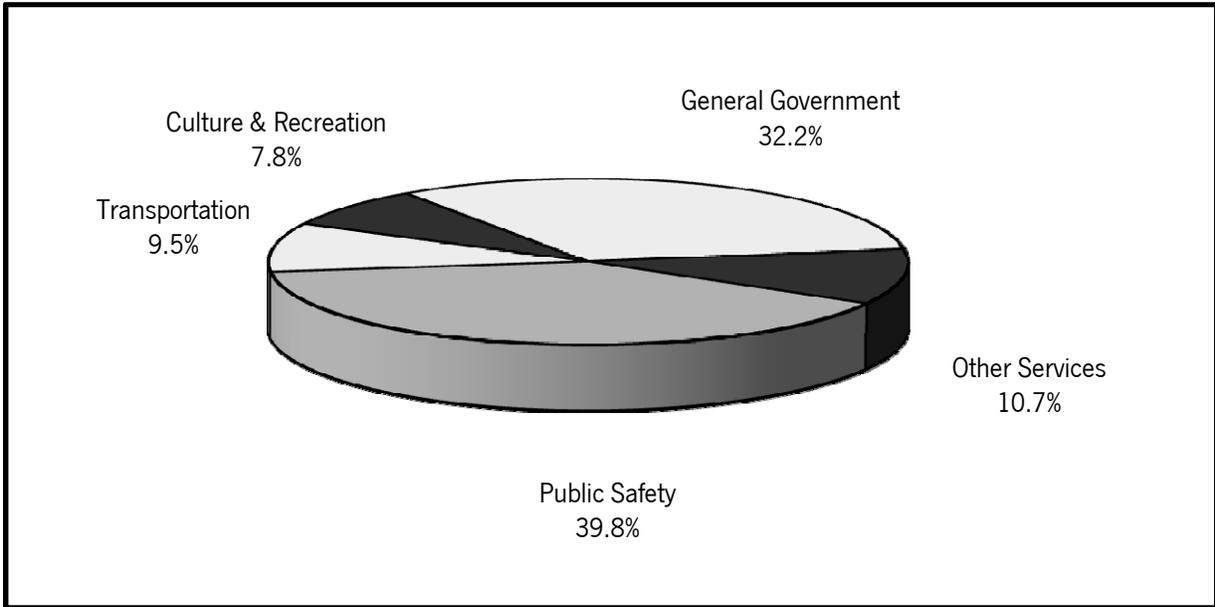
<b>Parks Maintenance Fund</b>	<b>Health Benefits Fund</b>	<b>Equipment Rental Fund</b>	<b>Information Technology Fund</b>	<b>Facilities Maintenance Fund</b>	<b>Revenue Total</b>
1,677,638	-	-	-	-	<b>38,237,263</b>
-	-	-	-	-	<b>27,397,909</b>
-	-	-	-	-	<b>4,539,657</b>
-	-	-	-	-	<b>2,718,109</b>
-	-	-	-	-	<b>7,303,604</b>
-	-	-	-	-	<b>2,365,263</b>
-	-	-	-	-	<b>2,314,257</b>
-	-	-	-	-	<b>7,817,512</b>
-	-	-	-	-	<b>2,338,062</b>
-	-	-	-	-	<b>2,155,954</b>
-	-	-	-	-	<b>2,250,949</b>
-	-	-	-	-	<b>1,056,312</b>
-	-	-	-	-	<b>216,000</b>
-	-	-	-	-	<b>4,855,010</b>
-	-	-	-	-	<b>375,550</b>
-	-	-	-	-	<b>1,101,738</b>
<b>1,677,638</b>	-	-	-	-	<b>107,043,149</b>
-	-	-	-	-	<b>4,172,217</b>
-	-	-	-	-	<b>5,864,025</b>
-	-	-	-	-	<b>1,371,140</b>
-	-	-	-	-	<b>11,407,382</b>
-	-	-	-	-	<b>1,733,458</b>
-	-	-	-	-	<b>5,110,639</b>
-	-	-	-	-	<b>2,707,841</b>
-	-	-	-	-	<b>1,818,436</b>
-	-	-	180,095	-	<b>3,338,549</b>
-	-	-	<b>180,095</b>	-	<b>14,708,923</b>
-	-	-	-	-	<b>958,840</b>
-	-	-	-	-	<b>1,930,263</b>
-	-	-	-	-	<b>923,530</b>
-	-	-	-	-	<b>2,432,412</b>
-	15,735,691	6,678,542	8,057,885	5,845,237	<b>47,831,005</b>
-	-	-	-	4,800	<b>2,616,040</b>
-	<b>15,735,691</b>	<b>6,678,542</b>	<b>8,057,885</b>	<b>5,850,037</b>	<b>56,692,090</b>
-	-	-	-	-	<b>5,216,659</b>
<b>14,400</b>	-	<b>394,293</b>	-	<b>462,360</b>	<b>2,605,625</b>
-	-	<b>2,887,487</b>	<b>969,938</b>	<b>25,000</b>	<b>4,057,919</b>
<b>441,525</b>	-	<b>8,579,851</b>	<b>2,439,567</b>	<b>3,550,013</b>	<b>29,778,342</b>
<b>2,133,563</b>	<b>15,735,691</b>	<b>18,540,173</b>	<b>11,647,485</b>	<b>9,887,410</b>	<b>231,510,089</b>



# EXPENDITURE SUMMARY



**CITY OF KIRKLAND  
GENERAL GOVERNMENT OPERATING  
2011-2012 EXPENDITURE SUMMARY: BY PROGRAM**



The General Government Operating Funds account for over 63 percent of the City's total budget. The largest program area is Public Safety comprising police, fire, building inspection, and municipal court services. General Government represents the next largest program area, which includes legislative, executive, legal, administrative, financial, community planning, technology, and fleet services.

Due to a variety of factors impacting 2009-2010 and 2011-2012, detailed historical comparisons between the biennial budgets are of limited use. The key factors include:

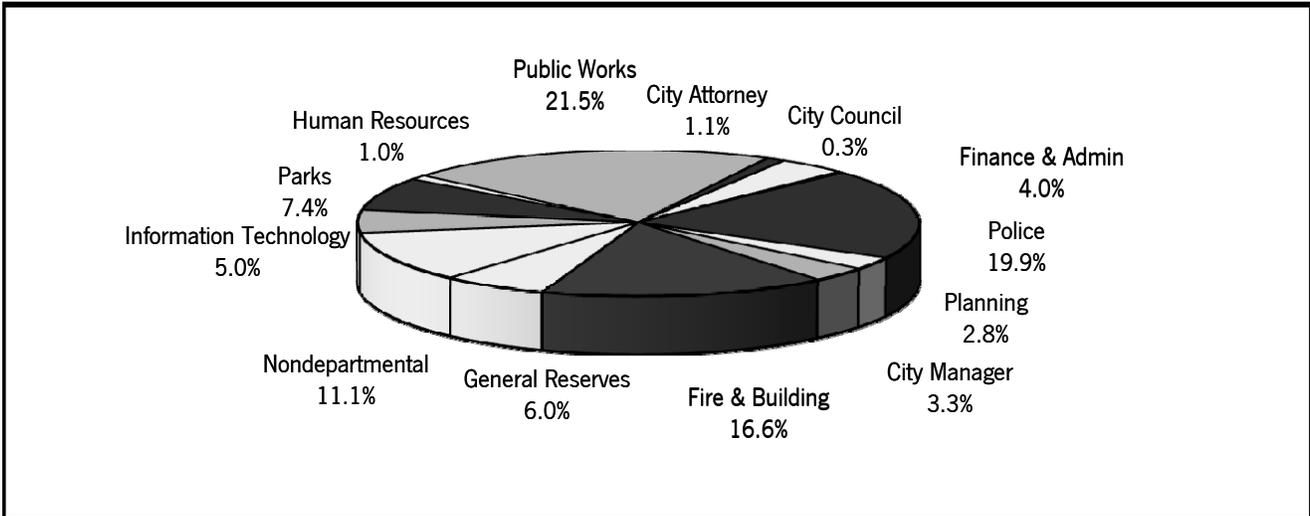
- In response to the recession, the City used a combination of expenditure reductions, revenue enhancements, and the use of reserves to balance the budget in 2009-2010. Further reductions are recommended in 2011-2012 to balance the budget without the use of one-time resources (one-time cash or reserves).
- The annexation of Finn Hill, Juanita, and Kingsgate neighborhoods, effective June 1, 2011, results in substantial growth in revenues and expenses associated with providing services in the area.
- Changes in accounting regulations necessitated changes in the City's fund structure that resulted in the elimination of seven funds, which increases the size of the General Fund budget (primarily due to bringing reserves back into the fund rather than accounting for them in a separate fund).

**Analysis of Change**

Program	2007-08 Actual*	2009-10 Budget	2011-12 Budget	Percent Change
Public Safety	65,327,277	73,579,491	91,786,488	24.74%
Transportation	15,667,414	17,633,289	22,099,673	25.33%
Culture & Recreation	15,445,251	20,269,807	18,111,205	-10.65%
General Government	40,500,178	53,811,804	74,648,089	38.72%
Other Services	2,844,244	5,092,357	24,864,634	388.27%
<b>Program Total</b>	<b>139,784,364</b>	<b>170,386,748</b>	<b>231,510,089</b>	<b>35.87%</b>

\*2007-08 actual does not include reserves

**CITY OF KIRKLAND  
GENERAL GOVERNMENT OPERATING  
2011-2012 EXPENDITURE SUMMARY: BY DEPARTMENT**



The largest department in the General Government Operating Funds is Public Works, consisting of engineering, transportation, facilities maintenance, and fleet management services. Public safety services, Fire & Building and Police, are the next two largest departments.

Due to a variety of factors impacting 2009-2010 and 2011-2012, detailed historical comparisons between the biennial budgets are of limited use. The key factors include:

- In response to the recession, the City used a combination of expenditure reductions, revenue enhancements, and the use of reserves to balance the budget in 2009-2010. Further reductions are included in 2011-2012 to balance the budget without the use of one-time resources (one-time cash or reserves).
- The annexation of Finn Hill, Juanita, and Kingsgate neighborhoods, effective June 1, 2011, results in substantial growth in revenues and expenses associated with providing services in the area.
- Changes in accounting regulations necessitated changes in the City's fund structure that resulted in the elimination of seven funds, which increases the size of the General Fund budget (primarily due to bringing reserves back into the fund rather than accounting for them in a separate fund).

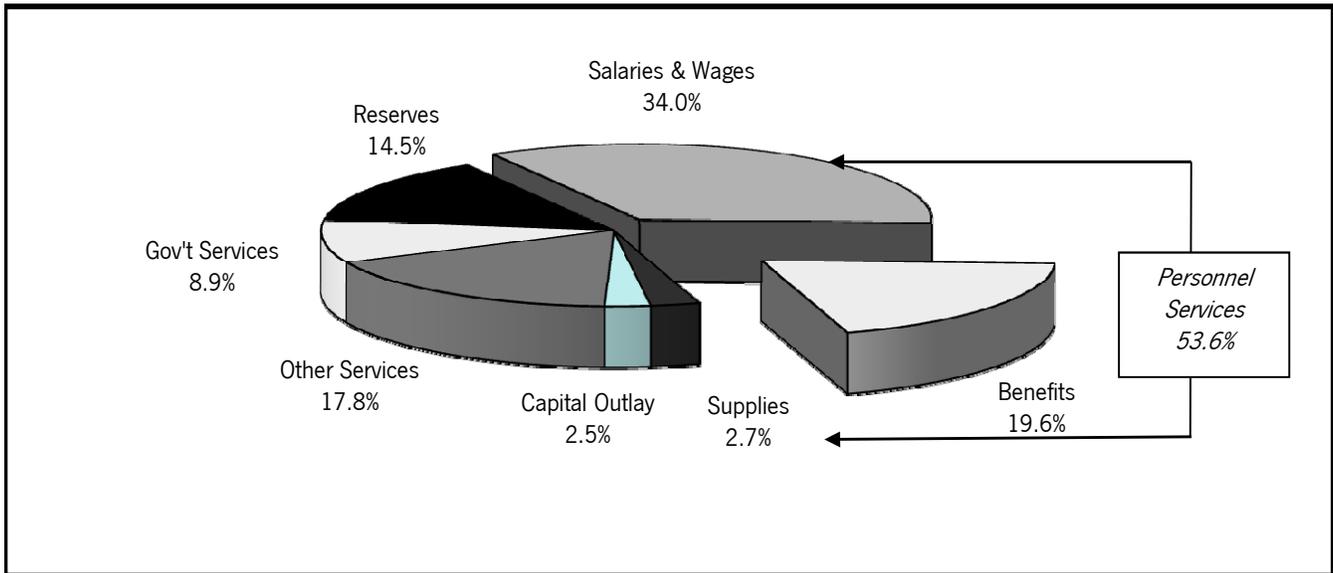
**Analysis of Change**

Department	2007-08 Actual <sup>1</sup>	2009-10 Budget	2011-12 Budget	Percent Change
General Government Reserves <sup>2</sup>	-	-	14,099,073	100.00%
Nondepartmental	4,810,114	7,460,370	25,646,375	243.77%
City Council	637,478	706,305	758,038	7.32%
City Manager	6,610,778	6,550,492	7,633,976	16.54%
Human Resources	1,992,921	2,206,692	2,419,957	9.66%
City Attorney	1,826,736	1,977,911	2,508,034	26.80%
Parks & Community Services	15,128,704	19,510,242	17,050,807	-12.61%
Public Works	26,632,064	39,855,679	49,717,446	24.74%
Finance & Administration	6,530,476	7,586,245	9,186,962	21.10%
Planning & Community Development	6,530,170	5,566,259	6,461,613	16.09%
Police	28,569,758	33,746,801	46,036,987	36.42%
Fire & Building	32,645,336	35,052,172	38,343,336	9.39%
Information Technology	7,869,829	10,167,580	11,647,485	14.56%
<b>Department Total</b>	<b>139,784,364</b>	<b>170,386,748</b>	<b>231,510,089</b>	<b>35.87%</b>

<sup>1</sup> \*2007-08 actual does not include reserves

<sup>2</sup> Reserves budgeted in Nondepartmental prior to 2011

# CITY OF KIRKLAND GENERAL GOVERNMENT OPERATING 2011-2012 EXPENDITURE SUMMARY: BY CATEGORY



The largest category of expense in the General Government Operating Funds is Personnel Services (including Salaries & Wages and Benefits), 42 percent is for public safety personnel. Other Services & Charges is the next largest category and includes mostly contracted direct services (such as jail and human services), contracted support services (such as consulting, printing, and repairs/maintenance services), and internal charges from one City fund to another (for information technology, fleet, facilities, and other internal services).

Due to a variety of factors impacting 2009-2010 and 2011-2012, detailed historical comparisons between the biennial budgets are of limited use. The key factors include:

- In response to the recession, the City used a combination of expenditure reductions, revenue enhancements, and the use of reserves to balance the budget in 2009-2010. Further reductions are included in 2011-2012 to balance the budget without the use of one-time resources (one-time cash or reserves).
- The annexation of Finn Hill, Juanita, and Kingsgate neighborhoods, effective June 1, 2011, results in substantial growth in revenues and expenses associated with providing services in the area.
- Changes in accounting regulations necessitated changes in the City's fund structure that resulted in the elimination of seven funds, which increases the size of the General Fund budget (primarily due to bringing reserves back into the fund rather than accounting for them in a separate fund).

## Analysis of Change

Category	2007-08 Actual*	2009-10 Budget	2011-12 Budget	Percent Change
Salaries & Wages	67,679,482	71,019,200	78,669,459	10.77%
Benefits	22,299,866	25,598,810	45,318,336	77.03%
Supplies	5,016,557	4,706,987	6,267,156	33.15%
Other Services & Charges	33,636,946	35,824,437	41,236,118	15.11%
Intergovernmental/Interfund Services	8,709,595	14,063,668	20,594,415	46.44%
Capital Outlay	2,441,918	2,401,793	5,744,395	139.17%
Reserves	-	16,771,853	33,680,210	100.81%
<b>Category Total</b>	<b>139,784,364</b>	<b>170,386,748</b>	<b>231,510,089</b>	<b>35.87%</b>

\*2007-08 actual does not include reserves

**CITY OF KIRKLAND  
GENERAL GOVERNMENT OPERATING  
2011-2012 EXPENDITURE SUMMARY: ACROSS FUNDS**

***By Program***

<b>Program</b>	<b>General Fund</b>	<b>Lodging Tax Fund</b>	<b>Street Operating Fund</b>	<b>Cemetery Operating Fund</b>
Public Safety	91,786,488	-	-	-
Transportation	8,231,734	-	13,867,939	-
Culture & Recreation	15,481,653	-	-	-
General Government	34,573,021	-	-	-
Other Services	8,395,662	495,989	-	733,281
<b>Fund Total</b>	<b>158,468,558</b>	<b>495,989</b>	<b>13,867,939</b>	<b>733,281</b>

***By Department***

<b>Department</b>	<b>General Fund</b>	<b>Lodging Tax Fund</b>	<b>Street Operating Fund</b>	<b>Cemetery Operating Fund</b>
General Government Reserves	14,099,073	-	-	-
Nondepartmental	9,414,695	495,989	-	-
City Council	758,038	-	-	-
City Manager	7,633,976	-	-	-
Human Resources	2,419,957	-	-	-
City Attorney	2,508,034	-	-	-
Parks & Community Services	14,874,118	-	-	43,126
Public Works	7,421,924	-	13,867,939	-
Finance & Administration	8,496,807	-	-	690,155
Planning & Community Development	6,461,613	-	-	-
Police	46,036,987	-	-	-
Fire & Building	38,343,336	-	-	-
Information Technology	-	-	-	-
<b>Fund Total</b>	<b>158,468,558</b>	<b>495,989</b>	<b>13,867,939</b>	<b>733,281</b>

***By Category***

<b>Category</b>	<b>General Fund</b>	<b>Lodging Tax Fund</b>	<b>Street Operating Fund</b>	<b>Cemetery Operating Fund</b>
Salaries & Wages	69,654,419	108,500	2,335,679	-
Benefits	28,413,028	40,695	1,164,726	-
Supplies	2,363,547	1,100	1,183,561	33,000
Other Services & Charges	27,011,132	230,899	4,400,706	32,953
Intergovernmental/Interfund Services	16,640,586	-	2,273,033	58,935
Capital Outlay	286,773	-	42,424	16,000
Reserves	14,099,073	114,795	2,467,810	592,393
<b>Fund Total</b>	<b>158,468,558</b>	<b>495,989</b>	<b>13,867,939</b>	<b>733,281</b>

<b>Parks Maintenance Fund</b>	<b>Health Benefits Fund</b>	<b>Equipment Rental Fund</b>	<b>Information Technology Fund</b>	<b>Facilities Maintenance Fund</b>	<b>Program Total</b>
-	-	-	-	-	<b>91,786,488</b>
-	-	-	-	-	<b>22,099,673</b>
2,133,563	-	-	-	-	<b>17,615,216</b>
-	-	18,540,173	11,647,485	9,887,410	<b>74,648,089</b>
-	15,735,691	-	-	-	<b>25,360,623</b>
<b>2,133,563</b>	<b>15,735,691</b>	<b>18,540,173</b>	<b>11,647,485</b>	<b>9,887,410</b>	<b>231,510,089</b>

<b>Parks Maintenance Fund</b>	<b>Health Benefits Fund</b>	<b>Equipment Rental Fund</b>	<b>Information Technology Fund</b>	<b>Facilities Maintenance Fund</b>	<b>Department Total</b>
-	15,735,691	-	-	-	<b>14,099,073</b>
-	-	-	-	-	<b>25,646,375</b>
-	-	-	-	-	<b>758,038</b>
-	-	-	-	-	<b>7,633,976</b>
-	-	-	-	-	<b>2,419,957</b>
-	-	-	-	-	<b>2,508,034</b>
2,133,563	-	-	-	-	<b>17,050,807</b>
-	-	18,540,173	-	9,887,410	<b>49,717,446</b>
-	-	-	-	-	<b>9,186,962</b>
-	-	-	-	-	<b>6,461,613</b>
-	-	-	-	-	<b>46,036,987</b>
-	-	-	-	-	<b>38,343,336</b>
-	-	-	11,647,485	-	<b>11,647,485</b>
<b>2,133,563</b>	<b>15,735,691</b>	<b>18,540,173</b>	<b>11,647,485</b>	<b>9,887,410</b>	<b>231,510,089</b>

<b>Parks Maintenance Fund</b>	<b>Health Benefits Fund</b>	<b>Equipment Rental Fund</b>	<b>Information Technology Fund</b>	<b>Facilities Maintenance Fund</b>	<b>Category Total</b>
822,807	-	968,372	3,942,010	837,672	<b>78,669,459</b>
434,710	12,857,934	440,908	1,563,014	403,321	<b>45,318,336</b>
87,560	-	1,274,592	1,053,471	270,325	<b>6,267,156</b>
554,783	2,377,757	821,526	2,734,995	3,071,367	<b>41,236,118</b>
1,700	-	217,511	1,046,300	356,350	<b>20,594,415</b>
-	-	5,399,198	-	-	<b>5,744,395</b>
232,003	500,000	9,418,066	1,307,695	4,948,375	<b>33,680,210</b>
<b>2,133,563</b>	<b>15,735,691</b>	<b>18,540,173</b>	<b>11,647,485</b>	<b>9,887,410</b>	<b>231,510,089</b>



2011-2012 BUDGET ANALYSIS

**GENERAL GOVERNMENT OPERATING FUNDS**

**ANALYSIS OF CHANGES**

<b>2009-10 Approved Budget (Including Carryovers &amp; Furlough Concessions)</b>		<b>170,386,748</b>	
One-Time Adjustments, Carryovers and Reserves	(20,554,227)		
Restore 2010 3.4% Wage Reductions and Related Reductions	1,353,851		
Total One-time Adjustments and Carryovers		(19,200,376)	
<i>Percent Change Due to One-time Adjustments and Carryovers</i>			-11.27%
Less Annexation Service Packages Approved in 2010 (see below)	(1,889,751)		
Reserves Used for Annexation Service Packages Approved in 2010	1,239,751		
Total Annexation Service Packages Approved in 2010		(650,000)	
<i>Percent Change Due to Annexation Service Packages</i>			-0.38%
<b>2009-10 Ongoing Budget</b>		<b>150,536,372</b>	
<b>2011-12 Basic Budget Changes:</b>			
Salaries & Wages	68,781		
Employee Benefits	16,178,391		
Fleet - Internal Services Rate	264,151		
IT - Internal Services Rate	220,431		
Facilities - Internal Services Rate	(510,412)		
Central Service Charges	34,330		
Antique Mall Parking	163,000		
Public Safety Building Operating Costs	132,584		
Vehicle Replacement	661,947		
Major Systems Replacement Reserve	(441,500)		
Interfund/Lifecycle Projects	(1,044,048)		
General Fund Specific Program Related Changes	2,393,508		
General Fund Reserves	634,524		
Net Miscellaneous Adjustments	1,316,754		
Total Basic Budget Changes		20,072,441	
<i>Percent Change due to Basic Budget Changes</i>			11.78%
<b>Subtotal 2011-12 Basic Budget</b>		<b>170,608,813</b>	
<b>2011-12 Reductions and Service Packages</b>			
2011-12 Expenditure Reductions (Net of Revenue Enhancements)	(6,127,096)		
2011-12 Service Packages	4,925,366		
Total Net Change		(1,201,730)	
<i>Percent Change Due to Net Effect of Reductions and Service Packages</i>			-0.71%
<b>Subtotal 2011-12 Approved Budget (Before Annexation)</b>		<b>169,407,083</b>	
<b>Annexation:</b>			
Ongoing Annexation Service Packages Approved in 2010	6,512,305		
2011-12 Annexation Service Packages	24,033,242		
Interfund Adjustments	2,989,461		
Total Annexation Costs		33,535,008	
<i>Percent Change Due to Annexation</i>			19.68%
<b>Subtotal 2011-12 Approved Budget (After Annexation)</b>		<b>202,942,091</b>	
<b>Changes Due to Fund Restructuring:</b>			
Moving Recreation Revolving Fund to General Fund	(2,385,402)		
Moving Parks & Municipal Reserve to General Fund	8,850,392		
Moving Tour Dock Fund to General Fund	85,315		
Moving Grant Control Fund to General Fund	202,892		
Moving Off-Street Parking Fund to Street Operating Fund	10,777		
Moving Street Improvement Fund to Street Operating Fund	2,858,693		
Moving Cemetery Improvement Fund to Cemetery Operating Fund	437,338		
Total Changes Due to Fund Restructuring		10,060,005	
<i>Percent Change due to Fund Restructuring</i>			19.11%
Reserves		18,507,993	

**COMPARISON OF 2009-10 BUDGET TO 2011-12 BUDGET**

<b>Total 2011-12 Approved Budget (Including Annexation)</b>	<b>42,615,348</b>	<b>231,510,089</b>	<b>38.21%</b>
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