



**DEPENDABLE
INFRASTRUCTURE**



NEIGHBORHOODS



**PARKS, OPEN SPACES AND
RECREATIONAL SERVICES**



**ECONOMIC
DEVELOPMENT**



HOUSING



**PUBLIC
SAFETY**



ENVIRONMENT



**HUMAN
SERVICES**



**BALANCED
TRANSPORTATION**



**FINANCIAL
STABILITY**

2013-2014 Preliminary Budget

**Council Study Session
October 25, 2012**

Proposed Budget Agendas

- Thursday, October 25, 3:00 p.m. to 9:00 p.m.
 - Agenda Overview and Introductory Comments
 - Financial Overview
 - Budget Overview
 - Revenue Trends
 - Expenditure Trends
 - Budget Priorities
 - Major Discussion Topics
 - Public Safety Building Staffing/Operations
 - Fire Strategic Plan Implementation
 - Human Services/ARCH Funding
 - Outside Agencies/Events Funding
 - Council questions on other issue papers

Proposed Budget Agendas

- ▣ Review by Goal Area
 - Major Recommendations
- ▣ Follow-up for Next Meeting

- ▣ Wednesday, November 7
 - ▣ Study Session at 6:00 p.m.
 - Continue Review from October 25th
 - Follow-up for next meeting
 - ▣ Regular Meeting at 7:30 p.m.
 - Budget Public Hearing

Proposed Budget Agendas

- Tuesday, November 13, 6:00 (tentative)
 - ▣ Follow-up from Previous Meeting and Recap of Council Changes
 - ▣ Complete Council Deliberations and Prepare Council Budget Proposal for Public Hearing

- Tuesday, November 20, 7:30 Regular Meeting
 - ▣ Review Changes to Preliminary 2013-2018 CIP
 - ▣ Budget and Property Tax Public Hearings
 - ▣ Complete Council Deliberations (Finalize Budget)
 - ▣ 2013 Preliminary Property Tax Levy

Proposed Budget Agendas

- Tuesday, December 11, 7:30 Regular Meeting
 - 2012 Year-End Budget Adjustment
 - 2013 Final Property Tax Levy Ordinance
 - 2013-2018 CIP Adoption
 - Adoption of 2013-2014 Budget and all related Ordinances and Resolutions

“Budgeting”

A tedious attempt at precision

Without any precise data

In an environment of constant change

And unknowns

City Manager Preliminary Budget Framework

- **Balanced, Responsive, Sustainable & Financially Sound**
 - ▣ Funded elements to retain AAA credit rating
 - ▣ Ongoing and predictable revenues used to fund basic government operations
 - ▣ Significant contributions to reserves
 - ▣ Establishing sinking funds for public safety and technology equipment
 - ▣ Funding construction and operation of Public Safety Building for Police and Court services
 - ▣ Street, park, sidewalk and pedestrian safety investments funded by Propositions 1 and 2

- **Links Budget to Goals and Work Plan**

City Manager Preliminary Budget Framework



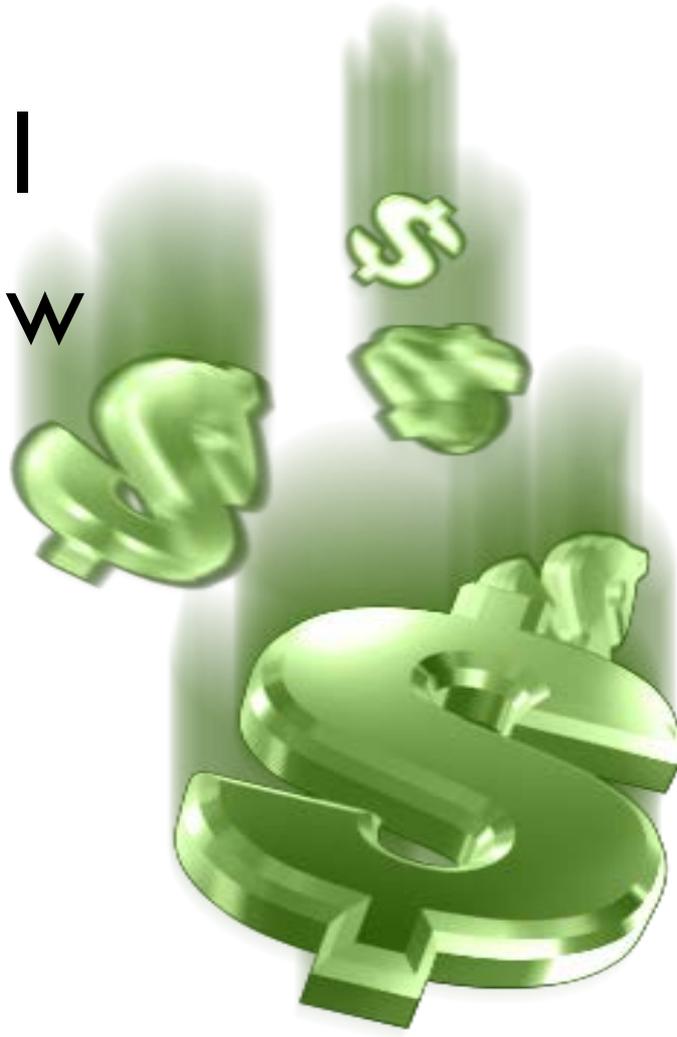
Council Goal:

Provide a sustainable level of core services that are funded from predictable revenue.

2012 City Work Program item:

Adoption of a 2013-2014 budget that demonstrates efficient, cost effective services.

Financial Overview



Budget Overview

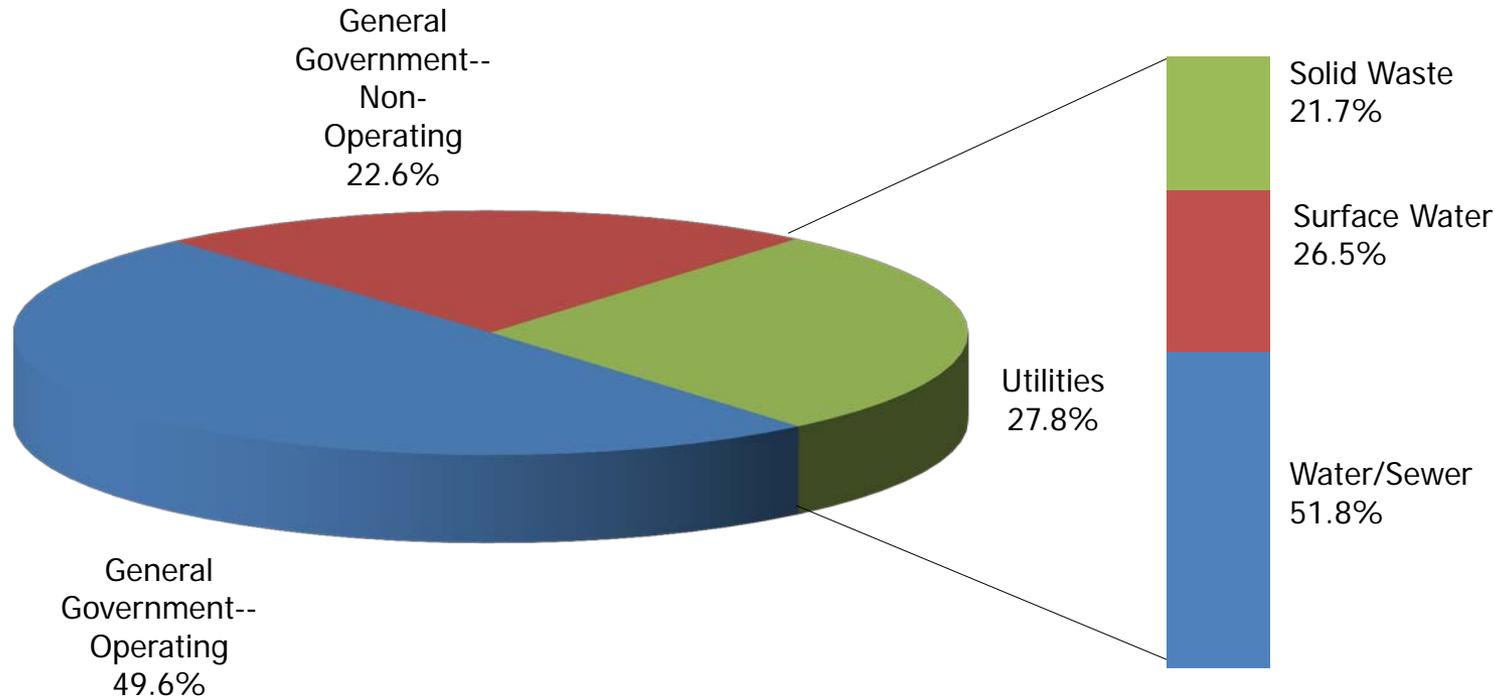
- Unprecedented changes in 2011-2012:
 - Annexation of the Juanita, Finn Hill, and Kingsgate
 - Service level reductions in response to economic conditions
 - Fund consolidations required by changes in government accounting standards
 - Self-insured for medical benefits
 - Comparisons with past budgets of limited use
 - 2013-2014 budget is a new baseline for the City

Budget Process Notes

- Increases are shown between 2011-12 to 2013-14 (two year increases) resulting in larger percentage changes than what would appear in an annual budget
- Amounts discussed are two-year totals unless otherwise indicated

Total Biennial Budget Overview

\$540,361,367



Total Budget Change

	2011-12 Budget	2013-14 Budget	% Change
GENERAL GOV'T			
General Fund	161,231,911	171,895,906	6.6
Other Operating	18,604,602	27,609,860	48.4
Internal Service Funds	57,181,149	68,510,621	19.8
Non-Operating Funds	113,823,171	121,974,625	7.2
UTILITIES			
Water/Sewer	66,961,952	77,839,643	16.2
Surface Water	33,193,878	39,895,988	20.2
Solid Waste	25,102,501	32,634,724	30.0
TOTAL BUDGET	476,099,164	540,361,367	13.5

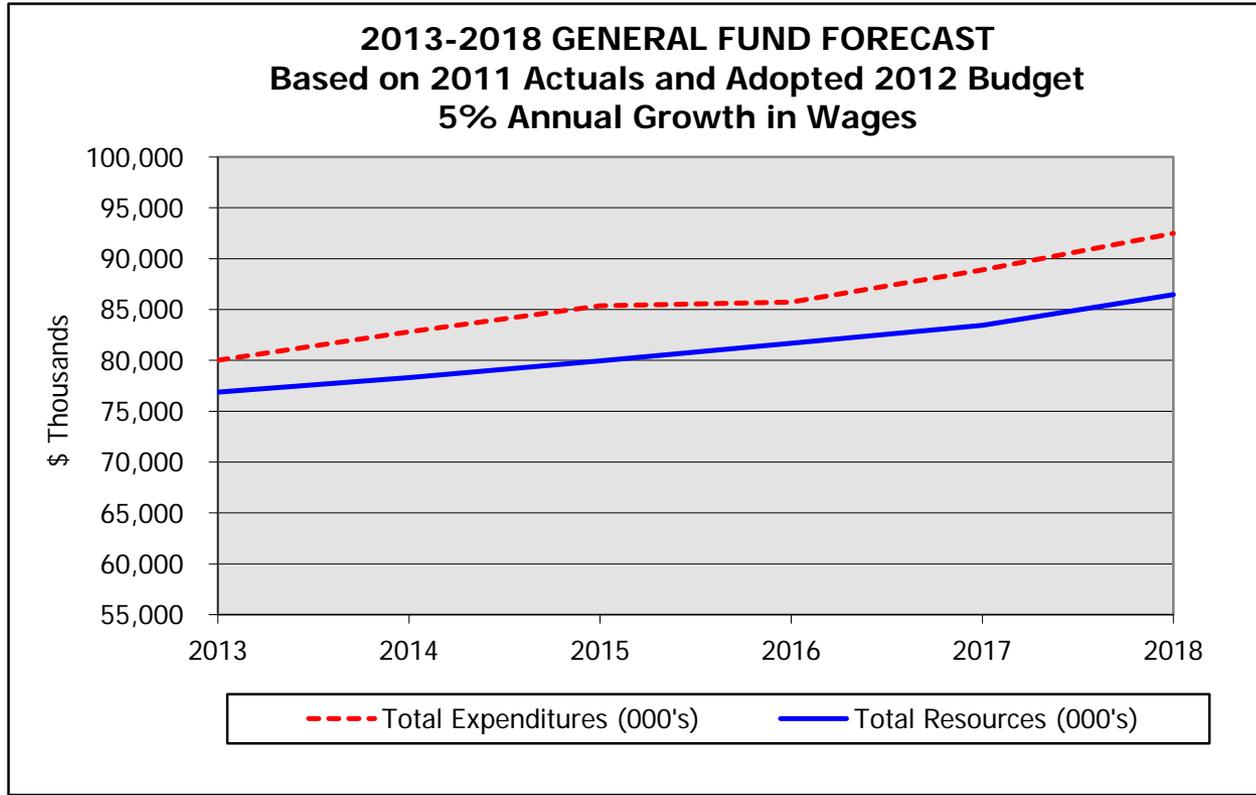
Why Does the Total Budget Increase 13.5%?

- Full two-year cost of providing services in the new neighborhoods
- Increases in health benefit costs
- Assumed program enhancements funded by the proposed Street and Park voted levy lid lifts
- Construction of the Public Safety Building and occupancy in mid-2014
- Sinking funds for Public Safety and Information Technology equipment
- Increases in expected revenues from Real Estate Excise Tax (REET) impact fees, and lodging tax due to the improving economy
- Utility rate increases and two-year revenues from the new neighborhoods in surface water and solid waste
- Accounting change resulting in City utility tax appearing in both the utility funds and the General Fund

Why Does the General Fund Increase 6.6%?

- Full two-year cost of serving the new neighborhoods
- Growth in wage and benefit costs
- Establishing equipment sinking fund reserves for Public Safety and IT
- Recommended funding of service packages

General Fund Trends - March 2012 Forecast



	2013	2014	2015	2016	2017	2018
Total Resources (000's)	76,882	78,302	79,964	81,677	83,441	86,453
Total Expenditures (000's)	80,026	82,814	85,376	85,742	88,900	92,481
Net Resources (000's)	(3,144)	(4,512)	(5,412)	(4,065)	(5,459)	(6,027)
Biennium Total (000's)	(7,656)		(9,477)		(11,486)	

Addressing the Projected Shortfall

- Revised revenue projections reflecting improved economic activity – \$2.4 million
- Recalibrate new neighborhood public safety service level requirements based on actual experience – reduction of \$1.9 million and 6.5 vacant FTEs
- Reprioritize service levels in selected areas – reduction of \$1.6 million and 7.1 FTEs (5.6 vacant positions and 1.5 filled positions)

FTE Impacts

	Recommended 2006	Adopted 2011-12	2013-14 Proposed
Pre-annexation	445.01	431.61	431.71
Annexation	165.60	110.02	104.12
Total	610.61	541.63	535.83
		If Levies Pass:	10.25
			546.08

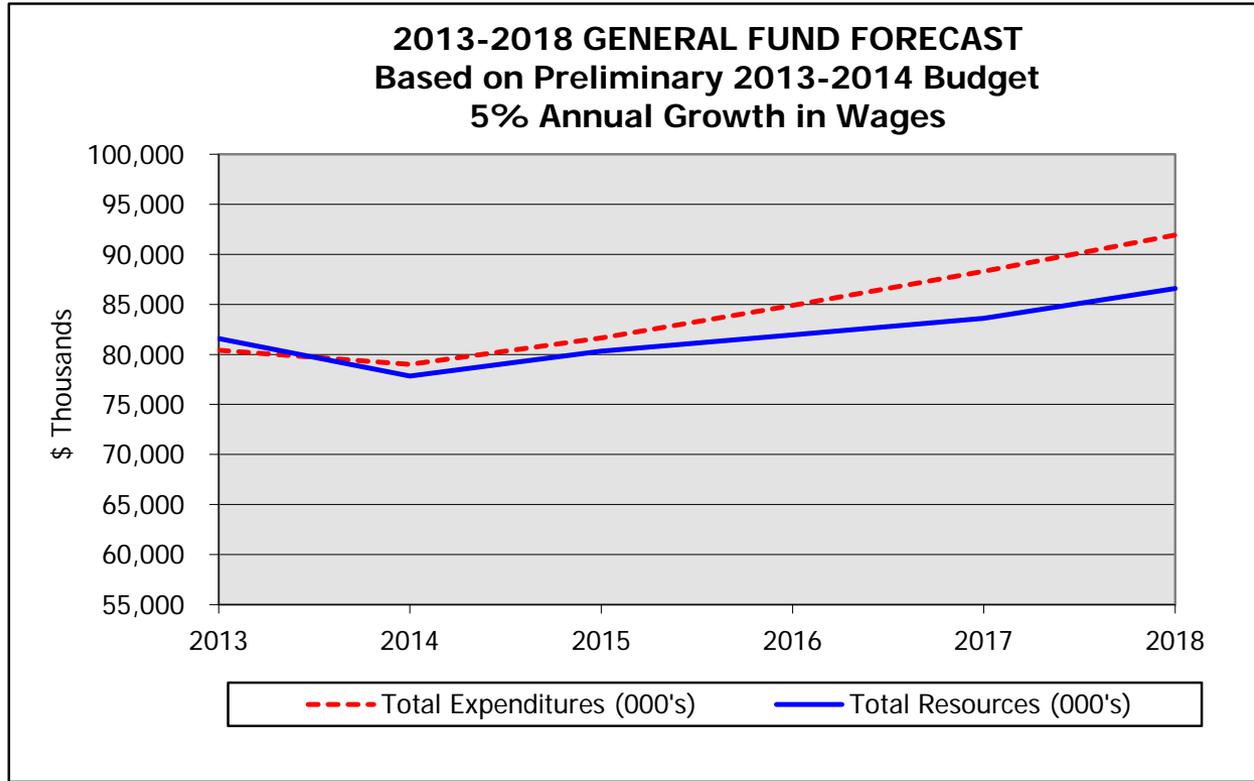
Breakdown of Annexation Area Staffing

Category	2011-12 FTE	2013-14 Proposed
Police (including 3 new PSB staff)	45.00	45.00
Fire	9.00	9.00
Court	7.50	4.00
Utilities/Streets	18.50	17.10
All Other (Includes PSB Staff)	30.02	29.02
Total	110.02	104.12

Addressing the Projected Shortfall

- Efficiencies, process improvements, and other refinements – resulting in a savings of \$1.0 million
- Slower cost growth from moving away from inflation-based salary increases in selected labor contracts, reduced projected cost by \$0.5 million
- Savings in 2011-2012, primarily due to positions held vacant and lower than projected jail contract costs

General Fund Trends - October 2012 Forecast

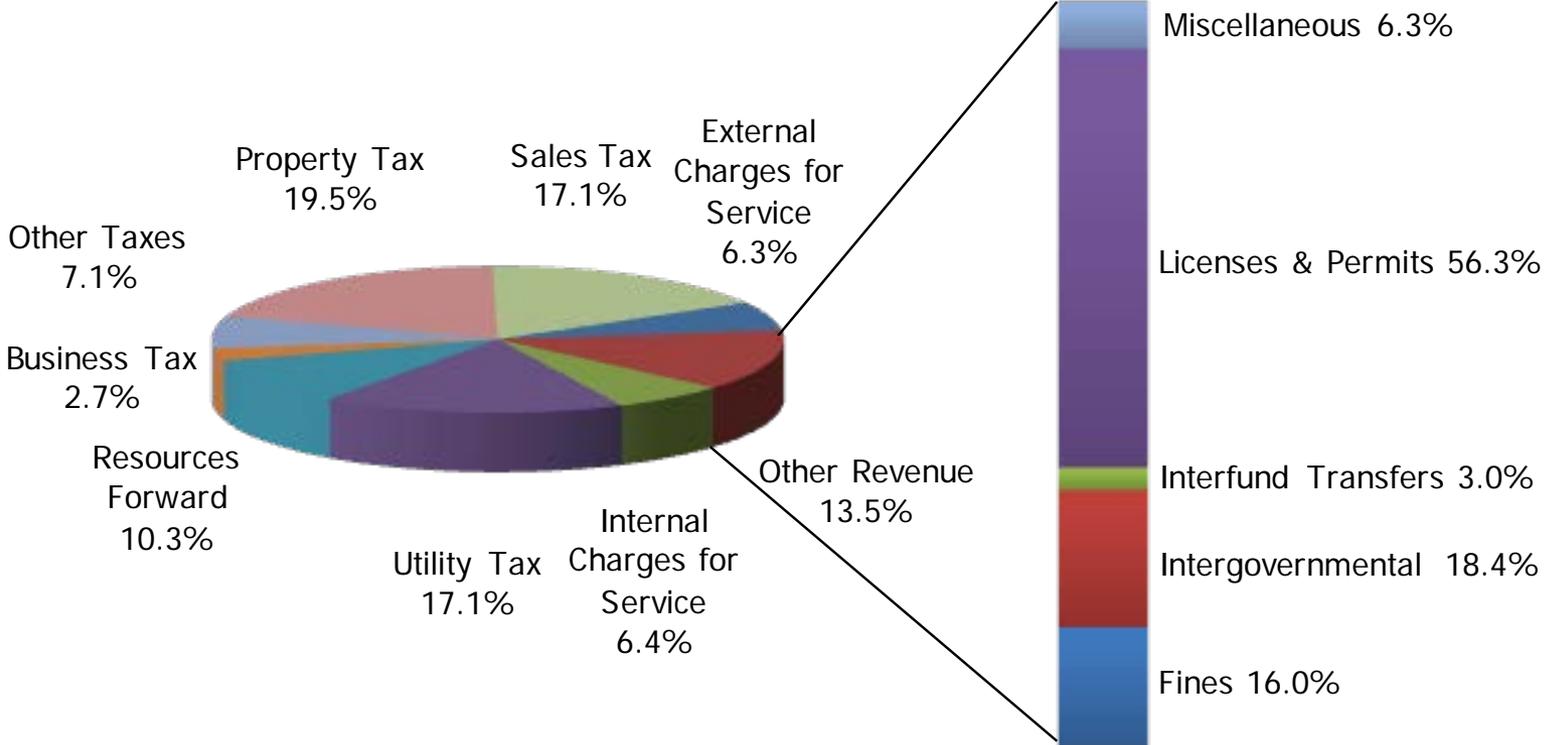


	2013	2014	2015	2016	2017	2018
Total Resources (000's)	81,572	77,842	80,323	81,950	83,625	86,584
Total Expenditures (000's)	80,420	78,994	81,640	84,889	88,320	91,940
Net Resources (000's)	1,152	(1,152)	(1,317)	(2,938)	(4,694)	(5,356)
Biennium Total (000's)	0		(4,255)		(10,050)	

Revenue Trends



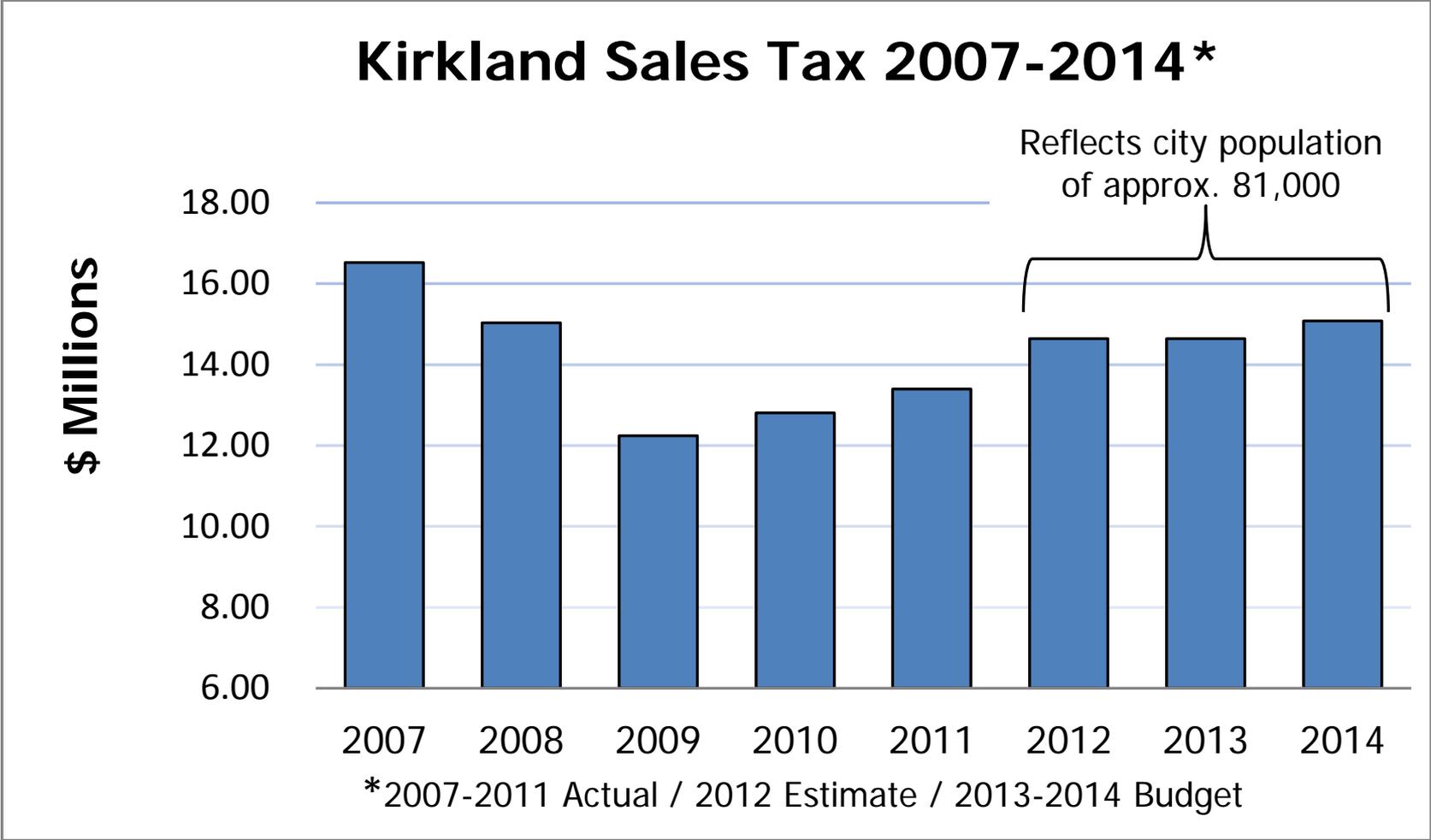
General Fund Revenue by Source



Property Tax Assumptions

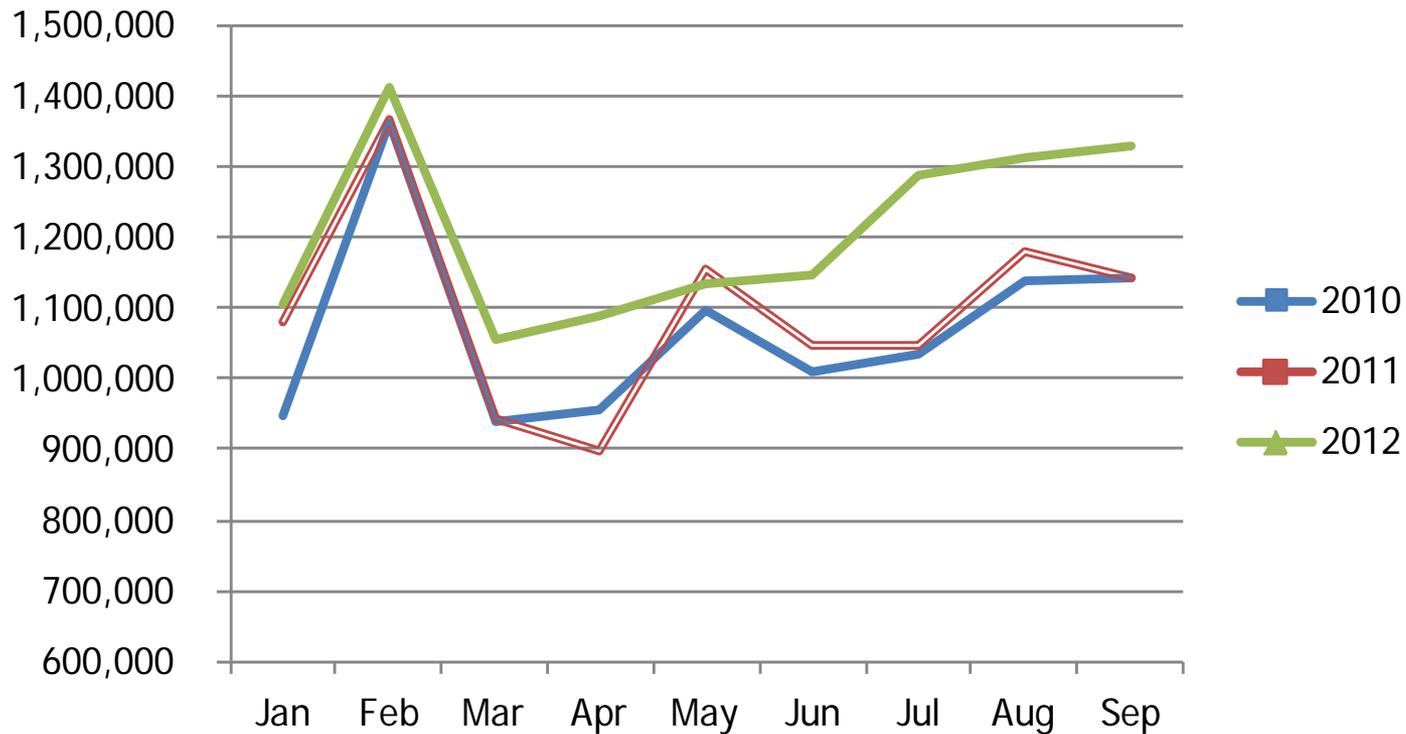
- One percent increase in new construction plus one percent optional increase in the levy
- Preliminary budget assumes both ballot measures pass:
 - \$0.204 per \$1,000 of assessed valuation for street maintenance and pedestrian safety
 - \$0.16 per \$1,000 of assessed valuation for parks maintenance, restoration, and enhancement
- Note that three City property tax rates apply to different areas of City

Annual Sales Tax Trends



Monthly Sales Tax Trends

2011-2012 Monthly Sales



Sales Tax Assumption

- Reflects one-year “lag” budget strategy - 2013 sales tax equal to expected 2012 revenues
- Projecting modest increase of 3% for 2014
- Note that it would reduce available revenues in 2014 by \$440,000 if a two-year “lag” were restored

Other Major Revenues

□ Utility Taxes

- ▣ Based on expected utility rate changes

□ Business License Fees

- ▣ 2012 estimates plus 2% increase each year
- ▣ Relief from the City's revenue generating regulatory license fee for new small businesses (10 FTEs or less) for the first year after they open in Kirkland

□ Development Fees

- ▣ \$1 million received in 2012 set aside for work to be done in 2013 and beyond
- ▣ Reserve augmented with General Fund cash to fund upcoming development fee and impact fee studies

Other Major Revenues

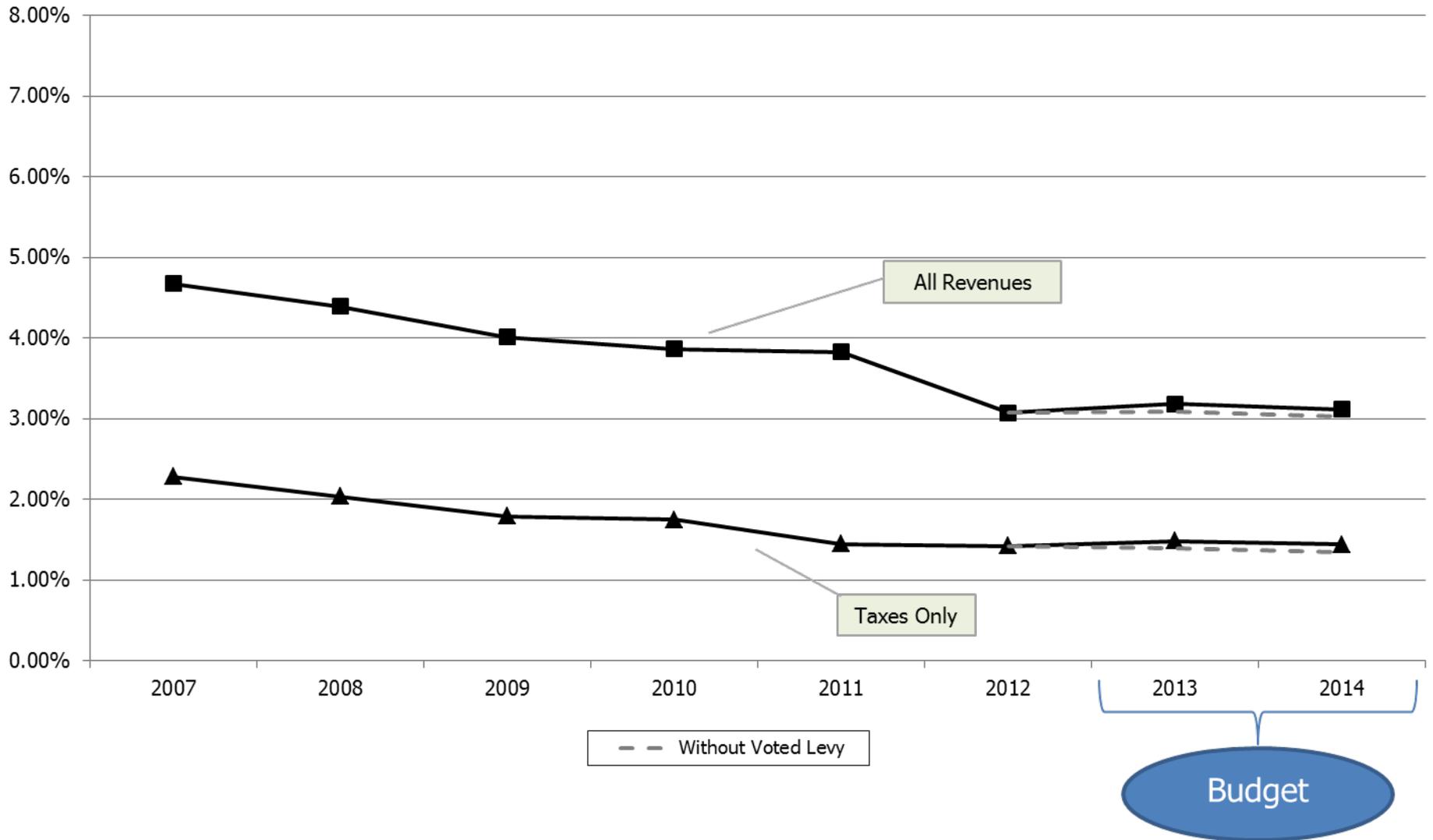
□ Interest Earnings

- ▣ Expected to decline due to the continuation of historically low interest earnings rate
- ▣ Estimated at \$0.56 million in 2013 and \$0.43 million in 2014

□ User Fees

- ▣ Development and impact fees are increased with inflation
- ▣ Continue suspension of change of use impact fees
- ▣ Inflation-related adjustment to the EMS transport fees approved in October 2012
- ▣ Extension of the right-of-way use fees (used to fund new right-of-way construction inspector position)

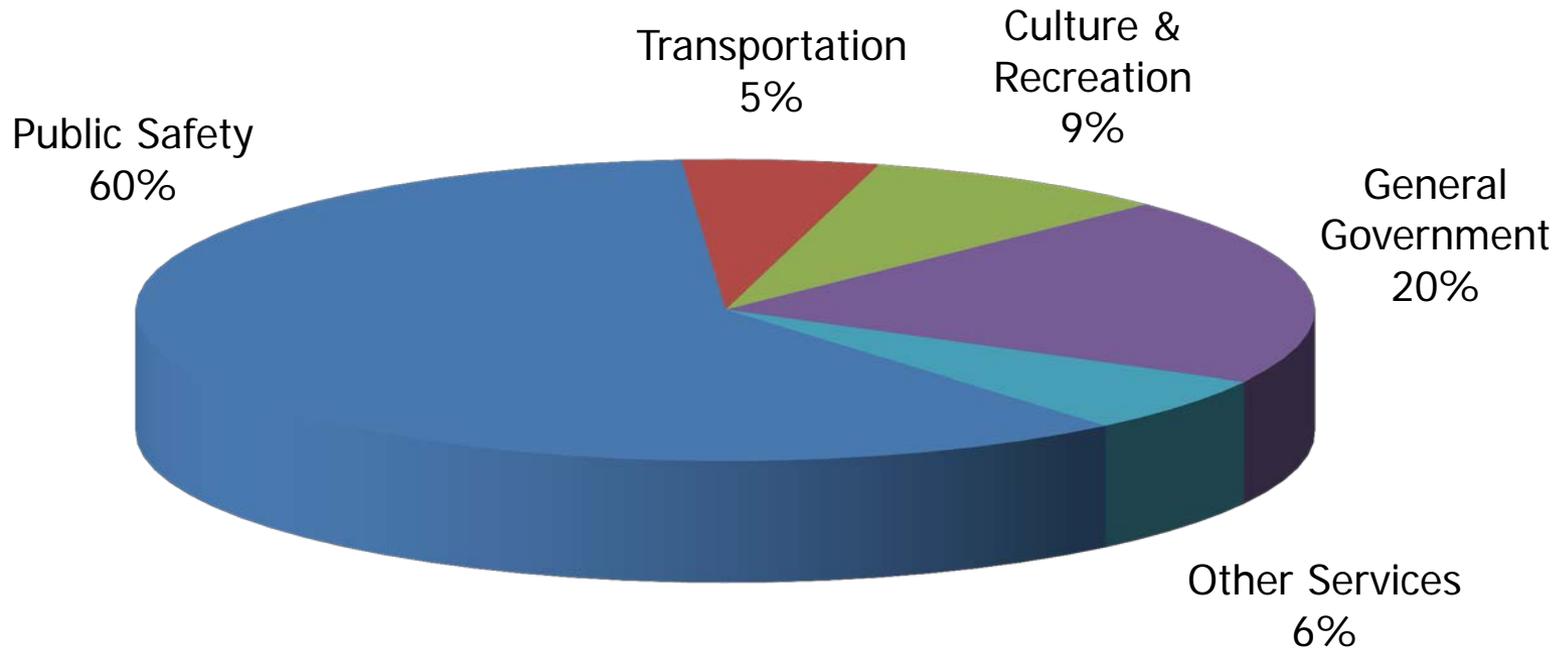
The Price of Government City of Kirkland, Washington



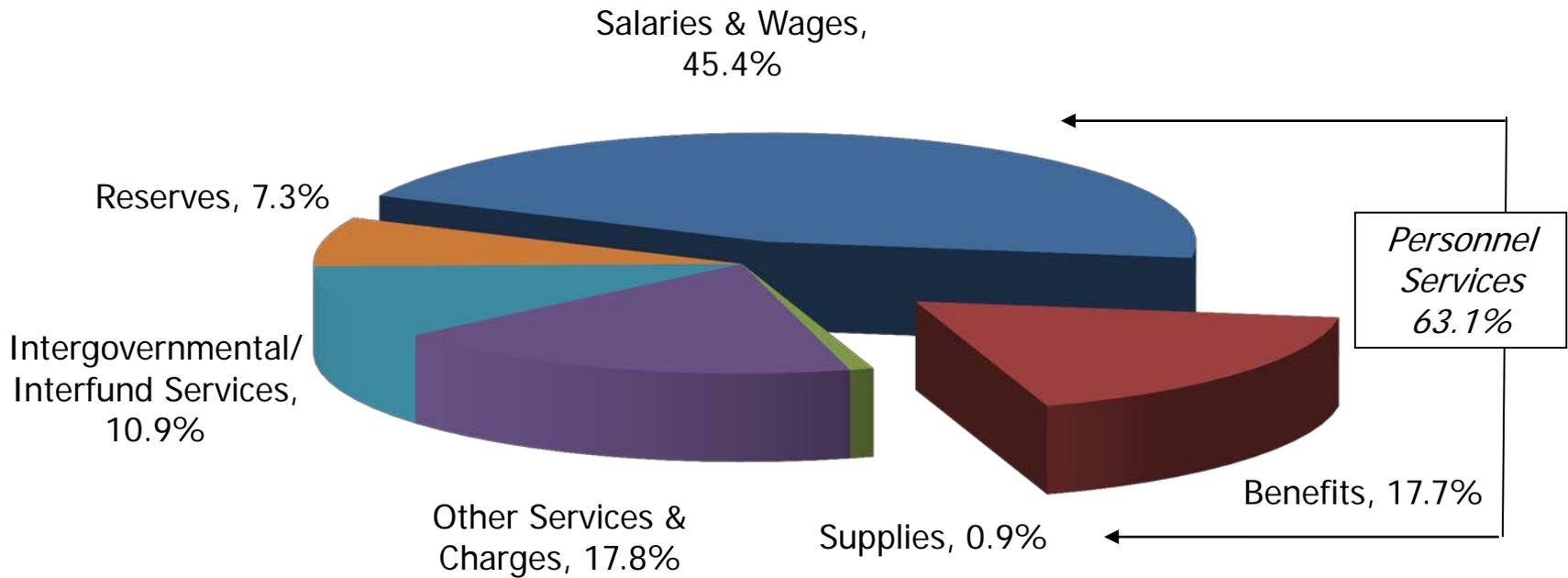
Expenditure Trends



General Fund by Program



General Fund Expenditures by Category



Expenditure Trends

- Wages
 - ▣ 2.5% COLA in 2012 & 2013, 0% in 2014
 - AFSCME, Teamsters and Management & Confidential (MAC)
 - ▣ Police Guild contract closed in 2013, open in 2014
 - ▣ All other collective bargaining agreements open for biennium
- Benefits
 - ▣ Currently have \$1 million in Health Benefits Fund rate stabilization reserve, in addition to required balance of 16 weeks of expected claims
 - ▣ 2013 – 13% increase
 - ▣ Employee Health Benefits Committee

Budget Priorities



Budget Priorities

- ❑ Relationship to Financial Stability Goal
- ❑ “Special Condition” Suspension of Reserve Replenishment Policies
- ❑ Citizen Survey
- ❑ Reduction Rationale
- ❑ Service Package Approach



Financial Stability

- No basic operations funded by one-time revenues
- Incorporating reserve replenishment based on 1% of the General Fund into the on-going budget
- Replenishing revenue stabilization reserve to target
- Establishing sinking funds for Public Safety and Information Technology equipment (\$1.5 million one-time and \$950,000 per year on-going), plus setting aside funding for major IT systems replacement (\$500,000 one-time)
- Pursuing new on-going revenue sources to stabilize support of on-going programs, through placement of the levy propositions on the November 2012 ballot for Streets and Parks
- Investing in development of a Performance Management System, \$50,000



Financial Stability

2013-2014 General Purpose Reserves with Targets

Reserve	Preliminary 2013-2014 Budget Target	2012 Estimated Ending Balance	Planned Additions to/(Use of) Reserves	2014 Estimated Ending Balance	(Under)/Over Target	2014 Ending Balance as % of Target
Contingency	4,401,617	2,201,870	224,555	2,426,425	(1,975,192)	55.1%
General Capital Contingency	5,318,355	3,919,463	-	3,919,463	(1,398,892)	73.7%
General Operating Reserve (Rainy Day Reserve)	4,333,295	2,806,513	-	2,806,513	(1,526,782)	64.8%
Revenue Stabilization Reserve	2,468,068	1,231,431	1,236,637	2,468,068	-	100.0%
Council Special Projects	250,000	189,534	60,466	250,000	-	100.0%
Building and Property Reserve	600,000	2,137,598	(1,566,019)	571,579	(28,421)	95.3%
TOTAL	17,371,335	12,486,409	(44,361)	12,442,048	(4,929,287)	71.6%

Note: Excluding the planned use of the Building and Property Reserve toward the Public Safety Building project would result in the 2014 Ending Balance for General Purpose Reserves being at 80.6% of Target.



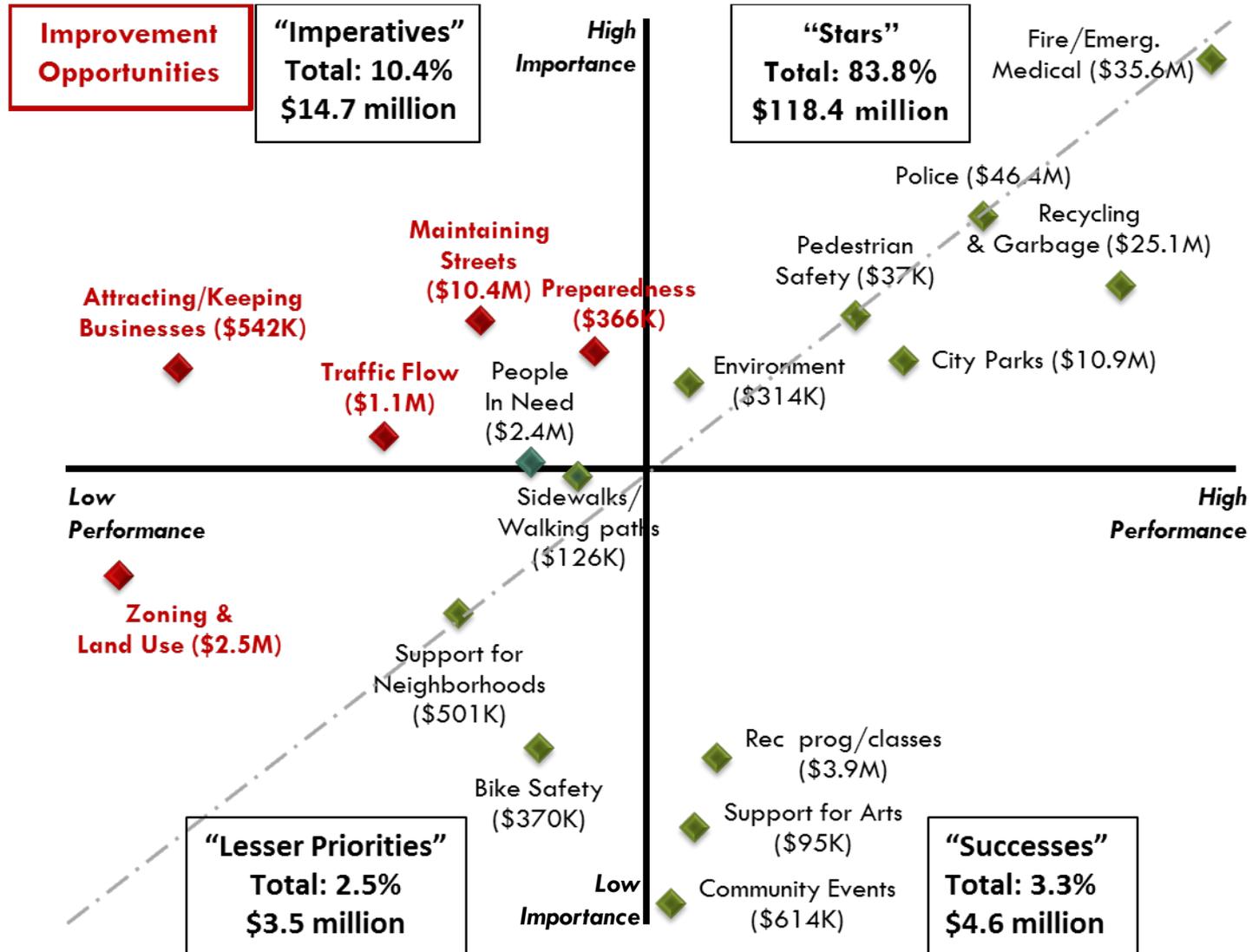
Financial Stability

- Recommending that Council pass resolution to suspend the reserve replenishment element restricting use of unplanned funds until 80% of all targets are met due to “special conditions”:
 - Continued funding of some programs with one-time funds (ARCH trust fund, KPC support, etc.)
 - One-time investment to establish Public Safety/IT equipment sinking funds
 - Address some high priority recommendations of the Fire Strategic Plan
- Also recommend amending reserve policies to exclude levies from the targets

Citizen Survey

- 2012 Citizen Survey results presented at March City Council Retreat
- Kirkland Quad Chart Categories:
 - Stars – High Importance & Performance (top-right quadrant)
 - Imperatives – High Importance, Low Performance (top-left quadrant)
 - Lesser Priorities – Low Importance & Performance (bottom-left quadrant)
 - Successes – Low Importance, High Performance (bottom-right quadrant)

2012 Survey with 2011-12 Budget Kirkland Quad Chart



Improvement Opportunities

High Importance/Low Performance Quadrant	
Attracting and Keeping Businesses	<ul style="list-style-type: none"> • Totem Lake Action Plan items, including further capital investments, • Continued review of the tax and regulatory environment to remove barriers to new businesses, for example, the continued suspension of impact fee change of use and waiver of the RGRL in the first year for small start-up businesses, and zoning changes, • Continued investment in the economic development program and in capital projects in the City's business districts.
Managing Traffic Flow	<ul style="list-style-type: none"> • Adding resources to focus on implementation of the City's Intelligent Transportation System (ITS) to help improve traffic flow, • Additional investments in neighborhood traffic control and pedestrian safety through the proposed Proposition 1 Street Levy.
Human Services/People in Need	<ul style="list-style-type: none"> • Continued Human Services funding, • Increased ARCH funding.
Emergency Preparedness	<ul style="list-style-type: none"> • Funding of an on-going Emergency Preparedness Manager position.
Street Maintenance	<ul style="list-style-type: none"> • Additional investments in street maintenance through the proposed Proposition 1 Street Levy, • Continuation of REET funded maintenance activities, including median upkeep.
Low Importance/Low Performance Quadrant	
Zoning and Land Use	<ul style="list-style-type: none"> • Growth Management GMA/EIS Comprehensive Plan update.

Expenditure Reductions

- Departments prepared 2% and 5% reductions
- City Manager recommendations to balance the budget made using those lists
 - ▣ Remaining 2% and 5% reductions provided as potential trade-offs for service packages

Expenditure Reductions

- Recalibrate new neighborhood public safety service level requirements based on actual experience – reduction of \$1.9 million and 6.5 vacant FTEs
 - ▣ Reduce second Judicial position (1.0 FTE) and 2.5 FTE Judicial Support Associates and related costs at the Municipal Court (\$723,035)
 - ▣ Reconcile projected NORCOM expenses with actual call volumes – 26,000 dispatched calls assumed, actual calls 10,500 (\$382,000)
 - ▣ Eliminate the additional Narcotics Task Force detective (1.0 FTE), K-9 Officer (1.0 FTE), and Administrative Support Associate (1.0) FTE (\$812,257)

Expenditure Reductions

- Reprioritize service levels in selected areas – reduction of \$1.6 million and 7.1 FTEs (5.6 vacant positions and 1.5 filled positions)
 - ▣ Reduce Neighborhood Outreach Coordinator from 0.5 FTE to 0.1 FTE (0.4 FTE reduction) - \$95,045
 - ▣ Reprioritize Economic Development resources to higher priority tasks (\$32,000)
 - ▣ Parks Business Services Manager position (1.0 FTE) and redistribute responsibilities (\$257,421)
 - ▣ 0.5 FTE Urban Forester in Planning and Community Development (\$112,805) and 0.3 FTE Senior Planner (\$72,888)
 - ▣ Sunset the Parking Advisory Board and eliminate the 0.5 FTE Parking Coordinator position (\$126,043)
 - ▣ Reduce 2.0 FTE unfilled Police ProAct unit positions on hold from the 2011-2012 budget (\$516,266)
 - ▣ Eliminate Fire Wildland Response specialized training (\$23,142)
 - ▣ Vacant Field Arborist (1.0 FTE) in Parks Maintenance and fund one-time with REET flexibility funds (\$190,040)
 - ▣ Vacant 0.9 FTE Grounds Technician position and the 0.5 FTE Locator positions in the Street Fund (\$215,722); fund Laborer position using REET flexibility revenues

Expenditure Reductions

- Efficiencies and process improvements
 - Rearrange workload and reclassifying positions to lower classifications (Finance and Administration - \$50,189 and Human Resources - \$51,503)
 - Line item reductions (efficiencies, changes in business practices, line item reconciliation):
 - City Council - \$32,610 (reconcile estimated dues to actual assessment)
 - Public Works - \$65,015
 - Finance and Administration - \$28,816
 - Police - \$83,187
 - Streets - \$182,250
 - Information Technology - \$169,636
 - Facilities - \$237,024
 - Ensure Cemetery fund administrative costs are charged to that fund - \$39,120,
 - Additional Planning fee revenues 2.7% CPI increase- \$35,995.

Service Package Approach

- Two categories:
 - 2 and 5% additions – department needs
 - Other service packages
 - One-time or revenue funded
 - Levy-related
 - Public Safety Building
- Full lists provided for potential trade-offs with remaining reductions

Major Discussion Topics



Topics

- Public Safety Building Staffing/Operations
- Fire Strategic Plan Implementation
- Human Services/ARCH Funding
- Outside Agencies/Events Funding
- Council questions on other issue papers

Public Safety Building Staffing/Operations

- Completing the Public Safety Building CIP project (\$27.4 million in 2013-2014)
- Commencing operation of the Public Safety Building (One-time and Ongoing)
- Jail Operations, 3.00 FTE, \$787,102
- Public Safety Building operations and maintenance (O&M), 1.0 FTE, \$719,583
- Help Desk Staffing for the Public Safety Building and Network Support, 0.20 FTE, \$51,349

Public Safety Building Staffing/Operations

Public Safety Building-Related Service Packages	2013		2014	
	Ongoing	One-Time	Ongoing	One-Time
Police	148,134	46,005	477,815	115,148
Facilities	-	26,000	660,663	32,920
Information Technology	25,274	-	26,075	-
Total Costs	173,408	72,005	1,164,553	148,068
Funding: Savings in Contract Jail Costs	173,408	72,005	1,164,553	148,068
Net	-	-	-	-

Estimated On-going Cost

Item	Amount
2014 Jail Budget	3,914,488
Less: Estimated Cost of 55-Bed Jail	(2,825,341)
Subtotal	1,089,147
Plus: Facilities Costs Included Above	137,160
Available for Other Costs	1,226,307
Other Costs:	
Facilities	(1,110,524)
Information Technology	(26,901)
Subtotal	88,882
Plus: Cost Offsets	
Reduction in Court Facility Costs	164,821
Reduction in Police Fleet Costs	31,000
Available for Public Safety Building Sinking Fund	284,703

Fire Strategic Plan Implementation

- Finn Hill Fire Station Staffing (50% of 12-hour aid car coverage), \$649,130 one-time
- Policy & Procedure Manual, \$17,000 one-time
- City Emergency Manager, 1.0 FTE, \$322,814 - Ongoing
- Senior Financial Analyst to help meet budgeting, financial analysis, and administrative needs in the Fire & Building Department, \$235,781 - One-time
- Administrative Assistant Reclassification to Administrative Supervisor to help to meet the administrative and supervisory needs of the Fire & Building Department, \$12,089 - Ongoing

Human Services/ARCH Funding

- Human Services:
 - Continued on-going funding at \$8.06 per capita (\$656,944 per year)
 - To return to \$8.61 per capita rate, amount per year would be \$701,758 (\$44,814 more per year)
- Increasing ARCH Housing Trust Fund contribution from \$432,000 to \$630,000
- Continued support of affordable housing projects in the City, specifically the Transit-Oriented Development at the South Kirkland Park & Ride

Human Services Funding

Program/Funding Source	2011-2012 Budget	2013-2014 Budget
Human Services Program (includes per capita allocation)	1,234,081	1,313,888
Human Services Forum and Other Regional programs	35,450	23,450
Human Services Coordination	256,437	276,009
Senior Center Operations	995,103	1,046,969
King County Alcohol Treatment Programs	39,342	6,885
A Regional Coalition for Housing (ARCH)--Operations	694,525	805,000
Community Youth Services Program/Teen Center	607,587	620,395
Teen Mini Grants	17,000	17,000
Domestic Violence Programs	499,532	515,458
Police School Resource Program	241,765	259,205
Senior Discounts for Utility and Garbage Services	70,429	78,967
Kirkland Cares (assistance with utility bills)	8,000	8,000
Specialized Recreation Program	14,000	14,000
Recreation Class Discounts	2,000	2,000
Total Human Services Funding	4,715,251	4,987,226

Outside Agencies/Event Funding

- General Fund Partner Agency funding recommended for 2013-2014 at current levels

- Lodging Tax event funding is allocated each year
 - Recommended at slightly increased level for 2013 (about 6% increase)

Outside Agency Funding

By Funding Source	2011/2012 Approved	2013/2014 Requested	2013/2014 Recommended
GENERAL FUND			
Partner Agency -- Ongoing			
Bellevue YMCA KTUB Teen Center Operations	320,000	320,000	320,000
Kirkland Downtown Association Operating Support	90,000	90,000	90,000
<i>Subtotal Partners -- Ongoing</i> ----->	410,000	410,000	410,000
Partner Agency -- One-time			
Kirkland Performance Center Operating Support	68,000	68,000	68,000
<i>Subtotal Partners -- One-Time</i> ----->	68,000	68,000	68,000
		-	-
<i>Subtotal Community Grants</i> ----->	-	-	-
Subtotal General Fund ----->	478,000	478,000	478,000
	2012	2013	2013
	Approved	Requested	Recommended
LODGING TAX FUND -- Tourism Grants			
Little League Inc. Jr. Softball World Series	9,000	10,000	9,000
Kirkland Performance Center Marketing	6,000	10,000	7,000
Book Publishers Network NW Bookfest	4,000	4,000	4,000
Kirkland Downtown Association Summerfest	3,000	12,000	5,000
Woodmark Hotel Tall Ships Carillon Point	4,800	5,500	4,500
Kirkland Downtown Association Classic Car Show Marketing	3,000	6,000	3,000
Bold Hat Productions Kirkland Uncorked Marketing	8,000	15,000	4,500
Seattle International Film Festival SIFF	3,000	5,000	3,500
Pro-Motion Events Half Marathon & 5k	2,500	3,400	2,000
Kirkland Arts Center Artist Studio Tour -Lacavore	4,000	5,000	4,000
Bold Hat Productions Oktoberfest	-	10,000	1,500
Early Music Guild & Northlake UU Church Early Music Fridays	-	2,570	1,000
Seattle Synchro Synchro Soiree	-	2,900	1,000
Subtotal Lodging Tax ----->	47,300	91,370	50,000
TOTAL ALL FUNDING SOURCES	525,300	569,370	528,000

Review by Goal Area





- *Ensure that all those who live, work and play in Kirkland are safe.*
- Goal: Provide for public safety through a community-based approach that focuses on prevention of problems and a timely response.



Public Safety

- Completing the Public Safety Building CIP project (\$27.4 million in 2013-2014)
- Commencing operation of the Public Safety Building (One-time and Ongoing)
 - ▣ Jail Operations, 3.00 FTE, \$787,102
 - ▣ Public Safety Building operations and maintenance (O&M), 1.0 FTE, \$719,583
 - ▣ Help Desk Staffing for the Public Safety Building and Network Support, 0.20 FTE, \$51,349
- Police Strategic Plan, \$100,000
- Establish Police equipment sinking fund, \$250,000 one-time and \$250,000 ongoing
- Municipal Court Security, \$86,076



Public Safety

- Fire Strategic Plan implementation actions:
- Finn Hill Fire Station Staffing (50% of 12-hour aid car coverage), \$649,130 one-time
- Policy & Procedure Manual, \$17,000 one-time
- City Emergency Manager, 1.0 FTE, \$322,814 - Ongoing
- Senior Financial Analyst to help meet budgeting, financial analysis, and administrative needs in the Fire & Building Department, \$235,781 - One-time
- Administrative Assistant Reclassification to Administrative Supervisor to help to meet the administrative and supervisory needs of the Fire & Building Department, \$12,089 - Ongoing



Public Safety

- Fire Records Specialist, 0.25 FTE one-time in 2013 to support the EMS transport fee program, \$24,716
- Consolidated Fire Station CIP Project (\$3.9 million in 2013-2014)
- Fire equipment CIP projects (\$431,200 on 2013-2014)
- Establish Fire equipment sinking fund, \$750,000 one-time and \$750,000 ongoing
- Increase EMS Transport Fee with inflation



- *Kirkland values an integrated multi-modal system of transportation choices.*
- Goal: To reduce reliance on single occupancy vehicles and improve connectivity and multimodal mobility in Kirkland in ways that maintain and enhance travel times, safety, health and transportation choices.



Balanced Transportation

- Non-motorized Transportation CIP projects totaling \$5.2 million for 2013-2014, including \$3.9 million for the Cross Kirkland Corridor interim trail and Master Plan, sidewalks, and pedestrian safety
- Transportation Engineer, 0.85 FTE, \$186,620 – Funded ongoing from permit revenues and expenditure offsets
- Transportation Engineer - Traffic Signal Operations, 0.75 FTE, \$178,074 to provide ongoing resources to maximize the investment in intelligent transportation system (ITS) technology to improve traffic flow
- Intelligent Transportation System (ITS) Software Support, \$50,000 – Ongoing cost of ITS system, developed using \$1.8 million in grant funds
- Transportation CIP projects totaling \$1.2 million in 2013-2014
- Ongoing funding for Pedestrian Safety improvements through the Proposition 1 Streets Levy (if passed) - \$300,000



- *Kirkland has a well-maintained and sustainable infrastructure that meets the functional needs of the community.*
- Goal: To maintain levels of service commensurate with growing community requirements at optimum life-cycle costs.

Dependable Infrastructure

- Establishing adequate rates to support the needs of the Water utility, resulting in a 3.37% rate increase in 2013 and 4.87% increase in 2014
- Financing Water utility CIP projects totaling \$5.5 million for 2013-2014
- Financing Street CIP projects totaling \$14.6 million for 2013-2014, including \$6 million from the proposed Roads Levy
- Right-of-way Construction Inspector, 1.0 FTE, \$236,566 – Ongoing from ROW permit fees
- Temporary Laborer (REET Funded), \$200,116 to continue maintenance activities
- Median Maintenance (REET Funded), \$120,000
- Ongoing funding for increased Street Overlay through the Proposition 1 Streets Levy (if passed) - \$5.4 million (includes 1.0 FTE CIP Engineer to manage programs)
- Funding for Councilmembers to rejoin NLC and attend NLC National Conference to lobby delegation for federal infrastructure dollars



PARKS, OPEN SPACES AND RECREATIONAL SERVICES

- *Kirkland values an exceptional park, natural areas and recreation system that provides a wide variety of opportunities aimed at promoting the community's health and enjoyment.*
- **Goal:** To provide and maintain natural areas and recreational facilities and opportunities that enhance the health and well being of the community.

Parks, Open Spaces & Recreational Services

- Parks CIP projects totaling \$3.6 million in 2013-2014, including \$2 million from the Proposition 2 Parks Levy (if passed)
- Boat Launch Pay Station, \$19,500 (\$3,000 – Ongoing)
- Parks Operations and Maintenance (REET Funded) - \$299,928
- Add a Senior Groundsperson position one-time funded with REET
- Open restrooms at neighborhood parks
- Provide seasonal labor to care for the City Cemetery and parks amenities
- Kirkland Performance Center one-time funding, \$68,000

Parks, Open Spaces & Recreational Services

- Ongoing Parks Operations & Maintenance service levels funded from the Proposition 2 Parks Levy (if passed)
- Restore Maintenance and Operations, 2.5 FTE, \$1,111,575
- Lifeguards, \$203,182
- Forest Restoration, 3.0 FTE, \$712,484
- OO Denny Park Maintenance, 1.0 FTE, \$261,181
- Edith Moulton Park Renovation, \$5,660 (O&M only)
- City-School Partnership Projects, \$5,960 (O&M only)
- Cross Kirkland Corridor Trail Maintenance, 0.75 FTE, \$197,669



- *Kirkland has a diverse, business-friendly economy that supports the community's needs.*
- Goal: To attract, retain and grow a diverse and stable economic base that supports city revenues, needed goods and services and jobs for residents.

Economic Development

- Continued implementation of the Totem Lake Action Plan, including:
 - Market Study of Totem Lake – Comprehensive Plan Update, \$25,000
 - Totem Lake Surface Water capital projects (\$5.2 million in 2013-2014)
 - An additional \$2.9 million in 2013-2014 toward the 120th Avenue road improvement CIP project
- Ongoing Cultural Arts Commission support - \$30,000
- As part of the tax and regulatory review to remove barriers to new businesses:
 - Continued suspension of impact fee for change of use
 - Waiver of the per FTE revenue generating regulatory license fee for new small businesses (less than 10 FTEs) during their first year of operation in Kirkland



Economic Development

- Continued 85th Street Corridor capital investments (\$2.4 million in 2013-2014)
- Setting funds aside to conduct development fee and impact fee studies to reflect the results of the Development Services Organizational Study and the Comprehensive Plan update
- Continued funding of programs with business and development interests, including the Kirkland Business Roundtable and the business retention program
- Lodging tax funding for special events, \$50,000 for 2013



- *Kirkland is a diverse and inclusive community that respects and welcomes everyone and is concerned for the welfare of all.*
- **Goal:** To support a regional coordinated system of human services designed to meet the special basic needs of our community and remove barriers to opportunity.



Human Services

- Maintained on-going funding levels for human service agencies at \$1.3 million
- Continued staffing for participation in regional human services initiatives



- *The City's housing stock meets the needs of a diverse community by providing a wide range of types, styles, size and affordability.*
- Goal: To ensure the construction and preservation of housing stock that meets a diverse range of incomes and needs.



Housing

- Increasing ARCH Housing Trust Fund contribution from \$432,000 to \$630,000
- Continued support of affordable housing projects in the City, specifically the Transit-Oriented Development at the South Kirkland Park & Ride



- *We are committed to the protection of the natural environment through an integrated natural resource management system.*
- **Goal:** To protect and enhance our natural environment for current residents and future generations.



Environment

- Establish adequate rates to support the needs of the Sewer, Surface Water, and Solid Waste utilities, resulting in:
 - 6.82% rate increase in 2013 and no increase in 2014 for Sewer
 - No rate increase for Surface Water
 - 12.89% rate increase for 2013 and no increase in 2014 for Solid Waste
- Financing Sewer utility CIP projects totaling \$5.0 million for 2013-2014



Environment

- Financing Sewer utility CIP projects totaling \$5.0 million for 2013-2014
- Financing Surface Water utility CIP projects totaling \$7.1 million for 2013-2014, including a \$5.7 million investment in Totem Lake
- Rain Garden Program (offset with hourly reductions), \$60,000 - Ongoing
- Maintenance Center Office Specialist (offset with reduction), 0.50 FTE, \$88,538 - Ongoing
- Surface Water Equipment, \$79,966 (\$18,880 – Ongoing)
- Ongoing funding for the Green Kirkland program through the Proposition 2 Parks Levy (if passed)



NEIGHBORHOODS

- *The citizens of Kirkland experience a high quality of life in their neighborhoods.*
- Goal: Achieve active neighborhood participation and a high degree of satisfaction with neighborhood character, services and infrastructure.

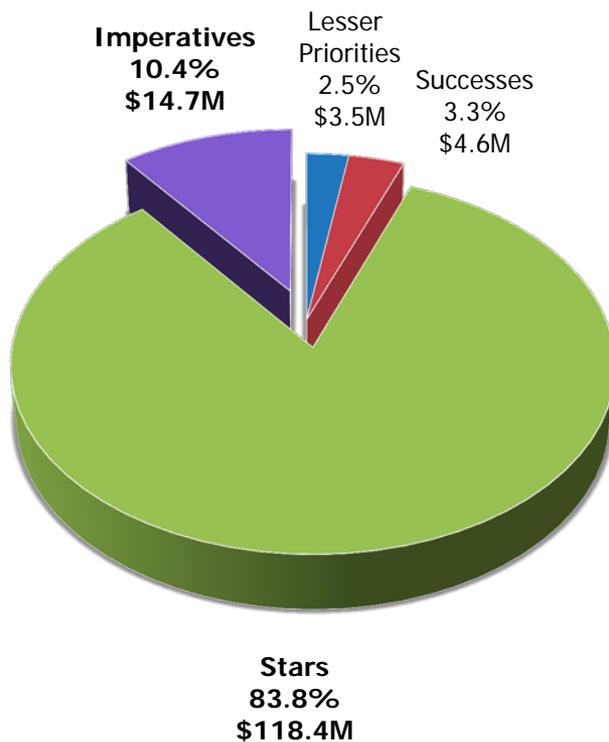


Neighborhoods

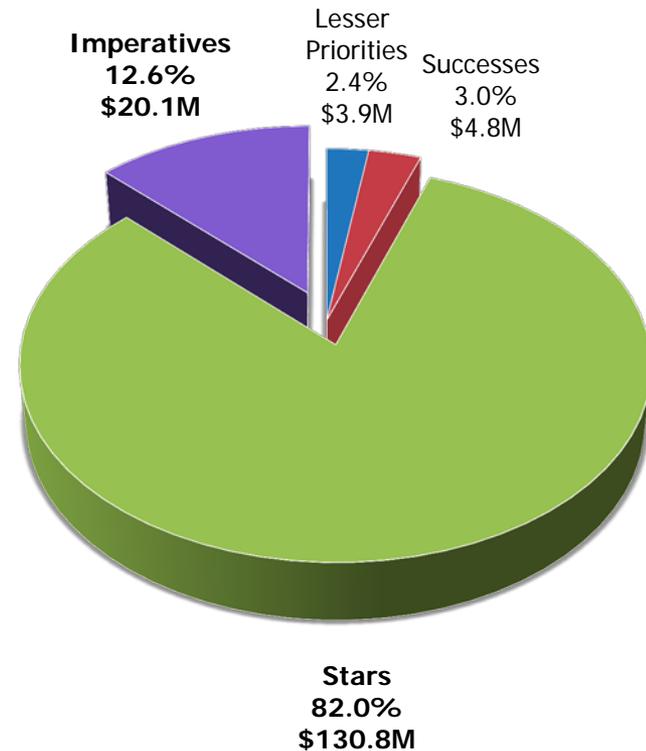
- Ongoing funding for Neighborhood Traffic Control program through the Proposition 1 Streets Levy (if passed) - \$300,000
- Filling the additional 0.5 FTE CIP outreach position to enhance communication about projects
- Updating Growth Management Act (GMA) Comprehensive Plan and Environmental Impact Statement (EIS), \$326,000, which includes neighborhood planning
- Establishing opportunity funds for improvements in the new neighborhoods for sidewalks and pedestrian safety

Impact of Recommendations

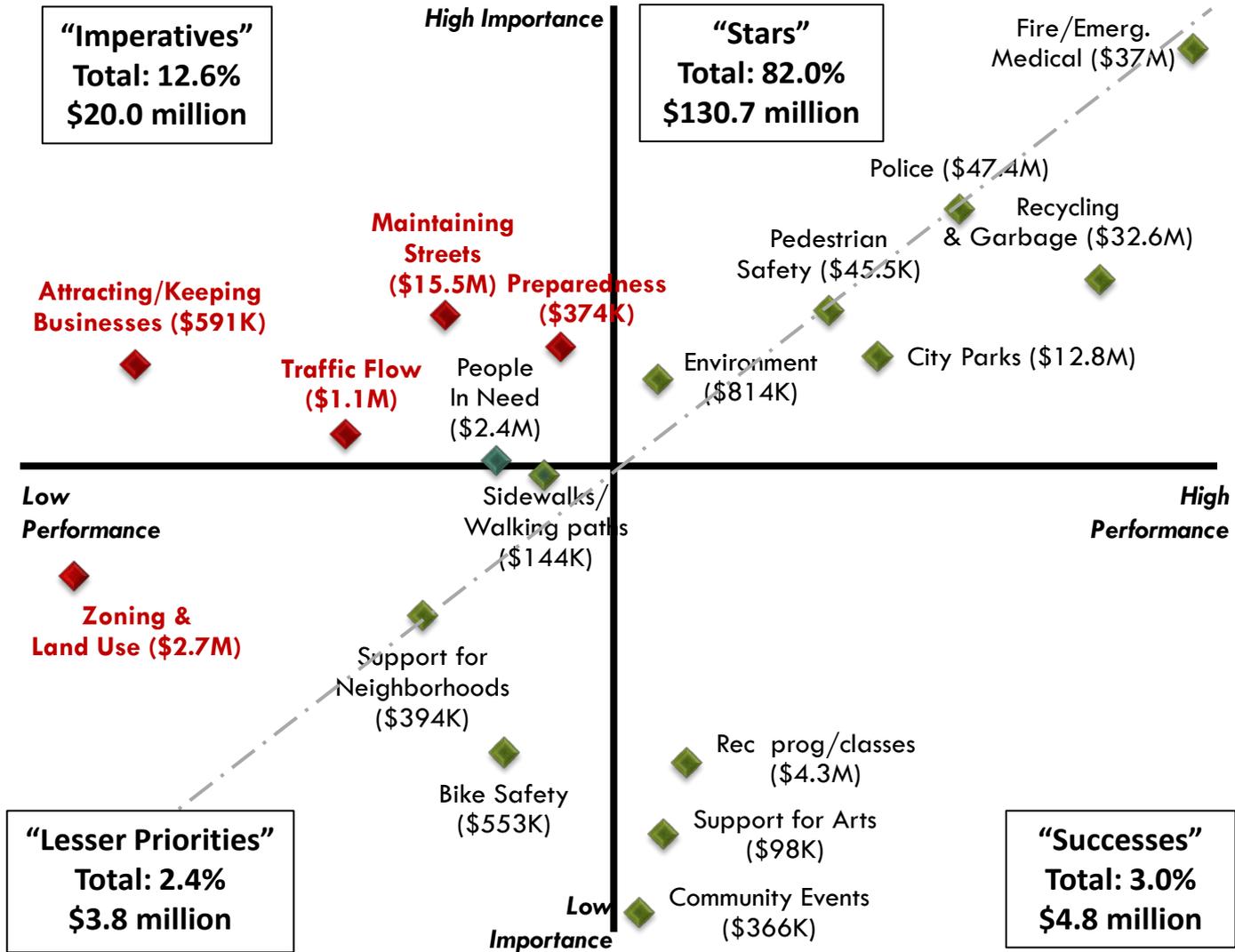
Survey with 2011-12 Budget



Survey with 2013-14 Budget



Kirkland Quad Chart with 2013-14 Budget



Suggested 2013-2014 Work Plan

Work Plan Items	Council Goals
<ul style="list-style-type: none"> • Complete Master Plan and construction of Cross Kirkland Corridor interim trail 	<ul style="list-style-type: none"> • Balanced Transportation • Parks and Recreation • Economic Development • Neighborhoods
<ul style="list-style-type: none"> • Complete construction of Public Safety Building 	<ul style="list-style-type: none"> • Public Safety
<ul style="list-style-type: none"> • Continue implementation of Fire Strategic Plan recommendations 	<ul style="list-style-type: none"> • Public Safety
<ul style="list-style-type: none"> • Complete Comprehensive Plan update and incorporate new neighborhoods into all planning documents 	<ul style="list-style-type: none"> • Neighborhoods • Balanced Transportation • Parks and Recreation • Diverse Housing • Economic Development • Dependable Infrastructure
<ul style="list-style-type: none"> • Develop a City-wide multimodal Transportation Master Plan 	<ul style="list-style-type: none"> • Balanced Transportation • Infrastructure • Economic Development • Neighborhoods
<ul style="list-style-type: none"> • Implement the results of the Development Services Organizational study 	<ul style="list-style-type: none"> • Economic Development
<ul style="list-style-type: none"> • Continue partnership initiatives with employees to achieve sustainability of wages and benefits 	<ul style="list-style-type: none"> • Financial Stability
<ul style="list-style-type: none"> • Revitalize Totem Lake through the Totem Lake Action Plan 	<ul style="list-style-type: none"> • Economic Development • Financial Stability

Council Discussion

